

## 2017-18 Federal Budget Summary

This document provides a summary of the main announcements in the 2017-18 Federal Budget. Please contact AAMRI's Director of Policy and Operations, Dr Peter Thomas ([peter.thomas@aamri.org.au](mailto:peter.thomas@aamri.org.au)) if there is a specific item that you are interested in but has not been covered below.

**Updated 10/5/17 to include details on the foreign employment worker levy**

### Contents

Medical Research Future Fund.....	2
MRFF funding announcements.....	2
MRFF – building the fund to \$20 billion.....	2
Research council funding.....	4
National Health and Medical Research Council (NHMRC).....	4
Australian Research Council.....	5
Expenditure measures.....	5
Proton Beam Facility in South Australia.....	5
Prioritising Mental Health – research.....	5
Investing in Medical Research – fighting childhood cancer.....	5
Enhanced Research and Evaluation in Indigenous Affairs.....	6
Central Coast Health and Medical Campus.....	6
National Research Program on Per- and Poly-Fluorinated Alkyl Substances.....	6
Advanced manufacturing fund.....	6
Savings measures.....	6
Revenue measures.....	6
Skilling Australia Fund levy (foreign worker employment levy).....	6
Forecast expenditure in other programs relating to medical research.....	7
University research block grants.....	7
Research infrastructure and NCRIS.....	7
R&D tax incentive.....	8
CRC Programme.....	8
ANSTO.....	9

## Medical Research Future Fund

### MRFF funding announcements

The first funding announcements from the Medical Research Future Fund (MRFF) were made at the Budget.

The Government will provide \$65.9 million over four years from 2016-17 from the Medical Research Future Fund (MRFF) to invest in medical research in Australia. Investments from the MRFF will be consistent with the *Australian Medical Research and Innovation Priorities 2016-18*, which have been identified by the Australian Medical Research Advisory Board.

The funding will include:

- \$20 million for preventive health and research translation projects including support for Advanced Health and Research Translation Centres and new Centres for Innovation in Regional Health. This includes:
  - \$10 million to support the Australian preventative Partnership Centre (TAPPC)
  - \$10 million to support Advanced Health and Research Translation Centres (AHRTCs) and Centres for Innovation in Regional Health (CIRHs)
- \$33 million for clinical trials that will build on Australia's world class research strengths, support access to clinical trials for people living in regional areas and build regional research capacity. This includes:
  - \$5 million in new targeted clinical trial activity for adolescents and young adults with cancer.
- \$12.9 million for breakthrough research that drives cutting edge science and accelerates research on new treatments and cures.

Further funding announcements will be made in the coming weeks, including projects that will trial new drugs, devices and services, clinical fellowships, and projects to address childhood obesity.

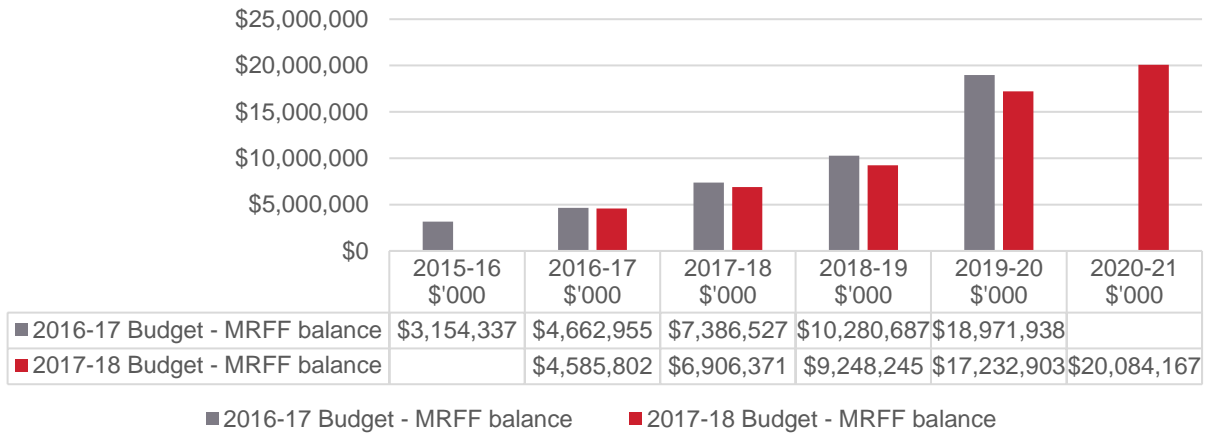
### MRFF – building the fund to \$20 billion

