



# Biotech Daily

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## BUDGET 2008: LITTLE JOY FOR BIOTECHNOLOGY, FOR NOW

The first Rudd Labor Government Budget is a disappointment to the biotechnology sector. The word “biotechnology” did not feature once in Treasurer Wayne Swan’s speech, but there was worse to come.

The Commercial Ready Grants system was closed as of today with no replacement in sight for at least another year, until after the Innovation Review has been completed.

A spokesperson for Innovation Minister Senator Kim Carr told Biotech Daily that there were three programs replacing the Commercial Ready Grant system “retooling, green buildings and climate ready”. None appear directed at innovative biotechnologies.

While Biotech Daily welcomes many of the tax and social reforms announced by Mr Swan, biotechnology has fared as badly as the environment, in which the oxymoron of clean coal received the same amount of funds as renewable fuels.

Despite admirable spending on all levels of pre-tertiary education and a doubling of post-graduate scholarships, there is no certainty for the commercialization of research.

A Department of Innovation spokeswoman said \$707 million would be “saved” over four years by closing the Commercial Ready Grants scheme. She said \$160 million would be given to “clean business”.

On the other hand, the National Health and Medical Research Council received a 25 percent increase in funds from \$495 million in 2006-‘07 to \$617.8 million for 2007-‘08.

Mr Swan announced a \$10 billion fund to finance health infrastructure with spending on “hospitals, medical technology equipment, and medical research facilities and projects” and a spokesman said a significant amount would go to medical research.

The Health Department’s allocation included \$15 million over three years for clinical trials as well as \$100 million over several years for other research and treatment centres.

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[Marc Sinatra writes:](#)

To be fair, the government had other fish to fry.

They wanted to produce a budget with their ideological stamp on it, pay back those who voted for them, be seen to be looking after the economy and create a series of funds that could be used to help them get re-elected the next time around.

This is political realism and they delivered.

We could say that after 12 years in opposition Labor could have come up with at least a few good biotechnology ideas to push through on Budget night. But political parties are unlikely to do anything that won't win kudos.

Other events were always going to overshadow biotechnology last night and even if the Labor Party did have ideas, they wouldn't gain anything by releasing them in the Budget.

One positive announcement that will impact the biotechnology sector is the funding of more places for post graduate students at universities.

Supply and demand would suggest that this may help biotechnology industry through the provision of cheaper labor, although this impact may be small.

But the money ear-marked for more post-graduate places may have been better spent on producing better post-graduates with a clear and well-rewarded career structure.

The more important announcement is the close of the commercial ready grant program, which just about every company involved in biotechnology seems to have used.

There may be better ways to support the biotech industry other than the program, but they haven't announced anything to replace it and won't until Labor completes a review of its innovation policy, which is at least a year away.

Given the popularity of the Commercial Ready program, why axe it now without a replacement or even a change of tack? It just seems like a grab for a little bit of savings.

We got what we expected this year, but we can hope for more next year.