



# Biotech Daily

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*Daily news on ASX-listed biotechnology companies*

## Budget 2021 Special Edition

### Funds For Patent Box Tax Cut, R&D, ANSTO

Federal Treasurer Joshua Frydenberg says that a new 'patent box' system starting on July 1, 2022, will tax profits derived from patents developed in Australia at 17 percent.

In his Budget address, Mr Frydenberg said that the 17 percent rate was “almost half the rate that applies to large companies ... [and would] apply to the medical and biotech sectors and we will consult on expanding it to the clean energy sector”.

Mr Frydenberg said the Budget provided a further \$1.9 billion for the roll-out of vaccines, as well as \$1.5 billion for Covid-related health services, including “testing and tracing, respiratory clinics and telehealth”.

Mr Frydenberg said the Federal Government had “committed \$20 billion to the vaccine roll-out and to strengthen our health system in response to Covid”.

The Treasurer said that more than 99 percent of businesses, employing more than 11 million workers, could write-off the full value of any eligible asset they purchase, and this would be extended until June 30, 2023.

Mr Frydenberg said that manufacturing would be “a key driver of future jobs and higher wages” and the Government had committed \$1.5 billion to expand manufacturing activity and create jobs across six priority areas, including medical products and clean energy.

“We backed in our Modern Manufacturing Strategy with an additional \$2 billion in research and development tax incentives,” Mr Frydenberg said.

“The Government is also providing in this Budget new funding for endometriosis, research into pre-term birth and genetic testing for pregnant women,” Mr Frydenberg said.

A media release from the Federal Minister for Industry, Science and Technology Christian Porter said the Budget included \$475 million “to drive industry growth and scientific development, helping to create high paying, sustainable jobs for Australian workers”.

“We have a clear vision to harness science and technology to expand existing industries and develop new ones, creating long-term and sustainable jobs,” Mr Porter said.

The media release said that the funding included \$117.8 million over the next four years for Australia’s first Artificial Intelligence Action Plan, as part of the Government’s Digital Economy Strategy.

The Government said that the plan would support business to adopt artificial intelligence (AI) and the development of projects, along with the associated high-skilled jobs these projects create.

Mr Porter’s media release said that the Budget provided \$116.7 million over four years to support the Australian Nuclear Science and Technology Organisation to undertake capital maintenance as well as funding for waste management, as well as \$22.6 million over six years for 234 scholarships to support emerging technologies areas, identified through the Modern Manufacturing Strategy.

The media release said that \$42.4 million over seven years would fund “the next generation of women in science, technology, engineering and mathematics (STEM) through industry-focussed university scholarships, as well as a Women in STEM Evaluation Toolkit”.

The Government said that \$2.6 million would assist Australian manufacturers and small and medium-sized enterprises to access Commonwealth procurement, as part of a larger package of activities designed to raise awareness of the value and availability of Australian-made products.

The media release said the Government would “advance Australia’s manufacturing capacity by developing onshore mRNA vaccine capability, through continued negotiations and an approach to the Australian market, maximising the long-term potential applications of the mRNA platform”.

Mr Porter’s media release said that a new Global Science and Technology Diplomacy Fund would consolidate international science programs in the Industry, Science, Energy and Resources portfolio to create efficiencies and allow for a greater focus on supporting strategically important emerging international science, research and technology collaborations with global partners.

More details, comment and response in tomorrow’s edition