

## Media Release

30 April 2009

For immediate release

### **Local MPs called on to ensure future of biotech**

**Governments around the world are responding to the economic crisis by bolstering industries of the future and local MPs are called on to ensure Australia does at least the same in the May Federal Budget.**

The problem is acknowledged, but urgent action is needed, according to AusBiotech Chief Executive Officer, Dr Anna Lavelle. Biotechnology touches many government portfolios and affects those in every electorate. It is a bipartisan issue that needs attention in the coming budget.

AusBiotech last week wrote to every Member of Parliament, informing them about the critical situation facing many biotechnology companies - which provide quality jobs, economic prosperity and discoveries to improve and extend our lives.

Biotechnology has become embedded in our everyday lives, providing an enormous range of innovations that save and enhance our lives, from the anti-viral medicine used to treat the outbreak of swine flu to the cervical cancer vaccine and enzymes in washing powder. Australian biotechs are researching and developing medicines, medical diagnostics and devices - including treatments for asthma, heart conditions and sleep disorders – as well as agricultural applications, biofuels and solutions to climate change.

Expert commentators globally agree that innovative industries and biotechnology are foundation stones of the future. McKinsey<sup>1</sup> recently published, "Biology is likely to become the greatest single driver of the global economy," making it essential to Australia's economic recovery.

"The Governments of all of our global trading partners see the sense in supporting biotechnology and are doing this," Dr Lavelle said. "The UK earlier this month announced the high-tech industrial sector will get an investment of 750 million pounds (\$1.09 billion) with a fund for emerging technologies and regionally important sectors in advanced manufacturing, digital and biotechnology," she said

Senator Kim Carr, Minister for Innovation, Industry, Science and Research, acknowledges the problem. He said (at the National Press Club, March 18) that innovative companies are starved of critical capital through no fault of their own, and "if we lose these...we may never get them back."

However, the accompanying announcement of the *Innovation Investment Follow-on Fund* provided a small portion of what is needed and failed to address the problem adequately, according to Dr Lavelle. "The consequences of the gap between what is needed and what has been provided may see us lose large chunks of the industry, resulting in many billions of dollars lost over the next 20 years,

involving tens-of-thousands of highly-skilled jobs and a raft of innovations that are currently in development.”

Before the financial downturn, the sector was growing well around the globe and particularly in Australia, with a percentage of biotech companies, such as Cochlear, CSL and ResMed showing outstanding success in maturity. Australia has done an impressive job, ranking sixth in the world and the number one location in the Asia Pacific Region for biotechnology, as well as first in the world for clinical trials<sup>2</sup>.

The industry is characterised by smaller emerging companies, and needs access to significant funds, to enable the research that occurs in universities and research institutes to reach and benefit the community. The economic downturn coupled with the removal of the Commercial Ready grants program in last year's Budget, means that funds previously provided by private investors have now slowed, leaving promising companies vulnerable.

Biota is a successful example of an Australian company that has developed much-needed world-class biotechnology, with its anti-viral flu treatment, Relenza. This week it has been shown in the US to be effective in treating the swine flu (H1/N1 strain).

In what is the usual model, the product was developed by Biota and later licensed to GlaxoSmithKline. In Biota's early days it was the recipient of Commercial Ready funding from the Federal Government and has matured into a profitable company that is a credit to our country. Biota is responsible for an Australian-developed and manufactured product that in a pandemic situation could be the difference between life and death for many.

The community needs to be reassured that the Government is being proactive about the solutions that biotechnology offers are available in an emergency, like the threatening pandemic. Australia biotech companies are looking to the Government to show their commitment.

“The eagerly-awaited response to the Innovation Review in the May Federal Budget, promises provision for the industry and local MPs have been urged to throw their support behind the industries of the future that will help lead us out of the current crisis and drive the next wave of growth,” said Dr Lavelle.

*Lorraine Chiroiu, Media and Communications Manager, 03 9828 1414 or 0429 801 118.*

AusBiotech, Australia's voice on biotechnology, represents more than 3,000 members, encompassing medicines, medical diagnostics and devices, agriculture, alternative fuels and climate change. AusBiotech has been working to draw attention to current situation with media comment (22+ publications Jan-Mar), which can be accessed at [www.ausbiotech.org/pressmedia/](http://www.ausbiotech.org/pressmedia/).

- Ends -

- 1: Enriquez, Juan, McKinsey, 2009, *What Matters*, 'How biotech will reshape the global economy', 23 Feb 2009, <http://whatmatters.mckinseydigital.com/biotechnology/how-biotech-will-reshape-the-global-economy>.
- 2: Invest Australia (now AusTrade), 2006, *Australian biotechnology, Capability Report 2006*.