



**BioMelbourne
Network**
Progressing BioIndustry

BioMelbourne Network

Annual Report

2011

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CURRENT BOARD MEMBERS

Mr Andrew Macdonald (Interim Chairman as of 8 December 2010 and Treasurer)

Dr Stella Clark *Bio 21 Cluster*

Dr Julian Chick *JDJ Bioservices*

Mr Joe Baini *Exec Factor*

Dr Ashley Bates *GlaxoSmithKline Australia Ltd*

Dr Andy Gearing *Biocomm²*

Mr Niall Byrne *Science in Public*

Ms Michelle Gallaher (Secretary and Public Officer) *BioMelbourne Network*

Mr Alun Needham *Ernst & Young*

Ms Zita Peach *CSL Ltd*

Dr Lorna Meldrum *Ikaria Australia Pty Ltd*

RETIRED BOARD MEMBERS

Dr John Raff (Chairman) retired 8 December 2010

Mr George Pappas (Deputy Chairman) *Committee for Melbourne* (retired 8 December 2010)

Mr Jerry de la Harpe *University of Melbourne* (retired 8 December 2010)

The Secretariat

Ms Michelle Gallaher Chief Executive Officer

Ms Nicole Pitcher Administration Manager

Ms Anita Petris Event Manager

Ms Connie Crisafi Industry Development Manager

MESSAGE FROM THE CHAIRMAN

Since its inception 10 years ago, the BioMelbourne Network (the Network) has grown to become a highly successful and influential state-based independent biotechnology industry forum, connecting and supporting the development of Victoria's maturing biotechnology sector. It was with pleasure last December that I accepted the appointment of Interim Chair, following the retirement of Dr John Raff after a distinguished period of service as Chair of the Network. Together with my fellow directors, our primary goal during the reporting period has been to establish the necessary foundations to support growth and further development of the Network through this next decade.



Today, the Network's value proposition remains highly relevant. With a strong membership base of 171 organisations, the Network continues to contribute significantly to the strength of the local biotechnology sector. Testament to this is the record level of patronage attained in 2010/11 for the Network's various events. These events create regular local opportunities for individuals and organisations to network, share information, learn from peers, celebrate success and engage with numerous stakeholders.

To ensure the Network's on-going relevance to its membership and to the changing needs of the sector, our executive team developed a 5 Year Strategic Plan (the Plan) in 2010. The Plan was informed by feedback from members and our broader stakeholders and articulates the organisation's new vision, mission and strategic objectives. The BioMelbourne Network acknowledges the City of Melbourne for its continued long-term support for the biotechnology sector and particularly for its contribution to the BioMelbourne Network by awarding a small business grant for the development of the Plan.

Going forward the Network will ensure that its activities deliver against its key objectives to:

- develop and diversify the Network's membership base
- strengthen the Network's advocacy role, being timely and relevant on issues of importance to the industry
- work in partnership with education providers and the wider industry to foster quality peer learning opportunities and support activity that attracts and retains high quality talent in Victoria
- develop and deepen the Network's local and international linkages and connections to the benefit of the membership, and
- maximise organisational effectiveness and ensure the Network's financial sustainability beyond 2015.

This process is already well underway. During the year, the Network attracted new frontier technology members, advocated the sector's interests on issues such as R&D tax credit and intellectual property, developed national and international connections beneficial to the membership and continued to develop and deliver a suite of professional development events that are highly valued by the membership.

It is important that the Board remains representative of the membership base, operates effectively and efficiently and is able to draw upon a broad range of relevant skills and experience. Directors have been actively involved in the development of the Plan and have taken steps to ensure that the Network's board is best shaped to deliver on the Plan objectives, including consideration of the board leadership and

composition. In addition, an annual internal review process has been introduced to provide objective performance information.

The Network continued its successful partnership with the Victorian Department of Business and Innovation to deliver initiatives such as the Victorian BioPortal and provide a constructive ongoing dialogue with the department on issues of relevance to the sector in Victoria. This relationship will continue as we work collaboratively with government and the sector to develop and deliver initiatives under the yet to be released Victorian Government Biotechnology Plan.

Our sincere appreciation also goes to the Commonwealth Department of Innovation, Industry, Science and Research for their continued support of the Network and generous sponsorship of the Network's much prized CEO Luncheon series in 2011/12.

The City of Melbourne has been a significant and constant supporter of Melbourne's biotechnology and life sciences sector. The City of Melbourne provided the first government grant to establish the Network ten years ago and we acknowledge its continued support.

Reflecting on 2010, it is with admiration that I note the resilience demonstrated by the Victorian biotechnology sector during extremely challenging global financial circumstances. The sector is maturing and achieving notable successes. The Victorian sector has a record number of profitable companies, growing late stage clinical trial activity and some 88 products on the market. The year also witnessed major international deals including Acrux's \$335 million deal with global pharmaceutical giant Eli Lilly and Mesoblast's deal with Cephalon.

The future holds unparalleled opportunities for the sector to offer technological solutions for many health and resource based problems facing the world. I encourage those in the sector to embrace this opportunity knowing that it offers the potential for growth and the development of a bioeconomy where biotechnology contributes to a significant share of the country's productivity.

I'd also like to especially acknowledge local, state and commonwealth governments for supporting the sector and encourage continued collaboration to promote our strengths and capabilities nationally and internationally.

In April 2011, Professor David de Kretser, the inaugural Chairman of the BioMelbourne Network and Patron of the BioMelbourne Network completed his term of office as Governor of Victoria. It has been a unique advantage to Victorian biotechnology and research community to have Professor de Kretser as Governor. Upon completing his term as Governor of Victoria, Professor de Kretser also retired as Patron of the BioMelbourne Network. On behalf of the Network I offer thanks to him for his extraordinary contribution. Thank you to my fellow Board members, the Network's management and staff for their unwavering enthusiasm and commitment to Victorian biotechnology.

