



14 March 2023

STATEMENT ON BEHALF OF AUSTRALIAN HEALTH INNOVATORS IN SUPPORT OF THE NATIONAL RECONSTRUCTION FUND

Australian health innovators have today joined together to reiterate the health innovation sector's considerable support for the National Reconstruction Fund (NRF) including for medical science.

While Research Australia, the national peak body for health and medical research is leading the call, there is consensus among all innovation supporters, that Australia must better commercialise research to secure its economic future. This is essential both to providing well-paid jobs in new future health industries, and to ensuring self-sufficiency in health and medical supply lines.

The National Reconstruction Fund has earmarked \$1.5bn towards medical manufacturing in recognition that Australia's future lies in advanced manufacturing.

There are a number of areas of health commercialisation, including pharmaceuticals, medical technology, digital health and biotechnologies, that are sensible areas for Australia to seek to expand its capability.

Last year, while Australia spent \$8.38 billion on medical research¹, medical device commercialisation funding was relatively small, receiving an annual average of \$62 million². Medical research funding is not being matched by the necessary institutional venture capital required to commercialise critical goods such as medical devices - impacting on Australia's ability to sustain domestic medical device manufacturing. This is where the NRF represents an avenue to stimulate co-investment initiatives in health technology commercialisation.

¹ <https://researchaustralia.org/australian-research-facts/>

² Pitchbook, Analysis by Ballistic Ventures and Innovation Venture Partners

In the case of pharmaceuticals, for example, in 2019, Australia exported US\$3.2 billion of pharmaceutical products or 0.55% of global exports.³ In the same year (2019), Australia imported pharmaceutical products valued at US\$7.38 billion, or 1.27% of global pharmaceutical imports.⁴ It is an area where security of supply is paramount; it is also an area where we have existing expertise in manufacturing and world leading expertise in life sciences that we can leverage. It is a growing market, and one where capability is relatively well dispersed around the developed world. The NRF can help Australia achieve the ambition to be a net exporter of not only pharmaceuticals but also play a much larger role in the clinical trials and advanced manufacturing space.

Investing in medical manufacturing is crucial to addressing supply chain vulnerabilities and building sovereign capability in medical devices, personal protective equipment, medicines and vaccines.

To ensure that Australia's future is one of well-paid jobs manufacturing products that result in strong export income, as well as one where we are self-sufficient in vital health and medical products, we call on all parties to support the *National Reconstruction Fund Corporation Bill 2022* through the Senate.

Signed by,



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³ Sourced 23 November 2021 from

<https://atlas.cid.harvard.edu/explore?country=undefined&product=129&year=2019&productClass=undefined&startYear=undefined>

⁴ Sourced 23 November 2021 from

<https://atlas.cid.harvard.edu/explore?country=undefined&product=129&year=2019&tradeDirection=import&productClass=13&target=Product&partner=undefined&startYear=undefined>