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PRIME MINISTER

FOR MEDIA 8 MAY 1989

JOINT STATEMENT WITH THE MINISTER FOR SCIENCE, CUSTOMS AND SMALL BUSINESS, THE HON. BARRY JONES

Since first coming to office the Government has recognised that realisation of our vision of Australia's future requires many fundamental changes to Australian attitudes and institutions. This need for change is no less evident in science and technology. The Government has pursued a consistent science and technology strategy aimed at achieving this change.

This strategy recognises that crucial elements of research must be supported by public funds. It adopts as two important objectives the pursuit of excellence and the closer cooperation between researchers and users of that research. It recognises that science and technology depend on the creativity of individuals. And finally, it seeks to integrate science and technology into the broader community.

In pursuit of that strategy, research into science and technology in Australia is supported by public funds totalling about $1.9 billion annually, through direct funding, through institutions of higher education and through tax concessions.

Public funding of research and development in Australia is about the middle order of OECD nations. Private sector support has been near the bottom of the ladder. When this Government came to office, 80 per cent of the nation's research activities were publicly funded, with private industry providing the remaining 20 per cent.

We have increased funding for research and development promotion and incentive schemes such as the 150 per cent tax concession for industry R&D, the Grants for Industry Research and Development (GIRD) scheme, medical research (NHMRC) and the Rural Industry Research Funds. We have also encouraged our research organisations to seek greater outside funding.

Since 1982-83, Government support for research through grants, higher education and Government agencies has risen by 12 per cent in real terms, although the composition of this support has altered. Support for industry research and development has trebled.

By 1986-87, within a substantial increase in total R&D expenditure, industry had increased its share in the nation's research effort to 35 per cent. This is a welcome trend.

The best Australian research can now receive increased support, as researchers must now win a proportion of their funding by competing with others against a variety of standards, some involving peer review (through the Australian Research Council) and others commercial criteria.

There has already been a massive expansion of higher education places and there will be a further 49,000 places created during the 1989-91 triennium. We have also dramatically lifted school retention rates from 38 per cent in 1982 to 58 per cent last year.

A number of reviews of science and technology policy is now complete: the Smith and Wilson Committees on higher education, the McKinnon Committee on marine science, the Primary Industries and Energy review of research and development in the portfolio, the Group of Officials on science and technology, and ASTEC's review of the core capacity of Australian science and technology.

While these reviews demonstrate that the Government's basic approach remains valid, some opportunities for improvement have been identified.

In responding, the Government will increase expenditure substantially on science and technology by $390 million over five years and also forgo significant revenue, as summarised in the following table (See Table 1 and the Attachment for further details).

Additional Support for Science and Technology

	Five year total
Career Development	51.00
Re-equipment and other Priority Projects	317.20
Public Awareness	5.00
International Co-operation	17.50
	390.70

Continuting the R&D tax incentive is anticipated to cost approximately $600 million if the expected 1988-89 experience with this incentive is repeated.

In recognition of the importance of having these issues brought regularly before Government, we are today announcing the formation of the Prime Minister's Science Council. The Prime Minister will chair the Council with the Minister for Science, Customs and Small Business, who now also becomes Minister Assisting the Prime Minister for Science and Technology, as deputy chair. A new position of Chief Scientist to advise the Prime Minister and Minister Assisting and act as Executive Officer of the Council will be created. The Chief Scientist will chair the officials level Co-ordination Committee on Science and Technology with the Chief Science Adviser in the Industry, Technology and Commerce portfolio as deputy chair.

Science and technology will have a central role to play in the nation's future, as it has in its past. It will continue to influence crucially our economic performance, health, environment, defence, human values and culture. In this statement, the Government has made a commitment to improving Australia's scientific and technological base. Successful implementation of these strategies will need an equally vigorous commitment by researchers, research institutions, higher education and industry.

ATTACHMENT

SUMMARY OF MEASURES

CO-ORDINATION

A major new national forum for consideration of science and technology issues will be created through the formation of the Prime Minister's Science Council. The Council will be chaired by the Prime Minister, will include other senior Ministers with strong portfolio interests in science and technology, representatives from the scientific community and leading executives from industry.

Others with a particular interest in or ability to contribute to issues before the Council will be co-opted for those items. The Council will meet at least twice a year to consider issues of national significance in science and technology.

