Commercialisation Matters…

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1. One of a range of ways to create impact from great research through technology transfer

2. Builds an pathway back into the research institution to ensure you are working on the right things (market demand, signals)

3. Tangibly creates economic benefits for the nation – jobs, export revenue, investment, renewal

4. Makes money for the institution!!
CSIRO

Australia’s national science organisation and largest research enterprise – 6,500 staff, annual budget $950M

Established in 1926, CSIRO carries out research and development for industry, society and environment:

- Agriculture
- Environment
- Information and communication technologies
- Health
- Advanced materials and manufacturing
- Minerals and energy
- Services
- Transport and infrastructure
CSIRO in Queensland

- Robotics, ICT, energy, mining, minerals exploration, maths at Pullenvale
- Biotechnology at QBP St Lucia
- Marine research at Cleveland
- Environmental research in Toowoomba and Townsville
- Food Research at Cannon Hill
CSIRO’s twin goals

R&D of the highest quality

and

transferred out into the wider community to be adopted and used
How’s CSIRO travelling?

Top 1% in 13 of 22 research fields as measured by published outputs

4,100 items of IP, growing by 100-150 per year

Research revenue growing steadily (circa $350M external up 11%, $600M from Govt)

Science health strong and growing (citation indices, tier one journal publications)

Published journal articles 1,945

Published reports (chapters, books, conferences 4,655)

Client reports 10,000

Licences approximately 150 per annum

Five new spinouts

Many research outputs
CSIRO’s view of UQ’s UniQuest

- Serial value creator – from one off to a stream of deals – 45 start ups since inception
- Added UniSeed to turbocharge
- Four new companies in the past year
- Respected team, broad role
- Now internationalising
Northern specialities...

• Obsessed with spinouts (but we note a recent change with the CSL deal!)
• Three technology transfer offices at UQ alone (why not ten?)
  JKTech
  IMBCom
  UniQuest
Griffith University

- Recent recommitment to commercialisation (annual report, strategic plan)
- Three start ups in 2005, one “born international” with Starfish – great stuff

- Do you have the scale to succeed
CSIRO Commercialisation

- One dedicated team of ten
- Specialist unit – a cost centre (no company role)
- Originators in research units (business development)
- Pipeline and portfolio approach
- Manages subsequent outcomes (equity, licences)
- “Deals closed” focus
CSIRO Commercialisation

• Five new companies in 2005-06
  • Antibody-like protein therapeutics
  • Chemical barcodes
  • Light weight concrete
  • Moisture analysis
  • Intranet search engine

• Record revenues – up 69% to $37.1M

• Equity portfolio at record levels
IP Revenue Millions

- 2000-01: 9.3
- 2001-02: 16.9
- 2002-03: 13.8
- 2003-04: 22.0
- 2004-05: 20.4
- 2005-06: 37.1
2004: CSIRO’s Total Wellbeing Diet published in Women’s Weekly

CSIRO website hits reach 35,000 per week

Published by Penguin, first print run 30,000

Sales in Australia 700,000

Global Sales now 850,000
Mining technology – Australia is a world leader

Intellection spun out 2003 – revenues of $1M pa

Located in Milton Queensland

September 2006

- Revenues now $10M pa
- 50 employees – heading towards 100
- $5M venture capital investment
- Global deal with SGS
CSIRO successes - Cotton
CSIRO: the long view

• Over 150 companies worldwide based on CSIRO technology

• 26 listed companies, market capitalisation $1.4 billion

• Revenues $450 million
  • Ceramic Fuel Cells Ltd
  • Biota Ltd
  • Cap-XX Ltd
  • GroPep Ltd
Commercialisation Policy issues

1. It’s about the impact – and Australia is not the US

2. Big C commercialisation versus small c

3. Policy principle 1 – get it out into the private sector

4. Policy principle 2 – transact at an arm’s length market price
   - Can’t pay/won’t pay = no value!!
   - Return to institution is important, but second to impact
Dimensions of difference

1. Strategy
2. Structure
3. Scale
4. Skills
5. Endowment or revenue stream
6. Returns trapping/distribution
Thank you

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Introduction

Welcome to the first issue of CSIRO’s commercialisation update – the Deal Pipeline. The Pipeline was developed to facilitate the growth of CSIRO technologies by providing a snapshot of our current opportunities and highlights of CSIRO’s equity portfolio.

In our 85th year, CSIRO is embarking on a new era, with a compelling focus on improving the quality of our science and the impact of our research. We are committed to using our expertise and skills to deliver research outcomes that are relevant, realisable and deliver a meaningful impact.

Through the Transaction Group, CSIRO is actively engaging with innovative businesses and investors to accelerate the commercialisation of our research.

In 2010-11, CSIRO closed over 15 major transactions, valued at more than $37 million. These deals include licensing arrangements, company formations, joint ventures, equity holdings as well as successful exits from shareholdings. Some of these deals are outlined in this publication to give you an indication of the wide range of deal structures we develop and the scope of CSIRO’s research.

Further this year CSIRO announced the outcomes of our Science Investment Process which provides clear areas of focus for our research in 2011-12 and beyond. We identified key global trends including environmental biology, advanced materials and large scale sensor networks, and will draw on our strength in building substantial interdisciplinary teams of scientists to provide a wide range of platforms possibilities and expertise in these areas.

Going forward, the Transaction Group will continue to work closely with our scientists to bring CSIRO’s most promising technologies to investors and ensure the most suitable partners to deliver research outcomes of truly national significance and impact.

I hope you’ll find the Deal Pipeline useful and informative. I welcome any feedback you may have on the publication. Please contact myself or the contacts for specific technologies featured in this publication for further information.

Jon Brugger
(Deputy) General Manager, Commercialisation