The Government has maintained its commitment to build the MRFF to \$20 billion by 2020-21. There will be some reductions in payments going into the fund between 2016-17 and 2019-20, with these payments then made up in 2020-21. The result is that the fund will reach \$17.2 billion by 2019-20 rather than \$19.0 billion, but the full capitalisation of the fund is still set for 2020-21.

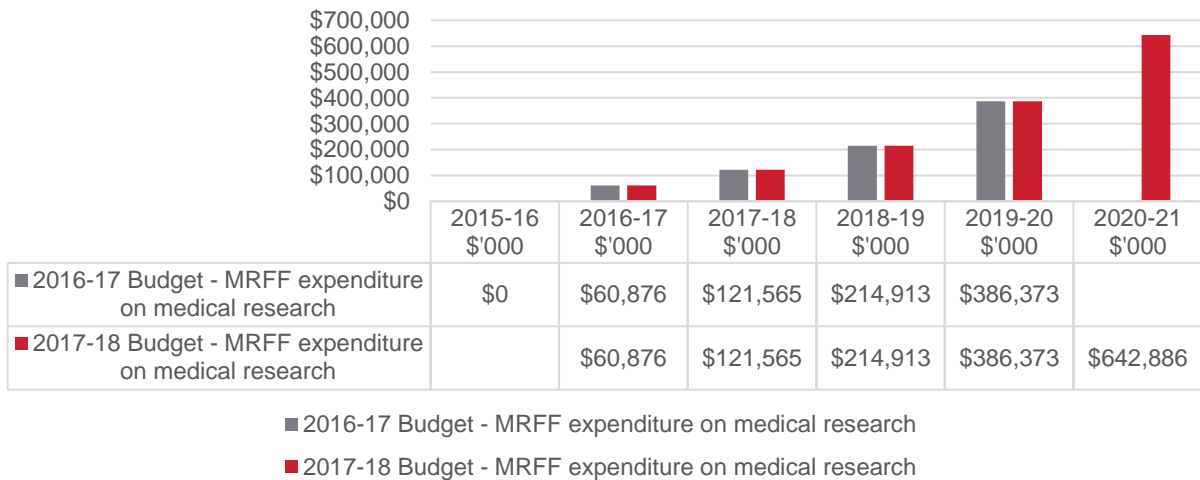
Despite these changes there are no reductions forecast in the amount of funding being made available for medical research.

