



Oct., 1999

President's Report

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Discipline Panels

by Rob Ramsay

The Society has been incredibly active and successful in the past two years. ASMR was instrumental in the HMRSR in many capacities from its original submission to government response. We facilitated meetings, provided information, statistics and general dialogue between interested parties, contacted every federal politician (several times), spoke directly to those holding portfolios connected to health, science and technology, on all sides of politics, to the treasurer, and to state ministers.

We have developed ASMR-MRW to a truly national focus and our decision to have both Peter Doherty (1998) and Ralph Bradshaw (1999) as touring lecturers was instrumental in conveying the H&MR message to the broader community.

The commitment to double NHMRC fund allocations within five years has at last provided a stable funding base and the opportunity for H&MR in Australia to maintain its high international standing. *However, we must be mindful that the HMRSR recommendations for increased or sustained funding after 2004 are contingent upon outcomes to H&MR.* The H&MR sector will have to provide a case to government. The most persuasive argument, pivotal for this year's funding round, is our track record and world standing in outputs (publications, patents, commercialisation ventures

and translational research). As part of this process, ASMR commissioned a workforce review of Australian graduates to determine factors influencing their decisions to work within Australia or overseas.



Matthew Gillespie

Next year tax reform will have a major impact on H&MR with the promise of increased venture capital investment in Australia via alteration of capital gains taxation (Ralph Report) and the implementation of the GST. The continuation of NHMRC "reshaping", the development of County-MRIF and the unravelling of EB agreements are issues ASMR will continue to pursue on behalf of the membership.

I would like to thank each of the current board, previous board members and past presidents of the Society with whom I have served. It has been a privilege to witness the development of the Society which has been facilitated by our staff, Cath West and Lexy Harris. Members of the Society must be mindful of the professionalism and endeavours of both Cath and Lexy. Finally, I wish every success to Rob Ramsay and the new board.

Matthew Gillespie

On October 1, the Prime Minister John Howard and the Minister for Health and Aged Care Dr Michael Wooldridge announced that the Government had endorsed virtually all of the recommendations of the Wills Review.

Reflecting the joint interests of the health, industry and education portfolios, a Ministerial Committee including Drs Wooldridge and Kemp and Senator Minchin, has been formed to implement a strategic plan. The Committee will be supported by an Implementation Group of experts and government officials chaired by Mr Wills.

The Prime Minister said the acceptance of the Review builds on the budget increase to double the NHMRC budget by 2005 and the business tax initiatives of the Ralph Report. He said he wanted Australia to become a 'can do' country, turning ideas and invention into jobs and income for Australians.

The PM strongly supported further moves to make a career in science more attractive and suggested Fellowships, held in partnership with industry, could be an important way of capturing the benefits of biotechnology.

"Discoveries arising from basic or fundamental

research are the foundation of improvements in health" said Minister Wooldridge." This massive investment will enable us to maintain our research excellence, expand our capacity, and ensure that this knowledge is translated into improved treatment and prevention of illness more quickly".

The PM announced the commitment of \$15 million of Federal funds (on a dollar for dollar matching basis with the states) to support the development of a national focus for priority driven research, one of the three key thrusts of the Wills Review.

ASMR President Elect Dr Rob Ramsay commended Prime Minister on his vision for the future of medical research and the health and well being of the nation. He said "the Prime Minister's crucial timing of both the Wills Review and Ralph Report will create the right environment for the biotechnology sector to flourish".

Mr Wills welcomed the announcement saying that "it will reap great health, social and economic benefits for all Australians".

Already the benefits of the increased funds to NHMRC are being felt with the 10% cuts implemented in 1998 being reversed for affected

5 year Program and Block grants and a likely increased success rate and lower cut off score for this years Project Grants.

Peter Schofield

Science Capability Review

Senator Nick Minchin has announced a review of the capabilities of Australia's science base to be conducted by the Chief Scientist Dr Robin Batterham.

