ABOUT GLAXOSMITHKLINE

GlaxoSmithKline (GSK) is a UK headquartered, research-based pharmaceutical and healthcare company operating in more than 100 countries around the world. Our mission is to improve the quality of human life by enabling people to do more, feel better and live longer.

In Australia we have improved people’s health and wellbeing by delivering the highest quality medicines, vaccines and over-the-counter healthcare products since 1886. Our contribution to the Australian economy continues to grow in-line with our success, with new approaches to agriculture and manufacturing, and investment in research and development (R&D).

GSK Australia’s business encompasses a number of related entities: Pharmaceuticals, Consumer Healthcare, Opiates and Stiefel Research. We are also involved in a world-leading HIV company, ViiV Healthcare, in collaboration with Pfizer.

We invest around $58 million a year in local R&D and provide about 1600 skilled jobs across five sites in three Australian states, from managerial positions right through to production roles in our manufacturing facilities. Our employees earn between 11-56 per cent more than the average Australian wage earner.

GSK contributes approximately $580 million to Australia’s pharmaceutical and medicinal exports. We invest about $20 million per annum in capital expenditure in our manufacturing facilities across Australia in order to maintain capability and competitiveness.

GSK has a high level of involvement in clinical trials in Australia. We collaborate with about 200 institutions Australia-wide, working on genetic and biochemical research projects and participate in about 80 active clinical studies at any one time. Our Medicines Research Unit at the Prince of Wales Hospital in Sydney is the only Phase I facility supported by a pharmaceutical company in Australia.

We are very proud of our work with Australian biotechnology companies to bring innovative medicines to the world. Our partnership with Biota on Relenza, a medical innovation used to treat and prevent influenza, is an excellent example of these Australian-based collaborations.

We have four manufacturing facilities making products for more than 30 different countries. Boronia, on the outskirts of Melbourne, is one of GSK’s largest sterile facilities globally, and includes two Relenza lines and innovative blow-fill-seal technology.

GSK Australia’s Opiates business also supplies approximately 25 per cent of global demand for opiate alkaloids, which are the chemicals derived from poppies and used for pain relief. Our manufacturing facility at Port Fairy, Victoria performs the medicinal alkaloid extraction and refinement to produce thebaine, codeine and morphine. These are vital ingredients in many pain relieving medicines and over 95 per cent of the refined product is exported.

Today GSK distinguishes itself not only through its success but also through a collective ethical approach to all areas of business. As one of the largest pharmaceutical companies in the world, we understand our great responsibility to people in the communities we serve.

In Australia, we are recognised by the Equal Opportunity in the Workplace Agency as an Employer of Choice for Women, a citation we’ve been awarded for three consecutive years since 2010. In 2012, the pharmaceuticals division was very proud to launch GSK’s first Reconciliation Action Plan, which marks GSK’s recognition of Aboriginal and Torres Strait Islander peoples and will help shape our efforts to close the life expectancy gap between Indigenous and non-Indigenous Australians.
RESPONSE TO THE PHARMACEUTICAL PATENTS REVIEW

GSK welcomes the opportunity to comment on IP Australia’s Pharmaceutical Patents Review Background and Suggested Issues Paper. Over the past few years, both independently and through Medicines Australia, we have worked closely with the Australian Government to improve Australia’s IP system, and will continue to do so.

As we have stated in previous submissions to IP Australia, GSK supports reforms that aim to align patent practice with other countries and provide useful improvements to Australian patent law.

The patent system is a social good. The Australian Government, through the Patents Act and IP Australia, has established a system that provides robust and balanced protection for innovators and investors so that society may benefit from the development of new knowledge, products and services. Central to this system is the disclosure of innovative ideas in exchange for patent protection. Furthermore, the patent system requires that granted patents must clearly describe the invention. Accordingly society as a whole, including follow on innovators, benefit from disclosure of the invention and the academic literature surrounding it.

Patents are the life blood of the innovative pharmaceutical industry; they incentivise the development of new medicines and diagnostic tests by providing the security necessary for investment in medical research. This in turn improves patient access to innovative and improved medicines. Extensions to pharmaceutical patent terms in Australia compensate companies for the increasingly costly and time-consuming process to get new medicines to the market in order to make a return on investment.

It is worth noting that countries with some of the strongest patent laws related to healthcare have the most vibrant innovative industries and some of the best healthcare systems in the world. Whilst we recognise that this is not caused by patent laws alone, it is evidence that patent laws are not creating significant problems in real world conditions. In Australia, rigorous conditions must be met before a patent is granted and enforced. These conditions have been carefully developed over many decades at both the local and international level.

As a global company operating in highly competitive global supply chains, changes in government policy and practice have major repercussions for how we invest in Australia.

Countries around the world compete for the industry’s attention and investment dollars and many, such as Singapore and central Europe, have taken bold steps to attract pharmaceutical investment. Large emerging markets like India, China, Brazil and Eastern Europe are high growth markets for pharmaceuticals. They have much larger patient populations (enabling fast patient recruitment), significant cost advantages, skilled labour and increasingly sophisticated healthcare systems able to produce quality trial data.

The protection of intellectual property is a factor we take into account when making investment decisions. In this competitive environment, it is vital that appropriate patent protection in Australia is maintained – if not enhanced – and that other incentives in manufacturing and clinical research are implemented. This will encourage future investment in Australia and improve Australian patients’ access to new health technologies.

For this reason, GSK supports the submission and recommendations made by Medicines Australia on behalf of the innovative pharmaceutical industry in response to the issues paper. We strongly urge the review panel to ensure that no new laws are implemented that would, in any way, undermine the ability of innovators to obtain patents or defend their legitimate interests.