In science and technology matters in general and in the business of the Council in particular, the Prime Minister will in future be assisted by the Minister for Science, Customs and Small Business who also becomes the Minister Assisting the Prime Minister for Science and Technology. The Minister Assisting will be deputy chair of the Council.

A new position of Chief Scientist will be created within the Prime Minister's portfolio to provide advice to the Prime Minister and the Minister Assisting on Science and Technology. The Chief Scientist will serve on the Prime Minister's Council and act as its Executive Officer, responsible for co-ordinating the business of the Council.

At the officials level and complementing the work of the Prime Minister's Council, the Co-ordination Committee on Science and Technology will be chaired by the Chief Scientist with the Chief Science Adviser in the Industry, Technology and Commerce portfolio as deputy chair. This Committee will bring together senior officers from all departments with an interest in science and technology to share information about their programs and policies, problems and opportunities.

THE 150 PER CENT TAX INCENTIVE FOR R&D

This will be extended for a further two years, to 30 June 1993. Recognising the long term planning necessary in R&D, the incentive will be phased out, operating at 125 per cent for a further two years. To give an indication of the gross cost to company tax revenue, this incentive is expected to cost about $200 million in 1988-89.

CSIRO, ANSTO, AIMS

In March 1989, the Government boosted CSIRO's base funding by $2.1 million, $6.6 million and $11.6 million in 1988-89, 1989-90 and 1990-91 respectively. As a further commitment to enhancing the strength of the public research sector, the Government began a program in March 1989 to update obsolete equipment in Government research organisations, with $5 million for CSIRO in 1988-89. The Government has now decided to allocate further funds for equipment and priority projects, amounting to $90 million over the next five years.

The Australian Nuclear Science and Technology Organisation (ANSTO) is Australia's major centre of expertise in nuclear science and associated technologies. As part of the March 1989 decision to allocate additional funds for equipment in Government laboratories, ANSTO received $0.5 million towards the cost of a tandem accelerator. The Government has now decided to allocate a further $2.5 million over the next five years for new equipment.

The Australian Institute of Marine Science (AIMS) conducts research in Australia's tropical coastal and continental shelf regions. In March of this year, the Government allocated an additional $1.1 million to AIMS for equipment purchased in 1988-89. The Government will now provide a further $2.5 million for equipment and new research over the next five years.

A recent review of Australia's marine industries and marine science and technology capabilities has identified Australia's achievements, strengths and commercial advantages. The Government accepts the Report's principal recommendation that policies should be prepared and implemented to develop further our marine resources and associated industries. It also believes that industry development should be targeted to areas in which Australia has particular opportunity and where industry is a willing partner.

The heads of the Government's marine science and technology agencies will be asked to work with the Department of Industry, Technology and Commerce to examine areas of potential industry development, to bring marine R&D more closely into line with industry requirements and to play a key role in international co-operation in marine science and technology. The Government has decided to provide an extra $3.9 million for these activities over the next five years.

PUBLIC AWARENESS

The Government has decided to support initiatives which enhance awareness of science and technology. It will create the Australia Prize, worth $250,000 tax-free annually. This prize will be an award for scientific excellence in promoting the welfare of the peoples of the world. The Government will also establish an Industry-Science Foundation to create a mechanism which will alert business leaders to opportunities for long term patient capital investments in research-based products and services.

RESEARCH IN HIGHER EDUCATION

A total of $977.9 million will be allocated through the ARC over the next five years from and including 1990, an increase of $466.4 million over 1989 funding levels. This will be achieved by a major injection of new funds and by continuing the transfer of funds from institutional operating grants to the ARC. New funds will total $254.4 million over the next five calendar years with $56.9 million going to increase support for postgraduate research students and the remaining $197.5 million to develop the capacity of higher education institutions to support high quality research.

The funds will be allocated on advice from the ARC, in consultation with the Higher Education Council (HEC).

To allow better forward planning the Government will introduce full triennial funding for the ARC in line with funding arrangements for higher education institutions.

RESEARCH TRAINING

The Government will provide additional funds of $56.9 million over the next five calendar years to upgrade dramatically the Commonwealth Postgraduate Awards Scheme. In 1990 the Government will make available $31.8 million sufficient to provide for 1450 continuing research scholarships and 900 new research scholarships. From 1990 all Commonwealth Postgraduate Research Awards will be provided tax-free at a minimum of $12,734, equivalent to a taxable level of $15,000, compared to the current level of $10,415. Institutions will have the flexibility to set stipends above this level up to $16,433 (equal to $20,000 taxed) according to their own research priorities and local needs.

