

Senate Committee: Education and Employment

**QUESTION ON NOTICE
Budget Estimates 2015 - 2016**

Outcome: Higher Education Research and International

Department of Education and Training Question No. SQ15-000574

Senator Carr, Kim provided in writing.

Also refer to previous Question No. SQ15-000024

Letters from NCRIS

Question

Please provide copies of each of the 13 letters from NCRIS facilities that the relevant facilities agreed could be shared, according to the Department's response to QON SQ15-000024.

Answer

Copies of the 13 documents are attached.



Atlas of Living Australia
CSIRO National Facilities and Collections
GPO Box 1700
Canberra ACT 2601, Australia
www.ala.org.au

4 February 2015

Ditta Zizi
National Research Infrastructure for Australia
Department of Education

Dear Ditta

Thank you for the opportunity to provide a response outlining the consequences for the Atlas of Living Australia (the Atlas) if the \$150M allocated to NCRIS facilities in the budget for 2015-16 is not released as a matter of priority.

As you know, the Atlas is a high performing facility which has caught the imagination of the Australian public and provides services to a wide variety of end-users. Indeed, the Hon Julie Bishop chose it, as the only project, to provide a live demonstration at the launch of the NCRIS program in 2007. The Atlas, which delivers web-based biodiversity information, currently makes available over 50 million records and almost 620,000 images from 1,155 data sets. In 2014, over 667,000 users visited the website, and to date a total of 3.56 billion records have been downloaded to support research, education, biosecurity and conservation. Over 175,000 records in the Atlas are the direct result of various Citizen Science activities.

The NCRIS program has received bipartisan support throughout its existence. The benefits provided through national research infrastructure are clearly a high priority for the Government, and the commitment of an additional \$150M of 2015-16 funding in the May 2014 budget was very welcome. However, as of January 2015 these funds are yet to be allocated to NCRIS capabilities.

Current NCRIS funding for the Atlas expires in June 2015. There are rapidly mounting and significant risks to the Atlas as we approach June 2015 without any clear indication that our funding will be continued in 2015-16. These risks include:

People

The production and maintenance of Atlas infrastructure requires highly skilled staff, and the ability to keep them in long term employment. The current Atlas team has members that have worked together for several years, and are among the best qualified IT professionals in Australia. There is a high risk that we will lose people in (or before) July if we do not have funding, and we could struggle to rehire people with similar qualifications and experience if funding is subsequently made available. Understandably, staff are already concerned about their future.

To ensure proper workforce planning and effective treatment of and communication with staff about their future options, it is extremely important to have at least 3 months advance knowledge about the availability of funds post June 2015. The closer we come to June without a commitment of funding, the greater the likelihood that the Atlas will start losing quality staff. Even if funding is subsequently made available for this period, the potential loss of trained staff could cause substantial damage.

sharing biodiversity knowledge

Continuity and collaboration

Failure to release the 2015-16 funding will seriously jeopardise the future of the ALA. We are currently negotiating several agreements with government agencies and research organisations because they see us as *"the most appropriate long term solution to their biodiversity data and infrastructure needs"*. Any break in the continuity of our funding will diminish our ability to sustain or grow the Atlas. Such a break might also disrupt the flow of longitudinal data (time series), which is seen as fundamentally important to long-term biodiversity analysis.

Equally, the many research programs using the Atlas data will be disadvantaged if the Atlas has to reduce staffing and therefore, functionality.

The loss to the Atlas, to NCRIS as a whole and to Australia will be substantial if funding for these programs ceases at June 30. This will diminish the value of investments to date, and will discourage future research and collaboration opportunities and investment, both nationally and internationally. With the Atlas now so deeply embedded in global infrastructure planning, this is a potential embarrassment to Australia.

IT Infrastructure

The Atlas represents world leading biodiversity informatics infrastructure. Indeed, several countries are now starting to use Atlas infrastructure to support their national biodiversity portals, and the Global Biodiversity Information Facility (GBIF) has committed a staff position in 2015 to support the transfer of Atlas infrastructure internationally. Infrastructure of this calibre cannot simply be put in maintenance mode. It needs to be upgraded and refreshed continually to maintain its globally leading position. Additionally, we are continually in the process of extending Atlas infrastructure to add new functions and capability to serve a wider variety of users. We simply cannot turn investment into this type of infrastructure on and off without severe implications.

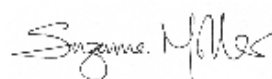
In consideration of these risks, we would urge the Government to release the committed NCRIS funding for 2015-16. This needs to be done in a timely manner. The damage to the Atlas if this does not happen will be severe, and will take months, if not years, to recover. A decision not to release this money in a timely manner is effectively a decision to start shutting down NCRIS facilities.

