



PRIME MINISTER

CHECK AGAINST DELIVERY

EMBARGOED UNTIL DELIVERY

SPEECH BY THE PRIME MINISTER
LAUNCH OF BUILDING PROGRAM FOR CAMBDEN PHARMACEUTICALS
WERRIBEE - 6 NOVEMBER 1986

DISTINGUISHED GUESTS, LADIES AND GENTLEMEN

OVER RECENT MONTHS A COMMON THEME IN THE SPEECHES I HAVE BEEN INVITED TO MAKE HAS BEEN THE CHALLENGE THAT WE FACE AS A NATION. THE THEME IS SIMPLE: AUSTRALIA MUST TAKE ON AND BEAT THE BEST IN THE WORLD IF WE ARE TO RESTORE AND THEN IMPROVE OUR LIVING STANDARDS.

TODAY, I AM VERY PLEASED TO BE ABLE TO SAY, IS AN OCCASION WHERE WE DON'T NEED TO TALK SO MUCH ABOUT THE CHALLENGE, BUT ABOUT HOW IT'S BEING MET. WITH CAMBDEN PHARMACEUTICALS, IT IS NOT A CASE OF WHAT SORT OF PRODUCTS WE SHOULD DEVELOP FOR THE INTERNATIONAL MARKET, BUT WHAT HAS BEEN DEVELOPED IN RESPONSE TO THE OPPORTUNITIES AVAILABLE TO AUSTRALIAN INDUSTRY.

THE BUILDING PROGRAM BEING LAUNCHED TODAY WILL SEE \$70 MILLION WORTH OF PLANT AND LABORATORIES CONSTRUCTED FOR THE RESEARCH, DEVELOPMENT AND MANUFACTURE OF CAMBDEN PRODUCTS.

BY ANY MEASURE THAT IS PROOF OF CAMBDEN'S CONFIDENCE IN ITS CAPACITY TO GROW IN COMPETITION ON TOUGH INTERNATIONAL MARKETS.

CAMBDEN'S BELIEF IN ITS ABILITY TO TAKE ON THE BEST IN THE WORLD AND SUCCEED IS UNDERLINED BY ITS EXPECTATION THAT MORE THAN 80 PER CENT OF ITS SALES WILL BE EXPORTED. WITHIN FIVE YEARS THE COMPANY BELIEVES EXPORT SALES WILL REACH \$100 M. WHAT HAS BEEN ACHIEVED HERE SHOULD STAND AS AN EXAMPLE TO MANY OTHER AUSTRALIAN COMPANIES AND WORKERS.

I'M SURE MOST OF YOU HERE HAVE HEARD THE INSPIRING STORY OF HOW, NOT TOO LONG AGO, BRUCE WALLACE WAS RUNNING A PHARMACY IN COBURG. BUT, AFTER DEVISING - IN A BABY'S BATH - A NEW PRODUCT CALLED PSORIN, HIS COMPANY HAS NOW DEVELOPED TO THE STAGE WHERE IT HAS ALREADY SIGNED CONTRACTS WORTH \$17.5 MILLION IN INTERNATIONAL MARKETS.

WHILST I AM RELUCTANT TO LOSE SUCH CREATIVE ENERGY FROM WITHIN MY ELECTORATE OF WILLS WHEN CAMBDEN MOVES HERE TO WERRIBEE, I AM OPTIMISTIC THAT THE EXAMPLE OF THIS DYNAMIC PERFORMANCE WILL INSPIRE OTHERS TO FOLLOW IN GENERATING NEW GROWTH WITHIN THE REGION.

CAMBDEN PHARMACEUTICALS DEMONSTRATES THE ATTRIBUTES NECESSARY FOR AUSTRALIAN FIRMS TO BE SUCCESSFUL OVERSEAS:

- . CONFIDENCE IN YOURSELVES, YOUR PRODUCT AND THOSE AROUND YOU;
- . READINESS TO WORK WITH GREAT APPLICATION AND DEDICATION;
- . EAGERNESS TO USE THE BEST AVAILABLE ADVICE AND TECHNOLOGY;
- . PREPAREDNESS TO FOREGO PRESENT SATISFACTION FOR GREATER LONG TERM REWARD; AND
- . TOTAL COMMITMENT.

SINCE THE SLUMP IN THE WORLD PRICES OF OUR TRADITIONAL AGRICULTURAL AND MINERAL EXPORTS THERE HAS BEEN A RAPID RECOGNITION OF THE NEED FOR MORE COMPANIES LIKE CAMBDEN IN AUSTRALIA TODAY. WE MUST HAVE EFFICIENT, EXPORT-ORIENTED INDUSTRIES, PARTICULARLY MANUFACTURING INDUSTRIES.

