

SIAA STATEMENT ON ASSISTANT TREASURER'S COMMENTS ON ABC'S Q&A PROGRAM, MONDAY 11 AUGUST 2015

'Tony Jones: Josh let's go to you, - Assistant Treasurer, but you could be the voice in the ear of the Treasurer that says it's time to build an Australian space agency.'

'Josh Frydenberg: Well I mean Sharon's absolutely right - Chris' story is an inspiration to a whole lot of young people. Good on you Chris for coming to Australia and spreading the word. Australia has actually got a proud record over the last five decades in cooperating with NASA in space exploration. For example through the Woomera tracking station, the Parkes Observatory. We do it through Geoscience Australia and CSIRO but we don't feel we have the capacity to have our own space program and that's why we're linking in with our American friends, our European friends and others. What we do though, our focus on is how do we support Australian businesses who have got space exploration or research that is related to their products, whether it's in satellite navigation or the like? So both the CSIRO and the Department of Industry have designated space units that are focussed on these issues – on research and the commercialisation of technology. Andy Thomas is an Australian who obviously became an American citizen in order to join the program and there are other Australians who are working in the engineering side with the Mars program and the like, so I think it's actually quite a positive story, but as a country of 23 million people, I don't think we are going to be seeing any time soon either side of politics try to put an Australian on the moon.'

The Space Industry Association of Australia is pleased that Australia's role in international space endeavours is receiving such wide public attention and discussion.

As the peak organisation responsible for speaking on behalf of the Australian space industry, it is important that the level of support currently provided for our national space activities is fully understood, so that it can be accurately compared with the level of support for similar activities in other countries. This will help to place our current activities in context.

Space activities are today so broad that they provide ubiquitous services to the world community in much the same way as we expect water from the tap. We no longer ask where it comes from, only why it has stopped when the service ceases. This means that Australia's participation in space need not be at an International Space Station level but certainly needs to include the reliable delivery of the space based services upon which this nation is economically dependent, much as the Satellite Utilisation Policy currently proffers.

As this statement will illustrate, the choice is not just between the current ground based support for foreign programs or a national human space exploration program such as those funded by leading space faring nations and our regional neighbours. Australian industry and research organisations actually have all the necessary capacity and ability to address many of our national space based service needs. Facilitation of a national response to national needs offers a visionary opportunity for advanced manufacturing jobs growth and the inspirational vision necessary to stimulate the next generation of STEM graduates that we will need for the new world economy.

Australian Government investment in civil space remains one of the lowest among OECD countries. Figure 1 shows that the Australian government outlay for civil space R&D in 2013 was only 0.56% of all R&D expenditure, one of the lowest in the world.

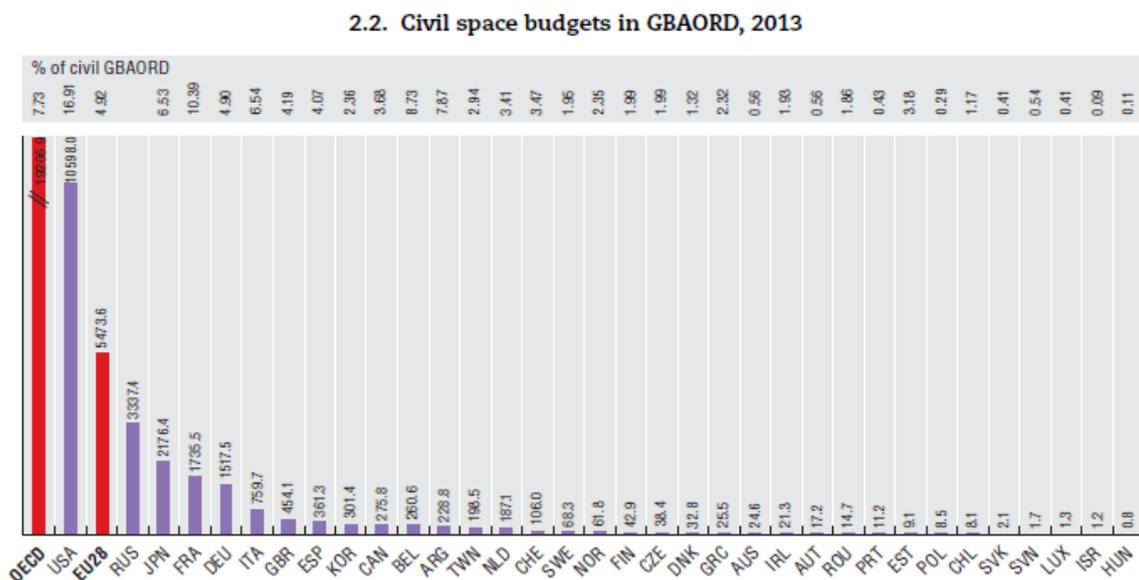


Figure 1

According to the latest Science, Research and Innovation (SRI) Budget Tables¹ (see Figure 2) the estimated amount of government support in 2015/16 for non-military space science, research and innovation (under OECD classifications) will be as little as 0.3% of total Commonwealth Government R&D outlays, falling from a recent peak of \$84.8 million in 2012-2013.

