Information City Australia

1. In the Beginning

In the beginning there was **JTP**, originally representing **John Rimmer, Tom Forgan and Peter Fritz. Robert Crompton** joined JTP as a consultant, following his exit from Multimedia Victoria in 1999. JTP had an initial physical presence in Melbourne in the offices of Annie Hayes' Virtual Opportunity Congress which subsequently failed and was closed, with Hayes moving to Dubai.

JTP initiated its weekly Friday 8.00am meetings in 1999 (later moved to 8.30am and now survived for 22 years!). Regular meetings provide the substance and leadership continuity.

Forgan exited the business before Information City was established in 2000 and was replaced by Crompton. This initiated a name change to "Joint Technology Parks".

The initial consultancies of JTP were:

- A feasibility study for the South Australian Government that was intended to move and upgrade an ICT Centre of Excellence across the city to a new site
- Planned conversion of the abandoned Bendigo Benevolent Asylum into a high-tech Centre similar to the Redfern Technology Park in Sydney. This did not proceed beyond the feasibility stage.
- Feasibility study of Bio21, an integrated, multi-disciplinary research and development Centre successfully established in Melbourne University, Royal Melbourne Hospital Centre and incorporating the Walter and Eliza Hall Institute (WEHI). Through collaborative scientific development, WEHI and University partners developed breakthrough cancer treatment and a range of drug therapies which were **successfully commercialised and valued at several billion dollars.**
- A consultancy for the City of Melbourne to establish a high-tech incubator in the city in 1999. Almost simultaneously, the Australian Government released a $13 million "Building IT Strengths" (BITS) tender for to establish an ICT Incubator in Victoria. From the feasibility study, the City of Melbourne then subsequently supported the development of a full-floor incubator at 257 Collins Street owned and managed by Adamco (and principal Adam Ryan) when Information City successfully won the tender.

2. JTP, Information City and BITS

JTP responded to the BITS tender and secured initial partners to respond jointly to the tender under the corporate brand **Information City Victoria (ICV).** These included:

- **MelbourneIT**, initial joint partner out of the University of Melbourne
- **University of Ballarat Greenhill Enterprise Centre,** funded by Multimedia Victoria when Crompton was Executive Director
- **Photonics Red Centre**

- **The Strategic Industry Research Foundation (SIRF)**, funded by the State Government who abruptly removed their funding support and was forced to withdraw
- **AMP Asset Management**, who withdrew before tender closure after internal management changes
- **Australian Innovation Fund Management (AIFM)**, who eventually refused to accept the terms of the tender.

JTP led and managed the tender process and successfully established **Information City Victoria (ICV)** with the initial $13 million funding from Australian Government Department DCITA approved by Minister Richard Alston, who opened the Incubator, and subsequently joined Crompton in a Collingwood Football game at the MCG. Alston demonstrated his enthusiastic "take no prisoners" approach in the support for his team which fortunately won on the day!

Judith King was the founding chair of the ICV Board, together with shareholder representatives. An Investment Evaluation Committee was established, chaired by Leon Kempler from the Australia Israel Chamber of Commerce. Within the first year of the BITS Program, Red Centre Photonics created a conflict-of-interest issue. They were then replaced by **Ericsson Australia.** Leo Silver from Ericsson subsequently joined Information City as a joint Executive Director with Crompton, until his departure to Ascom-Neira and Integrated Wireless and an eventual highly successful exit. Ian Smart, who had been with MelbourneIT, subsequently joined Information City as Deputy Executive Director.

At 257 Collins Street, start-up companies were provided with personal workstations, free standalone computers and telephones, high speed internet and a lounge area with kitchen and food and coffee preparation facilities, as well as a large meeting room for negotiations, and regular Friday evening presentations by investment and marketing experts. The development of these early-stage businesses was supported by a network of mentors led primarily by Jim Landau and Susan Bell from the University of Ballarat. The management of their accounting and finance requirements, introductions to Grant Funding and private investment through Melbourne Angel networks and Corporation Builders out of Brisbane were managed by David Millhouse. Crompton was a Board member of Corporation Builders, along with Millhouse, where they took prospective startups to Singapore to expose them to Angel funding there. The Singapore Government provided free office space and meeting rooms when in Singapore and supported the program.

