

2017/18 PRE BUDGET SUBMISSION

A submission on behalf of Australia's Health and Medical Research sector

December 2016

ABOUT RESEARCH AUSTRALIA

Research Australia is an alliance of 160 members and supporters advocating for health and medical research in Australia. Research Australia's activities are funded by its members, donors and supporters from leading research organisations, academic institutions, philanthropy, community special interest groups, peak industry bodies, biotechnology and pharmaceutical companies, small businesses and corporate Australia. It reflects the views of its diverse membership and represents the interests of the broader community.

Research Australia's mission is to make health and medical research a higher priority for the nation. We have four goals that support this mission:

- A society that is well informed and values the benefits of health and medical research.
- Greater investment in health and medical research from all sources.
- Ensure Australia captures the benefits of health and medical research.
- Promote Australia's global position in health and medical research.

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Summary of Recommendations

<p>National Innovation and Science Agenda</p>	<p>The 2017/18 Budget must continue to make provision for the measures outlined in National Innovation and Science Agenda (NISA) to be fully funded and in accordance with the timeline outlined in December 2015. Research Australia congratulates the Government on progress on NISA to date.</p> <p>NISA was funded by efficiencies in other parts of the innovation portfolio. Delays or cuts to spending on programs which have already been promised would equate to a net reduction in government investment in Australian science, and in particular, health and medical research.</p>
<p>Medical Research Future Fund (MRFF)</p>	<p>The Government must maintain its commitment to reaching \$20 billion target capital in the Medical Research Future Fund by 2021. This moves us towards the goal of MRFF divesting an extra \$1 billion in Australian health and medical research by 2022.</p> <p>We must invest in health and medical research now:</p> <ul style="list-style-type: none"> • Australia just recorded its first negative GDP reading in five years: For every dollar invested in Australian health research and development, an average of \$2.17 in health benefits is returned. An extra \$1 billion in health and medical research spending has the capacity to return \$2.17 billion in health benefits: equivalent to 1.4 per cent of GDP. • More than half of all Australians are living with some form of chronic disease like diabetes, arthritis or asthma. <p>Research Australia congratulates the Government on progress on the MRFF to date and encourages continued momentum.</p>
<p>National Health and Medical Research Council Australian Research Council</p>	<p>Funding for the research programs of the National Health and Medical Research Council (NHMRC) and the Australian Research Council (ARC) should be increased, and at a minimum they must be maintained in real terms in 2017/18 and over the forward estimates.</p> <p>There is only a 17.8% success rate in ARC applications, lower at only 15.2% for NHMRC applications. The low success rates are of concern as we turn to Australian innovation to fuel our economy into the future.</p> <p>Unless these funds are indexed, there will be a decline in funding in real terms with a cumulative effect making the problem even larger.</p>

<p>Funding the indirect costs of research</p>	<p>The Chief Scientist should lead a review of the funding of indirect research costs to establish a sustainable and equitable whole of government approach to the issue of funding indirect research costs.</p> <p>In the short term, MRFF funding to universities needs to be treated as Category 1 income, the same as NHMRC and ARC competitive grant funding, and the pool of funding for Block Grant Schemes needs to be increased proportionately.</p> <p>An additional stream of the IRISS program needs to be funded to cover the indirect costs associated with MRFF funding incurred by Independent Medical Research Institutes. This funding should be administered by the NHMRC.</p>
<p>R&D Tax Incentive</p>	<p>Research Australia is concerned about how implementation of the Review Panel's recommendations would affect the commercialisation of health and medical research (HMR).</p> <p>Research Australia is opposed to the proposed \$2 million cap on the refundable R&D Tax Offset. A survey of 32 medical technology and device companies showed that 77% would undertake less R&D activity in Australia if a \$2 million cap is introduced. Research Australia is confident that companies seeking to commercialise HMR could satisfy any stricter eligibility criteria.</p> <p>The introduction of an 'intensity threshold' risks incentivising large pharmaceutical companies to base their R&D in other countries with more predictable R&D tax regimes. This could mean few clinical trials undertaken in Australia and lost Australian STEM jobs.</p>
<p>Australian Innovation and Manufacturing Incentive</p>	<p>Research Australia recommends the adoption of the Australian Innovation and Manufacturing Incentive (AIM).</p> <p>The introduction of the AIM incentive would help complete the transition to a more innovative economy that supports the scientific research needed to develop new knowledge, promotes the innovation needed to apply that new knowledge, and encourages domestic manufacture of the products that create jobs and generate export revenue.</p>
<p>Use and Accessibility of Commonwealth Data</p>	<p>The Government should use the 2017/18 Budget to make a significant investment in capacity building in Commonwealth departments and agencies to enhance their capacity to capture, manipulate and analyse data, and their capability to link data and to prepare secure, deidentified datasets for public release.</p>