Finally, we must point out that the Atlas is, of course, just one of many outstanding NCRIS projects which are delivering considerable benefits to Australia. Many of these facilities will find themselves facing the same sorts of risks and problems as the Atlas.

Thank you very much for considering this letter.



Dr John La Salle
Director
Atlas of Living Australia
john.lasalle@csiro.au



Prof Suzanne Miller
CEO Queensland Museum
Chair Management Committee
Atlas of Living Australia
suzanne.miller@qm.qld.gov.au

www.ala.org.au



Australian National Fabrication Facility Ltd
151 Wellington Road, Clayton 3168
ABN 50 124 231 661

Ms Ditta Zizi,
Branch Manager
Research and Higher Education Infrastructure
Research and Strategy Group
Australian Government Department of Education

3 February 2015

Dear Ms Zizi,

Re.: Closure of ANFF Nodes

The NCRIS 2013 Project provided funding to enable Nodes of the Australian National Fabrication Facility (ANFF) to operate until 30 June 2015. Continued operation of ANFF beyond this date requires that the research infrastructure funding announced in the May 2014 budget is released.

The ANFF has undertaken a review of expenditure as detailed in the ANFF NCRIS 2013 Progress Report 3. Nodes have sought to restrict activity to core operations and thus extend the available funding to continue to provide access to the portfolio of over 500 tools for as long as possible. Despite this, the ANFF-South Australian Node, and the ANFF-West Australian Node, together with components of the Materials and Queensland Nodes will cease operations by 30 June 2015.

Across the Nodes some small extension to operations will be possible; however, 75% of all ANFF activity will close by 30 September without further funding.

In FY 2014 over 2,200 researchers accessed ANFF facilities. Of the 128,000 hours used, 23% of the activity was associated with industry projects. This activity will cease, with the loss of 90 highly skilled technical staff, unless further funding is released.

Sincerely,

Rosie Hicks
CEO - Australian National Fabrication Facility Ltd

Providing micro and nano fabrication facilities for Australian researchers

ZIZI, Ditta

From: Robert John Stimson <rstimson@unimelb.edu.au>
Sent: Friday, 6 February 2015 11:46 AM
To: ZIZI, Ditta
Cc: WADE, Natalia
Subject: AURIN losing staff

Ditta,

Thought I should let you know that AURIN is continuing to lose staff because of the funding uncertainty. People in two crucial positions have resigned recently – out data Hubs Facilitator and out Strategic Implementation Co-ordinator. I am expecting that we will be losing more from the technical team as well as the AURIN Office as all existing staff contracts expire 30 June and people are actively seeking jobs with longer time frames of employment. I'm sure all the NCRIS projects are in the same situation.

Bob Stimson



Professor Robert (Bob) Stimson
Director, AURIN (Australian Urban Research Infrastructure Network)
Faculty of Architecture, Building and Planning
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University of Melbourne
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From: Michael Dobbie <Michael.Dobbie@anu.edu.au>
Sent: Thursday, 5 February 2015 11:16 AM
To: ZIZI, Ditta
Subject: NCRIS APN funding impacts

Dear Ditta,

I am currently drafting a letter to you outlining the immediate and imminent impacts of the funding pressures on the operations of the Australian Phenomics Network. I understand that you are receiving letters this week and wish to check that if you receive a letter from our capability today that it will be in time to be considered.

Best wishes,
Michael

Chief Executive Officer | Australian Phenomics Network |
The Australian National University |
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From: Andrew Gilbert <agilbert@bioplatforms.com>
Sent: Wednesday, 4 February 2015 11:34 AM
To: ZIZI,Ditta
Subject: Bioplatforms Australia NCRIS Urgency

Dear Ditta,

I recently conversed with Dr Stewart Hay (Therapeutic Innovation Australia) and he indicated the importance of writing to you to confirm the urgency of our current financial and contractual situation as raised at the Research Infrastructure Review meeting in Melbourne on the 30th of January 2015. I therefore write to express the crisis situation that Bioplatforms Australia faces given the uncertainty of the 2015/16 budget allocation that was previously announced in the 2014 federal budget.

Bioplatforms Australia manages NCRIS investment in the critical disciplines of DNA sequencing, protein chemistry, metabolic analysis and bioinformatics.

