

## Australian health & medical research: the case for reform

Health and medical research is key to the future health of Australians and the long-term health of our economy. Urgent reforms are needed if we are to provide the breakthroughs necessary to deliver better health outcomes and address the rising cost of health care.

Australia needs a long-term, whole-of-government, whole-of-industry vision and strategy for Australian health and medical research to:

### Improve the focus on the health of Australian people

- ▲ Research must better target the nation's health priorities such as diabetes and mental health.
- ▲ We need to embed research into our health care system, driving improvements in services, delivering a more cost-effective health system and a healthier community.

### Address the rapid rise in national health care costs

- ▲ Health and ageing expenditure will account for almost half of the government spend by 2050.
- ▲ An estimated 75% of Australians have a long-term health condition.
- ▲ Investing in research today means we will pay less in health costs in the long term.
- ▲ Yet the Australian Government invests less in medical research than the OECD average.

### Deliver economic dividends

- ▲ Every dollar invested in health and medical research returns on average \$2.17 in health benefits.
- ▲ The sector makes a major contribution to the economy; our medicines industry alone is worth almost \$4 billion in exports each year, making it our most valuable high technology export industry.
- ▲ New treatments and preventive health strategies are needed to contain the burden of chronic disease on the nation's productivity and economic growth.

### Keep Australia at the forefront of global health and medical research

- ▲ We are at the beginning of a new era of treatments, diagnostics and prevention strategies that could not have been imagined 30 years ago.
- ▲ A thriving medical research sector protects us from the cost of becoming consumers of second-hand knowledge.

### Spend research dollars more effectively

- ▲ We need to improve the efficiency of research funding by removing layers of bureaucracy and strengthening coordination mechanisms.
- ▲ We need to build capacity in health economics, health services, preventive health and clinical research.



## 2020: A Healthy Australia

The Association of Australian Medical Research Institutes has proposed an 'Optimal Model' for the health and medical research sector in its submission to the Federal Government's Strategic Review of Health and Medical Research.

AAMRI recommends five key initiatives to transform health and medical research:

### 1. Create a strategic funding pool for health priority-driven research and research implementation

- ▲ Role: to fund and oversee research in priority health areas and to embed research outcomes in the health care system.
- ▲ **Outcome: this funding pool will be a central pillar in a strategic, evidence-based approach to improving health outcomes and containing Australia's burgeoning health costs.**

### 2. Streamline National Health and Medical Research Council grants for biodiscovery research

- ▲ Introduce a new streamlined system of 5-year 'investigator-based' research grants.
- ▲ To replace fellowships, and program, project and development grants.
- ▲ **Outcome: a profoundly more efficient grants system and research sector that supports Australia's most talented researchers.**

### 3. Create an Australian Health Research Charitable Trust

- ▲ AAMRI proposes that the Federal Government contributes \$50 million and introduces a one-off tax incentive to establish the endowment for the trust.
- ▲ The trust should be limited to donations above \$10 million.
- ▲ **Outcome: transformation of the resource base for health and medical research.**

### 4. Fully fund the indirect costs of research for all research organisations

- ▲ The Federal Government should fund the indirect costs of research for all Federal Government peer-reviewed research grants.
- ▲ State and territory governments should fund indirect costs of research for state research grants and charity/foundation research grants to encourage philanthropy.
- ▲ Indirect cost funding should flow with grant funds.
- ▲ **Outcome: removal of red tape and creation of an equitable funding system.**

### 5. Create a program of 'Iconic Centre' grants

- ▲ Awarded in a competitive process to universities and research organisations of sufficient size and impact to compete on the international stage.
- ▲ **Outcome: high-performing research organisations can pursue high potential, early stage research, ensuring Australia remains at the forefront of medical research.**

### These initiatives should be supported by reforms to:

- ▲ support whole-of-government, whole-of-industry vision and planning
- ▲ coordinate and streamline Commonwealth funding
- ▲ retain our smartest researchers
- ▲ improve regulatory processes for clinical trials
- ▲ enhance the local integration and translation of research into clinical practice
- ▲ encourage more effective commercialisation
- ▲ engage the community in research.

Find AAMRI's submission at

[www.aamri.org](http://www.aamri.org)