



The Australian Society for Medical Research

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Budget Policy Division
Department of the Treasury
Langton Crescent
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Re PreBudget Submission

The Australian Society for Medical Research (ASMR) is the peak professional body representing the Australian Health and Medical Research (HMR) sector. In addition to more than 1700 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 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: **Bringing Health to Life.**

ASMR seeks an essential commitment from the Federal Government to lift investment, over the next ten years, in the National Health and Medical Research Council (NHMRC) to 3% of total health expenditure in Australia.

The 2010 Intergenerational Report and the Australian Institute of Health and Welfare review of "Australia's Health 2010" articulate the unprecedented problems we face as an ageing population. We are becoming more obese and our risk profiles for diabetes, cancer and mental health disorders have never been greater. The unsustainable, projected increase in health costs for our nation from \$85 billion in 2003 (9.3% GDP) to \$246 billion in 2033 (12.4% GDP), will greatly impact on the future health care of all Australians. Investment in the HMR sector which underpins the whole of health from preventative strategies through to cutting edge therapeutics provides the opportunity to reduce this escalating and devastating economic problem. Times of national crisis demand effective action!

For the 2012/2013 Budget ASMR's specific request to the Federal Government is to peg investment into the NHMRC at 1% of the total health expenditure in Australia.

Investment in Australian HMR has a proven track record of providing exceptional economic and health benefits. For example, an estimated net benefit of \$29.5 billion on investment

between 1993-2005 and a maximum \$6.00 return for every dollar invested¹. The new Deloitte Access Economics report commissioned by ASMR for the first time shows the remuneration of HMR to the health system². As a result of investment into the NHMRC, Australia's peak body for supporting HMR in 2000-2010, an estimated saving of \$966 million in direct and indirect costs to our health system, as well as gains of \$6 billion linked to increased well being, will occur in 2040-2050.

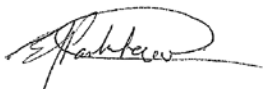
With a total health expenditure in Australia of \$121.4 billion (2009-2010)³, health is the biggest publicly funded business in the country. The key to high business accomplishment is continual self assessment of performance and the espousal of innovation. To achieve these goals a business needs to engage in genuine and extensive R&D. It makes sound economic sense to invest appropriately to mitigate escalating health costs, particularly where evidence supports the fact that returns on investment into the NHMRC do impact positively on both the physical and economic health of Australians. Current investment in the NHMRC is approximately \$798 million or 0.66% of the total health expenditure. Good business practice and our data would suggest investing 3% of the health spend on R&D in this sector (Table 1). NHMRC investment plays a crucial role in the health and medical research spectrum: *feeding directly into treating patients, building knowledge about future treatments and innovations we cannot begin to imagine today.*

Table 1. HMR investment strategy 2012-2022: The critical decade for preventing a national economic health crisis.

YEAR	NHMRC Investment (% Total Health Expenditure)
Current	0.66%
2012_2013	1% with subsequent 0.2% increments p.a.
2017_2018	2% with subsequent 0.2% increments p.a.
2022_2023	3% maintained

ASMR makes this submission as an evidence based response to a pending national crisis. It is a strategy to protect the community and government from economic disaster. We would be happy to discuss this with you at any time.

Yours sincerely,



Dr. Emma Parkinson-Lawrence
ASMR Immediate Past President



Dr. Paul Dawson
ASMR President

¹Access Economics. Exceptional returns: The Value of Investing in Health R&D in Australia II. In; 2008, <http://www.asmr.org.au/Publications.html>

²Access Economics. Returns on NHMRC Funded Research & Development. In; 2011, <http://www.asmr.org.au/Publications.html>

³AIHW 2011. Health expenditure Australia 2009-10. Health and welfare expenditure series no. 46. Cat. no. HWE 55. Canberra: AIHW