



CleanPoint Holdings Pty Ltd
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Re: CEFC Submission

To the CEFC,

Scope of the CEFC:

We endorse the CEFC operating on a commercial model and support the objective to make a positive return on investment and become sustainable.

As a clean energy pioneer with what is now recognized as “game changing” IP, our company is being forced to reestablish overseas. Cleanpoint consistently faced overwhelming obstacles to growth in Australia. Our status as a “small startup” in the energy sector precluded us from any real dialogue with Australian utilities, denying us the ability to commercialise in Australia. This attitude reinforced the resolve of the risk adverse Australian investment community and we subsequently accepted assistance from the UK government who recognized the merit of our product. Whereas the UK government did not provide VC it did provide us with a supportive environment that has enabled us to commercialise our product and now raise VC.

The Clean energy market is a new market sector which makes it difficult for those considering any form of involvement to consider what has happened in the past as part of their decision to become involved.

From our experience, we see the need for two specific systemic issues to be addressed;

- The first is the need for assistance for many startups to prepare themselves to become “VC ready” . There are two main issues that should be considered
 - The need to build a complete management team that will satisfy the needs of a VC
 - The need find an affordable way to operate their product in the real world so as to fine tune it prior to the commercialisation process.

We would support the CEFC (possibly in collaboration with other agencies)

sponsoring or in some way facilitating this process.

- The second involves investment. Australia is renowned as having a risk adverse investment community. We would support the CEFC developing joint or co – investment strategies with recognized VC or Angel investors

The overall investment mandate and risk profile needs to be lateral enough to capture investments into a broad cross section of short and long-term projects that will yield a balanced portfolio

We believe that it is important that considerations other than financial viability are taken into account. It is interesting to note that many of today's fundamentals of life were originally overlooked by VC as having no financially viable future. We cannot allow this type of thinking to compromise the development of a revolutionary project

The Market Gap and Overcoming It:

We feel the adoption of the points raised above will help to serve to overcome the market gap however there is a bigger opportunity to expand the scope .

The Australian market is limited and opportunities for attracting investment are similarly limited.

Whilst the CEFC remit is to develop local technologies for local application, it should also work closely with overseas nations to attract investment and facilitate technology transfer to these markets.

Working with other Government and market organisations:

Our society's addiction to abundant amounts of energy makes the acceptance and widespread use of clean energy, fundamental to our future.

The CEFC can play a vital role in the early stages of building our clean energy industry; however its focus appears to be on addressing the important early stage of the life cycle. It is our view that CEFC must be actively engaged with governments and market organisations so as to optimise the work it can do for its clients in the early stage but also to ensure optimal engagement with more relevant resources as the client matures.

We welcome the formation of the CEFC and look forward to engaging further.

Yours faithfully

Bruce Johansson

Director

