



Rudd Government duds Canberra business

The Australian Government, through the termination of the Commercial Ready grant program, has severely hindered the business opportunities of local Canberra entities.

The Commercial Ready grant program has been a significant lifeblood for Australian Research and Development companies, particularly in the ACT, and has allowed a number of companies to succeed at the forefront of technology innovation on the world stage.

In a decision handed down on budget night, all applications for the Commercial Ready program that had not been finally approved before April 28 (15 days before the axing of the program was announced in the Budget) became ineligible for funding, leaving many companies in financial limbo.

Canberra Business Council CEO, Chris Faulks, says the Federal Government has let down Canberra businesses that are at the forefront of innovation and ready to commercialise their products internationally.

“We’ve had number of reputable Canberra companies investing tens of thousands of dollars in time and money on their applications and even though they were within days of final approval, the Rudd government saw fit to pull the rug out from under their feet at the last minute”, Ms Faulks said. “At the very least, the Rudd Government must allow the process to be completed for those companies caught with their applications in the last stages of the assessment process.”

Michelle Melbourne, General Manager of Canberra software company, Intelledox, sums up the situation for a number of Canberra companies:

“In our case, we secured \$1.2M of private equity funds from Singapore to meet the dollar-for-dollar criteria required by the grant process. And we were just days away from a decision on the grant application - that we were expecting to be positive - as the matched funding element was the final milestone we were required to achieve. After close to 18 months and 1000 hours of effort, it is an injustice to have the doors slammed on us. We will still get on and complete the project – but government funding could have given us an extra advantage in getting the product to the market quicker than our competitors”.

Ms Melbourne recently returned from a successful Austrade-led business trip to Microsoft Headquarters in Seattle, which re-affirmed Australia’s reputation as a leader in global software but also highlighted the disadvantage Australian companies face in attracting investment.

“Innovative start-up companies need to bring new technologies to market quickly in order to be ‘first to market’ and to secure the commercial returns”, Ms Melbourne

said. "This is often beyond their financial capacity over a tight timeframe and, without in-country financial support, commonly leads to the loss of the technology offshore. The Australian government has a big role to play in triggering and nurturing innovation in the absence of a large venture capital base."

Canberra Business Council CEO said the Prime Minister's own website talks about preparing our economy for a new era of global competition, by (amongst other things) fostering a culture of innovation. The removal of the Commercial Ready program, in the way that it has been done, clearly makes a mockery of such statements.

"The reality is that innovative Australian companies are competing with overseas companies that have lots of options to attract investment for commercialisation. They operate in vibrant and mature venture capital environments. This is not the case in Australia and until it does become a reality the Government has a critical role to play in supporting innovative companies to commercialise their products" Ms Faulks said.

"The Canberra Business Council is calling on the Rudd Government to continue the Commercial Ready grant program until the outcomes of the Innovation Review are known or, at the very least, to allow the process to be completed for those companies caught with their applications in the last stages of the assessment process."

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