ALSTON LEADS V.C. MISSION TO SILICON VALLEY

The Minister for Communications, Information Technology and the Arts, Senator Richard Alston, will lead an Australian venture capital industry trade mission to Silicon Valley this week for high level discussions with US firms and venture capitalists.

He will also represent the Australian Government at the major Investment 2000 function in Silicon Valley, where he will provide a keynote address to hundreds of high level US and multinational business executives on “Australia as an investment destination”.

The trade mission includes “home-grown” VC funds and the Australian representatives of major regional funds.

‘Access to ready sources of venture capital is a key driver of success in Silicon Valley, Israel and other successful IT “clusters” around the world,’ Senator Alston said.

‘Small firms with great ideas need money to properly develop and commercialise their work but find that traditional sources of finance are often too “risk-averse” to invest in new technologies where the risks of failure are high but the fruits of success are huge.

‘The venture capital industry fills the gap.

‘Although Australia’s domestic venture capital market is beginning to mature, there is still a long way to go before it matches the US experience.

‘The trade mission will provide” an opportunity for Australian VC finds to network with their US cousins, to build linkages and joint venture, and to generally “sell” the benefits of Australia’s information technology and telecommunications (IT&T) industries.

‘Australia’s strengths are often taken for granted by Australians, but need to be actively promoted overseas.

‘We have a stable political and economic system, a skilled and educated workforce, a well developed telecommunications infrastructure, a sophisticated telecommunications regulatory regime, an expanding venture capital market, strong links between industry and educational institutions, and a climate and lifestyle the envy of the world.

‘The Government is also prepared to address, through the Ralph review of business taxation, the crucial issue of Capital Gains Tax, which many in the IT&T industries see as a key impediment to further expansion of the venture capital market.’