



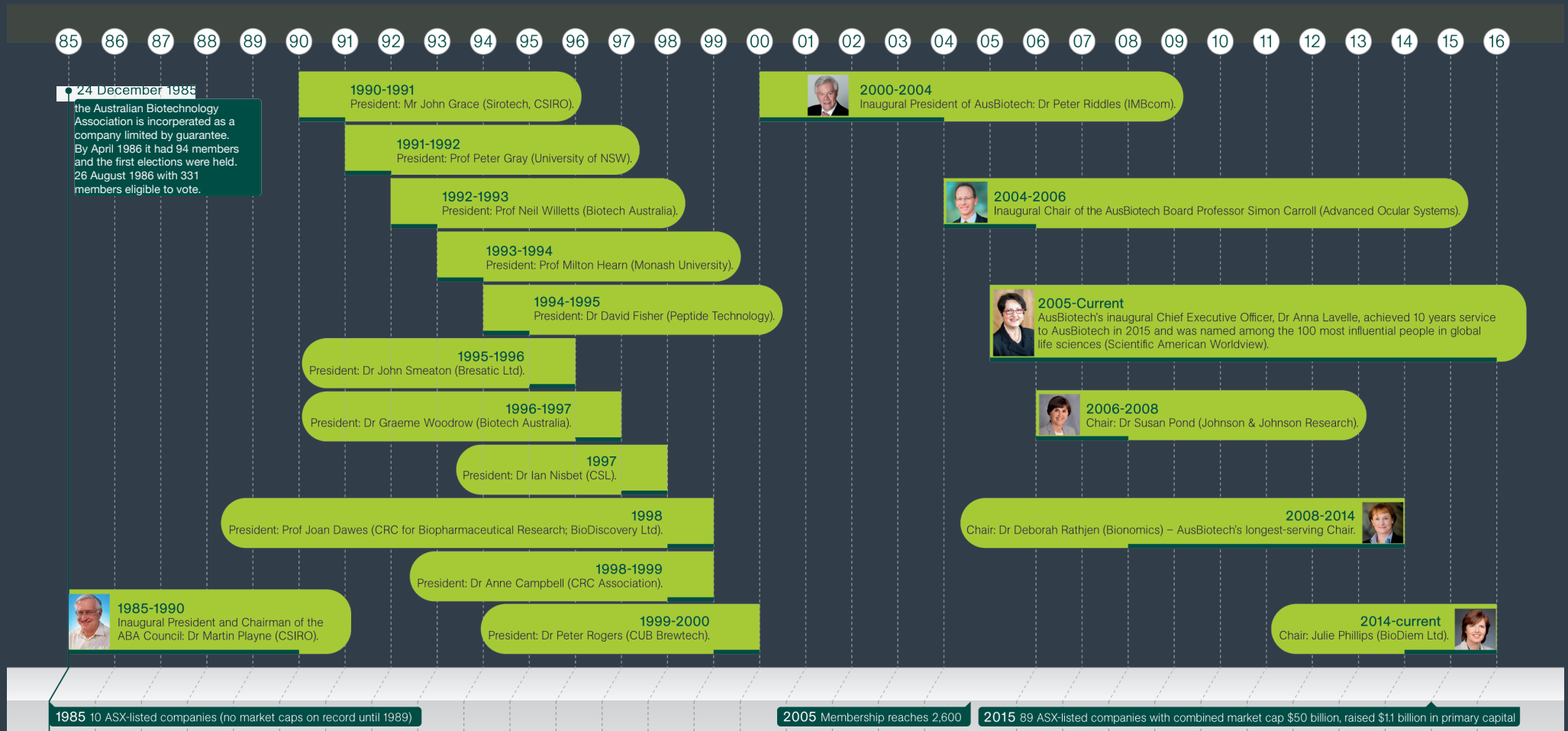
of **Australian biotechnology** and **AusBiotech**

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Reports on the period from 1 July 2015 to 30 June 2016.

Timeline: Presidents and Chairs



AusBiotech Board, executive and staff

Board



Julie Phillips

*Chairman, AusBiotech Ltd
CEO & Executive Director,
BioDiem Ltd*



Dr Anna Lavelle

*Chief Executive Officer
and Executive Director
AusBiotech Ltd*



Michelle Burke

*Director, External Affairs
Bristol-Myers Squibb*



Lawrence Gozlan

*Chief Executive Officer
Scientia Capital*



Dr Andrea Douglas

*Vice President, R&D Strategy
and External Affairs
CSL Limited*



Barry Thomas

*Managing Director
Cook Australia Pty Ltd*



Serina Cucuzza

*Manager, Commercial
Development & Industry
Engagement
Burnet Institute*



Serg Duchini

*Partner, Leader Specialty
Taxes & Co. Director
Deloitte Touche
Tohmatsu*

Executive



Glenn Cross

*Chief Operations Officer
AusBiotech Ltd*



Lorraine Chiroiu

*Chief Industry Affairs Officer
AusBiotech Ltd*

Staff

Executive Assistant
Jo Beamsley

Chief Finance Officer & Company Secretary
Penny Brassington

National Programs Manager
Helen Arthur

Member Services Manager
Tanya Daw

National Conference and Events Manager
Kirsty Grimwade

Events Manager
Jessica Italiano

Events Manager
Vincent Portier

Project Manager
Hayley Laing

Business Development Manager
Mel Nelson

Web & Data Administrator
Harshini Bellana

Investment Events Manager
Amelia Lundstrom

Events Co-ordinator
Sienna Deano

Media and Communications Officer
Kristen Goodgame

Accountant
Crystal Tan

Representative, Asia Pacific and NSW,
Business Development
Stephen Pattillo

Objectives and strategic plan

“Facilitating global development of the Australian life sciences industry”

Objectives

1. Ensure global engagement is strong in established markets in North America and Europe

- * Manage Australia's participation in key global industry events
- * Provide a strong investor platform to attract investment and partnership opportunities via AusBiotech Invest
- * Monitor international policy developments and any potential impact on the Australian industry and develop our already strong relationships with major international industry associations

2. Harness the opportunity in rising Asian biotech development demand:

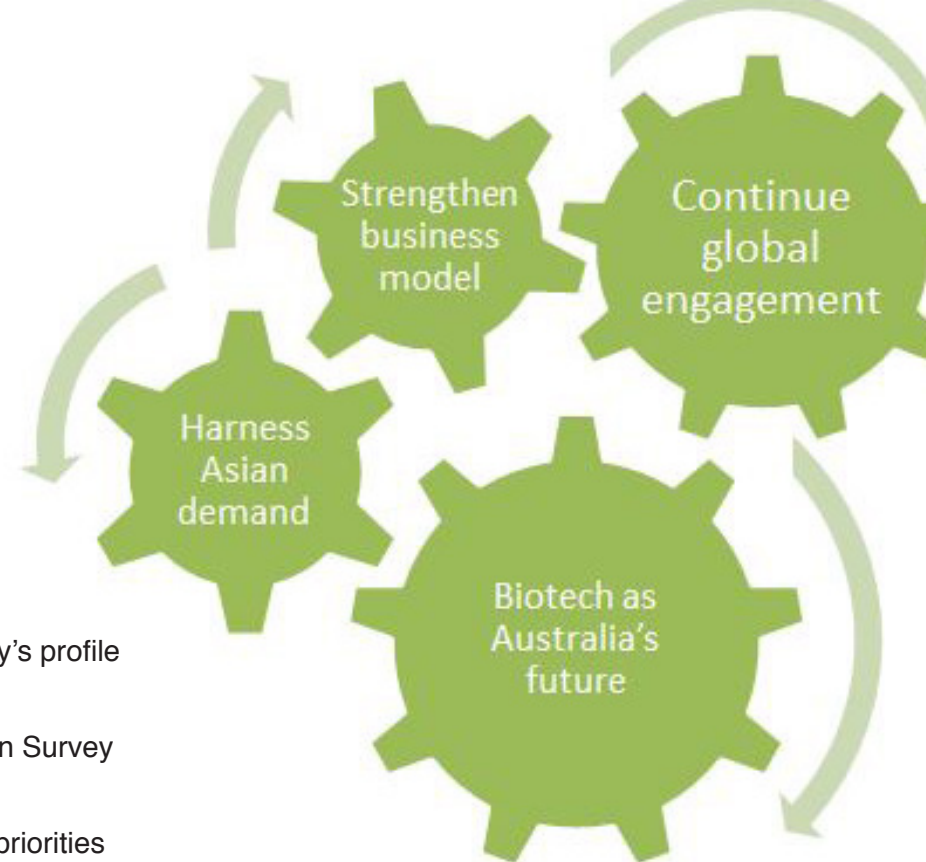
- * Continue with major investment events in Asia
- * Complete projects under the Austrade 'Asian Business Engagement' (ABE) grants

3. Leverage the rapidly changing dynamics of

Australian industry to raise biotechnology's profile and support from governments

- * Continue the annual Industry Position Survey and Federal Government forums
- * Member forums to determine policy priorities of the membership, to underpin and inform advocacy
- * On-going high level dialogue with federal and state governments, including face-to-face meetings and working groups
- * Foster industry sector engagement via specific advisory groups
- * Strengthen the industry with the provision of networking and information events
- * Providing crucial information to grow the industry

4. Develop a strong long-term pipeline of conferences to organise under the AusEvents™ banner



AusBiotech's mission

AusBiotech's mission is to foster a growing, strong and profitable biotechnology and life science industry in Australia through representation, advocacy and the provision of services and benefits to its members to help the industry realise its nationally important economic potential.

AusBiotech's vision

AusBiotech's vision is to be the leading Australian industry body representing and advocating for organisations doing business in and with the global life sciences economy.

From **the Chair**

Ms Julie Phillips,

I am pleased to provide my second Annual Report as Chairman of AusBiotech. On behalf of the Board, staff team and numerous committees of AusBiotech, the organisation has continued to play an instrumental role in strengthening and nurturing the biotechnology and medical technology industries.



In June 2016, Australian biotechnology innovation was ranked in the top five for the third consecutive year, reported in the Scientific American Worldview: A Global Biotechnology Perspective.

It might be down under geographically, but Australia finished in the scorecard's top five for the past three years. It also produced the 12th highest output on the Nature Index 2015 Global (Scientific American Worldview 2015)

This outstanding result is a testament to the hard work and commitment of the Australian biotechnology industry, from those developing life-saving interventions, to those investing in biotechnology and including the people supporting the industry through policy and advocacy.

Australia ranked fifth this year, measured by IP protection, intensity (ranked #3), enterprise support, workforce/education (ranked #4), productivity (ranked #2), policy and stability. Australia also ranked in the global top three on four indicators:

- #3 Greatest public company revenues;
- #2 Most public companies;
- #2 Most public company employees; and
- #2 Largest biotech public markets.

AusBiotech is now in the final year of the current strategic plan and this annual update reports on progress and notes highlights of Strategic Plan: October 2013 – 2016.

Notable in the period was the Turnbull Government's announcement of the National Innovation and Science Agenda (NISA) in December 2015, including \$250 million for a Biomedical Translation Fund (BTF) as the

first investment from the \$20 billion Medical Research Future Fund.

Matched with private sector funding, the BTF will operate on a commercial basis and provide targeted support for companies with technologies in mid to late stage development. Its aim is to help address Australia's well documented poor performance in the commercialisation of R&D, a reality that is consistently reinforced by international reports.

The announcement reflected a wider change in the approach to innovation in the second half of 2015, and the annual 2016 AusBiotech CEO Industry Position Survey showed the policy appears to be heading in a better direction given the contrast with last year's Survey, when our leaders expressed significant concern over the failure of Australia's policy-makers to adequately respond to an increasingly competitive global environment.

The full benefit of this new direction is yet to materialise and we are looking forward to working with decision-makers in the Federal Government to ensure the policy intent is met. In one of the more significant turnarounds in this year's Survey, 41 per cent of respondents said the environment in Australia (economic conditions and public policy) was now conducive to growing a biotechnology company, up from just 16 per cent last year.

International BioFest 2016

AusBiotech has spent the reporting year gearing up for its largest endeavor to date, the staging of the International BioFest in October 2016 with three major conferences coming together in one week in one place as one integrated network. International BioFest also promises



to be the largest-ever gathering in Australian life sciences to date, featuring: the 17th International Biotechnology Symposium (IBS 2016), a biennial gathering of the scientific and industrial communities of biotechnologists and green chemists; AusBiotech 2016, Australia's life science conference; and Australia Biotech Invest 2016, Australia's annual life sciences investment showcase. Scientific American referenced International BioFest 2016 in its launch in June, citing how the industry-building conference signifies a worldwide recognition of biotechnology opportunities in Australia.

Leadership

The Constitution change, which was ratified in October 2015 at AusBiotech's 2015 AGM, was based on a full review of the Existing Constitution and the recommendation to adopt the New Constitution.

The Existing Constitution had not been amended or received a significant review since 2010, and was updated to reflect a number of changes to the Corporations Act and also to 'best practices' in corporate governance.

The New Constitution also includes a change to the balance of elected and appointed directors,

which will enable the Board to fulfil its obligations and duties of responsibility better to ensure that the Board has the right mix of skills and acumen, characteristics and balanced diversity.

