

**Submission
No 35**

PERFORMANCE OF THE REGIONAL INVESTMENT ACTIVATION FUND AND THE REGIONAL JOB CREATION FUND

Organisation: ABC Can (Australian Natural Therapeutics Group)

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SUBMISSION TO THE LEGISLATIVE COMMITTEE ON INVESTMENT, INDUSTRY AND REGIONAL DEVELOPMENT

1. INTRODUCTION

1.1 ABC Can Pty Ltd (ABC), a subsidiary of Australian Natural Therapeutics Group Pty Ltd (ANTG)) takes a holistic approach to the production of plant-based medicines, including cannabis-derived medical products for Australian and export customers. ABC produces premium-grade plant-based medicines, using optimal genetics and best-practice cultivation.

1.2. ANTG owns and operates state-of-the-art cultivation, manufacturing and packing facilities based in Armidale NSW, Pitt Town NSW, Brisbane QLD, and California USA.

1.3 The Armidale facility is certified under both Good Manufacturing Practices (GMP) and Good Agricultural and Collection Practices (GACP). The Armidale facility was the first to attain GACP status across the country, marking a key company milestone.

1.4 ANTG's Research and Development department is led by plant sciences expert Chief Scientific Officer Justin Sinclair. The R&D team focus on product development and clinical research, working with university partners on pre-clinical laboratory studies through to large-scale human clinical trials.

1.5 As a sizeable employer in regional NSW, ABC employs and trains skilled employees as well as offering opportunities for people of all ages to complete horticultural traineeships via external stakeholders.

1.6 ABC welcomes the opportunity to submit feedback to the legislative committee on investment, industry, and regional development to support the growth of present and emerging industries across regional NSW.

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2. CONTEXT

1.7 In 2022 ABC increased production capacity to meet demand from domestic and overseas markets. The shift towards meaningful participation in the global and local supply chain maximised output, optimising the value of exported products and sales contracts. Significantly, this development reduced reliance on potentially lower-quality imports.

1.8 Increased production signalled the need for expansion, in line with the government's 20-year Economic Vision¹ for Regional NSW's core objectives, such as the growth of regional advanced manufacturing capabilities, and creation of high-quality local job opportunities; both contributing factors to making the Armidale region an appealing alternative to city living.

3. ALLOCATION OF THE REGIONAL JOB CREATION FUND

1.8 In August 2022, ABC was a successful recipient of the Regional Job Creation Fund, creating 30 new skilled full-time positions in Armidale. Staff were employed across cultivation, manufacturing, processing, laboratory, packing, sales, and administration, significantly increasing efficiencies and output, while supporting local economic growth.

4. EFFECTIVENESS OF FUNDS IN ACHIEVING AIMS

1.9 The funding created throughput and output to both export and local markets, increasing domestic and export sales of GMP-certified medical-grade products.

¹ State of NSW. (2021). *20 Year Economic Vision for Regional NSW*. [Online]. www.nsw.gov.au/20YearVision. Available at: <https://www.nsw.gov.au/regional-nsw/resources>

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2.0 The increased activity also signalled where further efficiencies could benefit ABC, with identified future opportunities including upgrades to the existing greenhouse roofing, lighting and irrigation management, and a new mixed-use shed for GMP processing.

2.1 The funds allowed ABC to effectively achieve its aims, with the office-to-GMP conversion completed and jobs created. Additionally, the funding enabled ABC to provide industry incentives for Australian growers, with scaled processing and packing activity benefitting local cannabis producers seeking to reduce processing costs for export products.

5. EFFECTIVENESS OF BUSINESS CONCIERGE SERVICE

2.2 ABC has greatly benefitted from using the business concierge service, and in particular the regional landing pad located at Wynyard Station, Sydney, where several invaluable strategy meetings have taken place. These meetings have brought together project managers, scientists, sales, commercial, communications and executive management.

6. OPPORTUNITIES FOR COMMUNITY/STAKEHOLDER COLLABORATION

2.3 Collaborations include a research partnership with the University of New England (UNE), including a study examining cannabinoid optimisation in cultivation.² ABC has partnered with leading UNE academics to provide funding and industry expertise by supporting a PhD candidate to pursue this project, working on-site with our in-house cultivation experts.

² University of New England, Armidale, NSW, Australia. (2023). *Cannabinoid Optimisation in Cultivation*. [Online]. www.antg.com.au.

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2.4 Shortly after the funding announcement was broadcast, ABC received numerous requests to officially engage with community stakeholder groups, including presenting an overview of company operations to the Armidale-New England Probus Club. This led to further engagement with community health groups and resulted in ABC providing compassionate access support to elderly and vulnerable patients.

2.5 Following a direct request, ABC connected with NSW Regional Industry Education Partnerships (RIEP), holding a training and education session for Agricultural students from the New England Grammar School (NEGS). The RIEP initiative strengthens connections between local industry and secondary school communities, providing support for students planning future career pathways. ABC has committed to holding annual tours for students.

2.6 A promising partnership has also been formed with the University of New England-led SMART Region Incubator (SRI) bringing together researchers, school and university students, mentors, experts, investors, government, and business partners to create an ecosystem of opportunity. In April, ABC was invited to take part in a think tank with the SRI discussing regional innovation and job creation, with our story featured as a local study.

2.7 A positive outcome of the Regional Job Creation Fund was the employment of new job entrants from culturally and linguistically diverse (CALD) backgrounds. Approximately 43% of our 83 staff on site are from multicultural backgrounds. Positions include cultivation and manufacturing, through to more specialist roles in quality assurance and horticulture.

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2.7 Overall, the Regional Job Creation Fund has enabled ABC to increase efficiencies, particularly through the office-to-GMP conversion, enabling us to carry out more manufacturing and processing tasks than before, with additional staff handling tasks concurrently across three GMP rooms (two multi-purpose and extraction).

2.8 Notable additional benefits have included the business concierge service to further strategic initiatives and the strengthening of connections to the local community, increasing stakeholder engagement, networks, economic development, and social participation.