



Policy costing request—during the caretaker period for a general election

Name of policy:	Investing in Australian Science and Research
Person requesting costing:	Senator Di Natale
Parliamentary party:	Australian Greens
Date of request to cost the policy:	24 June 2016
<i>Note: This policy costing request and the response to this request will be made publicly available.</i>	
Has a costing of this policy been requested under Section 29 of the Charter of Budget Honesty (ie from the Treasury or the Department of Finance)?	No
Details of the public release of this policy (Date, by whom and a reference to that release):	http://greens.org.au/sites/greens.org.au/files/20160519_Science%20and%20Research%20Initiative.pdf

Description of policy	
<p>Summary of policy (as applicable, please attach copies of relevant policy documents):</p>	<p>Component 1: Core science funding</p> <ul style="list-style-type: none"> • \$83.3 million per year to the Australian Research Council (ARC) and \$83.3 million per year to the National Health and Medical Research Council (NHMRC). • \$33.3 million per year to Cooperative Research Centres (CRC). <p>Component 2: Supporting women in science</p> <ul style="list-style-type: none"> • \$50.0 million per year to research and innovation organisations to support women in science. <p>Component 3: Research infrastructure</p> <ul style="list-style-type: none"> • \$100.0 million per year for investment in research infrastructure to be administered by Innovation and Science Australia. <p>Component 4: International collaboration</p> <ul style="list-style-type: none"> • \$10.0 million per year to support international collaboration via the existing global innovation strategy. <p>Component 5: Future Fellowship Scheme</p> <ul style="list-style-type: none"> • \$70.0 million per year for the Future Fellowships Scheme. <p>Component 6: Open access publishing</p> <ul style="list-style-type: none"> • \$46.2 million per year to drive the development and implementation of a national program of open access publishing. <p>Component 7: Health and medical research</p> <ul style="list-style-type: none"> • \$47.0 million per year to support the phasing in of funding reforms that will progressively address the gap between direct and indirect funding for health and medical research. • \$40.0 million per year to fund four new integrated health research centres. <p>Component 8: Science, Technology, Engineering and Mathematics (STEM)</p> <ul style="list-style-type: none"> • \$41.7 million per year for existing teacher training in STEM education. <p>Component 9: Reserving harsh budget cuts</p> <ul style="list-style-type: none"> • This component would reverse the following budget measures: <ul style="list-style-type: none"> - <i>Commonwealth Science and Industrial Research Organisation (CSIRO) job cuts</i> - <i>Science and Research Agencies – reduced funding</i> - <i>National Environmental Science program – establishment</i> • Savings associated with measures to be reversed that have already been realised are to be reinvested back into the original programs, or allocated back to relevant agencies with any such reinvestments to be spread evenly over the first three years.
<p>What is the purpose or intention of the policy?</p>	<p>To boost productivity, enhance our skills in research and create leaps and bounds in living standards.</p>

What are the key assumptions that have been made in the policy, including:	
<p>Is the policy part of a package? If yes, list the components and interactions with proposed or existing policies.</p>	<p>Yes, also includes reversing cuts to R&D Tax Credits for the private sector, restoring Sustainable Research Excellence Grants as part of a platform to get Australia on a trajectory to reach total Research and Development Spending of 3 per cent of GDP by 2025.</p>
<p>Where relevant, is funding for the policy to be demand driven or a capped amount? If a capped amount, are the costs of administering the policy to be included within the capped amount or additional to the capped amount?</p>	<p>Capped</p>
<p>Will third parties (for instance the States/Territories) have a role in funding or delivering the policy? If yes, is the Australian Government contribution capped, with additional costs to be met by third parties, or is another funding formula envisaged?</p>	<p>No</p>
<p>Are there associated savings, offsets or expenses? If yes, please provide details.</p>	<p>No</p>
<p>Does the policy relate to a previous budget measure? If yes, which measure?</p>	<p>Yes, several budget areas that were reduced over recent years</p>

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<p>If the proposal would change an existing measure, are savings expected from the departmental costs of implementing the program?</p>	<p>No</p>			
<p>Will the funding/program cost require indexation? If yes, list factors to be used.</p>	<p>Component 1 to 8 being ongoing grant programs are indexed by the Consumer Price Index (CPI).</p>			
<p>Expected impacts of the proposal</p>				
<p>If applicable, what are the estimated costs each year? If available, please provide details in the table below. Are these provided on an underlying cash balance or fiscal balance basis?</p>				
<p>Estimated financial implications (outturn prices)^(a)</p>				
	<p>2016–17</p>	<p>2017–18</p>	<p>2018–19</p>	<p>2019–20</p>
<p>Underlying cash balance (\$m)</p>	<p>-771.1</p>	<p>-779.3</p>	<p>-814</p>	<p>-775.6</p>
<p>Fiscal balance (\$m)</p>	<p>-771.1</p>	<p>-779.3</p>	<p>-814</p>	<p>-775.6</p>
<p>(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A positive number in the underlying cash balance indicates an increase in revenue or a decrease in expenses or net capital investment in cash terms.</p>				
<p>What assumptions have been made in deriving the expected financial impact in the party costing (please provide information on the data sources used to develop the policy)?</p>	<p>N/A</p>			
<p>Has the policy been costed by a third party? If yes, can you provide a copy of this costing and its assumptions?</p>	<p>No</p>			

<p>What is the expected community impact of the policy?</p> <p>How many people will be affected by the policy?</p> <p>What is the likely take up?</p> <p>What is the basis for these impact assessments/assumptions?</p>	<p>Significant job creation in research, commercial development and attracting investment to develop Australian breakthroughs.</p>
<p>Administration of policy:</p>	
<p>Who will administer the policy (for example, Australian Government entity, the States, non-government organisation, etc)?</p>	<p>Department of Industry</p>
<p>Please specify whether any special administrative arrangements are proposed for the policy and whether these are expected to involve additional transactions/processing (by service delivery agencies).</p>	<p>None</p>
<p>Intended date of implementation:</p>	<p>1 September 2016</p>
<p>Intended duration of policy:</p>	<p>Ongoing</p>
<p>Are there transitional arrangements associated with policy implementation?</p>	<p>No</p>
<p>List major data sources utilised to develop policy (for example, ABS catalogue number 3201.0).</p>	

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Are there any other assumptions that need to be considered?	No
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NOTE:

Please note that:

The costing will be on the basis of information provided in this costing request.

The PBO is not bound to accept the assumptions provided by the requestor. If there is a material difference in the assumptions used by the PBO, the PBO will consult with the requestor in advance of the costing being completed.