In summary

- The time lines relating to the finalisation of the current NCRIS 2013 are pressing;
- Extending existing NCRIS 2013 contractual arrangements to permit on going activity beyond June 30 2015 is critical and would alleviate some of the urgency relating to the 2015/16 budget issues;
- As a not-for-profit organisation with primary activities relating to the oversight of an NCRIS capability, solvency considerations are top of mind. Extension of existing NCRIS 2013 arrangements would temporarily alleviate such issues by removing constraints in utilisation of resources beyond the June 2015 funding agreement completion date. Perhaps some minor amendments to existing NCRIS 2013 contracts to allow use of accrued interest for on going activities beyond June 30 could be considered;
- Indeed without such an extension we will not be able to meet contractual obligations relating to final reporting. Additional contracts with State Governments and Commercial operators would need to be terminated due to loss of ability to oversee these activities;
- March 31 2015 is a threshold date where our ability to continue beyond June 2015 will be considered. The three month period between this threshold and completion of NCRIS 2013 grants will be required to execute wind up arrangements;
- NCRIS 2015/16 funding as announced in the 2014 budget remains critical. We understand the funds are still tied to passage of the Higher Education and Research reforms through parliament. There is a diversity of activity within and without of the NCRIS capabilities advocating for continued focus on NCRIS and the time pressures that exist to see continuity and security provided to Australia's research infrastructure;
- The direct affect of closure due to delays in this funding would equate to job losses of approximately 70 scientists and technical staff supported by Commonwealth NCRIS funding and a further 70 from resources provided as co-investment from State Governments and host institutes. Commonwealth funding is keystone to the existence of these facilities;
- Indirect costs include the breakdown of a national capability, loss of capacity to undertake critical life science in biomedicine, agriculture and environmental science. Furthermore, closure of major research initiatives in areas of national significance such as melanoma, wheat productivity, Great Barrier Reef health, indigenous affairs and environmental surveying would occur;
- Incoherent and inefficient investment across the country, costing more than current investment levels would be inevitable.

As always I am happy to assist and please feel free to contact me at any time.

1

Kind regards, Andrew

From: Toni.Moate@csiro.au
Sent: Wednesday, 4 February 2015 3:52 PM
To: ZIZI,Ditta
Cc: Dave.Williams@csiro.au; Toni.Moate@csiro.au
Subject: NCRIS - 2015/16 Funding

Dear Ditta

Thank you for taking the time to discuss NCRIS yesterday.

As you know, CSIRO is involved in many of the NCRIS facilities – most as a contributing rather than lead agency – and risks around retention of staff and delivery of ongoing programs given the uncertain funding for 2015/16 are common. My understanding is that where this is causing specific pressure points, each of the facilities will raise that with you in their own right.

As promised to the NCRIS Review Team on Friday, as Director of the Atlas of Living Australia (ALA), John La Salle will send a letter to the Department of Education highlighting the risks to successful ongoing delivery in the current environment.

CSIRO has decided to not submit a statement for the remaining two facilities lead by CSIRO at this time – Pawsey Centre and Australian Collaborative Biosecurity Research Facility (ACBRF). The risk exposure reflects the general concerns of the research community, and the shared strong desire to confirm the 2015/16 funding, and secure a long-term sustainable investment in research infrastructure.

Kind regards, Toni

Toni Moate CPA GAICD
Director, Strategy and Development
CSIRO National Facilities and Collections

Executive Director, Future Research Vessel Project

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Department of Education
GPO Box 9880
CANBERRA
ACT 2601



IAN ACWORTH

Professor and
NCRIS Groundwater Project Director
Connected Waters Initiative Research Centre (CWI)

4th February, 2015

For the attention of Ms Ditta Zizi

Dear Ditta,

Stewart Hay has suggested to the NCRIS community that you would like a letter explaining the implications of loss of funding for projects. We have described the implications for the Groundwater Project below.

The \$15million funding for the Groundwater EIF (as was) has resulted in successful deployment of infrastructure that is in current use by a large number of researchers – both in Australia and overseas, but more importantly, is collecting current data that relates groundwater resources to climate variability. We sent you a recent report indicating how the infrastructure at Fowlers Gap in far western New South Wales had successfully recorded record rainfall in January this year. Without the infrastructure funded by NCRIS, this important and extreme event would have gone unrecorded and water resource assessments would be much less accurate as a result. Most of the infrastructure at Fowlers Gap reports in real time, however, technical staff still have to visit the site to maintain equipment. At present we have 2 of the 18 rain gauges blocked by debris from the storm and the video camera disabled by the flood. Technicians will have to visit the site to effect repairs. By contrast, the NCRIS groundwater installations at Ti Tree have yet to be visited to download data and make an assessment of the groundwater response to this extreme rainfall event. These are both remote locations that require significant technical staff time and expenses to service the installations.

The provision of funding for Technical Officers is absolutely essential to this project to proceed satisfactorily. It is clear just from the brief description of events since last Christmas that if TO support is not available, the systems will quite rapidly deteriorate and the investment will be significantly wasted. Despite assurances that funds would be available for 2015/16, the current funding expires on 30th June 2015. We have already had staff resign as a result of the uncertainty.

