

No new funding for biotechnology/medical device companies.

The biggest loss to small Australian companies will be the continuance of the current R&D tax concession system, which discriminates against young fast-moving companies. I note the weak language in the Coalition's "plan for real action"; "consider – future improvements (such as the possible transition to tax credits)". This takes us back to pre-Cutler days before the 2007 Innovation Review. Moving to a credit system was a widely supported position then and since, many leading commentators have agreed that a tax credit is a superior policy position for Australia.

Yes, parts of industry would like to see drafting changes but this does not justify throwing away the whole reform. The Coalition's position will definitely be a negative for hundreds of small innovative companies providing high value employment and wealth generation for Australia. The resistance to considering a tax credit makes no sense.

The "plan for real action" makes an important point that innovative individuals and businesses need to be able to invest with confidence. Australia needs stability in the area of industry and innovation policy. Wholesale change that occurs with changing governments needs to cease as it poses a real sovereign risk and reduces the likelihood of domestic and foreign investment.

I note with interest that the Coalition will not be "picking winners" and then moves onto announcing funds for the TCF industry. This is the first election campaign since John Button was Minister for Industry, that Australia has not had a biopharma policy. As was shown by recent ABS data manufacturing in Australia during 2009-2010 declined overall by 11% but exports from the biopharma sector rose 2% to \$4.12b - making the biopharma industry the most valuable high technology exporter.

We do make things in Australia and export them. Biopharma and medical devices and these sectors of industry deserve proper attention and appropriate support.

I agree that a number of the recommendations in Terry Cutler's report have not been developed further. The sector would be interested to know which recommendations the Coalition are willing to pursue.

I note the establishment of a National Food & Grocery Agenda. The Coalition previously had a number of Industry Action Agenda's and it would be valuable if the work undertaken by the Medical Devices Industry Action Agenda were re-examined and the ones related to global supply chains, implemented.

AusBiotech agrees that the anti-dumping and countervailing system needs to be optimized for Australia and will watch this area with interest.

The Coalition acknowledge that the Commercial Ready Programme was "highly successful". This sentiment would be well supported by industry and investors. However, there is no indication of new money to make Commercialisation Australia more effective nor a suggestion that the Coalition will return Commercial Ready.

It is very positive to see the statement regarding enhancing and expanding the venture capital industry in Australia. The details are absent so it remains to be seen how this will be actioned.

In summary, a pale statement which lacks excitement for the innovative industry, which so important for the future of all economies, including Australia's. The detail may reflect more truly on the Coalition's intentions but this statement holds little substance. The only definite is a negative and relates to denying small innovation companies the support they need and deserve in the form of tax relief.