The review will consider the current state of Australia's science base, mechanisms for funding and support, what will be needed to develop a biotechnology industry and the contribution that the science base should make to an ideas-based economy.

The review will integrate with the Wills Review on health and medical research and the Green Paper on research and higher education. Public submissions (see www.isr.gov.au/science/review) are due by November 30.

The implementation of enterprise bargaining agreements (EBA), which are formulated in response to the Workplace Relations Act, remain of significant concern to ASMR members and medical researchers throughout the country. As many Institutions enter the third phase of EBA negotiations for the 1999 - 2001 period, adverse impacts on the medical research community are already evident and the situation is likely to get worse in the foreseeable future. The disparities in wages and conditions for equally qualified researchers at different Universities/Institutions are increasing, and the situation is unlikely to be corrected in the foreseeable future. In addition, many researchers are entirely dependent on granting agencies for salary and maintenance support for their research, and yet no provision is made in many of the grants for the increases required by EBA. *As a case in point, NHMRC grants do not include a mechanism for funding EBA increases. Moreover, the NHMRC has established the position that awarding a grant does not imply any employee/employer relationship, and therefore funding EBA increases become the responsibility of the grantee and/or the administering institution.* Frequently, the only option for many researchers is to either draw funds from the maintenance budget or employ research assistants on reduced term contracts to finance the short-fall, both of which have a concomitant impact on research productivity.

A recent survey by ASMR (August 1999) of EB agreements at ten different Institutions revealed several significant differences. Only three of the Institutions used NHMRC advertised scales as a guide for base salary. Of those that did not use these scales, the base salary for an SRO1, for example, ranged from 3% to 11% above the NHMRC level. The EBA increases on the Institute's base salary varied considerably, ranging from 3% to 14% increase depending on where the current EBA was negotiated. Seven of the Institutes also offered

additional EBA benefits to staff which included one or more of the following; funds for conference participation, salary packaging (with salary-sacrifice, superannuation, and car allowance options), limited health insurance benefits, and access to an Institute vehicle for work related activities. *The sources of funding for the EBA increases also varied considerably among the Institutes surveyed.* In summary, in five cases the additional EBA costs were directly met by the administering Institutions/Department (100%), in four cases the EBA costs were met by funds drawn directly from the Institute (4% to 25%) and supplemented with funds from the NHMRC and other grants, and in one case the total EBA costs were drawn exclusively from the NHMRC grant (maintenance budget). Five of the respondents indicated that they are anticipating further EBA increases (2% to 3%) this year, while the remainder indicated that further negotiations are in progress.

Nationally, EBA negotiations are underway in approximately half of the countries Universities, with agreement terms ranging from 1 to 3 years and salary increases under consideration of between 2% and 14%. An example of a recently completed negotiation is the University of Sydney, which had an Academic and Teaching Staff Enterprise Agreement (1999 - 2002) and a University General Staff Enterprise Agreement (1999 - 2002) certified in the Australian Industrial Relations Commission by Commissioner Cargill on September 2nd. For the Academic and Teaching Staff EBA salary increases were 2% from September 1999, and an additional 4% from on the first pay period in September 2000, 2001, and 2002. Both Agreements were approved by the majority of staff who voted (Academic Staff: 250 for / 3 against, General Staff: 606 for / 12 against) and details of the agreement can be viewed at <http://www.usyd.edu.au/su/personnel/ir/eba/>.

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Workplace Survey

In March this year, the ASMR commissioned a “Workplace Survey” to all members of the society. The survey was designed to collect hard data on how Australian biomedical researchers regard their workplace conditions. A total of 266 people responded to the survey, including 32 Australian researchers based overseas. 65% of the respondents were members of the ASMR. The majority of the respondents (87%) had completed their highest degree in Australia and 22% were currently studying full-time. Most of the researchers within Australia (49%) had an annual salary range of \$40,000 - \$60,000; 28% had an annual salary over \$60,000. By contrast, the majority of Australian researchers based overseas (53%) had an annual salary over \$60,000.