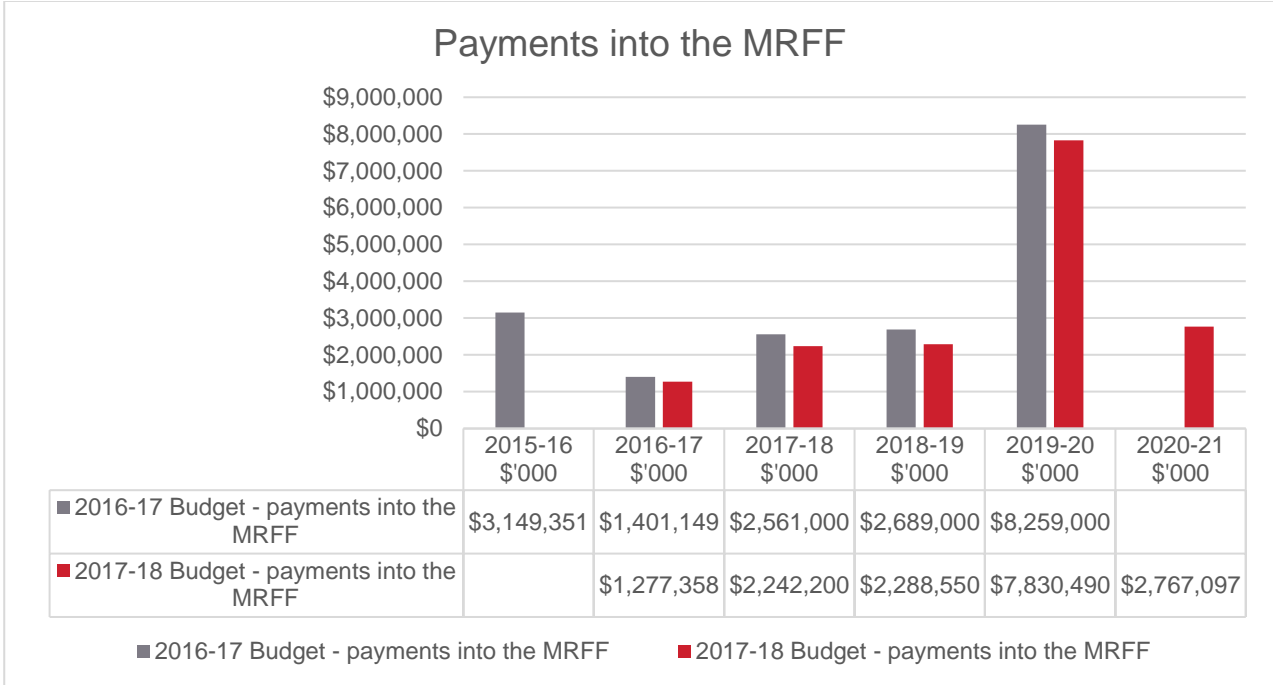


## MRFF balance (target of \$20 billion by 2020-21)



## MRFF expenditure on health and medical research

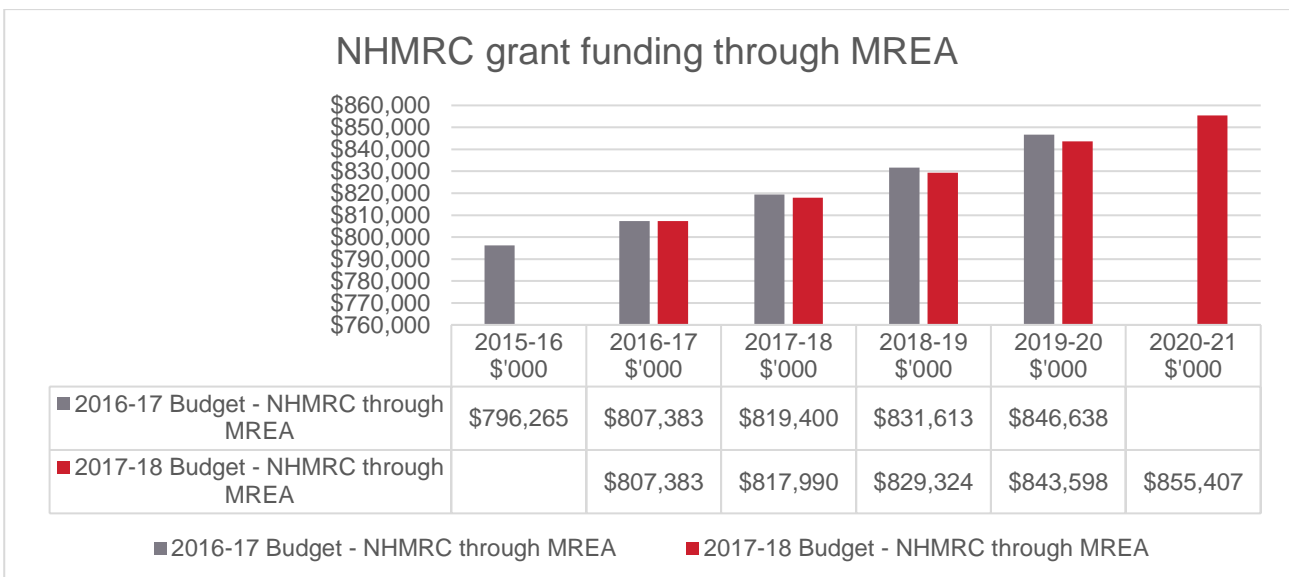




## Research council funding

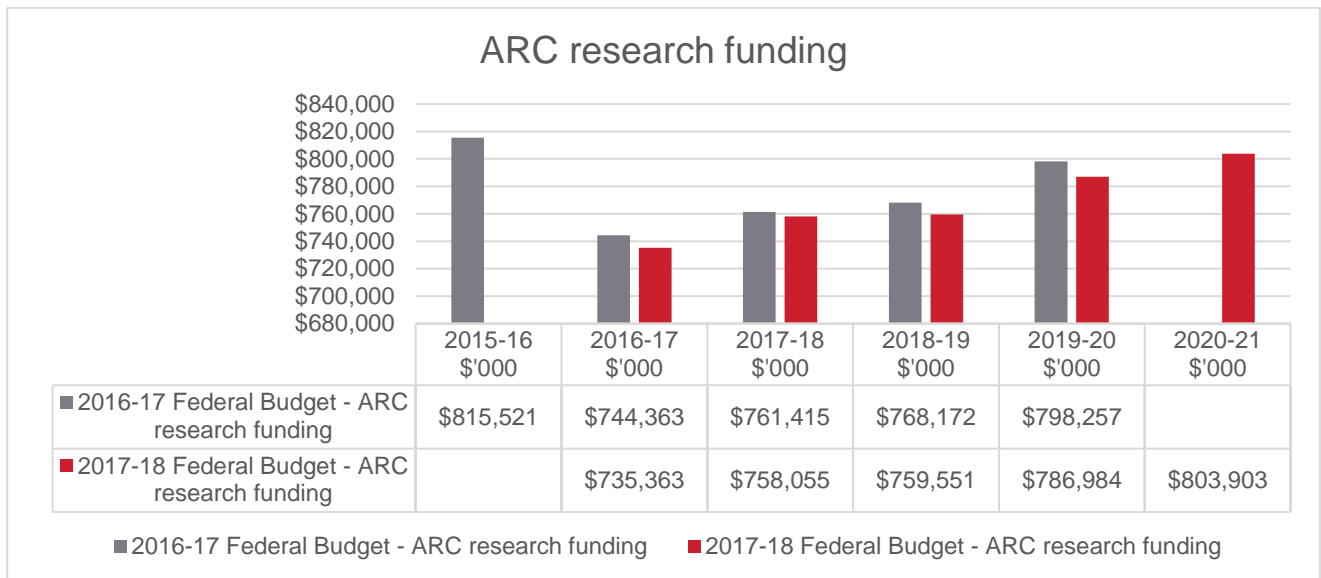
### National Health and Medical Research Council (NHMRC)

There were no significant changes to medical research funding through the NHMRC Medical Research Endowment Account. Slight inflationary increase are provided for the coming years, although these have been revised downwards on the forecasts provided last year.



## Australian Research Council

Inflationary funding increases for the Australian Research Council will grow at a slightly reduced rate compared to the previous budget.



## Expenditure measures

### Proton Beam Facility in South Australia

The Government will provide, subject to a request to market, up to \$68.0 million in 2017-18 toward the purchase of accelerator equipment and two treatment rooms in support of the establishment of a proton beam facility at the South Australian Health and Medical Research Institute precinct. This will deliver new research capabilities to help Australian researchers develop the next generation of cancer treatments, including for complex radiotherapy for the treatment of certain types of complex children's cancer. The facility will also be an alternative to conventional radiotherapy for the treatment of certain types of cancer.

### Prioritising Mental Health – research

The Government will provide \$15 million over two years from 2017-18 to support research into mental health, including contributing to the National Centre for Excellence in Youth Mental Health (Orygen) for research infrastructure, and the Black Dog and Thompson Institutes for further work on prevent and early intervention.

### Investing in Medical Research – fighting childhood cancer

The Government will provide \$1.4 million over four years from 2017-18 to fast track two new international collaborations of clinical trials of paediatric brain cancer in Australia.

