

GOVERNMENT and 'think tank' reports continue to emphasise the importance of hi-tech engineering and manufacturing for Australia's economic future - but that is largely where the emphasis stops.

Many of the world's leading telecommunications technologies - designed and manufactured in Australia - are sold to blue chip companies in the US and Europe, but are continually overlooked in Australia, by Australian corporates and even by government and defence organisations.

This is the unfortunate ongoing experience for Queensland-based engineering group, EM Solutions.

"EM Solutions struggles to sell its products to large corporations here at home, even government entities, while we are able to do so to blue-chip customers overseas. Why is that?" asked EM Solutions managing director Rowan Gilmore, who is also a former CEO of the Australian Institute for Commercialisation.

"A recent report by Professor Graham Schaffer, commissioned by the Queensland State Government, has accentuated the importance of engineering and engineering intensive firms to the Queensland economy," Dr Gilmore said.

"Growth of the industry has the potential to add \$10 billion per annum to the Queensland economy with Brisbane as a world engineering centre for the global provision of specialist engineering services.

"I attended an excellent event in the new Brisbane Convention Centre recently, at which these challenges were debated. It struck me that the company I lead, EM Solutions, an innovative designer and manufacturer of broadband telecommunications radios for microwave and satellite links, is an iconic example of one such firm.

"We employ 15 engineers, seven of whom have PhDs. For the past five years we have reinvested over 25 percent of our revenues into research and development.

"The founders of our company, through their persistence and contributions over the past 30 years, have been responsible for spawning several new companies and the growth of a high-tech electronics industry in South East Queensland that now employs many hundred staff.

"Technological innovation is important to compete in such an industry. But it is not enough.

"If taxpayers are spending \$40 billion to lay a broadband network across Australia, why aren't local innovators thriving on the back of that?

"If Australian Defence is spending billions upgrading its telecommunications equipment, why is it all imported?

"It seems our large corporations don't like to take risks, to work with SMEs, to nurture home grown innovative firms.

"They prefer to work with accredited suppliers, large organisations they think are more trustworthy than small businesses.

"One solution to prevent the further hollowing out of manufacturing in Australia is indeed to innovate; but another is for our big corporations to innovate in their procurement as well, and better manage the risk of working with small local businesses.

"Otherwise, we'll all end up the poorer."



Rowan Gilmore, EM Solutions managing director.