



FUNDING RESEARCH & DEVELOPMENT
25 October 1995

Mrs PENFOLD (Flinders): I wish to highlight a sad anomaly we have in Australia today. On 7 November the Australian nation focuses on a horse track in Melbourne as it does on the first Tuesday in November every year. On this day Australians will bet around \$200 million on a horse race that lasts just three minutes. In a year, Australians gamble at least \$12 million chasing a winner, and the odds are always stacked against them. Australians gamble twice as much as we spend on research and development. We are a nation of gamblers, while research and development programs that can create real wealth for Australia are lost. It is a sad state of affairs. Until we as a nation increase our effort and spend more on research, we always stand the chance of losing the geese that lay the golden eggs and of losing the golden eggs.

We have lost so many good inventions and inventors to the rest of the world simply because we have failed to attract funding for research and development. This lack of investment has meant that many good ideas, such as Interscan, a multidirectional radar for aircraft landings, will now be developed in the United States. Gene shears, a new process for switching off undesirable genes, will go to the French and again to the US. The black box flight recorder was invented in 1954 by an Australian aeronautical engineer, yet it was overseas interests and money that developed this amazing technological aid to air safety. They have all gone overseas for want of the investment dollar.

Dr John Baxter, the inventor of a robot sheep shearing machine and the electronic line caller for tennis, among other things, who recently won South Australia's inaugural Unsung Hero of Science award, wrote to me on the subject. He said that performance based incentives such as five or 10 year tax holidays were successful in Singapore. He continued:

There seems no alternative to increasing the financial incentive for risk investments in Australia.

Dr Baxter says that, provided the financial incentives were based on performance, this could be achieved at no cost to taxpayers and only a possible reduction in future Government revenue. He continued:

This, however, could be more than compensated for by increased employment and growth in wealth creation.

He suggested that even some sort of negative tax with a sunset clause, based on export income, could be a sensible option. Further to this is a radical new idea that was proposed recently at an ANZAAS meeting by Launceston College of Technical and Further Education social scientist, George Chandler. He said that Australians should be encouraged to finance research by laying bets on projects they think are most likely to lead on to successful products. Those who pick winners could have first refusal on taking shares in the new product. Mr Chandler says about Australians: They have no qualms about investing in real estate or retailing but they think research is too risky.

Mr Chandler proposes a weekly television show highlighting up to five new inventions or processes nearing the development stage. For \$25 a viewer could place a \$20 bet on one or more of the advanced projects. In other words, rather than bet on a horse race they can bet on a product. The other \$5 would be ploughed into the pure research field of the viewer's choice. It sounds radical but, if it is a gamble, it may appeal to the Australian people. If it prevents something like the orbital engine from going overseas for further development it will be a winner for all of us.

Australian punters have always tried to back winners. Who knows: they may punt on research. I am reminded how successful the South Australian Museum was in raising funds to buy the opalised fossil of a type of plesiosaur, a marine reptile that it called 'Eric'. It advertised for donations on television and was over-subscribed. It is worth a try. Or perhaps it involves a donation with an option to purchase shares if the project reaches development stage, maybe even combined with tax or other incentives.