

Industry blasts Rudd over research plan

Tax-credit scheme pledges 'ditched'

By **ARI SHARP**
CANBERRA

BUSINESS lobbyist the Australian Industry Group has savaged the Rudd government's latest subsidy plan for research and development, accusing it of renegeing on earlier pledges of support for commercialising innovation.

The Ai Group said the draft of legislation to put the government's research and develop-

ment tax credit in place was a retreat from its earlier stance because it narrowed the opportunities for companies to tap into the subsidy.

The \$1.4 billion scheme, announced by the federal government in the budget last May, offers a 45 per cent refundable tax credit for companies with a turnover of less than \$20 million and a 40 per cent standard tax credit for larger companies.

The credit is to offset com-

pany spending on research and development, but the criteria set out in the draft legislation released at the end of last month has effectively excluded support for development, according to the Ai Group.

"The new draft clearly indicates a significant change in the policy mindset of the federal government as it relates to stimulating research and development in the economy," chief executive Heather Ridout said in a submission to a review of the draft legislation.

"Contrary to its stated position in recent policy documents

... it is now apparent that the government intends to pare back its role to fund, almost exclusively, research."

Ms Ridout referred to the *Powering Ideas* paper released last year. Though she did not specify the statement to which she was referring, the document does say: "It is ... essential that firms can access finance to commercialise their ideas."

The Ai Group said it objected to the introduction of a clause specifying the "objects" of spending that qualify for the credit. The clause limits support to research that has spillover

benefits to the economy, but it makes no mention of activities that aid the further development and commercial application of that research.

It also complained about the potential for differing guidelines for different sectors of the economy and the introduction of a "dominant purpose test" for supporting expenditure.

Innovation Minister Kim Carr rejected the criticism, saying the eligible activities were narrowed to rule out claims for things such as roads to mines but still covered a broad scope.

"This is about ensuring the

definition of core R&D covers experimental activities which are conducted for the purposes of acquiring new knowledge, covering both research and development," he told *The Age*.

The draft legislation won the qualified support of biotechnology representative AusBiotech, which argued it was more generous and more predictable than the existing system of tax concessions.

Delivering a shot across the bows of the Ai Group, the AusBiotech submission said: "We understand some elements of corporate Australia are resist-

ing the legislation, looking for amendments, and we urge the government to persist with its passage."

The government plans to introduce the tax credit on July 1, but the Ai Group says the new definition of research and development should be delayed by a year. Senator Carr said he would not consider delaying the scheme but would refer it to a Senate committee next month.

The draft legislation is the second attempt to get the legislation right after an earlier draft released in December was poorly received.

was in a stable condition.

PARENTS' OUTRAGE Autism jokes apology

NETWORK Ten has apologised for a series of tasteless jokes on its *Good News Week* program that targeted children with autism, causing outrage among parents.

Upset parents had demanded a public apology for the comments made during the program, which aired nationally on Monday night.

Autism, a lifelong disorder that affects social interaction and communication skills, was the subject of several jokes by British comedian Russell Kane.

He told host Paul McDermott that his comedy festival team "went at you like an autistic kid on a drum, we destroyed you".

Network Ten issued an apology yesterday.

RT Edgar



TOORAK 172 Kooyang Road

This stunning architecturally designed family residence, built to the highest international standards opens to rear garden with inground pool. Features include high ceilings, French oak and limestone floors and excellent floor plan. Land size 963m². Formal lounge, separate dining, kitchen meals, informal sitting room open via atrium to garden and study. Upstairs: 4 bedrooms all with ensuite bathrooms and built in robes or walk in robes. Multi zone heating and cooling, video security and 4 car garage.

Auction Saturday 8th May at 12.00pm (Unless Sold Prior)

View Wednesday, Thursday & Saturday 1.00 - 1.45pm

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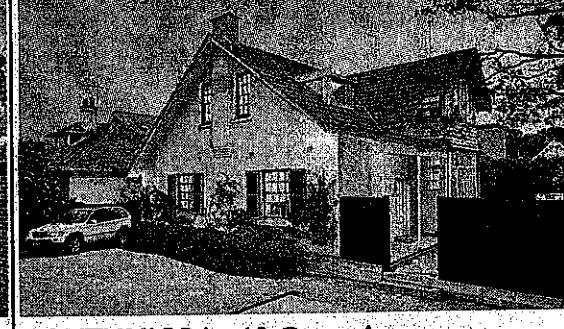
TOORAK 5 Merriwee Crescent

'As-new' home in the classical English tradition close to schools, public transport and Kooyong Village. On landscaped gardens of 701m² with terrace and deck areas and underground parking for 3 cars. Study, formal sitting and dining, powder room, kitchen and large family room opening to rear terrace and garden. Large laundry with W/C opens to service courtyard. Upstairs: Master bedroom with ensuite and dressing room, 2 additional bedrooms and family bathroom and 4th guest bedroom with ensuite. Heating and cooling and storage.

