



July 2000

NEWSLETTER

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ASMR  
National Scientific  
Conference,  
Hotel Sofitel,  
Melbourne Vic  
November 26 - 28  
2000

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Directors  
Year 2000

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## President's Report

*Dr Rob Ramsay*

*The year is only half way through but it seems that we have made enormous advances as a medical research community.* ASMR Medical Research Week<sup>(R)</sup> 2000 has come and gone but it has had a lasting impact on the way we will interact with the Australian public, sponsors and policy makers. The national profile we have sought for MRW has arrived and we have connected with a major sponsor, Medibank Private, who appears to be keen to facilitate activities on a new scale of support. This relationship with the major health fund has many mutual benefits for ASMR and Medibank Private and when we distil our individual goals down to the fundamentals one outstanding focus remains. That is *to improve the health of Australians.*

The second important development has come from the office of the Federal Minister for Health and Aged Care, Dr. Michael Wooldridge. He has offered to support ASMR in its outreach activities with \$100,000 per annum. Although these monies are for an unspecified period

of time, this kind of governmental support is unprecedented. It indicates the genuine recognition from the Minister that ASMR is effective at communicating with the public and that we have a credible and authoritative voice. I was not surprised but still a little disappointed by the response of a small number of ASMR members who thought we would immediately lose our independence and from others who have commented "*....how will you be able to publicly criticize government now?*"

These are interesting comments because they reflect a combative mindset from which ASMR has now moved on. Firstly although \$100,000 is a lot of money, an amount that has previously occupied a lot of director's time in raising as sponsorship dollars, it in fact represents less than 25% of the recent annual turn over of ASMR. Secondly, this comment was never leveled at the board when we received larger sponsorship packages from the private sector. The third point is that Dr. Wooldridge has a track record second to none in improving medical research

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funding. It would be a great pity to look upon this as being in some way compromising. I rather view this as a tool to leverage more support from other organisations and State governments.

The last point about ASMR "*the public critic*" is however the most important. ASMR no longer seeks the glory of a front-page newspaper comment where we bag a government or minister over policy or attitude. We have developed good working, I repeat **WORKING**, relationships with policy makers over several years. One expediently crafted comment that transiently damages government can undo three or more years of work developing free and bi-directional dialogue with a minister. ASMR has been part of the terrific gains in funding and also increased awareness of the benefits of medical research in the general community. Small increments in trust and shifts in emphasis in government minister's attitudes have achieved these goals. We now get asked for our views as an umbrella organization and to provide argument from you, our members, in support of new initiatives. In other words we act as a professional and ethical society that operates in discussions with policy makers and sponsors to find mutual "wins".

Another initiative ASMR has been pushing this year is to increase the number and size of prizes on offer from private sponsors and government to

our fantastic talented young researchers. The latest has been from the Federal Government for a medical researcher to be announced annually to the tune of \$50,000 to assist in the career development. AMGEN Australia now supports a national award for translational research and other sponsors are looking at this kind of award in their portfolio of sponsorship. The Victorian Premiers Award has been continued under the new leadership of Premier Bracks, and other State Governments are planning similar awards. These prizes are like winning scholarships to the Australian Institute of Sport or a music award for most promising artist. They are very competitive, the recognition is public and they are financially rewarding.

The influence of ASMR continues to grow with the recent appointment of an ASMR director, Dr. Bronwyn Kingwell to the NHMRC. This important development brings a young medical researcher to the table of the body that governs and advises on many aspects of health and medical issues. It is commonly forgotten that the NHMRC is far more than just the major research funding organization for Australia. Bronwyn has a lot on her plate as an ASMR director including convening the Health & Medical Research Congress 2002 in Melbourne. Nevertheless I have every confidence in her abilities as a strong advocate for medical researchers over the next three years. ASMR

also wishes all the new councilors every success in their role of advisors, protectors and leaders in setting the medical and health agenda for Australia.

