



PRIME MINISTER

**SPEECH BY THE PRIME MINISTER, THE HON P J KEATING MP
OPENING OF THE "TECHNOLOGY AUSTRALIA '95 EXPO",
PARLIAMENT HOUSE, CANBERRA, 30 MAY 1995**

E&OE PROOF ONLY

Well thank you very much John (Plunkett). Could I begin by especially welcoming our very distinguished guest, Professor Habibie and members of the Indonesian delegation.

It is a great pleasure to be launching this at a time when the Indonesian Minister most closely associated with research and development is in our country. Could I also acknowledge my colleague Senator Cook, the Special Trade Representative John Button and, of course, our former long standing Minister for Industry, and members of the Industry Research and Development Board, representatives of companies exhibiting here today and ladies and gentlemen.

Well this is a very nice honour indeed to be opening this the first of these Technology Australia exhibitions which can showcase the innovations in Australian industry which have occurred, in part, in association under the IR&D Board arrangements.

It is true that one of the great comparative advantages that Australia has, probably its greatest comparative advantage, is its education system and by a revolution in our education system - by, huge participation rates in secondary school, the creation of 60 per cent of extra places in higher education, the development of a vocational education system of standing. This is the foundation which our industrial development and research and development is built upon.

The other change in the recent past is to recognise that Australia has always had a fairly deep pure research base and to get to know how to apply that. But we could never apply it adequately in the past when we were massively uncompetitive because the size of our domestic market was not of sufficient size to be able to carry the products we were able to produce.

So much of what we do now is focussed on exports and we know that in the product innovation business, which is the business we have to be in, we can't be in the export trade unless we are competitive and the changes in Australian economic policy and industry policy, over the last decade, have meant that Australia today is 40 per cent more competitive than it was in

1983. Not only that - and important as that is in making opportunities for exports and therefore developing products - we have also had now a substantial premium on private research and development, which is itself now making a very great difference to the nature of the products we are producing.

Our excellent scientific institutions, long standing ones like the CSIRO and the universities and the medical research institutes, have always been producers of innovative, high quality technologies. But we have encouraged, and sought to encourage, private research and development because we did lag behind many OECD countries in the private R&D effort as distinct from the public R&D effort. And back there in the 1980s, when we were wrestling with this when John Button was Minister for Industry and Technology, we looked at R&D through grants and the IR&D Board has been an important component and, if you like, sifting through, finding those things that deserve support and doing things in partnership.

In a tax system which is fairly free of tax breaks, where the benefits have been passed along to a lower corporate rate, the one tax break we have left in the system is the write-off of 150 per cent for research and development expenditures. We have done that particularly to encourage and to be seen to encourage research and development so that private companies will take it up and we know that it has been a success and it is now one of the consistent underpinnings of our private R&D effort.

I think the other thing that the Government is particularly proud of are the Co-operative Research Centres. I think we now have just on 70 of these, maybe less 60 odd, and the range of things that we are doing is most particularly pleasing. But I think as much so, is the fact that we have the institutions like the universities and the CSIRO in there with industrial companies, working on technologies and being able to apply them virtually automatically and instantaneously.

So, in other words, instead of just an institution or some other private company developing something and having limited capacity to apply it or, even more perhaps importantly, limited capacity to maintain the research effort, by funding Co-operative Research Centres by getting that private and that public quality to this research effort. We have, I think, made a bit of a breakthrough in the way research and development is done in this country.

Could I just say a couple of things about the IR&D Board. It has made 1,000 grants totally over \$250 million. We have got 4,000 companies registered now for the 150 per cent tax concession involving total deductions of \$1.5 billion and registered syndicates involving research of approximately \$1.5 billion. Add that, of course, to what we are doing in the Co-operative Research Centres and there is a lot of induced research and development going on and that is reflecting in the nature of the products we can see about us.

Now I am especially pleased that in the Great Hall we have some space to showcase some of these things. I know just going around the country recently, I was at Sola, a small Adelaide based company, it has grown into one of the world's largest producer of plastic spectacle lenses, manufacturing now in 11 countries. Or, Cochlear which is here, which is the leader in

implants for the profoundly deaf, which exports 85 per cent of its product. Hawker de Havilland is here with its new superlight fuselage for helicopters, which again will have domestic and international application. I think our new air traffic control system is on display.

All of these innovations, I think, do focus on best practice and one of the things I am particularly pleased about with Peter Cook's involvement in the trade portfolio and now in industry, is the way the Best Practice program has grown and the way in which Australian companies have taken on Best Practice, world Best Practice as being something very important.

Now we like to think that we can do things. We are developing not just something in Australia, but something in South East Asia, a base, an industrial base, some really deep industrial infrastructure and that is why I am particularly pleased that Doctor Habibie is with us today. Because this great nation to our north, Indonesia, nearly 200 million people, growing now consistently between 6 and 8 per cent a year, offers great opportunities for economic and industrial co-operation and there can be co-operation which goes not only simply to the commercial applications of technologies, but doing things together in the fields of defence. We already have a substantial defence co-operation between us and there is no doubt in terms of equipment procurement it may be possible in the future that we can do things together. At any rate, I think, it is in South East Asia's interest to be able to develop, in its own region, competent industries, apart from their commercial and trade orientation, competent defence industries too that add to the security of the region and give it a home grown capacity to be able to develop an industrial base.

So, again, I would like to most especially see these growing linkages with Indonesia and particularly in this field of high technology and I am particularly pleased and honoured that Professor Habibie could be with us today and has taken the interest he has over the course of his visit in some of the higher technology industries of Australia to see what applications they might have in some joint co-operation.

At any rate, Professor Habibie I would like to, again, welcome you here to Parliament House and to this exhibition and to the members of your party and I am sure you can join with me and Peter Cook in offering our exhibitors our congratulations at being able to demonstrate this today and to, again, commend the Industry Research and Development Board for their initiative, for their guidance, for their innovation in those things that will make Australia stronger and better.

It is with very great pleasure that I declare open officially now this exhibition.