

NEWS

R&D tax credits cleared

AUSTRALIA: The Commonwealth Government expects its new R&D Tax Credit scheme to result in \$1.8 billion in claims for research expenditure over the next four years.

Federal Treasurer Wayne Swan and Innovation Minister Kim Carr announced yesterday that crossbench Senators would support the scheme, meaning the bills relating to the credit should pass unopposed through the Senate. They said the scheme would begin from the first of next month.

"We welcome the commitment of industry, the Greens and independent parliamentarians who have put good policy ahead of political posturing in supporting this reform," Carr and Swan said.

"This will allow more firms to benefit from our massive boost to the innovation, science and research budget," they said.

Ausbiotech said the crossbench Senators had agreed to an early announcement of their intent to support the Bill, because of its retrospectivity, and to give businesses certainty in their planning by allowing time for discussions with intermediaries such as industry organisations and tax consultants about how the scheme will operate, Ausbiotech said.

Medicines Australia welcomed the announcement, and saying the Bill will give companies an incentive to boost their R&D investment in Australia.

"Competition for R&D investment dollars from Asia and Europe is fierce, and we have been falling behind. With the right policy settings we can reverse this decline," said Acting Chief Executive, Andrew Bruce.

"This legislation is a big step in the right direction to ensure Australia remains competitive in the face of strong overseas competition," he said.

In a win for smaller biotechs, following discussions with the Greens, the Government says it will introduce quarterly payments for small and medium businesses from 1 January 2014 in order to aid cash flows.