Mr Andrew Macdonald

Interim Chairman

MESSAGE FROM THE CEO

The BioMelbourne Network (the Network) marked its 10 year anniversary in 2011 and celebrated it with more than 330 guests at an anniversary dinner held on 24 February 2011. In ten years the Network has grown to become the most successful state-based independent biotechnology leadership forum. Our role in **supporting, enabling and connecting** the Victorian biotechnology sector, Australia's largest and most successful biotechnology cluster remains valid and a guiding principle for the Network.

We continue to represent the collective leadership interests of the industry and our membership represents the diverse Victorian biotechnology community. The Network plays a specific role as a facilitator, influencer and direction setter by drawing on the sector's leadership group to identify issues and shape discussions.

The membership recognises that the Network's success is also closely linked to its independence. The Network is funded by its membership and networking activities. It is the only independent state-based biotechnology industry association of its kind in Australia.

During the year we continued to create regular professional development and networking opportunities for individuals and organisations to interact and promote themselves, share information, contribute, collaborate, learn from peers and celebrate success. We actively profile Victoria's biotechnology capabilities in the local, national and international media and we encourage debate and dialogue on issues of importance to the industry.

Despite difficult global economic conditions, the Victorian biotechnology sector has demonstrated remarkable resilience. In 2010 there were 13 profitable biotechnology companies, up from 5 in 2005. Victorian biotechnology companies had 88 products on the market, 231 active products or drug programs in development and 17 Phase II and 45 Phase III clinical trials underway, with late stage clinical trial activity increasing by more than 50% in the last five years.

Melbourne continues to be a global centre for excellence in life sciences education, research and innovation. Our universities continue to generate an outstanding source of skilled professionals as well as a strong supply of discoveries and early stage development to feed the wider biotechnology industry for years to come.

The Network recognises that a maturing biotechnology sector also calls for a reassessment of services to ensure the organisation's on-going value and relevance to the membership.

The process of independently reviewing the organisation's business strategy was completed in 2010. The review assessed what was valued by members and some non-members in the presentation of the Network and determined the future needs of members and the wider biotechnology sector.

The results informed the development of the Network's future direction as detailed in our new 5 Year Strategic Plan which defines the new vision, mission and strategic goals that will steer the Network into the future and consolidate its position as Victoria's premier biotechnology forum.



During the year, we looked to diversify the membership and leverage opportunities for the sector to grow as a result of the convergence of biotechnology and other technologies. The beginning of this new revolution was evidenced during the year when Mobile MIM an iPad radiology application (app) became the first medical app to gain US Food and Drug Administration (FDA) approval – a move that is sure to redefine the world of point-of-care diagnostics.

We continued to build our highly valued peer to peer professional development program to incorporate and discuss issues of relevance to the sector. The Network's advocacy role continued to grow, we formulated submissions to government on diverse issues such as the R&D tax credit, the role of IP in collaborations between public and private sector organisations and the Patent Amendment (Human Genes and Biological Materials) Bill 2010. We also convened and collaboratively participated numerous meetings with State and Commonwealth parliamentarians and public sector officials to represent the interests of the sector.

Established by the Committee for Melbourne in 2001, the Network retains close ties and warmly celebrates the ongoing link with the Committee. We also acknowledge the considerable financial support the Network received from the City of Melbourne and the State Government of Victoria in helping to establish the Network in the first three years. The Network achieved financial independence in 2005 and has remained so ever since.

Finally, I'd like to acknowledge the many individuals who contribute to the Network's success, current and past board members, the management team, speakers and sponsors of events and most importantly, our members for continuing to contribute with enthusiasm.

Michelle Gallaher

Chief Executive Officer

What is the BioMelbourne Network?

The BioMelbourne Network (the Network) is the peak industry forum for leaders in the Victorian biotechnology industry.

Established in 2001, the organisation has continued to grow and support the Victorian biotechnology industry, the nation's largest and most successful biotechnology cluster. The Network has succeeded in positioning itself and maintaining the role of premier biotechnology leadership and peer learning forum in Victoria.

We are Australia's first and only independent state-based biotechnology industry association and our membership is representative of the broad Victorian biotechnology community.

The Network is an incorporated association under the Corporations Act and is governed by an independent board of directors who represent the membership. All of the board members are members of the Network and contribute in a voluntary capacity.

Historic Milton House in Flinders Lane, in Melbourne's CBD, is the location of the BioMelbourne Network office, located strategically for proximity to members and stakeholders.



The Network has 171 members that are representative of the broad Victorian biotechnology and research sector. The organisation fosters strong links between companies, research organisations, financial markets and government, encouraging an environment for greater collaboration and providing a consistent platform for information sharing and gathering to support the further development of the sector.

The Network is an industry development and promotion agency for the Victorian biotechnology sector. The organisation plays a specific role as a facilitator, influencer and direction setter by drawing on the collective leadership interests of the sector to achieve benefit for the industry as a whole.

The current CEO, Michelle Gallaher, commenced in July 2008. The staff comprise Anita Petris (Events Program Manager), Nicole Pitcher (Administration Manager) and Connie Crisafi (Industry Development Manager).

Vision

To maintain and grow Victoria's position as the premier biotechnology state and gateway to Australia's biotechnology sector.

Mission

To **connect**, **support** and **enable** Victoria's biotechnology sector

Values

The BioMelbourne Network adheres to and promotes the following values:

Leadership	Demonstrating leadership on critical issues for the sector and ensure Victoria continues to be Australia's leading biotechnology state.
Responsive	To our members' needs. In providing information, assistance and access in order to address the Victorian biotechnology sector's immediate and longer term needs.
Relevance & quality	In the delivery of services that satisfy the needs of our members
Diversity	In our membership base, embracing new frontier technologies
Accountability	Answerable to our board and broader membership. Operating transparently and at the highest professional standards.

