

## Chairman's Forward

This Inquiry has provided the Economic Development Committee of the Victorian Parliament with a unique opportunity for an investigation into the economic benefits arising out of medical and public health research. The Committee believes that this Report is unique in that future research funding has been considered in the context of maximising the economic benefits to Victoria.

Medical and public health research has global benefits which makes it difficult to determine any added economic or health benefits to Victoria as a result of the high level of medical research activity in this State. Nevertheless, Australia has an international obligation and opportunity to contribute to world-wide medical research efforts. Accepting this, the Committee's focus has been on strategies to maximise the benefit to Victoria from existing levels of medical research funding.

On the balance of evidence, it is clear that opportunities for added benefit to Victoria appear to be concentrated in the public health/disease prevention fields of research as opposed to pure biochemical research which has a more national and international benefit.

One of the Committee's key findings, therefore, is that the State Government's responsibility must be focussed on increasing the levels of funding directed to research into public health, disease prevention and health delivery. The Committee believes such a focus would have the greatest impact on maximising economic benefits to the State. This is in the context that the Commonwealth has a major role in supporting biochemical research and that the State Government's largest single expenditure item is health.

To facilitate this increased focus on Victoria's health needs, the Committee believes it is necessary to create a Health R&D Group within the State Department of Human Services. This would better focus the State's existing \$35 million investment in medical and public health research. The Health R&D Group would promote public health research through a re-distribution of the State's hospital research grants as well as promoting a proper evaluation of research discoveries, medical procedures and dissemination of research to hospitals and medical practitioners.

The Committee is also strongly of the view that the highest quality science comes from the best scientists who are generally attracted to work within the most pre-eminent research establishments. The Committee has focused on this issue within its Report and has made specific recommendations encouraging smaller research institutes to co-locate to achieve required critical mass.

The case for supporting the best scientists is also pursued in the Committee's discussion on the value of researchers receiving block grants. The Committee considers there are many benefits to medical research by funding through long term block grants, as opposed to short term project grants. These benefits include the ability to target the best researchers, greater flexibility in research directions, a reduction in the time researchers spend applying for grants and a very rigorous audit of research outcomes.

One of the key issues arising out of the Inquiry relates to the State's medical research infrastructure grants. The Committee believes ultimately it should be the Commonwealth Government's responsibility to provide an infrastructure loading on all Commonwealth research grants, however the Committee has acknowledged that in the meantime the State Government will need to continue to bridge the infrastructure gap.

The Committee has therefore, recommended an infrastructure funding formula and criteria which is aimed at making the system more equitable and ultimately achieving critical mass of Victoria's medical research institutes.

Another key finding within the Report relates to the need for a proper evaluation of the effectiveness of medical research discoveries in terms of how new procedures and techniques are to be best utilised within the hospital system. The Committee has recommended a process to ensure that critical evaluation of research discoveries and the dissemination of research results to hospitals, medical practitioners, the medical community and community at large, takes place on a systematic and rational basis.

Finally, the Committee has highlighted the need for the Government to capitalise upon Victoria's pre-eminence in medical research by focussing on emerging spillover industries. In particular, the Committee believes there are significant opportunities in the emerging growth areas of higher educational service exports in the medical/health fields and marketing Victoria's status as a centre of excellence in scientific research which should receive a high priority from the State Government.

The Committee is grateful to the organisations and individuals who contributed to the Committee's investigations. Importantly for the Committee, 125 written submissions were received providing valuable information on a broad range of issues. Of this total, 60 submissions were received in response to the Committee's Interim Report which proved to be vital feedback on initial directions.

The Committee also collected formal evidence through targeted public hearings and conducted a series of informal meetings at Parliament. Numerous visits also took place both in Melbourne and interstate to observe first hand the operations of various organisation and to discuss issues of concern on a less formal basis. On behalf of the Committee I would like to particularly thank those organisations for their time and contribution and for the hospitality extended to the Committee during these visits.

I should conclude by acknowledging the solid contribution of all Members of the Committee in terms of their participation in the numerous meetings and their deliberations throughout the course of the Inquiry, as well as the hard work of the Committee staff, namely the Executive Officer, Mr Richard Willis, the Office Manager, Con Chara and the Research Officer, Paul Bourke. Thank you also to Michael Scavone who was seconded from the Department of Human Services to work with the Committee for six months. I am particularly pleased that all Members of the Committee were unified in their final deliberations.

Given the diverse nature of the medical and health research community, the recommendations within the Report will no doubt have a mixed reception. In considering new funding formulas and directions for future funding priorities, there will inevitably be winners and losers. Nevertheless, the Committee believes its recommendations will ultimately lead to a more equitable system of allocating the State's health R&D funds which would be aimed at maximising the benefits to Victoria.

I urge the Minister for Health to endorse the Committee's recommendations and in doing so, I hope the Report can make a meaningful contribution to Victoria's medical and public health research industry.

**Hon. Chris Strong, MLC**

**Chairman**