



Innovation Investment Fund Program—round 3

fact sheet

What does the program aim to achieve?

The *Innovation Investment Fund Program* will provide up to \$40 million each year to new fund managers for five consecutive years.

The *Innovation Investment Fund Program's* third round aims to:

- develop fund managers with experience in the early stage venture capital industry
- by addressing capital constraints and management constraints, encourage the development of new companies that are commercialising research and development
- establish, in the medium term, a 'revolving' or self-funding scheme
- develop a self-sustaining, early stage venture capital industry in Australia.

What are the merit criteria for the program?

Applications will be assessed against the following merit criteria:

- whether the proposed applicant has effective strategies to contribute to training and developing Australian-based staff in all aspects of making venture capital investments in early stage companies
- the proposed size of the fund and ratio of privately sourced capital to

Commonwealth program capital (subject to the Commonwealth program capital not exceeding a 1:1 ratio to the privately sourced capital and the Commonwealth program capital being no more than \$20 million) to establish, in the medium term, a 'revolving' or self-funding scheme

- the level and structure of management fees proposed
- the applicant's capacity and experience in early stage equity investing, giving particular attention to realising returns from investments, sourcing investment opportunities and managing an investment portfolio
- whether the applicant has a balanced management team, including relevantly qualified and skilled personnel
- whether the applicant has an understanding of and experience in dealing with issues related to Australian and international investments, products, services and markets
- whether the applicant has a demonstrated willingness to operate within the intent of the *Innovation Investment Fund Program*.

The Industry Research and Development Board may attribute a preference to applicants who are new managers.

When will applications be sought?

Applications for the 2007-08 licences closed on 2 January 2007. There has been no announcement as to when applications for the 2008-09 licences will be called.

Further information

For further information about the *Innovation Investment Fund Program*, including an application package and the customer guide, visit the AusIndustry website at www.ausindustry.gov.au. Click on 'AusIndustry products', which contains an alphabetical listing of all AusIndustry programs, and follow the links to the *Innovation Investment Fund Program*. Alternatively, contact the AusIndustry hotline on 13 28 46 or by email at hotline@ausindustry.gov.au.

How much will it cost to apply?

An initial application fee of \$5,000 (including GST) is payable for the stage 1 assessment at the time an application is submitted.

A further fee of \$5,000 (including GST) is payable if an application is short-listed and proceeds to the stage 2 assessment.

How will my application be assessed?

The Industry Research and Development Board will undertake a technical assessment of applications in two stages, which will include:

- a review of applications against the merit criteria
- an assessment of applicant claims
- due diligence investigations by an independent asset consultant, including site visits
- applicant interviews.