Many of the biomedical researchers (35%) in Australia were planning on changing positions in the next 6-12 months, with the majority seeking another research position either locally or overseas. The often quoted reasons behind the decision to move were employment stability, research funding availability and the desire to broaden scientific experience.

“Many of these researchers expected to return to Australia, but were concerned by the availability of research funds, poor job security”

Most of the Australian researchers based overseas had left Australia due to availability of research funds, and to establish a career path, broaden their scientific experience, learn new techniques and collaborate with other scientists. Many of these researchers expected to return to Australia, but were concerned by the availability of research funds, poor job security

and lack of career structure and opportunities in the Australian research sector. An overwhelming majority of researchers felt that funding for biomedical research and employment opportunities in



Dr Moira Clay

Australia had decreased (61% and 77% of respondents, respectively) in the past five years. The current status of NHMRC funding together with job, scholarship and fellowship advertisements were of high priority to the majority of researchers for future career moves.

“The “Workplace Survey” has clearly identified areas of concern to Australian biomedical researchers”

The “Workplace Survey” has clearly identified areas of concern to Australian biomedical researchers. A comprehensive report on the results of the survey will be available shortly on the ASMR home page. The ASMR will use the survey results to focus our advice to the NHMRC, government and industry on strategies to improve conditions within the research sector and provide incentives for our best Australian-trained investigators to establish a long-term career in research in Australia.

Moira Clay

New **NEWSPOLL** Survey

Between 30 April and 2 May 1999 NewsPoll conducted a survey, on behalf of ASMR, which asked questions about medical research and medical research funding. 1200 people over the age of 18 were surveyed nationally. When reading the summary below it is important to remember that the NewsPoll survey was done before Budget99 increased NHMRC funding and before the Strategic Review of Health and Medical Research (Will's review) was released. The following is a brief summary of the findings:

■ **Just over half the respondents believe too little is spent on medical research in Australia.**

Only 1% believed that too much is spent.

■ **77% believe the responsibility for funding medical research rests with government. 10% mentioned private industry and 5% public donations.**

■ **The overwhelming perception is that increased medical research funding would have a positive impact on Australia; would generate more jobs and wealth for Australia and would encourage the best researchers to remain in Australia.**

■ **One year out from the Sydney 2000 olympics it was interesting to find that 74% of respondents believe that government funding of medical research is more important than funding the olympics. The majority of these people (65%) said that funding medical research was a lot more important.**

■ **When asked if they were prepared to fund medical research via an increase in tax, 71% said they would be willing to do this, provided they knew this money was going to be spent on medical research.**

Where these responses can be compared to the responses to the 1995 survey done by ASMR the results are almost identical. This indicates that the public response to the issue of medical research and funding has remained constant. A more detailed analysis of the poll can be obtained from the ASMR secretariat.

Judy Halliday

Discipline Panels do not have to mean punishment time....

Lessons from the AFL....

"Local footy will never be the same".... Just like other long treasured national icons the central part of the grant review process has gone the way of Victoria's Waverley Park.

The most important operating change that will affect NHMRC grant applicants in season 2000 is the elimination of the Regional Grants Interview Committees (RGICs) and their replacement with Discipline panels. The purpose of this information note is not to justify or argue the case for change. After all the change has already happened; it was part reality this year and will be in full flight in 2000. The intent here is to explain the practical consequences and perhaps allay some of the fears that such a dramatic change is likely to invoke.

Call them what you like, the discipline panel is more like a study section (NIH Style) than anything else we have had before. Their composition is designed to be more focused, by definition more experienced and hopefully genuinely expert. This year the NHMRC had to run parallel systems, the RGIC and DP processes. It was organized so no poor sod had to serve on both. Immediately, it is obvious that both systems were unable to have a full match ready side.

