



The Funding Gap

Some Challenges in the Current Times

September 2009

The Problem....

- ▶ Significant funding gap
 - ▶ Banks aren't lending
 - ▶ Equity markets haven't opened
 - ▶ Plenty of competing countries to invest in – rise of emerging markets
- ▶ Is the investment model understood?
 - ▶ Venture capital
 - ▶ Private equity
 - ▶ Is it another geothermal?
 - ▶ What about what happened with biotechnology?
 - ▶ Is this a new paradigm for Australia?

Some Possible Solutions....

- ▶ The traditional methods
 - ▶ Debt - banks
 - ▶ Equity – private capital, IPOs
- ▶ The overseas experience - special purpose bonds – Hawaii and California
- ▶ Development bank model – not SWF
- ▶ Higher education endowment fund - perpetuity
- ▶ A hybrid approach?
- ▶ Further investor and market education required
- ▶ Preparation and readiness for when the ‘activity window’ opens is key



Thank you

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