

Canberra observed



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A smoke and mirrors budget

The 2016 Budget was overshadowed by the double dissolution shenanigans and will be followed by two months of electioneering, when we will have to endure MPs and Senators fighting for their jobs instead of working in the Parliament for the benefit of the country.

And, if anyone thought there would be any debates of any substance about policy, they would be disappointed. As I write Turnbull is only talking about jobs and growth; nothing about the environment, foreign policy, terrorism, or even where the jobs will be – unless it's building submarines in South Australia. Meanwhile, Bill Shorten seems to be only talking about health and education and how he's going raise taxes to pay for them. All very very boring.

Now back to the smoke and mirrors budget. And it is smoke and mirrors because what is given in one hand is taken away with the other – and you aren't meant to see the hand that's doing the taking.

Let me give some examples:

1. **Innovation:** In December 2015 the Government announced a plan to invest \$1.1 billion over four years 'to incentivise innovation and entrepreneurship, reward risk taking'. If funding for this appears anywhere in the budget, then it must be well hidden – there does not appear to be any new money for this activity. It's all coming from somewhere in the 2015 forward estimates.
2. **The Great Barrier Reef:** There will be a \$171.0 million boost to protect

the Great Barrier Reef and a \$70 million additional injection to the Reef Trust. However, \$101 million of this has been taken from the National Landcare Programme.

3. **Antarctic research:** The Government has signed a contract for Australia's new icebreaker, amounting to a \$1.912 billion investment, but the custom-built ship will not arrive in Australia until the mid-2020s. The ship will cost \$529 million and the \$1.38 billion remainder will be spent on operations and maintenance over its 30 year lifespan. So, very little of this money will be spent in the next financial year – it's all a commitment for future governments to deal with in the next 30 years. At the same time as this investment is being made CSIRO has announced that it will be ceasing all work in Antarctica. Quite bizarre.

I think it's time Science Minister Christopher Pyne intervened in the management of CSIRO because these cuts and the reported sacking of 74 jobs in its Oceans and Atmosphere Division is contrary to the Government's commitment to boost Antarctic research. He cannot keep on saying that CSIRO is an independent authority, because it's governing Act requires the organisation to:

'Carry out scientific research for any of the following purposes:

- (i) assisting Australian industry;
- (ii) furthering the interests of the Australian community;
- (iii) contributing to the achievement of Australian national objectives or the performance of the national and **international responsibilities of the Commonwealth;**
- (iv) **any other purpose determined by the Minister.'**

It is clear that CSIRO's actions will affect Australia's international responsibilities and that the Minister can intervene when the organisation loses its way. His silence is deafening and it says a lot about the current Government's commitment to our international obligations and long term strategic research.

4. **Geoscience Australia:** The Government will provide \$100.5 million in additional funding to Geoscience Australia over four years

from 2016–17. This will fund the 'Exploring for the Future' programme, which will produce the next generation of pre-competitive geoscience data, with a focus on targeted areas of northern Australia and parts of South Australia. It will improve Australia's long term exploration prospects and address declining onshore greenfield exploration activities. The smoke and mirrors are evident because, as can be seen in the table below, the funding increases by only \$6 million from the current financial year to the next, not the expected \$25 million.

Science agency funding

A summary of the budget outcomes for the main science agencies is given below and some of the relevant numbers are shown in the table.

Institute of Marine Science (AIMS)

Funding will continue in line with last year's budget.

Australian Nuclear Science and Technology Organisation (ANSTO)

The Government will redirect funding of \$39.4 million over three years from 2016-17 to allow for the reprocessing of spent fuel from ANSTO's Open Pool Australian Lightwater Reactor in France rather than in the United States of America as previously planned. The processed fuel will eventually be returned to Australia for storage at the National Radioactive Waste Management Facility, which is expected to be operational from 2020.

Australian Research Council (ARC)

Funding for the ARC has continued to fall from \$913 million in 2013–14 to \$751 million in 2016–17. Fortunately, the forward estimates indicate that the bottom of the trough has been reached and funding for research grants is expected to grow, albeit it at a slightly reduced rate than forecast in last year's budget, to reach \$774 million by 2018–19. However, the damage may have already been done and bright innovative students may have been put off undertaking research at Australian Universities.



