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Innovation & Commercialisation

The debate continues as to what are the drivers for innovation and commercialisation of innovation in Australia. Discussion abounds about the metrics for assessing these endeavours and the speaker circuit is chock-a-block with events focusing on these buzz words of the day.

The Federal Government has completed its consultations on the design and implementation of the \$196m [Commonwealth Commercialisation Institute](#) (CCI) under the leadership of Dr Laurie Hammond, invited by the Department of Treasury to chair the government committee to develop the design of the new Institute. Dr Hammond is a founder and director of [iQ Capital Management](#) Pty Ltd and Timsco Pty Ltd ([inQbator](#)), which manage investments in start-up and early-stage technology ventures, and he is co-founder of InterFinancial Ventures Pty Ltd. He chairs the Cooperative Research Centre (CRC) for Mining and has worked in a number of government innovation bodies, including last year's Review of the National Innovation System.

The Australian innovation community is waiting now to hear what emerges from the cabinet deliberations on priority elements for implementation under the CCI umbrella.

As Angel investors we usually see innovation as the basis in technology, distribution, or business model that offers the promise of superior performance in the commercial market. Commercialisation is then realising that superior performance, preferably using some of our money

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in a way that generates a high order return for the entrepreneur and for our investment.

Our colleagues in New Zealand have had a [good year](#), investing over NZD30m into young companies in the first six months of 2009. Thanks in no small part to the superb work of the NZ government backed [Seed Co-Investment Fund](#), an initiative the AAAI has been urging the Australian government to adopt as part of the CCI.

Meanwhile, Angel groups around the country continue to screen investment opportunities as diverse as Cleantech, social networking, biotech, sustainable fibre Manchester, car sharing, digital cookbooks, hydrogen enriched truck engines and mobile phone travel assistants.

As more and more people join the organised Angel investor community, more and more Australian entrepreneurs are being funded.

Don't Miss Out!! **Valuation & Portfolio Strategies**

October 21st, 12pm-4pm,
Melbourne



For Melbourne-based Angel investors and anyone interested in learning to be effective as an angel investor. Valuing early stage businesses is a blend of scientific method and informed opinion. Learn how it's done and how to build a portfolio of early stage investments.



This event is supported by



See page 2 for more details.

BOOK NOW!!!

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Life Science Angels

Angel Investors are invited to participate in the [Globally Engaging Life Science Investment Forum](#) being run on Monday October 26th at the Hilton Hotel in Brisbane.

Now in its third year the investment forum has become a premier event on the Asia Pacific Life Science Investment Calendar attracting:

- Leading international and local life science investors looking to invest in exciting technologies.
- Life science businesses looking to raise capital and to partner

In addition Angel investors are invited to attend the Investors' Networking Event on Sunday evening 25th October. The forum is being hosted by Queensland Clinical Trials Network with support from the Queensland Government. The Forum provides life science firms with an opportunity to form international alliances with research, commercialisation and investment community stakeholders. The Forum leads into the [AusBiotech 2009 National Conference in Melbourne](#).

Register now to ensure your place at the Globally Engaging Life Science Investment Forum:

<http://www.qctn.com.au/LinkClick.aspx?fileticket=Hz%2fSzGOQliY%3d&tabid=300&language=en-AU>

The Angel Education Experience

August 25th AAAI with Angel Groups in SE Qld hosted in Brisbane the **Valuation & Portfolio Strategies** workshop from the ACEF *Power of Angel Investing* series delivered around Australia by internationally certified instructors from the AAAI. The 26 participants comprised experienced and virgin Angels along with entrepreneurs and service providers, all of whom rated the workshop as 'very good' or 'excellent' in all categories.

