

Biotech Daily



Wednesday June 15, 2011

Daily news on ASX-listed biotechnology companies

*** AUSBIOTECH LOOKS FORWARD TO BILL PASSING INTO LAW**

AUSBIOTECH

Ausbiotech said it welcomes the announcement saying “the biotechnology community is today celebrating news that the much-needed research and development tax credit will be delivered imminently, providing a major boost for innovative biotechnology companies and spill-over benefits for the community from biotechnologies”.

The industry body said start-up innovation companies would be “the big winners from the tax credit's 45 percent refundable component” and the legislation would also benefit large companies by reducing the cost of conducting eligible activities in Australia.

Ausbiotech chief executive officer Dr Anna Lavelle said the announcement was “the result of more than two years of advocating, consultation and working toward a good policy for innovation, however the work is not done yet”.

Dr Lavelle said quarterly payments were preferable to the original annual payments.

BIOTECH DAILY EDITORIAL

While we join Ausbiotech in being grateful that the Bills will finally be reintroduced into the Senate and passed with the support of the Greens, the delays have robbed biotechnology companies of several years of funds.

The research and development tax credit Bills were part of a program with Commercialisation Australia to replace the Commercial Ready program and other Federal programs axed by Treasurer Wayne Swan and then Finance Minister Lindsay Tanner in the 2008 Budget (BD: May 14, 2008).

When introduced the tax credit Bills included a start date of July 1, 2010. Having taken so much from the sector, there would be no harm in maintaining that start date with tax credit payments from the finalization of 2010-'11 tax accounts.

Instead, we must be grateful the Government has bothered to pursue the Bills, at all. What is particularly chaffing, though, is that at the same time that biotechnology wins a small share of Commercialisation Australia's \$80 million a year, Innovation Minister Senator Kim Carr gave General Motors Holden – a company that historically repatriated vast profits to its offshore owners - \$40 million to develop a so-called ‘greener Commodore’.

As Cochlear chief executive officer Dr Chris Roberts put it so well: “How many \$30,000 Cochlear ear implants can you fit into a Boeing 747, compared to \$30,000 Monaros?” Let alone coal trucks.