

The Medical Research Future Fund: A hand-out to corporate Australia

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The Abbott government has sought to lessen the public outrage over its introduction of co-payments for public medical services by channelling much of the revenue into a Medical Research Future Fund (MRFF) until it reaches \$20 billion. By 2017–2018, the MRFF, which will invest its capital in the share and money markets, will use its dividends to make grants of up to \$1 billion annually for medical research in Australia.

Treasurer Joe Hockey touted the MRFF on budget night as a historic initiative that could mean it was “an Australian who discovers better treatments and even cures for dementia, Alzheimer’s, heart disease or cancer.” Perhaps it will. The motivation behind such an aspiration, however, is that it could be an Australian company—listed on the Australian Stock Exchange (ASX) and owned by the Australian financial elite—that would own the patents on such cures. Every time anyone in the world paid for the life-saving treatments, profits would flow back to Sydney.

The biotechnology sector of the ASX is currently valued at just \$50 billion, but it is considered a major potential growth area. Since the signing of the 2005 free trade agreement with the United States, Australian-based medical companies have had improved access to the \$2.2 trillion American health-care market.

CSL, once a state-owned research company, has grown into one of the 10 largest corporations on the ASX, with a market capitalisation of over \$32 billion. It holds the patents on everything from anti-venoms to its 2009 vaccine for A/H1N1 bird flu.

The corporation Mesotech saw its stock value soar 600 percent in 2013, to over \$1.6 billion, after its congestive heart failure treatment received US go-ahead for advanced clinical trials.

While the MRFF is intended to provide start-up capital for private bio-research companies, the Abbott

government has slashed funding to various public research institutions.

The budget of the Australian National Nuclear Research and Development Organisation budget has been cut by \$27.5m and will shed 64 jobs. Funds for the Australian Research Council have been slashed by \$75 million over four years. The Commonwealth Scientific and Industrial Research Organisation (CSIRO) had its budget reduced by \$114.8 million over the next four years. It has warned it will have to lay off 500 scientists and other staff.



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