Participants gained an appreciation of the role Angels play in early stage companies, such as those supported by COMET. The focus on Angel portfolio investment strategies delivered understanding of how to manage the risk associated with Angel investing. Those risk management strategies underpin the ability of Angels to realise high returns from their investments. A key risk addressed was the valuation of early-stage companies, for which tools were provided and worked examples explored. Insights and perspective delivered from over 30 years first hand Angel investment experience encouraged lively discussion around:

- What should be considered when valuing a venture?
- How can an Angel help Angel-entrepreneur negotiations be less contentious?
- What rules of thumb can Angels use when crafting and measuring their portfolios?
- Effective portfolio strategy insights gained from exploring actual Angel portfolios?

The Board and Management of AAAI sincerely thank Brisbane Angels and their founder John Mactaggart for the logistical support in delivery of this workshop, as well as, our appreciation for the support of AusIndustry and the Queensland Department of Employment, Economic Development and Innovation.

Valuation & Portfolio Strategies Workshop

Where:	Melbourne (details provided upon reservation)
When:	Wednesday October 21 st , 12pm - 4.00pm
Who should attend:	Melbourne-based Angel investors and anyone interested in learning more about establishing a pre-money valuation for seed/start-up companies, the importance of the company scalability to angel investors and the critical parameters for a successful angel portfolio strategy.
Price:	AAAI & Melbourne Angels Members \$155 inc GST Non-members \$195 inc GST (Includes training course book and afternoon tea)

This workshop from the highly acclaimed *Power of Angel Investing* series is designed to be highly interactive. The format features presentation by certified instructor and experienced local angel Jordan Green from Melbourne Angels, extensive video segments presented by two experienced angel investors (Bill Payne of Vegas Valley Angels and Luis Villalobos of TechCoast Angels), hands-on exercises for applying the concepts presented in the videos, a video panel discussion and in room group discussion.

This event co-ordinated for AAAI by local angel group [Melbourne Angels](#) [www.melbourneangels.net]. AAAI gratefully acknowledges the support of by event sponsor AusIndustry.

More information available on the AAAI website [www.aaai.net.au/news-and-events].

Places are limited, so please register early.

the POWER of
angel
Investing



This event is supported by



An Australian Government Initiative



AAAI 2010 National Angels Conference - Year of the Angel

Wednesday 17 February 2010 – Day 1

- 10:00am - Government Innovation Policy Forum
 12:00pm (By Invitation) "Building the Community"
 Angel Investing Master Class Workshops:
 Introductory
 1:00pm - (*Angel Investing Australia*: Introduction to Angel Investing)
 5:00pm Advanced
 (*Power of Angel Investing*: Due Diligence)
 5:00pm - Opening Networking Drinks
 7:00pm

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Thursday 18 February 2010 – Day 2

- 7:30am - Continental Breakfast
 8:30am
 8:30am - Chairman's Opening Address
 8:35am
 8:35am - Minister's Keynote Address
 8:55am

Theme 1 "International Investment Communities"

- 9:00am - Session 1: International Trends in Angel Investing
 10:30am
 11:00am - Session 2: How the Best Angel Groups have Built their Community
 12:30pm
 12:30pm - Session 3: Active Angel Deals Luncheon
 2:00pm

Theme 2 "Australian Corporate and Angel Investment Communities"

- 2:00pm - Session 4: Australian Trends in Corporate Investing
 3:30pm
 4:00pm - Session 5: Entrepreneurs leveraging the Investment Community to Build Successful Companies
 5:30pm
 5:30pm - Cocktails
 6:30pm
 6:30pm - Conference Dinner
 11:00pm

Friday 19 February 2010 – Day 3

- 7:30am - Session 6: Elevator pitches by entrepreneurs
 9:00am Continental Breakfast
Theme 3 "Sophisticated and Safe Angel Investing"
 9:00am - Session 7: The Prenuptial - Investing while maintaining compliance with the Australian regulatory framework
 10:30am
 10:30am - Morning Tea
 11:00am
 11:00am - Session 8: The Postnuptial - Managing the Investment with Diligence
 12:30pm
 1:30pm - Session 9: The Exit – When the Time is Right
 3:00pm
 3:00pm - Lunch - AAAI AGM
 4:00pm
 4:00pm Conference Close



