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Sleep pioneer dreams of another success

SARAH-JANE TASKER
HEALTHCARE

He led the world in analysing sleep and now Australia's David Burton says he is on the cusp of releasing the next generation of sleep monitoring devices.

Mr Burton, who has an engineering background, developed Australia's first computerised sleep centre in the late 1980s at Epworth Hospital in Melbourne. He submitted his first sleep patent in 1985 and today he has more than 100 patents in his company Compumedics' sleep portfolio.

The sleep monitoring systems he developed have been used by NASA, Olympians and patients around the world.

"When they opened the centre at Epworth it created some fanfare — we were on the cover of *Time* magazine — it was crazy times," Mr Burton said.

"We were developing these systems as fast as we could... I had sections of the project all over Melbourne. I was running taxis all over the city. It was a real start-up. Some of the senior staff today were there from the start."

Compumedics, which listed on the Australian market in 2000, is a medical device company that develops and manufactures diagnostic technology and systems for sleep, brain and ultrasonic blood-flow monitoring. It has exported more than \$500 million worth of patient monitoring systems.

Mr Burton, who founded Compumedics in 1987, said the world had changed since then, and with today's regulatory standards, he wouldn't dream of developing a company as fast as he had in the 1980s.

"The regulatory standards have got to a point where it's virtually impossible as a start-up to produce a safe device in that manner without enormous funding," he said.

As with most start-ups, the rise has not been without its chal-

lenges. Mr Burton said the com-

pany was on a roll in 1996 — it secured venture capital funding, NASA contracts and won Australia's top export awards — and it was sailing towards a market listing in 2000. But the tech crash put the brakes on the smooth ride.

At one point the share price fell under 10c — it is 75c today — and if one market crash wasn't enough, Mr Burton also steered the company through the global financial crisis and then the credit crunch that followed the GFC.

"Overnight banks slashed our working capital from \$6 million to

\$2m. That was the good news; the bad news was they gave us 30 days notice and whacked a hunk of cash out," he said

"Suddenly we weren't as secure. I'd never understand why they would rip money out."

Compumedics then went through a reorganisation phase in 2010 and 2011 and reset its strategy.

"The strategy was to stick to our knitting on our core business, sleep, and because we knew we could never rely on, or trust, fiscal policy, governments and banks again, we had to make sure we

were a sustainable business," Mr Burton said.

He added that in the tough times he had offers to buy the company through the backdoor of various banks' clients.

"All of that scurrilous stuff goes on, and the big super companies become bigger through those tumultuous events," he said.

Mr Burton, who still owns about 55 per cent of the company, said he was keen to keep the company Australian.

"My vision and drive has always been a great belief that Australia should not just have a

specialist medical company like a Cochlear or Resmed but a diversified, broad-based medical diagnostic company," he said.

The next wave of technology the company is set to launch next

year is an at home sleep device.

Mr Burton said his team had developed a product that would provide the same data people were paying thousands for at a sleep lab.

"At home you can have your sleep analysed with the same standards of the academies of medicine.

"It will sell for around \$200 and monitor your sleep in the home."



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STUART MCEVOY

David Burton from Compumedics with the new Somfit consumer sleep device that connects to your phone