



The George Institute  
2026–2027 Pre Budget Submission

# The NSW Treasury



## Overview

The George Institute for Global Health welcomes the opportunity to provide input to the 2026–27 NSW Budget.

The NSW medical research sector is a critical economic asset that delivers strong, long-term returns for the state, with **every dollar invested generating a return of \$6.40 in economic output for NSW**. However, the sector faces a \$150 million annual funding gap that threatens innovation, health outcomes and economic growth. Without urgent reform, up to 60% of NSW’s independent medical research institutes risk insolvency by 2030. The loss of our medical research institutes would be disastrous for NSW, causing job losses, health system productivity losses, loss of expected benefits from health precinct investments, and most importantly, loss of opportunities for the people of NSW to receive cutting-edge medical treatments.



**\$1 = \$6.40**

**For every dollar invested in  
NSW medical research generates a  
return of \$6.40 in economic output for NSW**



The 2026-27 budget represents an unmissable opportunity to recalibrate investment in our vital medical research institutes to enable them to continue to deliver for the people of NSW.

## Acknowledgement of Country



The George Institute for Global Health acknowledges the traditional owners of the lands on which we work, and in particular the Gadigal people of the Eora Nation on which our Sydney office is situated. We pay our respects to Elders past, present and future.

We value and respect the ongoing connection of Aboriginal and Torres Strait Islander peoples to Country and are committed to working in partnership with communities to deliver better health outcomes.

## Key contacts:

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## Recommendations

*The George Institute is calling for the restoration of the CPI-adjusted value of the medical research support program (MRSP).* Updating the MRSP to account for inflation since 2012 would increase the current program from \$40 million per annum to \$56 million per annum, a prudent incremental investment of \$16 million per annum, with a 1:20 cost-benefit ratio.<sup>1</sup>

Alongside this measure, The George Institute is advocating for research funding reforms at the Commonwealth level. *The George Institute is seeking the support of the NSW Government to advocate for gaps in federal funding programs to be addressed by:*

- Increasing support for MRIs through the Independent Research Institutes Infrastructure Support Scheme (IRIISS) from 20c to 25c for every \$1 of NHMRC research grant funding;
- Create and IRIISS-like program for Medical Research Future Fund (MRFF) grants, funded by increasing MRFF disbursements from the current 2.5% annually to 4% annually;
- Uplifting and indexing NHMRC salary scales to reflect current market rates.

Taken together, these measures will put our vital health and medical research institutes on a path to financial sustainability.



Researchers from UNSW Sydney and The George Institute

<sup>1</sup> Biointelect, 2025, Future scenarios for NSW Medical Research Institutes: the case for investing in NSW's medical research institutes and unlocking health, social and economic benefits, report prepared for the Association of Australian Medical Research Institutes (AAMRI), 2025,

## Investment in health and medical research drives productivity and growth in NSW

The NSW Government's investment in health and medical research through the MRSP contributes to unlocking more than \$775 million of investment from sources including the Australian Government, philanthropic donors, commercial investors and clinical trial funders. The MRSP is a catalyser that crowds in investment amounting to almost 20 times the contribution of the NSW Government.<sup>1</sup>

Health and medical research discoveries reduce health expenditure, increase workforce participation, and drive productivity by enabling earlier diagnosis, more effective treatments, and prevention of chronic disease. NSW's network of world-class medical research institutes (MRIs), position the state as a leading destination for clinical trials, private-sector investment, and commercial partnerships, generating high-value jobs and supporting the growth of the state's research, biotechnology and med-tech industries. These benefits flow directly to the NSW economy, strengthening local manufacturing, expanding regional innovation precincts, and ensuring NSW remains competitive in the global health and research markets.

While federal funding supports national research priorities, the NSW MRSP is essential to meet the state's unique health challenges, population needs, and economic opportunities. This state-level funding enables NSW to set its own strategic direction, accelerate translation into NSW health services, and ensure residents benefit first from cutting-edge research. NSW-led initiatives, such as research embedded in Local Health Districts, data integration platforms, and commercialisation pipelines, cannot be designed or delivered effectively at the federal level. Continued NSW investment ensures the state captures the economic, health, and productivity dividends of research.



The UNSW Health Translation Hub in Randwick NSW, home of The George Institute



## Restoring CPI-adjusted investment in the MRSP

The NSW MRSP is the Minns Government's flagship \$160 million initiative (2024–2028), providing essential funding to meet the indirect costs of research, including equipment and critical infrastructure, across eligible medical research institutes in NSW. By addressing these foundational costs, the MRSP enables institutes like The George Institute to compete for national grants, attract and retain world-class scientific talent, and accelerate the translation of research discoveries into improved health outcomes for the people of NSW.