The Government will also provide \$4.4 million over three years from 2017-18 to Cancer Australia to increase Australia's capacity to diagnose, treat, manage and conduct research into childhood cancer. This will provide a specific funding stream for childhood cancer under Cancer Australia's *Priority-drive Collaborative Cancer Research Scheme*; improve national data on childhood cancers; and support children's cancer groups to raise funds for research and awareness.

## Enhanced Research and Evaluation in Indigenous Affairs

The Government will provide \$52.9 million over four years from 2017-18 to implement a whole-of-government research and evaluation strategy for policies and programs affecting Indigenous Australians, including the establishment of an Indigenous Research Fund. The measure includes three components

- \$40.0 million over four years from 2017-18 to strengthen evaluation of the Indigenous Advancement Strategy
- \$10.0 million over three years from 2017-18 to establish an Indigenous Research Fund that will add to the Indigenous Policy evidence base
- \$2.9 million over four years from 2017-18 for the Productivity Commission to enhance its role in Indigenous policy evaluation and to expand the Commission to include an additional Commissioner with relevant experience in Indigenous policy.

## Central Coast Health and Medical Campus

The Government will provide \$12.5 million over six years from 2017-18 for the Central Coast Health and Medical Campus of the University of Newcastle to assist with the establishment of the Central Coast Medical School.

## National Research Program on Per- and Poly-Fluorinated Alkyl Substances

The Government will provide \$12.5 million over four years from 2017-18 to establish a National Research Program to study the potential effects of exposure to per- and poly-fluorinated alkyl substances (PFAS) on human health. The Program will be informed by an expert health panel and administered by the National Health and Medical Research Council.

## Advanced manufacturing fund

The Government will provide \$101.5 million over five years from 2016-17 to establish an Advanced Manufacturing Fund to promote research and capital development for high technology manufacturing businesses. The Fund will support:

- Establishing the Advanced Manufacturing Fund, to assist businesses establishing or expanding high value manufacturing operations in South Australia and Victoria
- Expansion of the Cooperative Research Centres Program to fund additional CRC-Ps targeting advanced manufacturing
- An advanced Manufacturing Early Stage Research Fund to support small scale and pilot research projects
- Establishment of a virtual design and engineering hub to maintain the flow of highly trained engineers

## Savings measures

There were no significant savings measures applied to programmes affecting health and medical research.

## Revenue measures

### Skilling Australia Fund levy (foreign worker employment levy)

From March 2018, businesses that employ foreign workers on certain skilled visas will be required to pay a levy that will provide revenue for a new Skilling Australians Fund.

Businesses with turnover of less than \$10 million per year will be required to make an upfront payment of \$1,200 per visa per year for each employee on a Temporary Skill Shortage visa and make a one-off payment of \$3,000 for each employee being sponsored for a permanent Employer Nomination Scheme (subclass 186) visa or a permanent Regional Sponsored Migration Scheme (subclass 187) visa.

Businesses with turnover of \$10 million or more per year will be required to make an upfront payment of \$1,800 per visa year for each employee on a Temporary Skill Shortage visa and make a one-off payment of \$5,000 for each employee being sponsored for a permanent Employer Nomination Scheme (subclass 186) visa or a permanent Regional Sponsored Migration Scheme (subclass 187) visa.

