

Media Coverage

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R&D tax credit will keep Australia competitive, says trade group

The R&D tax incentive legislation reintroduced to the Australian Parliament this week has the potential to make the country more globally competitive as an investment location for pharmaceutical R&D, Medicines Australia chief executive Brendan Shaw said.

“This legislation provides both local and international companies with an additional incentive to invest in R&D in Australia,” Dr Shaw said, adding: “It is an extremely positive and beneficial measure and I call on all parliamentarians to support it.”

The head of the pharmaceutical industry trade group noted that “the bottom line is that this legislation will reduce the net cost of undertaking R&D in Australia by 10% and make us more globally competitive. This could be a massive opportunity for the pharmaceutical and biotech industries in this country.”

Fierce competition from China, India and Singapore for R&D investment

Dr Shaw continued: “The competition for R&D investment from countries such as China, India and Singapore is extremely fierce. However, with the right policy settings we have a precious opportunity to grow our R&D industry and keep innovative R&D in Australia. That would ensure we keep more of our top research scientists engaged in Australian R&D and attract greater investment to our universities and other research institutions. It is very much in the national interest that we seize this opportunity.”

Data released last week by the Australian Bureau of Statistics showed that the medicines industry is Australia’s largest manufacturing investor in R&D, attracting A\$1.023 billion (\$980.1 million) in R&D investment in 2008-09.

“The tax credit will greatly assist the industry to sustain and grow its R&D investment in Australia,” Dr Shaw said.

The medicines industry conducts more than 800 clinical trials in Australia each year. In 2009 more than 18,000 Australians participated in clinical trials supported by the medicines industry in this country.

“This tax credit will help keep Australia at the forefront of medical research globally and will help secure high-value research jobs,” Dr Shaw said, noting that “it has the potential to deliver significant benefits to the Australian economy.”

AusBiotech urges MPs to support the legislation

Meantime, AusBiotech has urged Members of Parliament to support the swift passage of the R&D Tax Credit legislation and the government to persist with its introduction.

Chief executive of the biotechnology trade group, Anna Lavelle, said: “We must not forget the pivotal role emerging science, biotechnology and innovation play in our long-term survival and prosperity and the biotechnology sector needs the tax credit to replace the tax concession now.”