

# Media Coverage

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## Victorian Government's biotech support slammed for lack of strategy

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Michelle Hammond



The Victorian Government's \$772 million investment in biotechnology has failed to produce any clear benefits due to a severe lack of strategy, according to a new report.

According to a report by Victorian Auditor-General Des Pearson, the Department of Business and Innovation spent \$722 million to support the state's biotechnology sector in the past decade.

However, Pearson said the department could not demonstrate the success of those investments because it has failed to provide a "cause-and-effect link" between projects and results.

Pearson said a lack of strategy increased the risk of "inappropriate prioritisation and funding, and could lead to duplication, inefficiency and waste".

The report notes that biotechnology is an inherently risky venture, and the DBI has delivered a range of world-class facilities.

But to maximise the impact of public money, project investments should have a high likelihood of generating returns. Pearson has recommended the DBI set performance targets for each future project.

As governments struggle to justify their support of the sector, private investors are stepping up to the plate, including private investment platform Wholesale Investor and AusBiotech.

In association with PwC, Wholesale Investor and AusBiotech will host the Life Sciences Showcase in Sydney later this month

The event will feature 12 biotech, medical device and healthcare companies, who will have access to up to 200 investors.

Wholesale Investor managing director Steve Torso says there has been an increase in appetite for the biotech/healthcare space in light of the recent share price success of companies such as Mesoblast and Bionomics.

"We are proud to be showcasing 12 of Australia's most innovative and high-growth life science companies to investors, fund managers and brokers," he says.

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"The event provides them with a rare opportunity to speak directly with the CEO and gain information straight from the source."

Doron Ben-Meir, chief executive of government-backed funding scheme Commercialisation Australia, has defended government support of the biotech industry.

Commercialisation Australia launched in January last year. It offers up to \$2 million in matched funding to help start-ups' skills, executive hires, commercialisation and proof of concept.

According to Ben-Meir, his organisation is attractive to a broad array of businesses because it has a "lower hurdle to clear than a VC".

"We are here to stimulate the market, so the failure rate will be a bit higher than a commercial venture, but we do more to back successes by giving grants and not taking equity," he says.



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