I MAKE THE FOLLOWING SIMPLE OBSERVATIONS TO ILLUSTRATE THIS NEED:

- . FIRST, THE FASTEST GROWING ECONOMIES OVER THE LAST DECADE OR SO HAVE BEEN THOSE WHICH HAVE PLACED GREATEST EMPHASIS ON EXPORT-ORIENTED STRATEGIES; AND
- . SECOND, WHILE SERVICES AND MANUFACTURERS HAVE BEEN THE FASTEST GROWING COMPONENTS OF WORLD TRADE, AUSTRALIA'S SHARE OF THIS TRADE HAS DECLINED STEADILY SINCE THE EARLY SEVENTIES.

THE LARGE AND FUNDAMENTAL DEPRECIATION OF THE AUSTRALIAN DOLLAR HAS BOOSTED THE PRICE COMPETITIVENESS OF AUSTRALIAN INDUSTRY TO LEVELS UNSEEN SINCE THE 1960'S.

THIS GREATLY ENHANCED COMPETITIVENESS HAS CREATED OPPORTUNITIES THAT MANY OF OUR BUSINESS MANAGERS HAVE NEVER EXPERIENCED BEFORE. THE MORE ENTERPRISING OF THOSE MANAGERS AND ENTREPRENEURS ARE SEIZING THE OPPORTUNITIES AVAILABLE TO THEM AND CONVERTING THEM INTO EXPORT SALES AND SUCCESS ON THE AUSTRALIAN MARKET AGAINST IMPORTS.

A FEW MONTHS AGO I VISITED THE NUCLEUS PLANT IN SYDNEY, WHICH IS ACHIEVING GREAT SUCCESS ON OVERSEAS MARKETS IN SELLING ITS NEWLY DEVELOPED BIONIC EAR AND HEART PACEMAKERS.

THAT SORT OF SUCCESS IS BEING REPEATED HERE TODAY BY CAMBDEN.

COMMON TO BOTH THESE VENTURES IS INNOVATION, BASED ON LOCALLY PERFORMED RESEARCH AND DEVELOPMENT. INNOVATION IS A FUNDAMENTAL ELEMENT IN MAINTAINING OUR COMPETITIVENESS AND CONVERTING IT INTO EXPORT SALES AND SUCCESS AGAINST IMPORTS.

THIS DOES NOT MEAN THAT WE WILL NO LONGER NEED FOREIGN TECHNOLOGY. ON THE CONTRARY, THE CHALLENGE IS TO OBTAIN THE BEST FOREIGN TECHNOLOGY AND TO COMBINE IT WITH THE BEST AUSTRALIAN TECHNOLOGY TO DEVELOP PRODUCTS THAT EMBODY EXCELLENCE IN DESIGN AND QUALITY.

INCREASINGLY ALL COMPANIES WILL HAVE TO INNOVATE IN ORDER TO SURVIVE. IN THE PAST, A BUSINESS STRATEGY WHICH CONCENTRATED ON FULLY DEVELOPED AND SOMEWHAT CONSERVATIVE PRODUCTS FOR THE DOMESTIC MARKET HAS BEEN RELATIVELY PROFITABLE AND RELATIVELY LOW RISK IN AUSTRALIA. BUT AUSTRALIA CAN NO LONGER AFFORD TO RELY ON SO SHORT-SIGHTED A STRATEGY. WHILE INNOVATION ALSO INVOLVES RISKS THESE MAY BE GREATLY OUTWEIGHED BY THE RISKS INVOLVED IN FAILING TO INNOVATE.

AGAINST THIS BACKGROUND, CAMBDEN'S APPROACH IS REFRESHING - A STRATEGY BASED ON UTILISING AUSTRALIAN RESEARCH FACILITIES TO CREATE NEW PRODUCTS FOR WORLD MARKETS. CAMBDEN HAS RECOGNISED THE POTENTIAL REWARDS THAT WILL FLOW TO A COMPANY WHICH IS WILLING TO OFFER FUNDING, FACILITIES AND PERSONNEL FOR RESEARCH AND DEVELOPMENT AND SPECIALISED MANUFACTURING.

TANGIBLE EVIDENCE OF YOUR COMMITMENT TO FOSTERING AUSTRALIAN RESEARCH IS CAMBDEN PHARMACEUTICAL'S PROVISION OF \$100,000 TO THE CSIRO DIVISION OF CHEMICAL PHYSICS TO ASSIST IN THE PURCHASE OF A CONVERGENT BEAM ELECTRON MICROSCOPE. I UNDERSTAND THAT THE DIVISION AND CAMBDEN EXPECT TO EMBARK ON A NUMBER OF COLLABORATIVE RESEARCH PROJECTS. I CAN ONLY AGREE WITH THE CHIEF OF THE DIVISION, PROFESSOR CHADDERTON, THAT CAMBDEN'S CONTRIBUTION DISPLAYS GREAT FORESIGHT AND CONFIDENCE IN OUR RESEARCH CAPABILITIES.

