CHECK AGAINST DELIVERY EMBARGOED UNTIL DELIVERY

PRIME MINISTER

SPEECH BY THE PRIME MINISTER
OPENING OF THE COMMONWEALTH SERUM LABORATORIES'
HUMAN VACCINE BUILDING AT PARKVILLE - 13 APRIL 1984

Distinguished Guests

It is with great pleasure that I accepted the invitation to join you today.

This new human vaccine building, this new biotechnology facility, is a major addition to the nation's health care system.

At a cost of approximately $9 million it represents a significant investment by the Australian community in the health of present and future generations.

CSL is well established as an important supplier of vaccines for the Australian population. The diphtheria, tetanus and whooping cough vaccines from this new facility will further underwrite the health of Australia's children into the next century.

It is also important that this plant will have the potential to be a major supplier for the communicable disease control program through which the World Health Organisation is attempting to ensure the health of the children of the developing countries.

It is appropriate that this building is named "the Bazeley Building'.

Val Bazeley is the man to whom Australia owed its penicillin and after, when he became director of CSL, to whom it owed its polio vaccine. It was his determination and great flair for organization that enabled full scale penicillin production at CSL. This saved many Australian lives in New Guinea during the closing stages of the Second World War.

I am delighted that Val Bazeley is with us here today. Val Bazeley's contribution to public health in Australia is immense. It was a contribution made, I might add, at great personal cost.

The Australian Pharmaceutical Industry is predominantly engaged in the marketing of products formulated and packaged from imported active ingredients. The Commonwealth Serum Laboratories as a Government owned pharmaceutical manufacturer with a substantial manufacturing base, is a notable exception.

Founded in 1916 as a manufacturer of vaccines and antisera, CSL's biological product and national interest missions have been key aspects of its operation.

The establishment of the Commonwealth Serum Laboratories Commission in 1961 as a statutory authority included a mandate which required that commercial operations be dominant and meet post tax dividend criteria from trading profits, and that non commercial operations be undertaken only to the extent of allotted Government budget funds.

Today, with an annual total revenue approaching $60 million, the commercial operations are responsible for more than 90 per cent of total activity.

The CSL, as the Ross Committee recently noted, provides one of the few examples of a commonwealth authority which operates in a fully commercial manner.

Since its establishment the CSL commission has demonstrated its ability to pursue successfully both national interest and commercial roles. The commercial orientation has provided a stimulus to overall performance, a degree of efficiency, and a public and Government acceptance that could not have been achieved through pursuit of national interest functions alone.

Furthermore, in providing work for more than 1000 people, many of whom reside in my own electorate, CSL makes a substantial contribution to local employment.

Over its 65 years of existence CSL has established an excellent rapport with doctors, pharmacists, veterinary surgeons, hospitals, State Government departments and the scientific and research community generally. Members of these groups have come to value CSL because in most cases CSL is their only Australian origin source of supply. They also value it for the high standard of its products; the back up and consultative services provided by its R and D section (which is unique in Australia); and its willingness to attempt to solve and provide for problems of distinctively Australian character.

Many of the major advances of this century in therapeutics have been taken up by CSL and developed commercially. They include:

- Industrial scale manufacture of insulin
- Diphtheria toxoid
- Tetanus toxoid
- Penicillin and
- Salk polio vaccine

In addition to these contributions to human health we can add CSL's extensive range of vaccines in veterinary medicine.

CSL is also, as noted earlier, a World Health Organisation collaborating centre with extensive terms of reference. Through that role it undertakes training and aid programs for our Asian neighbours.

CSL is well placed to be a focus of pharmaceutical biotechnology in Australia. The main thrust of CSL's work is pharmaceutical biotechnology, which it is able to carry from research through to production and marketing. More of its resources are being directed to aspects of 'new biotechnology'. Through collaborative arrangements with CSL, an excellent opportunity exists for both private and public sector research advances to find the route to commercial development in this area.

To support its R and D based biological production,CSL has developed a strong presence in the national pharmaceutical markets and effective international linkages through vigorous export performance and licensing arrangements.

CSL has gained international recognition for its planning and marketing strategies and has won three export awards for outstanding export achievement since these were instituted by the Commonwealth.

The experience and indeed the success of CSL in taking new products through from the research and development stage to successful marketing stands as a compelling example to others in Australian industry.

Too often Australian industry has failed to take advantage of new products and processes and as a result misses out on new markets. The opportunity to create jobs and make profits is also missed.

While Australia has a well-educated workforce and makes a substantial effort in the area of science and technology, there is a problem in taking this R and D effort through to successful commercial development:

- People and institutions involved in research often fail to take new products or processes to commercial development - what is needed from our institutions is "technology push"; and

- Existing companies fail to seek out areas where technological breakthroughs could be profitably exploited - they are not providing the necessary "demand pull".

