

# Media Release



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## Persist with tax credit urges biotech

**As time ticks down to get the new R&D tax credit Bill through Parliament by the 1 July implementation date, opposition from outside the biotech sector may seriously threaten its passage – and AusBiotech urges the Federal Government to persist.**

With start-up innovation companies, especially infant biotechnology companies, set to be the big winners from the Government's move from a tax concession that is not 'working', to the tax credit, will provide a much-needed life line.

Calls for the legislation to be delayed by 12 months, from 'the big end of town' are concerning AusBiotech, and CEO, Dr Anna Lavelle said: "We cannot afford to lose momentum on this desperately-needed reform to support the infancy of this vital sector."

"With a Federal election looming, delay could equal demise for the tax credit."

The biotech sector in Australia is relatively young, but maturing at an impressive rate and bringing medical breakthroughs and solutions to intractable global issues, such as climate change.

AusBiotech has been a strong supporter for the move to a tax credit – since its recommendation by Dr Terry Cutler in the Innovation Review of 2008, and its subsequent announcement at the 2009 federal budget – and urges the adoption of the tax credit as of 1 July 2010.

Dr Lavelle said: "We have been advocating for the adoption of the tax credit for almost two years, while the biotech sector has been 'treading water' and waiting for public policy support to replace the Commercial Ready program that was axed in 2008, and 'rocked' the industry to its core."

"Biotech is our future, but the sector needs the tax credit to replace the tax concession now. Any further delay could compromise the credit - or worse, the burgeoning biotech sector in Australia."

The tax credit will provide greater incentives and support for start-up and small biotechnology companies and is well targeted to increase R&D expenditure among these companies.

**ENDS**

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