

AAMRI 2016 Federal Election Policy Statement

The Government can capitalise on Australia's international strength in medical research to grow high value jobs and knowledge-intensive exports, curtail ballooning health costs, boost the nation's productivity and quality of life, and bring hope to the community that we will find solutions to our biggest health problems.

- ❖ **All parties to commit to building the Medical Research Future Fund (MRFF) to \$20 billion by 2020-2021.**

The health and medical research sector, and indeed the Australian public, needs the MRFF to reach \$20 billion in order for it to deliver an extra \$1 billion in funding to medical research and development each year. It is only at this point that Australia will catch up to the OECD average for government investment in medical research. Investing in health and medical research is a winner for all Australians: the MRFF is expected to return \$3.40 for every dollar invested via health savings from improved diagnostics, treatments and cures, along with the economic returns of higher labour participation rates and the commercialisation of research; medical research is critical to overcome the growing burden of disease of our ageing population; medical research is Australia's best performing 'smart industry', central to creating the country's jobs of the future.
- ❖ **A commitment to urgently reform Government funding for the indirect costs of research, such as utility bills and the costs of administration support.**

Independent Medical Research Institutes (MRIs) receive a lower rate of funding for the indirect costs of research, such as utilities and support staff, than universities, and hospitals do not receive any such funding from the Commonwealth Government. Also, unlike universities, MRIs and hospitals do not receive Government funding to reward research excellence, industry engagement, or the diversification of their research income from other sources. The absence of competitive neutrality impedes collaboration between different parts of the sector, threatens critical bench-to-bedside research, and affects the sustainability of the MRI sector.
- ❖ **A commitment to the open up Australian Research Council (ARC) funding to researchers at medical research institutes and hospitals.**

Over the past twenty years, many of the world's most important discoveries have come from research that crosses traditional discipline boundaries. In medical research, it is crucial to have the input of not just biologists and clinicians, but also mathematicians, computer scientists, physicists, chemists and social scientists. Due to arcane rules, ARC funding is not available to mathematicians, computer scientists, chemists and physicists working in MRIs or hospitals. This compromises the outcomes of Government-funded research and is clearly not in the best interests of Australia.
- ❖ **A commitment to index Fringe Benefits Tax (FBT) exemption caps with the Consumer Price Index (CPI), with a retrospective adjustment for the erosion in the real value of caps over the past 15 years.**

Independent MRIs are all charitable organisations that play a crucial role in the wellbeing of Australian society. As such, their employees are able to access fringe benefits tax (FBT) exemptions. MRIs are particularly reliant on these exemptions to compete with universities and the private sector, which receive income streams not available to MRIs, to attract highly-skilled researchers and support staff. MRIs must also compete with international not-for-profit research organisations to prevent a brain-drain of Australia's best researchers overseas.

The \$30,000 FBT exemption cap has not increased since its introduction in 2001, and has consequently eroded in value. Had the \$30,000 cap been indexed with CPI over the past 15 years, it would currently stand at \$44,000 per employee. Given the comparatively low rates of pay and lack of job security in the research sector, this benefit is of immense importance to medical researchers who so often put their research ahead of their personal lives due to their commitment to making discoveries that save lives.

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About AAMRI

AAMRI is the peak body representing medical research institutes across Australia. Our 46 member organisations are international leaders in health and medical research, addressing practically every aspect of human health and disease. Collectively, AAMRI's members represent more than 10,000 staff and students and an annual medical research turnover of \$1 billion.

AAMRI Members