2017/18 PRE BUDGET SUBMISSION

A SUBMISSION ON BEHALF OF AUSTRALIA'S HEALTH AND MEDICAL RESEARCH SECTOR

Introduction

Research Australia welcomes the Government's continued focus on the pivotal role of science and innovation in Australia's future. Our primary focus for the 2017/18 Budget is to see the continued funding of these measures as forecast in this year's Budget.

Whilst there have been some concerns expressed recently that the innovation message does not resonate with the Australian community, Research Australia's own national polling shows a more optimistic picture.

Research Australia's polling (conducted in June 2016), found 74% of Australians agree that scientific innovations are improving our standard of living. Australians believe that science improves their standard of living and when it comes to healthcare, they believe the single most important thing that can be done to improve our health system: *is to ensure health care is based on the best and most recent research*.

Improving the translation of research is a core function of the Medical Research Future Fund (MRFF), and 87% of poll respondents expressed support for the MRFF, with 78% expecting that the medical research and innovation funded by the MRFF would lead to better health for Australians.¹

Following the launch of the National Innovation and Science Agenda (NISA) in December 2015, there has been significant activity across the innovation landscape:

- The MRFF is now established and the first funding is expected to be provided in the current financial year. The Biomedical Translation Fund (BTF) has appointed three fund managers, the final step required before investments can commence to be made.
- The Industry Growth Centres have been established.
- The Government has accepted the recommendations of the Research Training Review.
- The Chief Scientist has undertaken consultations on the Research Infrastructure Roadmap.
- A pilot to measure university research impact and engagement has been announced and will be undertaken next year.

¹ Research Australia, 2016, *Australia Speaks! Research Australia Opinion Polling 2016*, available at <http://researchaustralia.org/reports/public-opinion-polling/>

Research Australia congratulates the Government on the progress so far; the full implementation of NISA is essential to the future of Australia. **Research Australia submits that the 2017/18 Budget must continue to make provision for the measures outlined in NISA to be fully funded and in accord with the timeline outlined in December 2015.**

In health and medical research (HMR), innovation offers the opportunity to create new industries and businesses and generate significant inputs to GDP. Australia's potential in this area is supported by the establishment of the Medical Technologies and Pharmaceuticals Industry Growth Centre, MTP Connect, and the BTF.

Research Australia is also cognisant of the current fiscal position and the need to ensure that every available dollar is well spent and strongly supports this approach. Innovation based on HMR provides the opportunity to improve the efficiency and productivity of our health system and its workforce. With health expenditure in Australia of \$155 billion per year, even small improvements in efficiency and productivity can provide significant dividends for both the broader economy and the Australian Government's budget. A key priority for the Government in this area should be a health system that is more innovative; both in its capacity to generate new ideas and approaches, and to more rapidly adopt research findings into practice. The capacity for the MRFF to support this goal is explicitly recognised in the inaugural Australian Medical Research and Innovation Strategy; its vision is 'A health system fully informed by quality health and medical research' and the Strategy states that 'research accompanied by concerted efforts to translate findings into practice has the potential to reduce costs and improve health outcomes.'²

The Government's current initiatives to improve the use and availability of publicly held datasets have the potential to significantly boost innovation in healthcare delivery, improving the effectiveness and efficiency of service delivery in health.

Public funding of research remains critical to the Australian economy and to the innovation pipeline. Funding for the respective research programs of the National Health and Medical Research Council and the Australian Research Council must be at least maintained at current real levels if Australia is to prosper in the future.

While many of the tax reforms implemented and/or proposed by the Australian Government as part of NISA have been pro-innovation, Research Australia is concerned by the backward steps taken in relation to the R&D Tax Incentive. We are concerned about the effects that the proposed \$2 million cap will have on research intensive startup companies in the medical and health innovation sectors, where access to other sources of revenue and capital are very constrained and R&D costs, particularly for clinical trials, are high. The commercialisation of HMR has a very different profile to IT and engineering, which dominate expenditure on the R&D Tax Incentive.

