The Australian Society for Medical Research



January 21, 2011

Budget Policy Division
Department of the Treasury
Langton Crescent
PARKES ACT 2600

Email: prebudgetsubs@treasury.gov.au

RE: Pre-Budget Submission

We write on behalf of the Australian Society for Medical Research (ASMR) to facilitate the implementation of the Government's health form agenda through *increased support for Australia's world-class health and medical research (HMR) workforce in the 2011/12 Federal Budget.*

The ASMR is the peak professional body representing the nation's HMR sector. In addition to more than 1600 direct members, the ASMR represents the sector through 57 affiliated professional societies and medical colleges representing an additional 18,000 people actively involved in HMR. Our corporate and disease-related foundation memberships bring a further 100,000 Australians with an interest in HMR into association with the ASMR. Our mission is to foster excellence in Australian HMR and to promote community understanding and support of the sector through public, political and scientific advocacy. The ASMR has a demonstrable knowledge and understanding of the HMR community and is actively involved in championing the sector's productive and highly skilled workforce ¹.

The ASMR's key request of the Commonwealth Government for the 2011/12 Budget is a 3% increase in investment into the NHMRC.

A primary source of funding for the HMR sector is the Federal Government through a suite of NHMRC funding mechanisms covering research, infrastructure and people support. Despite welcome injections of investment since 2006, the current funding cycle for the NHMRC has ended, meaning in real terms, we are currently experiencing *a decline in NHMRC funding going forward*.

This is already having a substantive impact on the productivity of the HMR workforce with project grant success rates in 2010 remaining just over 23% compared to 27% in 2008, and over 45% of last year's applications being considered fundable but remaining unfunded due to budgetary constraints.

¹ Schofield D *et al.* (2011) A crisis in the making? Education, ageing populations and the future of the medical research workforce. *Medical Education*, <u>45</u>: 200-207

A vibrant and productive Australian HMR sector is critical to the execution of effective and cost-efficient healthcare delivery.

Investing in Australian HMR is an investment in the future healthcare needs of the nation. As the Government has clearly recognised in the development of its ambitious yet timely Health Reform Plan, we face the unprecedented challenges of an ageing population and the growing burden of lifestyle-related, chronic diseases, all with their associated burgeoning healthcare costs.

The execution of integrated, effective and cost-efficient healthcare delivery – cornerstones of the Government's health reform program, is critically supported by the creation of new health and medical knowledge through research. Indeed, investment in the Australian HMR sector has a proven track record of delivering substantial economic and health benefits for all Australians:

- An estimated net benefit of \$29.5 billion on investment between 1993-2005²
- The return on investment into health R&D out-performs the market, manufacturing and agricultural sectors, and is less only than mining and the retail/wholesale trade sectors²
- Produces world-class research rapidly translatable into beneficial health outcomes e.g. treatments for cervical cancer, peptic ulcers, bipolar disorder

Strengthened support for Australia's HMR workforce will facilitate the implementation of the Health Reform Plan.

As the Government moves into the implementation phase of its health reform agenda, the development of a more effective and self-improving healthcare system *can only be readily achieved by increased investment into the HMR sector* that underpins it.

The ASMR requests that an increased investment of 3% into the NHMRC be specifically targeted at strengthening and augmenting Australia's HMR workforce through the NHMRC fellowship scheme in two key areas:

• Practitioner Fellowships: Practicing clinicians who actively engage in research are an important component of the HMR workforce - not only closely aligned with the Government's health reform strategy surrounding hospital-based research, but also representing an important conduit between research of clinical relevance and its rapid implementation into better clinical practice. The ASMR's recent data suggests that, while a significant proportion of clinician researchers are funded through the NHMRC, they make up on average, only 2.5% of the total workforce at our leading medical research institutes (all of which are based on hospital campuses) ³.

Building capacity in the clinical researcher component of the HMR workforce from these low levels is of critical importance both to maintain the relevance of Australia's HMR to areas of clinical need, and to facilitate the rapid translation of that research into better patient outcomes. The NHMRC Practitioner Fellowships represent an important mechanism for such expansion.

 Research Fellowships: The translation of HMR into improved clinical outcomes involves a two-way process between the discovery of new knowledge through research, and the implementation of this fundamental knowledge into practice.

² Access Economics. Exceptional Returns: The Value of Investing in Health Research & Development in Australia. In; 2003, http://www.asmr.org.au/Publications.html.

³ Unpublished, 2010.

Budgetary constraints on the NHMRC over the last 2 years have led to an *alarming decline in funding for the nation's best and brightest researchers* through the NHMRC Senior Fellowships scheme – in 2010, none of applicants ranked as 'excellent' (in the top 10% globally) by their peers received funding (a unprecedented decrease from the 67% funded in 2008 and 35% funded in 2009).

Increased funding into the Senior Fellowship scheme is an imperative as this continued erosion of our world-class and highly trained workforce to almost unsustainable levels seriously impedes the momentum of discovery and the realisation of prior investment into the sector. It will prevent Australia being able to respond readily and effectively to health challenges like the recent H1N1 pandemic, and result in a loss of our significant, international competitiveness.

While the ASMR fully acknowledges the current financial climate, including the financial pressure of the recent floods and the immediate need to alleviate the pressures on our primary health care and hospitals systems, we now urge the Government to consider an appropriately funded HMR sector as a *pivotal component of the Government's vision for healthcare reform in Australia*.

In summary:

- Investment in Australian HMR has a proven track record of providing exceptional economic and health benefits:
 - New medicines, devices and vaccines, saving lives and preventing suffering
 - ➤ Disease prevention through better health management
 - Decreased hospital stays, Medicare and PBS costs
 - > Job creation and new commercial ventures
- Australia's future health challenges and their associated costs can only be met by a strong, vibrant and agile HMR workforce underpinned by sustained and appropriate Government investment.
- A 3% increase into the NHMRC budget in the 2011/12 Federal Budget is critical to prevent further erosion of our world-class HMR sector and to approach the realisation of the Government's Health Reform Plan.

We would be delighted to provide clarification on the above or any additional information.

Yours sincerely,

Dr Alison Butt

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ASMR Immediate-Past President

Dr Emma Parkinson-Lawrence ASMR President