The Government is concerned at this situation and has sought to draw the various strands together. In particular:

- The Government has established sirotech to take developments pioneered by the CSIRO to commercial application. In addition, we are pleased to see that universitites and research institutions have also adopted the approach of setting up commercial ventures to market their research findings;

- The Government has also sought to help small business to exploit available market opportunities through the development of a venture capital market in Australia. This should help businessmen to take Australian, or overseas technological breakthroughs, and turn them into profitable business ventures.

The response to these initiatives has been encouraging.

The promotion of efforts to bridge the gap between research and development is part of the Government's overall approach to the area of science and technology and needs to be seen in the context of the Government's general approach to the development of Australian industry.

The linkages are drawn out quite fully in the discussion paper on a National Technology Strategy released today by my colleague Mr Jones, the Minister for Science and Technology. While acceptance of an overall strategy will depend ultimately on an appreciation of the major issues facing Australia in this area by all parties involved, release of this paper is an important part of the process of developing an active and coherent approach to technology issues and their relevance for Australian industry growth.

While the Government recognises the value of scientific research and the pursuit of scientific excellence for its own sake, there are additional benefits if this research can be turned into new methods of production or new products which increase productivity or living standards. Such technological developments will play an important part in the dynamic processes of structural change within Australian industry.

- Indeed we should not ignore this process. Companies abroad are investing in new products and in cost reducing production technology, and unless Australian industry acts to maintain its competitiveness and to develop new markets our economy will stagnate and we will fail to sustain living standards commensurate with our ability and expectations.

The Government believes that there is now a quite widespread community acceptance of the need for structural change. There is also a growing community appreciation of the benefits such change will bring. But change, no matter how desirable, usually imposes costs on those directly affected. It is my firm view, however, that the costs and benefits of change should be borne by all in the community - not solely by those at the face of change.

As part of this approach, the Government considers that technological change needs to be managed constructively. It is simply not good enough to be in a position of constantly reacting to the effects of technological innovation as it proceeds. Rather we should:

- Aim to consolidate and give substance to the climate of acceptance of change within the community;

- Build on the willingness on the part of business both to take active steps to adopt the most appropriate technology, and to consider market possibilities both domestically and externally; and

- ensure that our scientific and educational effort is supportive of our policy objectives.

To co-ordinate policies in the areas of education, trade, science and technology and industry, the Government has established a special group of Ministers, chaired by Senator Button. Their work will form the basis of our policies to revitalise our industry.

Some issues they are considering go to both education policy directions and the practical/commercial application of research. They are asking:

- What are the educational requirements for Australia's technological future? How can the education system best provide for Australia's needs? The content and orientation of courses is particularly crucial. Falling school retention rates, which threaten to lower the educational quality of our workforce in the future are also important;

They are also asking:

- How can Australia get the best dividend from its very considerable investment in Government tertiary research? What further measures could be introduced to close the gap between research and commercial development? In particular what role is there for joint ventures with overseas companies to develop Australian research?

In the area of science and technology this Governemnt has already taken several initiatives:

- We have provided extra funding to extend the Australian industrial research and development incentives scheme to encompass biotechnology projects;

- We have increased funding for the Australian Research Grants Scheme, the aim being to support research projects designed to assist in an understanding of or the solution to important practical problems;

- And we have established the national research fellowships scheme to provide individuals and research teams with opportunities to undertake research of national significance, with a view to strengthening Australia's development capacity.

One other initiative which has special relevance to CSL is the National Biotechnology Scheme. As I noted at the outset this new building is an important biotechnology facility. Among the high technology industries, biotechnology holds considerable promise for the generation of wealth. New and improved products and processes can be obtained through biotechnology techniques, which often are more efficient and use less energy than the traditional processes.

Furthermore, Australian researchers are world leaders in many areas of biotechnology including agriculture, plant and animal genetics, microbiology, biochemistry and medical research.

The Government has embarked on a National Biotechnology Program which builds upon the excellent research base we have in microbiology and genetic engineering as well as in other fields. Grants for seven projects worth $4.5 million have been approved for the calendar years 1984 to 1986.

Although by no means the only worthy research projects currently under way, the seven projects chosen to be the first recipients of the grants represent a diversity of biotechnological research and share the potential for placing this country in the forefront of international efforts in their respective fields.

The gap between research and product development must be closed. The slow rate of technology transfer into new products and rocesses must be accelerated. We must learn not only how to develop the product - we must also focus on what the market requires.

What we have to recapture today is the spirit, energy and vision of people like Bazeley, Florey and John Curtin which in different and disparate ways lead to great Australian ventures such as industrial scale penicillin production at CSL and the establishment of the Australian National University with its John Curtin School of Medical Research. We must again bring together all who can contribute to a coherent national effort in technology development. We should do this so that we can take full advantage of the promise offered by our scientific endeavour and our resource endowment.

CSL, and this new "Bazeley Building" in particular, are poised to take advantage of new technologies and to contine, through increased pharmaceutical technology development, the great service given over the years to this country.

CSL stands as a great example which I commend to all Australians. Accordingly it is with great pleasure that I now formally declare this new Human Vaccine Building - the Bazeley building open.

****