



Biotech Daily

Tuesday October 25, 2022
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Daily news on ASX-listed biotechnology companies

Budget 2022 Special Edition

*RDTI, MRFF Appear Untouched
Cheaper Medicines, TAFE/University Places
Cancer Research, \$15b Infrastructure Fund*

Biotech Daily Editorial, Ausbiotech Comment

Federal Treasurer Jim Chalmers' first Budget focussed on the cost of living, housing, child care and Budget repair, but with some spending on medical research and manufacturing.

Dr Chalmers said that the \$15.0 billion National Reconstruction Fund would "help lift the speed limit of our economy, boosting supply chains and Australia's industries, creating jobs and growing rural and regional Australia".

A media release from the Federal Minister for Industry and Science Ed Husic said that the Fund would "deliver targeted co-investments in independently assessed projects across seven priority areas: resources; agriculture, forestry and fisheries; transport; medical science; renewables and low emission technologies; defence capability; and enabling capabilities".

Mr Husic said the Government would consult with industry, unions and stakeholders to ensure the Fund was appropriately designed and targeted to maximise the benefits of this \$15 billion investment.

Treasury Budget papers said that expenses for the Research and Development Tax Incentive administered by the Australian Taxation Office were "expected to remain constant in real terms from 2022-'23 to 2025-'26, reflecting the number and size of expected claims from eligible companies with an annual turnover of less than \$20 million."

The Budget papers said that the Government would provide \$452.0 million over six years from 2022-'23 for cancer centres in Brisbane and Adelaide, with \$375.0 million over six years for the Queensland Cancer Centre in Brisbane to be owned and operated by the Queensland Government and at the Royal Brisbane and Women's Hospital.

The Budget provided for \$77.0 million over five years for the Bragg Comprehensive Cancer Centre in Adelaide, an extension of the Australian Bragg Centre for Proton Therapy and Research at the South Australian Health and Medical Research Institute.

The Budget papers said that the centres would provide "multi-disciplinary cancer care, research and clinical trials for all types of cancers" with \$4.0 million provided to develop a medical research centre within the Launceston General Hospital in Tasmania.

In the Budget speech, Dr Chalmers said the Government would provide 480,000 fee-free places at Technical and Further Education (TAFE) centres and a \$50 million TAFE Technology Fund for modernization, along with 20,000 additional university places for disadvantaged Australians.

Federal Health Minister Mark Butler said the Government was "making medicines cheaper for Australian households" with the maximum cost of general scripts under the Pharmaceutical Benefits Scheme to fall from a maximum co-payment of \$42.50 to \$30.00 from January 1, 2023.

[BIOTECH DAILY EDITORIAL OPINION](#)

There is not much to say about Federal Treasurer Dr Jim Chalmers first Budget, because very little directly impacts the biotechnology sector.

The forward estimates appear to maintain both the Ausbiotech-Labor Government Research and Development Tax Incentive and the Abbott-Hockey Liberal-National Party Government \$20 million Medical Research Future Fund.

Similarly, it appears that the budgets for the Commonwealth Scientific and Industrial Research Organisation, the National Health and Medical Research Council and the Australian Research Council are being maintained.

There is \$456 million for medical research in Adelaide, Brisbane and Launceston.

Medical manufacturing is one part of the \$15 billion infrastructure fund, yet to be developed, and the life sciences sector should benefit from the 'Made in Australia' program, if companies are able to capitalize on it.

But the major benefits of the Budget for biotechnology are downstream. A number of programs, including cheaper childcare, paid parental leave, better aged care and more university and Technical and Further Education (TAFE) places will improve the lives of staff, including board and management, as it will for all companies.

The bigger economic picture, including small wage rises and some element of inflation are nothing new to business in general, or to our sector. Increased costs will be passed-on.

In terms of reimbursement for drugs, diagnostics and devices, the Federal Labor Government will have to turn its attention to repairing and improving Medicare and hospitals to ensure that patients see their doctors and are treated to the highest possible standards. Thankfully, this is core Labor policy.

David Langsam
Editor

[AUSBIOTECH](#)

Ausbiotech says that the Budget “delivered on the Government’s election promises, confirming a range of commitments with a notable cut to the Entrepreneurs’ program”.

Ausbiotech said the sector was not mentioned in top-line announcements but “programs around resilience still place medical science as a key priority area”.

The industry organization said it welcomed support for the Australian Therapeutic Goods Administration modernization, despite minor changes to cost recovery.

Ausbiotech said there was “a concerning cut to the Entrepreneurs' Programme” and while the cuts were aimed at the delivery process, it would cut 75 percent of the program’s funds and it was “unclear at this stage if it leaves a workable program”.