

Media Coverage

Company: AusBiotech
Publication: ABC Australia
Date: 9 October 2011
Page: [Online](#) (and broadcast)

Buchan

Business Strategy | Communication | Public Policy

The screenshot shows the ABC Radio Australia website interface. At the top, there is a navigation bar with the ABC Radio Australia logo and a 'Radio Australia is Renovating' banner. A 'LISTEN NOW' button with 'LIVE' and 'MP3s' options is visible. Below the navigation bar, there is a search bar and a 'Contact Us' link. The main content area features the article 'Biotech in Australia' with a sub-header 'Innovations Home | Email Newsletter | About Us'. The article text includes a quote from Anna Lavelle and a quote from Desley Blanch, along with a photo of Anna Lavelle. At the bottom of the article, there are social media links for 'Subscribe to podcast', 'Listen to latest program', 'Contact Us', and 'Follow us on Twitter'.

Biotech in Australia

Updated October 9, 2011 1000

"If there were an Olympic Games for biotechnology Australia would be in the medals"

ANNA LAVELLE : Desley if there were an Olympic Games for biotechnology Australia would be in the medals.

DESLEY BLANCH : That's Anna Lavelle and she should know as chief of Australia's biotechnology industry organisation.

Australia is the leading location of biotechnology companies in Asia-Pacific with almost 450 biotechnology companies and 600 medical technology companies. Many of these will gather later this month in Adelaide to showcase their achievements at AusBiotech's annual conference and to brainstorm ways to tackle the challenges of producing and commercialising innovative ideas.

Many of us are relatively uninformed about biotechnology and its importance in pharmaceuticals, medical devices, agriculture etc. Anna Lavelle's organisation represents 3000 members ranging through these sectors as she gives us an overview of the industry's scope and importance.

ANNA LAVELLE, CEO, AUSBIOTECH : Desley thank you for the opportunity to speak

directly to people, this is a barrier we have because many folk don't understand what biotechnology means, and very often I'm at a meeting or a dinner party and people will say, what is this thing you're involved with? What is biotechnology? And I say to them, well, have you ever had a prescription medicine, have any of you had an implantable device? Have any of you been involved with aquaculture; with agriculture?

Many of those things are in fact biotechnology. So it's a really important area which touches the fundamental things that impact communities, not only in Australia but globally. So if we look at the front page of our daily papers, we look at the headlines, if you take out things about war and so on, it's about food security, alternative fuels, ageing populations, new therapies, diagnostics, it's about miracle cures if you like, which I hate that phrase because it's always a bit emotive. But the reality is that I work in a fantastic industry full of very driven and educated people who are trying to devise solutions for real problems in the real world.

DESLEY BLANCH : So how mature is the biotech industry in Australia, and is it a fast growing sector in this country?

ANNA LAVELLE : It's a very fast growing sector in Australia, and in fact Scientific America just did a recent review where they looked at 49 variables looking at the issue of innovation, and believe it or not Australia was number five globally, even though we have such a small population, we really do bat above our weight in this area.

Australia is very innovative as a country, and I think that's well undervalued by people, and it's a big shame actually because not enough support goes into that area. Now I'm not just talking about research and development, which I know Australians support very well and very strongly, but I'm talking about the commercialisation of those discoveries, we're not good at that. And we need to get better at taking terrific ideas and taking them through to products and services that people need.

DESLEY BLANCH : Speaking of which where do you get support for those high risk propositions that early stage biotechs represent?

ANNA LAVELLE : It's very difficult at the early time I have to tell you, and we say it's family, fools and friends that come in early and very often the entrepreneur themselves have to put their own capital at risk. So getting support early is quite a battle, and the reason for that is that the science has to be very strong but it's not yet proven as a commercial entity or a commercial product.

So it takes time for investors to say yes, tick, the science is good, yes, tick, the management is good, and yes, tick, this is going to be something that we get a return on our substantial investment.

One of the things that the community doesn't understand is that universities, research institutes, governments and hospitals are not in the business of investing large sums of money to bring new drugs to market. That is the private sector's job. So there is a social contract between government and the public sector and the private sector to bring these things to fruition.

And just to give you one clear example, talking about a new drug which may be a glint in a scientists' eye today may take 10 to 15 years to find its way to the pharmacist. It may cost one, to one-and-a-half billion dollars for that one drug, and definitely the government does not have the money for that, nor do hospitals or clinicians have money for that. So that is where we need both sides of this equation to be working together cooperatively to get the optimum outcome.

DESLEY BLANCH : What Australian companies in your opinion stand out as great successes as businesses and innovators?

ANNA LAVELLE : Well we've had a fantastic year this year, probably the best year in Australia for innovation in the biotech sector because we've seen a lot of companies that have negotiated very lucrative licences with big pharmaceutical companies offshore, and also companies that have been acquired by other companies, many of them offshore. And that's wonderful to see.

If we just think about the global financial crisis and the terrible impact it has had on many businesses, including our sector, one of the things that's worth noting is that in the stock price area the biotech sector has outperformed the ASX 300 consistently since 2009.

So it is an area that's investible, it is an area that's giving returns to investors.

The downside is investors do have to be patient because of that long time to market, and that is one of the things that we'd like to see the government looking at of giving some incentive for investors who are prepared to leave their money in an innovative science-based Australian company for a length of time to encourage them to move through the R&D process faster and get that product to the community.

DESLEY BLANCH : So what's the potential for partnering with Asian research institutions and capital-raising in that region?

