



BioInnovationSA

# Performance Statement

**2009-10**



Government  
of South Australia

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## TABLE OF CONTENTS

1	INTRODUCTION .....	2
2	OUTCOMES FOR THE 2008/09 FINANCIAL YEAR .....	4
3	TARGETS FOR THE 2009/10 FINANCIAL YEAR .....	6



# 1 INTRODUCTION

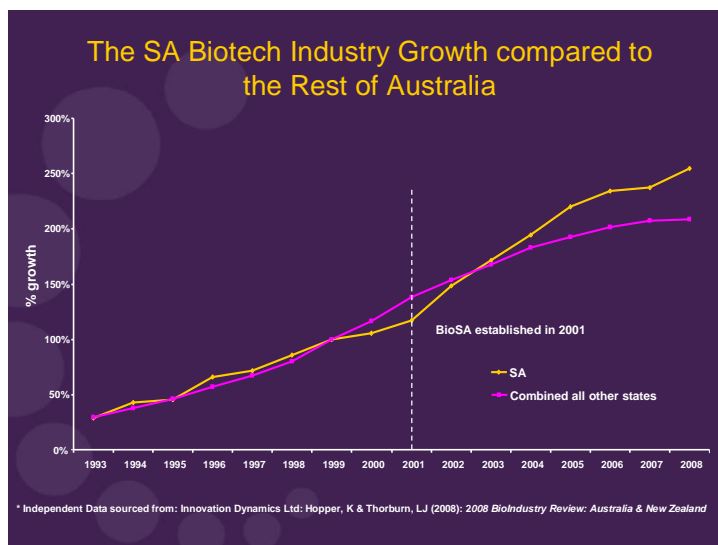
This aim of this Performance Statement is to capture the goals and dedicated targets of Bio Innovation SA for 2009/10 and to report on the highlights and achievements from the 2008/09 financial year.

The 2008/09 year was very successful for the South Australian biotech industry and indeed for BioSA, despite the challenges faced by all industry sectors as a result of the global financial crisis.

Without doubt, the opening of the BioSA Incubator building in October 2008 by the Premier was a major milestone for the now 8 year old BioSA organisation. The building was fully leased to early stage companies three months before completion, reinforcing our findings that SA is significantly under-resourced when it comes to laboratory and office space for early stage companies. Inaugural tenant companies are: VivoPharm Pty Ltd, Signostics Pty Ltd, Pharmaceutical Packaging Professionals Pty Ltd, CPR Pharma Services Pty Ltd, Jurlique R&D Pty Ltd, and Reproductive Health Sciences Pty Ltd. Four out of the six companies were formed years ago with the assistance of BioSA and are now growing enterprises, most of them with revenues.

The first 10,000sqm parcel of land in the Thebarton Bioscience precinct was released for sale after a 3 year remediation process. In addition, we now have the design and detailed costing for the next stage of the BioSA Incubator building, also referred to as "Accelerator" Building. However we were not able in the 2008/09 year to raise the required \$31m capital despite strong demand by the local and interstate biotech industry to rent space in the proposed facility.

Six new bioscience companies were established with assistance from BioSA, continuing the growth rate seen for a number of years now. SA consistently outperformed the nation when it comes to biotech industry growth as illustrated in the following graph:



In support of the sector, BioSA has awarded more than \$3.9 million in grants to local companies and technologies to further their growth and assisted a total of 52 companies and projects. This well exceeds the target of 40 for 2008/09 and demonstrates the demand for and appreciation of BioSA services by the local community. As part of our new services we offered organisations regulatory affairs support. Twenty companies made use of the service.

The AIB Labs consortium, a network of specialised laboratory facilities in SA, grew from 14 from 2007/08 to 18 in 2008/09. With \$63 million of equipment under management, AIB Labs creates economic activity in excess of \$7m per annum.

Marketing and communication efforts centred on “Creating Awareness” and “Bringing People Together”. BioSA hosted 6 networking events, issued 24 informative news and events e-broadcasts, and published 4 editions of the Adelaide BioNews which has now a readership of >7,000 per issue. More than 150,000 visitors accessed our website with the company directory the most frequently listed entry. We continued attracting international speakers to SA by sponsoring seven international guests for our networking events (such as Professor Andy McMahon from Harvard University and Professor Dieter Seebach from Laboratorium für Organische Chemie, Zurich, Switzerland).

