



# Biotech Daily

Tuesday March 25, Wednesday March 26, 2025

*Daily news on ASX-listed biotechnology companies*

## Budget 2025 Special Edition

Made In Australia, RDTI, Medicare, PBS

Comment & Response:

ATSE, TCA, Ausbiotech, MTP Connect, RSM

### [FEDERAL BUDGET 2025](#)

Federal Treasurer Dr Jim Chalmers did not cite biotechnology in his fourth Budget speech, but the Budget papers say that spending on general research and the Federal Research and Development Tax Incentive will fall.

Dr Chalmers told the Parliament that the five main priorities were cost of living, strengthening Medicare, housing, education and building a stronger economy.

Dr Chalmers said there would be two new tax cuts along with increased energy relief, including \$150 a year for households and small business. He said the Government would cut university student debt by \$19 billion for more than three million Australians.

Dr Chalmers said there would be \$8.5 billion more for Medicare to encourage greater bulk-billing. He said that the cost of Pharmaceutical Benefits Scheme (PBS) medicines would fall from \$31.60 to \$25.00 while pensioners and Health Care Card holders would pay \$7.70 per prescription. Dr Chalmers said that Labor initiatives like the PBS would not be daunted by “foreign multinationals”.

He said the Government would allocate \$793 million for women’s health including endometriosis, contraception and “new menopausal hormone therapies”.

Dr Chalmers reaffirmed the Government's commitment to fee-free Technical and Further Education as well as ending "non-compete clauses" for three million Australians, saying that people shouldn't need a lawyer to change jobs.

The Budget papers said the Government "will provide \$158.6 million over five years from 2024-'25 to support research and translate medical research to clinical practice, including: \$150.3 million over five years from 2024-'25 to extend and expand the Zero Childhood Cancer Precision Oncology Medicine Program (Zero), and to extend the Precision Oncology Screening Platform Enabling Clinical Trials (Prospect) program and the Australian Rare Cancers Portal (ARC Portal)".

The Budget papers said that there would be "funding to support an intergovernmental agreement for the cooperative governance and development of the National One Stop Shop for Clinical Trials and Human Research".

The Budget said that the Government would provide \$55.0 million over four years from 2025-'26 "to maintain the research capability of the Commonwealth Scientific and Industrial Research Organisation".

The Budget papers said that payments related to the Research and Development Tax Incentive program were expected to increase by \$55.8 million in 2025-'26 and decrease by \$640.6 million over five years to 2028-'29, "largely reflecting lower-than-expected numbers of claims".

The Budget papers said that general research funding would fall from \$4,776 million in 2024-'25 to \$4,527 million in 2025-'26 and to \$4,425 million in 2028-'29, including science services and innovation fund, discovery research and training, linkage partnerships science and commercialization.

## [AUSTRALIAN ACADEMY OF TECHNOLOGICAL SCIENCES AND ENGINEERING](#)

The Australian Academy of Technological Sciences and Engineering says the Budget "picks a welcome winner in green metals" with tax cuts, energy bill credits and the beer excise freeze, providing cost of living relief.

"These are not, however, the policies that will power long-term economic growth," the Academy said.

"Bold initiatives that will shape a resilient economy of the future – such as a commitment to re-thinking Australian [research and development] investment through the Strategic Examination of Research and Development; the Universities Accord; and the Diversity in STEM reviews – were ignored in tonight's budget," ATSE said.

"ATSE continues to call for significant, bipartisan, sector-wide investments in science, technology and innovation to safeguard Australia's economy," the organization said.

ATSE chief executive officer Kylie Walker said that "investments in future Australian innovators and innovations are a must to help the nation become a key global player in research and development".

“Bold initiatives that will shape the resilient economy of the future need ample resourcing,” Ms Walker said.

“Australia’s future economic resilience will be narrow if it is not built on investments in innovation and STEM skills as drivers of economic prosperity,” Ms Walker said.

Ms Walker welcomed the announcement of investments in key science and technology infrastructure and workforce, providing crucial ongoing support for the national research and development agency Commonwealth Scientific and Industrial Research Organisation, and in the areas of nuclear medicine, biosecurity and the National Measurement Institute.

“ATSE also welcomes the new investment in public schooling, including in science and engineering education,” Ms Walker said.

The organization said it hoped “to see further commitments across education and innovation to enable Australia to play a global role in developing and profiting from the technologies of the future”.

## [THE TECH COUNCIL OF AUSTRALIA](#)

The Tech Council of Australia said it supported “a range of initiatives announced in the Budget to grow skills, and to support the development of energy technology to advance Australia’s economic growth”.

The TCA said it was “disappointed that no explicit [technology] sector investment was included in the package of budget measures”.

“This is a missed opportunity to build our national competitiveness – at a time of domestic productivity decline, and of critical global trade volatility,” the Council said.

“The TCA will continue to engage with the Government to ensure that technology investment sits front-and-centre of its 2025 election platform,” the organization said.

“Technology investment complements the Government’s Future Made in Australia, training and education programs, which reflect a welcome focus on building sovereign industry capability,” the organization said.

“We encourage the Government and the Opposition to formalize their support of our Tech Investment Target: to expand both [research and development] investment and technology adoption to comprise 4.6 percent of Australia’s share of GDP within the next decade,” the Tech Council said.

“There are several Budget measures, including training and business cost-relief, that contribute to this goal,” the TCA said.

“We welcome the Government’s commitment to drive innovation in the renewable energy transition, which includes a \$2 billion investment through the Clean Energy Finance Corporation,” the Council said.