Bureau of Meteorology

Additional investment will be made in a new supercomputer for the Bureau of Meteorology, following the hacking incident last year. The amount of investment is currently commercial in confidence. No additional funds have been identified to replace the functions formerly carried out by CSIRO on modelling the atmosphere and the oceans.

Antarctic Division

The Government will provide \$55.0 million over 10 years from 2016–17 to undertake scoping studies and commence delivery of enhanced infrastructure capabilities in the Australian Antarctic Territory. Provision for this funding had been provided in the forward estimates.

It will also provide \$83.1 million over four years from 2016–17 and further funding of \$413.1 million over 29 years from 2020–21 with \$10.3 million per annum ongoing from 2049–50, to support Australia’s presence in Antarctica. How these measures will impact on the funding for the new ice-breaker is not made clear and the Division is not listed as an Agency in the portfolio budget Statements.

Geoscience Australia (GA)

Geoscience Australia has been provided with \$100 million over the next four years to produce an integrated resources prospectus for key targeted regions in northern Australia and parts of South Australia. These areas have been selected based on gaps in data and knowledge for minerals, energy and groundwater resources. However, the increase in funding for 2016–17 is only \$6 million, presumably because other projects have been completed.

Commonwealth Scientific and Industrial Research Organisation (CSIRO)

There were no major changes relating to CSIRO in the budget papers. According to the forward estimates appropriation from the Government is expected to grow more quickly than outlined in the 2015–16 Budget and should reach

Agency	Science agency funding					
	Government appropriation in \$m and (average staff numbers) ^A					
Financial year	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
AIMS	33	39	40 (208)	42 (207)	42	45
ANSTO	314	314	336 (1257)	338 (1257)	349	356
ARC	913	904	821 (128)	751 (136)	767	774
BOM	357	357	367 (1581)	368 (1602)	320	320
Antarctic Division		171	158	141?	141?	141?
Geoscience Australia	187	180	121 (584)	140 (590)	151	147
CSIRO	753	717	750 (5056)	787 (5058)	797	832
NHMRC	878	949	934 (185)	927 (179)	929	942
ABS		396	489 (2871)	601 (2830)	410	396
CRCs	145	150	141	150	160	156
DSTG			464	438	435	420

^AThe average annual staff numbers are in brackets. The Government funding is for running costs (not capital equipment) provided by the Australian Government. The budget documents are so complicated some adjustments may be necessary, but the numbers in the table can be used to represent trends.

\$832 million in 2018. So, why the organisation had to attack its environmental programmes is inexplicable.

National Health and Medical Research Council (NHMRC)

Funding for the NHMRC has mostly been maintained, with a \$6 million reduction over last year to \$927 million. It is now significantly larger than the ARC, which has now declined to \$751 million. In 2013 the ARC appropriation was \$25 million larger than the NHMRC. How times have changed.

And then there is the **Medical Research Future Fund**. This was projected to reach \$20 billion by 2020–21 (one year later than estimated in the 2015 Budget). Forecast disbursements for this fund have been significantly reduced. The current numbers are: 2016–17 – \$61 million; 2017–18 – \$122 million; 2018–19 – \$215 million and 2019–20 – \$386 million. Whether so much of the nation’s research funding should be allocated to medical research is a question that should be considered by the Chief Scientist.

Australian Bureau of Statistics (ABS)

There are no changes to the forward estimates from the 2015–16 Budget and funding for the 2016 census has been maintained. Remember; when Mr Abbott became Prime Minister there was push to abolish the census.

Cooperative Research Centres (CRC) Programme

Savings of \$20 million from the CRC programme over two years from 2015–16 will be made to extend funding for the Australian Astronomical Observatory and partially to fund a communications and compliance campaign for the new country of origin labelling framework. The majority of these savings relate to unspent funds arising from the delay in the CRC programme in 2015–16 rather than any cuts to the CRC programme. The Government will also provide \$12.6 million in 2019–20 for the operating costs of the Australian Astronomical Observatory from the CRC programme.

Defence Science Technology Group (DSTG)

Reductions in funding to DSTG (previously DSTO) were announced in last year’s budget and these will still go ahead, but not at the same level as previously forecast. Funding will be about \$21 million lower in 2019–20 compared to 2016–17. As you can see in the table the numbers do not make happy reading.

And I almost forgot, there is \$374 million allocated for decisions made but not yet announced. Code for an election war chest? Watch this space!