



# Biotech Daily

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*Daily news on ASX-listed biotechnology companies*

## Ausbiotech Calls On Government, ALP: 'Keep 45% Tax Incentive'

### Biotech Daily: 'Penny-Pinching Cut A Disgrace'

#### [AUSBIOTECH](#)

Ausbiotech has called on the Federal Government to remove, and the Labor Opposition to oppose, the Omnibus Savings Bill's 1.5 percent cut to the 45 percent R&D Tax Incentive.

Ausbiotech chief executive officer Glenn Cross said that he noted the Labor Party's negotiations for significant amendments to the Omnibus Bill, but it was "disappointing that the opportunity was not taken to save the Research and Development Tax Incentive intact".

"While defending the R&D Tax Incentive and opposing the Coalition's plan to cut the Incentive by 1.5 percent, right up until the nonsensical turnaround in the election campaign, this was Labor's chance to right this wrong step," Mr Cross said.

"In supporting the Omnibus Bill with amendments, the R&D Tax Incentive is to be compromised," Mr Cross said.

"The Opposition has – as has the Government - contradicted its clear statements of support regarding innovation and entrepreneurship," Mr Cross said.

"Both parties' rhetoric has been supportive of optimising the environment for start-up enterprises, which make up the bulk of the Australian life science sector," Mr Cross said.

“Reducing the benefit of the R&D Tax Incentive will have a direct impact on an area of national competitive advantage, which has responded recently with growth, in large part due the effect of the R&D Tax Incentive.”

“The desire for jobs and growth can only be undermined by cutting the most significant programme to promote innovation in this country,” he said.

“It also sends a negative message to our international partners and collaborators, which undermines economic activity in the sector,” Mr Cross said.

“Ausbiotech calls for the Government to remove the R&D Tax Incentive cut from the Omnibus Savings Bill,” Mr Cross said.

### [BIOTECH DAILY EDITORIAL](#)

Biotech Daily is extremely disappointed that Labor innovation spokesman Senator Kim Carr has reneged on a promise made to this publication just three months ago.

In May, Senator Carr told Biotech Daily unequivocally that Labor would reverse the intended 1.5 percent cut to the Research and Development Tax Incentive, which was before Parliament (BD: May 23, 2016).

The Federal Greens also promised to block the 1.5 percent cut and they continue to oppose the measure.

Biotech Daily is concerned about the cut for three main reasons.

1. The business community frequently calls any change it doesn't like “uncertainty” and this penny-pinching tinkering with the 45 percent R&D Tax Incentive is the clearest method of creating uncertainty for investors, whether they are venture capital or retail.
2. The Federal Government claim that the reduction is off-set by a small business tax cut is simply nonsense as many start-up companies aren't liable for tax and some may never be. And if it is offset, then it saves no money for the Budget anyway.
3. The cut sends all the wrong signals to global researchers, scientists and investors on the seriousness of Prime Minister Malcolm Turnbull's claims to be the “innovation prime minister” when he is cutting the single most important measure for innovation.

That the Labor Party supports this cut – having promised the opposite just three months ago - is an equal disgrace.

**David Langsam**  
**Editor**

**Biotech Daily can be contacted at: PO Box 5000, Carlton, Victoria, Australia, 3053**  
**email: [editor@biotechdaily.com.au](mailto:editor@biotechdaily.com.au); [www.biotechdaily.com.au](http://www.biotechdaily.com.au); twitter: [@biotech\\_daily](https://twitter.com/biotech_daily)**