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What's Transforming Australia's Thriving Life Sciences Industry?

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With research and development thriving, and demand for locally made biopharmaceuticals increasing in an effort to secure reliable medical supply chains, Australia has set its sights on becoming a global life sciences hub. As Australia heads towards becoming a global life sciences hub, the industry pledges opportunities for all stakeholders, solidifying its pivotal role in shaping the nation's healthcare landscape.



The Australian life sciences sector has grown by an astonishing 43 per cent over the past five years, signifying a dramatic shift in its trajectory. Traditionally reliant on multinational corporations for pharmaceuticals, medical goods, and devices, the industry's direction was profoundly altered by the outbreak of COVID-19.

As the global supply chain faced vulnerabilities, the adaptability of Australia's life sciences sector shone brightly due to the Australian Trusted Trader programme, which accelerated customs clearance and enhanced supply chain efficiency. This enhancement benefitted the life sciences sector by ensuring the timely availability of critical medical supplies and reduced delays, heralding a new era of investment, growth, and innovation.

With research and development thriving, combined with an increased demand for locally produced biopharmaceuticals to ensure medical supply chains are reliable, Australia is actively striving to rise as a global life sciences hub. The landscape is awash with promising investments, encompassing substantial commitments to health and innovation districts, life sciences R&D, biomedical hubs, and an expansion of medical equipment manufacturing capacity. Collectively, these investments solidify Australia's aspiration to assume a pioneering role in global life sciences.

Notable emerging and planned State Government investments include over AU$3 billion committed to further developing New South Wales' Westmead health and innovation district, AU$ 1.4 billion to drive life sciences research and development in Western Australia, AU$ 4 million to position Queensland as a globally competitive APAC biomedical hub over the next 10 years, and AU$ 20 million investment into the Australian MedTech Manufacturing Centre in Victoria to boost production capacity for vital medical equipment.

Navigating Challenges and Realising Opportunities

The path to global leadership is not devoid of challenges. Among these hurdles is a potential bottleneck in real estate and infrastructure—stemming from various life sciences entities competing for physical space. This bottleneck has the potential to slow down the sector's rapid growth, although emerging reports hint at an imminent real estate boom in response to market demands.

Another obstacle lies in the shortage of skilled professionals, particularly in sectors involving commercialisation. Despite a robust research and development track record, the talent pool is grappling with professionals moving overseas, posing a significant concern. In 2022, the Australian government allocated AU$ 2.2 billion to address this skill gap, underscoring the urgency of nurturing and retaining local talent.

Impending Ageing Population Challenge

Another notable challenge also looms for Australia—the ageing population. The country's rapidly growing population, especially among those aged 85 and above, is poised to exert pressure on the healthcare system. Dementia has overtaken coronary heart disease as the leading cause of disease burden among Australians aged 65 and over, spotlighting imminent healthcare concerns.

In response, Australia's health and aged care sectors are positioned for significant growth, projected to account for a substantial share of government spending over the next four decades. The health sector's expenditure isexpected to rise from 19 per cent in 2021-2022 to 26 per cent in 2060-2061. While presenting challenges, this shift also opens avenues for growth and innovation within the life sciences sector.

Charting the Course Amidst Challenges

Despite abundant investment and expansion opportunities for organisations, it is a candidate-driven job market. Therefore, companies need to offer competitive salary and benefits packages to secure the best talent. Concurrently, professionals are primed to contribute to Australia's journey toward becoming a global life sciences hub, while also securing a self-sufficient future for the nation's citizens.

A Deep Dive into Salaries and Benefits

The question of appropriate compensation is one of the biggest topics in the life sciences industry right now. Whether you're an employer striving to attract top talent or a professional seeking equitable remuneration, understanding the salary landscape is pivotal for success. According to a recent survey by EPM Scientific which engaged nearly 200 Australian life sciences professionals, data shows that most professionals (27 per cent) fall within the AU$ 111k – AU$ 148k range, closely followed by a quarter of respondents earning AU$ 74k – AU$ 111k.

The survey highlights a shift in bonus trends. While the proportion of professionals receiving a yearly bonus increased by 7 per cent compared to the previous year, the value of these bonuses varies. The most common range remains at 0-5 per cent of the base salary, consistent with findings from the previous year.

However, around a third of respondents received bonuses within the 6-10 per cent range, indicating a significant increase from the preceding year. Conversely, bonuses worth over 30 per cent of salary have significantly decreased.

The report also points to an unexpected development – 8 per cent fewer professionals received a salary increase compared to the previous year. Despite Australia's inflation levels, most respondents (68 per cent) received pay raises of 0-5 per cent of

their base salary. This phenomenon raises concerns about employee retention, as wages may need to align with inflation rates to retain top talent.

Balancing Benefits and Flexibility

In a high-pressure industry like life sciences, benefits beyond salaries are of paramount importance. Approximately one-third (32 per cent) of respondents received travel allowances, topping the list of work benefits. Additional holiday time, increased superannuation, and health and wellness benefits, such as health insurance, subsidised canteens, and gym memberships, were also favourably received.

The survey highlights that the majority of respondents received between 14 and 20 days of paid annual leave, in line with Australia's national standard. Additionally, flexible working arrangements remain integral, although there has been a 9 per cent decrease in the percentage of respondents receiving flexible working hours compared to the previous year. Despite this decline, 87 per cent still have flexible working, and 93 per cent have the option of remote working.

Professionals' Aspirations and Motivations

Australia's life sciences professionals are navigating their paths with a clear sense of purpose. The allure of a better work-life balance, higher compensation, and enriched roles, management prospects, or company potential are the top factors propelling professionals toward fresh career avenues. On the flip side, lower base salary, negative company reputation/brand, and inflexible working policies drive professionals to explore alternative roles. Notably, 23 per cent of professionals are willing to trade a lower base salary for the promise of more shares or equity.

Embracing the Future

The outlook for Australia's life sciences sector brims with promise and potential. Amidst challenges, the industry's growth continues to surge, propelled by investments, innovation, and a robust talent landscape. The intricate interplay of salaries, benefits, and flexibility shapes a dynamic market, with both employers and professionals striving to align their interests. As Australia heads towards becoming a global life sciences hub, the industry pledges opportunities for all stakeholders, solidifying its pivotal role in shaping the nation's healthcare landscape.

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