Lawrence Gozlan's appointment to the Board and Michelle Burke's elected position lapsed at the October 2015 AGM, and in its subsequent Board meeting, reappointed both Mr Gozlan and Ms Burke for three years. Both these Board Members have proven to be valuable assets to the Board and the re-appointments have enabled continuity in the planning that the Board has been undertaking.

I extend my sincere thanks to my fellow Board members for their support over the past year in what has been an event-filled period, and importantly to the AusBiotech management and staff whose professionalism, extensive international network and effective advocacy for our sector continues to impress me.

After the end of the reporting period, but worthy of note here, it was announced that long-time CEO of AusBiotech, Dr Anna Lavelle, will step down from the leadership after 11 years' service, and was conferred a Life Membership in recognition of her excellent service to biotechnology and her meritorious service to

AusBiotech.

The leadership changes at AusBiotech will take effect from 1 September 2016 and see Dr Lavelle's tenure continue in the role of Principal Advisor to the Board. At the same time, current Chief Operating Officer, Mr Glenn Cross, will step into the role of CEO with Chief Industry Affairs Officer, Ms Lorraine Chiroiu, as the Deputy CEO.

The Board is confident that the new arrangement will provide a smooth transition and continued strong leadership team for AusBiotech as it works to progress the growth of the Australian life sciences industry.

I thank Anna for her dedication, tenacity and effectiveness in leading the most important advocacy organisation in our sector and growing Australia's profile internationally through her networking for more than a decade. We are glad to have continued access to her skills over the transition period.

Photo opposite caption:

L-R Back: Dr David Fisher, ABA President 1994-1995; Dr Graeme Woodrow, ABA President 1996-1997; Dr John Grace, ABA President 1990-1991; Dr Peter Riddles, AusBiotech Inaugural President 2000-2004; Prof Peter Gray, ABA President 1991-1992; Professor Simon Carroll, Inaugural Chair of AusBiotech, 2004-2006; Dr Martin Playne, Inaugural President and Chairman of the ABA 1985-1990; Dr David Irving, Former Director of AusBiotech; Stephen Wellink, Former Director of AusBiotech; Peter Devine, Former Director of AusBiotech; Dr Greg Roger, Former Director of AusBiotech 2006 – 2014; Leigh Farrell, Former Director of AusBiotech. L-R Front: Dr Susan Pond, AusBiotech Chair, 2006-2008; Dr Anna Lavelle, current AusBiotech CEO; Sue MacLeman, Former Director of AusBiotech; current Director of AusBiotech, Michelle Burke; and Julie Phillips, current AusBiotech Chairman.

From the CEO

Dr Anna Lavelle



With 11 years of service to AusBiotech, it is with a mixture of pride in our achievements and excitement for the future that I have announced I will step down from the CEO role from 1 September – therefore this will be my final report as CEO of AusBiotech.

It has been a momentous year for a number of reasons - record deal flow, the announcement of the National Innovation & Science Agenda (NISA), and more - not the least of which is the organisation's 30th anniversary since Dr Martin Playne co-founded the organisation as the Australian Biotechnology Association.

While this report is to reflect on the success of the year, I'd also like to take the opportunity to reflect on my tenure. I'm very pleased that AusBiotech has grown in size and stature in the past decade.

When I arrived, AusBiotech had four staff and tight constraints on its financial resources, but strong membership loyalty. The tight constraints and membership loyalty remains, but the membership size has exploded since, and the scope of work and the staff has increased commensurately. As at 30 June this year we have 18 members in the team.

AusBiotech is almost unique as an industry organisation, having full reach across the life sciences ecosystem and a full understanding of the interdependence of its different components – this contrasts with many other industry organisations that tend to represent one aspect of the value chain.

The membership represents a diverse range of interests, covering virtually every aspect of biotechnology from discovery through to commercialisation and international trade.

This broad focus actually aids AusBiotech, ensuring its positions reflect the diverse nature of its membership and enhancing its credibility with stakeholders.

When it comes to the organisation's relationships with stakeholders, notably Government, and ability to influence the environment, my focus has been on the 'level of impact' and making a material difference to company success.

The organisation is also unique in the wide range of services it provides members. AusBiotech has maintained a strong focus on promoting the commercial interests of its members through its year-long schedule of meetings and conferences, in addition to influencing public policy.

Ten years ago the organisation was very strongly focussed on GM-related issues and running its annual conference. Since then, we've really tried to focus on fundamentals and emerging issues, looking analytically at the big picture, and making access to capital a key priority.

In 2007, Australian biotech companies raised just under \$1 billion in capital. The next year that dropped to \$183 million, when post-GST the ceiling just fell in on SME companies. This was the genesis of AusBiotech campaign to realise the R&D Tax Incentive. It took over four years to get the R&D Tax Incentive through and finally passed into law, with a vast range of negotiations, speeches, papers, but it has delivered through non-equity diluting capital to small companies exactly as envisioned. The net impact has been significant and looking forward AusBiotech remains committed to arguing for optimised business conditions in Australia. It has been the most important policy development and significant change for biotechnology in the past ten years.

In December 2015, we welcomed new Prime Minister Malcolm Turnbull's stated support for innovation with the launch of the National Innovation and Sciences Agenda (NISA). Mr Turnbull is the first Prime Minister to lead with innovation, starting with elevating the portfolio in Cabinet, so there is hope that we may now have an opportunity to deliver for members as his public statements represent a remarkable shift, especially statements regarding the importance of translation.

Tax breaks for investors in early stage innovative companies and a new Biomedical Translation Fund to support commercialisation were among the long-advocated-for highlights, delivered in the NISA.

Tax reform has remained top-of-mind, both from AusBiotech's advocacy perspective and from the Government's. The 2016 Biotechnology Industry Position Survey (supported by roundtable discussions) demonstrated that the industry's CEOs are passionate about the benefit that the industry could add to Australia's economy and want to keep and grow their companies in Australia, but tax reform and regulatory reform were major challenges.

The R&D Tax Incentive was again confirmed as the most significant Government program for promoting innovation in the private sector, which plays a pivotal role in motivating and attracting research, development and clinical trials conducted in Australia. The preservation of the program remained clearly the most-commonly cited, unprompted concern for the industry's future.

During the reporting period AusBiotech continued to join with a coalition of members from organisations representing all of Australia's medical researchers, as well as senior business leaders to support the Medical Research Future Fund (MRFF) Action Group, to advocate for the fund. The campaign, 'Imagine a Healthier Future', worked tirelessly to see the legislation passed, and was ultimately successful in August 2015. The MRFF is now a reality and beginning to build toward its \$20 billion nest egg.

AusBiotech actively advocated for a portion of the MRFF to be dedicated to the translation of research to ensure it ultimately reaches patients, as described by the Treasurer when announced. The Biomedical Translation Fund was announced as the first investment from the fund, marking an important option for capital for local companies with \$250 million to be matched dollar-for-dollar with private funds.

Throughout the year AusBiotech has delivered more than 70 events and attracted two international conferences, Agricultural Biotechnology International Conference and the International Biotechnology Symposium. AusBiotech has also represented members on national committees, including the Clinical

Trials Advisory Committee, Agricultural Biotechnology Council of Australia and the Therapeutics Industry Consultative Committee and made numerous submissions on key topics. AusBiotech also introduced and delivered a few notable special projects, including:

- The 'Pharmaceutical Industry Supply Chain Index' project, partnering with Deloitte for the Department of Industry Innovation and Science. The Index seeks to support the industry with improvements in the Australian pharmaceutical ecosystem. The project delivered a set of industry-approved questions that have been tested, and accompanied by weightings, indicators and context, to enable SMEs to assess their ability to supply into the sector and identify areas for development.
 - The Australian Life Science and Innovation Directory was launched in May 2016, providing a fully searchable platform enabling access to information on biotechnology and life science companies and organisations in Australia.
 - The inaugural NSW Women's in Life Sciences Luncheon was held in March 2016 and attracted a sell-out crowd to the historic Queen Victoria Building.
 - In April 2016, AusBiotech appointed Executive Media as the official publisher the AusBiotech journal, Australasian Biotechnology.
 - AusBiotech launched the Industry Mentoring Network In STEM (IMNIS) pilot initially in Victoria to give PhD students a better understanding of the commercial world. The Victorian pilot launched by the Victorian Premier, the Hon Daniel Andrews included La Trobe, Monash, RMIT University and The University of Melbourne and involve 50 students matched to 50 mentors.
- Report on staff and committees

As note above, we have 18 members in the team, as compared to 17 at the same time last year. We said farewell to long-serving CFO, Richard Alderson, who retired, as well as National Programs Manager Dr Mick Blake and Events Managers Jess Italiano and Sharlene Gunatilake. We welcomed CFO, Penny Brassington, National Programs Manager, Ms Helen Arthur and Events Manager Vincent Portier.

AusBiotech's work has again been supported by more than 120 volunteers that work around the country on state-based industry development and on technology-specific advisory groups. During the year two new committees have been developed in response to industry developments: the Regenerative Medicine Advisory Group, chaired by Mr Silvio Tiziani, Chief Operating Officer at the Australian Regenerative Medicine Institute; and the Digital Health Advisory Group, chaired by Bronwyn Le Grice, Principal of the Fidere Group.

The Board, staff, committees and advisory groups, together contribute to enable AusBiotech to be the dynamic and effective organisation that it is, supporting and growing the biotechnology industry in Australia and representing AusBiotech members.

As this is my final report, I would like sincerely thank and acknowledge the staff and directors of the Board, who have contributed to the many success examples over the past 11 years. In particular, I thank current Chair Julie Phillips and board members who have worked as one and contributed collectively indispensable knowledge and first-class problem solving; all with collegiality and enthusiasm. I also thank previous board Chairs Dr Deborah Rathjen, Prof Susan Pond and Dr Simon Carrol, who all made strong personal contributions to the sector.

The Board are to be thanked for their succession planning, which has provided a harmonious evolution of the organisation's leadership. Mr Glenn Cross has worked with me for a decade, as Chief Operating Officer, and been a key contributor to AusBiotech's success, and will be ably supported by Deputy CEO, Lorraine Chiroiu – also a seven year veteran at AusBiotech.



Investing in biotech

Capital raising in sector

Crucial to the success of the sector is the ability of the Australian biotech industry to identify and attract international partners and funding and new sources of funding to support their product development and global marketing efforts.

AusBiotech provided investor meetings, both locally - Broker Meets Biotech - and internationally as a global platform for life sciences companies seeking partnership and investment. AusBiotech has now established a regular series of showcase international investment events, and featured events in Australia, Korea, Hong Kong and North America.

Australia currently has around 100 ASX-listed life sciences companies, with a market capitalisation of more than \$93.74 billion (AusBiotech Index, 27 June 2016). In 2015, the Australian biotechnology industry attracted record deals flows of more than \$2 billion and \$1.1 billion of capital raising and boasts the largest listed biotechnology sector as a proportion of GDP in the world.

Australia Biotech Invest: creating greater access to funding resources

Australia Biotech Invest is Australia's annual life sciences investment showcase, a key initiative that promotes investment in Australian biotechnology. In 2015, the two-day investment event was held alongside the AusBiotech national conference attracting 23 presenting companies and more than 120 investors and 150 companies from around the world -

providing a platform for Australian life science companies to showcase their innovation for investment and partnerships.

Policy to drive investment

AusBiotech policy work on tax reform has been to counter-balance the lack of venture capital in Australia. Notably, retention of the Research and Development (R&D) Tax Incentive remains high on the AusBiotech agenda, seeking settings that stimulate innovation and enable Australia to retain what it has built as this will specifically help attract and leverage private capital investment.

AusBiotech contributed three substantive submissions on tax, including a requested supplementary submission to the Tax White Paper in which AusBiotech proposed an investor incentive, the form of which was later delivered as part of the National Innovation and Science Agenda (NISA), announced by the Turnbull Government in December 2015.

The NISA also proposed the Biomedical Translational Fund (BTF), a game-changing package that will deliver \$250 million that is to be matched by an additional \$250 million from private investors, so creating a \$500 million capital pool available for commercialisation of biotech and medtech to transform Australia's ability to commercialise and benefit from our world-class research.

The Chair of newly established Innovation and Science Australia, Bill Ferris AC, led briefings in Sydney and Melbourne, hosted by AusBiotech, which were attended by almost 500 people and also featured a panel discussion, including well-known Australian-based biotech investors.

www.ausbiotech.org/investment



Raising the profile of Australian biotechnology

CEO Biotechnology Industry Position Survey 2016

AusBiotech's 2016 Biotechnology Industry Position Survey of industry CEOs confirmed biotechnology central position in Australia's post-mining boom economic transition. The annual survey highlighted the increasing recognition of biotech's growing contribution to Australia's future wealth by government, media, local and global investors.

43%

43% of respondent companies are exporting, down from 48% past year. Of these 17 companies reported an estimated value, which totals \$807 million, up substantially from \$158 million in 2015.

\$2.5BN

41 of the responding companies reported their R&D spend for 2015 at an aggregated \$2.5 billion, up from \$889 million in 46 companies in 2015.

4,920

46 companies employ 4,920 people (compared to 55 companies employing 4,929 people in 2015).

213

The industry respondents will create 213 new jobs after 239 new jobs were created in 2015.

71%

71% of companies manufacture: 46% manufacture in Australia and 50% manufacture overseas, 25% manufacture both in Australia and overseas.

