



ACT Government

2002-2003 BUDGET

KNOWLEDGE FUND TO KEEP CANBERRA AT THE CUTTING EDGE

Consistent with its 2001 election commitment, the ACT Government has created a Knowledge Fund, with \$6 million in funding for 2002-03, to facilitate the growth and expansion of the ACT's knowledge-based industries, ACT Treasurer Ted Quinlan announced today.

"This fund will deliver assistance through three modes – commercialisation grants, proof of concept grants and equity investment, all designed to address the range of barriers to business success," Mr Quinlan said.

In addition, the fund will provide assistance to high tech start-up businesses looking to develop their management skills.

"The Knowledge Fund essentially extends the level of support to business beyond cash grants to include pre-seed stage funding, and equity funding in the crucial early growth and expansion stages," Mr Quinlan said.

"The Knowledge-Based Economy Board, which will investigate and progress specific issues and provide advice directly to government on knowledge-based industries, will provide advice on the operation of the fund."

Applications for funding will be assessed on the following criteria – at a minimum, the organisation must be:

- ACT based and/or focussed;
- demonstrate financial viability over a minimum established trading period of at least 12 months; or if a start-up business be able to demonstrate a record of success;
- have a capacity to increase employment in the business;
- typically have a turnover of less than \$5 million per annum (however, applications from businesses falling outside this requirement may be considered in exceptional circumstances);
- provide annual reports of outcomes achieved for up to three years after completion of the assistance provided;
- identify potential for commercial outcomes; and
- demonstrate sound management capability.

"The high tech start-up component of the fund will support the creation of management skills in high tech companies, a key election commitment," Mr Quinlan said.

"The Knowledge Fund will also support the commercialisation activities of the ICT Centre of Excellence. The fund will be a dependable source of capital for the ideas emanating from the Centre."

Statement ends 25 June 2002



Released: 25 June 2002

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