

NEWS RELEASE



Government of
South Australia

TREASURER TOM KOUTSANTONIS

Thursday, 7 July 2016

\$80 million to modernise the economy

The State Budget includes almost \$80 million to accelerate South Australia's transformation to a modern, innovative economy that supports and creates jobs for the future.

One of the key learnings from the McCreadie report was that, despite the fact our State enjoys a relatively high number of start-up businesses, there was a lack of integration and funding available to those looking to develop businesses out of their ideas.

Our innovation support package consists of these measures to ensure our entrepreneurs not only start up in South Australia, but stay in South Australia:

- \$50 million South Australian Venture Capital Fund (SAVCF), aimed at promoting innovation by supporting new businesses, attracting venture capital, and encouraging companies to re-locate to South Australia;
- \$10 million for the South Australian Early Commercialisation Fund (SAECF); which will assist start-ups at the pre-seed and seed stage of development so they are better positioned to attract long-term investment;
- \$7.5 million for the University of South Australia's Future Industries Institute to encourage innovation, collaboration and new industry; and
- \$4.7 million towards the Gig City project to connect existing innovation spaces within the CBD to create an ultra-high speed broadband innovation network.

Background

SAVCF

\$50 million has been allocated for the Fund, which will have a mandate to invest in local early-stage companies with high growth potential. Companies re-locating to South Australia meeting this requirement will also be eligible.

The Fund will be structured to enable local companies to access venture capital and build relationships with external venture managers.



SAECF

The Fund is a non-repayable State Government grant program that will support eligible companies from the proof of concept stage through to product or service development and early commercialisation.

The Fund is open to individuals and early-stage companies seeking to commercialise a product, service, or process that's both innovative and will benefit South Australia's economy. Eligible companies can submit applications from Monday August 15, 2016.

Future Industries Institute

The Institute was established by the University of South Australia in 2015, and brings together the research activities of the Ian Wark Research Institute, the Mawson Institute, and the Centre for Environmental Risk Assessment and Remediation.

Research within the Institute covers four strands: energy and advanced manufacturing; minerals and resource engineering; environmental science and engineering; and bioengineering and nanomedicine.

Innovation projects

\$7.7 million has been allocated in the Budget to support innovation projects in South Australia. The State Government is committed to supporting innovation in South Australian industries and businesses which can create new markets for products and services, and create jobs.

Quotes attributable to Treasurer Tom Koutsantonis

Last year Adelaide took out the title of Australia's most innovative region in the Australian Technologies competition and we have seen continued growth in the tech start-up sector since that time.

Our interconnected population, low cost of commercial rent and labour and nation-leading network of co-working spaces and support programs for new businesses mean South Australia is a hot bed for new ventures.

But while there is no shortage of new ideas in South Australia, local start-ups struggle to obtain the access to capital that those on the East Coast have available to them through private venture capital funds.



This budget will break down that market barrier by offering start-ups access to a \$50 million State Government-backed Venture Capital Fund that will help our new businesses grow and conquer global markets.

For very early stage ventures, we will also offer eligible applicants access to the \$10 million Early Commercialisation Fund, to help get great ideas and prototypes off-the-ground.

This funding is significant and will foster our innovative culture, providing our young entrepreneurs with the support necessary to not only start up in South Australia, but stay in South Australia.

We need to modernise our economy and become a destination for entrepreneurs with the next big idea, and supporting risk-takers to succeed through these programs will help us achieve those goals.

Quotes attributable to Manufacturing and Innovation Minister Kyam Maher

This massive State Budget investment to encourage and support innovation in South Australia will be a game-changer for South Australia as we continue to transform towards a modern economy that will create jobs for the future.

Our industries and businesses must innovate if they are to thrive in increasingly competitive global markets, and the State Government is committed to providing the assistance they need to grow and create jobs.

Our investment in Gig City will make Adelaide one of the most connected cities in the world, and along with the package of economic modernisation measures in the State Budget, South Australia will become the first-choice destination for innovative start-ups and businesses.

The \$50 million South Australian Venture Capital Fund will promote local early-stage businesses and help them attract more investment to South Australia. The Fund's co-investment model will directly build the reputations of local companies by bringing external capital to South Australia.

And our \$7.5 million investment in the Future Industries Institute will generate more collaboration between businesses, industries, and researchers which will help drive economic transformation and growth in South Australia.

Media Contact: David Russell 0434 307 012