The Groundwater Project requires approximately \$500k per year to run. This covers the costs of employment of Technical Officer staff at UNSW and at Flinders Universities, the cost of travel and not insignificantly, the cost of provision of telecommunications services. This is only a little in excess of 3% of the installation costs. We consider this to be exceptionally efficient!

We could provide much greater detail, but we trust that the above short summary sufficiently explains the situation with respect to the NCRIS Groundwater Project at UNSW.

If we can be of any further assistance in this regard, please do not hesitate to contact either Dr Martin Andersen or Prof Ian Acworth.

Sincerely

A handwritten signature in blue ink, appearing to read 'I. Acworth'.

Prof Ian Acworth

A handwritten signature in black ink, appearing to read 'M. Andersen'.

and Dr Martin Andersen

NCRIS Groundwater Project Director.

30 September, 2014

Ditta Zizi
Branch Manager, Research and Higher Education Infrastructure Branch
Research and Strategy Group
Department of Education
GPO Box 9880
Canberra ACT 2601

RE: Confidential information relating to the IMOS Annual Progress Report for 2013/14

Dear Ditta,

As noted in previous correspondence with the Department, IMOS is an NCRIS capability that needs to make multi-year, forward commitments in order to implement its planned activities effectively and efficiently.

This was last raised with the Department by way of a confidential letter submitted with the 2014/15 Annual Business Plan. The Department responded on 26 June 2014 as follows:

Thank you for including your confidential letter with the reports. I note the letter was provided prior to the 2014/15 Budget. You will have noted in the Budget the Government has announced additional funding of the NCRIS projects and facilities to June 2016.

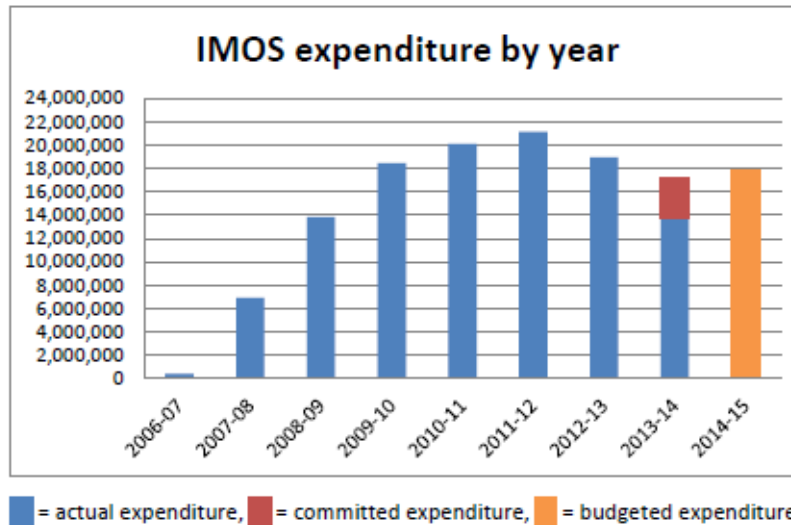
We have taken this to indicate that the additional funding to June 2016 will address the issues raised, at least in the short term.

In submitting this 2013/14 Annual Progress Report, we advise the Department that IMOS is continuing to operate as an ongoing program which involves making forward commitments into the 2015/16 year and beyond. Of particular significance is the fact that with *RV Investigator* now in commission as Australia's blue-water research vessel, the IMOS Deepwater Mooring program will be brought back to design strength following an interregnum in the transition from *RV Southern Surveyor*.

As noted in the Annual Progress Report (Appendix D, Note C, p67), actual expenditure on the IMOS program has been at or above \$18M pa since 2009/10, with the exception of 2013/14. The lower level of actual expenditure in 2013/14 (\$13.7M) is due to the fact that we commenced the year on a significantly lower level of CRIS minimum funding, ramping back to a higher level later in the year with additional NCRIS 2013 funding. A further \$3.5M of carried forward funding is committed towards 2013/14 activities to be completed in early 2014-15, bringing the budget for 2013/14 activity to \$17.2M. The IMOS expenditure budget for 2014/15 is \$17.9M. Noting the recommencement of Deepwater Mooring activity, a budget of at least \$18M will clearly be required in 2015/16.

IMOS is a national collaborative research infrastructure, supported by Australian Government. It is led by University of Tasmania in partnership with the Australian marine and climate science community.

The long term pattern of IMOS expenditure is shown in the following graph.



If the process for allocating the \$150M committed to NCRIS results in IMOS receiving less than \$18M in 2015/16, scope of the program will need to be reduced.

This would result in some observing assets being removed from the water, and data collections (time series) being truncated or ceased. It would result in a loss of some highly skilled jobs, with specialised capability that has been built up over a number of years. It would result in some geographical contraction, which is likely to impact in regional areas due to the large footprint of IMOS across Australia's massive marine estate.

