CSL

News Release

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Australia's Innovation System Could Deliver More

Melbourne, Australia – Australia's System of Innovation has the potential to deliver significantly more in terms of economic productivity, CSL told a Senate Inquiry in Melbourne today.

Mr Gordon Naylor, CSL Chief Financial Officer and Dr Andrew Cuthbertson, Chief Scientific Officer, told the Senate References Committee Inquiry into Australia's System of Innovation "Australia has a world class medical research sector but too often the intellectual property it generates is either not translated from an idea into a product or goes offshore for development at a very early stage and Australians miss out on the real economic payback".

CSL outlined two strategic reforms that could help Australia generate significant economic returns on its investment in basic research, starting with targeted funding for translational research.

"If 20% of grants made from the new Medical Research Future Fund were targeted at translational research, that is, assisting fundamental science move closer to its practical application, it would increase the likelihood that the large investment the Australian Government makes in basic research would actually translate into products that can be taken through to market" said Dr Cuthbertson.

For Australia to reap the full economic benefits of locally developed intellectual property, CSL urged the Inquiry to focus on increasing the country's attractiveness as a location for advanced manufacturing.

"Translating science to proof of concept increases the value of intellectual property enormously, but when Australia earns royalties on *invented here* but does not get the returns on *made here* it does not secure the full range of benefits from its innovation system", said Mr Naylor.

"It is the final stage of product commercialisation, the large scale manufacturing for supply to global markets, which is one of the most lucrative from a national productivity perspective".

"Australia has a well-educated and highly skilled workforce, good universities, an effective research sector, low sovereign risk and high living standards. But we are not currently tax competitive with countries like Switzerland, Ireland, Singapore, and the UK".

CSL suggested that in order to become competitive internationally and capture high-tech investment that would not otherwise take place here, Australia could introduce a highly targeted differential corporate tax rate for advanced manufacturing based on Australian intellectual property.

"We shouldn't be content with underwriting medical research for other nations to commercialise. With some sensible, strategic reforms Australia could be reaping those benefits for itself", they said.

A full copy of the statement to the Senate Economics References Committee Inquiry into Australia's Innovation System is available here.

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