THE GOVERNMENT IS CONSTANTLY SEEKING TO IMPROVE THE INTERFACE BETWEEN INDUSTRY, PUBLIC RESEARCH CENTRES AND OUR HIGHER EDUCATIONAL RESEARCH INSTITUTIONS. BUT WE ARE ALSO ADDRESSING OTHER SIGNIFICANT BARRIERS TO INNOVATION AND INCREASED INVESTMENT IN R & D.

FOR EXAMPLE, WE HAVE PROVIDED INCENTIVES TO STIMULATE PRIVATE SECTOR RESEARCH AND DEVELOPMENT; IN PARTICULAR THE 150% R & D TAX INCENTIVE WHICH HAS BEEN EFFECTIVE FROM 1 JULY 1985 AND THE COMPLEMENTARY GRANTS FOR INDUSTRY RESEARCH AND DEVELOPMENT SCHEME. THESE INCENTIVES ARE AIMED AT DIRECTLY STIMULATING FIRMS TO UNDERTAKE MORE AND LONGER TERM INVESTMENTS IN R & D PROJECTS.

THE GOVERNMENT HAS SUPPORTED CAMBDEN'S WORK THROUGH THE GRANTS FOR INDUSTRY RESEARCH AND DEVELOPMENT SCHEME AND THROUGH EXPORT GRANTS, AND THE VICTORIAN ECONOMIC DEVELOPMENT CORPORATION HAS EXTENDED A \$1M LOAN TO CAMBDEN. AND I MUST SAY, CAMBDEN'S RESPONSE TO THESE INCENTIVES HAS BEEN MAGNIFICENT. WHEN THE PLANT IS COMPLETED IT IS EXPECTED TO EMPLOY 250 PEOPLE, RISING TO ABOUT 500 WITHIN FOUR YEARS.

THE AUSTRALIAN COMMUNITY CAN ONLY BE THE POORER IF WE DO NOT EXPLOIT EFFECTIVELY THE OPPORTUNITIES PROVIDED BOTH BY AUSTRALIA'S GREATLY IMPROVED COMPETITIVENESS AND OUR CAPACITY FOR APPLIED RESEARCH. NOW IS THE TIME TO BE BOTH FORWARD LOOKING AND OUTWARD LOOKING.

AS CAMBDEN DEMONSTRATES, THE OPPORTUNITIES ARE THERE: BOTH THE RESEARCH TALENT AND INCENTIVE, AND THE OVERSEAS MARKETS FOR INNOVATIVE PRODUCTS.

YOURS IS AN EXAMPLE OF A COMPANY WHICH RECOGNISED THAT, WITH OUR SMALL PHARMACEUTICAL MARKET, GROWTH CAN BE ACHIEVED ONLY BY CONCENTRATING ITS EFFORTS ON INTERNATIONAL MARKETS. IT HAS RECOGNISED THAT TO GROW WILL REQUIRE INNOVATION AND A SUBSTANTIAL COMMITMENT TO RESEARCH AND DEVELOPMENT. IT HAS RECOGNISED THAT IN THE QUEST FOR NEW AND BETTER PRODUCTS IT PAYS DIVIDENDS TO USE ALL THE EXPERTISE AVAILABLE IN RELEVANT AREAS. IT HAS RECOGNISED THAT OUR PUBLIC RESEARCH INSTITUTIONS ARE A VALUABLE BUT ESSENTIALLY UNTAPPED RESOURCE, TO BE ASSISTED AND NURTURED, AND THAT EFFORT IS REQUIRED TO ENSURE THAT THE OUTPUT OF THE INSTITUTIONS IS NOT WASTED BUT EXPLOITED TO THE BENEFIT OF AUSTRALIA.

THIS ENTERPRISE IS BY NO MEANS ALONE IN HAVING THESE ATTITUDES. BUT REGRETTABLY CAMBDEN PHARMACEUTICALS IS NOT A TYPICAL AUSTRALIAN COMPANY. I HOPE THAT WILL CHANGE IN THE NEAR FUTURE, AS OTHER COMPANIES TAKE THE LEAD SHOWN BY CAMBDEN AND OTHER INNOVATIVE, EXPORT-ORIENTED COMPANIES. IN THE MEANTIME I HOPE CAMBDEN FULFILS ITS AMBITIONS AND I WISH THE MANAGEMENT AND THE STAFF AT CAMBDEN EVERY SUCCESS.