\$34.4M

55% of respondent companies conducted clinical trials in 2015, totally approximately \$34.4 million in investment.

\$8.08M

Respondent companies had a combined spend of \$8.08 million to manage their patent portfolio.

\$48.6BN

The combined market cap of 46 responding companies is \$48.6 billion.

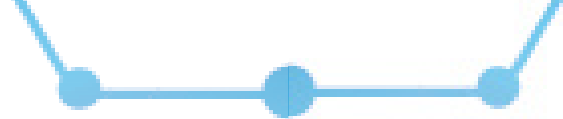
The annual survey was conducted in early 2016 by AusBiotech with support from Grant Thornton. It revealed key themes including economic value; business sentiment; finance, investment, listing and costs; and government policy and found that:

• **Confidence remains strong and sets some records**

Companies planning to increase their staff this year are at an all-time high with 70.45 per cent of companies intending to hire staff this year (up from 64 per cent last year and 69 per cent in 2014), with 30 companies intending to recruit to 218 identified new roles.

Interestingly, 41 per cent of respondents said the environment was conducive to growing a biotechnology company, up from 16 per cent last year and higher than the 35 per cent reported in 2014. It seems to be the highest result ever recorded (24 per cent in 2012). 22.7 per cent said the environment worked against growth of a biotech company, down from 39 per cent last year.

Almost 60 per cent of respondents described the past year as an 'excellent' or 'good' year. This



was down from the previous survey (69 per cent) but compares well to 58 per cent (surveyed in 2014 reflecting on 2013). In the year ahead, 75 per cent of respondents say they expect to grow, 23 per cent expect to remain stable and only two per cent anticipate a contraction.

• All eyes on the R&D Tax Incentive

The R&D Tax Incentive was confirmed as the most significant Government program for promoting innovation in the private sector, which plays a pivotal role in motivating and attracting research, development and clinical trials to be conducted in Australia. It is the most critical centre-piece program in the translation of Australia's world-class research into treatments, cures, diagnostics devices and vaccines.

Over 90 per cent of respondents said policy stability on the R&D Tax Incentive was 'very important' (72 per cent) or 'important' (18 per cent). 81 per cent said they're concerned about the review.

The preservation of the program remained clearly the most-commonly cited, unprompted concern for the industry's future.

• Smart science needs smart money

Access to capital for companies developing new technologies remains a critical issue. While the R&D Tax Incentive plays a key role in providing non-equity diluting cash, Australian technology companies face unique challenges and sit at a disadvantage compared to their US-based counterparts.

Respondent companies lament the lack of understanding of their unique business model amongst investor and policy makers.

The number of companies planning to raise capital dropped slightly to 40 per cent, down from the same position last year (48 per cent), but up on the 33 per cent recorded in 2014. A further 23 per cent said they might raise capital this year.

The number of companies with less than 12 months capital was around 30 per cent, down from 34 per cent last year, but still up on 18.8 per cent in 2014.

• Policy stability key

Perhaps due to the latest review of the R&D Tax Incentive, a strong theme of the past year – and certainly in the survey - has been a growing chorus of yearning for policy programs to have continuity for stable periods.

To build an innovation ecosystem in R&D-intensive industries, it is critical to maintain a stable, supportive and consistent policy environment to encourage businesses to make strategic decisions around R&D activity and attract additional investment.

Pre-revenue companies in tax loss are reliant on investment (venture capital, issuing equity, etc.) and grants to complete their R&D programmes and reach commercialisation. The constant reviews, threats and tweaks to industry support programs are unsettling for biotechnology developers, who have long development cycles - and undermine business confidence.

The negative impact that uncertainty has on product development/innovation companies is destabilising and program changes cause one of the greatest costs, in practical terms.



Contribution to the economy and value of the industry

Biotechnology has been recognised for its comparative advantage for Australia, demonstrated by state and Federal government's strategic plans and more recently in the National Innovation and Science Agenda.

Australia is well on its way to achieving this vision of a successful bio-economy. Supported by a long history of biotechnology innovation, with the Cochlear implant and the cervical cancer vaccine among the most-often-cited examples, Australia has strong credentials on the global stage.

Australia is amongst the world leaders for biotechnology, boasting the largest listed biotechnology sector as a proportion of GDP in the world. Adjusted for population, it has one of the largest and fastest-growing public markets for biotechnology and yields some of the greatest public revenues across the globe. And being home to one of the largest groups of global graduate students, Australia's strength in biotechnology promises to grow.



Raising the profile of Australian biotechnology

Policy and advocacy

The Australian economy is shifting, and AusBiotech seeks to leverage the opportunities provided by the end of the mining boom and decline of traditional manufacturing. To raise biotechnology's profile and garner support at a policy level, AusBiotech has supported Australia in leveraging its competitive advantage in its bio-pharmaceutical and medical technology industries to develop its rightful place as a significant economic contributor.

Advocacy on tax reform sought to preserve the Research and Development (R&D) Tax Incentive, develop the new investor incentives to drive investment in biotechnology and implement the Australian Innovation and Manufacturing (AIM) Incentive.

A refreshing focus on innovation

AusBiotech welcomed innovation's new place on Australia's agenda with the Turnbull Government's launch of the National Innovation and Science Agenda (NISA), which promises to drive Australia's economy, prosperity and competitiveness.

AusBiotech was pleased to see the Government had heeded calls for capital gains tax breaks for investors in early stage companies, the 'same business test', the Biomedical Translation Fund and improvements to Employee Share Schemes.

CEO of AusBiotech, Dr Anna Lavelle, said: "It is indisputable that innovation is firmly on the agenda, where it ought to be, as a key driver of productivity for our country. We are keen to see this positive policy transformed into action that makes a difference to Australia's ability to commercialise and benefit from our world-class R&D."

AusBiotech contributed to NISA during the reporting period, including NISA's review of the Research and Development (R&D) Tax Incentive to encourage R&D investment and urging the abandonment of a proposed 1.5 per cent cut to the R&D Tax Incentive.

Especially supportive of NISA's proposed Biomedical Translation Fund (BTF) to support commercialisation, AusBiotech described the Fund as a game-changing package that will transform Australia's ability to commercialise and benefit from our world-class research and development. AusBiotech has supported a portion of the fund being directed to Australian companies commercialising discoveries in the life science space. The Fund will help retain Australian companies on-shore and move technologies along the value chain more quickly for the betterment of the technology and the health outcomes of the Australian community. The BTF is part of the Medical Research Future Fund (MRFF) and fully supports the initiative, which is expected to make a material difference to Australians' future and will be seen over time as a foundation strategy for improved commercialisation of quality discovery in Australia.

High-level dialogue with Government

The reporting period was characterised by a high number of consultations and submissions. AusBiotech participated in working groups and many ad hoc roundtables and consultation meetings.

Submissions

AusBiotech made at least 19 submissions during this period, which included the Review of the Research and Development Tax Incentive, an Inquiry into Australia's Future in Research and Innovation (AIM submission), Response to Productivity Commission Issues Paper of Australia's Intellectual Property (IP) arrangements and regarding the Medical Research Future Fund (MRFF).

Submissions include:

2016/06/10	Draft clinical evidence guidelines - Medical Devices
2016/06/06	Productivity Commission Inquiry into Australia's Intellectual Property Arrangements, Draft Report
2016/06/06	Australian Medical Research and Innovation five-year strategy
2016/02/29	Joint letter to the Review of the Research and Development Tax Incentive
2016/02/29	Review of the Research and Development Tax Incentive
2016/02/24	Treasury's Discussion Paper on tax incentives for early stage investors
2016/02/19	MSAC Reform, public consultation
2016/02/12	Productivity Commission Inquiry into Regulation of Australian Agriculture
2016/02/11	Inquiry into Australia's Future in Research and Innovation
2015/12/18	Queensland BioFutures 10-year Roadmap Consultation Paper
2015/11/30	Productivity Commission's Issues Paper on Australia's Intellectual Property Arrangements
2015/09/25	IP Australia recommendation to abolish the Innovation Patent system
2015/09/24	House of Representatives Standing Committee on Agriculture and Industry's Inquiry into Agricultural Innovation
2015/09/18	Feedback to the Medicines and Medical Devices First Report stakeholder forum - medical devices
2015/09/07	Victorian Future Industries, Medical Technologies and Pharmaceuticals
2015/07/31	Supplementary submission to Tax White Paper
2015/07/30	Review of third party certification of food
2015/07/10	MRFF Action Group submission to Senate Inquiry

View full submissions at www.ausbiotech.org/reports

Australian Life Science and Innovation Directory

The Australian Life Science and Innovation Directory was launched in May 2016, providing a fully searchable platform enabling access to information on biotechnology and life science companies and organisations in Australia. The Directory enables users to search for companies by sector, indications, product phase and many other categories with the comprehensive search form and automated alerts.

It is integrated within the larger Biotechgate global life science database, which includes more than 38,000 company and organisation profiles, and is designed to help promote the growth and potential Australian biotechnology on a global scale.

AusBiotech members received an exclusive profile, helping them share their valuable contribution to Australian biotechnology and life sciences with the broader industry.

www.ausbiotech.org/directory

Strengthen the industry with networking and information events

AusBiotech 2015, Australia's life science conference

Held from 7-9 October at the Melbourne Convention Centre, AusBiotech 2015 the national conference drew high-profile local and international leaders and experts to discuss the advancement of Australia's world-class biotech sector.

This conference was another outstanding success with great support from delegates, investors, exhibitors and speakers, attracting almost 1,000 participants across the events that made up the national conference, including more than 100 international visitors from 20 countries. The Business Matching Program was again big draw card, with more than 500 one-on-one meetings conducted.

"For almost 30 years, the annual AusBiotech national conference has brought our global community together in one place, to reflect on what we have achieved and look ahead to what we need to do to further advance our leading biotech sector, which is currently ranked fifth in the world."
Dr Anna Lavelle.

A plenary address was delivered by world-leading stem cell scientist and IVF pioneer, Professor Alan Trounson, who first attracted media attention as a member of the team delivering Australia's first IVF baby in 1980.

"The field of regenerative medicine is moving very quickly across a broad range of indications using a wide variety of cell types and drugs. The areas attracting most interest are cell therapies, tissue engineering and endogenous stem cell mobilisation."
Alan Trounson

The annual Millis Oration, commemorating Nancy Millis' outstanding contribution to the Australian life sciences and supported by CSL, was delivered by Professor Carola Vinuesa, Head of the Department of Pathogens and Immunity at the Australian National University.

In addition to the program of quality speakers, the conference featured the BioIndustry Exhibition Hall, providing valuable networking activities for exhibiting companies and delegates, and the AusPartnering program, where delegates can request and accept meetings with other delegates via an app. Australia Biotech Invest 2015 was held alongside this event.



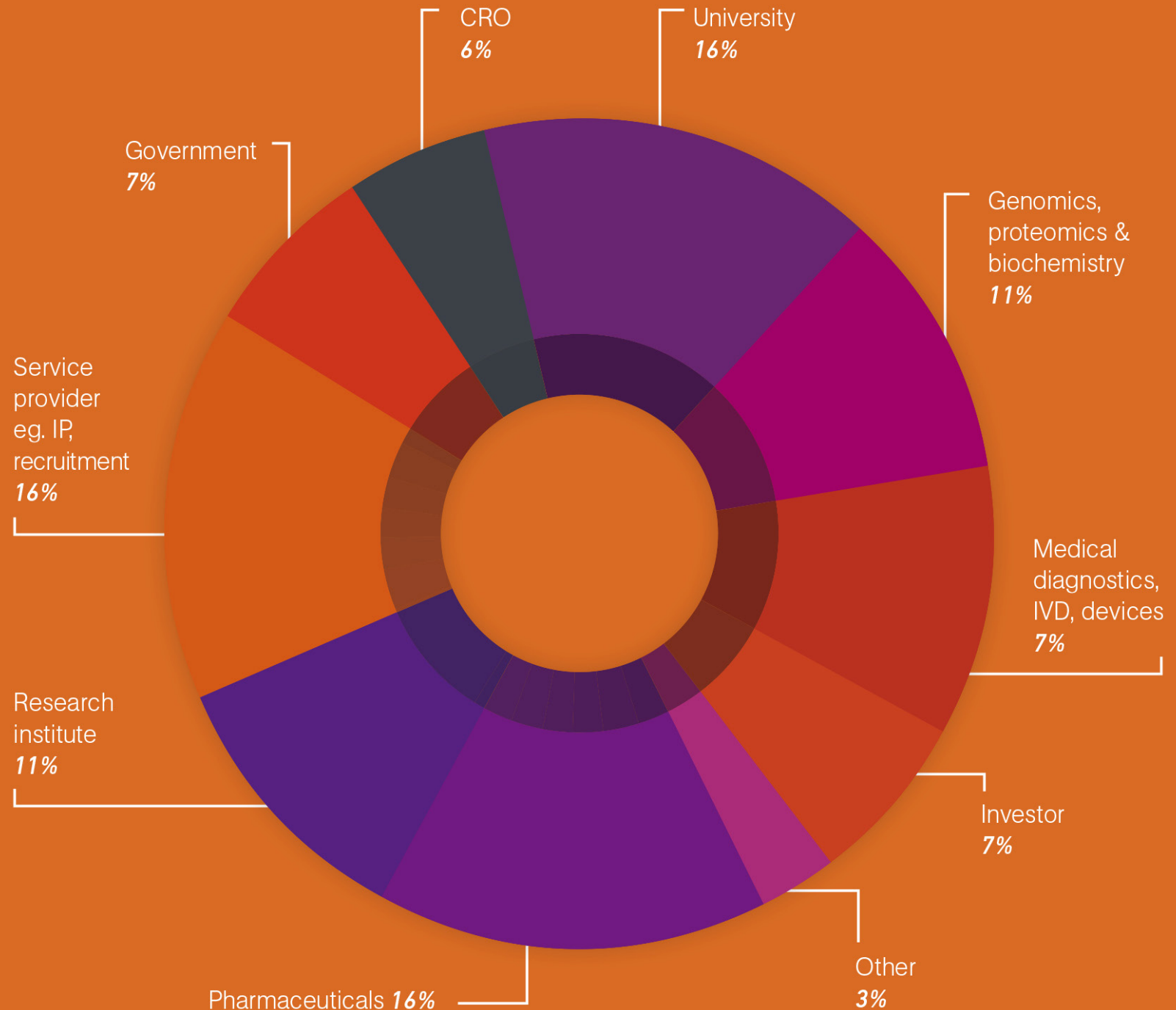
Focus on Regenerative Medicine

The conference featured a new one-day Regenerative Medicine Symposium, which focused on science's potential to deliver replacements for damaged tissue and organs.