Objectives of the BioMelbourne Network

1. **Membership** - To develop and diversify the BioMelbourne Network's membership base.
2. **Advocacy** - To strengthen the BioMelbourne Network's advocacy role in the broadest sense, being timely and relevant on issues of importance to the sector.
3. **Skills and Learning** - To work in partnership with education providers and the wider sector to foster quality peer learning opportunities, supporting and contributing to accredited and non-accredited courses of high value. To support activity that attracts and retains high quality talent in Victoria.
4. **Linkages** - To develop and deepen the BioMelbourne Network's local and international linkages and connections to the benefit of the membership.
5. **Organisational effectiveness** - To maximize organisational effectiveness.
6. **Financial sustainability** - To ensure the BioMelbourne Network's financial sustainability beyond 2015.



Victorian Biotechnology Snapshot in 2011

Victoria leads Australia's biotechnology research and development sector. Victoria has significant strengths in the medical and agricultural fields, especially in oncology, neurosciences, regenerative medicine, infectious diseases, and genetics of dairy cattle and pasture grasses.

The need for a state-based biotechnology industry association is further supported by the following Victoria biotechnology and life science strengths:

- Victoria is home to 167 life science companies, 13 major independent medical research institutes, 10 teaching hospitals conducting significant research, and 9 universities.
- Victoria has 41 life science companies listed on the Australian Stock Exchange (ASX), with a combined market capitalisation of nearly \$24 billion and 12 companies are capitalised at greater than \$100 million (as at 1 June 2011).
- Victorian life sciences companies employ about 10,350 people (estimated at October 2010) and generated sales of about \$10.8 billion in 2009–10, rising from \$3.3 billion in 2003.



- In the past year Victorian biotechnology firms have taken their products to new global markets and formed major international alliances. Acrux and Starpharma signed lucrative international deals with pharmaceutical giant Eli Lilly and Mesoblast entered into a major partnership with international biopharmaceutical company Cephalon.
 - Clinical trial activity in Victoria continues to grow. Victorian biotechnology companies currently have 231 products in development, 88 of these at the clinical stages of development. Late stage clinical trial activity has increased by more than 50% since 2005.
 - Victoria's world-class universities, teaching hospitals and renowned research institutes enable global collaboration and ensure a steady supply of highly skilled professionals and discoveries.
- Victoria is the premier location for clinical trials in the Asia-Pacific region, with a global reputation for quality and integrity.
 - The sector enjoys strong government support, with the Victorian Government investing almost \$4 billion in science and innovation over the past 10 years. The City of Melbourne has historically supported the biotechnology sector for more than ten years and recognises the importance of biotechnology within Enterprise Melbourne.
 - Victoria is home to unique infrastructure including the Australian Synchrotron, Bio21 Cluster and the new \$1 billion Parkville Comprehensive Cancer Centre due for completion in 2015.

BioMelbourne Network: 2010/11 Review

1. Membership - *To develop and diversify the BioMelbourne Network's membership base.*

As at 30 June 2011, the Network's membership comprised 171 members. Figure 1 highlights the breakdown of membership type by revenue - 80% of the Network's revenue is derived from corporate and biotechnology companies.

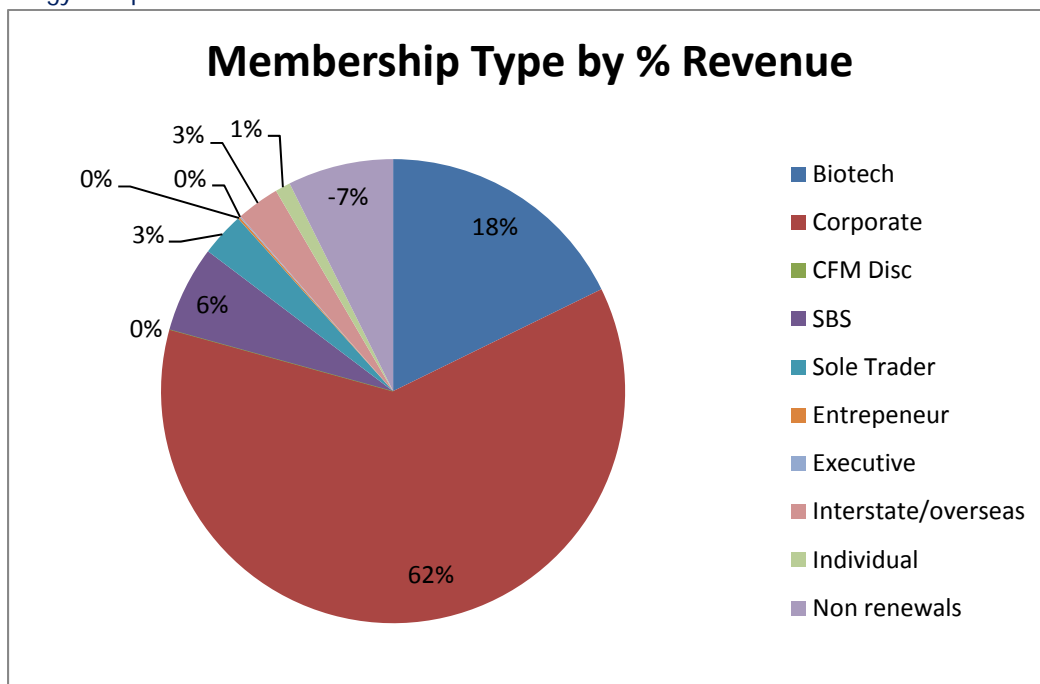


Figure 1: The Network's Membership Profile

The Network's membership base has traditionally comprised biotechnology companies and service providers to the sector. In 2010/11 the Network focused on broadening its membership, recruiting new members in medical devices and life science technology engineering.

The Network will continue to take advantage of the growing convergence of biotechnology with other disciplines and technologies while continuing to deliver regular quality and relevant services to existing members.

2. **Advocacy** - *To strengthen the BioMelbourne Network's advocacy role in the broadest sense, being timely and relevant on issues of importance to the industry.*

Highlights for the year include:

- Developed the following **submissions**:
 - Role of IP in Collaborations between Public and Private Sector Organisations
 - Inquiry into the Patent Amendment (Human Genes and Biological Materials) Bill 2010
 - Scoping Study for a National Not for Profit Regulator

- Participated in the **Women in Science and Engineering Summit** on 11 April 2011 hosted by the Australian National Commission for UNESCO, UN Women Australia and Science and Technology Australia (formerly FASTS). The Summit explored what Australia can do to improve the status of women in science and engineering - in particular encouraging young women to stay in science post PhD and into career positions.