² Australian Government, MRFF Advisory Board, 2016, *Australian Medical Research and Innovation Strategy 2016-2021*, p.2

Funding the Medical Research Future Fund

Research Australia has been a strong supporter of the Medical Research Future Fund since its announcement in the May 2014 Budget.

With the inaugural Australian Medical Research and Innovation Strategies and Priorities in place, and \$784 million in funding over four years forecast in the 2016/17 Budget, the MRFF is poised to become a transformative force in medical research and medical innovation.

The funding available in each financial year is dependent on the MRFF's investment earnings and the continued growth in its capital. In the 2016/17 Budget, the \$20 billion target was forecast to be reached in 2020-21, a year later than first projected in the Budget in 2014/15. Detailed projections for the credit of funds into the MRFF were provided for the forward estimates, with some heavy lifting to do in the last year (over \$8 billion). So far in 2016/17 (and less than halfway through the financial year) an amount of \$1.277 billion has been transferred to the MRFF, approximately \$124 million less than the amount forecast to be contributed during this financial year.

Table 2.2.1.3: Medical Research Future Fund (MRFF) – Estimates of Fund Balances (2016-17 Budget)

	Estimated	Budget	Forward	Forward	Forward
	actual	estimate	estimate	estimate	estimate
	2015-16	2016-17	2017-18	2018-19	2019-20
	\$'000	\$'000	\$'000	\$'000	\$'000
Investment credits *	3,149,351	1,401,149	2,561,000	2,689,000	8,259,000

The MRFF is one of the Government's signature policy initiatives and enjoys strong support from the public; in Research Australia polling conducted in June 2016, 87% of poll respondents expressed support for the MRFF, with 78% expecting that the medical research and innovation funded by the MRFF would lead to better health for Australians³. The MRFF also has the strong backing of the health and medical research sector which has embraced the MRFF's potential to improve the translation of research into new drugs, therapies, interventions and practices that will:

- improve health outcomes;
- enhance the quality, safety, and efficiency of our health system; and
- boost exports.

It is critical that the MRFF remain on track to reach the targeted \$20 billion balance by 2020/21. Any delay in reaching this target will undermine confidence in the MRFF and in the Government's commitment to its success.

Research Australia submits that the Government's commitment to fully fund the MRFF by 2020/21 must be maintained and looks forward to seeing this commitment demonstrated in the forward estimates in the 2017/18 Budget.

³ Research Australia, 2016, *Australia Speaks! Research Australia Opinion Polling 2016*, available at <http://researchaustralia.org/reports/public-opinion-polling/>

Maintain other public research funding

Research Australia supports the Government's emphasis on education in Science, Technology, Engineering and Mathematics (STEM) and the need for initiatives to encourage and support students to pursue further studies in these disciplines. While research Australia acknowledges that STEM is not only important to future researchers, and that not all students of STEM want to pursue careers in research, what message are we sending to students considering studying STEM when applications for Australia's flagship research grants have a failure rate around 85% and early to mid-career researchers have one of the most precarious and difficult career paths in Australia?

NHMRC funding of research

Funding for the NHMRC's Medical Research Endowment Account (MREA) is declining in real terms.

Funding for the NHMRC's research programs is \$797 million for 2016-17.⁴ Estimates for the following three years provided in the 2016-17 Budget have the funding remaining virtually stable with increases of roughly 1.5% each year. Treasury has forecast CPI of 2.25% in 2017/18 and 2.5% in the following two financial years, meaning that funding to the MREA will decline in real terms over this period.⁵

The capacity of Australia's HMR sector has been constrained in recent years by increasing costs (to which a lower Australian dollar has contributed), while both the number of researchers and research proposals has grown. These factors have led to a decline in the success rate of applications for grant programs that is jeopardising many promising research careers and stifling innovation. In the medium to longer term, funding from the MRFF can be expected to help alleviate some of these effects, but it will not address the immediate issue.

ARC funding of research

An analysis of completed ARC National Competitive Grant Projects from 2001 to 2012 suggests that on a conservative estimate, 10% of ARC project grants were related to HMR. This includes a range of projects from medical device engineering to health economics. The Government has more recently redirected \$103 million of ARC funding over four years to HMR in diabetes, dementia and tropical diseases; a development that likely lifts the percentage of HMR related research funded by the ARC even higher.