Presenters included Dr Dominic Wall (CSO, Cell Therapies Ltd), working on the practical considerations for delivering regenerative therapies on a larger scale, and Dr Dawn Driscoll (Principal, DCi Biotech (USA)), who discussed market access considerations for translating these therapies from the research lab to healthcare market.

A free public forum was held on Friday 9 October 2015, celebrating the advances achieved in stem cell medicine, while at the same time investigating the need for regulation.

Attendees by sector AusBiotech 2015





Recognising world-class biotech in Australia

Johnson & Johnson Innovation 2015 Industry Excellence Awards

The prestigious Johnson & Johnson Innovation 2015 Industry Excellence Awards, presented at the opening of AusBiotech 2015, recognised the leading lights of Australia's world-class biotech, medical technology and healthcare sectors.

Professor Maree Smith Industry leadership award

Prof Smith, Executive Director, Centre for Integrated Preclinical Drug Development (CIPDD)/TetraQ, University of Queensland, was recognised for her stellar career as a researcher – capable of prolific discovery of novel therapeutics – and her ability to achieve translation of these discoveries to clinical practice.

Winner of the Industry leadership award, Professor Maree Smith, Executive Director, Centre for Integrated Preclinical Drug Development (CIPDD)/TetraQ, University of Queensland



Ellume Pty Ltd Emerging company of the year

Ellume Pty Ltd was named Emerging Company of the Year for its development of simple, highly sensitive and reliable diagnostics for infectious diseases, and for linking the results of those tools to optimal therapy. Ellume has developed unique fluorescent immunoassay technology capable of ultra-sensitive detection, at a cost to appeal to consumer markets.

Dr Sean Parsons, Ellume's Managing Director accepted the award



Spinifex Pharmaceuticals Company of the year

Spinifex Pharmaceuticals is a pioneer in the development of new treatments for chronic pain. It made the biggest deal in biotechnology, purchased for up to AU\$1 billion in one of the most successful venture capital exits in Australian history.

Tom McCarthy, CEO of Spinifex Pharmaceuticals accepted the award



Australia's next generation of biotech researchers recognised in the AbbVie Student Poster Awards

Alistair Cole

The important biotechnology research being carried out by graduate students in Australian universities was highlighted in a poster display at the AusBiotech 2015 conference, with the most outstanding being recognised with the AbbVie Student Poster Award.

Anatomy and neuroscience student from the University of Melbourne, Alistair Cole, received the award for his poster presentation, "The role of Bone Morphogenic Protein signalling in oligodendrocyte differentiation and myelination." His research attempts to understand the factors involved in myelin repair in the brain and spinal cord.

Alistair Cole, Anatomy and neuroscience student from the University of Melbourne





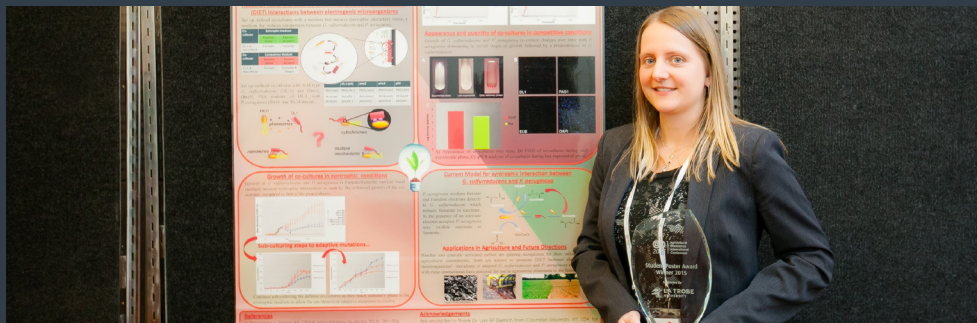
Foster industry sector engagement

Agricultural BioScience International Conference (ABIC) 2015

AusBiotech won the right to host the (international) Agricultural BioScience International Conference (ABIC) in Australia, the premier global meeting promoting innovation in bioscience to ensure sustainable food, feed, fibre and fuel security as the climate changes. In 2015 the event was held in September in Melbourne, with support from CropLife and the Agricultural Biotechnology Council of Australia (ABCA), and attracted over 300 delegates.

International lead researchers and experts discussed the constraints and opportunities in innovation and commercialisation in agricultural biotechnology. The program featured 77 speakers, including more than 25 international speakers. Jon Entine, executive director of the Genetic Literacy Project and Senior Fellow at the World Food Center Institute for Food and Agricultural Literacy, University of California-Davis, discussed public acceptance of agricultural biotechnology and participated in eight media interviews to speak on behalf of changing perceptions of genetically modified organisms.

The student poster award, supported by La Trobe University, was presented to Lucie Semenec.



www.abic.ca/abic2015

AusAg & Foodtech

Agricultural biotechnology and food technology represents a spectrum of the biotechnology's contribution to the food development process in Australia, from the farm to the plate.

In February 2016, long-time Chair of the AusAg & Foodtech Committee, David (Rock) Hudson, stepped down, but has remained an active member of the Committee. Dr Paul Wood has been appointed to Chair the Committee.

The new AusBiotech National Programs manager, Helen Arthur, was appointed in May 2016 and is responsible for managing both the AusMedtech and AusAg & Foodtech Committees (see the AusMedtech report for more details).

Submissions and major activities

Four submissions on agri-biotechnology were made on behalf of AusBiotech during the reporting period, including:

- Submission to the Senate Standing Committees on Economics regarding Third Party Certification of Food, referring to certification schemes that relate to genetically-modified (GM) foods and food safety;
- Submission to the House of Representatives Standing Committee on Agriculture and Industry's inquiry into Agricultural Innovation, which included recommendations to promote innovation;
- Response to the Queensland Biofutures 10-year Roadmap Consultation paper, encouraging state government to develop and grow the Queensland bio-products and bioenergy industries; and
- Submission to Productivity Commission review of Regulation of Australian Agriculture, recommending actions to overcome key regulatory hurdles. The Committee also participated in meetings with ministers, senior bureaucrats from Tasmania, West Australia and Queensland departments of primary industry during the reporting period.

Aus
AusAg & Foodtech



AusMedtech

AusMedtech is the national industry group representing the medical devices and diagnostics industry sector in Australia, dedicated to the development, growth and prosperity of the Australian medical technology industry.

AusMedtech 2016, advancing Australia's medtech sector

The ninth annual AusMedtech conference was held in Adelaide with support from host partner BioSA in May 2016, to advance one of Australia's fastest growing and evolving sectors.

The two-day conference featured many leading international and local speakers, including CEO and Director of Trajan Scientific and Medical, Stephen Tomisich, drawing on his extensive leadership and partnership development experience to discuss how sustainable scientific and medical device companies are built in Australia.

Other key topics included supporting local developers to achieve global success; advances in digital health; capital raising; government initiatives and Australian start-ups.

www.ausbiotech.org/ausmedtech


AusBiotech
AusMedtech
MEDICAL DEVICES & DIAGNOSTICS

National Advisory Committee (NAC)

Two digital health investment workshops for digital health start-up companies were run in Sydney and Melbourne. Sponsored by the Australian Department of Industry, Innovation and Science and Phillips Ormonde Fitzpatrick, both events were well attended and received excellent feedback. The NAC has a range of expert panels, including:

Regulatory Affairs Expert Panel

The expert panel assisted in the development of the Therapeutic Goods Administration (TGA) Device Sponsor Information Day (15 October 2015) and provided updates on TGA RegTech & IVD Forum, as well as coordinating member medtech organisations to contribute to the TGA discussion papers

The TGA RegTech & IVD Forum was held in March 2016. AusBiotech included a discussion paper regarding ongoing confusion with regard the TGA's requirements on clinical evidence reports and progress on simplification of custom made medical device notification and the clarification of timeframes.

The expert panel also contributed to two submissions to the TGA: Software as a Medical Device (SaMD): Application of Quality Management System, which supported the TGA's leadership in developing a harmonised international regulatory approach to SaMD but cautioned the TGA when drafting Australian regulation; and a response to the Stakeholder Forums on the first report from the Review of Medicines and Medical Devices Regulation, which largely focussed on one recommendation relating to conditions for expedited approval of new devices.

AusBiotech participated in the second stakeholder workshop, which focussed on the ten recommendations relating to the regulation of medical devices that were not covered in the first workshop. Industry was broadly supportive of the recommendations but restated its concerns about recommendations that may lead to delays in listing products on the Australian Register of Therapeutic Goods (ARTG) or that were impractical to implement.

Intellectual Property (IP) Expert Panel

The IP Panel developed two submissions to the Productivity Commission Inquiry into Australia's IP Arrangements, which supported a globally competitive IP system and recommended extreme care to be taken before modifying Australia's existing approach to IP protection and appeared before the Commission in June.

The Panel also prepared a submission to IP Australia on the Advisory Committee on Intellectual Property (ACIP) recommendation to abolish the Innovation Patent system, which recommended a second tier Innovation Patent system to be retained.

Health Economics Expert Panel (HEEP)

The HEEP responded to the MSAC Reform consultation, expressing concern that reforms may lead to less efficient and less consistent outcomes. In April 2016, Warren Bingham resigned as Chair of the HEEP and Dominic Tilden was appointed the new Chair

Digital Health Advisory Group

The Digital Health Advisory Group was launched as a new panel to foster and support a growing, strong and profitable digital health sector within the Australian health industry, including mHealth, telehealth, eHealth, wireless and digital, and is Chaired by Bronwyn Le Grice, Fidere Group. In June 2015 AusBiotech participated in 'Investing in Digital Health' events in New South Wales and Victoria.

Stoma Industry Group

The Stoma Industry Group actively engaged with the Federal Government on the Stoma Appliance Scheme tender announced in the 2015 Budget. Various meetings were held to determine the implications a pilot tender for stoma appliances on ostomate-patient choice of products.

AusBiotech is administering a project under the auspices of the Stoma Industry Group to collate and report aggregated 2015/2016 Australian continence product sales data.

National Programs Manager

AusBiotech National Programs Manager, Dr Mick Blake stepped down in March 2016 and Ms Helen Arthur was appointed in May 2016. Ms Arthur has over 20 years' experience in life sciences industry and research in the delivery of programs in regulatory, government and public affairs. The National Programs Manager manages the AusMedtech program as well as Ag&Foodtech and provides the secretariat for the Agricultural Biotechnology Council of Australia.

Advancing partnerships and connections in industry: events to strengthen the industry



AusBiotech holds a range of specialty national events, international investment showcases, trade delegations and state-based events in addition to the annual AusBiotech national Conference and AusMedtech. During the reporting period AusBiotech held 62 events, which attracted more than 8,700 delegates.

Advanced Manufacturing Summit 2015

The 2015 Summit brought together key industry, government and academic personnel to explore the future of advanced manufacturing both in Australia and around the world.

Keynote presentations were delivered by Advanced Manufacturing Industry Growth Centre Chair Andrew Stevens and Advanced Engineering and Manufacturing Specialist, UK Trade and Investment Dr Mark Priest. The program featured current trends, case studies and real-life examples of practical applications as well as the opportunities and importance of collaboration between industry, government and academic sectors. More than 150 delegates attended the conference.

Innovation Connect

Launching Innovation Connect in partnership with Biomedical Research Victoria, AusBiotech seeks to bridge the gap between research and industry. The thought leader series was launched in June in Melbourne, and featured the sophisticated infrastructure expertise offered by Victorian Platform Technologies Network's (VPTN) to industry.

International Clinical Trials Day

AusBiotech, the Australian Clinical Trials Alliance (ACTA), Medicines Australia and Research Australia gathered for the Clinical Trials 2016 Breakfast & Award Ceremony, celebrating Australian leadership and excellence in clinical trials and to mark International Clinical Trials (CT) Day.

The Federal Health Minister Health, the Hon Sussan Ley announced at the event, which attracted more than 200 guests, an investment of \$7 million for a range of clinical trial reforms. The Hon Frank McGuire, Parliamentary Secretary for Medical Research and the CEO of NHMRC also spoke at the event.