- Participated in three meetings with the **Hon Gordon Rich Phillips MP**, Victorian Minister for Technology:
 - 27th April 2011, meeting with Chairs of the various Biotechnology Strategic Development Plans, AusBiotech and the Network
 - 7th June 2011 with 12 biotechnology CEO's and the Network, and
 - 21st June 2011, meeting with the Biosciences Victoria Collaborative and the Network.

- Hosted **Sophie Mirabella MP**, Federal Member for Indi, Shadow Minister for Industry, Innovation and Science, as guest speaker at the December CEO Luncheon.

- Meeting with **Councillor Kevin Louey**, Melbourne City Council on 15th June 2011 to discuss biotechnology inbound and outbound missions.

- Guest speaker at the **Knowledge Cities Summit** in Melbourne in November 2010 and participated in a Melbourne Business Leaders Forum, representing biotechnology and promoting Victoria's biotechnology leadership.

- Supported the **Discoveries Need Dollars campaign** via social media and news media to protest against proposed \$400m cut to medical research in the Federal Budget.

- Met with **Enterprise Connect** to discuss expansion of the program to encompass biotechnology.

- Developed a **Systems Biology Issues Paper** – highlighting the need and opportunities for Victoria to embrace systems biology.

- Met with **Federal parliamentarians**, including the Hon Fran Bailey at the Medical Research Week Dinner and Senator Judith Troeth attended the Network's Connecting Women in Biotechnology Luncheon. Sophie Mirabella MP, Federal Member for Indi, Shadow Minister Industry, Innovation & Science was a special guest at the Network's CEO luncheon and board meeting on 8 December 2011 to discuss the Coalition Government's support for the biotechnology sector and position regarding the R&D tax credit.

- Met with a number of **Victorian parliamentarians** in the lead up to the state election and as the new government settled into office to profile the Network and Victoria’s biotechnology capabilities.
- The Network continued to be the custodian of the **Victorian BioPortal** (www.vicbioportal.org) which together with the Network website and social media tools such as Twitter and LinkedIn were employed to promote developments, news and events in Victoria’s biotechnology sector to national and international audiences.
- Consulted with the Victorian Department of Business and Innovation on the next **Biotechnology Action Plan** and the proposed **Medical Devices Export Plan**.
- Consulted with and provided advice to **Skills Victoria on skilled migration** in life sciences.
- Developed a **Victorian Systems Biology Communications Plan** and a **Biosciences Victoria Communications Plan**, aimed at promoting our capabilities and achievements in medical research.
- Developed pieces for the **Invest Victoria blog** and posted weekday **Twitter** messages highlighting Victoria’s biotechnology capabilities to a national and international audience.
- Delivered numerous **media interviews** referencing the Network and highlighting a number of individual members, including at BIO2011.

3. Skills and Learning - *To work in partnership with education providers and the wider industry to foster greater peer learning and support activity that attracts and retains high quality talent in Victoria.*

- The Network’s calendar of events, including monthly **BioBreakfasts**, **BioBriefings**, **BioWorkshops** and **CEO Luncheons** provide the local sector with a valuable peer to peer professional development opportunity and build critical connections across the sector.
- In 2010/11 the BMN delivered **29 events that attracted over 3,000 participants**.

BIOBREAKFASTS

The Network’s BioBreakfast program is a series of monthly networking and commercialisation seminars targeted at the executive managers and decision makers in Victoria's biotechnology sector.

Date	Topic
13 July 2010	<i>What is Biotech’s role in Greentech?</i> Dr Brenton Hamdorf, IP & Commercialisation Manager, EBCRC Ms Janelle Borham, Partner, Griffith Hack
17 August 2010	<i>The Road Less Travelled</i> Dr Debra Woods, Senior Principal Scientist, Pfizer Animal Health, Michigan, USA Professor Simon Croft, London School of Hygiene & Tropical Medicine Dr Wayne Best, Managing Director – Epicchem Australia
7 September 2010	<i>State of Depression</i> Prof Jayashri Kulkarni, Director, Monash Alfred Psychiatric Research Centre MAPRC Dr Roger Edwards, CEO, Neural Diagnostics
5 October 2010	<i>The WEHI Journey: Its history and vision for the future.</i> Professor Doug Hilton, Director, WEHI
9th November 2010	<i>The Peplin Story</i> Dr Joshua Funder, Partner, GBS Ventures
7th December 2010	<i>Universal Biosensors: Chapter 2</i> Mr Andrew Denver, Chairman, Universal BioSensors
15 February 2011	<i>Capital Raisings and Other Adventures</i> Mr Jeremy Cooper , Corporate Finance & Advisory Partner, Deloitte Mr Xander Alpherts, Corporate Finance & Advisory Partner, Deloitte
15 March 2011	<i>iDiagnose: FDA approves the first iPhone application</i> Dr David Lester, President, Innovative Technologies in Health & Wellness Inc. Mr Peter Lewis, General Manager of Business Development, Hydrix

	Ms Alyssa Grabb, Partner, Phillips Ormonde Fitzpatrick
5 April 2011	<i>Are we there yet? The state of play in stem cell research</i> Dr Andrew Laslett, Research Team Leader, Materials Science and Engineering, CSIRO Dr David Haylock Associate Professor, Research Scientist, Materials Science and Engineering, CSIRO
3 May 2011	<i>Systems Biology</i> Professor Liam O'Connor, Head of the Division of Personalised Medicine and Systems Biology, WEHI and Chair of Systems Biology and Bioinformatics at the LaTrobe University Institute for Molecular Science and AgriBio
7 June 2011	<i>Strategic Planning for Mergers and Acquisitions</i> Dr Ian Nisbet, Partner, Afandin Pty Ltd

BIOWORKSHOPS: regular sector specific professional learning and development session covering a wide range of topics. The leadership group of the sector is invited to speak at BioWorkshops to which they volunteer their time and expertise, for the benefit of others who learn from their shared experiences.

