

BIOTECHNOLOGY INDUSTRY PAY TRENDS – NEW SURVEY

Monday 19th May 2003: Australia's first salary survey specific to the Biotechnology industry has been released to contributors, signalling that the industry is getting serious about setting competitive pay rates to attract talented staff in what is now a highly competitive marketplace.

The April 2003 *Australian Biotech Industry Salaries and Benefits Survey* was produced by remuneration specialists Classified Salary Information Services (CSI) on behalf of a steering committee including representatives from AusBiotech Limited and the Biotech Human Resources Group (the latter of which was formed in 2002 and includes HR representatives from Amrad, Biota and Starpharma, amongst others.)

"The instigators of the survey are HR professionals who have come from other industries, where they are used to more sophisticated systems and access to remuneration information that wasn't available in the biotech sphere," says CSI remuneration specialist Caroline Hill. "They wanted to rectify the situation by having a salary survey specific to the industry."

All parties involved in the production of the inaugural survey wanted to distinguish themselves from the traditional pharmaceutical companies:

"I think the need for a biotech-specific salary survey clearly shows a maturation of the industry and the need to have remuneration benchmarks of their own, without having to rely on guesstimates from other scientific or pharmaceutical markets," says Caroline.

"The industry is definitely attracting more attention now than ever before and, as such, employment issues across the board are becoming important. As expertise in the biotech area

increases, there is a growing need for relevant market remuneration data, which, before the survey, didn't exist," she says.

The April 2003 *Survey* found that bonuses were paid to 25 per cent of employees and were valued at 7 per cent of the average Taxable Base Salary. Long-term Incentives (most often in the form of stock or share options) were included in 24 per cent of employee remuneration packages. Attendees at the Biotech Survey Feedback Session held in May raised some concerns about the declining value of employee stock options.

According to the survey, employees working for Victorian-based companies are receiving just 82 per cent of the salary awarded to their NSW-based counterparts, while Queensland employees are lagging behind on an average of 78 per cent of the NSW base salary.

Data for Research and Development roles was particularly strong, with 58 individual R&D Scientists from 14 companies accounted for in the Survey.

The 2004 *Biotech Survey*, due for release in February, will contain additional comparative data (including average annual salary movements) not available in the first survey, as well as 'career levels' which take into account the complexity of roles in the industry (i.e. numerous roles within biotech companies are a composite of several different roles and often vary from organisation to organisation) and allow companies to adjust employee remuneration packages accordingly:

"I believe that the initial survey paints a picture of what is currently happening in the biotech market and, in the future, I think it will be a benchmarking tool that organisations will develop their remuneration strategies around," says CSI remuneration specialist Nick Milne.

Participation in the survey is open to organisations operating within the core-biotech sphere of the industry. Organisations who are corporate members of AusBiotech will receive a 10 per cent discount on the annual survey cost, while organisations with less than six employees will receive a further 10 per cent discount.

"AusBiotech Ltd were keen to see an additional service benefit offered to their members, as they often get asked questions from members about what pay rates for certain roles should be," says Caroline.

ENDS

Note: CSI's *Australian Biotech Industry Salaries and Benefits Survey* is the benchmark document for determining market-competitive remuneration packages for staff working in the Biotechnology industry. It covers 20 technical and non-technical roles, from the Research Director to the Sales and Marketing Manager.

Released in late April, the *Report* scientifically examines the salaries and benefits of more than 310 employees working in 16 Australian companies within the Biotechnology industry. For further information about the *Australian Biotech Industry Salaries and Benefits Survey* please contact Nick Milne on (02) 8440 6520.

Classified Salary Information Services (CSI) is an Australian-owned company that monitors pay-market trends, in Australia and New Zealand, through one of the largest salaries and benefits databases in the Asia Pacific region.

Our range of salary surveys provide organisations with the information they need to ensure their salary structures remain market-driven, while our Client and Professional Services teams help companies develop sound remuneration policies and practices.

For further information please contact:

Mr Peter Barton

Managing Director on (02) 9415 3455

Mr Nick Milne

Remuneration and Benefits Specialist (and Biotech Survey Representative) on (02) 9415 3455

Ms Erica Holburn

Marketing Communications Officer on (02) 9415 3455 or 0404 139 650 (Mon-Wed)

Or go to CSI's website:

www.classalinfo.com.au