

Media Release



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Biotech banking on future initiatives after Budget shock

The Federal Budget is a mixed bag for the biotechnology sector, with more resources for research initiatives but the scrapping of an important industry assistance program, AusBiotech said today.

AusBiotech CEO Dr Anna Lavelle said while AusBiotech was disappointed with the Government's decision to discontinue the Commercial Ready and Commercial Ready Plus programs, it was expected that new initiatives for the biotechnology industry would be announced when the Government's White Paper is released later this year, as a result of the National Innovation System Review.

"We expect that the Government will have positive announcements to make when its White Paper is released around the time of AusBiotech's major international industry conference in October, and that this Paper will certainly inform the Government's direction on innovation for the 2009-10 Budget," Dr Lavelle said.

"We anticipate that the Minister for Innovation, Industry, Science and Research, Senator Kim Carr, will want to secure long term growth by acting as swiftly as possible to establish replacement programs for the industry."

The decision to discontinue the Commercial Ready programs, expected to save the Government just over \$700 million over four years, is understood to be based on a recommendation made by the Productivity Commission.

"Unfortunately, the Government has acted on this recommendation before the outcomes of the Innovation Review are known – and industry has been left in a policy limbo," Dr Lavelle said.

She said AusBiotech had heard from a number of CEOs of biotechnology companies who were now considering offshore options as a result of the Budget announcement.

"This is a danger for skills retention in biotechnology. The Commercial Ready programs have been an enormous success for the biotechnology industry and removing it will be felt at the crucial stage of commercialisation for emerging biotechnology companies," Dr Lavelle said.

"One in three dollars allocated from the Commercial Ready program went to biotechnology companies to assist them with commercialisation and proof-of-concept. The program gave assistance to biotechnology companies that couldn't access R&D tax concessions because they were not yet revenue-positive.

"The risk is that without any assistance at this crucial stage, we will see less intellectual property translated from the bench to needed health solutions for the Australian community."

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Dr Anna Lavelle welcomed new Budget initiatives to support research, including \$209 million to double the number of postgraduate scholarships for students undertaking PhD or Masters degrees; and \$326 million to offer 1000 top mid-career researchers up to \$140,000 a year.

She also welcomed the announcement of \$251 million over five years to establish Enterprise Connect centres to assist small businesses to improve their productivity and capacity for innovation.

“We are also pleased to support the new \$75 million Climate Ready competitive grants program, that will encourage the development and commercialisation of products, processes and services that save energy and water, reduce pollution and use waste products in innovative ways,” Dr Lavelle said.