2009-10 \$m	2010-11 \$m	2011-12 \$m	2012-13 \$m	2013-14 \$m	Estimated Actual 2014-15 \$m	Budget Estimate 2015-16 \$m	% of 2015-16 expenditure
73.8	69.3	48.2	84.8	31.0	48.9	28.3	0.3

The Space Coordination Office within the Department of Industry and Science operates on a very small budget with a handful of staff members, compared with a country like Canada that has a space

¹ <http://www.industry.gov.au/innovation/reportsandstudies/Pages/SRIBudget.aspx>

agency employing 670 staff and supporting 7,500 industry jobs.² Civil space in Australia is clearly in need of urgent government facilitation.

The SIAA believes that the unanimous report of the 2008 Senate Standing Committee on Economics – ‘*Lost in Space? Setting a new direction for Australia's space science and industry sector*’³ should continue to be the guiding document for the evolution of Australia’s national space policy. The national space policy mapped out in that report is feasible, realistic and would add to the economic health of the country.

In that report the Senate Committee concluded that:

‘...it is not good enough for Australia to be lost in space. It is time to set some clear directions. The Australian government should have a space policy and, like most other comparable countries, an agency to implement it. The global space industry generates global revenues of around US\$250 billion per annum, and Australia should be playing a larger role.’

The key recommendations were:

- Australia should have a national space policy and, like most other countries, an agency to implement it
- There should be a staged approach including the immediate formation of a government unit to coordinate Australian space activities
- The space activities coordinated by government should include those of the private sector

Following the Senate report:

- A Space Policy Unit was established in 2009 within the Industry and Science Department
- The Australian Space Research Program was established – a \$40 million economic stimulus program of competitive grants for 14 space research or space education projects over 3 years. In spite of its impressive commercial and educational results, there was no follow on program
- A ‘Satellite Utilisation Policy’ was endorsed by Cabinet and announced in April 2013
- A Space Coordination Office was formed in July 2013 within the Department of Industry to replace Space Policy Unit
- The Space Industry Association of Australia won the right to host the world’s biggest and most prestigious space event, the International Astronautical Congress, in Adelaide in 2017

Notwithstanding all of the above, Government budget support for civil space is at historic lows.

The SIAA believes that the debate about the type of national space program that is urgently needed in this country should take account of the following considerations:

- Australia is one of the world’s heaviest and most sophisticated users of space services and the Australian economy is missing out on its share of a \$300 billion world market⁴

² http://www.asc-csa.gc.ca/eng/about/csa_organization.asp

³ http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Economics/Completed_inquiries/2008-10/space_08/report/index

⁴ Futron’s 2014 Space Competitiveness Index p.3 see <http://spaceref.biz/commercial-space/futron-releases-2014-space-competitiveness-index.html>

- Space science and technology produces important advanced manufacturing spin-off benefits to the national economy
- Space inspires young people to specialise in disciplines such as maths and science that are important to our economic future
- As traditional industries decline and jobs disappear, an advanced technological capability which includes complex space systems, both in orbit and on the ground, is essential to a growing, vibrant new economy
- Economic and strategic changes in the Asian century could mean that Australia will need to be less dependent on its traditional allies for access to space
- Without its own orbiting space assets, Australia is at a severe disadvantage in participating in international programs and accessing space services
- Australia's Satellite Utilisation Policy needs to be supported by a civil space budget commensurate with Australia's economic world ranking in order to achieve the Policy's goals of:
 - improved productivity
 - better environmental management
 - a safe and secure Australia
 - a smarter workforce and
 - equity of access to information and services.
- In order to establish and realise the benefits of a properly funded national space capability the Australian Government should review the recommendations in the 2008 Senate Report and implement the Satellite Utilisation Policy by initiating appropriate national programs to enhance our economic future and also provide an enduring space 'shopfront' to national and international industry and key international space organisations.

Australia's economic future will not be sustained by resources alone and a technologically aligned advanced manufacturing capability will depend upon the complex systems stimulated by space missions.

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