Finally, the long awaited review of Australian science by Robin Battenham is close to being announced. As many of you would have heard from Dame Bridget Ogilvie during MRW, a strong science base supports an effective medical research sector. Her timely comments I am sure will be reflected by the pending review's recommendations and I expect it will offer many challenges to the Federal Government. In view of the comments I made above regarding spontaneous criticism I hope we can all use this review in a positive way to improve the support of science. This is particularly apt at the moment, as recently I have noted a strengthening trend in government attitude that suggests a sense of weariness with the science sector. We know there are many problems within our university science faculties and that R&D is doing very poorly overall. However, it will not help by simply summarizing our response to such reviews as... "*we told you so!*" Instead we need to work together with government and industry to find ways of growing the funding pie, explore avenues to revitalize universities while recognizing that they are the *cauldrons of ideas and incubators of knowledge*.

*Rob Ramsay*  
*ASMR Prsident*

Australia's chief scientist, Dr Robin Batterham, has been charged with reviewing Australia's Science Capability as we move into the 21st Century. Hot on the heels of the Will's HMRSR, and the White Paper on Research and Research Training, this review is aimed at formulating Science policy to put Australia into a competitive position over the next couple of decades. The terms of reference cover;

- \* **Current state of Australia's science base**
- \* **Funding mechanisms**
- \* **Requirements for the science base to support leading edge industry in Australia**
- \* **Contribution the science base should make to development of the economy**

In preparation for the review, submissions were requested in September last year, and to date over 120 have been

received. Earlier this year, Dr Batterham spent two weeks in Europe and North America collecting information on the role of Government and Universities in the sector. Most OECD countries are already pumping prodigious amounts of extra money into scientific and medical research, or planning to do so in the near future. Canada, a country with a similar population to Australia, as well as a traditional reliance on primary industry like Australia, has recently committed additional funding for science and technology to the tune of \$CA 2 billion, as well as the creation of 2000 new Chairs at Canadian Universities. Similar initiatives have been taken in the UK, Germany and the US, demonstrating that the link between a healthy University and Research sector and economic prosperity has been well appreciated in those countries.

Those working in Australian Universities will find it hard to reconcile the Federal Government's current enthusiasm for "innovation" and "the knowledge economy" with the budget cuts imposed on Universities over the last four years.

The central message coming from the plethora of Reviews recently commissioned by the Australian Government is very clear. Australia continues to have a piecemeal approach to the whole question of research funding.

There is a sense of re-

invention of the wheel, with each successive review showing our OECD peers have recognised the importance of the research sector long before we have even got around to producing a review, let alone acting on its recommendations. *Each time Australia fails to bridge this ever widening gap, the harder we will find it to keep pace with other OECD nations.*

The background to the review and submissions to it can be viewed at:

<http://www.isr.gov.au/science/review/index.html>

A discussion paper on the review can be downloaded from:

<http://www.isr.gov.au/science/review/discussion/discussion.html>

An interim report to PMSEIC (Prime Minister's Science, Engineering and Innovation Committee) will be accessible at <http://www.isr.gov.au/science/pmseic/5thmeeting.html> in late June or early July

*Bruce Lyons  
Hon Treasurer*

## Foundation for High Blood Pressure Research

2001 Postdoctoral Research Fellowships

Contact Prof. W. Anderson,  
Hon Sec. Fndn for High Blood Pressure Rsh.  
Dept of Physiol.  
P O Box 13F, Monash University, Vic. 3800

Email:  
[fhbpr@med.monash.edu.au](mailto:fhbpr@med.monash.edu.au)

# ASMR Medical Research Week<sup>(R)</sup>

.... bringing science to meet the public  
Dr Moira Clay



ASMR Medical Research Week<sup>(R)</sup> 2000 continued its impressive expansion nationwide. Media coverage was plentiful, with high impact hits occurring in all states.

This year ASMR Medical Research Week<sup>(R)</sup> once again featured a national tour by the ASMR Medallist. Each year, the ASMR medal is awarded to an eminent international figure in the medical research community who has made a significant contribution to medical research in Australia.



**Ross Waller - Winner  
Victorian Premier's  
Award**

## EXPOS

Victoria

Queensland

Western Australia



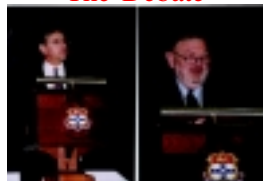
**a big hit with the public!**



Thanks to Medibank Private for their support of Expos in Vic. Qld & WA

The Federal Minister for Health and Aged Care, Dr Michael Wooldridge, made a surprise announcement during ASMR Medical Research Week<sup>(R)</sup> at the Victorian Dinner. In continuing support for the ASMR, Minister Wooldridge announced new financial support to the tune of \$100,000 and a new annual national medical researcher award of \$50,000 to be made during next year's ASMR Medical Research Week<sup>(R)</sup>.

