

# Media Release



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## **‘Clever country’ at risk: Rudd Government must review Commercial Ready program axing**

AusBiotech, the national biotechnology industry association, has called on the Rudd Government to urgently review its Budget decision to axe the Commercial Ready program.

AusBiotech CEO Dr Anna Lavelle said the Government had shown willingness in recent days to reconsider decisions it made as part of the 2008-09 Federal Budget.

“If the Government can review its decision to impose the luxury car tax and reverse its decision on 86 Regional Partnerships projects, it should rethink its decision to axe the Commercial Ready grants program,” Dr Lavelle said.

“We are asking the Rudd Government to allow those companies who had submitted an application or who were in the process of compiling their applications for a Commercial Ready grant to go through the assessment process.”

The Commercial Ready program was a highly successful competitive merit-based grants program, supporting innovation and its commercialisation. It provided grants of between \$250,000 and \$5 million to smaller companies who were commercialising new technologies. The Government claimed scrapping the program would save around \$700 million over four years.

“The reality is that each dollar from a Commercial Ready grant was matched by private investment, making this a \$1.4 billion investment in innovation that now appears to be lost,” Dr Lavelle said.

“This decision will ultimately cost much more in years to come. While the program assisted a variety of innovative companies, it was particularly important to the biotechnology and medical device industries – where smaller companies are developing preventative treatments, cures and diagnostic tools for medical conditions and illnesses that are currently difficult or impossible to treat.

“AusBiotech is aware of at least a dozen biotechnology and medical device companies who had planned to submit a grant application or who had been working with the government agency

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AusIndustry to submit applications. Some had spent tens of thousands of dollars and hundreds of hours preparing their applications in good faith.

“These companies have now been left in the lurch. Some say their technology may not ever be commercialised. Others say they will be forced to move part or all of their operations offshore or seek overseas investment in their projects.

“Those companies who had submitted an application, or who are able to demonstrate that they were well advanced in the application process, ought to be given immediate consideration – well before the outcomes of the Government’s Innovation Review are released.

“Without support for innovative companies, our reputation as the “clever country” is at risk,” Dr Lavelle said.

AusBiotech is working on a supplementary submission to the Review in light of the decision to axe the Commercial Ready program.