In addition, 30 new industry research scholarships will be available each year to link directly with industry. They will assist in opening up joint industry higher education research training opportunities, and so lead to closer interaction between the two sectors. It is intended that by 1992 there will be a pool of about 80 or 90 of these awards.

HEALTH AND MEDICAL RESEARCH

The Government will further strengthen Australia's health and medical research workforce by attracting and retaining bright young researchers through a program of priming grants to assist the transition from understudy to fully-fledged independent scientist. A senior medical research fellowships and awards program will help attract to Australia eminent medical researchers in high priority areas. In addition, the postgraduate research awards granted by the NHMRC will be increased in number and value at a cost of $5.7 million over five years.

In seeking to maintain Australia's strong international record in medical research, the Government will also provide the NHMRC with an additional $39.8 million to upgrade and replace obsolete biomedical equipment. The NHMRC will now also allocate a proportion of the funds which have been transferred from higher education operating grants to the ARC.

The total increase in funding for medical research through the NHMRC over the five year period to 1993-94 is $45.5 million. This represents a real increase of 18.7 per cent over the period.

PRIMARY INDUSTRIES AND ENERGY

The Government has recognised the need for a more integrated approach to research policy across primary and energy industries. Today, the Minister for Primary Industries and Energy, Mr John Kerin, and the Minister for Resources, Senator Peter Cook are releasing a statement, Research, Innovation and Competitiveness, which deals with primary industries and energy research and development arrangements, and how they can be made more efficient and effective and continue to produce results that are relevant to industry needs. The changes fall into several areas: funding, co-ordination and evaluation of research efforts.

Initiatives will cost $3.5 million over five years.

ENVIRONMENT

The Government has already announced support for a national Greenhouse research program so we can better understand and respond to climate change. It will provide $7.8 million during 1988-89 and 1989-90 for research and policy support including:

- research by CSIRO and the Bureau of Meteorology on climatic modelling;
- support for the World Climate Impact Studies Program of the United Nations Environment Program; and
- funds for the Academy of Science to participate in the international Geosphere - Biosphere Program.

A National Greenhouse Advisory Committee, comprising eminent Australian scientists, will be established to advise the Government on Greenhouse research issues, including details of a Greenhouse research grant scheme to begin in 1990-91.

INTERNATIONAL COLLABORATION

The Government believes that Australian researchers should be able to participate as a full partner in international precompetitive R&D programs where the collaboration can help Australian technology enter world markets. The Government has therefore decided to increase funding for international science and technology by $17.5 million over the next five years, including additional support for Bilateral Science and Technology Co-operation programs.

TABLE 1

ADDITIONAL SUPPORT FOR SCIENCE AND TECHNOLOGY [1]

	1989-90	1990-91	1991-92 to 1993-94[2]	Five Year Total
	$m	$m	$m	$m
CAREER ISSUES				
Commonwealth postgraduate awards	2.70	8.40	11.40	45.30
NHMRC postgraduate awards	0.80	1.00	1.30	5.70
INFRASTRUCTURE/PRIORITY PROJECTS				
Higher education	10.00	30.00	45.00	175.00
DPIE review of R&D effectiveness; equipment (BMR)	1.30	1.30	0.30	3.50
DCSH training; equipment; new research	4.40	8.10	9.10	39.80
CSIRO equipment; new research	14.00	19.00	19.00	90.00
ANSTO equipment	0.50	0.50	0.50	2.50
AIMS equipment	0.50	0.50	0.50	2.50
Marine science and technology	0.70	0.80	0.80	3.90
PUBLIC AWARENESS				
Prime Minister's Science Council	0.20	0.20	0.20	1.00
Australia Prize	0.25	0.25	0.25	1.25
Special projects	0.55	0.55	0.55	2.75
INTERNATIONAL SCIENCE AND TECHNOLOGY				
Bilateral S&T agreements; precompetitive R&D; Human Frontiers Science Program	3.10	3.60	3.60	17.50
R&D FUNDING				
Continuation of R&D tax incentive[3]				
TOTAL	39.00	74.20	92.50	390.70

(1) All amounts are in 1989-90 dollars. (2) The figures in this column apply in each of the years 1991-92, 1992-93 and 1993-94. (3) To give an indication of the gross cost to company tax revenue of this decision, the amount foregone in 1988-89 is expected to be about $200 million.