



Northern Territory News

ISSUE 10
October 2003

CONTENTS

Welcome	1
Financial Help for Companies Doing Research and Development	1
Case Study—IT Industry Benefits from R & D Start	1
Case Study—R & D Tax Concession	2
Innovation Access Program	2
Boost for Regional Tourism	3
New Program to Boost Pharmaceutical R & D	3
Upcoming Events	3
How To Contact Us	4

FINANCIAL HELP FOR COMPANIES DOING RESEARCH AND DEVELOPMENT

The Australian Government has a range of programs to assist Australian companies undertaking research and development (R & D) and commercialisation activities.

The two largest of these programs are the R & D Start program and the R & D Tax Concession program. Both programs are open to all sectors of Australian industry and are administered by AusIndustry.

Under R & D Start, companies proposing to undertake research and development activities submit an application providing information against five merit criteria. Applications are assessed by a panel of industry experts and those that best the merit criteria are successful.

Funding is available as grants for research and development activities, or as a concessional loan for commercialisation activities.

The R & D Tax Concession is an entitlement program that allows companies to deduct more than 100% of eligible expenditure on R & D activities, when lodging their corporate tax return.

Smaller companies can also benefit from the Tax Offset component of the R & D Tax Concession. This increases company cash flow by allowing companies to claim the value of the R & D Tax Concession as a refundable tax offset.

The R & D Concession program is retrospective. Companies have up to 10 months after the end of the financial year in which R & D was undertaken to lodge their registration. However,

companies **must** register for the R & D Tax Concession with AusIndustry before submitting their corporate tax return.

To date, over 60 companies in the NT have applied, or are in the process of applying for the R & D Tax Concession.

Companies undertaking research in biotechnology and pharmaceutical fields can also apply for funding under the Biotechnology Innovation Fund (BIF) and the Pharmaceutical Partnerships Program, called P³. The P³ program is explained in more detail on page 3.

Stuart de Jong, AusIndustry's NT Regional Manager is currently working with a number of NT companies to help them access these programs.

CASE STUDY—IT INDUSTRY BENEFITS FROM R & D START

An e-library and a web-based digital printing system are just two of the 31 innovative IT projects which have been awarded more than \$26 million in funding under the R&D Start program this year.

In announcing successful applicants under the latest round, Federal Industry Minister, Ian Macfarlane said that there had been a particularly strong response from IT companies for R&D Start funding.

"We've seen some very clever, even cutting-edge, projects come out of this program in recent years. IT products like ERG's Smartcard which underpins public transport systems and MicroAir's aviation transponder continue to make an impact in Australian and overseas markets," said Mr Macfarlane.

Since January 2001, 386 companies have received R&D Start funding totalling more than \$372 million.

Stuart de Jong, AusIndustry's NT Regional Manager is currently helping a number of NT companies to apply for R & D Start funding.

For more information on either the R & D Start or R & D Tax Concession, please contact Stuart on 08 8941 6261 or visit the AusIndustry website: www.ausindustry.gov.au.

CASE STUDY—R & D TAX CONCESSION

TAAU Pty Ltd is just one of many NT companies to benefit from accessing the R & D Tax Concession. TAAU successfully registered for the R&D Tax Concession and was able to claim a significant offset in the two years of trials it took to develop its facilities to commercial scale production capability.

TAAU Pty Ltd grows spirulina algae in 96 ponds in Berry Springs 1 hr south of Darwin, for the growing market of health foods and dietary supplements. This spiral shaped algae is a natural rich food source containing over 100 nutrients, including concentrated proteins, vitamin B12, and beta carotene. TAAU have adapted cultivation technology initially developed in Taiwan, that was granted an Australian patent.

TAAU set up its aquaculture plant and processing conditions over a period of 2 years, during which it selected appropriate strains, redesigned its ponds to better suit the climate, developed monitoring systems, refined techniques to optimise algae yields and optimised conditions in the spray drier to maximise yield and protein content.

By accessing the R & D Tax Concession program, TAAU was able to utilise the tax offset for some of the costs of the research and development required to ensure successful application of the technology in Australia.

TAAU sells its product to both the Australian and international market. It is the only company in Australia which can claim 'Australian made' as all other tablets on the market are imported.