However, the true cost of delivering research in NSW significantly exceeds available funding. For every dollar of competitive grant funding awarded, an additional 79 cents is required to cover unfunded research costs, well above the national average of 64 cents per grant dollar, due to higher business costs in NSW.<sup>2</sup> This structural funding gap places NSW institutes at a disadvantage compared with other states. Compounding this issue, the MRSP core allocation of \$40 million per year has remained unchanged since 2012, despite rising research costs, inflationary pressures, and increasing expectations for innovation, translation, and commercialisation.

*The George Institute recommends that the 2026–27 Budget should restore the CPI-adjusted value of the MRSP.*

Updating the MRSP to account for inflation since 2012 would increase the current program from \$40 million per annum to \$56 million per annum, a prudent incremental investment of \$16 million per annum, with a 1:20 cost-benefit ratio.

<sup>2</sup> MRSP funding of \$40m p.a. compared to \$240m of competitive grant funding achieved in 2023 (and \$272 total grant funding) – Source AAMRI NSW Revenue Snapshot (based on data collected for AAMRI Report 2024).

### Research funding: a shared responsibility

AAMRI's Future Scenarios report estimates that there is a \$150 million per annum funding gap for research institutes in NSW. This is the gap between funding provided by Federal research grants, the MRSP and NSW government funded research, and the total cost of research.

#### *The George Institute is seeking the support of the NSW Government to advocate for gaps in federal funding programs to be addressed by:*

- Increasing support for MRIs through the Independent Research Institutes Infrastructure Support Scheme (IRIISS) from 20c to 25c for every \$1 of NHMRC research grant funding;
- Create an IRIISS-like program for Medical Research Future Fund (MRFF) grants, funded by increasing MRFF disbursements from the current 2.5% annually to 4% annually.
- Uplifting and indexing NHMRC salary scales to reflect current market rates.

Improvement in these three key measures would level the playing field between independent institutes and universities, who receive more federal funding to cover research infrastructure, and significantly reduce financial pressure on research institutes, allowing researchers to focus on their core business of finding solutions to our biggest health challenges.

We also recognise that research institutes themselves have an important role to play in supporting the ongoing sustainability of the sector, through our commitment to using every research dollar efficiently; collaborating across the sector to amplify impact and translation into clinical practice; and attracting funding from private and philanthropic organisations. NSW independent medical research institutes already raise around 30% of their income from philanthropy and commercial enterprises, augmenting and amplifying the impact of the MRSP investment.

## Health and medical research: delivering for the communities of NSW with the communities of NSW

The George Institute was founded in NSW and is embedded in the NSW health system through its clinical trials, partnerships with NSW Health and relationships with Local Health Districts. Provided below are case studies demonstrating the integration of research and clinical practice that helps to drive better care and more effective and efficient health systems.

### Case study:

#### Join Us – strengthening Australia’s research capability through a large, disease agnostic patient registry for clinical trials



Australia is a world leader in health and medical research, however an ongoing research barrier is the slow recruitment of research participants. Research registers are a proven way of connecting patients and researchers, but these registers typically address specific diseases, focus on people attending metropolitan centres of excellence, and can be difficult for patients to navigate. Disease-agnostic research registers offer participants of all types a single point of access to research.

Join Us is a not-for-profit, disease-agnostic health research register dedicated to connecting everyday Australians with meaningful research opportunities. Join Us will strengthen Australia’s research sector by enhancing opportunities and investment for research in the country, as recruitment efficiencies provided by the register are recognised. The register is open to all adults living in Australia, and currently has 10,500 participants, and has received requests for participants in over 180 studies.

### Case study:

#### The Safe Pathways project – addressing barriers to care for burn injuries in Aboriginal and Torres Strait Islander children

Aboriginal and Torres Strait Islander children present with burn injuries covering larger body surface areas, suffer full thickness burns and require hospital admission more often and for longer than other Australian children. Lack of cultural safety, communication gaps between service providers and family members and institutional racism have been identified as major barriers to accessing appropriate aftercare for Aboriginal and Torres Strait Islander children following a burn injury.