Over the forward estimates in the 2016/17 Budget, funding to the ARC for the Discovery and Linkage programs declined compared to the 2015/16 expenditure⁶.

Research is a multidisciplinary endeavour, drawing on expertise in a diverse range of areas such as materials science and engineering. When Senator Birmingham, Minister for Education and Training, announced 50 new ARC Future Fellows, he cited the example of 'Dr Timothy Dargaville from Queensland University of Technology, whose \$812,460 Future Fellows funding will help him develop a 3D moulding process that could be used for tissue transplants.'⁷

⁴ Australian Government, The Treasury, Budget papers 2016/17, *NHMRC Portfolio Statement PBS-Health- PBS- 4.13 NHMRC Table 2.1.1 Budgeted Expenses for NHMRC to MREA*

⁵ Australian Government, The Treasury, *The Pre-election Economic and Fiscal Outlook 2016*, Table 2

⁶ Portfolio Budget Statements 2016-17 ARC Budget Statements Programme 2.1 Table 2.1.1 Budgeted Expenses for Outcome 1

⁷ Senator the Honourable Simon Birmingham, Minister for Education and Training, media release, *50 ground-breaking research grants awarded*, 16 December 2015

If the MRFF is to achieve its promise, it is essential that the financial assistance it provides ‘complements and enhances’ existing government funding sources, as specified in the MRFF’s enabling legislation. For this to be achieved other sources of government funding for research must be at least maintained in real terms. This investment in scientific research is essential if Australia is to implement the National Innovation and Science Agenda and reap the benefits of a new, knowledge based economy and a safer, higher quality and more effective health system.

Research Australia submits that funding for the research programs of the NHMRC and ARC should be increased, and at a minimum they must be maintained in real terms in 2017/18 and over the forward estimates.

Address funding for the indirect costs of research

NHMRC and ARC grants (and future grants from the MRFF) are intended to cover the direct costs of research; for example, salaries for research staff and the cost of conducting experiments. In addition to the direct research costs, there are indirect costs. These include items like salaries for administrative staff, utility bills, and maintenance of buildings and equipment. There are several different schemes for funding indirect research costs and the main schemes are outlined briefly below.

In universities

The Department of Education and Training provides funding to universities to meet indirect research costs, including the costs associated with training higher degree research students. The main sources of funding are commonly known as Block Grants. There are six different Block Grant schemes for funding indirect research costs (commonly known as block grants) and the method of distribution is complex.

There are two schemes where the funding to be allocated relates solely to “Category 1 grants” (almost entirely NHMRC and ARC funding):

1. Research Infrastructure Block Grants (RIGB); and
2. Sustainable Research Excellence (SRE).

In 2015, these two schemes provided funding of \$432.7 million, at a rate of approximately 35 cents of indirect cost funding for every dollar of NHMRC and ARC funding. The other four schemes also provided some support for the indirect research costs associated with NHMRC and ARC grants, as well as for costs associated with teaching Masters and PhD research students and research that is funded by industry and other sources.

In Independent Medical Research Institutes

Independent Medical Research Institutes (IMRIs), not affiliated with a university, are ineligible for funding for indirect research costs from the Department of Education and Training, but receive funding for indirect research costs from the NHMRC through the Independent Research Institute Infrastructure Support Scheme (IRIIS). IRIIS provides funding to IMRIs to assist with indirect research costs, at a rate of up to 20% of the value of NHMRC grants awarded to IMRIs. In 2015, the NHMRC allocated \$30.5 million in IRIIS grants. Some state governments also provide limited financial support to some IMRIs.

In hospitals and other healthcare settings

One of the purposes of the MRFF is to provide translational funding, and there is an apparent focus on funding more research in hospitals and elsewhere in the healthcare system. There is currently no consistent scheme to assist hospitals and healthcare providers to cover indirect costs associated with participating in research.

Research funded by MRFF needs indirect research costs funded

By 2019-20, the MRFF is forecast to be distributing \$386 million in funding for direct research costs, and \$1 billion per annum from 2021-22. Currently, no provision has been made to fund the associated indirect research costs, and consequently there is a risk that the rate at which research income is matched by indirect research cost funding will decline significantly.

The table below demonstrates how indirect funding for research in universities will be diluted as the MRFF ramps up. The actual size of the decline will depend on several factors, including the proportion of MRFF funding directed to universities. If organisations can't fund indirect research costs, it compromises their ability to undertake the research. In the long term this is a significant issue affecting the efficiency and effectiveness of Australian health and medical research. Similar issues will exist for research funded by the MRFF in the health system.