At the University of Ballarat, an ICV incubator was also set up in the Greenhill Centre Technology Park which was originally funded by Multimedia Victoria. This provided workstations, telephony and free computers like the 257 Collins Street incubator and was, after a change of personnel, managed by Stan Jeffery. Crompton was a regular visitor to the Centre, collaborating with Jeffery, and for a period had a house close to the University Campus which doubled as a weekend country retreat. Several startups were developed, including Datascreen, which analysed the National Drug Reaction Database. Required development funding could not be obtained and the business was eventually wound down. Crompton was a director of the company.

3. The first four years of the BITS Program

The initial BITS Incubator Agreement with the Australian Government provided **$13 million in Grant funding over 4 years**. Information City committed to the following **outputs:**

1. 80 new Incubatees;
2. 40 Graduates;

3. Co-investment of at least matched $13 million raised for Incubatees;
4. Total Other Contributions of at least $1 million
5. 30 Exits

The actual **outcomes** were

1. 82 companies incubated from 1,122 applications
2. 43 graduating or exiting
3. Co-investment of **$44.3 million**
4. **$1.3 million** in Grant Funds raised by incubatees

In the final 2003-04 year of the BITS program, **MelbourneIT** left the incubator and was replaced by **Allen and Buckeridge** in Sydney. Information City now had offices in Melbourne, Sydney and a strategic alliance in Western Australia and changed its name to Information City Australia.

During the first four years of the contract, JTP also visited Hungary and negotiated a contract with the Republic of Hungary and Commission of the European Union to establish an Innovation Centre in Sopron. Negotiations were facilitated with Marta Gal of Sopron and the Sopron Council. However, a change in local Government towards the finalisation of the contract resulted in the contract not being signed off. Marta subsequently visited Melbourne and JTP provided a "blueprint" for managing and operating an incubator.

Later in 2002, a Romanian delegation visited Melbourne and signed a Collaboration agreement with JTP and Information City. This was led by Olguta Ganciu and Professor Carmen-Francesca Banciu from the Romanian Government.

In 2003, Crompton was invited by the National Business Incubator Association (NBIA) of the USA to present to their National Conference in Boston, Massachusetts on incubation in Australia. He also joined an incubator tour of the UK and Europe organised by WD Scott of Sydney where Crompton was a consultant in the late 70's. This provided several innovative ideas on incubator management and also confirmed the business model ICA had developed

Information City also collaborated with The Ice House incubator in Auckland, New Zealand, founded by Andy Hamilton who visited Information City in Melbourne in 2002. With links to Auckland University, the Ice House incubator has progressively developed its business model and now describes itself as "capability development solutions and business experts for Kiwi businesses", with a full-time staff of 24 and a team of coaches and consultants supported by sustained Government funding over 22 years.

4. The second four years of the ICT Incubator Program (ICTIP)

Following the completion of the Building IT Strengths (BITS) Program in 2004, the information City Australia (ICA) Consortium was successful in tendering for the follow-on ICT Incubator Program. ICA's shareholders at that time were:

Joint Technology Partners (JTP)	35%
Allen and Buckeridge	30%
University of Ballarat (through Inskill Pty Ltd)	25%
Ericsson Australia Pty Ltd	10%

Information City was also successful in 2004 in a tender to the Victorian State Government through the Vicstart Program for a coaching/mentoring program supported by structured workshops around

the themes of Commercialisation, Market Entry and Global Growth. Over 120 largely early-stage high growth companies completed the program over the past four years, and a number have also been funded by the ICT Incubator Program. The Victorian Government also supported Information City with accommodation and meeting/seminar room facilities in its Innovation@ 257 cluster at 257 Collins Street. During that time, Crompton completed a Certificate IV in Training and Assessment with Melbourne University, and structured a Diploma in Business Development in collaboration with the University of Ballarat TAFE

John Rimmer replaced Judith King as the chair of the ICA Board.

