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BRIEFING

Health and Medical Research in Australia

Observatory on Health Research Systems

Amanda Scoggins

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Summary

Summary: Key Points

- The Commonwealth Government, specifically the National Health and Medical Research Council, is the largest single funder of health and medical research; there has been continual growth in funding since 1995.
- The main sector performing R&D are higher education institutions, with a strong emphasis on encouraging links between government, researchers, and industry.
- The majority of funding falls within seven National Health Priority areas, which account for almost 80% of the total burden of disease and injury in Australia.
- Many types of funding support available, but most support is provided for research (e.g. project grants), people (e.g. fellowships), and infrastructure.
- Peer review of grant applications is a strong feature of the health research system.
- Australia has made an impressive impact in health and medical research, as measured by an established Performance Management Framework.
- Indigenous health research remains a national health issue, along with other current and emerging health issues.

Australia's funding for health and medical research is sourced from a range of organisations across the public and private sector, including the Commonwealth Government, state and local governments, the not-for-profit sector, and industry. In total, health R&D expenditure in Australia was estimated at \$1.7 billion (0.12% of GDP²) in 2000–2001. Whereas nearly half was Commonwealth funded, about 70% of health R&D is performed by high education institutions and businesses.

The largest single funder of health R&D is the National Health and Medical Research Council (NHMRC; part of the Australian Government's Department of Health and Ageing) which committed more than \$484 million (0.05% of GDP) in 2005. The Commonwealth Government has steadily increased their investment in health R&D since 1995. This was encouraged by the Wills strategic review in 1999, which led to the historic doubling of funding by the Australian Government for five years since 2000. In the May 2006 Federal Budget, the Government allocated an additional \$905 million for health and medical research which will run over the next nine years. Industry's investment in health R&D, which was estimated at \$420 million (0.03% of GDP) in 2000–2001, also continues to grow along with a increasing number of biotechnology companies and federal and state government–industry research support schemes. The Wills review and Grant's

² Percentage of gross domestic product (GDP) statistics are calculated using OECD Statistics: GDP, Annual in millions Current Prices (National Currency). <http://stats.oecd.org>

progress review in 2003 recognised that a positive outlook for health R&D would not only require greater government investment in health R&D, but also in establishing links between the government, research community, and industry (known as the “virtuous cycle”).

The Australian Government has four National Research Priorities (NRPs). NRPs were developed in late 2002 and represent ‘whole-of-government’ themes of long-term importance to Australia: An Environmentally Sustainable Australia; Promoting and Maintaining Good Health; Frontier Technologies for Building and Transforming Australian Industries; and Safeguarding Australia. The NHMRC has lead agency status for *Promoting and Maintaining Health*. Australia has also defined seven National Health Research Priority Areas (arthritis and musculoskeletal conditions, asthma, cancer control, cardiovascular health, diabetes mellitus, injury prevention and control, and mental health). The majority of funding goes into these areas, which account for 80% of the total burden of disease and injury in Australia.

Australia's health research funding agencies, including the NHMRC, the Australian Research Council, and not-for-profit organisations (e.g. The Heart Foundation and Cancer Council Australia) provide similar types of funding support. The funding support can be categorised as research support (such as programme and projects grants), people support (such as scholarships, fellowships, career development awards), and infrastructure support (such as enabling grants and infrastructure support). Centres of Excellence and Research Networks also feature within the system, and may be jointly funded. These initiatives typically focus on highly innovative research at the forefront of development within areas of national importance. Funding support is typically awarded through a competitive grant applications system with assessment based on peer review following set criteria (such as significance and innovation, scientific quality, and track records of researchers).

The NHMRC Performance Measurement Framework, which was established in 2003, is the management tool which links the strategic plan and the NHMRC's legislative objectives to an outcome-output framework. The framework emphasises what the NHMRC produces (outputs) and what impacts or consequences (outcomes) this has for the community. The Performance Measurement Report and other evaluations shows Australia has made an impressive impact in health and medical research across many performance aspects, such as dissemination of scientific results, national and international collaborations, research breakthroughs, commercialisation, and developing research capacity (NHMRC, 2003; NHMRC, 2006b).

Indigenous health is considered a national health issue by the Australian Government and research funding aims to tackle health inequalities in Aboriginal and Torres Strait Islander communities. There are also several other health issues that is likely to be the subject of ongoing consideration by Australian governments, non-government organisations, research organisations, and the community. These include obesity, complementary and alternative medicines, depression, dementia and addiction, and social and environmental effects on health. Several emerging health research issues are also likely to be considered over the next triennium, such as genetic testing, health disasters, water quality, regenerative medicine, public confidence in research, nanotechnology, new food technologies, and global health.