ASMR
AUSTRALIAN SOCIETY FOR MEDICAL RESEARCH

SUBMISSION FOR THE 2026-27 FEDERAL BUDGET

Investing in Australia's Health and Prosperity Through Medical Research

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Executive Summary

The Australian Society for Medical Research (ASMR) presents this submission with two clear, evidence-based asks that represent strategic investments in Australia's future health and prosperity.

Australia's health and medical research sector generates $3.47 in economic, health, and social benefits for every dollar invested [1]. This is not expenditure, this is investment with proven, measurable returns. Yet our sector faces a critical funding crisis that threatens decades of accumulated intellectual capital, is damaging our future workforce, and risks losing world-class discoveries before they reach patients.

Our Key Asks:

1. Unlock Full Disbursement of the Medical Research Future Fund (MRFF)

Enable the MRFF to operate as originally intended by removing the original $647 million annual disbursement cap and moving toward full utilisation of the fund. Recent Parliamentary Budget Office analysis demonstrates that annual disbursements of $1 billion would still see the MRFF grow to $30.1 billion by 2035-36, well above its original $20 billion capitalization [2,3,4]. We recommend disbursements consistent with the fund being stable at or above $20 billion. We note that the breakeven calculation over 10 years would enable $1.4 billion to be distributed each year – well in excess of this initial request.

2. Invest a 20% Additional Immediate Injection to the Medical Research Endowment Account (MREA)

Increase annual investment in the NHMRC's MREA immediately by 20% beyond current forward estimates as an initial stepping-stone toward sustainable, long-term investment in discovery science. This is an investment in our world-class researchers, talented scientists who have spent many years in training, and in our commitment to the future health of all Australians.

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The Case for Investment: Why Now?

Australia stands at a critical juncture. Our health and medical research sector has demonstrated extraordinary capability on the world stage, yet faces unprecedented challenges that threaten to **undermine decades of strategic investment and destroy intellectual capital developed over generations.**

A Crisis in Research Funding

The situation is stark: **NHMRC grant success rates have fallen to historic lows. In the 2025 Ideas grant round, the rejection rate was 91.9% [5].**

This is not simply a statistic, it represents a systemic failure to support world-class research. **Of all grant applications deemed to be of *internationally excellent* quality in the 2025 Ideas round, 68% were unfunded because the sector is inadequately supported [5].**

When brilliant researchers spend excessive time writing applications rather than conducting research, when talented early and mid-career scientists leave the sector due to funding uncertainty and job insecurity, when outstanding ideas cannot be pursued because funds simply do not exist—Australia is failing its researchers and, by extension, failing to translate discoveries into health outcomes for its citizens.

Between 2019 and 2022, both the number of applications and the number of grants funded through NHMRC's flagship Ideas and Investigator schemes declined significantly [6]. This signals a contracting sector at precisely the moment when Australia needs to expand its research capacity to address emerging health challenges: an ageing population, the rise of chronic diseases, antimicrobial resistance, and climate-related health impacts.

Investment in Talented Researchers

ASMR represents the researchers themselves. We cannot ignore the human cost of inadequate funding. Australia's health and medical research workforce represents decades of training, sacrifice, and commitment to improving health outcomes for all Australians. These researchers have invested years in their development - PhD programs, postdoctoral training, establishing independent research programs - with the expectation that they would have the opportunity to pursue their discoveries and contribute to the nation's health and innovation capacity.

When the funding environment becomes hostile to discovery research, we do not simply lose the opportunity to pursue individual grants. **We lose researchers.** We lose the knowledge they carry. We lose the mentorship they provide to the next generation. We lose the intellectual capital that makes our sector world-leading. In addition, this will soon be having significant impact at the secondary school level as students will be highly unlikely to pursue future careers in the sciences given the low likelihood of employment stability or career success.

A 20% immediate injection to MREA represents an initial investment in this talent and a commitment to the future of Australian medical research. It is a steppingstone toward a more sustainable, long-term investment that recognises these researchers not as costs to be minimized, but as assets to be nurtured and deployed for the benefit of the nation.

A Sector That Punches Above Its Weight

Within this crisis lies extraordinary opportunity. **Australia's health and medical research sector contributes 3.05% of total world health and medical research output from only 1.1% of global expenditure [7].** We deliver twice the OECD average on a per capita basis. We have the talent, the infrastructure, and the track record of success.

What we need is strategic investment at a level that guarantees the returns this sector delivers, and the world-class capability it represents, continues.

Ask 1: Unlock Full Disbursement of the Medical Research Future Fund

The Current Constraint

The Medical Research Future Fund currently operates under an artificial $647 million annual disbursement cap, despite the fund having substantial available capital. This arbitrary constraint prevents the MRFF from operating as originally designed and limits Australia's ability to accelerate health and medical research investment.

The Case for Full Disbursement

Recent Parliamentary activity has strengthened the case for full MRFF disbursement.

In federal parliament, independent members Monique Ryan MP and Senator David Pocock have advocated for removing the disbursement cap and enabling full utilisation of the fund [8]. Their position reflects consensus across the research and health sectors that the current cap is unnecessarily restrictive and prevents optimal deployment of resources for medical research and discovery.

ASMR has amplified these messages, driving the broader sector conversation that the MRFF should operate without artificial constraints. This aligns with consistent advocacy from research bodies including the Association of Australian Medical Research Institutes (AAMRI), the Group of Eight, , and many other science and technology sector representatives [9].

