

## Media Coverage

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# Health benefits from capital

## Opinion

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**A**ustralia has a long and productive history in health and medical research. We should be proud of our Nobel laureates – five of whom are still actively working.

Australia's medical discoveries and biotechnologies have already improved the quality of health for millions of people across the world.

These include the Cochlear hearing implant, the cervical cancer vaccine Gardasil, sleep apnea devices by ResMed, and therapies like erythropoietin (also known as EPO) for renal failure and Pharmaxis' Bronchitol for cystic fibrosis.

On the horizon for Australian research is the vaccine for skin cancer, a diagnostic for mental illnesses such as schizophrenia, and treatments for many illnesses that cause significant morbidity and mortality, including cancer, Alzheimer's disease and diabetes.

For this reason, AusBiotech welcomes the focus of the current federal review of health and medical research in Australia, which has among its matters for review the relationship between business and the research sector.

From the industry's perspective there are two key elements to address in this regard: access to funding, capital and investment; and the treatment of intellectual property, which has the potential to enable or disable vital developments.

Bringing biotechnologies to the community is highly capital intensive. For example the average cost of discovering and developing a new medicine is more than \$1 billion and the average development time for new medicines is 10 to 15 years.

The life cycle of many of our companies begins within a university, which spins out a company to commercialise a promising discovery, which in turn looks to the market to raise the capital needed to make the journey to market.

Without such investment, Australian companies are unlikely to survive let alone continue their research and development.

Australians took a collective sigh of relief when rumoured cuts of up to \$400 million to the National Health and Medical Research Council (NHMRC) didn't materialise in the May federal budget, and instead the government slightly increased its commitment.

The future of healthcare for Australians includes the benefits of



The average cost of discovering and developing a new medicine is more than \$1 billion.

Photo: NIC WALKER

personalised medicine, convergence of technologies and advanced manufacturing. Biotechnologies, such as biologics and biomarkers, offer us more targeted treatments with fewer side effects, while convergence offers us treatments and diagnostics never before possible and advanced manufacturing enables us to produce medical devices, such as stents, that last longer and work more effectively.

The future promises outcomes that can only be made possible through a development process that begins with and is sustained by health and medical research. To say that the research is vital is blatantly obvious, but its connection to the broader picture is less clear to many and can fail to take account of the entire value equation.

I speak here on the vital linkages between research and commercialisation, which in most cases translates to the linkages with industry. The ability to translate research into solutions, treatments and diagnostics to benefit the community is the overarching purpose, but the benefits go much further, supporting our economy and workforce.

Australia deserves to have a system that translates its great science into practical solutions.

The Australian government already

provides a venture capital fund, but the size needs to be substantially increased, and the provisions adjusted, if it is to have a marked effect on the commercialisation of Australian health and medical research.

In addition, early-stage companies need more support from governments in the form of grant funding, to work with the new tax incentive to optimise

## The future of healthcare includes personalised medicine benefits, convergence of technologies and advanced manufacturing.

conditions for success. Patents are one of the primary incentives for investment in research and development, both public and private, securing for investors a fixed period of time in which to recoup their investment. The treatment of intellectual property in the form of

patents is also a major catalyst for clinical trials, which enable more than 18,000 Australians each year to access life-saving and life-enhancing treatments.

For these reasons and more, the recent debate sparked by private members' bills and a senate inquiry about the patenting of biological materials is very concerning. While no doubt well intentioned, a wrong move in this regard could decimate the Australian industry, taking with it the benefits: the opportunity to participate in clinical trials; new treatments and diagnostics for the community; highly skilled jobs; and the bio-economy. The government has it right with its new "Raising the Bar" bill, which seeks to improve the national system that manages intellectual property.

Our knowledge industries, supported by an entire value chain that includes our health and medical research, will not only benefit our health, but will also provide the competitive advantage and opportunity to sustain Australia's prosperity well beyond the life of Australia's natural resources boom.

■ *Dr Anna Lavelle is the chief executive of AusBiotech.*