THE HON WAYNE SWAN MP DEPUTY PRIME MINISTER TREASURER

THE HON GREG COMBET AM MP MINISTER FOR CLIMATE CHANGE AND ENERGY EFFICIENCY MINISTER FOR INDUSTRY AND INNOVATION

*** JOINT MEDIA RELEASE ***

BOOST TO AUSTRALIA'S VENTURE CAPITAL MARKET WILL DRIVE INNOVATION

The Gillard Government will invest \$378.6 million under Venture Australia to grow new Australian knowledge based companies, high-skilled jobs and competitive products and services.

Venture Australia was announced by Deputy Prime Minister, Wayne Swan, and Minister for Industry and Innovation, Greg Combet, as part of the Government's Industry and Innovation Statement, *A Plan for Australian Jobs*.

It includes:

- a new \$350 million round of equity funding through the Innovation Investment Fund (IIF) program to attract private sector investment into this high growth and dynamic area;
- changes to tax concessions to provide clarity and certainty for private sector investors and to facilitate investment by 'angel' syndicates; and
- promoting success stories of new Australian firms to global venture capital markets, to showcase the capabilities of Australia's innovative firms and to attract international investment.

"The Venture Australia package will deliver capital to innovative technology based companies with high growth potential, provide clarity about tax treatment for private investment in venture capital and promote Australian innovation here and overseas," Mr Swan said.

"Venture Australia is focused on Australia's future economic prosperity in an increasingly technology driven world. We want to provide the environment to encourage and support Australia's entrepreneurial talent in the Asian Century."

Mr Combet said venture capital was an important part of any effective innovation system.

"Venture capital has a pivotal role in translating new ideas into innovative products, processes and services. It supports the growth of competitive new firms," he said.

"Importantly, venture capital also provides innovative firms with access to skills and business expertise.

"A new round of equity funding through the IIF program would stimulate another \$350 million in private sector investment in the venture capital market and provide management expertise to grow start-ups.

"Changes to venture capital tax concessions will provide incentives to private investment in start-ups and help Australia to be a competitive destination for investment capital."

Mr Swan said the Government would return all financial profits from successful joint ventures under IIF funding to the existing Revolving Fund and so ensure it is re-committed to future equity funds.

"The Revolving Fund will guarantee the continued cycling of capital for supporting the competitive firms of the future," Mr Swan said.

"New innovative enterprises are vital to build a knowledge economy, to foster productivity growth, to create high skilled jobs and to underpin the competitiveness of the economy as a whole."

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