Finally, BioSA together with a consortium comprising the Adelaide Convention and Tourism Authority, the SA Centre for Innovation and the Department of Further Education, Employment, Science and Technology, successfully bid for the 2011 National Ausbiotech Conference to be held in Adelaide. With close to 1,500 national and international visitors expected, this is a major win for Adelaide and our biotech community.

The Board of BioSA has commissioned a comprehensive review of the organisation by Access Economics to benchmark us against other initiatives in Australia and selected regions globally. The outcome of the review will further shape our strategy. Hence, the performance measures outlined in the document for 2009/10 will be reviewed and adjusted, if required, to ensure BioSA continues to deliver a high quality service to the growing biotech industry in South Australia.

I would also personally like to congratulate the management of Bio Innovation SA for winning the Inaugural Premier’s Award for Fostering Creativity and Innovation.

The Board, Management and I are appreciative of the support provided by the Minister for Science and Information Economy, Hon Michael O’Brien over the past year and look forward to working together with incoming Minister, Hon Michael O’Brien to achieve Bio Innovation SA’s new set of the goals and targets for 2009/10.

Mr DENNIS MUTTON  
**Chairman, Bio Innovation SA Board**

July 2009



## 2 OUTCOMES FOR THE 2008/09 FINANCIAL YEAR

Activity	Targets – 2008/09	Outcomes – 2008/09
<b>South Australian Life Sciences Advancement (SALSA) Fund</b>	<ul style="list-style-type: none"> <li>• Work collaboratively with TRC and other private equity funds to invest into SA companies, TRC and leveraged funds to total &gt;10 million</li> </ul>	<ul style="list-style-type: none"> <li>• Over the past 2.5 years TRC has placed over \$30m in funding in the local industry</li> </ul>
<b>Infrastructure</b>	<ul style="list-style-type: none"> <li>• Premier to officially open the BioSA Incubator</li> <li>• Finalise the sale of a parcel of land at the Thebarton Bioscience Precinct and assist in planning approval for the next proposed building</li> <li>• Identify a funding source for the BioSA ‘Accelerator’ building</li> </ul>	<ul style="list-style-type: none"> <li>• Premier opened the building in the presence of &gt;200 guests</li> <li>• 10,000 sqm of land offered for sale, no buyer attracted, due to the current financial situation.</li> <li>• Costing for the building and design completed. Not successful in State and Federal funding bids</li> </ul>
<b>Business Development and Regulatory Affairs</b>	<ul style="list-style-type: none"> <li>• Formation of 5 new companies</li> <li>• Assist 40 R&amp;D projects with commercial, financial, IP, product development, business and regulatory affairs advice in companies and/or research organisations</li> <li>• At least \$15m capital raised by companies in Bio Innovation SA’s portfolio</li> <li>• Assist one interstate or overseas company to establish operations in SA</li> </ul>	<ul style="list-style-type: none"> <li>• 6 companies were formed</li> <li>• 52 R&amp;D projects assisted</li> <li>• ~\$14m in capital raised in difficult market conditions</li> <li>• The company Pharmaceutical Packaging Professionals Pty Ltd relocated from Melbourne</li> </ul>
<b>ACPFPG</b>	<ul style="list-style-type: none"> <li>• Administer SA Government funding</li> <li>• Monitor ACPFG performance</li> <li>• Assist with commercial advice</li> </ul>	<ul style="list-style-type: none"> <li>• All grant money acquitted</li> <li>• Attended all ACPFG shareholder meetings and liaised with management on commercial decisions</li> </ul>
<b>Grants</b>	<ul style="list-style-type: none"> <li>• &gt; 40% of Bio Innovation SA’s total operating budget to be awarded in grants and industry assistance</li> </ul>	<ul style="list-style-type: none"> <li>• 46% of Bio Innovation SA’s operating budget was awarded in grants and industry assistance.</li> </ul>