Date	Topic
22 March 2011	<i>Lowering the risk in commercialisation of medical devices. A strategic guide to device commercialisation.</i> Speakers: Mr Neil Anderson (Waterfall Commercialisation Group) Ms Nairy Baghdikian (Cogentum) Mr Robert Tiller (Tiller Scientific + Medical Pty Ltd) Mr Alistair Smith (Davies Collison Cave) Dr Martin Devitt (Mobius Medical) Dr David Bennett (Melbourne Angels) Sponsor: Davies Collison Cave
24th August 2010	<i>"Divorce" for Research Collaborators</i> <i>What you need to know about exit clauses, IP ownership and asset management.</i> Mr Tim Clark, IP & Technology Partner, Piper Alderman Mr George Raitt, Corporate & Commercial Partner, Piper Alderman

	<p>Sponsors: Piper Alderman Lawyers</p>
11 November 2010	<p><i>Inside the World of Influence. The why and how to develop and implement a government contact program</i></p> <p>Dr Alex Gosman – Consultant Mr Tim Murphy – Government Affairs Manager, GSK. Former advisor to Senator Kim Carr.</p> <p>Lunch Speaker: Damon Cantwell (Deloitte Partner Government Assistance Program)</p> <p>Sponsor: Deloitte</p>

BIOBRIEFINGS: intensive knowledge sharing sessions on issues critical to the development of the Victorian biotechnology sector.

Date	Event
2 September 2010	<p><i>The Perils of Premature Patenting</i></p> <p>Dr Andrew Baker, GBS Venture Partners Dr Christophe Demaison, Melbourne Ventures Mr Mark Roberts, Davies Collison Cave</p> <p>Sponsor: Davies Collison Cave</p>
30th March 2011	<p><i>Clinically Competitive: Boosting the business of clinical trials in Australia</i></p> <p>Dr Andy Giddy, CEO, Nucleus Network</p> <p>Panelists: Dr Andy Giddy, CEO, Nucleus Network Prof. Richard Fox, Director of research, St Vincent's Hospital Mr Marcus Clark, CEO, Cancer Trials Australia Mr Travis McIntosh, Life Sciences Specialist Asia Pacific, Chubb Insurance</p> <p>Facilitated by Dr David Crump, Chief Medical Officer, JDJ Bioservices</p> <p>Sponsors: St Vincent's Research Institute & Chubb Insurance</p>

7th April 2011	<p><i>Sudden Impact: Effective company branding for Australian biotechs</i></p> <p>Dr Alex Szabo, Vice President, Mesoblast Mr Ned Coten, CEO, Acorn Brand Design Mr Russell Waters, Trademarks Partner, Phillips Ormonde Fitzpatrick</p> <p>Sponsor: Phillips Ormonde Fitzpatrick</p>
18 May 2011	<p><i>Building success : Commercialisation Australia</i> <i>Is Commercialisation Australia an option for my business and how do I access it?</i></p> <p>Dr Elane Zelcer, Executive Director, BioConsult Pty Ltd Dr Rob Crombie, Managing Director, Concept2Clinic Consulting Dr Kerry Hegarty, Chief Executive Officer, Sienna Cancer Diagnostic Ltd Dr Robin Coleman, Business Development Director, Advent Pharmaceuticals Pty Ltd Dr Henry De Aizpurua, Deputy Director, Florey Neuroscience Institutes</p> <p>Sponsor: Price Waterhouse Coopers</p>

CEO LUNCHEONS: provide an opportunity to meet and build relationships with decision makers at the executive level in the Victorian biotechnology sector.

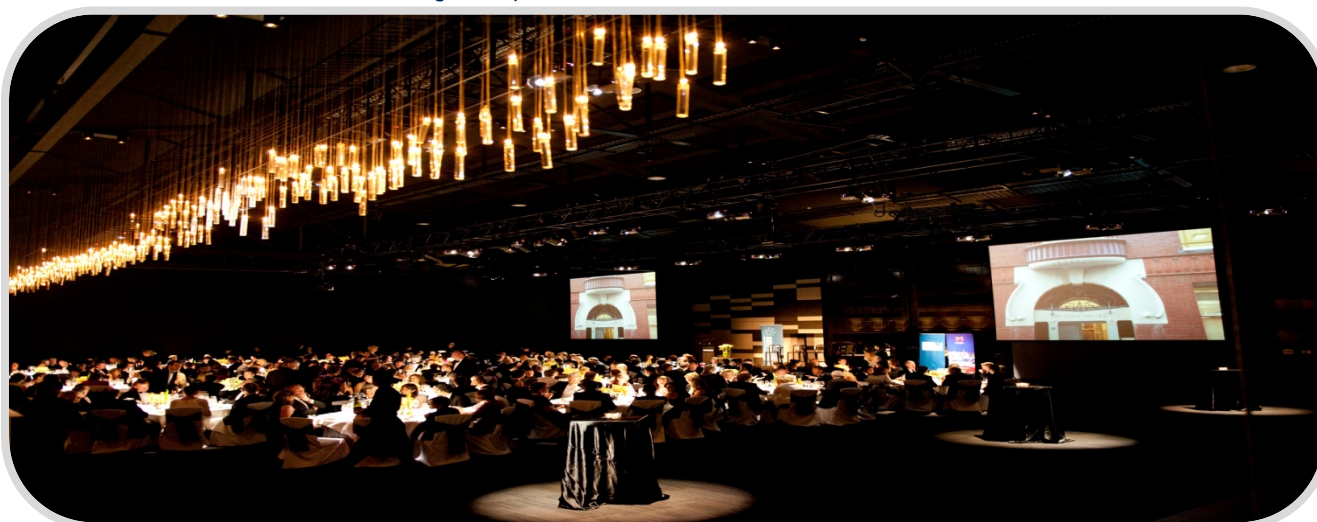
Date	Topic Speaker(s)	Sponsor(s)
27 August 2010	<p><i>GAVI Alliance</i></p> <p>Geoff Adlide – Director of Advocacy and Public Policy, GAVI Alliance (Geneva)</p>	Minter Ellison
27 September 2010	<p><i>Soft Landings : US</i></p> <p>Dr Jonathan Rosen, Boston University Office of the Provost, College of Engineering and School of Management</p>	VESKI & BIO21 Cluster
4 November 2010	<p><i>Monsanto and InterGrain: A Bumper Harvest</i></p> <p>Mr Bryan Whan (CEO, InterGrain)</p> <p>Mr Peter O’Keeffe (Country Lead Monsanto, Australia)</p>	TressCox Lawyers
9 November 2010	<p><i>Picking a Winner</i></p> <p>Dr Leigh Farrell, Biota</p>	Mallesons Stephen Jaques
8 December 2010	<p><i>A Liberal View of Innovation, Science & Research</i></p>	Ernst and Young

