



**Pre-Budget Submission from the Australian Society for Medical Research  
“Building an Investment in Our Future”**

**Executive Summary**

The Australian Society for Medical Research (ASMR) is the peak professional body representing Australian health and medical researchers. Through direct membership and affiliated organizations, the Society represents 18,000 Australians actively involved in the vital Australian enterprise of health and medical research. We have a well recognized role in public, political and scientific advocacy.

The ASMR’s pre-budget submission is outlined in detail in the attached document “Building an Investment in Our Future” (Attachment 1).

Australian health and medical researchers are world leaders. The outcomes of their research have been crucial in preventing disease and injury and in providing better health for Australians.

In 1999, the Federal Government injected an additional \$614 million into Australian health and medical research, doubling the budget of the NHMRC. The returns from this investment since 1999 have built on Australia’s proud track record of outcomes in this vital enterprise:

- Record numbers of new research fellows are being appointed,
- New industry-research sector partnerships have been established,
- The health-related biotechnology sector now ranks highest among Australian new technologies in terms of strength and rate of growth,
- New NHMRC funding schemes are tackling issues of major health importance in line with our National Research Priorities and
- Outstanding achievements in the areas of global health leadership and leveraging of international research funding.

The ASMR has recently commissioned Access Economics to conduct an independent economic analysis of Australian health R & D. A full copy of the report “Exceptional Returns, the Value of Investing in Health R & D in Australia” is included as Attachment 2. A key finding of this report was that the returns from Australian health R & D are so extraordinarily high that the returns from investment have been exceptional, with every dollar spent on health R & D returning at least \$5 in national economic benefit.

The report showed that despite the 1999 - 2004 budget increase, Australia remains at the lower end of the OECD spectrum for health and medical research expenditure and that public sector funding is actually declining by international standards. Coinciding with this has been an erosion of basic health R & D, which is an important underpinning for applied research and commercial development.

The Exceptional Returns Report highlights a similar challenge for Australia as presented in the Intergenerational Report 2002/03. *“In the coming decades, the effects of demographic ageing will place unprecedented demands on the Australian health system in particular in relation to chronic conditions of ageing such as dementia, arthritis, cardiovascular disease and cancer. The projected direct and indirect costs of chronic illness are forecast to present a challenging burden whose greatest hope is new R & D discoveries”*. Economic modeling shows that future R & D gains will have potentially stunning impacts, for example, health R & D that reduced cancer deaths by just 20% would be worth \$184 billion to Australians, more than the total forecast Commonwealth spending in the current fiscal year.

There are weighty and undeniable economic reasons for enhancing our health R & D investment.

**The ASMR calls on the Federal Government to show leadership by including a forward commitment in the 2004 budget of an additional \$1 billion support for Australian health and medical research to be phased in over the five years beyond 2004/05. This commitment must be under the auspices of the Commonwealth Department of Health & Ageing in order to maximize the delivery of health outcomes of Australian health R & D to all Australians.**

	Additional funding for Australian health R & D (\$ million)
2005/06	50
2006/07	120
2007/08	180
2008/09	250
2009/10	400
<b>Total increase</b>	<b>1000</b>

The Exceptional Returns Report shows that in 2000/01, Australia's total spend on health R & D was \$1.7 billion which represents 0.255% of GDP. Based on these figures an additional \$1 billion would bring the total spend on Australian health R&D to around 0.4% of GDP. This can be compared to the US, UK and Denmark with present percentages of 0.7, 0.8 and 1.1. An additional \$1 billion for health R & D will still leave Australia lagging behind countries with comparable standards of living and health care expectations. **The investment of additional funds should therefore be regarded as urgent and essential.**

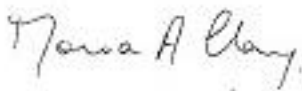
Australian health R & D must be seen as an investment in wellness with exceptional returns. The enormous benefits must outweigh any tendencies that might still remain to seek a poorly-conceived 'free ride' on our OECD colleagues research efforts.

- Priorities need to be balanced with risk in our R & D portfolio so that promising lines of attack against minor sources of mortality and morbidity are included as well as higher risk investigations against major ones.
- Partnerships with the private sector should be carefully and strategically nurtured, particularly with a view to attracting ongoing high level of funding growth from overseas sources.
- It is also vital that, due to 'critical mass' and serendipity, a broad coverage of research areas is maintained.

The Exceptional Returns Report was released publicly by the 2003 Australian of the Year, Professor Fiona Stanley, on October 9 at Parliament House in Canberra. There was strong media interest in the report's findings. Highlights of the media coverage are included as Attachment 3. Copies of the report have been sent to all Federal Members of Parliament, key State and Territory politicians, NHMRC, Institute Heads, Deans, Vice-Chancellors, patient support groups, professional organizations and other stakeholders throughout Australia.

Coinciding with the release of the Report, the ASMR launched a grass roots campaign calling on all Australian health and medical researchers to email or visit their Federal member of parliament to communicate the health outcomes of their research and the disastrous effects of not investing long term. The society has set up a campaign page on our web-site: [www.asmr.org.au/campaign/campaign.html](http://www.asmr.org.au/campaign/campaign.html). **1580 hits (as at today's date) have been recorded on this page since October 9**, highlighting the strong commitment of Australians to the future of Australian health and medical research.

We look forward to your positive response to our submission.



Dr Moira Clay, President ASMR



A/Prof. Andrew Sinclair, President-elect, ASMR

#### Attachments

1. Building an Investment in Our Future
2. Access Economics 2003, "Exceptional Returns: the Value of Investing in Health R & D in Australia", commissioned by the Australian Society for Medical Research
3. Media report, Launch of Exceptional Returns Report, October 9, 2003

October 22, 2003