

2008/2009 Australian budget and expenditure on public research

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The Australian Labour Government, headed by PM Kevin Rudd, handed down its first budget on 13th March. The five year budget plan sets new investments, mainly in health, infrastructure, basic education and tax relief, in favour of the most vulnerable parts of the population.

Education is the benchmark of the current Australian budget which, with AU\$ 1 billion (about 600,000 Euro), sets measures aimed at improving infrastructure and services for university students and schools. The "Education Investment Fund" was increased by AU\$ 5 billion bringing it up to AU\$ 11 billion which will be used not only to finance universities but also Technical and Further Education (TAFE) institutions. This sum will not be available until 2009, when the Federal Government will have completed an assessment of the 39 Australian universities. Furthermore, there are two measures directly targeting university students. The number of scholarships funded by the Federal Government for graduate and undergraduate students has doubled thanks to an extra AU\$ 447.5 million over four years and, in order to foster student enrolment in scientific faculties (mathematics and science), the new budget allocates AU\$ 562 million over four years which will enable students to halve annual university fees.

No adequate attention was given to scientific research and Treasurer Wayne Swan did not even mention it during his speech. In particular, a drastic cut (AU\$ 40 million) was made to the detriment of the main national research institution CSIRO which added to cuts made at the beginning of the year by PM Rudd, amounting to AU\$ 23 million, takes the total cut to public research organisations up to AU\$ 63 million. An additional AU\$ 132 million cut was made to research programmes in the sustainable energy field, AU\$ 18 million in the nuclear public research centre ANSTO, AU\$ 11 million in the national programme on nanotechnologies (including the atomic microscope activities of the National Measurement Institute) and AU\$ 3 million in the "National Ocean Research Vessel" which runs research activities on climate change effects on oceans.

On the other hand, specific attention was paid to environmental research. Funds have been allocated to carry out activities such as the promotion of the "green car" innovation field (AU\$ 500 million), the establishment of a national fund for technological research on "clean coal" (AU\$ 500 million), research on the renewable energy sector (AU\$ 500 million over seven years) and incentives to encourage entrepreneurs to produce environmentally-friendly products.

The key points of the 2008/2009 Australian budget can be summed up as follows:

- The Government will ensure AU\$ 46.7 billion for "working class" families thanks to tax relief over the next four years; the 30% threshold will be raised from AU\$30,001 to AU\$ 34,001 and the low income tax offset will be increased from AU\$ 750 to AU\$ 1,200.
- AU\$ 4.4 billion will be used to reduce compulsory school fees by 50%.
- The Child Care Tax Rebate will be increased from 30% to 50% and paid quarterly, at a cost of AU\$ 1.6 billion.
- The Government will grant, for the first time, a subsidy to first home buyers and renters, at a cost of AU\$ 2.2 billion, including the First Home Saver Accounts, the National Rental Affordability Scheme and the House Affordability Fund.
- AU\$ 491 million will be allocated to the Teen Dental Plan which will help families support costs of dental check-ups for teenagers.
- In the health sector, tax for Medicare will be reviewed in order to ensure access to the national health system for the largest number of people.
- New initiatives will be implemented in order to solve daily problems, such as the Fuel Watch Scheme, grocery price control and financial counselling services.
- The Government will provide AU\$ 24 billion to assist the elderly and children (Carer Payments).
- The Education Revolution prompted by the Government will receive AU\$ 5.9 billion over the next five years, distributed as follows: AU\$ 1.2 billion to Digital Education Revolution, AU\$ 2.5 billion over ten years to Trade Training Centres in schools and AU\$ 1.9 billion to improve technical training, creating 630,000 new jobs for technicians.

- AU\$ 3.2 billion will be allocated to the National Health and Hospitals Reform Plan to revitalise the public health system. Investments include AU\$ 275 to GP Super Clinics, AU\$ 249 million to the National Cancer Plan and a new strategy against National Binge Drinking.
- The Government will invest AU\$ 2.3 billion over five years to study and prevent climate change, and to reduce greenhouse gas emissions.
- AU\$ 12.9 billion will be allocated to the Water for the Future programme for the management of water in Australian cities and rural areas. An additional AU\$ 2.2 billion will be allocated to the Caring for the Country programme to protect and enhance natural resources.
- The Government will commit to 3% real growth per year in Defence until 2017/2018.

Upon a preliminary glance of the first budget of PM Rudd's Government, which has been in power since November 2007, it becomes clear that priority was attached to aspects of social significance such as basic education, health, and tax relief for families in particular. Simultaneously, scientific and technological research activities, except for the environmental sector, were ignored.

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