Interview with The Honourable Greg Combet, MP, Minister for Industry and Innovation, Department of Industry, Innovation, Science, Research and Tertiar

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Would you outline the commitment of the Ministry to foster a positive business environment for the Australian pharmaceutical industry to prosper?

Issues faced by the pharmaceutical industry are not unlike those in many other industries and the high value of our dollar has brought a sharp focus to industry productivity and competitiveness.

A recent report from non-government members of the Prime Minister's Manufacturing Taskforce highlighted pressures being faced by Australian based firms competing internationally. The report recommends improved collaboration between researchers and firms as well as enhanced management skills and entrepreneurship, in order to build a culture of innovation. The Government welcomes the report and is developing policies responding to its recommendations.

The Government is working to create a positive investment environment that encourages sustainable growth in pharmaceuticals. Recent Government initiatives include the R&D Tax Incentive; a commitment to regulation reform processes affecting health businesses; and ongoing support for the implementation of the Clinical Trials Action Group reform process.

Encouraging investment in the life sciences sector is also crucial. The Government's Innovation Investment Fund (IIF) is helping early-stage start-ups receive the investment they need to turn

laboratory discoveries into new human therapies. When completed, the current round of the IIF will have injected at least $490 million of Government and private capital into the early stage venture capital sector.

When added to our internationally recognised research base, robust intellectual property laws, our proximity to Asia and sound economic fundamentals, the outlook for the industry is positive.

How do you believe Australia can retain its competitiveness as a pharmaceutical manufacturing hub and what role Australia should it play in the Asian Century?

We are already seeing numerous examples of ASX-listed bio-pharmaceutical companies collaborating with global companies in the development of their product pipelines. This kind of collaboration along value chains is essential for the local industry to improve its international competitiveness.

Research is also crucial to manufacturing and Australians have been awarded Nobel Prizes in physiology or medicine on seven occasions, most recently in 2009 for the discovery of how chromosomes are protected by telomeres and the enzyme telomerase. The Gillard Government is expected to spend over $9.3 billion in support of science, research and innovation in 2011-12.

The Government has also commissioned a White Paper which is looking at our interaction with Asia.

Australia attracts more than $1 billion a year in pharmaceutical R&D investment – what do you believe are the keys to success in driving Australia as the go-to location for health-related FDI and R&D initiatives?

The Gillard Government is working towards improving the investment environment to ensure Australia continues to be an attractive place to manufacture in pharmaceuticals and other high-tech manufacturing industries, such as industrial biotechnology and nanotechnology. As Industry and Innovation Minister, I am in regular contact with pharmaceutical companies and am aware of the challenges they are facing. The Government is improving the business environment for the pharmaceuticals industry in Australia through a number of policy measures.

Foreign direct investment in R&D is attracted by the quality of the science and research, our skilled workforce and the economic fundamentals that provide certainty for business. In addition, the Gillard Government’s R&D Tax Incentive encourages foreign direct investment by allowing the intellectual property generated by R&D undertaken in Australia to be owned overseas, under certain conditions.

Would you outline the Ministry's efforts to strengthen the connection between academics & industry in order to foster innovation?

The Government takes an active role in supporting academic and industry collaborations. The Australian Innovation Systems Report has shown that innovation active businesses perform significantly better than those that do not. While this innovation can take several forms including process and management innovation, linkages with the research sector are also crucial in improving firm performance.

The Government's Researchers in Business Program within Enterprise Connect is designed to:
– help break down the cultural divide between Australian businesses and the research sector;
– stimulate the dissemination of expertise from research organisations to industry, and industry knowledge back into the research community;
– accelerate the adoption of new ideas and technologies by Australian firms;
– increase the competitiveness of Australian firms.

The Cooperative Research Centres Program also supports end user driven research collaborations to address major challenges facing Australia.

The $236 million Industrial Transformation Research Program will promote collaboration and support quality R&D partnerships that will help transform Australian industries.

The Government recognises that more needs to be done. The Prime Minister's Manufacturing Taskforce report has made several recommendations on this issue, including the establishment of dedicated research and industry precincts, and the implementation of a voucher system to encourage the placement of researchers within business.

The Ministry is behind the foundation of the Clinical Trials Action Group – a great initiative to maintain Australia's attractiveness as a clinical trials hub. What key actions have been taken by your Ministry to improve the Australian clinical trials operating environment following a decrease in the number of trials starting from 2007?

The Government's Clinical Trials Action Group made eleven recommendations to improve the framework for conducting clinical trials and we are working to implement those. This requires a sustained effort, including developing standard costing methods for conducting trials. The States and Territories, research sector and pharmaceutical companies all have key roles to play in this process. The Government's R&D Tax Incentive can also reduce the cost of conducting clinical trials for eligible companies.

Recently, the Health Minister and I launched a new website that offers easier access to clinical trials of new drugs, treatments and medical procedures. This will lead to higher participation rates in clinical trials and increased investment in new medical innovations.

My department and the National Health and Medical Research Council developed the website, australianclinicaltrials.gov.au, to provide a central point for linking information on the wide range of participants in the clinical trials community, including links to around 150 patient support groups and trial networks.

What is your mission for your tenure and your long-term vision for the state of Australian industry & innovation?

The Gillard Government is aware of the renewed pressures being faced by the pharmaceuticals industry, as governments around the world look closely at their expenditures of drugs for their populations.

We are working closely and in partnership with industry bodies to ensure that the industry remains viable and sustainable. The outlook for the pharmaceutical industry is positive given Australia’s strong economic credentials and our extensive research base, as well as access to the emerging Asian market.

The Government is determined to provide a sound economic platform and ensure that our world class science and research sectors are working more closely with industry to develop new opportunities.

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