## The Debate



**"Can Sex Save Your Life?"**



*There are a number of highlights from this year's activities -*

\* The inaugural National Press Club luncheon in Canberra to launch ASMR Medical Research Week<sup>(R)</sup> Dr Michael Wooldridge, presented Dame Bridget Ogilvie with the ASMR Medal for 2000 at the luncheon. The Deputy Prime Minister, Mr John Anderson, also attended. Thanks go to Juleen Cavanaugh and her team for organising this event and getting so many of the Canberra medical research community to attend.

\* The unique "Science in Art" exhibition, in Perth was a first for ASMR Medical Research Week<sup>(R)</sup>.

\* The Victorian Expo went to Chadstone - the largest shopping centre in the southern hemisphere.

# ASMR Medical Research Week<sup>(R)</sup>

.... bringing science to meet the public

Dr Moira Clay



**Expos**  
**Lunches**  
**Debates**  
**Dinners**  
**Lectures**  
**Public forums**  
**Scientific Meetings**  
**Commercialisation forums**  
**Student information**  
**Awards for researchers**

The ASMR Medallist for 2000 was Dame Bridget Ogilvie, former head of the Wellcome Trust in the UK. During the week, Dame Bridget addressed dinners and lunches in most state capitals. Her entertaining and enlightening talks focussed on the stand-off between universities and government over funding for higher education. Dame Bridget urged the two parties to work together to ensure that support for the science base and academic salaries in universities does not continue to erode but rather grow to keep pace with wealth creation and competitive advantage, both products of the third 'knowledge-based' industrial revolution.



The ASMR wishes to thank the supporters of Dame Bridget Ogilvie's tour - SmithKline Beecham, Medibank Private, the Commonwealth Dept. of Health and Aged Care, Ansett Australia and Air New Zealand.



## TOXICITY TESTING

Pharmatox is a well established toxicology laboratory working to international guidelines of the OECD and is a GLP and GMP registered laboratory, specialising in pre-clinical toxicology including pharmacokinetics, toxicokinetics and a wide range of pharmacopoeal tests.

**Pharmatox**

For further information contact:  
Dr A. G. Bolt  
Tel: (02) 9654 1623 Fax: (02) 9654 1754

ASMR Medical Research Week<sup>(R)</sup> Community Service Announcements aired 12 times on Channel 9 in Adelaide. Congratulations to Wendy Ingman (SA Press Officer) for making this high profile coverage happen. ASMR is enormously grateful to the many people behind the scenes in ACT, NSW, QLD, SA, VIC and WA for their sterling efforts in ensuring this years' activities went off without a hitch. ASMR MRW<sup>(R)</sup> would not happen without all of you (you know who you are!) - so THANKYOU!



**The debaters**  
**"Can Sex Save your Life?"**  
**a media hit!**

## Death of the Medical Research Investment Fund

In October 1998, County Investment Management and the NHMRC announced a partnership to explore ways of raising private investment capital to supplement public funding of world-class medical research undertaken in Australia.

This initiative aroused considerable interest in both the medical research and investment communities for its ambitious scope and innovative approach to the financing of early stage research.

Extensive dialogue with research institutes and universities followed with emphasis on securing intellectual property in a form that could be recognised by investors such as superannuation fund trustees, and on the alignment of interests between investors, research institutions and

individual scientists in pursuing the commercial development of discoveries.

An important milestone was reached in June 1999, when a Heads of Agreement was reached with the Walter and Eliza Hall Institute of Medical Research.

Nevertheless, it became apparent that the initial scope of the proposed Medical Research Investment Fund, to match all NHMRC grants in a wide range of institutions across the nation is simply not practicable at this time.

County Head of Corporate Affairs, Paul Murphy, emphasised that the May 2000 announcement should not be interpreted as a retraction of their belief in the enormous commercial potential of Australian medical research. Nor does it reflect a failure to attract investor interest. On the contrary, there remains a substantial investment opportunity.

