

Funding the key to innovation

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Organisations and individuals involved in innovative start-ups want the federal government's planned Commonwealth Commercialisation Institute (CCI) to address the lack of funding for new ideas.

The Minister for Innovation, Industry, Science and Research, Kim Carr, has asked interested parties for their views on what shape the institute should take. Rather than issue a report, the government will consider these views when the centre is established this year or early next year.

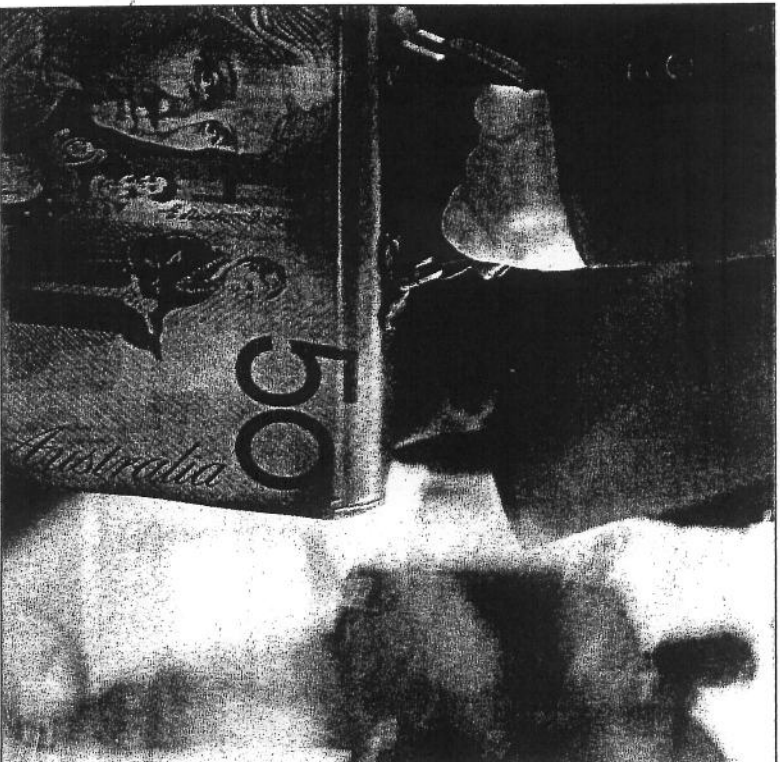
The deadline for comments was August 28, although a government committee chaired by iQ Capital Group founder Laurie Hammond had been considering models for the institute previously.

The Australian Technology Park has made a submission, while its chief executive officer, Hamish Hawthorn, attended last month's consultation with interested parties including venture capitalists and innovation centres.

The talks covered ways of increasing the flow of capital from the private sector to commercialise new products and ideas.

Mr Hawthorn considered that the opportunity existed for government intervention at the proof-of-concept stage.

The passage from experimental development to commercialisation is referred to as the 'Valley of Death', where promising innovations become cash-starved and fail before reaching commercial viability. Mr Hawthorn said there



Private sector capital helps commercialise products. Photo-illustration: ERIN JONASSON

was discussion about a grants program to address this.

Rowan Gilmore, chief executive of the Australian Institute for Commercialisation, said: "The lack of capital to cross that valley of death has been a real problem hindering commercialisation. We are all hopeful that will be addressed."

He said the availability of such

Dr Gilmore also saw a need for advice for inventors and entrepreneurs that included access to market information, market research and proper information about options for intellectual property protection.

In terms of the organisation's relationship with government, the AIC felt it should be at arm's length.

"One is for risk management, and second, you really need hard, heavy commercial people to guide it rather than government bureaucrats," Dr Gilmore said.

Noting the gap in early stage funding, the chief executive of the Sunshine Coast Innovation Centre, Colin Graham, suggested the CCI could promote the development of business "angel" groups, particularly in regional areas, with the introduction of an approval process indicating which angel investor groups were operating under best practice principles.

Mr Graham said he believed the CCI offered the opportunity to match funding, for example, between accredited angel investors and investment funds.

The Sunshine Coast centre is also pushing for a regional innovation system, with a smaller number of incubators acting as hubs of innovation in various regions.

The centre suggested a personal development program for seasoned entrepreneurs to develop the next generation, backed by strong national business and social networks.

The CCI will be funded with \$196 million over the next four years.