Tech Transfer Summit

Contemporary challenges between university and industry characterised the core content of 2016's Tech Transfer Summit. Keynote speakers included President of the Association of University of Technology Managers, Dr David Winwood, who warned that current challenges could disrupt the symbiotic relationship between universities and industry in biotechnology. The event was held in Brisbane from 12-13 April, supported by

world-leading technology transfer organisation UniQuest and attracted approximately 100 delegates.

Women in Life Sciences Luncheon

AusBiotech's inaugural 'Women in Life Sciences' luncheon, held in March 2016, saw 240 delegates gather in Sydney to celebrate and encourage women in leadership in the broader life sciences. Featuring an interactive panel discussion delivered by industry leaders and facilitated by Dr Anna Lavelle, the sold-out event is expected to become an annual celebration of entrepreneurial and leadership opportunities for women.

"This dynamic discussion helped people relate to the fact that no one is born a CEO or senior executive and there is effort and line of sight required to achieve that outcome."

– Dr Anna Lavelle

Launched at the event was AusBiotech partnership with Gillian Fox Leadership Development, which will deliver the Advancing Women's Program in the second half of 2016. The program will provide career coaching and planning for female professionals in the life sciences who seek to accelerate their careers.

www.ausbiotech.org/events

Global engagement

Strengthening Australia's reputation as a leading global hub for biotechnology

AusBiotech arranges regular international biotechnology missions and ensures Australian biotechnology is represented at international trade fairs and conferences around the world, including in the US and Asia.

BIO International Convention: Australian biotechnology on the world stage

Australia strengthened its position as a leading hub for biotechnology at the 2016 BIO International Convention, with more than 270 Australian delegates attending the event in San Francisco for a week of networking and partnering.

One of the ten largest international delegations, Australia held its place in the top five countries for the third consecutive year (Scientific American Worldview 2016).

AusBiotech managed the Australian delegation and hosted the Australian and New Zealand Wine Tasting event, playing an instrumental role in strengthening ties with fellow partners and countries.

AusBiotech gratefully acknowledges Federal and state government support, including the Department of Industry and the Queensland and Victorian State Governments, in addition to the support of its members.

Harnessing the Asian demand

Asian investment series strengthens interest in the life sciences

AusBiotech continued to strengthen interest in the life sciences in Asia with investment events held in Hong Kong and Singapore, the third and fourth largest financial centres in the world respectively.

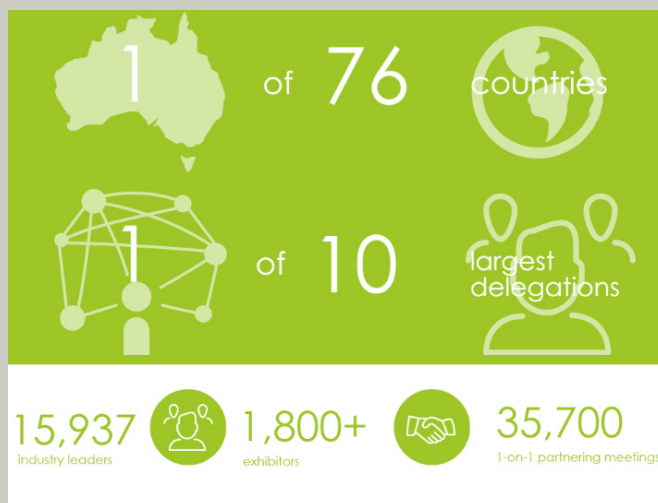
Over 200 investors and 30 life science companies attended the investment series, signifying a valuable opportunity to strengthen connections between companies and the investment community.

“There is a history of Hong Kong-based institutional investors investing in Australian listed companies. This interest has now extended to private and earlier stage companies. There is particular interest in companies that have products with competitive advantage or relevance to the Chinese market.”
Mr Glenn Cross

BioKorea 2016: showcasing Australian biotechnology to Asia

Now in its tenth year, BioKorea is Asia's premier event for the global biotechnology industry. In 2016 Australia's biotechnology sector was showcased in the Australian pavilion, co-organised by AusBiotech and Austrade.

AusBiotech's partnership enabled delegates to leverage Austrade's tailored business services and facilitated business and research collaboration opportunities for Australian biotechnology institutions. The event included a clinical trial seminar and regenerative medicine roundtable, enabling Korean and Australian organisations to discuss collaboration and partnership opportunities.



Working with Asia

In the wake of the China-Australia Free Trade Agreement (ChAFTA), which is anticipated to unlock significant business and foreign direct investment opportunities for Australia, AusBiotech launched the final component of the three-year “Australian Medical Devices to China” project in June 2016.

The project facilitates trade in medical devices with China by providing much-needed information for Australian companies. The project comprised of one business planning workshop and delivered two valuable resources for the Australian medical technology industry. The Directory of Known China Advisors, one of these resources and the final component of the project, was delivered during the reporting period. The project was supported by the Australian Trade and Investment Commission and funded through the Asian Business Engagement (ABE) Plan.

The Directory of Known China Advisors

The Directory of Known China Advisors is an online resource designed to help Australian medtech companies pursue partnerships with China.

A valuable support hub for Australian medtech companies, the Directory provides information and contact details for organisations that have specialist capacity to advise on Chinese partnerships in medtech.

www.ausmedtechdirectory.com.au/chinaadvisors

Australia China Health Summit

The inaugural Australia China Health Summit attracted 180 delegates and was held at the Park Hyatt Hotel in Melbourne on 11 August 2015 by AusBiotech, the Australia China Business Council (Victoria) and the Burnet Institute to share knowledge about engaging in China and gain expert views and experiences of others who have successfully created linkages and partnerships.

The Chairman of AusBiotech, Ms Julie Phillips and President of ACBC Victoria, Mr Jason Chang welcomed guests. The Hon Frank McGuire, Parliamentary Secretary for Medical Research was a keynote speaker and highlighted the goals of the Government of Victoria. The Consul-General of the People's Republic of China, Mr Song Yumin introduced the day and opportunities ahead. The National President of the Australia China Business Council, the Hon John Brumby addressed the guests during the luncheon and a live cross to Shanghai was to hear from Australia's Trade Commissioner, Karen Surmon.

www.auschinasummit.com.au



L-R: Lorraine Chiroiu, Chief Industry Affairs Officer, AusBiotech and Virginia Birrell, CEO, Australia China Business Council (VIC)



Informing the industry

AusBiotech website

AusBiotech's website is a dynamic platform that has continually grown to accommodate the new initiatives from the organisation, providing a 'one-stop shop' for events listings, news and policy.

To mark 30 years since AusBiotech started as the Australian Biotechnology Association, AusBiotech published '30 success stories in 30 days', showcasing the impressive achievements of Australia's biotechnology industry, its key people and AusBiotech's role.

During the reporting period, AusBiotech commenced a significant re-development of the website. It is anticipated that the new website will be launched in late 2016.

www.ausbiotech.org

Journal

AusBiotech distributed the special 30th anniversary edition of the journal, *Australasian Biotechnology*, in March 2016. Celebrating three decades of AusBiotech and the Australian biotechnology industry, this special edition highlighted the industry's past successes and provided a vision for biotechnology's future.

In April 2016, AusBiotech appointed Executive Media as the official publisher its journal. As a highly-regarded publisher with over 40 years' experience, the journal will continue to provide three editions per year to AusBiotech members from July 2016.

News

AusBiotech continued to deliver valuable industry news to its members twice weekly through Biotech Dispatch, providing a fresh perspective on policy, funding, political and sector specific matters. Developed by Editor Mr Paul Cross, the content of Biotech Dispatch has been proactive, relevant and supportive of Australian life science industry's policy and political interests.

www.biotechdispatch.com.au

Social networks

Growth in AusBiotech's social networks has been rapid in early 2016, with Twitter and LinkedIn communications. This explosion of social media activity included the activation of AusBiotech's LinkedIn company page, using LinkedIn advertising, harnessing the social media scheduling platform Hootsuite, optimising official AusBiotech profiles, identifying key influencers and developing a regular schedule of content and imagery.

AusBiotech's social media networks have played an instrumental role in strengthening the AusBiotech outreach and expanding industry networks at conferences and events throughout the reporting period.

AusBiotech's influence score (measures degree of influence) rose from 44 to 51 during the first half of 2016. Achieving a score above 50 is a challenge, and such a result demonstrates the effectiveness of AusBiotech's social media strategy and implementation.

Social media followers



@Ausbiotech

2,081



linkedin.com/company/ausbiotech

3,530

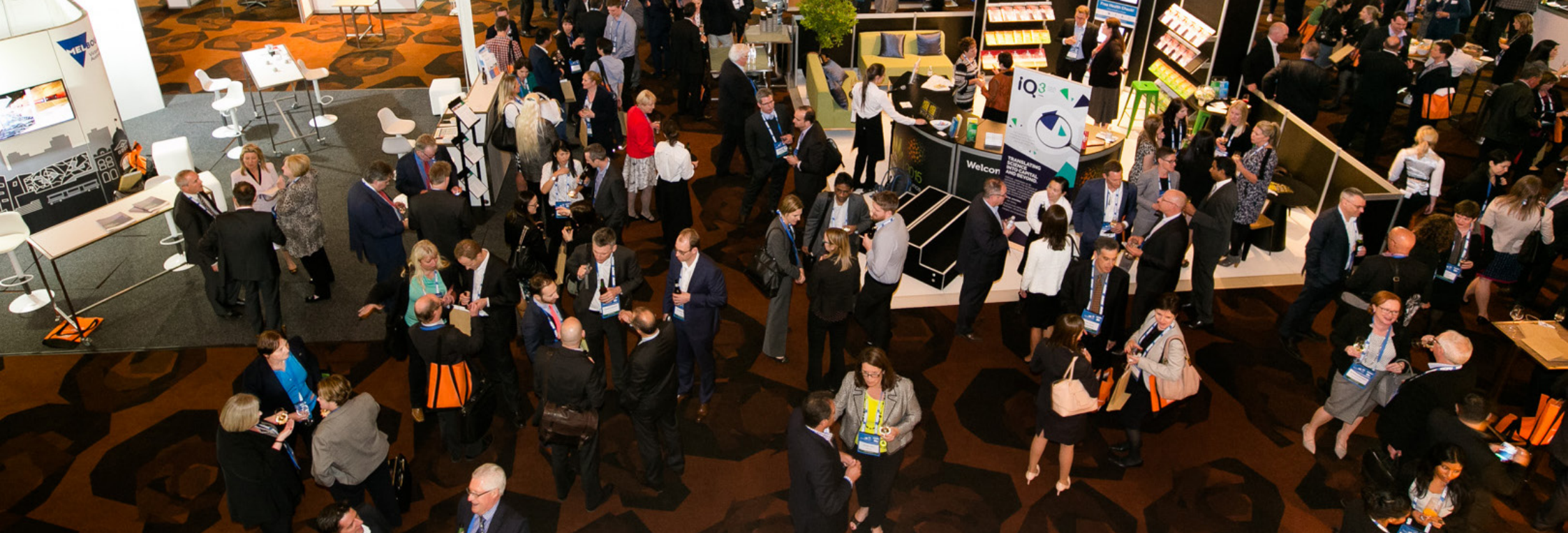


1,879



LinkedIn group

1,813



AusBiotech is committed to developing a strong long-term pipeline of conferences, organised under the AusEvents™ banner. The professional conference organiser for life science and technology events, AusEvents™ successfully delivers conferences, conventions, summits, trade exhibitions, investment meetings and professional development courses to the biotechnology and technology sectors.

It will host the major academic event, the 17th International Biotechnology Symposium (IBS 2016), The IBS will join with two conferences in one week in one place as one integrated network, to be part of the International BioFest 2016, which promises to be the largest-ever gathering in the Australian life sciences.

www.ausbiotech.org/ausevents

Pharmaceutical Industry Supply Chain Index

AusBiotech partnering with Deloitte completed the 'Pharmaceutical Industry Supply Chain Index' (PharmaSCI) for the Department of Industry Innovation and Science. The Index seeks to support the industry with improvements in the Australian pharmaceutical ecosystem. The project delivered a set of industry-approved questions that have been tested, and accompanied by weightings, indicators and context, to enable SMEs to assess their ability to supply into the sector and identify areas for development. AusBiotech welcomed industry insight to develop this index, hosting a series of focus groups to in May to hear from buyers and suppliers in the broad pharmaceutical supply chain.

Partners and supporters

AusBiotech's strength comes from the participation and support of more than 1,000 companies and organisations, representing the diversity of the life sciences field, including therapeutics, medical technology (devices and diagnostics), food technology and agricultural, environmental and industrial sectors. They include start-ups, major players, institutions, service providers – and more than 700 academic and sole trader members.

abbvie



AMGEN

AstraZeneca



CHUBB





Deloitte.