The 2004 ICTIP Incubator Agreement provided a further **$5 million in Grant funding over 4 years,** and information City committed to achieving at least the following **Outputs:**

1. 30 new Incubatees;
2. 20 Graduates;
3. Total Other Contributions of $11.87 million including Grant funds raised by incubatees;
4. Two Exits

The Outcomes of the 4 years of the ICTIP Grant Deed were:

1. 31 new incubatees
2. 22 Graduates
3. Co-investment **of $15.2 million**
4. Total other contributions of **$8.01** million including grant funds raised by incubatees
5. During the ICTIP Grant period since July 2004, **a further $39.54 million** was also raised in follow-on BITS funding, totalling **$54.7 million**

The key benefits and outcomes of the **ICT Incubator Program Activity** were to invest in and provide funding support to 31 new incubatees and attract $15.2 million in Private Co-investment and other government grant funds. A formal Collaboration Agreement with Business Strategies International (BSI) which in turn managed Australian Distributed Incubator (ADI) another ICTIP fund, supported the ICA Private Capital raising outcomes through the BSI quarterly Capital Raising Program. This Collaboration Agreement was also a source of deal flow and value add through BSI related programs such as the US and China Gateway Programs. ICA itself has also assisted a number of the investee companies through the Vicstart supported Mentre Commercialisation, Market Entry and Global Growth Programs.

The capital investment and supporting incubation programs assisted the ICTIP incubatees to grow their annual revenues from $1.5 million in their initial year of Program support to an aggregate of $10.6 million in the final 2008 year of the program. This included $3.3 million in export revenue

The impact on the ICT industry overall through the ICT Incubator Program investments by Information City contributed to the establishment and development of the following types of companies in Australia:

- o 17 IT software and software solutions
- o 8 telecommunications
- o 3 multimedia and games
- o 3 IT hardware and solutions (e.g. tracking devices)

These 31 companies recorded 67 full time staff equivalents and 31 part time staff on initial investment and 110 full time equivalents and 97 part time staff in the final 2008 year of the program. Four of these companies benefited from the Vicstart supported Mentre Commercialisation and Growth Program, and 61% were identified through the BSI capital raising program and assisted in securing external private investment.

The $15.2 million in Private Co-investment and $0.72 million in Government grants were raised for these new investments between 2004 and 2008.

The Outcomes of the entire BITS and ICTIP Program

The total funds raised by the BITS and ICT Incubator Program in aggregate of **$87.7 million in Private Co-investment and $9.3 million in Government and other Grants** between 2000 and 2008 represent a significant multiplier on the original total 8-year Grant Funds of **$13 million** of **7 times the original funding.** This represents an important investment stimulus for the Australian ICT sector.

There were 65 **exits** including original BITS incubatees from the ICT Incubator Program by June 2008, including a selective Share Buy-back by Allen & Buckeridge and acquisitions by the Docklands Innovation Fund. As of July 2008, there were three ICTIP and eight BITS incubatees remaining under active Program management. As well, Information City continued to hold an indirect interest in several incubatees through a related investment vehicle, TDI, a Pooled Development Fund.

5. Case Studies: Beyond BITS and ICTIP

Realisations by incubatee exits from the BITS and ICT Incubator Programs, and Initial Public Offerings (IPOs) include:

- **Bluechiip** (listed on the Stock Exchange in 2013 with a market capitalisation of $6.7 million)
- **Redbubble** (valued at $1billion at its high point)
- **Lease Eagle** (recently acquired at a valuation of $15 million)
- **Cell Therapies**

Cortical Dynamics remains within the Information City portfolio and is a spin-out from Swinburne University.

Bluechiip had its origins in the University of Melbourne and listed on the Stock Exchange in 2013, five years after the Grant Programs closed.

Bluechiip provides advanced sample management solutions across a wide range of applications. Our solution is the only one that provides sample temperature with ID in cryogenic environments to help drive productivity and improve quality. Leveraging our unique technology, we deliver products and services to end-users in life sciences and healthcare. Partnering with the world's most innovative organizations we aim to deliver solutions that advance research and medicine to deliver confidence in every sample. Bluechiip's unique patented technology is a MEMS-based wireless tracking solution that contains no electronics. It represents a generational change from current tracking methods such as labels (handwritten and pre-printed), barcodes (linear and 2D), and Radio Frequency Identification. Bluechiip tags are either embedded or manufactured into storage products such as vials or bags. Each product is easily identified and critical information, such as sample temperature, detected by readers and stored in the Bluechiip software. In addition to functioning in extreme temperatures, the Bluechiip Advanced Sample management solution can survive autoclaving, gamma irradiation sterilization, humidification, centrifuging, cryogenic storage and frosting.