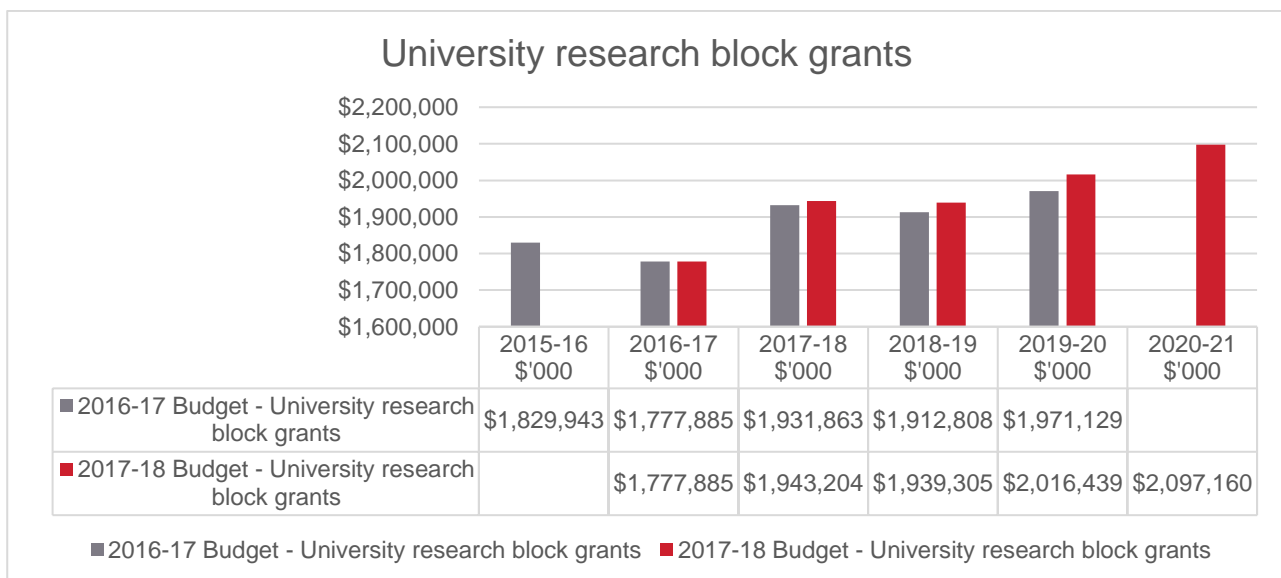
The levy will replace the current training benchmark financial obligations for employers of workers on Temporary Work (Skilled) (subclass 457) visas, which are being abolished, and permanent Employer Nomination Scheme (subclass 186) Direct Entry stream visas.

This measure is estimated to have a gain to revenue of \$1.2 billion over the forward estimates period, which will be used to support the training and development of Australian workers.

## Forecast expenditure in other programs relating to medical research

### University research block grants

Funding for research through the university research block grants remains will increase slightly compared to the forecasts in the previous Budget. No specific measures were announced.