<b>Marketing</b>	<ul style="list-style-type: none"> <li>• Publish at least 4 BioNews editions</li> <li>• Hold 4 Networking Functions</li> <li>• Hold 2 Leaders Forums</li> <li>• Issue 25 email news broadcasts</li> <li>• Maintain a highly informative website</li> <li>• Coordinate delegations to interstate and overseas conferences</li> </ul>	<ul style="list-style-type: none"> <li>• Published 4 BioNews editions</li> <li>• 4 Networking Functions held</li> <li>• 2 Leaders Forums held</li> <li>• 24 email news broadcasts sent to &gt;2000 recipients</li> <li>• ~150,000 visitors to our website</li> <li>• Coordinated the SA delegation to AusBiotech 2008 and won Best Stand award</li> </ul>
<b>AusBiotech Ltd</b>	<ul style="list-style-type: none"> <li>• Continue to provide an office within BioSA and associated services to AusBiotech free of charge</li> <li>• Promote and provide assistance to AusBiotech events in SA</li> <li>• Sponsor the 3rd AusBiotech Business Development Forum in Adelaide</li> </ul>	<ul style="list-style-type: none"> <li>• Ausbiotech continues to occupy one room in our offices facilitating close interaction between both organisations</li> <li>• Attracted the 2011 Ausbiotech Conference to Adelaide.</li> <li>• Forum held in February 2009 and agreed with Ausbiotech to hold the 2010, 2011, 2013 and 2014 events in SA</li> </ul>



### 3 TARGETS FOR THE 2009/10 FINANCIAL YEAR

Activity	Targets – 2009/10
<b>BioSA Review by Access Economics</b>	<ul style="list-style-type: none"> <li>• The outcome of the review will be known late September 2009. The Board and management of BioSA will then review the BioSA Strategy and performance targets for 2009, in consultation with the Minister.</li> <li>• The targets outlines below are therefore indicative only and modelled on last year's targets.</li> </ul>
<b>Business development</b>	<ul style="list-style-type: none"> <li>• BioSA will continue to provide high-level business assistance to early stage companies and entrepreneurs</li> <li>• Formation of at least 3 new companies</li> <li>• Assist 30 R&amp;D projects with commercial, financial, IP, product development, business and regulatory affairs advice in companies and/or research organisations</li> <li>• At least \$15m capital raised by companies in BioSA's portfolio</li> <li>• Ensure that at least \$3.2m of the BioSA funding is being paid in grants to support industry development and where applicable assist in generation of deal flow from public sector research organisations.</li> <li>• Obtain the Government's approval to take, where appropriate, soft equity in companies in return for grant payments</li> <li>• Over 40% of BioSA's total operating budget is to be awarded in grants and industry assistance</li> <li>• Manage for the Minister the Government's shareholding in the ACPFG, pay and monitor grants and represent the Government at shareholder meetings.</li> <li>• Assist one interstate or overseas company to establish operations in SA</li> <li>• Work collaboratively with TRC and other private equity funds to invest into SA companies. TRC and leveraged funds to total &gt;10 million</li> </ul>
<b>Infrastructure</b>	<ul style="list-style-type: none"> <li>• Obtain all or part of the capital (estimated \$31m) to enable commencement of the construction of the BioSA Incubator Stage II building, also referred to as "BioSA Accelerator".</li> <li>• Complete remediation work on the remaining parcels of land at Thebarton and restore the land to</li> </ul>



	<p>be ready for commercial development.</p> <ul style="list-style-type: none"> <li>• Finalise the sale of a parcel of land at the Thebarton Bioscience Precinct and assist in planning approval for the proposed building</li> </ul>
<b>Marketing</b>	<ul style="list-style-type: none"> <li>• Publish at least 5 BioNews editions</li> <li>• Hold 4 Networking Functions attracting on average &gt;80 participants</li> <li>• Hold 2 Leaders Forums for senior managers as target audience and attract highly-regarded guest speakers.</li> <li>• Keep the biotech community updated regularly by issuing 25 email news broadcasts</li> <li>• Launch an updated website and monitor readership</li> <li>• Coordinate delegations to interstate conferences including the Ausbiotech 2009 conference in Melbourne</li> <li>• Manage the 2009 BioSA awards nomination and selection.</li> </ul>
<b>AusBiotech Ltd</b>	<ul style="list-style-type: none"> <li>• Continue to provide an office within BioSA and associated services to AusBiotech</li> <li>• Promote and provide assistance to AusBiotech events in SA</li> <li>• Sponsor the 4<sup>th</sup> AusBiotech / BioSA Business Development Forum in Adelaide</li> <li>• Work with Ausbiotech in the lead-up to the 2011 conference to be held in Adelaide.</li> </ul>

