



The Australian Society for Medical Research

Submission to: Independent Medical Research Institute Review Secretariat

Review to Strengthen Independent Medical Research Institutes Discussion Paper

22nd February, 2015

Declaration of Interests

The Australian Society for Medical Research (ASMR) represents members from the health and medical research sector including researchers from universities, hospitals, research institutes, medical colleges, and patient groups.

Some members are recipients of funding from the Australian and/or State Governments bodies, including the National Health and Medical Research Council (NHMRC), and the Australian Research Council (ARC).

ASMR receives direct funding from the NHMRC for ASMR Medical Research Week[®], a public outreach program that raises public awareness of medical research in Australia.

The Australian Society for Medical Research (ASMR)

Since 1961, ASMR has provided advice to government on behalf of the Health and Medical Research (HMR) Sector. The ASMR proudly represents more than 1700 direct members and more than 120,000 additional Australians through our affiliated professional societies, medical colleges and corporate/disease related foundation members.

Importantly, our advice is always evidence based, and our goal is to assist government in developing policy that allows our country's highly skilled health and medical research workforce to maintain, and expand their contribution to the health and economic wellbeing of all Australians.

Australia faces unprecedented health and economic challenges over the next 50 years. The 2010 Intergenerational Report predicts an unsustainable escalation of health care costs, with health system expenditure forecast to grow from \$113 billion in 2012 to \$3.3 trillion by 2062¹.

Australian health and medical research underpins the Nation's health care system. There is overwhelming evidence that a viable and competitive HMR sector can mitigate Australia's current and future health and economic challenges.

A strong Health and Medical Research Sector = Healthier Australians, Increased Productivity, Economic Savings and Growth

Overall Opinion on iMRI Review

Independent Medical Research Institutes (iMRIs) make up one component of the HMR sector. ASMR supports a *Review to Strengthen Independent Medical Research Institutes (iMRIs)* to provide a platform for iMRIs to continue to make a strong contribution to the HMR sector to benefit the health and wellbeing of Australians. However, before we can make an informed opinion on the proposed strategies to increase translation, collaboration, efficiency and long-term sustainability of iMRIs, we believe **more evidence is required**.

Evidence Required to Maximise Health Outcomes from iMRIs

- What is the role of iMRIs? Are they profit making enterprises or non-for-profit research organisations? Clarification of this point will determine recommendations.
- What are the primary key performance indicators for iMRIs? Quality of research indicators may not be the same as indicators of health outcomes or economic growth outcomes.
- How will trans-disciplinary science and across sector collaboration be facilitated? This will require a framework underpinned by policies to support interaction and re-training of the workforce.
- What is the evidence that collaboration between iMRIs and other institutes leads to better health outcomes or increased income?
- What is the evidence for elimination of research duplication? On what basis would iMRI research focus be decided? How would changes be enforced? Innovation is underpinned by intellectual freedom.
- How will metrics for research quality be changed to foster collaboration with industry? Current metrics used in peer review inhibit industry collaboration.
- How will benefits from basic science versus translational research be evaluated in the context of iMRI productivity and efficiency? Translational research relies on knowledge from basic science.
- What are the economic and productivity returns (arising for Government investment) from iMRIs?

Long Term Sustainability is a Sector Wide Problem – not Specific to iMRIs

As a Nation we face ***an immediate and long term crisis in health***. It is of critical importance that strategies to improve the effectiveness of the sector take a 'whole-of-sector' approach. It is not just iMRIs that are at risk of long-term sustainability – the whole sector is feeling the squeeze.

Currently, government invests 0.6% of total health expenditure into the NHMRC. The investment in NHMRC has not kept pace with the CPI, or with the health challenges that this country is facing. ***Investment into NHMRC has been static since 2008*** (Budget 2014 = \$778,546,186 vs. budget in 2008 = \$784,635,585). We face an immediate depletion of our highly skilled workforce as well as spin off job losses. This loss of intellectual capital poses a serious threat to the viability of a sector which brings exceptional health and economic returns to Australia.

Investing in health and medical research generates returns across multiple economic pillars, reduced healthcare costs, improved and increased productivity, and increased export growth ²⁻⁵.

- The last ten years of NHMRC funded research alone has avoided almost \$6billion in health system costs due to increased well-being ⁴
- The largest increase in real exports over the last decade has been in medical instruments and medicinal and pharmaceutical products ⁵
- For every \$1 invested, there is an average return of \$2.17 in health and economic benefits ²
- For every \$1 invested through the Medical Research Future Fund (MRFF) there will be a \$3.39 return in future health and productivity gains ³

Without immediate additional investment, Australia will continue to see escalating health care costs, lost economic returns, and a loss in intellectual capital.

Current investment in the NHMRC is approximately 0.6% of the total health expenditure. Our independent data supports a business plan for **increasing investment in NHMRC to 3% of total health spend** as a clear and effective strategy to protect community and government from the projected health and economic disaster.


To ensure a healthy and prosperous Australia, the ASMR recommends that Government:

- Immediately lift investment in the NHMRC to represent 1% of total health expenditure in Australia.
- Establish the Medical Research Future Fund for Australia's future investment into health and medical research.
- Commit to incrementally increasing investment for health and medical research to reflect 3% of total health expenditure by 2023².

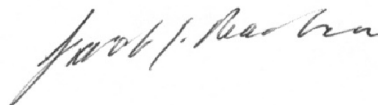
This evidence based investment strategy will have a conservative ***saving of \$25.9 billion to the Australian Economy***, as well as significantly improve health outcomes for all Australian's².

ASMR's specific **recommendation to strengthen independent IMRI'S** is to conduct a systematic review into the relationship between iMRI efficiency and health outcomes. We are happy to provide you with further consultation on the iMRI review at your request.

Yours sincerely,



Dr Phoebe Phillips
President



Dr Sarah Meachem
President-Elect

1. Australian Government, The Treasury 2010. Australia to 2050: future challenges – The 2010 Intergenerational Report. In: <http://www.treasury.gov.au/igr/igr2010/default.asp>
2. Deloitte Access Economics. Extrapolated returns on investment in NHMRC medical research. In: 2012, <http://www.asmr.org.au/Publications.html>
3. Deloitte Access Economics. Extrapolated returns from investment in medical research future fund (MRFF). In 2014: <http://www.asmr.org.au/Publications.html>
4. Deloitte Access Economics. Returns on NHMRC funded Research and Development. In: 2011, <http://www.asmr.org.au/Publications.html>
5. [Prime Minister's Manufacturing Taskforce, 2012, Report of the Non-Government Members.](http://www.industry.gov.au/industry/manufacturing/Taskforce/Pages/Library%20Card/SmarterManufacturing.aspx) <http://www.industry.gov.au/industry/manufacturing/Taskforce/Pages/Library%20Card/SmarterManufacturing.aspx>