



The Australian Society for Medical Research

January 20, 2010

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) for the continued support of Australia's world-class health and medical research (HMR) sector and *the protection of National Health and Medical Research Council (NHMRC) funding in the 2010/11 Federal Budget*.

The ASMR is the peak professional body representing the nation's HMR sector. In addition to more than 1400 direct members, 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 in 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. ASMR has a demonstrable knowledge and understanding of the HMR community as a result of it being closely connected to its members and actively involved in research concerning the sector's productivity¹,², workforce conditions and planning^{3,4}.

ASMR's key request of the Commonwealth Government for the 2010/11 Budget is to safeguard investment in the NHMRC plus a modest increase. At a time of global economic insecurity, and with the unprecedented health challenges of an ageing population, potential impacts of climate change on health and substantial disease-burden amongst indigenous populations, *continued investment in Australian HMR is critical*.

The 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, current Government funding levels at 0.38 % of GDP are only just approaching the average of other OECD nations. In addition, the current funding cycle for the NHMRC has now ended, meaning in real terms, we face *a decline in NHMRC funding going forward*. This will be nothing short of a catastrophe for HMR in Australia - at a time when Australian medical research presents the only realistic solution to reducing the burden of disease facing our society with its associated soaring healthcare costs. The sector is already beginning to see the impact of NHMRC budgetary constraints with project grant success rates in 2009 falling to 23% from 27% the previous year, and an unprecedented 65% of Senior Fellowship applicants ranked as 'excellent' (in the top 10% globally) by their peers remaining unfunded in 2009 (up from 33% in 2008).

Such funding pressure is not surprisingly having a significant impact on the sentiment of the HMR community – the majority of the respondents to a recent workforce survey conducted by the ASMR indicated that, as a result of employment insecurity and/or lack of funding, they had moved overseas or were contemplating moving overseas³. This potential erosion of our world-class and highly productive workforce to almost unsustainable levels will seriously impede 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.

The ASMR recognises the current fiscal restraints imposed by the global financial crisis but urges the Government to *maintain the critical momentum of investment in the NHMRC in the 2010/11 Budget* while giving serious consideration to future realistic and sustained investment in the NHMRC going forward.

Australian HMR provides exceptional returns on investment both in economic and health outcomes. Investment in the Australian HMR sector has resulted in substantial economic and health benefits for all Australians:

- An estimated net benefit of \$29.5 billion on investment between 1993-2005 ²
- Outranked only by the mining and retail sectors based on productivity performance ²
- Produces world-class research rapidly translatable into beneficial health outcomes e.g. treatments for cervical cancer, peptic ulcers, bipolar disorder
- Contributes 3.05% of the total health R&D globally from only 1.1% of the expenditure, and delivers twice the OECD average on a per capita basis
- 6 Nobel Prizes awarded to Australians in medicine and physiology

Over the coming decades, Australian HMR has enormous potential to alleviate the economic and social burden of the nation's future health challenges, leading to healthier, more productive lives:

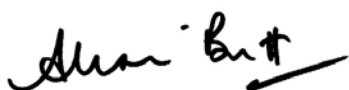
- An Australian vaccine for Group A Streptococcus will provide health benefits valued at \$319 million per year of which \$78.4 million will be realised by indigenous Australians ²
- Delaying the onset of dementia by 5 years through Australian HMR will result in estimated savings of \$67.5 billion by 2040 ²
- Prevention or delay of vision loss associated with diabetes will save \$7.6 billion by 2025 ²

In summary:

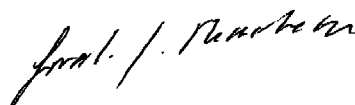
- Investment in Australian HMR has a proven track record of providing exceptional economic and health benefits-
 - New medicines, devices and vaccines, saving lives and preventing suffering
 - Disease prevention through better health management
 - Decreased hospital stays, Medicare and PBS costs
 - Job 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 realistic Government investment.
- Maintenance of the NHMRC budget plus a modest increase in the 2010/11 Federal Budget is critical to prevent further erosion of our world-class HMR sector.

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

Yours sincerely,



Dr Alison Butt
ASMR President



Dr Sarah Meachem
ASMR Immediate-Past President

¹ Access Economics. Exceptional Returns: The Value of Investing in Health Research & Development in Australia. In; 2003, <http://www.asmr.org.au/Publications.html>

² Access Economics. Exceptional Returns II: The Value of Investing in Health Research & Development in Australia. In; 2008, <http://www.asmr.org.au/Publications.html>

³ Kavallaris M., Meachem S., Hulett M., West C., Pitt R., Chesters J., Laffin W., Boreham P. and Khachigian L. *Perceptions of Health and Medical Research Careers: The Australian Society for Medical Research Workforce Survey*. Medical Journal of Australia. 2008 188:520-524.

⁴ Schofield D. *Planning the Health and Medical Research Workforce 2010-2019*. In; 2009. <http://www.asmr.org.au/Publications.html>