List of Members

3M Australia Pty Ltd
 AbbVie Pty Ltd
 Acrux Ltd
 Actinogen Limited
 AdAlta Pty Ltd
 Adelaide Research & Innovation Pty Ltd
 Adherium Limited
 Admedus Limited
 Agriculture Victoria Services Pty Ltd
 Ainscorp Pty Ltd
 AJ Park
 Alcidion Corporation Pty Ltd (Australia)
 Alexion Pharmaceuticals Australasia P/L
 Allens Patent & Trade Mark Attorneys
 Alzhyne Pty Ltd
 Amgen Australia Pty Ltd
 Analytica Ltd
 Anantara Lifesciences
 Anteo Diagnostics
 Antisense Therapeutics Ltd
 ANU Connect Ventures Pty Ltd
 Arnold Bloch Leibler
 AstraZeneca Pty Ltd
 ATP Innovations Pty Ltd
 Austanz Chitin P/L
 Australia China Business Council (ACBC) - Victoria
 Australian Agricultural Company Limited (AACo)
 Australian Institute for Bioengineering & Nanotechnology (AIBN)
 Australian National Fabrication Facility (ANFF)
 Australian National University (ANU)
 Australian Proteome Analysis Facility (APAF)
 Australian Red Cross Blood Service (ARCBS)
 Australian Regenerative Medicine Institute
 Australian Synchrotron Co. Ltd
 Avatar Brokers Pty Limited

Baillieu Holst Ltd
 Baker IDI Heart and Diabetes Institute
 Baxalta Australia Pty Ltd
 Bayer CropScience Pty Ltd
 BCAL Diagnostics Pty Ltd
 Bellberry Limited
 Benitec Biopharma Limited
 Bio21 Molecular Science and Biotechnology Institute, University of Melbourne
 Bioactive Laboratories Pty Ltd
 BioDiem Ltd
 Biointellect Pty Ltd
 Bio-Link Australia
 Biomedical Research Victoria (BioMedVic)
 BioMelbourne Network
 Bionics Institute
 Bionomics Ltd
 BioPacific Partners
 BioPharmaceuticals Australia (BPA)
 Bioplatforms Australia Ltd
 BioSA
 BioScience Managers Pty Ltd
 Biotech Dispatch
 BioTech Primer Inc.
 Biotechnique Pty Ltd
 Biotron Limited
 Biovite Australia Pty Ltd
 Bioxyne Limited
 Blueprint Life Science Group
 Bosch Australia Pty Ltd
 Brandon Capital Partners
 Brandwood Biomedical Pty Ltd
 Bristol-Myers Squibb (Australia) Pty Ltd
 Brooker Consulting
 BTG Australasia P/L
 Buchan Consulting
 Burnet Institute
 Business Events Sydney
 Calimmune Australia

Celestino Pty Limited
 Cell Therapies Pty Ltd
 Cellmid Limited
 Centre for Drug Candidate Optimisation
 Children's Medical Research Institute
 China Bioengineering Technology Group Limited
 Chubb Insurance Company of Australia Ltd
 Clarity Pharmaceuticals
 Clinical Genomics Technologies Pty Ltd
 Clinical Network Services (CNS) Pty Ltd
 Clinical Research Corporation
 Cochlear Limited
 Coloplast Pty Ltd
 Compounds Australia
 ConvaTec (Australia) Pty Ltd
 Cook Australia Pty Ltd
 CPR Pharma Services Pty Ltd
 CSIRO
 CSL Behring Australia
 CSL Limited
 CTX CRC Limited
 Cure Brain Cancer Foundation
 Curtin University - School of Biomedical Sciences
 CV Laser Pty Ltd (CustomVis)
 Cyclopharm Limited
 Cynata Therapeutics
 D3 Medicine
 Datapharm Australia Pty Ltd
 Davies Collison Cave
 Deakin Research Commercial
 DEK Technologies
 Deloitte Touche Tohmatsu
 Department of Economic Development, Jobs, Transport and Resources
 Department of Science, Information Technology and Innovation (DSITI)
 Department of State Growth (TAS)
 DesignMedix, Inc.
 DibbsBarker
 Dimerix Limited
 DLA Piper Australia
 DorsaVi Pty Ltd
 EFIC - Export Finance and Insurance Corporation
 EIB Insurance Brokers Pty Ltd

Elastagen Pty Ltd
 Eli Lilly Australia Pty Ltd
 Ellex Medical Lasers Limited
 Ellume
 Elsevier B.V.
 Eppendorf
 ERA Consulting (Australia) Pty Ltd
 Eskitis Institute, Griffith University
 Eurofins Iams
 EY
 Factor Therapeutics
 FB Rice
 Fisher Adams Kelly Callinans
 Fitgenes Australia Pty Ltd
 Flanders Investment & Trade - Embassy of Belgium
 Franke Hyland
 Freehills Patent Attorneys
 French Embassy, Trade Commission - Business France Australia & New Zealand
 Frost & Sullivan (Australia) Pty Ltd
 Fusidium Pty Ltd
 Gamma Vaccines Pty Limited
 Garvan Institute of Medical Research
 GBS Venture Partners Pty Ltd
 Genesearch Pty Ltd
 Genetic Signatures
 Genzyme - a Sanofi company
 Global Kinetics Corporation Pty Ltd
 Global Orthopaedic Technology
 GO Resources Pty Ltd
 Gold Coast Health & Knowledge Precinct
 Golja Haines & Friend
 Grant Thornton Australia Limited
 Griffith Hack
 Griffith University
 Heidrick & Struggles Australia Pty Ltd
 Holman Webb Lawyers
 Houlihan² Patent & Trade Mark Attorneys
 Hydrix Pty Ltd
 ide
 IDT Australia Ltd
 Ikaria Australia (now part of Mallinckrodt Pharmaceuticals)
 Immuron Limited
 Imugene Ltd
 INC Research Australia Pty Limited

Innate Immunotherapeutics Limited
 Institute for Glycomics
 Inter-K Peptide Therapeutics (Inter-K Pty Ltd)
 Invion Limited
 iPug Pty Ltd
 IQ3 Corp Ltd
 IQnovate Life Science Organisation
 IQX Ltd
 Johnson & Johnson Innovation
 Johnson Matthey (Aust) Ltd
 Kain C+C Lawyers
 King & Wood Mallesons
 KPMG
 LBT Innovations Ltd
 Liberty Medical Pty Ltd (Hollister/Dansac)
 Linear Clinical Research Ltd
 Lipotek Pty Ltd
 Logan Office of Economic Development
 M. H. Carnegie & Co.
 M+W Group
 Macquarie University - Faculty of Science and Engineering
 Madderns Patent & Trade Mark Attorneys
 MasterControl Inc.
 McCloud Consulting Group
 Meat and Livestock Australia Ltd
 MedAdvisor Ltd
 Medibio Ltd
 Medical Device Research Institute, Flinders University
 Medlab Clinical Ltd
 Medtronic Australasia Pty Ltd
 Melbourne Convention Bureau (MCB)
 Melbourne School of Engineering
 Merck Sharp & Dohme
 Mesoblast Limited
 Minomic International Limited
 Minter Ellison Lawyers
 Mobius Medical Pty Ltd
 Monash Innovation
 Monsanto Australia Ltd.
 Morgans Financial Limited
 MPR Group Pty Ltd
 Murdoch Childrens Research Institute
 Murdoch University
 Nanosonics Limited

National Association of Testing Authorities Australia
 National Trauma Research Institute, Alfred Health and Monash University
 Neoclinical
 Neuren Pharmaceuticals Limited
 Neuroscience Trials Australia
 Neurosciences Victoria Ltd
 New Venture Institute
 Newcastle Innovation Ltd
 Newline Australia Insurance Pty Ltd
 Norton Rose Fulbright Australia
 Novartis Pharmaceuticals Australia Pty Ltd
 Novo Nordisk Pharmaceuticals Pty Ltd
 Novogen Limited
 Novotech
 Nucleus Network
 NZBIO
 OccuRx Pty Ltd
 OFX
 Omnigon Pty Ltd
 ONBoard Solutions Pty Ltd
 OncoSil Medical Ltd
 Opthea Limited
 Orthocell
 Osprey Medical
 Paranta Biosciences Limited
 Patheon Biologics Pty Ltd
 Patrys Ltd
 Peter MacCallum Cancer Centre
 Pfizer Australia
 PharmaSynth
 Pharmaxis Ltd
 Phillips Ormonde Fitzpatrick
 Phosphagenics Limited
 Phylogica Ltd
 Planet Innovation Pty Ltd
 PolyNovo Limited
 Prana Biotechnology Ltd
 PresSura Neuro
 Pricewaterhouse Coopers
 Protagonist Pty Ltd
 Proteomics International Laboratories Limited
 Provectus Biopharmaceuticals, Inc.
 pSivida Corp
 QBiotics Limited

QIAGEN Pty Ltd
 QIMR Berghofer Medical Research Institute
 Q-Pharm Pty Limited
 Queensland Alliance for Agriculture & Food Innovation (QAAFI)
 Queensland University of Technology
 Quintiles Pty Ltd
 qutbluebox Pty Ltd
 Regeneus Ltd
 ResApp Health Limited
 Research Australia Limited
 Research, Innovation & Commercialisation (RIC), University of Melbourne
 REVOX Sterilization Solutions
 RSM Australia
 Russell Kennedy Pty Ltd
 Sanofi-Aventis
 SeerPharma Pty Ltd
 Sementis Limited
 Seqirus Australia - a CSL Company
 Shelston IP
 Shire Australia Pty Ltd
 Sienna Cancer Diagnostics Ltd
 Simavita Pty Ltd
 SMART Arm Pty Ltd
 Southern Star Research Pty Ltd
 SpeedX Pty Ltd
 Spruson & Ferguson
 St Vincent's Hospital Melbourne
 Starpharma Holdings Limited
 Suda Limited
 SydPath
 Synchrotron Light Source Australia
 Talu Ventures
 Tasmanian Alkaloids
 Telethon Kids Institute
 Terra Rossa Capital Pty Ltd
 Terragen Biotech Pty Ltd
 TetraQ
 Teva Pharmaceuticals Australia Pty Ltd
 TGR Biosciences Pty Ltd
 The University of Queensland
 The University of Western Australia
 The Walter & Eliza Hall Institute of Medical Research
 THEMA Consulting Pty Ltd
 Therapeutic Innovation Australia

Trajan Scientific and Medical
 TransPerfect Translations Pty Ltd
 TruScreen Pty Ltd
 UK Trade & Investment
 UniQuest Pty Ltd
 Universal Biosensors Pty Ltd
 University of Southern Queensland
 University of Sydney, Engineering and Information Technologies
 University of Western Australia
 University of Wollongong
 UNSW - School of Biotechnology and Biomolecular Sciences
 UNSW Innovations
 Vectus Biosystems Limited
 Venture Valuation
 Viralytics Ltd
 Virtual Regulatory Solutions, Inc
 Volpara Solutions Limited
 WA Health Translation Network (WAHTN)
 Watermark Patent & Trade Mark Att.
 Wellspect HealthCare
 West Pharmaceutical Services
 Western Sydney University
 World Courier (Australia) Pty Ltd
 Wrays

Life Members

Dr Peter Riddle
 Dr Martin Playne
 Dr Anna Lavelle

Members supporting AusBiotech

Report on State Branches and Chairs

AusBiotech has representation in each Australian state, providing a national network to support members and promote the commercialisation of Australian biosciences and connect the network. The Branch Committees meet regularly to discuss state-based issues and design local networking and information opportunities.

State investment events

Broker Meets Biotech events were held in conjunction with AusBiotech's national investment program. They provided an opportunity for investors to gain further insight into recent developments, highlights and the future outlook of the biotechnology sector. Four Broker Meets Biotech meetings were held during the reporting period.

BioBeers & Bubbles

Networking events were held throughout the year in central locations around Australia, fostering relationships between members, industry representatives and their local state branches. 23 events were held during the reporting period, which includes ten in the second half of 2015 and 13 in the first half of 2016.

State Branches

NSW Branch	Dr Phil Kearney	Merck Sharp & Dohme
QLD Branch	Dr Ryan Parlett	Deloitte Touche Tohmatsu
SA Branch	Mathew Palmer	INC Research Australia
TAS Branch	A/Prof Anthony Koutoulis	University of Tasmania
VIC Branch	Dr Andrea Huggins	CSL Limited
WA Branch	Dr Richard Hopkins	Phylogica Ltd
	Brian Leedman	ResApp Health Limited

BioBriefings

Held regularly in each state, BioBriefings gave AusBiotech members the opportunity to engage with their state committee, local biotechnology community, discuss key policy issues and access the latest trends. The reporting period saw ten BioBriefings held around the country, including six in the second half of 2015 and four in the first half of 2016.

Advisory groups

AusAg & Foodtech	Dr Paul Wood	
AusMedtech National Committee	Warren Bingham	Clinical Genomics Technologies Pty Ltd
• AusMedtech Regulatory Affairs Expert Panel	Grant Bennett	Brandwood Biomedical Pty Ltd
• Health Economics Expert Panel	Dominic Tilden	THEMA Consulting Pty Ltd
• AusMedtech IP Expert Panel	Dr Brett Lunn	FB Rice
Stoma Industry Group	Helen Arthur	AusBiotech
NSW AusMedtech	Lis Boyce	DibbsBarker
VIC AusMedtech	Ian Reilly	Altrutech Pty Ltd
Digital Health	Bronwyn Le Grice	Fidere Group Pty Ltd
Regenerative Medicine	Mr Silvio Tiziani	Australian Regenerative Medicine Institute

For the Year Ended 30 June 2016

Your Directors present this report on the company for the financial year ended 30 June 2016.