Stamford Grand

Moseley Square Glenelg
 South Australia 5045
 Australia

Confirmed Speakers

- David Henderson, UniQuest (Qld)
- Bob Christiansen & John Scull Southern Cross Venture Partners (Qld/USA)
- Amanda Heyworth, Playford Capital (SA)
- Neil Finlayson, BioInnovationSA (SA)
- Gerry Cawson, Minter Ellison (SA)
- Andrew Hamilton Angel Association of New Zealand (AANZ)
- Bill Payne, Vegas Valley Angels (USA)
- Susan Preston, CalCEF (USA)
- Daniel Mothersill, President of NACO (Canada)
- John Otterson, Silicon Valley Bank (USA)
- Norman Evans, Upstart Angels (NZ)
- David Akers, Angel HQ (NZ)
- David Kowalski, Country Cars (NSW)
- Peter Vroom, NetPriva & Rocksoft
- Mike Hirshorn, Four Hats Capital (NSW)
- Karl Jacoby, Techniche Ltd (Qld)
- Andrew Loch, Gold Coast Angels (Qld)
- Jordan Green, Melbourne Angels (Vic)

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WA ANGELS

Coming in 2010, contact the editor to be referred to the founders.

Events**AUSTRALIA****AAAI Workshops**

Angel Education Workshop
 Hosted by *Melbourne Angels*
 October 21st, 12pm-4pm, Melbourne

Brisbane Angels

October 27th, 5pm, General Meeting, Dental Depot
 November 26th, 7am, Angels at Breakfast (Sidecar funds)
 Riverside Receptions Centre
 November 26th, 7pm to late, End of Year Dinner, Bretts Wharf

BioAngels Meeting

October 14th, 5:30-8pm, Bionomics Ltd, Thebarton

Capital Angels

October 21st, Capital Angels Dinner
 December 2nd, End Of Year Cocktail Party

Melbourne Angels

October 14th, 4:15-6:15pm, Deal Meeting, ICN, Melbourne
 October 30th, 12-2pm, Lunch, Fiorini's, Toorak

CONFERENCES – AUSTRALIA & OVERSEAS**[National Angel Capital Organisation 9th Annual National Angel Summit](#)**

October 14th-15th 2009, Toronto, Canada

[Angel Association of New Zealand Angel Summit '09](#)

November 4th-5th 2009, Queenstown, New Zealand

[World Business Angels Association](#)

December 4th-6th 2009, Beijing, China

[AAAI National Angel Conference](#)

February 17th-19th 2010 Glenelg, SA

R&D Tax Credit Update

The Australian Department of Treasury has released a consultation paper, "[The New Research and Development Tax Incentive](#)" on their website. An incentive of particular interest to Angel investors with our tendency to invest in early-stage ventures relying heavily on intellectual property.

The Government is after written submissions, an opportunity for Australian companies and investors to guide the development of a new R&D initiative to encourage a more productive and competitive Australia.

Two core components:

- Non-refundable 40% Standard R&D Tax Credit
- 45% Refundable R&D Tax Credit for companies with turnover <\$20m

Positive aspects of the proposals include:

1. Extension of eligibility from 25% maximum ownership of companies by tax exempt entities (e.g. universities, CSIRO) to 50% (a feature promoted by AAAI in the Innovation Review that wasn't in the Venturous Australia report)
2. Removal of R&D ceiling from Refundable component to companies with turnover less than \$20m (was \$1m in R&D Tax Offset, extended to \$2m 2009/10)
3. Increase in cash return for R&D from 37.5% to 45% for companies with turnover <\$20m. If retained after the review process and passed by Parliament, this will deliver significant benefits for many early-stage companies of interest to Angel investors.

Consultation meetings on policy and design of the new initiative are being held nationally in Sept/Oct, closing October 26th 2009. Bookings through [AusIndustry website](#) and the [AusIndustry Hotline](#). Programme commences on July 1st, 2010.

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