	Sophie Mirabella MP, Federal Member for Indi, Shadow Minister Industry, Innovation & Science	
16 May 2011	<i>Mesoblast today</i> Prof Silviu Itescu, CEO, Mesoblast	Minter Ellison
16 May 2011	<i>Federal Budget Review Luncheon</i> Mr Don Brumley, Partner, Ernst & Young	Ernst and Young

10th Anniversary Dinner

On February 24th 2011, the Network celebrated its 10th anniversary with a black tie dinner at Docklands. The Governor of Victoria, Professor David de Kretser joined over 330 guests from Victoria's biotechnology sector to celebrate the success of the Network and the sector over the last decade.

Sponsors included: the City of Melbourne, the Victorian Government, National ICT Australia (NICTA), SAE Creative and the Melbourne Marketing Group.



Network's 10th Anniversary black-tie dinner, Peninsular C, Docklands.

3rd June 2011 'Connecting Women in Biotechnology Luncheon'

The Network's **Connecting Women in Biotechnology Luncheon** has become a popular annual event encouraging the development of business and social networks amongst the many women working in the Victorian biotechnology sector.

The 3rd luncheon was a success attracting close to 400 guests at the historical Mural Hall, in the newly renovated Myer Bourke Street store. This year's theme was "champions and mentors" and our surprise guest speakers were:

- Dr Sue Forrest, CEO Australian Genome Research Facility

- Dr Esra Ogru, CEO Phosphagenics, and
- Ms Brigitte Smith, MD GBS Venture Partners.

The event was sponsored by CSL, City of Melbourne, Phillips Ormonde Fitzpatrick, Acrux, Phosphagenics, Starpharma, Norton Rose, the Victorian Government, Walter and Eliza Hall Institute and Melbourne Convention & Visitors Bureau (MCVB).



The Network's 2011 "Connecting Women in Biotechnology Luncheon", Mural Hall.

Collaborating with the Bio21 Cluster, the Network contributed to the development and delivery of a **Systems Biology Workshop** on 5 November 2010 for 20 external stakeholders. The workshop was facilitated by Waterfield Consulting and culminated in the development of a systems biology roadmap for Victoria. Key elements will be progressed by the Systems Biology Working Group chaired by the Network's CEO, Ms Michelle Gallaher.

The Network facilitated and participated in the **Skilled Migration Workshop**, held on 23 November 2010. The workshop examined current and emerging skill shortages and regulatory issues and identified initiatives to address these issues, focusing on skilled migration reforms. Workforce Participation from the Department of Business and Innovation will utilise the feedback from this session to inform changes to the skilled migration visa categories.

4. **Linkages** - *To develop and deepen the BioMelbourne Network's local and international linkages and connections to the benefit of the membership.*
- The Network launched **BioMelbourne View** in May 2011 - a new innovative online service that enables the Network to broaden its reach to those unable to attend events. The technology will also provide those that do attend with the ability to review content after the event and download presentations.
 - The Network was part of the Victorian Government pavilion at the **AusBiotech National Conference** (October 2010), and met with a number of international delegations and sector stakeholders including biotechnology companies, government, medical research institutes, industry associations and media.
 - The Network presented at the “**Discover Biotech Opportunities in Beijing**” Seminar and Networking Luncheon, hosted by the City of Melbourne. The seminar is a prelude to a potential China trade mission to be led by the City of Melbourne in the second half of 2011. The Network has been invited to participate.
 - The CEO was a conference delegate at **Bio2011**. During the conference meetings were convened with: Duane Roth, CEO Connect (San Diego), Michelle Sullivan, CEO NZ BIO and Victor Perton, Commissioner to the Americas. Some of the media interviews were with Scientific American, Science, The Deal and BioPharma International. The Network also assisted at the Australian Pavillion at BIO2011.
 - Meetings with the following **international delegations** were convened during the year:
 - Chris Rivera, President of the Washington Biotechnology and BioMedical Association
 - Doug McCartney & Magda Byma from Manitoba Govt, Dept Innovation, Energy & Mines
 - Crop Life International – South America
 - The Network also hosted events featuring prominent speakers from around the globe, including:
 - Mr Geoff Adlidge – Director of Advocacy and Public Policy, GAVI Alliance (Geneva)
 - Dr Jonathan Rosen, Boston University Office of the Provost, College of Engineering and School of Management
 - Professor Simon Croft, Department of Infectious and Tropical Diseases, London School of Hygiene & Tropical Medicine
 - Dr Debra Woods, Senior Principal Scientist, Pfizer Animal Health, Michigan, USA
 - The Network provided sponsorship support for the **Graeme Clark 2011 Oration** delivered on 9 March 2011. This year's guest speaker was Professor Sejnowski, whose lecture focused on the Computational Brain. BMN also provided sponsorship support for the Farewell Dinner for Governor David de Kretser as he completed his term of office as the Governor of Victoria.
 - The Network provided project and governance support for the Biosciences Victoria Collaborative and the Systems Biology Working Group. The CEO also Chairs the Systems Biology Working Group.