Given that the consistently strong performance of IMOS as an NCRIS capability has been influential in securing ongoing support for the NCRIS program as a whole, it would seem counterintuitive to be reducing its scope in the short term.

We are looking for an indication from the Department that the required level of funding for 2015/16 will be available. We are asking that this happen as soon as possible, given that as each day passes, IMOS becomes more committed into 2015/16 and beyond.

We trust this additional information, provided on a confidential basis, is clear and concise with respect to the IMOS-specific risks associated with future funding for NCRIS.

Please do not hesitate to contact me if you wish to discuss further.

Yours sincerely,

Tim Moltmann, IMOS Director

Cc: Dr Ian Poiner, Independent Chair, IMOS Advisory Board
Professor Paddy Nixon, Deputy Vice-Chancellor (Research), University of Tasmania

From: David Hinde <david.hinde@anu.edu.au>
Sent: Wednesday, 4 February 2015 11:58 AM
To: ZIZI,Ditta; WADE,Natalia
Subject: NCRIS 2015 Heavy Ion Accelerators

Dear Ditta,

Representing the Australian Universities' Heavy Ion Accelerators capability, I would like to echo the concern of the other capabilities about the unfortunate delay in the implementation of the NCRIS2015 program.

I understand that some capabilities face imminent severe problems.

The Heavy Ion Accelerators capability is University-based, at ANU and the University of Melbourne.

At the ANU, the accelerators are hosted by the Research School of Physics and Engineering. The RSPE Director, Professor Stephen Buckman, has indicated to me that RSPE does not want the current situation to imperil the retention of skilled accelerator staff during this period of uncertainty. It is committed to taking measures within its power to provide continuity, at least in the short term, even though that may cause significant budget pressure.

Best regards
David

--
Professor David J. Hinde FAA FAIP FlntP FAPS Director, Heavy Ion Accelerator Facility Department of Nuclear Physics Research School of Physics and Engineering Building 57 Australian National University



National Imaging Facility:
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4 February 2015

Ditta Zizi
Branch Manager
Research and Higher Education Infrastructure
Research and Strategy Group
Australian Government Department of Education

Re: National Imaging Facility – winding down post 30th June 2015.

Dear Ditta,

As you are aware, The National Imaging Facility is an important resource for the Australian scientific research community. It currently provides access to over \$150M of world-leading multi-modality biomedical imaging, hosted and supported by eight universities, two medical research institutes and ANSTO, to all publically-funded researchers. This capability would normally be available only to researchers in the leading universities, and no individual university could embrace the wide range of technology provided through NIF.

The current funding, through NCRIS2013, will be largely exhausted by 30 June, 2015. The Governing Board has advised NIF that the partner institutions are unable to support the ongoing operation of NIF. They have agreed that the small amount of residual funding will be used for Management and Governance to ensure an orderly wind-down of NIF, and to meet any remaining reporting obligations to the Commonwealth. In the absence of any advice to the contrary, NIF will need to initiate the wind-down process on 1st April, 2015.

In accordance with the Funding agreements, the responsibility for the equipment that has been partially funded by NCRIS and EIF will revert to the institution in which it is located, and management will become part of the institutions portfolio of major research equipment and major facilities. As such, users from other institutions will need to negotiate with the host institution for continued or new access, with no certainty of success, and no guarantee that the facility will continue to operate. During this period, the NIF management will continue to work with the nodes to identify opportunities for collaboration, and to provide a communication mechanism for nodes, who may wish to promote their capability. But that can only continue for 3-4 months.

Infrastructure is not only the equipment, but also the expertise that has been developed. NIF, through NCRIS, has been able to support non-imaging researchers through the provision of Facility Fellows and Informatics Fellows. These are senior scientists in imaging and image analysis, who work with the users of NIF capabilities to develop protocols, optimise image acquisition, and advise them on image analysis using the most recent methodology.

There are currently 22.6 FTE employed by NIF, with a total of 35 staff fully or partially funded. The nodes will manage the process on a case-by-case basis. Some staff may be redeployed into other roles, but there will inevitably be redundancies. However, whatever happens, their expertise will be lost to NIF and to the wider Australian research community that they have supported. This is expertise that takes years to develop, and so when a future infrastructure program is established, it is not simply a case of employing new staff, and continuing where we left off. NIF represents significant social and intellectual capital, as can only be achieved

NIF Nodes:





National Imaging Facility:
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through mature collaborative networks that have operated for a number of years.

NCRIS funding has also been used to support some of the cost of maintenance contracts. This has enabled the host institutions to provide researchers with access at a lower cost. The lack of further funding will inevitably lead to an increase in access charges, which will either increase the burden on research grants, or reduce the amount of research being done.

