



Biotech Daily

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Daily news on ASX-listed biotechnology companies

Federal Election 2010 Editorial: Nepotism Our Best Hope

There is much at stake for biotechnology in this Federal Election and it is with some reluctance that Biotech Daily casts aside regrets over past decisions and “moves forward” to evaluate which major political parties are good or bad for this industry.

The baggage of Lindsay Tanner and Kim Carr’s savage cuts to our sector has to be weighed as a negative for Labor.

The Howard Government’s building on the Hawke/Keating Commercial Ready initiative is a plus for the Coalition.

But that is not what is at stake on Saturday.

As truly pathetic as Commercialisation Australia’s \$80 million a year compares to world best practice (Israel’s \$US350 million a year for one third the population), it exists; and is said to be complementary to the 45 percent research and development tax credit - which the industry applauds overwhelmingly – primarily because it is quite literally better than nothing, but also because it is better than the existing 125 percent tax rebate.

Labor’s few promises for our sector are common to all industries and include pushing the tax credit Bill through the Senate, effective from July 1, 2010, along with providing a \$5000 tax break on equipment and creating a National Register of Business Names.

The Coalition has promised to retain the existing tax rebate system and delay any research and development tax credit system, indefinitely.

This Liberal Party has retreated from John Howard’s vote-buying economic policies – tax cuts for families to have more children and vote Liberal – and is promising smaller Government with little spending and plenty of savings.

Labor claims it has increased research and science spending by 34 percent and while biotechnology hasn’t seen any of that, we will eventually reap the benefit of better funding for science education at high schools and universities. The Government may be exaggerating, but there has been significant new spending on science under Labor.

Unsurprisingly, the Greens policies focus on environmental issues, but the party has long supported key innovation technologies from alternative energy generation to waste disposal and information technology.

Last week we published the Greens proposals on increased spending on research and science, but it is directed at public institutions and there is nothing specific on commercialization.

The Greens are believed to be supportive of the R&D Tax Credit, but have been unable to commit to it.

The Coalition policies were released very late in the campaign and contain just one clear positive and a series of negatives for biotechnology.

The positive is the reinstatement of an international science linkage program worth \$23 million over four years, but the negatives include a commitment to abolish the R&D tax credit scheme and of significant concern is the initiative to “stop Labor’s ‘advocacy science’”.

There is serious disquiet that the Coalition is again questioning the science of climate change and laying the ground for further vetoes over particular research such as reproductive and stem cell technologies.

Money sensibly saved by a Coalition Government axing commercialization funds to the clothing, textiles, footwear and the automotive industries, unfortunately will not go to innovation, but directly into general revenue “to reduce debt”.

Finally, the question of the National Broadband Network is most relevant to biotechnology.

Our sector is hugely exposed to the vagaries of the internet, with state-of-the-art, web-based, clinical trials and intelligent heart monitoring systems to name but two technologies to gain from faster speed and increased bandwidth.

Tony Abbott’s claimed savings by going band-aid rather than suture is what financiers would call “under-capitalization”. “We’ll buy the cheap unusable one first and see how we go” is a guarantee to go nowhere.

Biotech Daily believes the 45 percent research and development tax credit is a clear decision-maker for this election and the clever knitting of rural and regional tele-health with the National Broadband Network is a strong second argument.

The Coalition has opened a can of worms with its proposals on ‘Advocacy Science’. It has a very poor record in this regard.

The choice comes down to a Labor Party that claims it supports the funding and advancement of science and technology, but has instead cut grants to our sector; against a Coalition that has made much of its desire to curtail public expenditure and is uncomfortable with many aspects of science, from opposition to some reproductive technologies and stem cell research, to denial of climate change and a desire to unwind the National Broadband Network.

Finally, Prime Minister Julia Gillard said in her election campaign speech this week, that her niece Dr Jenna Malone has a PhD in biotechnology.

Given Prime Minister Julia Gillard's stated desire to create jobs for workers, biotechnology's best hope is for a little traditional Labor Party nepotism and a few more jobs for the girls (and boys).

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