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Report on Innovation in Australia



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# AUSTRALIA'S TALENTED BIOTECH SECTOR

The biotechnology industry in Australia has achieved a great deal in its short and productive history. Since its emergence in the early to mid-nineties, biotechnology already boasts a raft of success stories and a world-class industry. Companies that established in the industry's earliest days – such as Biota, ChemGenix and Pharmaxis - are now mature, well established organisations, with pipelines showing great promise.

Australia's medical discoveries have improved the quality of health for millions of people across the world. These include the Cochlear hearing implant, the cervical cancer vaccine, Gardasil, and sleep apnea devices by ResMed. More recently, the development of the anti-viral treatment, Relenza, has come to the fore when it was confirmed that it is one of only two medicines available, effective in treating those affected by this year's swine flu outbreak.

Today there are at least 1,100 companies in the Australian biotechnology sector: 460 covering human therapeutics and diagnostics, plus 636 - 1,000 medical device companies, as well as 'cleantech', industrial companies and those in the agriculture sector.

Amongst the success stories, the industry has also had its share of challenges and controversy. The landscape for biotechnology is issues rich. AusBiotech, the national industry body representing more than 3,000 members, has been active and successful in a range of policy areas, with advocacy and working together with governments its highest priority.

The announcements in the 2009 federal budget, responding to the innovation review and its landmark report by Dr Terry Cutler, Venturous Australia (2008), provided a beacon of hope for the biotechnology sector. While the budget measures were not a quick fix or a fix all, they included landmark changes to tax provisions that will be of great benefit to the industry.

Juan Enriquez<sup>1</sup>, writing for McKinsey's What Matters, says biotechnology and its discoveries have provided us with the global dawn of the 'organic age', where "Biology is likely to become the greatest single driver of the global economy."

"In the future, wealth creation could be closely tied to life sciences, much as it is currently tied to digits...The Internet changed virtually every industry. Yet as far-reaching as the digital revolution was, the ability to code life will likely reach even further."

"The life code is a lever and perhaps the most powerful instrument human beings have ever used. It will make the Industrial Revolution seem simple, even quaint. It will become the world's dominant language, and all of us will have to be literate to thrive," he said.

Australia is recognised globally as a place of innovation, particularly in life sciences and more than a decade of intense development has resulted in a cohort of talented managers and commercialisation professionals. Australian companies are rebounding well from the recent GFC and are showing healthy capital raisings and rapidly improving stock prices. This bodes well for the future. The biotechnology industry is – and with sympathetic public policy and economic conditions - will continue to develop as a key driver to economic growth and prosperity.

Australia, like the rest of the world, needs biotechnology; the fundamentals have not changed and the industry is essential to future generations to bring needed technologies to the community. Australia is now poised to take advantage of the discoveries that will lead us into a future where biotechnology is at the forefront of prosperity.

<sup>1</sup>: Enriquez, Juan, McKinsey, 2009, What Matters, 'How biotech will reshape the global economy', 23 Feb 2009.



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