

16 December 2010

Manager  
Philanthropy and Exemptions Unit  
Personal and Retirement Income Division  
The Treasury  
Langton Crescent  
PARKES ACT 2600

Dear Sir

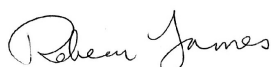
Research Australia is pleased to provide a comment on the discussion paper, Improving the Integrity of Public Ancillary Funds (PuAFs). Research Australia is supportive of the principles and considerations generally outlined in the response submitted by Philanthropy Australia.

We are particularly concerned about the viability and sustainability of PuAF's that support health and medical research, the level of annual mandatory distributions and the inherent differences between PAF and PuAF's that may not be fully appreciated in the approach of this review.

Research Australia recognises the vital support that PuAF's provide to health and medical research. Health and medical research projects have special needs that may not align with the distribution and giving practices associated with other philanthropic programs. Continuity of funding for research projects, students and researchers is required over extended periods of time with many PuAF's offering financial support (including grants, fellowships and scholarships) that are longer term commitments and extend beyond the distribution of a single years income.

Whilst Research Australia recognises the intent of establishing minimum annual distribution levels we are concerned about the potential to introduce unintended consequences including impediments to sustainable financial support for research. These unintended consequences may erode the opportunity to build capability and capacity in the research sector (particularly for rare diseases), increase uncertainty for researchers whose employment relies on grant support and unintentionally influence the types of research activities that receive support. There is also the potential to inhibit the translation of research towards delivering community benefits by introducing new barriers that make it harder for PuAF's to build sufficient resources that will allow them to contribute towards the conduct of larger more expensive research studies.

Yours sincerely



Rebecca James  
Chief Executive