	2015/16	2019/20	2021/22
MRFF*	\$0	\$386m.	\$1000m.
NHMRC Funding to universities	\$586m	\$586m.	\$586m.
ARC Funding	\$663m.	\$663m.	\$663m.
Total	\$1249m.	\$1635m.	\$2249m.
RIBG and SRE	\$432.7m.	\$432.7m	\$432.7m.
Ratio of indirect cost funding	34.6%	26.5%	19.2%

*Assumes all MRFF funding flows to universities

The changes to Block Grant Funding to encourage engagement have not done anything to resolve the issue of inadequate funding of the indirect costs of research. The MRFF Advisory Board has drawn attention to the issue of funding for indirect research costs, but has not proffered a solution:

A whole-of-government approach is needed to address the issue of research costing to ensure the research sector can continue to thrive. MRFF funding cannot in isolation solve the conundrum that surrounds indirect costs and may with the injection of new funds increase the need for a solution. The Advisory Board, while advocating for a whole-of-government and research sector agreed solution, must therefore abstain from implementing yet another funding model. In the short term MRFF program investment should adhere to existing costing approaches. Collaboration between Government and funded bodies to identify an equitable solution should be prioritised.⁸

In the short term, Research Australia submits that MRFF funding to universities needs to be treated as Category 1 income, the same as NHMRC and ARC competitive grant funding, and the pool of funding for Block Grant Schemes needs to be increased proportionately. In a similar manner, an additional stream of the IRIISS program needs to be funded to cover the indirect costs associated with MRFF funding incurred by IMRIs. This funding should be administered by the NHMRC.

In the longer term, Research Australia supports the call of the MRFF Advisory Board for a whole of government approach to the issue of funding indirect research costs. **Research Australia proposes that the Chief Scientist lead a review of the funding of indirect research costs to establish a sustainable and equitable funding program.**

⁸ Australian Government, MRFF Advisory Board, 2016, *Australian Medical Research and Innovation Strategy 2016-2021*, p.7

R&D Tax Incentive

The R&D Tax Incentive Program is a critically important component of the Australian Government's support for the commercialisation of research and development. In place in its current form since 2011, a review of the Program in 2016 by an expert Government appointed panel concluded that the Program has many features that are recognised internationally as best practice, such as its focus on small to medium enterprises (SMEs)⁹.

While Research Australia recognises the need for the Australian Government to ensure the integrity of the R&D Tax Incentive Program, and acknowledges the concern about the continued increase in the Program's expenditure, any changes need to be made with an understanding of the economic ramifications and their potential impact on the Australian Government's broader objective of boosting the commercial returns on its investment in research.

Research Australia is concerned about how implementation of the Review Panel's recommendations would affect the commercialisation of health and medical research (HMR). Our ability to respond to the Report's recommendations has been hindered by a shortage of sufficiently detailed publicly available data about the R&D Tax Incentive Programme. In responding to Recommendations 3, 4 and 5 it would have been useful to have access to deidentified information about R&D expenditure based on companies' nominated Fields of Research, whether they are claiming for the refundable or non-refundable tax offset, and the anticipated value of expenditure. This information is collected in registration applications but is not made publicly available.

This data, without identifying companies, would assist stakeholders to understand the profile of the companies claiming the R&D Tax Incentive in different industry sectors, and to respond appropriately to the recommendations. Research Australia has also suggested for some financial modelling of the effects of implementing Recommendations 4 and 5.

Research Australia urges the Department of Industry, Science and Innovation and/or the Treasury to undertake this modelling and release both the modelling and further data as part of its response to the Review Panel's report in the next stage of the consultation process to enable high quality, considered advice from the sector.

Research Australia is opposed to the proposed \$2 million cap on the refundable R&D Tax Offset. Based on the limited information available to us, we believe this will have a deleterious effect on the commercialisation of Australian health and medical research.

⁹ Ferris B., Finkel A., Fraser J. 2016 *Review of the R&D Tax Incentive*

Australian Innovation and Manufacturing Incentive

Multiple steps are required to be taken for the benefits of an investment in research to be realised in the generation of new medical devices, pharmaceuticals and therapeutics. The first is the development of new knowledge; the second is the application of this knowledge to the development of new products; and the third step is the manufacture of these new products and their sale to consumers.

