

Submission to the MRFF Senate Inquiry

The Medical Research Futures Fund is a far-sighted public policy which would ultimately benefit all Australians. I write to offer my support for this landmark legislation introduced to Parliament on 27 May 2015.

The QIMR Berghofer Medical Research Institute applauds the changes that have been introduced from the initial presentation of the MRFF to its current form. Reporting to the Minister for Health is appropriate and it is very important that the NHMRC have a strong and visible role in the advice which is provided on this to the Minister. Providing a permanent secure basis for funding over the next number of years is significant as it provides a rational and impartial basis for decision making.

The Institute believes that it is important that the scope of the MRFF is adequately defined to allow it to be differentiated from the NHMRC's current activities. This is best achieved by defining the focus of the MRFF as part of an ecosystem which works in harmony with the NHMRC. The divisions will be debated in greater depth, but one gap that could well be addressed is the support for great involvement by research clinicians (which are under-represented in the Australian health system) and support for the movement of excellent ideas out of laboratories and translated into the development of new products or new clinical actions.

The projected funds for the MRFF will be small in the first years. Initially they should be managed and administered by the NHMRC but care should be taken that they are not simply used to plug gaps in the NHMRC funding programs.

As proposed, the MRFF will eventually deliver \$20 billion in funding for the sector— this amount must be achieved to have significant impact to the health of all Australians. As well as improving the health of current and future generations, the fund would help drive the economy by improving workforce participation and productivity. It would help grow Australia's pharmaceutical industry, currently worth \$4 billion in annual exports, and attract additional private investment. This would generate high-value jobs.

In the language surrounding the Bill, it is important that prevention is included, in addition to treatment of patients. While finding cures is of utmost importance, greater economic benefits are to be obtained by avoiding illness than by curing it. Access Economics estimates that every \$1 invested in Australian health and medical research generates an average return of \$2.17 in health benefits to the nation. Despite this proven return on investment, Australia lags behind international benchmarks when it comes to research funding. The 0.075% of GDP the nation invests in health and medical research is less than two thirds of the OECD average. Australia also lacks the level of philanthropic investment seen in the US and UK. There is a great need for a perpetual fund to bring Australia back to an internationally comparable level of government support and to secure sustainable funding.



The provision of adequate support (overheads) for the research which is carried out within the MRFF is also an important matter. Currently, 75% of research funding in the NHMRC goes to universities that receive their infrastructural support through a very complex mechanism. The independent medical research institutes that are professionally dedicated to this sector and have a track record of delivering better outcomes per dollar spent receive only 20 cents in the dollar. The well-defined total costs of delivering research are of the order of 60 cents in the dollar (AAMRI *Submission to Review to Strengthen Independent Medical Research Institutes*, December 2014). This gap is one which is counterproductive for the sector as it means that other funds which are donated for research activities have to be used instead for the costs of utilities, etc.

Understandably, the draft legislation focuses on delivering benefits and value to Australians. It is important that the legislation is sufficiently flexible to allow the continuation of important work undertaken in Australia directed at diseases that may be prevalent outside Australia. Even for work on diseases not generally found in Australia, the nation benefits directly and indirectly from this research in many ways—it benefits our economy, helps create a healthier and more stable world, and generates prestige and goodwill for our scientists and our nation.

Ultimately, the MRFF would cement Australia's position as a leader in medical research and would transform the health and the prosperity of our nation. Medical research provides a real basis for hope for better outcomes for those that are suffering from diseases and complex health conditions. The MRFF would allow more rapid advancement for treatments, prevention measures and diagnosis in areas such as cancer, mental health and infectious diseases.

The MRFF would drive the long-term sustainability of our healthcare system. Health and medical research is not just about laboratories, but translates through to preventing illness and implementing new treatments, devices and practices in the clinic and community. This keeps many people healthy and out of hospital and healthcare facilities, and makes treatments delivered more efficient and effective.

With more than seven million Australians living with a chronic illness, the MRFF offers an avenue to reduce this tremendous burden and reduce the vast number of productive years currently being lost to disability and illness. This would improve the lives and incomes of some of our most disadvantaged and chronically ill by helping them to prevent, manage and overcome illness.

The MRFF is a once-in-a-generation opportunity to help secure health and medical research as an important plank of the economy, while providing the footing for breakthroughs which will highlight Australia as a world-leader in this internationally respected industry. Most importantly, I urge bi-partisan support for the MRFF for its potential to save thousands or even millions of lives here in Australia, and around the world.

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