The Financial Reality

Parliamentary Budget Office analysis demonstrates the financial sustainability of increased disbursements [2,3,4]:
Annual MRFF disbursements of $1 billion would still see the MRFF grow to **$30.1 billion by 2035-36**

This represents growth well above the original $20 billion capitalisation
The fund can sustain substantially higher annual disbursements while maintaining corpus for future generations

The constraint is not financial, it is arbitrary. Removing it enables Australia to invest more strategically in medical research without jeopardising the fund's long-term sustainability.

Recommendation

Remove the arbitrary $647 million annual disbursement cap and immediately enable the MRFF to operate as originally intended, utilising available funds while maintaining the corpus for future generations. This represents a commitment to accelerating medical research progress without compromising fiscal prudence.

Ask 2: Strategic Investment in Discovery Research Through MREA Expansion

The Discovery Research Pipeline

Discovery research—fundamental, investigator-initiated research that expands our understanding of biological and clinical science, is the foundation of the translation pipeline. Without robust discovery research, there are no breakthroughs to translate, no innovations to commercialise, and no new medicines or treatments to reach patients.

The Medical Research Endowment Account (MREA) funds this essential discovery pipeline through NHMRC's competitive grant schemes. The current funding levels are inadequate to support the quality and volume of research Australia's world-class researchers can undertake.

The 20% Investment: An Initial Steppingstone to Sustainable Support

We ask for a 20% immediate injection of new investment to MREA, beyond current forward estimates.

This is framed as an initial steppingstone toward sustainable, long-term investment in discovery science, not as a one-off boost, but as a foundation for starting to build the research infrastructure Australia requires to remain globally competitive and to address its emerging health challenges.

A 20% increase would:

- Signal commitment to Australia's research workforce that discovery science is valued
- Begin to stabilise the talent pipeline by improving funding security and reducing researcher attrition
- Expand research capacity to address priority health challenges
- Improve grant success rates toward levels that support world-class research progress (current 8.1% Ideas grant success rate is unsustainable)

Why Discovery Research Matters for Australian Health

The health challenges facing Australia—ageing populations, chronic disease burden, antimicrobial resistance, climate-related health impacts, will not be solved by overseas research alone. Australia needs sovereign research capacity and the ability to translate discoveries into health solutions tailored to our population. Additionally, we want Australians to have access to the newest and best clinical trials available – for many offering lifesaving treatments when first available.

This requires sustained investment in discovery research and the talented researchers conducting it.

Recommendation

Increase annual investment in the NHMRC's MREA by 20% beyond current forward estimates. Frame this as an initial steppingstone toward sustainable, long-term investment in discovery science and a commitment to our world-class research talent. Explicitly acknowledge this as investment in Australia's future health and in the researchers whose training and dedication drive health outcomes for all Australians.

The Opportunity Cost: How Many Discoveries Are We Losing?

Australia's capacity to generate world-class research discoveries is exceptional. But in the current funding environment, far too few of those discoveries reach the light of day.

This reality is exemplified by the BiVACOR total artificial heart, a technology that might never have existed without strategic government investment, and that might never have reached patients without sustained commitment to a visionary researcher's dream.

The BiVACOR Case: From Vision to Clinical Reality

Dr Daniel Timms, a Queensland University of Technology graduate, began developing his revolutionary artificial heart as a PhD project in the early 2000s, driven by his father's battle with heart failure [10,11]. Working with collaborators at Brisbane's Prince Charles Hospital and QUT, Dr Timms pursued a vision many considered impossible.

The BiVACOR uses magnetic levitation technology, eliminating mechanical wear to create a durable, long-term solution for severe heart failure [10,11]. The technology represents Australian ingenuity and decades of dedicated research.

The Role of Smart State Funding

Critically, BiVACOR only got off the ground because of visionary Smart State funding from the Queensland Government. In its early years, the project received modest but crucial support including funds from the Queensland Government's Advance Queensland Ignite Ideas programme [12]. These early-stage investments were essential to proving the concept and attracting later support.

Over the first decade of research, BiVACOR received only $700,000 in total funding [12]. Yet this modest early investment ultimately contributed to a technology that is now transforming lives.

Dr Timms and his collaborators have reflected:

What if there had been more funding, earlier?

Could this lifesaving innovation have reached the clinic a decade sooner?

The Gap in Current Support

In 2025, there is limited government support of this nature for early-stage, high-risk high-reward medical research discoveries.

Too few world-class discoveries are able to see the light of day. Too few Bivacors reach patients. Too many brilliant ideas never progress beyond the laboratory because the funding environment will not support them.

The question is not whether Australia can generate discoveries comparable to BiVACOR. The question is: **How many BiVACORs are dying before they can see the light of day in Australia?** How many researchers with visionary ideas are abandoning their discoveries because the funding environment will not support them? How much intellectual capital and human potential are we losing?

The Strategic Imperative

Removing artificial constraints on the MRFF and investing strategically in MREA would create the conditions for more discoveries like BiVACOR to reach patients. It would signal to researchers that bold, visionary ideas are valued and supported. It would restore the kind of government backing that enabled BiVACOR in its critical early years.

Conclusion

Australia's health and medical research sector is at a crossroads. The decisions made in this budget will determine whether we invest in our world-class researchers and our future health capacity, or whether we continue to allow constraints to erode the sector and lose talented researchers and world-changing discoveries.

ASMR's two asks are clear and evidence-based:

Unlock full disbursement of the MRFF, removing artificial constraints and enabling Australia to invest more strategically in medical research

Invest 20% additional immediate injection to MREA, as a steppingstone toward sustainable long-term support for discovery research and the talented researchers conducting it

These investments will generate substantial returns—economic, health, and social. More importantly, they will signal to the world that Australia is serious about remaining a leader in medical innovation and about supporting the researchers who make it possible.

References

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