Australia aspires to be a manufacturer and exporter of high value added goods but there are several barriers to manufacture in Australia including geographic isolation, a small domestic market, relatively high labour costs and a corporate tax rate that is higher than many of our competitors. The R&D Tax Incentive and the taxation measures outlined in NISA help support the development of new products but do not actively encourage or support their manufacture in Australia.

One way to improve Australian competitiveness in manufacturing and to make the most of our investments in research and development is through the adoption of the Australian Innovation and Manufacturing (AIM) Incentive.

The AIM incentive is designed to provide an offset against the tax payable on profits derived from the innovation and manufacture in Australia of qualifying patented/licensed products. The patents/licences would need to have a connection to Australia to qualify for the Incentive. Further detail is available at <http://www.aimincentive.com.au/>

The introduction of the AIM incentive would help complete the transition to a more innovative economy that supports the scientific research needed to develop new knowledge, promotes the innovation needed to apply that new knowledge, and encourages domestic manufacture of the products that create jobs and generate export revenue.

Research Australia recommends the adoption of the Australian Innovation and Manufacturing Incentive.

Data

Research Australia welcomes the Government's recent focus on making greater use of publicly held data, as reflected in The Australian Government Public Data Policy Statement and the work being led by the Department of Prime Minister and Cabinet on Public Sector Data Management; the latter has been the catalyst for the current Productivity Commission Inquiry into Data Availability and Use. More recently these initiatives have been joined by consultations on Australia's First Open Government National Action Plan 2016-18.

While many of these initiatives re ongoing and the Productivity Commission has yet to complete its inquiry, it is clear that Commonwealth Government departments and agencies need to invest in their capacity to collect, collate, analyse, store and share data. (The recent experience of the Department of Health with a publicly released dataset that enabled health service providers to be identified is an example of the need for greater capabilities and infrastructure within government departments in this regard.)

Research Australia contends that many public-sector datasets are an underutilised national resource, and that the failure to make these datasets available to researchers prevents the full economic value of these datasets being realised. In the case of HMR, the economic benefits from the better use of datasets are threefold:

- more efficient and cost effective research (much of which is funded by the Commonwealth, state and territory governments)
- greater efficiencies in the delivery of health care (again, much of which is funded by the Commonwealth, state and territory governments)
- the development of new and profitable health products and services.

Research Australia calls on the Government to use the 2017/18 Budget to make a significant investment in capacity building in Commonwealth departments and agencies to enhance their capacity to capture, manipulate and analyse data, and their capability to link data and to prepare secure, deidentified datasets for public release.

Conclusion

The National Innovation and Science Agenda provides a roadmap for Australia's future; a future dependent on our ability to take our knowledge and ingenuity and create a better, healthier and more prosperous Australia.

Research Australia is calling for a genuine, sustained investment in NISA by the Australian Government to support new discoveries and their application to the development of new things and new ways of doing things. It is an investment, rather than a cost, which has the potential to ensure Australia's future wealth is built on the capacity and ingenuity of its people.

This includes maintaining capital injections for the MRFF, funding the ARC and NHMRC research programs and indirect research costs properly, and supporting our innovative research intensive companies in their quest to take these new discoveries and create the industries of tomorrow.

The MRFF is forecast to be distributing \$386 million in funding in 2019-20, and \$1 billion per annum from 2021, and hitting these marks is critical if Australia is to emerge with a world-leading health and medical research and innovation sector capable of building on its strong record of world quality research.

We are not the only country making major investments in health and medical research through vehicles like the MRFF, but we are currently ahead of most in the pack, and that's where you need to be – and stay – when it comes to innovation and translation of that into economic benefit.

This is certainly a point that the wider community recognises and embraces. A 2016 Roy Morgan Research poll shows 87 per cent of Australians support the initiative, and 78 per cent of Australians believe the MRFF will lead to better health outcomes. And they are right. The only way that we will achieve better health is through more research, and a concerted effort to translate it into action.

It is how we can improve the effectiveness of our health system, constraining the rise in health costs that accompanies an ageing population.

It is how we can create vibrant new pharmaceutical, medical device and biotechnology sectors that provide skilled employment.

It is an investment, rather than a cost, which has the potential to ensure Australia's future wealth is built on the capacity and ingenuity of its people.

Research Australia is available to discuss any part of this submission and looks forward to continued participation in the national discourse on the role of HMR in our national interest.

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