ANNA LAVELLE : Now you've got me on my soapbox. I love the idea of the emerging markets in China and India in particular. We have very close relations with our sister organisations in those countries and with specific governments and also with companies and investors.

AusBiotech runs an investment summit, which we're now in our third year of doing, and the first year we did it in the pit of the global financial crisis, and I think a few people thought that I'd lost my brain trying to do this. But in fact it was a resounding success, and 30 per cent of the investors came from offshore, and many of them came from India, from China, Singapore, Taiwan and Japan.

And so there is a real need and an interest in engaging with Australia, and as I said before one of the triggers for that is because Australia's highly innovative and there is money available offshore but the innovation, a lot of that innovation is in Australia. So there's a natural marriage there between the science and the capital.

DESLEY BLANCH : So would Australia perceive Asia as a significant market for biotech

products and services?

ANNA LAVELLE : Absolutely, there's no question. The primary markets at the moment are North America, Europe and in an emerging sense China and India. They are where the big populations are, there's a growing middle class in China and in India who want to have the new therapies, they want to extend their life, they want to be well, they want to look at solutions for advanced agriculture, they want to get better growth for things like crops, for sea creatures, fish and other things, which is to enhance their market, their economy.

And the reality is that Australia can no longer see itself as a mine and a farm, although they are very important parts of our economy. We need to diversify and we need to ask the question, what are the emerging industries, what are the future industries that will generate wealth, generate jobs for our young people here in Australia, and those industries very much are around the biotechnology space.

And the same could go for many of the other countries in the world and I think that one of the things you'll notice is that those governments are putting millions and millions of dollars into this sector because they see it as an economic driver for the future.

DESLEY BLANCH : So does Australia offer to Asia as a close neighbour this source of world class science, is that the way you see it?

ANNA LAVELLE : We do, we do, and what we don't have because we are a small country in population, is we don't have the sophisticated venture capital available, we don't have enough capital available for all the good companies and ideas we have in Australia.

So that means we have to look offshore, we have to look for partners in our region and elsewhere, like North America.

But there is an enormous opportunity developing in China in particular and in India, and many of the companies are currently engaged in partnership arrangements, or in fact some of them have setup offshore in places like Shanghai.

DESLEY BLANCH : So should Australia or can Australia entice Asian capital to boost Australian innovation on a bigger scale than what is already happening?

ANNA LAVELLE : I would hope so. I hope I see that coming in the next few years, that is one of my dreams if you like, and I see that as an excellent outcome for both partners, excellent outcome for the Chinese economy, but also a fantastic outcome for the Australian economy.

DESLEY BLANCH : So what different innovation pathways are being advanced by the Australian biotech sector?

ANNA LAVELLE : Well in Australia we understand that we have to be global from day one. We understand that the local market just isn't big enough to sustain the very expensive development costs that go into these high tech solutions.

So therefore Australian companies are hungry from day one to look for, aggressively look for partners, investors, both onshore but very often offshore as well. There's a lot of opportunity there.

We also understand that we cannot be lazy in our innovation. There's no point in Australia having a me-too product, because the venture capitalists in San Diego, in Boston are surrounded by them already. Why should they fly 25 hours down to Melbourne or somewhere else to see a similar product? So we are very, very aware of those things and the companies that are in this sector really excel in niche areas.

So think of the cochlear ear implant, it's a niche product, very specialised product and extremely successful, home-grown indigenous Australian product, very proud of that company. There are a number of others now that are coming up that are going to be worth watching in the future.

Mesoblast is one of those; adult stem cells, very, very interesting company that again is indigenous and came from a flat start about ten years ago is now capitalised to two-point-six-billion and going forward very powerfully.

There are a number of those companies in Australia that know they have to bring something different to the table.

DESLEY BLANCH : We're on the eve of your AusBiotech conference in Adelaide, so, why are these gatherings important?

ANNA LAVELLE : Well it's extremely important for not only networking, but also for business matching. We have built 35 rooms and there's an electronic system, so we pre-match the internationals who are coming into Australia with companies here that they may have an interest in.

It gives them an opportunity to hear about their science, to meet the managers, to perhaps propose something; maybe not this year, maybe next year. Some of these deals do take a couple of years to mature. But the reality is that the business-to-business activity is the core of the conference.

The other part of the conference of course is information exchange, and there are a number of sessions there looking at business and investment, but also looking at ag-bio, aquaculture, looking at bio fuels, looking at things that are part of our sector, the broad spectrum of our sector.

Also what we do is an investment summit, which is very, very important, and we're expecting that 40 companies, Australian companies will be pitching over a day to over 100 investors, some of them from Australia and some from offshore.

DESLEY BLANCH : So what different aspects will be covered at the gathering?

ANNA LAVELLE : Well look it'll be a broad church as it usually is, but the thing that characterises and draws together these different companies is the fact that the management teams are highly educated, very driven, they want to make a difference.

They want to develop something that is useful for people, they understand that is what they're on a journey to do and I'm very privileged I think to be associated with these managers, these individuals and these scientists who are working for the betterment of the Australian community, but also for the betterment of the communities globally.

DESLEY BLANCH : Dr Anna Lavelle is CEO of AusBiotech. The conference in Adelaide runs from 16-19 October. And now, biotechnology at work.

- **Contact:** Anna Lavelle, CEO
- **Address:** AusBiotech Ltd
- **Website:** <http://www.ausbiotech.org>