

Biotech Daily



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Daily news on ASX-listed biotechnology companies

*** AUSBIOTECH DETAILS BUDGET IMPACTS, COMMENTS**

AUSBIOTECH

Ausbiotech chief executive officer Dr Anna Lavelle said that “in a tough budget year the biotech sector has been spared further cuts”.

“There has been no weakening of the Government’s resolve to introduce the muchneeded tax credit reform,” Dr Lavelle said.

“The forward estimates allowing for this are still in place,” Dr Lavelle said. Dr Lavelle said the expected \$400 million cut to the NHMRC funding “has not eventuated thanks to a well coordinated campaign”.

Dr Lavelle said Commercialisation Australia and the ARC Linkage grants retained funding but the Cooperative Research Centres had been “impacted negatively”.

Dr Lavelle said the high Australian dollar was “making it hard for companies competing in international markets, such as biotechnology”.

Dr Lavelle said that the legislative Bills for the 45 percent research and development tax credit were awaiting debate in the Senate and had been provided for in the program expense budget statements.

Dr Lavelle said the Department of Innovation had set aside \$2.4 million to administer the program in the 2011-’12 financial year and \$10.4 million over the forward estimates period.

“Now the sector looks to the Greens and in particular [Christine] Senator Milne to deliver this essential reform,” Dr Lavelle said.

Dr Lavelle said she expected the tax credit Bills to be debated in the Senate in July and believed Senator Milne was “well-briefed and supportive of additional support for small innovative business”.

Dr Lavelle said \$20.7 million would be cut from the Collaborative Research Networks, \$33.4 million over four years from the Cooperative Research Centres program, \$6 million over three years from Enterprise Connect (\$101.3 million over four years will remain).

She said that \$4.1 million over four years was budgeted to continue the pandemic response system which includes treatments for swine influenza, as well as \$15 million

over four years to maintain the Human Papillomavirus Vaccination Program Register and \$138.7 million over four years to continue the bowel screening program.

Ausbiotech said pathology services had \$550 million cut from the Path Funding Agreement over the life of the program and the National Cord Blood Collection Service Network would lose \$1.5 million.

Ausbiotech said the Entrepreneurs' Tax Offset would be replaced with tax reforms for 2.7 million small businesses with effect from the 2012-'13 income year.

Ausbiotech said the measure would cut an estimated \$365 million over the forward estimates period.

The rationale given was that the Entrepreneurs' Tax Offset was poorly-targeted, complex for taxpayers and could deter businesses from growing beyond the size that benefits from the concession.

Ausbiotech said the Government claimed that small business would benefit from the Government's small business tax reform package, including a new instant write-off for the first \$5,000 of a motor vehicle, to commence from the 2012-'13 income year.

The Small Business Support Line will receive \$7.1 million over four years to provide continued support, after the line received almost 30,000 calls in less than two years of operation, Ausbiotech said.

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