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Australia's health and medical research sector consistently delivers health, social and economic benefits for the nation. Throughout the COVID-19 pandemic Australian health and medical researchers demonstrated productivity, resilience, and adaptability, resulting in significant contributions that saved lives and were of global benefit. Many of these benefits can be attributed to strategic government expenditure that demonstrated what Australian health and medical research can achieve with adequate resources and support. The Australian government must now continue to increase investment into the health and medical research sector to ensure our nation can better address current health challenges and respond effectively to those on and over the horizon.

The Australian Society for Medical Research (ASMR) is the peak organisation representing the entire health and medical research sector through public, political and scientific advocacy. As a trusted source of evidence-based advice to government, we provide the following recommendations for the 2023/2024 Federal Budget:

- 1) **An immediate doubling of investment into National Health and Medical Research Council (NHMRC) grant schemes**
- 2) **A commitment to incrementally increase annual health and medical research investment to reach 3% of total health system expenditure**

These proposed recommendations will ensure the health and medical research sector can continue to provide strong health and economic benefits, sustain a highly skilled and adaptable workforce, and will support Australia to "become the healthiest nation on Earth"¹.

An opportunity for increased investment

NHMRC success rates remain well below international benchmarks

NHMRC grant schemes provide the major funding source for researchers conducting innovative discovery research, yet success rates for NHMRC grants remain at historic lows². In 2022, success rates for the largest grant schemes – Ideas and Investigator grants – were just 11% and 15.9% respectively². Concerningly, Ideas Grant success rates for early and mid-career researchers were just 7%². This is well-below historical and international benchmarks of ~25% and the >40% recommended by a House of Representatives Standing Committee on Industry, Science and Innovation³. The number of applications for Ideas and Investigator grants as well as the number of grants funded has declined significantly since 2019. In the previous year, 2,193 Ideas grant applications were received and 232 were awarded funding, compared to 2,739 applications received and 294 funded in 2019². This indicates a contraction of the sector, which puts Australia at risk of losing more of our highly skilled workforce to overseas or other sectors.

Current NHMRC funding levels are not sustainable

Inflation and the increased cost of conducting research, combined with over a decade of static investment in the NHMRC has led to a halving in the number of funded grants over the last decade². The result is fewer funding opportunities available to researchers, contributing to a diminishing workforce and discouraging young people from choosing health and medical research as a viable career. A recent survey of 658 Australian early career researchers found that lack of funding and job insecurity were the major contributors for early career researchers deciding to leave the sector⁴. The loss of existing researchers and a lack of new researchers being trained is no trivial matter, with around a decade to train a researcher, the educational investment and intellectual capital loss is one Australia cannot stand to lose. Further erosion of the health and medical research workforce, grant funding opportunities and increases in the cost of research will have critical consequences on our sovereign capability and will take decades to rectify.

The Medical Research Future Fund (MRFF) serves a specific purpose downstream of NHMRC-funded research

The focus of the MRFF is on funding the translation of research discoveries into clinical practice and commercialisation, whereas the NHMRC supports people and discovery research projects that underpin the success of the MRFF. For the MRFF to remain successful, investment in the NHMRC must be increased to an adequate level that can sustain the discovery research needed for impactful translation of healthcare innovations.

Outcomes of the proposed recommendations

Increased investment in the health and medical research sector will lead to significant health and economic returns for Australia

- An immediate doubling of the annual investment in the NHMRC Medical Research Endowment Account (MREA) will assist in rectifying years of static investment, **leading to a substantial increase in the total number of innovative research projects funded and providing some stability to the health and medical research sector.**
- Investment in NHMRC-supported projects and people yields exceptional returns **with every \$1 invested returning at least \$3.20** in economic, health and social benefits, including wellbeing gains, commercialisation and avoided healthcare costs^{5,6}.
- NHMRC investment between 2000-2015 is projected to yield **future net returns of \$1.5B per year by 2040-2055**⁵.
- Independent economic modelling indicates that incrementally increasing investment into the NHMRC MREA to reach 3% of total health expenditure would generate **\$58 billion in health and economic benefits over a ten-year period**⁵.
- Econometric studies indicate that basic/discovery research provides the greatest social returns and increases the productivity of applied research, such as that funded by the MRFF⁷.
- Total health expenditure has increased on average 3.4% per year over the last decade⁸, equating to an increased yearly spend of around \$6B per year. Increased and sustained investment into health and medical research will lead to innovative, preventative, and more efficient healthcare, overall resulting in a more cost-effective health system.

Summary

Australian health and medical researchers have a long legacy of ground-breaking discoveries and healthcare innovations. The government has an opportunity through increased investment into NHMRC-funded schemes to ensure we continue as a global leader in providing innovative healthcare. An immediate increase in investment will reduce the loss of our talented health and medical research workforce and their innovative research. Pair this with a commitment from both sides of government to long-term sustainable investment, and the nation will benefit from a healthier, more prosperous and equitable society into the future.

Yours sincerely,



Dr Emily Colvin
President



A/Prof Tony Kenna
Immediate Past President

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