Directors

The names of each person who has been a director during the year and to the date of this report are:

Ms Julie Phillips	
Dr Anna Lavelle	- resigned 31/08/16
Ms Michelle Burke	- reappointed 08/10/15
Mr Lawrence Gozlan	- reappointed 08/10/15
Dr Andrea Douglas	
Ms Serina Cucuzza	
Mr Barry Thomas	
Mr Serg Duchini	
Mr Glenn Cross	- appointed 31/08/16

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal Activities

AusBiotech's mission is to foster a growing, strong and profitable biotechnology and life science industry in Australia through representation, advocacy and the provision of services and benefits to its members to help the industry realise its nationally important economic potential.

AusBiotech's vision is to be the leading Australian industry body representing and advocating for organisations doing business in and with the global life sciences economy.

The company's goals are to:

- Strengthen AusBiotech's reputation as the voice of biotechnology in Australia.
- Enjoy growing support from members through knowledge of what our members want and the ability to deliver on their expectations.
- Be recognised as Australia's primary facilitator of investment partnerships and effective government relationships in biotechnology/life sciences.
- Ensure the biotechnology industry is increasingly perceived by government as a key and growing economic and social driver.
- Lead the development of industry policy in Australia.
- Be a sustainable and financially-sound organisation.
- Position AusBiotech for long-term growth, recognising the importance of its people.

For the Year Ended 30 June 2016

Key Performance Measures

The company measures its own performance through the use of both quantitative and qualitative benchmarks. The benchmarks are used by the directors to assess the financial sustainability of the company and whether the company's short and long-term objectives are being achieved.

Information on Directors

Ms Julie Phillips - Chair (non-executive) from 30/10/14
Qualifications - BPharm, MSc, MBA

Experience:
More than 25 years' experience in regulatory, pharma coeconomics and government affairs in the biopharmaceutical industry. For the last 15 years she has had CEO and director roles in Australian start-up companies. Currently CEO and director of BioDiem Ltd and director of MTP Connect.

Dr Anna Lavelle - Executive Director and Chief Executive Officer
Qualifications - resigned 31/08/16
- PhD (Genetics), GAICD, FTSE

Experience:
Chief Executive Officer of the company since 2005

Ms Michelle Burke - Director
Qualifications - BSc (Hons)

Experience:
20 years' experience in the pharmaceutical industry including clinical research, medical affairs, business development, commercial and public affairs. Currently Director, External Affairs for Bristol-Myers Squibb.

Special Responsibilities - Member of the Risk & Audit Sub-Committee from 08/10/15

Mr Lawrence Gozlan - Director
Qualifications - BSc (Hons)

Experience:
Has worked in corporate finance at Deloitte, sell-side biotech analyst at Foster Stockbroking, buy-side biotech analyst at QIC. Currently CEO of Scientia Capital

Dr Andrea Douglas - Director
Qualifications - BSc (Hons), PhD, MHA, GAICD

Experience:
Senior manager in the biopharmaceutical and biomedical research industries for over 20 years. She is currently the VP, R&D, Strategy and External Affairs at CSL.

Ms Serina Cucuzza - Director
Qualifications - BSc (Hons), B Com, GAICD

Experience:
Business Development expertise in Medical Research Sector including licensing and partnering; managing spin out companies and consortiums; product development. Currently Manager of Commercial Development and Director of Access Point of Care at Burnet Institute.

Special Responsibilities - Member of the Risk & Audit Sub-Committee from 08/10/15

Mr Barry Thomas - Director
Qualifications - BCom

Experience:
Vice President, Cook Incorporated, Director - Asia Pacific, Cook Medical and Managing Director of Cook Australia currently spearheading the world's fastest growing region for the global company

Mr Serg Duchini - Director
Qualifications - BCom and M Taxation

Experience:
Over 25 years' experience in taxation consulting with an individual specialisation in the R&D tax concession and Industry assistance programs.

Special Responsibilities - Chair of the Risk & Audit Sub-Committee from 08/10/15

For the Year Ended 30 June 2016

Meeting of Directors

During the financial year, seven (7) meetings of directors were held and four (4) meetings of the Risk & Audit Sub-Committee were held. Attendances by each director were as follows:

	Directors' Meetings Eligible to Attend	Attended	Risk & Audit Sub-Committee Eligible to Attend	Attended
Ms Julie Phillips	7	7		
Dr Anna Lavelle	7	7		
Ms Michelle Burke	7	6	4	4
Mr Lawrence Gozlan	7	6		
Dr Andrea Douglas	7	6		
Ms Serina Cucuzza	7	6	4	4
Mr Barry Thomas	7	3		
Mr Serg Duchini	7	4	4	4

The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$4 each towards meeting any outstanding obligations of the entity. At June 30 2016, the total amount that members of the company are liable to contribute if the company is wound up is \$2,476 (2015: \$2,292).

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2016 has been received and can be found on page 56 of the financial report.

Signed in accordance with a resolution of the Board of Directors.

Ms Julie Phillips
 Director



Mr Serg Duchini
 Director



Dated this 31st day of August 2016

AusBiotech Ltd
ABN 87 006 509 726
Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2016

	Note	2016 \$	2015 \$
Revenue from Ordinary Activities			
Membership Fees		995,026	961,279
Conferences		1,851,928	1,706,318
Branch Income		145,103	119,238
Communications		5,843	68,034
Federal Government Project - Education, NCRIS		32,100	76,248
Federal Government Project - Trade, ACBE		22,000	65,000
State Government Projects		-	9,023
Export Market Development Grants		32,670	44,562
Other Revenue		132,512	72,723
		3,217,182	3,122,425
Non-operating Revenue			
Interest Received		20,948	27,857
		3,238,130	3,150,282
Expenses from Ordinary Activities			
Employee Benefits Expense	2	596,277	553,562
Depreciation and Amortisation Expenses		24,173	29,433
Conferences		1,757,291	1,755,240
Federal Government Project Expend. - Education, NCRIS	2	24,302	66,166
Federal Government Project - Trade, ACBE	2	47,560	35,427
Communications		18,715	89,449
Rent		106,579	107,082
Travelling		153,556	150,923
Professional Fees		173,298	143,108
IT Support		91,546	75,277
Other Expenses		230,243	194,405
		3,223,540	3,200,072
Current Year Surplus /(Deficit) before Income Tax	3	14,590	(49,790)
Income Tax Expense		-	-
Net Current Year Surplus /(Deficit)		14,590	(49,790)
Total Other Comprehensive Income		-	-
Net Current Year Surplus/(Deficit) Attributable to Members of the entity		14,590	(49,790)
Total Comprehensive Income Attributable to Members of the entity		14,590	(49,790)

The accompanying notes form part of these audited financial statements

AusBiotech Ltd
ABN 87 006 509 726
Statement of Financial Position

For the Year Ended 30 June 2016

	Note	2016 \$	2015 \$
Current Assets			
Cash and Cash Equivalents	4	1,422,986	1,056,626
Trade and Other Receivables	7	171,126	474,110
Deposits and Prepayments	8	188,562	134,836
Current Tax Assets		7,933	5,632
Total Current Assets		1,790,607	1,671,204
Non-Current Assets			
Property, Plant and Equipment	9	77,674	97,849
Total Non-Current Assets		77,674	97,849
Total Assets		1,868,281	1,769,053
Current Liabilities			
Trade and Other Payables	10	53,066	81,258
Current Tax Liabilities	11	62,935	94,936
Provisions	12	206,983	177,144
Other	13	1,339,120	1,218,505
Total Current Liabilities		1,662,104	1,571,843
Non-Current Liabilities			
Provisions	12	48,651	54,274
Total Non-Current Liabilities		48,651	54,274
Total Liabilities		1,710,755	1,626,117
Net Assets		157,526	142,936
Equity			
Retained Surplus	14	157,526	142,936
Total Equity		157,526	142,936

The accompanying notes form part of these audited financial statements

AusBiotech Ltd
ABN 87 006 509 726
Statement of Changes in Equity

For the Year Ended 30 June 2016

	Note	Retained Surplus \$	Total \$
Balance as at 30th June 2014		192,726	192,726
Surplus/ (Deficit) attributable to the entity for the year ended 30th June 2015		(49,790)	(49,790)
Balance as at 30th June 2015	14	142,936	142,936
Surplus/(Deficit) attributable to the entity for the year ended 30th June 2016		14,590	14,590
Balance as at 30th June 2016	14	157,526	157,526

Statement of Cash Flows
For the Year Ended 30 June 2016

	Note	2016 \$	2015 \$
Cash Flows From Operating Activities			
Receipts from Customers		3,299,518	3,532,391
Payments to Suppliers and Employees		(2,950,108)	(3,265,197)
Interest Received		20,948	16,318
Net Cash Inflow (Outflow) from Operating Activities	5	370,358	283,512
Cash Flows from Investing Activities			
Purchase of Property, Plant and Equipment		(3,998)	(22,555)
Net Cash Inflow (Outflow) from Investing Activities		(3,998)	(22,555)
Net increase / (decrease) in cash held		366,360	260,957
Cash and cash equivalents as at 1 July		1,056,626	795,669
Cash and Cash equivalents as at 30 June	4	1,422,986	1,056,626

AusBiotech Ltd
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Notes to the Financial Statements
For the Year Ended 30 June 2016

The financial statements cover AusBiotech Ltd as an individual entity, incorporated and domiciled in Australia. AusBiotech is a company limited by guarantee.

The financial statements were authorized for issue on 3 September 2016 by the directors of the company.

1. Summary of Statement of Significant Accounting Policies

Basis of Preparation

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001 and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policies

(a) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. The company has no bank overdrafts.

(b) Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognized represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(c) Employee Provisions

Short-term employee provisions

Provision is made for the company's obligation for short-term employee benefits. Short-term

employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

Other long-term employee provisions

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Upon the re-measurement of obligations for other long-term employee benefits, the net change in the obligation is recognized in profit or loss as a part of employee benefits expense.

The company's obligations for long-term employee benefits are presented as non-current employee provisions in its statement of financial position, except where the company does not have an unconditional right to defer settlement for at least 12 months after the end of the

AusBiotech Ltd
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Notes to the Financial Statements

For the Year Ended 30 June 2016

reporting period, in which case the obligations are presented as current provisions.

(d) Property, Plant and Equipment

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

The company has no freehold land and buildings.

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 directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the

income statement during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets, is depreciated on a straight line basis over their useful lives to the company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The estimated effective lives used for each class of depreciable assets are:

Computer Software	2 to 3 years
Computer Hardware	3 to 4 years
Office Furniture & Equipment	5 to 10 years

The assets carrying values are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

An asset's carrying account is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in

the income statement.

(e) Foreign Currency Transactions and Balance

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction.

(f) Income Tax

The company is exempt from income tax.

(g) Impairment of Assets

At the end of each reporting date, the company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the

AusBiotech Ltd
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Notes to the Financial Statements
For the Year Ended 30 June 2016

company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(h) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified “at fair value through profit or loss”, in which case transaction costs are recognized as expenses in profit or loss immediately.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

(i) Financial Assets at Fair Value through Profit and Loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Financial Instruments: Recognition and Measurement. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

(ii) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method. The company has no such loans.

(iii) Held to Maturity Investments

These investments have fixed maturities. The company has no held to maturity investments.

(iv) Available-for-sale Financial Assets

Available-for-sale financial assets include any financial assets not included in the above

categories.

Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

(v) Financial Liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation. The company has no such financial liabilities.

Impairment

At the end of each reporting period, the company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset or group of financial assets will be deemed to be impaired if, and only if, there is objective evidence of impairment as a result of the occurrence of one or more events (a “loss event”), which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered a loss event. Impairment losses are recognized in profit or loss immediately. Also, any cumulative decline in fair value previously recognized in other comprehensive income is reclassified into

profit or loss at this point.

In the case of financial assets carried at amortized costs, loss events may include: indications that the debtors, or a group of debtors, are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter into bankruptcy or other financial reorganization; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortized cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having undertaken all possible measures of recovery, if management establishes that the varying amount cannot be recovered by any means, at that point the written-off amount are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognized in the allowance accounts.

When terms of financial assets that would otherwise have been past due to impairment have been renegotiated, the company recognizes the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Derecognition

Financial assets are derecognized where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognized where the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability which is extinguished or transferred to another party and the fair value of the consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss. The company has no such transactions.

(i) Research and Development

Expenditure during the research phase of a project is recognised as an expense when incurred.

Development costs are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably.

Development costs have a finite life and are amortised on a systematic basis matched to the future economic benefits over the useful life of the project.

(j) Revenue and Other Income

Interest revenue is recognized on a proportional basis taking into account the interest rates applicable to the financial assets. Membership fees revenue is apportioned over the applicable period.

Revenue from the rendering of a service is recognized upon the delivery of the service to the customers.

Grants and sponsorship revenue are recognized when the entity has control and all conditions satisfied.

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

(k) 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 Tax 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 the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

(l) Trade and Other Receivables

These represent the principal amounts due at balance date. They are non-interest bearing and

AusBiotech Ltd
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Notes to the Financial Statements
For the Year Ended 30 June 2016

collectable on 30-90 day terms.

(m) Trade and Other Payables

These represent the principal amounts outstanding at balance date, non-interest bearing and at cost.