For many researchers, in particular RHD Students and Early Career Scientists, the increased cost, combined with lack of access to the expertise will make imaging an impossible dream. This will result in less competitive research and a lowering of expertise in the next generation of Australian scientists. Australia will, once again, become dependent on expertise gained overseas. Many of our brightest students will leave Australia, and potentially never return. The facilities provided by NIF have also been an attraction for international researchers and students coming to Australia, for short-term and long-term positions. These researchers are invariably impressed by the excellence of Australian research infrastructure, the maintenance of the resource, and the openness of access. NIF remains an important and internationally lauded investment proposition for Australia. This was highlighted in May 2014 by the co-signing a Memorandum of Understanding with EuroBioImaging at the Australian Embassy in Brussels. This is all at jeopardy if NCRIS funding is not renewed.

I know that the Department is very supportive of what NCRIS has achieved, and NIF thanks you for your ongoing support. Much has been achieved over the last eight years and NIF has demonstrated that it is an equitable and economically effective way to deliver leading edge research infrastructure. The decision to wind-down NIF is not one that was taken lightly, but in light of the lack of funding, the Governing Board is of the view that there is no other option.

Yours sincerely,

Professor Graham Galloway
Director of Operations

Professor Emeritus David Siddle
Chair, Governing Board

NIF Nodes:



Ms Ditta Zizi
Branch Manager
Research and Higher Education Infrastructure
Department of Education
Ditta.zizi@education.gov.au

Dear Ms ~~Zizi~~ *Ditta*

Request for Extension to PHRN NCRIS 2013 Funding Agreement and related matters

Variation to the PHRN NCRIS 2013 Funding Agreement

An extension to the NCRIS 2013 program was canvassed at the last NCRIS Capabilities meeting. However the process to vary the Funding Agreements does not appear to have commenced.

A Variation to the PHRN NCRIS 2013 Funding Agreement to provide for an extension to the Due Date for Completion of the Project and the Project End Date is requested.

PHRN has encountered some difficulty with implementation of the PHRN NCRIS 2013 project. This reflects the delay in approval of the PHRN NCRIS 2013 Project Plan which has to be amended to take into account recommendations from the PHRN Review. While most nodes will have completed expenditure of PHRN NCRIS 2013 funds by June 2015, some nodes would like to extend the timeframe to complete their NCRIS 2013 activities. We strongly support this extension.

We suggest extension for a 12 month period. This would have the advantage of ensuring that PHRN NCRIS 2013 activities are completed and that PHRN has a current funding agreement, should the 2015-16 NCRIS funding be released. In our experience, it is far more efficient to vary an existing Funding Agreement than to negotiate a new Agreement.

We believe that the required Variation to the NCRIS 2013 Funding Agreement to accommodate an extension of the Due Date for Completion of the Project and the Project End Date would be minor and could be arranged through an exchange of letters.

We would welcome your urgent confirmation that the proposed Variation to the PHRN NCRIS 2013 Funding Agreement can be arranged.



Allocation of NCRIS 2015-16 Funding

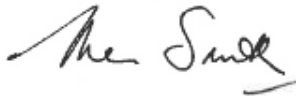
As you would be aware, the PHRN like other NCRIS capabilities is facing critical funding uncertainty with distribution of 2015-16 NCRIS funding announced in the Australian Government's May 2014 budget still not confirmed. As a result of the uncertainty, PHRN nodes have lost skilled and experienced staff essential to the optimal operation of national data linkage infrastructure and facilities. Further losses are expected as most nodes do not have funds to extend NCRIS-related contracts past 30 June 2015. Shut-down scenarios have been prepared and decisions to commence implementation are imminent.

This uncertainty has created particular difficulties for PHRN as we progress implementation of the recommendations from the PHRN Review. A key recommendation related to establishment of new governance arrangements. The new PHRN Board is now in place with the first meeting scheduled for 27 February 2015. In the absence of 2015-16 NCRIS funding, the Board will be unable to achieve the strategic national data linkage infrastructure developments envisaged by the PHRN Review.

People around the country have worked for years to build Australia's world-leading national data linkage infrastructure. Decisions about release of NCRIS 2015-16 funding must be made urgently, by the end of March 2015 at the latest. As explained above, PHRN infrastructure will be very seriously impacted if access to the funds cannot be confirmed by then.

I am sure that you appreciate the gravity of the situation and that the Secretary of the Department of Education and other senior managers have been fully briefed. However the matter has not been resolved. Other interventions should be considered as a matter of urgency.

Kind regards



Dr Merran Smith
Chief Executive

4 February 2015

Cc Professor Brendon Kearney
Chairman, PHRN Board



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23rd February 2015

PO Box 6022
House of Representatives
Parliament House
Canberra ACT 2600

Dear Ms Cathy McGowan AO, MP

Re: TERN and NCRIS (National Collaborative Research Infrastructure Strategy)

Thank you very much for taking the opportunity to speak with Dr Suzanne Long today regarding the activities of the Terrestrial Ecosystem Research Network (TERN) in your electorate and beyond.