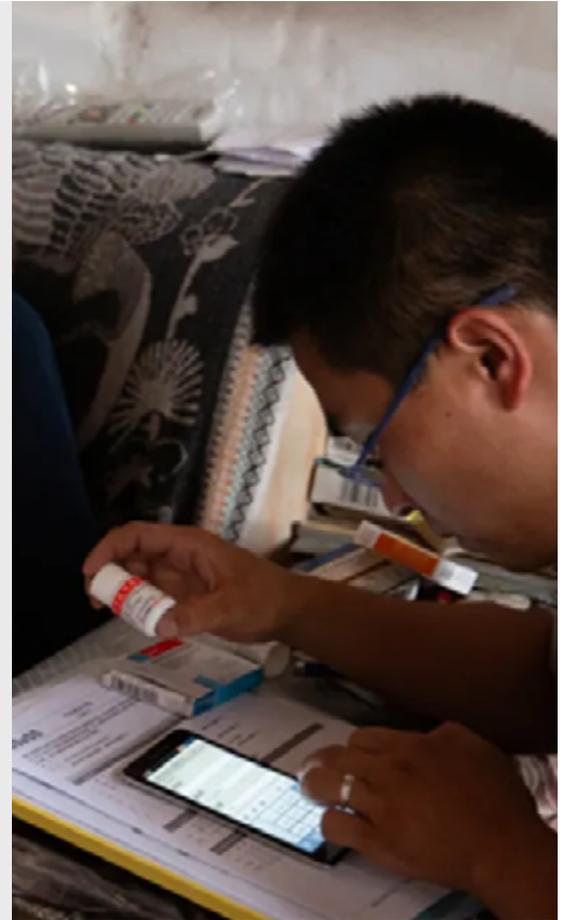
**Safe pathways** is a patient-centred discharge and follow up model of care, developed in partnership with an Aboriginal Health worker, team members from the burn unit at the Sydney Children’s Hospital at Westmead and Aboriginal and Torres Strait Islander families. The project included a Building Cultural Capability training program to develop cultural safety capabilities among the team members of the burn services. The program has since been expanded to other conditions and locations.



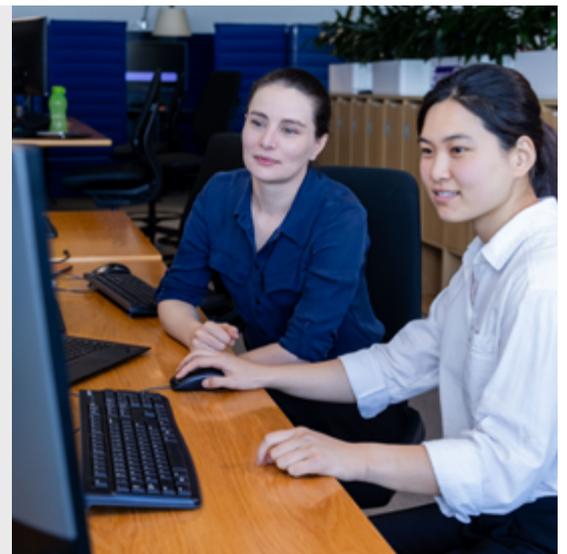
**Case study:****Attracting investment in clinical trials by streamlining and improving time-to-trial processes**

Over the last 12 months, The George Institute led a collaboration with the Australian Clinical Trials Association (ACTA), University of Sydney Clinical Trials Centre and the NSW Office of Health and Medical Research to identify ways that the NSW clinical trials ecosystem can be streamlined and improved to attract more investment in clinical trials.

We convened five working groups with representation across the sector to review existing literature and make recommendations on: consumer and community involvement; ethics and governance; workforce; innovative trial methods; and leveraging data assets. This culminated in the NSW Clinical Trials Summit, held at NSW Parliament House on 20 May (International Clinical Trials Day), bringing together experts to identify ways we can improve our clinical trials system. Following the summit, AAMRI is working with the NSW Office of Health and Medical Research on a collaboration project to take this work further.