Next year the experienced workhorses of the NHMRC's RGIC will be redrafted to the DP playing field. Then it will be a truly national game.

In the opinion of many followers of the game, the nature of the RGICs left the NHMRC with a very unbalanced fixture. For instance, at interview time Melbourne had on average more teams of RGICs because there were so many in the draft. The treatment was likely to be more specialized as each RGIC was representing less diversity. Even so, no one could be happy with a neurophysiologist or cardiologist assessing the retorts and explanations of a hard-core X-ray crystallographer. Perhaps least of all the RGIC members... In Perth and Adelaide the diversity of potential interviewees is vast yet they are likely to have fewer RGICs. There are many other arguments that have been put about why RGICs are fairer than study section style review. Nevertheless now we have a national-based

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In recent years we have witnessed the removal of tax concessions impeding funding of R&D. The tax concession for R&D was cut from 150% to 125%, and in 1996 the R&D syndication scheme was abolished. The latter scheme was viewed as a roting mechanism by many.

The Ralph Report on taxation released in September, recommends retention of the 125% tax concession on R&D, and sweeping changes to capital gains taxation. The proposed change for capital gains tax exemption on income derived from venture capital investments should herald increases in pooled development funds and will have a profound effect on available venture capital for R&D. Currently, capital gains tax is applied to a pension funds which are tax exempt in the USA, UK, Canada, France, Germany and Japan. The Ralph Report recommends

removal of these tax impediments permitting an anticipated venture capital flow in excess of \$2bn to Australia over the next two years: venture capital investment in Australia and New Zealand was \$681m in the financial year 1998-99. Such a tax break is designed to secure investments from large overseas pension funds (particularly from the USA and UK) and permit the development of high tech companies within Australia. This tax abolition of off-shore venture capital should help facilitate the development of the County Medical Research Investment Fund and start up companies.

We have requested clarification on the impact GST will have on medical research. Our advice from the Ministry of Health and Aged Care and the following information has been provided to me.

- Genuine donations are not payments for goods or services and are therefore excluded from the GST system, whilst fund-raising activities and sponsorship will be subject to GST. Monies received by medical research bodies in the form of bona fide donations will not be subject to the GST.
- Government grants which are not payments for provision of specific services (“gift grants”) will not be subject to GST. Grants which are for providing specific services such as research services (“contract grants”), will be subject to GST, however the government body paying the tax will be able to claim the amount as an input tax credit.
- A GST will be payable when a research body supplies goods or services on a commercial basis. That is, contracted research or commercial sale of patented products or intellectual property will be subject to GST. GST paid will be a tax credit for the purchaser (registered for GST purposes - individual or body engaged in taxable activity with total sales in excess of \$50,000 pa or a non-profit body with sales in excess of \$100,000 pa).
- GST paid by a research body (registered for GST purposes) will be able to be claimed as input tax credits.

In summary, research grants, contract research, sale of intellectual property and participation in C-MRIF would attract a GST on this advice.

Matthew Gillespie

enterprise bargaining

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For those interested in updates on the state-by-state negotiations being co-ordinated by the NTEU their website can be accessed on <http://www.edunions.labor.net.au:80/nteu/rights/ebagree/ebupdates/ebupdates.html>, or for more general information on enterprise bargaining access <http://www.ctel.com.au/clients/ombudsman/enter.htm>.

Although ASMR is not in a position to directly negotiate EBA's on behalf of its membership, the Board is acutely aware of the concerns and will endeavour to respond to the issue in a pro-active capacity whenever possible. If you have any specific questions, or suggestions as to how ASMR may assist it's members on this issue in the future please contact a Director or the National Office.

Jason Smythe



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Discipline Panels do not have to mean punishment time....

Lessons from the AFL....

(continued from Page 5)

competition and the arguments will probably outlive the brawls over the merits of South Melbourne and the "Brownlow" going to Sydney and why Collingwood should become permanent AFL wooden spooner.