As discussed, TERN is funded through the Commonwealth's National Collaborative Research Infrastructure Scheme (NCRIS). NCRIS is providing important underpinning infrastructure to build strong partnerships between the research sector, business, industry and government and to actively support world-class research.

NCRIS currently supports national research capability through 27 active projects (including TERN) and facilities that employ more than 1500 highly skilled technical experts, researchers and facility managers in 222 institutions. NCRIS supports an estimated 30,000 researchers both domestically and internationally.

As emphasised by the 2014 National Commission of Audit, quality research infrastructure is a critical component of Australia's research and development system. The Government has committed an additional \$150 million in 2015–16 to fund NCRIS. This additional year of funding for NCRIS projects was aimed at providing time for the Government to consider the National Commission of Audit recommendation that ongoing funding for research infrastructure could be informed by a reassessment of existing research infrastructure provision and requirements. However, this money is

TERN is supported by the Australian Government through the National Collaborative Infrastructure Strategy and the Super Science Initiative.



yet to be provided to projects, and TERN along with the other NCRIS facilities, is facing a rapidly advancing funding cliff.

TERN is a formal collaboration of 25+ organisations (universities, CSIRO and other government research agencies) that has successfully delivered a strategic variety of ecosystem research infrastructure across the country, generating data services that are freely available to all and are being used for the benefit of local, regional and national stakeholders. Specific examples of the infrastructure that is based in and/or being used by researchers and constituents in your electorate of Indi include:

- Long-term ecological monitoring and research plots in mountain ash forests around Kinglake and Marysville. Currently supported by TERN, some of these plots have been worked on by ~1500 volunteers over 30 years, and have yielded insights into forest ecology that have informed changes to forestry and enhanced fire management/recovery practices.
- Long-term ecological monitoring and research plots in Alpine National Park. Currently supported by TERN, some of these plots have been established for >60 years, some of the longest continuously monitored sites in Australia. The results have been used by local businesses such as Falls Creek Resort to improve the effectiveness of their fire and weed control programs, reduce the impacts of construction on fragile alpine environments, and successfully conserve charismatic threatened species such as the mountain pygmy possum. The results are also used by agencies concerned with managing the impacts of climate variability and cattle grazing.
- Watts Creek near Mt Donna Buang is one of eight national remote-sensing validation sites used to recalibrate the standard algorithms that interpret satellite or aerial imagery for local conditions. The resulting more accurate and useful satellite imagery for the region is freely available to everyone with interests in land management, land-use change or forest condition, among many other applications.
- A flux tower at Wallaby Creek, part of an international network that measures local exchange of carbon dioxide, water and other gases, with important implications for understanding and predicting local ecosystem productivity.

Beyond the boundaries of Indi, our collaborative capacity for data integration and synthesis across disciplines and across the country means that, for the first time, scientifically rigorous national perspectives on Australian ecosystem condition, trends and future productivity are possible. TERN's infrastructure is enabling better return on investment for local, state and federal governments, industries and communities concerned with managing the ongoing sustainability and productivity of their Australian ecosystems. TERN is considered a world-leading model for the delivery of integrated ecosystem infrastructure and we are regularly asked to provide advice to analogous organisations in China, the US and Europe.

NCRIS projects including TERN have been subject to numerous positive external reviews and the programme is well-regarded by stakeholders. According to the universities' peak body, Universities Australia: *"The strategic, collaborative approach pioneered through NCRIS has provided a platform for cultural change in the way Australia conducts research. It has brought together excellent researchers from across disciplines to address the most pressing economic, social and environmental*

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issues. NCRIS facilities have become natural collaboration points for researchers, industry and government. They are accessible by researchers from all universities and businesses, greatly enhancing the efficiency of Australia's investment."

However, despite this success, there is an imminent risk that the Australian national asset that is TERN - representing \$57 million in Commonwealth investment over six years, plus \$83 million co-investment (cash and in-in-kind), and incalculable goodwill - is about to be lost, along with many other high-performing projects making up the NCRIS portfolio.

We are grateful for the opportunity to brief you on the positive role TERN is playing in your community and look forward to your support in seeking to avert the potential imminent cessation of all NCRIS projects, including TERN.

Please do not hesitate to contact me if you require further information.

Yours sincerely,



Professor Tim Clancy
TERN Director

TERN is supported by the Australian Government through the National Collaborative Infrastructure Strategy and the Super Science Initiative.