(n) Comparative Figures

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

(o) Impact of New and Revised Accounting Standards not yet effective

The AASB has issued a number of new and amended Accounting Standards and Interpretations which are mandatorily applicable for future reporting periods. The Directors have decided not to early adopt any of the new and amended pronouncements. The Directors have assessed the effect these new and amended pronouncements will have on the company and have determined that none will materially impact on the company's financial statements.

(p) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial report 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 company.

Key Estimates - Impairment

The company assesses impairment at each reporting date by evaluating conditions specific to the entity that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Key Judgements - Employee Benefits

For the purpose of measurement, AASB 119: Employee Benefits (September 2011) defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related services. The company expects most employees will take their annual leave entitlements within 24 months of the reporting period in which they were earned. But this will not have a material impact on the amounts recognized in respect of obligations for employees' leave entitlements.

(q) Fair Value of Assets and Liabilities

The company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the company would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between dependent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one of more valuation techniques. These valuation techniques maximize, to the extent possible, the use of observable market data.

(r) Intangibles software

Software is carried at cost. It has a finite life and is carried cost less accumulated amortization and any impairment losses. Software has an estimated useful life of between one and three years. It is assessed annually for impairment.

For the Year Ended 30 June 2016

2. Employee Benefits Expense

The total amount of Employee Benefits Expense prior to part re-classification is:

Re-classification is as follows:

Included under Conferences

Included under Government Funded Project - NCRIS

Included under Government Funded Project - ACBE

Remaining under Employee Benefits Expense

	2016 \$	2015 \$
	1,517,042	1,488,198
	848,903	833,042
	24,302	66,166
	47,560	35,427
	596,277	553,563
	<u>1,517,042</u>	<u>1,488,198</u>

3. Surplus/(Deficit)

Net Surplus/(Deficit) from ordinary activities before income tax expense has been determined after accounting for:

Charging as Expense

Depreciation

- Depreciation of Property, Plant and Equipment

Remuneration of Auditor

- Audit & review of financial reports

	24,173	29,433
	19,500	17,430
	<u>19,500</u>	<u>17,430</u>

Crediting as Income

Interest from:

- Other Corporations

Total Interest Revenue

	20,948	16,318
	<u>20,948</u>	<u>16,318</u>

AusBiotech Ltd
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Notes to the Financial Statements

For the Year Ended 30 June 2016

	2016 \$	2015 \$
4. Cash and Cash Equivalents		
Cash at Bank	1,368,986	1,002,626
Bank guarantees (note 19)	54,000	54,000
Cash at Bank - NCRIS (note 4(a))	-	-
	<u>1,422,986</u>	<u>1,056,626</u>

(a) Cash at Bank - National Collaborative Research Infrastructure Strategy is funds for the NCRIS project

Funds received - from participants	321,000	847,825
Funds expended - to participants	<u>321,000</u>	<u>1,015,778</u>
	-	<u>(167,953)</u>

Cash Reconciliation

Cash and Cash Equivalents	1,422,986	1,056,626
	<u>1,422,986</u>	<u>1,056,626</u>

5. Cash Flow Information

Reconciliation of Cash Flow from Operations with Net Current Year Surplus/(Deficit)

Net Current Year Surplus/(Deficit)	14,590	(49,790)
Adjustments for Non-Cash components in Profit/(Loss):		
Depreciation	24,173	29,433
Changes in Assets and Liabilities		
(increase)/decrease in Trade and Other Receivables	246,957	23,321
increase/(decrease) in Trade and Other Payables	60,422	232,028
increase/(decrease) in Provisions	24,216	48,520
Net Cash Inflow (Outflow) from Operating Activities	<u>370,358</u>	<u>283,512</u>

For the Year Ended 30 June 2016

6. Financial Risk Management

2016
\$
 2015
\$

The company's financial instruments consist mainly of deposits with banks and receivables and payables.

The carrying amounts for each category of financial instruments are measured in accordance with AASB 139.

The details are as follows:

Financial Assets	Note		
Cash and Cash Equivalents	4	1,422,986	1,056,626
Accounts receivable and other debtors	7	171,126	474,110
Current tax assets		7,933	5,632
Total Financial Assets		1,602,045	1,536,368
Financial Liabilities			
Financial Liabilities at amortised cost:			
- accounts payable and other payables	10,11	116,001	176,194

Financial Risk Management Policies

Management and directors are responsible for monitoring and managing of the company's compliance with its risk management strategy. The overall risk management strategy is to assist the company in meeting its financial targets while minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the directors on a regular basis. These includes credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

The main risks the company is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk.

There have been no substantive changes in the types of risks the company is exposed to, how these risks arise, or the board's objectives, policies and processes for managing or measuring the risks from the previous period.

(a) Credit Risk

The company does not have any material credit risk exposure.

AusBiotech Ltd
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Notes to the Financial Statements

For the Year Ended 30 June 2016

(b) Liquidity Risk

Liquidity risk is the risk that the company will encounter difficulty in meeting its financial obligations.

Liquidity risk is monitored to ensure sufficient monies are available to meet the company's contractual obligations as and when they fall due. This process involves the updating of cash flow forecasts, profit forecasts and regular reviews by management and those in governance.

Financial liability and financial asset maturity analysis

	Within 1 year		1 or more years		Total	
	2016	2015	2016	2015	2016	2015
	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment						
Account payables (excluding estimated annual leave and deferred income)	116,001	176,194	-	-	116,001	176,194
Total expected outflows	116,001	176,194	-	-	116,001	176,194
Financial assets - cash flows realisable						
Cash on hand	1,422,986	1,056,626			1,422,986	1,056,626
Account receivables and other debtors	171,126	474,110			171,126	474,110
Other financial assets	7,933	5,632			7,933	5,632
Total anticipated inflows	1,602,045	1,536,368	-	-	1,602,045	1,536,368
Net(outflow)/inflow on financial instruments	1,486,044	1,360,174	-	-	1,486,044	1,360,174

(c) Market Risk

Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows.

The company manages interest rate risk by ensuring that, whenever possible, payables are paid within any pre-agreed credit terms.

AusBiotech Ltd
ABN 87 006 509 726
Notes to the Financial Statements

For the Year Ended 30 June 2016

Sensitivity analysis

The following table illustrates sensitivities to the company exposures to changes in interest rates and equity prices. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

These sensitivities assume that the movement in a particular variable is independent of other variables.

	Surplus \$	Equity \$
Year ended 30 June 2016 +/- 2% in interest rates	+/- 28,516	+/- 28,516
Year ended 30 June 2015 +/- 2% in interest rates	+/-21,133	+/- 21,133

No sensitivity analysis has been performed on foreign exchange risk as the company has no material exposure to currency risk. There have been no changes in any of the assumptions used to prepare the above sensitivity analysis from the prior year.

Fair value estimation

The fair value of financial assets and financial liabilities approximate their carrying value due to their short-term to maturity and are not held at fixed interest rates.

For the Year Ended 30 June 2016

7. Trade and Other Receivables

Trade Debtors	171,126	474,110
Other Receivables	-	-
Total Trade and Other Receivables	<u>171,126</u>	<u>474,110</u>

The company does not have any material credit risk exposure to any single receivable or group of receivables.

8. Deposits and Prepayments

Deposits	-	-
Prepayments	188,562	134,836
	<u>188,562</u>	<u>134,836</u>

9. Property, Plant and Equipment

Computer Equipment	84,582	80,584
Less Accumulated Depreciation	64,919	72,429
	<u>19,663</u>	<u>8,155</u>
Computer Systems & Software	131,418	131,418
Less Accumulated Depreciation	123,410	123,212
	<u>8,008</u>	<u>8,206</u>
Office Equipment	5,482	5,482
Less Accumulated Depreciation	4,477	3,745
	<u>1,005</u>	<u>1,737</u>
Furniture and Fittings	110,397	110,397
Less Accumulated Depreciation	61,399	30,646
	<u>48,998</u>	<u>79,751</u>
Total Plant and Equipment	<u>77,674</u>	<u>97,849</u>

10. Trade and Other Payables

Trade Creditors	28,654	37,226
Other Creditors	24,412	32,575
Superannuation Payable	-	11,457
	<u>53,066</u>	<u>81,258</u>

For the Year Ended 30 June 2016

11. Current Tax Liabilities

	2016 \$	2015 \$
GST Collected	62,935	94,936
	<u>62,935</u>	<u>94,936</u>

12. Provisions

Current:		
Provision for Annual Leave	122,432	125,351
Provision for Long Service Leave	84,551	51,793
	<u>206,983</u>	<u>177,144</u>
Non-current:		
Provision for Long Service Leave	48,651	54,274
	<u>255,634</u>	<u>231,418</u>

Provisions represent amounts accrued for annual leave and long service leave.

The current portion for this provision included the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have been vested due to employees having completed the required period of service. Based on past experience, the company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within next 12 months. However, these amounts must be classified as current liabilities since the company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

13. Other Current:

Prepaid Memberships / Grants / Sponsorships / Conferences	1,339,120	1,218,505
NCRIS Prepaid Government Funds	-	-
	<u>1,339,120</u>	<u>1,218,505</u>

For the Year Ended 30 June 2016

14. Retained Surplus

	2016 \$	2015 \$
Retained Surplus at the Beginning of the Financial Year	142,936	192,726
Net Surplus/(Deficit)	14,590	(49,790)
Retained Surplus at the End of the Financial Year	<u>157,526</u>	<u>142,936</u>

15. Operating lease Commitments

Non-cancellable operating leases contracted for but not recognised in the financial statements

Payable - Minimum lease payments:

- Not later than 12 months	83,467	80,257
- Later than 12 months but not later than five years	-	83,467
- Later than five years	-	-
	<u>83,467</u>	<u>163,724</u>

The property lease commitments are non-cancellable operating lease contracted for but not recognised in the financial statements with a five year-term. Increase in lease commitments may occur in line with conditions of the lease agreement.

16. Members' Guarantee

The company is limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$4 each towards meeting any outstanding obligations of the company. The number of members is 619 (2015: 573).

17. Key Management Personnel

Directors' remuneration

There is no income and benefits received or due and receivable by directors of the company other than the CEO who must be a director under the Constitution. The income and benefits received or due and receivable by key management of the company (inclusive of CEO), and including insurance premiums to indemnify liabilities are:

Total Compensation		
Short term benefits	562,594	572,568
Other long term benefits	134,266	113,504
Total	<u>696,860</u>	<u>686,072</u>

For the Year Ended 30 June 2016

18. Auditor's Remuneration	2016 \$	2015 \$
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MV Anderson is the auditor of AusBiotech Ltd

Audit and review of financial reports	19,500	19,000
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19. Contingent Liabilities

Bank guarantee in favour of third party for rental of premises	54,000	54,000
	54,000	54,000

20. Events after the Reporting Period

The directors are not aware of any significant events since the end of the reporting period.

21. Capital Management

Management controls the capacity of the entity to ensure that adequate cash flows are generated to fund its operation. The directors' ensure that the overall risk management strategy is in line with this objective. Risk management policies are approved and reviewed by the board on a regular basis. These include credit risk policies and future cash flow requirements.

The entity's capital consists of financial liabilities, supported by financial assets.

Management effectively manages the entity's capital by assessing the entity's financial risks and responding to changes in these risks and in the market. These responses include the consideration of debt levels.

22. Company Details

The registered Office and principal place of business of the company is:

AusBiotech Ltd
Level 4, 627 Chapel St, South Yarra, Victoria, 3141

AusBiotech Ltd
ABN 87 006 509 726
Directors' Declaration

For the Year Ended 30 June 2016

The Directors of the company declare that:

1. The financial statements and notes, as set out on pages 35 to 57, are in accordance with the Corporations Act 2001:
 - a. comply with Australian Accounting Standards; and
 - b. give a true and fair view of the financial position as at 30 June 2016 and of the performance for the year ended on that date of the entity.
2. In the Directors' opinion there are reasonable grounds to believe that the company 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 of Directors:

Ms Julie Phillips
Director



Mr Serg Duchini ;
Director



AUSBIOTECH LIMITED
(A.B.N. 87 006 509 726)

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**

TO THE DIRECTORS OF AUSBIOTECH LIMITED



M V ANDERSON & CO
Chartered Accountants
www.mvanderson.com.au

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2016 there have been no contraventions of:

- (i) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

M V Anderson & Co

M V ANDERSON & CO
Chartered Accountants
5th Floor, North Tower
485 La Trobe Street,
Melbourne Vic 3000

GRAEME S. DAY
Partner

Dated: 31 August, 2016

AUSBIOTECH LIMITED
(A.B.N. 87 006 509 726)

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS
OF AUSBIOTECH LIMITED**



M V ANDERSON & CO
Chartered Accountants
www.mvanderson.com.au

We have audited the accompanying financial report AusBiotech Ltd (the company), which comprises the statement of financial position as at 30 June 2016 and the statement of profit or loss and other comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Financial Report

The Directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, and the Corporations Act 2001 and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Opinion

In our opinion the financial report of AusBiotech Limited is in accordance with the Corporations Act 2001, including:

- a. giving a true and fair view of the company's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
- b. complying with the Australian Accounting Standards and the Corporations Regulations 2001.

M V ANDERSON & CO
Chartered Accountants
5th Floor, North Tower
485 La Trobe Street,
Melbourne Vic 3000

GRAEME S. DAY
Partner

Dated: 31 August, 2016



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