

Senate Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Industry, Tourism and Resources Portfolio
Supplementary Budget Estimates 2005-2006, 2 November 2005

AGENCY/DEPARTMENT: DEPARTMENT OF INDUSTRY, TOURISM AND RESOURCES
OUTCOME/OUTPUT: Outcome 2, Outputs 2.1 and 2.2
TOPIC: INNOVATION INVESTMENT FUND AND LICENCE WITH NEO TECHNOLOGY VENTURES
REFERENCE: WRITTEN QUESTION

QUESTION No.SBI-54

Senator Campbell asked:

I understand that a review of the Innovation Investment Fund (IIF) is to be taken to cabinet at the end of this year. Is this correct? What will this review incorporate?

ANSWER

The evaluation is nearing completion and will be published at an appropriate time. The evaluation examines the appropriateness, effectiveness and efficiency of the IIF program.

QUESTION No.SBI-55

Senator Campbell asked:

I also understand that AusIndustry has written to Neo Technology Ventures, threatening to withdraw its IIF licence if it did not resecure its private investors. Is this correct? Can the department elaborate on this situation?

ANSWER

On 20 September 2005, a letter was sent to Neo Technology Ventures, the management company of the Neo 2 IIF, requesting that they remedy breaches by two private investors within 30 days. The breaches related to failure to pay fund calls.

However, after consideration of further legal advice, discussions with investors and consultation with the fund manager, the Fund Management Committee (a sub-committee of the Industry Research and Development Board) made a decision to allow the fund manager additional time to remedy the breaches.

QUESTION No.SBI-56

Senator Campbell asked:

How much has the Government granted to Neo Technology Ventures to date?

ANSWER

The Commonwealth has invested \$7.66 million in the Neo 2 IIF to the end of November 2005.