

13 May 2009

Budget 2009 – 2010 At a Glance

This is a good budget for health and medical research.

There are no changes in the forward estimates or in the Medical Research Endowment Fund (MREA). This year NHMRC funding for health and medical research is \$703.065 million. This is an increase of \$85 million in research funding from the previous year.

NHMRC grant funding payments are estimated as follows:

	\$ million
2008 – 2009	\$628,537
2009 – 2010	723,289
2010 – 2011	786,177
2011 – 2012	823,808
2012-2013	835,901

[http://www.health.gov.au/internet/budget/publishing.nsf/Content/2009-2010_Health_PBS_sup4/\\$File/National%20Health%20and%20Medical%20Research%20Council.pdf](http://www.health.gov.au/internet/budget/publishing.nsf/Content/2009-2010_Health_PBS_sup4/$File/National%20Health%20and%20Medical%20Research%20Council.pdf)

The departmental appropriation for 2009-10 (that is funds to run the work of the NHMRC and administer grants) is \$40.843 million. This represents an increase of \$1.418 million from the 2008-09 departmental appropriation of \$39.425 million.

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Specific Measures in Health and Ageing Portfolio

Health and Hospitals Fund

\$1.5 billion over seven years in collaboration with states. This will increase elective surgery capacity, improve emergency department facilities and hospital access. This includes:

- Donor Tissue Bank of Victoria - \$13.0 million
- Health and Medical Research Institute (South Australia) - \$200.0 million
- Health Care Infrastructure in Rural Australia - \$9.2 million

Health and Hospitals Fund – cancer

- Integrated cancer centres at RPHA \$100.0 million and Parkville ((\$426.1 million)
- Garvan St Vincent's Campus Cancer Centre - \$70 million

Health and Hospitals Fund – translational research and workforce training

\$430.3 million over six years, for research infrastructure in the areas of mental health and neurological disorders, indigenous health and medical bionics. The funding will focus on research into clinical practice to projects including:

- Monash Health Research Precinct Translation Facility in Clayton - \$71 million
- John Curtin School, Canberra - \$60 million
- Ingham Health Research Institute, Sydney - \$46.9
- Menzies Research Institute Hobart - \$44.7 million
- Smart Therapies Institute, Brisbane - \$40 million
- Melbourne Neuroscience Project - \$39.8 million
- Hunter Medical Research Institute, Newcastle - \$35.0 million
- Research and Training facility, Darwin - \$34.2 million
- Clinical medical teaching Notre Dame University - \$22.8
- Nepean Clinical School in Kingswood, NSW - \$17.2 million
- Academic and Research Precinct for Melbourne's North in Epping, Victoria - \$14 million
- Children's Bioresource Centre Melbourne - \$4.7 million
- Tasmanian health infrastructure - \$2.4 million

Department of Innovation, Industry, Science and Research

Collaborative Research Networks

\$114.1 million over six years from 2010-11 (including \$20.7 million per annum from 2013-14 to 2015-16) to establish the Collaborative Research Networks program for rural and regional universities.

Education Investment Fund – Super Science – strengthening Australia’s research infrastructure

\$906.9 million over five years to support a range of projects that will strengthen Australia's research infrastructure.

The projects that will be funded under this initiative include:

- a national network of research data storage and collaboration infrastructure to be built by the Australian Research Collaboration Service (\$97 million);
- additional facilities for the Australian Nuclear Science and Technology Organisation (\$62 million);
- the Bio-molecular Platforms and Informatics Project managed by Bioplatforms Australia (\$50 million);
- the Australian Research and Data Commons project led by Monash University (\$48 million);
- extension and upgrading of the Australian Research and Education Network run by AARNet Pty Ltd, comprising 38 Australian universities and the CSIRO (\$37 million);
- establishment of collaborative infrastructure networks to support new drug discovery, novel cell therapies, development of nanomedicines, and integrated population health solutions, through a collaboration of universities, non-profit research institutions, the CSIRO and private industry (\$35 million);
- the Atlas of Living Australia project hosted by the CSIRO (\$30 million);
- the establishment of facilities to enhance understanding of urban resource use and management, involving a collaboration between several universities including the University of Melbourne, University of New South Wales, Australian National University and Griffith University (\$20 million);
- the Australian Phenomics Network project led by the Australian National University (\$15 million);
- the Australian Plant Phenomics Facility led by the University of Adelaide (\$10 million);

- upgrade of the National Plasma Fusion Facility at the Australian National University (\$10 million);
- the Population Health Research Network hosted by the University of Western Australia (\$10 million).