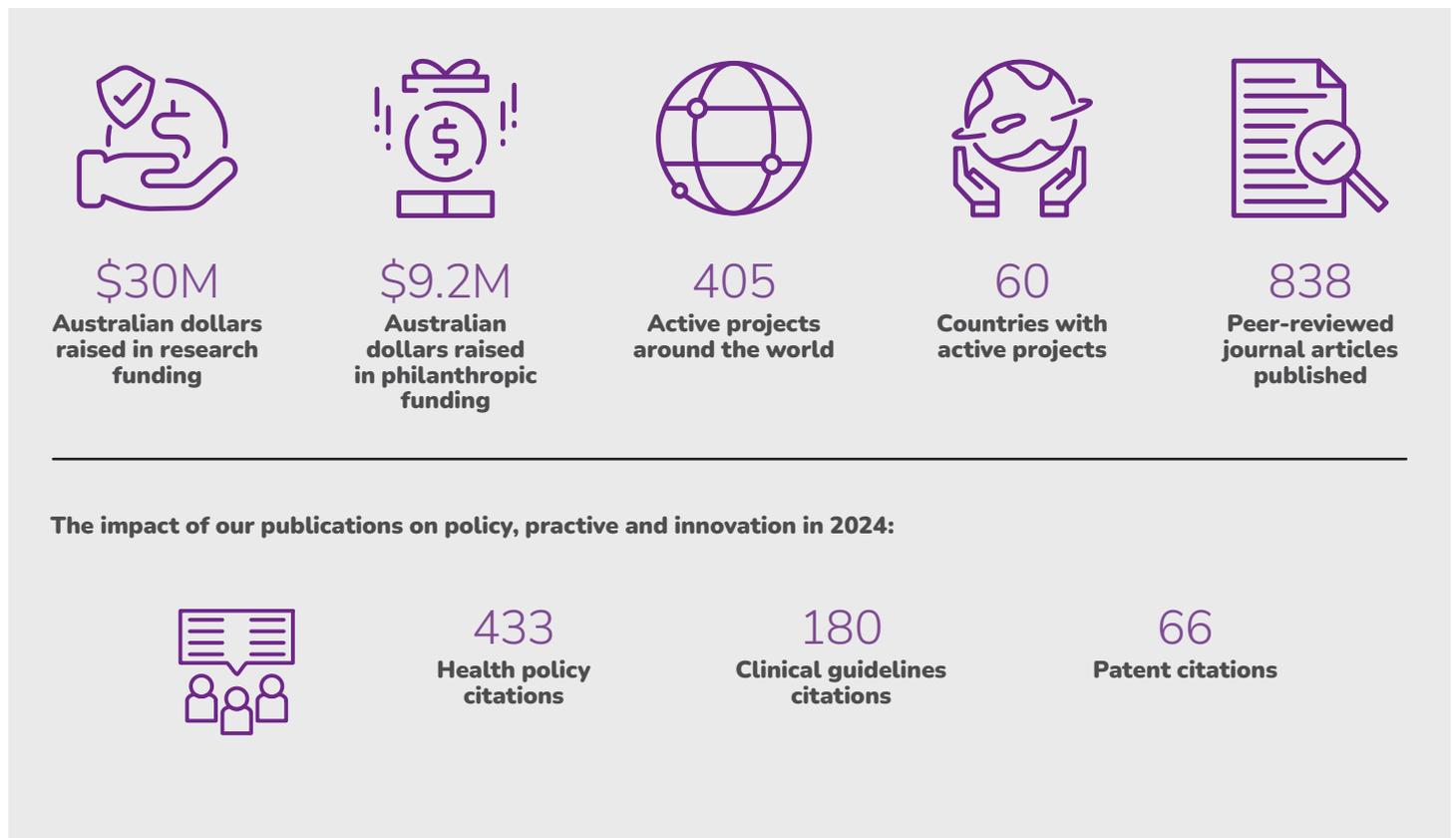
**Case study:****MRFF-funded project to transform primary care**

The George Institute is commencing a 5-year program of work that will leverage a large healthcare data asset to help identify areas for health system reform at both state and national levels. 'Lumos' is a data asset that follows patient journeys through the NSW health system by linking data from enrolled general practices with information held by NSW Health. Now covering over six million people, it supports assessment of what aspects of healthcare delivery are working well and what aspects need improvement, to drive better, more integrated care.





## The George Institute's impact in 2024



Source: The George Institute's Impact Report 2024

The George Institute is Australia's top-ranked health and medical research institute<sup>3</sup> and a major contributor to NSW's health, innovation, and economic ecosystem. We:

- Operate as one of the state's most efficient platforms for delivering world-class medical research, maximising the return on public investment
- Secure a significant proportion of NHMRC funding awarded within NSW, reflecting our strong national competitiveness and research excellence
- Generate revenue through philanthropy, leveraging private investment to amplify the impact of government funding
- Address the full continuum of health and clinical needs, including conducting high-quality clinical trials that bring new treatments and innovations to NSW patients
- Collaborate extensively with partner institutes, universities, and health precincts, ensuring research translation that strengthens system productivity and community outcomes
- Enhance UNSW's global standing and research competitiveness, contributing directly to international rankings and strategic partnerships
- Provide innovation, workforce development, and training that uplift capability across the NSW Health system

## Our Impact (2024)



259

**News mentions of a study on the nutritional profile of commercial foods for infants and toddlers**



65

**of our publications were cited in a clinical guideline for the management of high blood pressure**



89

**academic citations of a publication on chronic kidney disease, the highest for a 2024 publication**

### Organisations publishing the highest number of policy documents citing our research in 2024:



126

**World Health Organization**

25

**Pan American Health Organization**

21

**World Bank**

20

**National Institute for Health and Care Research, UK**

18

**Parliamentary Select Committee Publications, UK**

## Conclusion

Health and medical research is a strategic investment that delivers measurable returns for NSW in improved health outcomes, reduced system costs, and economic growth. Yet, without urgent action to address the structural funding gap, NSW risks losing its competitive edge, slowing innovation, and compromising care for its communities. By restoring and indexing the Medical Research Support Program and championing national reforms to cover infrastructure and salary costs, the NSW Government can secure the sustainability of a sector that underpins the state's health system and drives billions in economic value. Continued investment will ensure that NSW remains a global leader in research excellence, translating discoveries into better health for every community across the state.



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