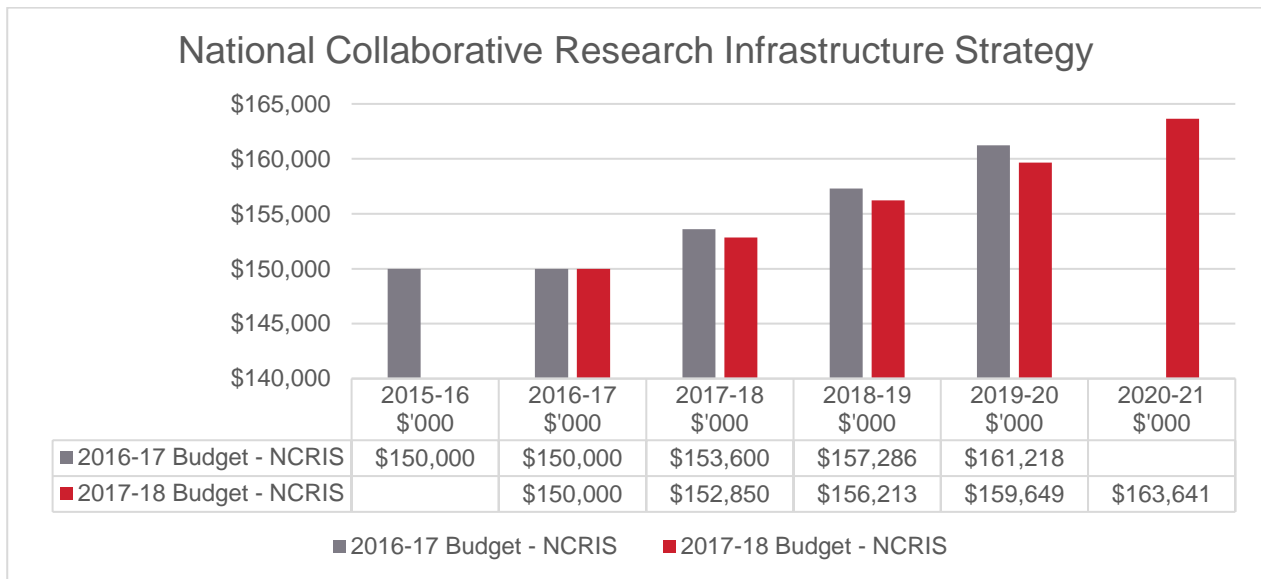
### Research infrastructure and NCRIS

The Government will develop a Research Infrastructure Investment Plan (the Plan), which will assess future research infrastructure projects against emerging Government priorities. The Plan will be informed by the 2016 National Research Infrastructure Roadmap and an inventory of existing national research infrastructure. The

Plan will be developed by the Department of Education and training and the Department of Industry, Innovation and Science in consultation with the Commonwealth Science Council, innovation and Science Australian and key stakeholders.

No new funding has yet been allocated at this stage to fund the Research Infrastructure Investment Plan.

No specific measures for NCRIS were announced. Funding for the existing NCRIS facilities remains broadly similar to budget forecasts provided last year.



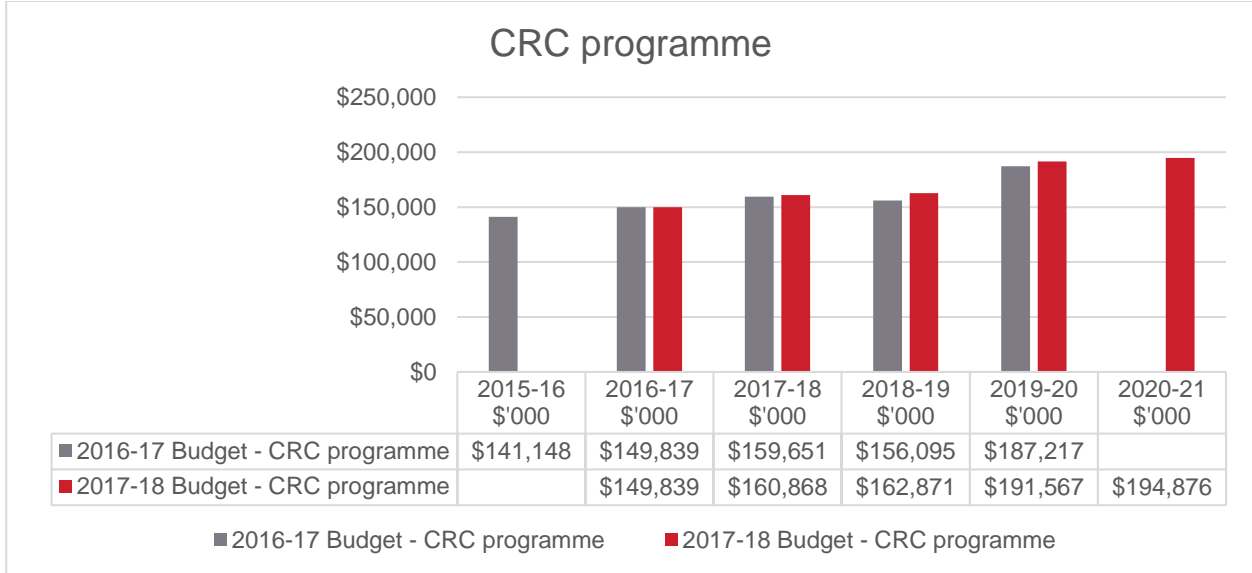
## R&D tax incentive

Despite the R&D tax incentive being the subject of much review and speculation there were no changes announced at the Budget with regards to its future operation. Forecast expenditure (foregone revenue) remains the same as projected in the last Budget at around \$2 billion per annum

## CRC Programme

The CRC programme will receive a small boost with additional funding being provided for CRC-Ps targeting advanced manufacturing.





## ANSTO

There were no specific measures relating to ANSTO within the Budget papers. There will be some variation to forecast expenditure compared to the previous Budget.