CLOTHING AND TEXTILES INDUSTRY AWARDED SBCEP GRANT

Mr David Tollner, MP, Member for Solomon representing the Federal Industry Minister, Ian Macfarlane, will launch the NT Clothing and Textiles Industry skills development and mentoring project on 10 October 2003.

The three month project is supported by a \$43,730 grant by the Australian Government through the Small Business Enterprise Culture Program (SBCEP). The SBCEP aims to develop and enhance the business skills of small business owner-managers.

The project will deliver a series of skills development and workshop programs for 40 members of the Clothing and Textiles Industries in

Darwin and Alice Springs who are owner/managers. The workshops will be aimed at women, including indigenous women, to encourage and enable them to improve the performance of their existing businesses particularly in the areas of design and product development, business planning and commercialisation.

Several industry specialists in design, copyright, e-commerce, marketing and business skills will deliver the workshops, which commence in Darwin on Saturday 11 October.

Applications for the next round of the SBCEP will open shortly. Contact Stuart de Jong or visit the AusIndustry website for more information.

INNOVATION ACCESS PROGRAM

Over \$7 million was awarded to 14 small businesses in industries as diverse as waste management, renewable energy, catering, construction and furniture making under the latest round of the Innovation Access Program (IAcCP).

The IAcCP is designed to promote innovation and competitiveness by increasing Australian access to global leading edge research and technologies and their uptake by Australian firms, particularly by small and medium enterprises (SMEs) and researchers.

It is a competitive program which provides grants for projects ranging from building international linkages to the transfer of technology to Australian based industry.

Eligible organisations that may apply for grants include Australian researchers, project managers, private companies and organisations such as industry groups and universities, Cooperative Research Centres, educational institutions, Commonwealth scientific agencies (eg CSIRO), and consortia of these.

The Northern Territory Minerals Council recently received a grant of \$149,207 under the latest round of the IAcCP. The grant funds are to contribute to a series of international specialist visits and on site industry workshops to develop integrated action plans for firms to rehabilitate and avoid environmental damage arising from acid sulphide mine wastes.

The project directly seeks to provide the specialist information, advice and momentum to enable the smaller firms to develop and implement effective plans for managing their acid mine wastes. The development of such mine rehabilitation strategies will be critical for the industry to

secure access to future mining resources and for the Northern Territory to enhance its economic, social and environmental objectives.

BOOST FOR REGIONAL TOURISM IN NT

Regional tourism in Northern Territory received a boost recently when Bullo River Station was among the successful projects in the latest round of the Australian Government's Regional Tourism Program (RTP).

The RTP is a competitive grants program that provides funding for tourism related projects in regional and rural areas of Australia.

The enhancement to tourism facilities and accommodation at historic Bullo River Station will cater for discerning international visitors seeking genuine outback experiences, without forgoing the comforts of home. The half a million acre station is situated on the Victoria River, 200km from Kununurra, between the Pinkerton and Spencer Ranges.

In announcing the successful projects under the latest round, Parliamentary Secretary for the Department of Industry, Tourism and Resources, Warren Entsch, MP, noted the importance of tourism to all regional and rural economies. "A vibrant tourism industry is a vital element of all regional and rural economies. It provides spin-off opportunities for other businesses in the regional and creates employment, particularly for young people".

More than 58 per cent of domestic tourism expenditure is spent in regional area and it represents nearly \$24 billion spent each year across Australia. This equates to about 180,000 jobs.

NEW PROGRAM TO BOOST PHARMACEUTICAL R & D

The Australian Government's new \$150million grants program for the pharmaceuticals industry was launched in Brisbane recently.

Unveiling the five-year, \$150 million Pharmaceutical Partnerships Program (called P³), Federal Industry Minister Ian Macfarlane urged Australian companies to make the most of the program to build on their international R&D reputations.

"With only 0.3 per cent of the world's population, Australia produces 2.5 per cent of the world's medical research. This program is designed to build and cement our position as an outstanding R&D performer," he said.

"P³'s chief aim is to encourage partnering between multi-nationals in the industry and Australia's biotechnology and pharmaceutical companies. It will support R&D undertaken by biotech, originator and generic medicine companies to develop medicines for global markets."

