

# Media Coverage

**Company:** AusBiotech  
**Date:** 14 June 2011  
**Publication:** Griffith Hack  
**Page:** <http://www.griffithhack.com.au/mediacentre-BiotechsectorsurvivesFederalBudget>

*Buchan*

Business Strategy | Communication | Public Policy

## Biotech sector survives Federal Budget

14 June 2011

The biotechnology sector breathed a sigh of relief in May having been spared further funding cuts in the Australian Federal Budget. Most importantly, the anticipated AUD\$400 million cut to the National Health and Medical Research Council (NHMRC) funding did not eventuate; thanks mainly to a well-run campaign by researchers, universities and AusBiotech.

The Australian Federal Budget also retained funding for Commercialisation Australia and the Australian Research Council (ARC) Linkage grants, but funding for Collaborative Research Centres (CRCs) has been cut.

The Australian Federal Government is attempting to return to surplus by 2012/13 by slashing AUD\$22 billion from 'redundant programs' and relying on a second mining boom. Assuming that there is a second mining boom and that the long-awaited R&D Tax Credit scheme announced by Senator the Hon Kim Carr, Minister for Innovation, Industry, Science and Research two years ago finally passes through the Senate, it is possible that funds might flow into biotechnology, medical technology, information communications technology (ICT) and other innovative industries. This could be a significant boost to the biotechnology sector, which has languished in recent years. It is anticipated that the R&D Tax Credit scheme will be debated in the Senate this August.

The Hon Wayne Swan, Federal Treasurer, also announced a raft of new initiatives including a AUD\$2.2 billion boost to mental health, AUD\$3 billion for training, more participation in a more productive workforce, AUD\$1.8 billion for regional facilities including healthcare, cost-of-living relief for low income earners, and support for recovery from recent natural disasters. Within the \$2.2 billion for mental health are research funds of AUD\$26.2 million for mental health research via the NHMRC over the next five years.

Australian science, research and innovation has an estimated \$9.4 billion budgeted for in the 2011/12 financial year. While there had been an expected cut in NHMRC funding, it was in fact increased by 4.3 per cent from AUD\$715 million to AUD\$746 million. The CSIRO will also receive a record \$3 billion in funding on top of annual work contract worth approximately AUD\$100 million. An Australia China Science and Research Fund is to be established with AUD\$9 million over three years for bilateral research collaborations with China.

On the downside, AUD\$20.7 million will be cut from CRCs, including AUD\$33.4 million over four years from the CRC program, AUD\$6 million over three years from Enterprise Connect (AUD\$101.3 million over four years will remain), and the cessation of the Green Car Innovation Fund with AUD\$434.2 million cut over the forward estimates period and AUD\$601 million in total.

By [Dr. Stuart Boyer](#), Principal