



AEEMA

R < D Inquiry

Submission No. 68.2



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Benchmarks for Investment Attraction

Benchmarks should be prefaced with an appropriate statement of political cultural, lingual and social climate that reflects a theme of Australia 'as a place where things work' or some similar idea that encapsulates what we have to offer as an R&D investment location.

1. Establishment and Operations Costs of typical R&D facilities for the ICT industry compared to other competing locations for the following scenarios:
 - 20, 50, 100 and 200 persons
 - Capital City location/Regional location

Costs should be broken down into components (salaries, on-costs, rent, energy, insurances...)

2. Economy – Australia vs. competing locations:
 - Key economic indicators (interest rates, productivity, GDP growth, business investment, unemployment rate, participation rate, median income...)
 - Size of local market(s) (hard to sustain an industry where there is absolutely no local market)
 - Availability of inputs (materials and services)
3. Taxation regime – Australia vs. competing locations:
 - Direct (company tax, capital gains, payroll...)
 - Indirect and hidden (government fee, charges & imposts, administrative burden...)
 - Tax advantages & disadvantages (eg. Dividend imputation, depreciation schedules, taxation treatment of business inputs...)
4. Investment concessions – Australia vs. competing locations:
 - Federal level
 - States level
5. 'Tyranny of (physical) distance' costs. Additional costs of being located in Australia compared to other locations closer to world's major population and financial centres. Affordability, efficiency and competitiveness of:
 - International air freight
 - International air travel (eg. Sydney to Tokyo, Adelaide to Bonn, Melbourne to Toronto)
6. Business infrastructure – Australia vs. competing locations – adequacy and appropriateness of:

- Business regulation (competition regulation, companies regulation, reporting standards...)
 - Legal systems (accessibility, costs, speed...)
 - Capital markets (size, sophistication & capabilities: breadth & presence of financial institutions)
 - Labour market flexibility (eg. redundancy obligations)
 - Corporate governance climate
7. People, Skills and Innovation – Australia vs. competing locations:
- Skilled people – graduates, post-graduates, doctoral students, post doctoral researchers etc. (absolute numbers and per capita) in key areas (especially science & technology; business & commerce)
 - Linguistic profile
 - Ditto but for skilled tradespeople
 - Qualifications benchmarking
 - Per capita patents granted
 - Per capita training expenditure
 - Per capita R&D investment (public, private)
8. Communications infrastructure. Availability, quality, and competitiveness of (especially):
- Mobile/IDD telephone service
 - Broadband internet access
 - International private lines eg. (Sydney-New York, Melbourne-Paris)
 - Labour costs for selected professional/tradespeople (newly trained; 5 years experience; 10 years experience)
9. Quality of life – Australia vs. competing locations:
- Cost of quality of living (eg. Basket of groceries, basic services...)
 - Cultural assets (eg. community tolerance/attitude towards foreigners, status of minority groups, languages spoken)
 - Health (national health insurance, prevalence of diseases, water/sewage, doctors, hospitals etc. per capita)
 - Environment (pollution, national parks...)
 - Recreation opportunities
 - Culture of Social responsibility
 - Environment and education for Children
10. Security – Australia vs. competing locations:
- Natural hazards
 - Political risks (warfare, acts of terror etc.)
 - Personal security (homicide & violent crimes rates, burglary rates etc.)
11. Other direct or indirect benefits – Australia vs. competing locations:
- Eg. Compulsory superannuation



- Eg. USA has extensive state taxes regime and employers bear cost of health insurance
 - Eg. Levels of litigation (very high in some countries, almost non-existent in others)
 - Eg. Trade practices obligations (eg. Strict product liability)
12. Other direct or indirect benefits – Australia vs. competing locations:
- Eg. Comprehensive social security system, public health system, Pharmaceutical Benefits Scheme.