5. Organisational effectiveness - *To maximize organisational effectiveness.*

The Network launched its 5 Year Strategic Plan which defines the organisation's new vision, mission, values and objectives to help consolidate and grow its position as Victoria's premier biotechnology leadership forum.

A review and evaluation of the Network's board and its skill set was undertaken during the year.

6. Financial sustainability - *To ensure the BioMelbourne Network's financial sustainability.*

Despite the flow on effects of the global financial crisis, the organisation has maintained adequate cash reserves in the past year to ensure the consistent delivery of quality services to members.

In the coming year the Network is focused on delivering a modest profit in 2011/12. The Network's financial sustainability is primarily linked to continuing to develop the membership. The 5 Year Strategic Plan and the forward business plan strives to diversify and grow the membership over the next 3 years to achieve a positive financial result.

Highlights include:

- awarded additional funding from the Department of Business and Innovation to fund the Industry Development Manager position for a second year
- significant improvement in sponsorship revenue
- increased revenue from membership subscriptions
- increased government project grants, and
- improved cash position at year end.

BIOMELBOURNE NETWORK INC

ABN 30 219 606 495

Financial Report

For the year ended 30 June 2011

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Income Statement
For the year ended 30 June 2011

	Note	2011 \$	2010 \$
Revenue	2	760,846	610,361
Office and administration expenses		88,913	93,053
Salaries and other employee benefits		449,194	377,010
Project and function expenses		244,648	164,923
Other expenses from ordinary activities		38,669	31,828
Total Expenses		821,424	666,814
Profit/(Loss) before income tax expense		(60,578)	(56,453)
Income tax expense		-	-
Profit/(Loss) for the year	3	(60,578)	(56,453)

Balance Sheet
As at 30 June 2011

	Note	2011 \$	2010 \$
CURRENT ASSETS			
Cash and cash equivalents	4	197,038	152,746
Trade and other receivables	5	46,455	126,452
Other current assets	6	5,842	5,794
TOTAL CURRENT ASSETS		<u>249,335</u>	<u>284,992</u>
NON-CURRENT ASSETS			
Plant and equipment	7	19,425	22,817
TOTAL NON-CURRENT ASSETS		<u>19,425</u>	<u>22,817</u>
TOTAL ASSETS		<u>268,760</u>	<u>307,809</u>
CURRENT LIABILITIES			
Trade and other payables	8	173,519	170,138
Employee benefits	9	49,706	31,558
TOTAL CURRENT LIABILITIES		<u>223,225</u>	<u>201,696</u>
TOTAL LIABILITIES		<u>223,225</u>	<u>201,696</u>
NET ASSETS		<u>45,535</u>	<u>106,113</u>
EQUITY			
Retained earnings	10	45,535	106,113
TOTAL EQUITY		<u>45,535</u>	<u>106,113</u>

Statement of Changes in Equity
For the year ended 30 June 2011

	Retained Earnings	Total
	\$	\$
Balance as at 1 July 2009	162,566	162,566
Net loss for the year	(56,453)	(56,453)
Balance as at 30 June 2010	106,113	106,113
Net loss for the year	(60,578)	(60,578)
Balance as at 30 June 2011	45,535	45,535

Cash Flow Statement
For the year ended 30 June 2011

	Note	2011 \$	2010 \$
Cash flow from operating activities			
Receipts in the course of operations		865,965	520,514
Interest received		1,817	921
Payments in the course of operations		(820,296)	(554,542)
Net cash provided by/(used in) operating activities	11 (b)	47,486	(33,107)
Cash flow from investing activities			
Payment for plant and equipment		(3,194)	(7,855)
Net cash used in investing activities		(3,194)	(7,855)
Net increase/(decrease) in cash held		44,292	(40,962)
Cash at the beginning of the year	11 (a)	152,746	193,708
Cash at the end of the year	11 (a)	197,038	152,746

Notes to the Financial Statements

For the year ended 30 June 2011

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Corporate Information

The financial report is for the entity BioMelbourne Network Incorporated as an individual entity. BioMelbourne Network Incorporated was incorporated under the Association Incorporation Act 1981 on 18 September 1987.

The purpose of BioMelbourne Network Incorporated is to act as the peak leadership body of the Victorian biotechnology industry and in particular, to guide, promote and maintain that industry and its promotion throughout the world.

The financial report of BioMelbourne Network Incorporated was authorised for issue by the Board on the 31st August 2011.

(b) Basis of Preparation

This special purpose financial report has been prepared for distribution to members of the BioMelbourne Network Incorporated. The accounting policies used in the preparation of this report are in the opinion of the BioMelbourne Network's Committee of Management appropriate to meet the needs of its members. The financial statements have been prepared in accordance with Australian Accounting Standards and authoritative pronouncements of the Australian Accounting Standards Board with the following exceptions:

AASB 7:	Financial Instruments: Disclosures
AASB 108:	Accounting Policies, Changes in Accounting Estimates and Errors
AASB 8:	Operating Segments
AASB 116:	Property, Plant & Equipment
	Financial Instruments: Presentation
AASB 132:	
	Financial Instruments: Recognition and Measurement
AASB 139:	

The Committee has determined that the entity is not a reporting entity.

The financial report has been prepared on an accrual basis and is based on historical cost basis, modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

The following is a summary of the material accounting policies adopted by the network in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(c) Critical accounting estimates and judgments

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make estimates, judgments and assumptions based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the entity. Actual results may differ

Notes to the Financial Statements

For the year ended 30 June 2011

from these estimates. The accounting policies detailed in Note 1 provide details of those estimates, judgments and assumptions.

(d) Cash and cash equivalents

Cash includes cash on hand and at call deposits with banks or financial institutions and net of bank overdrafts.

(e) Revenue

Membership subscriptions are brought to account on each member's renewal date.

Government grants are recognised upon receipt of the grant except in those circumstances where it is considered to be a reciprocal transfer and the obligations of the grant have not yet been met.

Revenue is recognised when the right to receive the revenue has been established.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

All revenue is stated net of the amount of goods and services tax (GST).