“This aligns with the mission of our Consumer Energy Tech Alliance which is to expand Australian-grown technology solutions for grid orchestration, empowering consumers to optimize energy use through behind-the-meter solutions and reduce energy bills,” the TCA said.

“We look forward to working with the Government as we await details on announced changes to non-compete clauses and how these may impact tech businesses,” the TCA said.

## [AUSBIOTECH](#)

Ausbiotech said that while no new significant commitments were made for Australia’s life sciences sector in the 2025-'26 Federal Budget, the organization “remains steadfast in its advocacy to unlock the full potential of this critical industry for Australia’s health, economic future and security”.

Ausbiotech said that Dr Chalmers “outlined a commitment to making Australia’s economy stronger, more productive and more resilient ... [including] investing in our competitive advantage, fostering resilient supply chains and building a Future Made in Australia.”

Ausbiotech said Australia’s life sciences sector was “central to these priorities, providing essential contributions to health security, sovereign capability in medical manufacturing and economic diversification, backed by considerable competitive advantages”.

The organization said it welcomed “the continued investment in key industry programs, including the Industry Growth Program, National Reconstruction Fund, Cooperative Research Centres and the Research and Development Tax Incentive”.

“Additional funding of \$10 million over four years has been allocated to CSIRO for gene technology research, and the first stage of a refit for the Australian Centre for Disease Preparedness has been approved,” Ausbiotech said.

“Support remains for the Medical Research Future Fund and the National Health and Medical Research Council, however, it's also clear that [research and development] funding is not keeping pace with the need here in Australia,” Ausbiotech said.

Ausbiotech chief executive officer Rebekah Cassidy said that Australia was “a global leader in scientific research, ranking in the top 10 on the Global Innovation Index, [but] we have fallen to thirtieth for research outputs”.

“Now more than ever, Australia’s life sciences sector requires unified, coordinated, and collaborative representation between industry and government,” Ms Cassidy said.

Ausbiotech called on the Government to: develop Australia’s first whole-of-government National Life Sciences Strategy to set policy priorities, eliminate gaps and overlaps; establish an Australian Life Sciences Council in partnership with industry and government to drive this strategy, address sector challenges and ensure value for investment; recognize life sciences as the next priority sector under the Future Made in Australia Act; and invest in data collection to drive innovation and improve policy and decision making.

## MTP CONNECT

MTP Connect chief executive officer Stuart Dignam said that the Federal Budget was “a bit of a surprise - the most ‘pre’ of pre-election budgets”.

“With more than \$1 billion set aside in the budget for ‘new programs’ - decisions taken but not yet announced - we’re now looking to the next six weeks of election campaigning for commitments to the sort of targeted, strategic initiatives that will directly support our life science start-ups, [small and medium-sized enterprises] and entrepreneurs,” he said.

“Things like action on anti-microbial resistance to save lives, making life sciences a priority under the Future Made in Australia plan, and the establishment of a whole-of-government life sciences council,” Mr Dignam said.

“The commitment to women’s health services is particularly welcome; even better would be supporting Australian innovators to bring their home-grown medical devices and drugs to market to be included in those services to improve health and wellbeing for Australians,” Mr Dignam said.

“And additional funding to support the largest cancer genomics initiative in Australia, the Prospect program, is a positive step towards matching patients to trials and new therapies,” Mr Dignam said.

“And while changes to non-compete clauses will help with mobility within an existing workforce, in areas like complex therapeutics manufacturing where our sector has been investing in infrastructure, there’s an urgent need to skill-up and grow the actual size of this specialized workforce,” Mr Dignam said.

“We need thousands of new and skilled workers over the next few years and if we can’t address that shortage now, we’ll just have a bidding war for the scarce few with the necessary skills, and we’ll cruel prospects for future growth of this critical, sovereign advanced manufacturing capability,” Mr Dignam said.

## RSM (ROBSON RHODES, SALUSTRO REYDEL, MCGLADREY) AUSTRALIA

The Perth-based accountancy firm RSM Australia said that “no changes were announced to the [Federal Research and Development] Tax Incentive program, but noted that the Strategic Review into research and development was underway, with submissions due by April 11, 2025.

RSM Australia partner Jessica Olivier said that expenditure on the RDTI program was “likely to increase over the period from 2025-’26 to 2028-’29, due to the expected rise in the number of R&D claims by eligible companies and the increased quantum of those claims made”.

“A second Federal Budget 2025-’26 is likely to be handed down later in the year, possibly October once a new government has been installed after the expected May Federal election”, Ms Olivier said.

“A post-election Budget would be expected be more policy-heavy at the start of the Parliamentary cycle,” Ms Olivier said.

Ms Olivier said that the Budget papers confirmed that the Government would provide \$158.6 million over five years from 2024-'25 to support research and translate medical research to clinical practice.

RSM Australia said that investment in artificial intelligence (A.I.) training and implementation “has been very much front of mind for the technology sector on the back of lower productivity and concerns around Australia’s competitiveness on the global A.I. stage”.

RSM national technology leader Mathavan Parameswaran said the firm was “disappointed to see no further announcements in relation to investment into [artificial intelligence]”.

“While the development of the National A.I. Capability Plan back in December was a positive first step, the lack of continued investment in this year’s Federal Budget will make it even tougher to achieve success and for Australia to be competitive globally,” Mr Parameswaran said.

“More broadly, technology will be critical in overcoming Australia’s productivity woes and investment into digital literacy nationwide is critical in driving further technology adoption and investment would have been welcomed by the sector had it been provided,” Mr Parameswaran said.

“We do welcome the announcement of \$2 billion being recapitalized into the [Clean Energy Finance Corporation] to allow for further investment in renewable energy, energy efficiency and low emissions technologies,” Mr Parameswaran said.