*“The complexities encountered stem from the myriad structural and governance arrangements currently in place among the various research institutions, and the absence of a common framework for the management and development of intellectual property”* said Mr Murphy. *“It is simply not feasible for County to continue to treat them solely on a case by case basis with individual institutions.”*

The demise of the proposed Medical Research Investment Fund is a blow for both the NHMRC and for the commercialisation of Australian medical research. The Health and Medical Research Strategic Review recommended encouraging and supporting commercialisation and the translation of knowledge into wealth. However, in order to attract investment, ventures will be selected on their potential profitability not just on their scientific excellence. Hopefully, the experience will aid all concerned in developing future commercialisation plans.

### Biotechnology

*Dr Matt Gillespie*

As we pass the 12 month anniversary of the HMRSR, we have witnessed some of the first spin-offs in accord with the Review's recommendations that have occurred outside Implementation Committee. The first has a profound impact for Australian researchers, with the procuring of access to sequences within the Celera genome databases for man, mouse and Drosophila. Coupled with the sequence availability, mining of the sequences should be enhanced due to access of Celera's bioinformatic tools. This initiative demonstrates clear visionary qualities of NHMRC in that Australia was the first country to engage in such a deal with Celera. The Minister for Health, Dr. Michael Wooldridge, in announcing this initiative on June 30 commented upon the rapid response of the NHMRC to secure the deal. This is particularly relevant after the notoriety the joint announcement by Francis Collins and Craig Venter of Human Genome in that same week. The quoted buy in figure of \$6,000 per institution is affordable, and attests to the deal that was struck between NHMRC and Celera.

Also in the last week of June, the long awaited unveiling of the Melbourne Biotechnology Precinct, Bio21, occurred. A three stage development is proposed within the Parkville precinct to develop new laboratories, foster collaborative links and improve

commercialisation outcomes. Within Bio21, state-of-the-art platform technologies will be developed, including genomics, proteomics, bioinformatics and structural biology. Implicit would be the development of a rational drug design program. A commercial arm, Bio21 Commercial, will also be established to advance track discoveries to reach commercial potential. Initial funding for the development is provided

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## Research Australia; What is it?

In the US, an important lobby group supporting increasing investment in fundamental medical research is Research!America. The HMRSR chaired by Mr Peter Wills AM identified the opportunity to develop an Australian version of this activity. Late last year, the Australian Stock Exchange sponsored a visit by the President of Research!America, Mary Woolley who met with ASMR Presidents Matt Gillespie and Rob Ramsay. Ms Woolley was *“particularly impressed by the evidence of ASMR’s role.”* The concept for Research Australia has been the focus of a subgroup of the Wills Implementation Committee. An initial meeting of a diverse group of potential stakeholders, ranging from researchers to business to disease foundations to philanthropic organisations, was very supportive of the concept and plans for Research Australia. Peter Wills outlined a vision for Research Australia. “It will have a mandate to raise awareness across all field of health and medical research” and “have an advocacy program that will go to the very grassroots of the Australian community” he said. The Australian Stock Exchange has committed seed funding to aid the establishment of Research Australia. Mr Michael Roche, ASX executive general manager strategic planning and business support, said “there is not

shortage of corporate sponsorship dollars for sport and the arts and we want to divert some of this to medical research, which ultimately benefits the community and the economy.”

In offering access to the experience gained by Research!America, Ms Woolley said “ASMR would be a marvellous ally with any Research Australia enterprise” Similar views were expressed by Sir Gustav Nossal AC (Australian of the Year and Life Member of ASMR) who said Research Australia is “something to link ardently with ASMR and go forward to lobby.”

The ASMR Directors have given detailed consideration to the benefits that Research Australia can bring to our sector. ASMR is already heavily engaged in political (eg Annual visits to Canberra and writing to politicians) and public lobbying (eg AMSR Medical Research Week<sup>(R)</sup>). However, ASMR believes that further education and involvement of the public, of business and of philanthropic organisations will only help to broaden the base of support for medical research in Australia.

Further meetings of the stakeholder groups, including ASMR, will occur over the next few months with a Business Plan being drawn up by August and a formal launch proposed for later in the year.

*Prof Peter R Schofield  
ASMR Director, Public Affairs*

### Biotechnology

Cont.

from the Victorian State Government (\$50m), The University of Melbourne (\$50m), Federal Government (\$10m), Walter and Eliza Hall Institute (\$4m) and a single philanthropic donation (\$30m). It is anticipated that more than \$250m will be raised from private investors and developers.

