

Media Release



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FOR IMMEDIATE RELEASE

Push to delay R&D tax credit will hurt start-up innovators

Much-needed change to Australia's R&D tax system is amongst legislative bills to be re-introduced to Parliament as it resumes this week. AusBiotech urges MPs to support the swift passage of the R&D Tax Credit legislation and the Government to persist with its introduction.

A renewed push by the big end of town to delay the R&D Tax Credit could mean disaster for Australia's crop of start-up innovative companies. Further delays in changes to tax arrangements may threaten our bright and promising biotech sector, which needs access to the proposed 45% refundable tax credit immediately.

AusBiotech has been a strong supporter for the move to a tax credit for more than two years – since its recommendation by Dr Terry Cutler in the Innovation Review of 2008 and its subsequent announcement at the 2009 federal budget.

The biotech sector has been 'treading water' and waiting for public policy support to replace the Commercial Ready program that was axed in 2008, while the year-long tax credit consultation took place.

Australia's biotechnology sector is competing on the world stage and a key economic and social driver for our country, but access to capital has been incredibly difficult during this time. Some companies are looking at two to three years with no sources of finance to continue research and development and early-stage, pre-revenue firms are among the biggest losers from any further delay to the new legislation.

AusBiotech CEO, Dr Anna Lavelle said: "We must not forget the pivotal role emerging science, biotechnology and innovation play in our long-term survival and prosperity and the biotechnology sector needs the tax credit to replace the tax concession now."

"Biotechnology is working toward and delivering life-saving and enhancing products, as well as building a valuable economic driver. Any further delay to the tax credit could compromise the burgeoning sector in Australia."

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