



Biotech Daily

Tuesday May 14, 2024

Daily news on ASX-listed biotechnology companies

Budget 2024 Special Edition

Increased RDTI, Investment, Made In Australia

Federal Treasurer Dr Jim Chalmers' third Budget did not name biotechnology but the Budget Papers say there will be increased spending on research and tax incentives.

Dr Chalmers told the Parliament that all taxpayers would receive a tax reduction and that households and small businesses would receive energy bill relief.

"This Budget delivers \$3.5 billion in new energy bill relief," Dr Chalmers said. "From July 1, Australians will receive an energy rebate of \$300 - and one million small businesses will get a bit more."

While the 'Future Made in Australia' program focused on energy and renewables, Dr Chalmers said the Government was "changing the way we attract and deploy investment".

Dr Chalmers said that a new Act and new framework would impose rigour and focus investment on "transformational opportunities ... setting conditions to ensure investors benefiting from our incentives are supporting their people and communities to lift private investment in skills, workforces and local supply chains".

"We will create a front door for investors to accelerate and coordinate transformational projects, establish a domestic National Interest Account, that adds discipline to investments in the national interest, and strengthen and streamline approvals – across environmental, planning, cultural heritage and foreign investment," Dr Chalmers said

"We want Australian small businesses to share in the big opportunities ahead as well," the Treasurer told Parliament. "That's why we are extending the \$20,000 instant asset write-off until June 30, 2025, providing \$290 million in cash flow support for up to four million small businesses."

According to the Budget Papers, the Government would "undertake a strategic examination of Australia's research and development system to strengthen its alignment with Australia's priorities and improve innovation and research and development outcomes".

Under the heading 'Improving cancer outcomes' the Budget Papers said \$71.0 million would be provided over four years from 2024-'25 "to continue support services, programs and research to improve cancer outcomes for Australians, in line with the Australian Cancer Plan".

The Budget Papers said \$38.8 million would go to the states and territories to continue the Participant Follow-up Function of the National Bowel Cancer Screening Program; \$15.0 million to continue the national skin cancer prevention campaign; \$10.3 million for the Melanoma Institute Australia to undertake targeted research into skin cancer screening and develop a roadmap for a national, targeted skin cancer screening program, in consultation with Cancer Australia; and \$6.9 million for Canteen to continue delivery of the Youth Cancer Services program.

The Budget Papers said the Government committed an additional \$1.4 billion over 13 years from 2024-'25 through the Medical Research Future Fund, including \$377.5 million to translate research outcomes into medical practice; \$411.6 million to continue existing research missions and introduce two new 10-year research missions from 2027–28 for low-survival cancers and reducing health inequities, as well as an additional \$329.6 million for patient-centred research including emerging priorities in areas such as women's health, and supporting innovative treatments, clinical trials, and more advanced healthcare; and \$269.6 million for medical researchers to make breakthrough discoveries, develop their skills and progress their careers.

The Federal Government said it would provide \$18.8 million over two years from 2024-'25 to continue the development of the National One Stop Shop for Clinical Trials and Human Research and support current systems.

"The National One Stop Shop will streamline work to manage clinical trials and human research, including management of cross-jurisdictional ethics approvals," the Budget Papers said.

The Budget Papers said that payments related to the Research and Development Tax Incentive were expected to increase by \$499.0 million in 2024-'25 and \$2.6 billion over five years "due to increases in the overall number and value of expected claims, with higher-than-expected growth in claims by companies in the 'Professional, Scientific and Technical Services' sector".

"Expenses for the Research and Development Tax Incentive continue to increase to support the research and development that is key to boosting the competitiveness and productivity of industry," the Budget Papers said.

More details, comment and analysis will appear in tomorrow's edition.