REDBUBBLE

Redbubble was founded by entrepreneur Martin Hosking and was a joint investment with BSI

Founded in 2006 and listing successfully in 2016 with a market capitalisation of **$500 million (achieving over $1billion at its high point**), the Redbubble Group (RB Group) incorporates Redbubble Limited and its subsidiaries including TP Apparel LLC (TeePublic). RB Group owns and operates the leading global marketplaces hosted at Redbubble (redbubble.com) and TeePublic (teepublic.com), powered by independent artists. Redbubble's community of passionate creatives sell uncommon designs on high-quality, everyday products such as apparel, stationery, housewares, bags, wall art and so on. Through the Redbubble and TeePublic marketplaces, independent artists are able to profit from their creativity and reach a new universe of adoring fans. For customers, it's the ultimate in self-expression. A simple but meaningful way to show the world who they are and what they care about. More than 800,000 independent artists currently use the RB Group platforms. Artists have earned more than $100 million through sales across both marketplaces since their launch. RB Group has also partnered with a number of rights holders to build a portfolio of licensed fan art, with a strong pipeline of partnerships to come. Customers from approximately 200 countries have shopped on RB marketplaces, finding designs and creative works that reflect their individual interests, passions and creativity. On Redbubble alone, 4.0 million unique customers purchased approximately 2.0 million different designs and creative works, on 4.0 million unique items in FY2018.RB Group currently works with fulfillers in North America, the United Kingdom, Europe, and Australia. They operate more than 32 different production centres to fulfil more than 66 different product types currently sold. The number of fulfillers and production centres continues to increase, improving local sourcing and reducing delivery times for customers.

LeaseEagle

Lease Eagle was a product of the Mentre Commercialisation Program attended by Lee Trevena (Managing Director) and Jason Polites (Partner). It exited in 2022 by acquisition after ICA holding the investment for 16 years. Robert was a Board member of Lease Eagle.

LeaseEagle is a leading supplier of lease management software for tenants across the corporate, retail and healthcare industries.

cell therapies

Cell Therapies is a manufacturer of cellular therapeutics and is a buy-back by the Peter MacCallum Cancer Institute located in the Victorian Comprehensive Cancer Centre (VCCC)in the Parkville Bio 21 precinct. In the VCCC building, Cell Therapies now operates the leading facility of its kind in Australia and the Asia-Pacific region. Recent breakthroughs in gene therapy, immunotherapy, stem cell therapy and tissue regeneration have made Cell Therapies an internationally important business. It ensures that new therapies developed overseas can reach Australian patients and that cellular therapies developed by breakthrough Australian research can be produced to GMP grade quality and reach global markets. Cell Therapies

manufactures human cells as therapeutic agents. There are two broad categories of product:

- Autologous: using the patient's own cells, manipulated and returned to them.
- Allogeneic: using a donor's cells, banked, manipulated and distributed to (potentially) many patients.

An on-site, integrated cell processing capability is rapidly becoming essential for leading global cancer hospitals such as Peter Mac. In addition to research and laboratory exchange between Peter Mac and Cell Therapies, their co-location enables Peter Mac and Cell Therapies to run early-stage clinical trials and ultimately to provide access to the latest targeted therapies for our patients.

Cortical Dynamics is a collaboration with Swinburne University in Melbourne which has developed a Brain Anaesthesia Response Monitor (BARM) . It was developed to better detect the effect of anaesthetic agents on a patient's brain activities and aid anaesthetists in keeping patients optimally medicated. It is the only system with methods (or algorithms) based on a model of brain electrical activity derived from physiological principles. Existing monitoring systems on the market use statistically based empirical approaches. It offers improved patient health outcomes and reduces hospital costs and reliably quantifies and continuously monitors a patient's anaesthetic state. It distributes BATM monitor in South Korea, Europe and the USA

6. Spin-out from Information City

While **Information City** still exists and continues to hold a prospective investment in Cortical Dynamics, Ian Smart and Robert Crompton spun out Optias Pty Ltd in 2009 which has been a successful consulting company to Government and the private sector since then and is a product of the BITS and ICTIP programs.

Appendix – Summary of the BITS and ICTIP Australian Government programs

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