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4th of February 2015

Ms Ditta Zizi
Branch Manager
Research and Higher Education Infrastructure
Research and Strategy Group
Australian Government Department of Education

RE: 2015/2016 NCRIS Funding

Dear Ditta Zizi,

I am writing in response to your recent request at Phillip Clark's Research Infrastructure Review (30.01.2015) for written correspondence from capabilities under immediate or near term funding pressure.

As you are aware Therapeutic Innovation Australia (TIA) is currently funded by the Australian Government to administer the \$7M Translating Health Discovery project through the National Collaborative Research Infrastructure Strategy (NCRIS). This project has been highly successful in enabling the development of 67 proof of concept products and 80 clinical trials in 2013/2014. The project currently supports 70 staff across 22 translational health research facilities and is due to complete its project-related activities on the 30th of June 2015. At this very time it is poised to launch a national initiative which should improve commercial returns from our research investment.

Despite the support to date of the Australian Government at this stage TIA has not received a commitment regarding the future funding of its research infrastructure. The impact of this will be experienced in the very near term and includes:

- Potential closure of advanced manufacturing capabilities
- Dramatic reduction in our national capacity to translate promising medical research discoveries
- Loss of 70 scientists and technical staff
- Exclusion from three international collaboratives relating to
 - Multinational clinical trials,
 - Screening new compounds as candidates for treatment of serious diseases and
 - Translating health discoveries – a global collaborative established by TIA involving Europe, the United States of America (National Institutes of Health) and Canada.

Given the proximity of our project completion date and the absence of research infrastructure funding for 2015/2016 I write to also inform you of the impact directly on TIA. TIA will commence its

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wind up of activities in March 2015 given Directors responsibilities under *The Corporations Act 2001* to ensure the Company does not trade insolvently.

Directors become personally liable if insolvent trading occurs. Your TIA Directors are highly aware of their duties in this respect. They have continued to review the Company's solvency over recent quarters and indeed at each monthly board meeting.

The courts have held that it is insufficient for directors to trade in hope of not becoming insolvent but must rely on evidence based facts to support solvency. Accordingly without further funding or commitment we will initiate our wind down activities in March and proceed to notify our stakeholders in Australia and overseas.

As you will be aware we have previously reported, in general terms, this impending financial predicament however we appreciate your request to further clarify our financial position. We value the tireless efforts and support of the Research Infrastructure Branch both with this current financial issue and through the previous infrastructure programs.

I attach a brief summary relating to the history of TIA as an attachment for your review.

I would also like to offer an opportunity to further brief you, at your convenience, on Monday the 9th of February as I will be in Canberra with a Director of TIA, Ms Elizabeth Furler. I understand that this is short notice and certainly appreciate that this meeting may not be possible.

Yours faithfully



Stewart Hay
Chief Executive Officer
Therapeutic Innovation Australia

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Attachment

TIA was originally known as Research Infrastructure Support Services (RISS) and was established in 2007 under the first NCRIS initiative. Through the administration of this program RISS set an Australian Government record for funding of clinical trials with 31 clinical trials enabled through an investment of less than \$3M. RISS, by working with State governments and project recipients, was able to generate co-funding contributions enabling total project funding of \$60m to be applied to these initiatives. For every \$1 of NCRIS funding \$7 was secured in co-investment.

The multifaceted approach of this initial program was well regarded and led to the transition of RISS into TIA through the Translating Health Discovery into Clinical Application (THD) project. This THD initiative has seen 45 capabilities from universities, medical research institutes and hospitals join TIA to participate in a network which has the capacity to translate promising health technologies into clinically relevant outcomes. This consortium was augmented in 2014 with the establishment of the world's first national therapeutic supply chain, which we were very pleased to have you launch in Brisbane. The initiative titled the Australian Therapeutic Pipeline (Pipeline) represents the culmination of several years of strategic development and will provide a focus point for local and international researchers.

Again, as TIA, the company had been able to generate substantial co-funding for its program grants through its contractual agreements with its capabilities. As a result of the \$28.5m in funding provided to TIA over \$100m in developments have been contributed in the field.

The Board of RISS Ltd and TIA LTD has altogether received total funding over 7 years of \$43m from which the companies have generated well over \$200m for investments in its capabilities. I am sure you would consider these a quite remarkable achievement in the timeframe available.

Furthermore, TIA's funded capabilities have strongly and actively supported the exciting next translational phase driven by the work of our expert committees. As you are aware TIA has developed the Pipeline concept underpinned by its network of capabilities. The Pipeline will utilize the expertise of these capabilities, and their infrastructure, to establish pathways to drive discovery through the necessary translational steps to commercialization. We have been pleased to have received much positive feedback from the Department about this national node network being the centerpiece of a long term NCRIS project.

The TIA Board and I, as its CEO, stand ready to continue to be a major element in the success of NCRIS and any associated programs going forward by leveraging and harnessing our outstanding record of success to date.

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