So the time has come for no more interviews. The match selection committee or DP will be formed along specialized research streams. Each committee will on average have 10 expert members who hold grants. All the committees will have access to the other DPs lists in order to exchange and haggle over who reviews each grant. The DPs will decide

the best discipline area for the grants and who assesses them. Grant clearances and redraftings should allow a grant to find the right DP. Hopefully the rules will be few and clear, and each DP will not have too large a burden of grants to process (envisaged to be 100). Remember too that the DP system will have to mesh somehow with the pending Type 1 and Type 11 granting system as early as 2001.

As for assessment let's hope that the crap referees comments will be a thing of the past. Reviews such as a single paragraph of useless vapour

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Discipline Panels

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regurgitated in less than 20 minutes of thoughtful reflection, fence-sitting like "this is a brilliant grant, score 7.5" and "lets crush innovation - because I can" should no longer get a guernsey. The weakest part of the review process should be the greatest strength, ie peer review. Remember this when a colleague boasts that "I did all my grants last night while watching the Footy Show". Would you like your grant competing with Eddie McGuire or Sam Newman for intelligent attention?

A grant applicant can expect and should actually get three referee's reports and a DP assessment of problems that require some address. The text response by the applicant will be resubmitted to the DP. There should be an option for clarification by phone or FAX but this matter has not been confirmed. No doubt there will be problems. With so many people and so many grants this is always a risk.

So now we wait for this round's cut-off score and as sure as no one will ever kick more goals than Plugger the recriminations will

begin the moment the results are released. In keeping with the Wills Review the competition is now national based, the "regional" part is now relegated to the history books. The DPs should be better placed to review a specialized grant than any RGIC could be expected to. Furthermore, perhaps the areas of under-funded medical research in public health and clinical investigation may see some improvements and success. And surely the great RGIC performers who could resell last years grand final tickets will have to find a new theatre for their performances and those who are very intimidated by the face to face review process can relax a little.

Good luck with the changes and remember it is your system too. Your referee reports remains the backbone of the system and may the best team win....

Rob Ramsay

1999 Board of Directors

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Events

ASMR 38th National Scientific Conference - Cutting Edge Technologies in Medical Research - Nov 27-29, 1999.

The Fairmont Resort, Leura, NSW. Contact Conference Associates Pty Ltd., Ph 03 9887 8003,

**Email: ca@netwide.com.au
Geniuses Prodigie & Savants - December 6 - 7 1999.**

Seymour Theatre Centre, University of Sydney. Email: www.anu.edu.au/mind

Joint Meeting, Society for Free Radical Research (A'asia), Aust. Society for Experimental Pathology & ANZ Environmental Mutagen Society - December 1 -4, 1999.

Sydney University. Contact Prof. Nick Hunt 02 9351 -2414, Email:

**nhunt@pathology.usyd.edu.au
Festschrift for Prof Lawrie Powell on the occasion of his retirement from QIMR.**

Bancroft Centre, Brisbane, December 3-4. Contact Barbara Leggett, Dept of Gastroenterology, Royal Brisbane Hospital 12th Lorne Cancer Conference, Feb 10-13 2000.

Contact Prof. J Zalberg, Peter MacCallum Cancer Institute. 03 9656 1749 or Jacqui Laird, 03 9496 3548, Email: Jacqui@austin.unimelb.edu.au

The Foundation for High Blood Pressure Research

will be advertising two postdoctoral research fellowships in July this year, for research projects in blood pressure regulations, hypertension or associated cardiovascular disease. The first fellowship is open to Australian citizens or permanent residents and the second fellowship is open to people from countries other than Australia. The fellowships are to be undertaken at Australian research institutes and are available for three and two years respectively, from 1 January 2000. For further information please contact: Professor Warwick Anderson, Hon Sec, Fndn. for High Blood Pressure Research, Dept. of Physiology Monash University, Clayton Vic 3168 Australia