Auction Saturday 8th May at 1.00pm (Unless Sold Prior)

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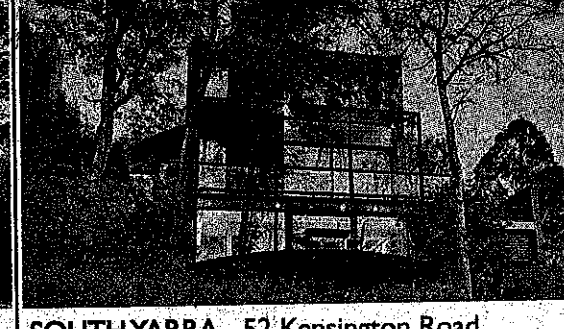
SOUTH YARRA 13 Como Avenue

Unbeatable Como House Location. Renovate this family residence opening to Northern terrace and North West facing garden with inground pool and sun deck. Situated on one of South Yarra's finest tree lined streets, minutes walk to Como Park, Toorak Road and Chapel Street. Land size 800m² approx. (66' x 131' = 8646 sqft). Large entry, foyer, formal lounge, separate dining, kitchen meals, informal sitting room, rumpus, separate TV room, study and 2 bathrooms. Upstairs: 3 bedrooms plus master bedroom with ensuite and BIR, family bath, ducted heating, air conditioning and off street parking for 4 cars.

Auction Saturday 15th May at 2.00pm (Unless Sold Prior)

View Wednesday, Thursday & Saturday 3.00 - 3.45pm

Call Jeremy Fox 0418 339 650 David Colbran 0418 348 481



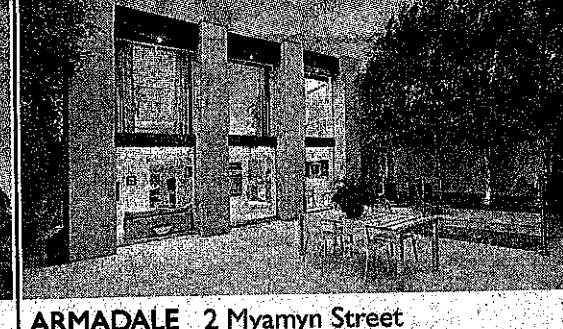
SOUTH YARRA 52 Kensington Road

This unique, elevated, contemporary residence perched on top of Kensington Rd hill overlooking the Yarra River, Como Park and into the trees, is minutes walk to Como Park, River Walk, cafes and Chapel Street shops and restaurants and features open plan living floor; to ceiling glass windows opening to private terrace and pool. Land size 629m². Comp: Open plan lounge, dining, kitchen/meals leading to terrace, 3 oversized bedrooms all with ensuites, upstairs master bedroom with ensuite, BIRs and terrace, downstairs 3rd bedroom with ensuite and terrace. Heating, air cond and double LUG.

Auction Saturday 15th May at 11.00am (Unless Sold Prior)

View Wednesday, Thursday & Saturday 2.00 - 2.45pm

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ARMADALE 2 Myamyn Street

Stunning two storey town residence designed to the highest of international standards to provide flowing indoor and outdoor. Northern living with swimming pool. Entrance opening to sitting room with open fire place, magnificent kitchen and family living/dining room opening seamlessly poolside, guest W/C and laundry. Upstairs: Superb master bedroom suite with dressing room and bathroom, 2 further bedrooms with walk in robes, bathroom and study. Other features include double garage with 2nd study or home gym annex and all close to transport and the epicurean delights of High Street.

Auction Saturday 1st May at 12.00pm (Unless Sold Prior)

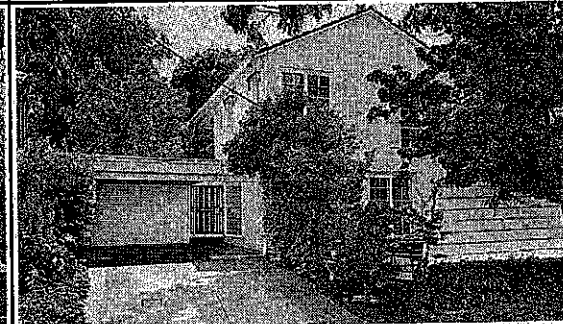
View Wednesday & Saturday 12.00 - 12.30pm

Call Greg Herman 0411 473 307 Michael Ebeling 0418 338 811



TOORAK 49 Irving Road

Elegant town residence with lift on a corner allotment of 7,000 sq ft approx. In Melbourne's most prestigious location. The residence designed to the highest of international standards with lift opens via French doors to private courtyard



TOORAK 13 Devorgilla Avenue

Fantastic opportunity to renovate this double storey family home or luxury newhome site, 2 townhouses or 2 flats (STCA) in this highly prized location close to major schools, transport and Toorak Village. Features: 3 bedrooms



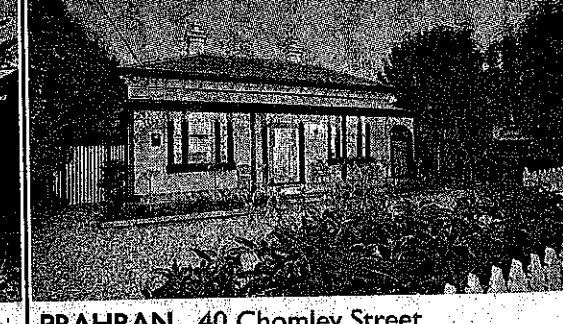
SOUTH YARRA 281 Williams Road

An outstanding 1930's classic art deco family home situated on approximately 12,500 sqft in the Como Estate. Features: Entrance portico to grand foyer leading to sitting room; dining room, study, sun room and powder room. Large living



ARMADALE 9 Seymour Avenue

This stunning double fronted Victorian family residence is a unique blend of style and privacy only moments to vibrant High Street and Glenferrie Road, shops, cafes, restaurants, schools, parklands and transport. Featuring: Entrance



PRAHRAN 40 Chomley Street

Stunning, fully renovated, double-fronted, four bedroom Victorian family residence with superb ambiance and award winning kitchen opening to delightful courtyard garden. Comprising: 4 well proportioned bedrooms, main with ensuite and walk in robes, generous main bathroom and expansive family