The Bio21 development, along with the Institute for Molecular Bioscience at The University of Queensland, should equip Australia to compete, develop and commercialise in the international marketplace. Further as a result of such initiatives, we should be able to offer incentives to attract productive scientists to Australia, and to further enhance our research capacity.



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## **GST and Medical Research Grants: *the bottom line***

*Dr Jason Smythe, Editor*

In addition to common usage when referring to glutathione-S-transferase, or the tri-peptide glycine-serine-threonine, the abbreviation GST now has an additional meaning for medical researchers, namely TAX. For a number of researchers the impact and significance of the changes on their grants and funding remain unclear. The bottom line is that the overwhelming majority of research grants will be subject to the GST because they have associated conditions that the grantee (or representative Institution) must agree to in accepting the grant. *In summary*, the guidelines for applying GST (GSTR 2000/11) imply that a grant will be subject to GST if all of the following conditions are met: that there is a supply (ie. something is conditionally supplied by the grantee to the granting body) for consideration (ie. the funds); that the supply is made in the course or furtherance of an enterprise (the enterprise is the normal activity of a University of Research Institute for example) that is carried out by the grantee; that the supply is connected with Australia (eg. the work is carried out in Australia); and that the grantee is registered (ie. has an ABN), or required to be registered for GST. The supply, for the purposes of a medical research grant, can be defined (by the ATO) as: a creation, grant, transfer, assignment or surrender of any right; or an entry into or release from an obligation. In agreeing to the conditional terms of a grant (which can be as simple as agreeing to the stipulation that unspent funds will be returned if the project is prematurely terminated for any reason) the

definition and obligation of supply by the grantee is met. Therefore, grants from the NHMRC (with the possible exception of Ph.D. Scholarships), ARC, and similar bodies will be subject to GST. The current exceptions to this ruling (for the purposes of a transition period) appear to be conditional grant agreements that have been entered into before July 8 1999, which will remain GST free until 2005, or first review opportunity, if the grantor is registered for GST (ie. has an ABN), and internally sourced grants (ie. intra-Institutional priming grants, seeding grants etc.) which are outside the scope of the GST guidelines. Unconditional grants would probably fall under the definition of a donation, and as such may be GST exempt if they fully comply with the definitions governing donations.

*So, the bottom line appears to be that almost all research grants from the various funding agencies will be subjected to GST, and the administering institution will be responsible for forwarding the GST to the ATO.* For many grants this may not actually present any problems to the researchers, because the funding agency can claim (if registered for GST) an input tax credit to the value of the GST paid by the grantee. For example, if the NHMRC provided an additional 10% on the grant funds, which was then remitted to the ATO by the grantee, the NHMRC would get an input tax credit equivalent to the 10% GST, and the cycle would be complete with neither party being financially penalised (or so the theory goes). Why this

“rob Peter to pay Paul” philosophy for government funded grants ? Well, I’m not entirely sure, although there is a situation in which the Government would collect the GST without an input tax credit being claimed by the grantor or funding agency. This would apply to grants which are awarded from funding bodies that are not registered (ie do not have an ABN) for GST purposes in Australia. Examples could be grants obtained from agencies such as the U.S. National Institutes of Health (NIH), in which case it would appear that the GST applies and would need to be collected by the grantee Institution, but the tax credit may not be available to the grantor.

In conclusion, the GST will be a factor in the lives of medical researchers as they pursue funding for their respective research programs, but at present the impact of the legislation will probably be minimal, with a few exceptions (ie. possibly NIH and similar grants). Only time will tell the full story, but I don’t think it’s time to pack up the chloroform and go home just yet. I must stress, however, that this article has been prepared on the basis of a series of presentations and discussions attended by the author (who is by no means an expert in Australian Taxation legislation) and is not claimed or intended to provide expert opinion. Researchers should consult their respective Institute taxation accountants or finance department for ultimate opinion and advice.

*Jason Smythe*

**Congratulations** to Dr David Vaux of the Walter and Eliza Hall Institute of Medical Research who is this years recipient of the prestigious Australian Academy of Science’s Gottschalk Medal for his research into the process of cellular apoptosis. Editor