P³ was designed after extensive consultation with more than 1000 industry stakeholders. It is a competitive grants program through which successful applicants will receive 30 cents for each additional dollar they spend on eligible pharmaceutical R&D in Australia.

The Industry Research and Development Board will undertake assessment of applications and the program will be administered by AusIndustry.

First-round applications close on 15 December 2003, with funding to start from 1 July 2004.

Full details can be found at the AusIndustry website at www.ausindustry.gov.au

UPCOMING EVENTS

Telstra Northern Territory Business Women's Awards 2003, 7 October 2003 Darwin

The 2003 Telstra Business Women's Awards celebrate the extraordinary success of Australian women in business. Since their inception in 1995, the Awards have enabled hundreds of business women to gain national recognition for their work.

Date: 7 October 2003
 Venue: MGM Grand, Darwin
 Contact: Telstra Corporation
 Tel: 1800 817 536
www.telstra.com.au/tbwa/

Business Support for Innovation workshop, 17 October 2003, Darwin

A joint AusIndustry/NT Department of Business & Industry Resource Development Workshop and part of NT October Business Month. Participants will learn how to access NT Government and Australian Government (AusIndustry) programs to help with innovation, managing intellectual property and the ensuing benefits.

Date: 17 October 2003
 Time: 9am—12 midday
 Venue: Territory Perspectives
 76 The Esplanade
 Darwin

AVCAL Entrepreneurs Course, 22-23 October 2003, Sydney

The AVCAL Entrepreneurs Course has been developed for CEO's of unlisted, high-growth businesses and senior research scientists who are keen to learn from the experience of successful entrepreneurs. Participants will develop an understanding of the issues that will face them as they grow their business, and build relationships with CEO's on similar growth curves. Speakers will include John Rothwell of Austal Ships, Chris Roberts of ResMed, Adrian Di Marco of Technology One and Bruce Gray of Sirtex Medical.

Date: 22-23 October, 2003
Venue: Park Hyatt, The Rocks, Sydney
Contact: Australian Venture Capital Assoc.
Tel: + 61 (0)2 9251 3888
www.avcal.com.au

Telstra Business Women's Awards 2003—National Presentation Dinner, 25 October, Melbourne

The 2003 Telstra Business Women Award winners will share in a national prize pool of more than \$200,000. The Telstra Business Women's Awards are proudly sponsored by the Australian Government through AusIndustry.

Date: 25 October 2003
Venue: Sofitel Hotel, Melbourne
Contact: Telstra Corporation
Tel: 1800 817 536
www.telstra.com.au/tbwa/

Australian International Business and Immigration Conference 2003, 23-26 November 2003, Adelaide

Guided by the theme "Australia -The Hub of Global Business", the inaugural Australian International Business and Immigration Conference will provide valuable information for business migrants looking to settle in Australia. The 3 day event will feature networking functions, plenary sessions and trade displays about Australian business support and infrastructure services.

Date: 23 to 26 November 2003
Venue: Adelaide Convention Centre
Contact: Events Oz
Tel: + 61 (0)8 8415 5125
Email: events@eventsoz.com.au

HOW YOU CAN CONTACT US

NT Office
Stuart de Jong
1st Floor, Enterprise House
75 The Esplanade
DARWIN NT 0800
GPO Box 4816
DARWIN NT 0801
Phone: 08 8941 6261
Fax: 08 8941 5603
Email: Stuart.Dejong@industry.gov.au

SA/NT Office
11th Floor Terrace Towers
178 North Terrace
ADELAIDE SA 5000
GPO Box 9839
ADELAIDE SA 5001
Phone: 08 8406 4700
Fax: 08 8406 4717
Tollfree: 1800 095 507
Email: aisa@industry.gov.au

For program information, call the **AusIndustry HotLine** on **13 28 46** for the cost of a local call from anywhere in Australia. Information on programs administered through the AusIndustry network is available at our website www.ausindustry.gov.au.

If you would like to amend your details, or be included on our mailing list, please e-mail your contact details to aisa@industry.gov.au.

**AusIndustry Hotline
13 2846**