(f) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the Balance Sheet are shown inclusive of GST.

(g) Comparative Information

Where necessary comparatives have been reclassified and repositioned for consistency with current year disclosures.

(h) Plant & Equipment

Each class of plant and equipment are carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by the directors to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets' employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

Notes to the Financial Statements
For the year ended 30 June 2011

Depreciation

The depreciable amount of all fixed assets are depreciated on a straight line basis over the useful lives of the assets to the entity commencing from the time the asset is held ready for use.

The assets' residual value and useful lives are reviewed, and adjusted if appropriate, at each balance date.

(i) Trade and other receivables

Trade receivables, which generally have 30-60 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An allowance for doubtful debt is made when there is objective evidence that the entity will not be able to collect the debts. Bad debts are written off when identified.

(j) Trade and other payables

Trade and other payables are carried at amortised cost and represent liabilities for services provided to the entity prior to the end of the financial year that are unpaid and arise when the entity becomes obliged to make future payments in respect of these services.

(k) Employee Benefits

Wages, Salaries and Annual Leave

Liabilities for wages, salaries and annual leave that are expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to reporting date. They are calculated at undiscounted amounts based on remuneration wage and salary rates that the entity expects to pay as at reporting date including related on-costs, such as workers compensation insurance and payroll tax.

Long-term service benefits

The entity's net obligation in respect of long-term service benefits, other than pension plans, is the amount of future benefit that employees have earned in return for their service in current and prior periods. The obligation is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates, and is discounted using the rates attached to the Commonwealth Governments bonds at the balance sheet date which have maturity dates approximating to terms of the entity's obligations.

Superannuation

The amount charged to the Income Statement in respect of superannuation represents the contributions made by the entity to superannuation funds.

(l) Income tax

The BioMelbourne Network Incorporated is exempt from income tax.

Notes to the Financial Statements
For the year ended 30 June 2011

	2011 \$	2010 \$
NOTE 2: REVENUE		
Operating activities		
- Membership subscriptions	286,101	277,360
- Project Income	235,831	179,172
- Membership functions	160,224	117,306
- Interest	1,817	921
- Sponsorship	60,591	17,600
- Sundry income	16,282	18,002
	<u>760,846</u>	<u>610,361</u>
NOTE 3: PROFIT/(LOSS) FOR THE YEAR		
Profit / (loss) for the year has been determined after:		
(a) Expenses		
Auditor's remuneration	2,475	2,262
Bad & doubtful debts	3,000	-
	<u>3,000</u>	<u>-</u>
NOTE 4: CASH AND CASH EQUIVALENTS		
Cash at bank	197,038	152,746
	<u>197,038</u>	<u>152,746</u>
NOTE 5: TRADE AND OTHER RECEIVABLES		
Trade receivables	49,755	126,452
Less Allowance for impairment of receivables	(3,300)	-
	<u>46,455</u>	<u>126,452</u>
NOTE 6: OTHER CURRENT ASSETS		
Prepayments	5,842	5,794
	<u>5,842</u>	<u>5,794</u>

Notes to the Financial Statements
For the year ended 30 June 2011

	2011	2010
	\$	\$
NOTE 7: PLANT AND EQUIPMENT		
Office equipment	40,622	37,428
Less Accumulated Depreciation	<u>(21,197)</u>	<u>(14,611)</u>
	<u>19,425</u>	<u>22,817</u>
(a) Movements in Carrying Amounts		
Balance at the beginning of the year	22,817	21,044
Additions	3,194	7,856
Disposals	-	-
Depreciation expense	<u>(6,586)</u>	<u>(6,083)</u>
Carrying amount at the end of the year	<u>19,425</u>	<u>22,817</u>
NOTE 8: TRADE AND OTHER PAYABLES		
Sundry payables and accrued expenses	<u>173,519</u>	<u>170,138</u>
NOTE 9: EMPLOYEE BENEFITS		
Annual Leave Entitlements	43,395	28,082
Long Service Leave Entitlements	<u>6,311</u>	<u>3,476</u>
	<u>49,706</u>	<u>31,558</u>
NOTE 10: RETAINED EARNINGS		
Retained earnings at the beginning of the year	106,113	162,566
Profit/(Loss) for the year	<u>(60,578)</u>	<u>(56,453)</u>
Retained earnings at the end of the year	<u>45,535</u>	<u>106,113</u>

Notes to the Financial Statements
For the year ended 30 June 2011

	2011	2010
	\$	\$
<hr/>		
NOTE 11: NOTES TO THE CASH FLOW STATEMENT		
 (a) Reconciliation of Cash		
 For the purpose of the cash flow statement, cash includes cash on hand and at bank. Cash at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:		
Cash at bank	197,038	152,746
	197,038	152,746
 (b) Reconciliation of profit/(loss) after income tax to net cash provided by operating activities.		
Profit / (Loss) after income tax	(60,578)	(56,453)
 Non-cash flows in profit/(loss):		
Depreciation	6,586	6,082
Doubtful Debts	3,000	-
 Changes in assets and liabilities:		
(Increase) / Decrease in Receivables	76,697	13,522
(Increase) / Decrease in Prepayments	(48)	(1)
Increase / (Decrease) in Payables	(28,571)	24,038
Increase / (Decrease) in Income in Advance	43,083	(10,303)
Increase / (Decrease) in Provisions	7,317	(9,992)
Net cash provided by/(used in) operating activities	47,486	(33,107)

The Board has determined that the entity is not a reporting entity. The Board has determined that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The Board declares that:

1. The financial statements and notes, as set out on pages 3 to 12:
 - (a) comply with Accounting Standards as described in Note 1 to the financial statements; and
 - (b) give a true and fair view of the financial position as at 30 June 2011 and of the performance for the financial year ended on that date of the entity in accordance with the accounting policies described in Note 1 to the financial statements.
2. In the Board's opinion there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board.

Wednesday, 31st August 2011

Michelle Gallaher

Chief Executive Officer

Wednesday, 31st August 2011

Andrew MacDonald

Treasurer