

COMMONWEALTH COMMERCIALISATION INSTITUTE ANNOUNCED IN 2009 FEDERAL BUDGET

Tuesday's Federal Budget contained the announcement of a historic 25% increase in Australian government spending on innovation and science to \$8.6 billion. Within that, \$196.1 million has been earmarked over the next four years to establish the new Commonwealth Commercialisation Institute, with ongoing funding of \$82 million per year after that.

In making the announcement, Minister for Innovation, Industry, Science and Research, Senator Kim Carr said that the institute would help commercialise the best ideas developed by Australian universities and publicly funded research organisations, and help support innovative firms in taking their ideas to the market. It would also offer robust programs to encourage business R&D. The Minister stated that the government would be in dialog with firms, the business community, and other stakeholders to plan for the institute and to leverage business investment.

CEO of the Australian Institute for Commercialisation (AIC), Dr. Rowan Gilmore said that he was delighted that commercialisation now has a legitimate and prominent place in the Australian government's innovation agenda. He said that since 2002, the AIC has been a leading advocate for, and service organisation to, the commercialisation community, particularly the research sector and small business.

"We are gratified that our efforts and advocacy over the past seven years have been recognised in this way", he said.

"We expect that many of the services, tools, systems, and know-how that the AIC has developed will provide a solid foundation for the new institute".

"Now, for the first time, this bold initiative delivers two key messages that the AIC has been advocating since its foundation: firstly, it sends a strong imprimatur from the Australian government that commercialisation is a legitimate mechanism to build national wealth and achieve social and environmental outcomes from our research base; and secondly that scale - an order of magnitude larger than the current AIC - is required to achieve that."

The AIC and other stakeholders will be discussing with the government the shape and role of the new institute over the coming months, and will keep our readers informed of progress.

Another exciting outcome from the Budget is that the Government will replace the current research and development tax concessions with an expanded tax credit from 1 July 2010, which improves support for smaller firms in tax loss as well as rewarding larger firms for their research and development efforts. The new research and development tax credit will feature a 45 per cent refundable credit for firms with an annual turnover of less than \$20 million - equivalent to a tax concession of 150 per cent.

About AIC:

The Australian Institute for Commercialisation (AIC) is Australia's leading national consultancy services organisation advising entrepreneurs, small business, research organisations, and governments on the commercialisation of their intellectual property (IP) and know-how.

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