Excellence for Research in Australia (ERA)

\$35.8 million over four years to establish the Excellence in Research for Australia (ERA) initiative. The initiative will involve the Australian Research Council (ARC) using quantitative and qualitative analysis to evaluate the quality of research conducted by Australia's tertiary education institutions

National Enabling Technology Strategy

\$38.2 million over four years to develop a National Enabling Technologies Strategy. The strategy will set the direction for future technology development, including the uptake of biotechnology and nanotechnology products and processes across the economy and society.

Post graduate research – student support

\$51.7 million over four years to increase the annual stipend provided to postgraduate research students through the Australian Postgraduate Awards and International Postgraduate Research Scholarships from \$20,007 to \$22,500.

R & D Tax Credit

The Government will provide \$1.4 billion over four years to replace the existing Research and Development Tax Concessions with a new Research and Development (R&D) Tax Credit with effect from 1 July 2010. This measure is expected to be partially offset by the revenue gain over the same period from abolishing the existing R&D Tax Concessions. On an underlying cash basis, the ongoing measure (the R&D Tax Credit) is expected to be revenue neutral over its first four years of operation.

The R&D Tax Credit will consist of a 40 per cent non-refundable tax credit and a 45 per cent refundable tax credit for firms with a turnover of \$20 million or less. The new refundable tax credit will not be subject to an expenditure cap. The definition of R&D that is eligible for the new R&D Tax Credit will be tightened to ensure that the support is better targeted. R&D expenditure undertaken in Australia by foreign-owned firms will be eligible for the 40 per cent non-refundable tax credit.

Since the program does not start until 1 July 2010, as an interim measure the Government will lift the expenditure cap on eligible R&D that can be claimed under the existing R&D Tax Offset from \$1 million to \$2 million with effect from 1 July 2009.

Research Infrastructure

\$813.0 million over five years (including \$301.0 million in 2013-14) to supplement the Research Infrastructure Block Grants (RIBG) program so that it is better able to assist universities meet the indirect costs of their research.

In addition to the extra funding, there will be changes to the way in which the funding allocations to universities are calculated. Funding will be allocated on the basis of negotiated funding agreements as follows: 20 per cent on the basis of a university's relative success in attracting research income (the current means of determining all of the RIBG funding); and 80 per cent contingent on universities undertaking activity-based costing of the indirect costs of research and meeting performance targets which are to be developed and agreed during 2009-10.

Bionic Eye

\$50.0 million over four years to establish a competitive grant program through the ARC.

University Research

The Government will invest \$703.1 million to increase the capacity of Australia's universities to develop the ideas and technologies needed to build new industries and increase the wellbeing of individuals, families and communities.

Measures include:

- \$512.0 million for the Sustainable Research Excellence in Universities initiative to help address the gap in funding for indirect research costs (augmenting and reforming the Research Infrastructure Block Grants Scheme, and more than doubling the level of support over time);
- The establishment of a new National Research Infrastructure Committee to coordinate future infrastructure decisions. Professor Warwick Anderson will be a member of the committee.

Education Investment Fund

\$802 million in new funding, including \$321.7 million for research infrastructure, including:

- Queensland University of Technology – Science and Technology Precinct - \$75.0 million
- La Trobe University Rural Health School - \$59.5 million
- Macquarie University – Surgical Education - \$16.6 million
- QIMR Smart State Medical Research Centre - \$55.0 million
- La Trobe Institute for Molecular Sciences at La Trobe University - \$64.1 million

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