

Recommendations

The Committee made the following recommendations in its final Report in May 1997:-

Recommendation 1

The Committee recommends that the infrastructure grant criteria and incentives forming part of its infrastructure recommendation should be endorsed as a means of bringing co-location onto the agenda of the Government and medical research institutes.

In achieving this, the Committee recommends that the State Department of Human Services continue to provide infrastructure support to those Institutes which do not meet the infrastructure funding criteria for a period of 3 years, on the undertaking that if these institutes do not attempt to co-locate or combine resources in that time, the State Government's infrastructure support would be withdrawn.

The Committee further recommends that the Government should consider the possibility of creating a new institute to accommodate smaller institutes and other research interests as a means of attempting to address the problem of fragmentation and to ensure a more effective use of infrastructure funds provided by the State.

Recommendation 2

The Committee recommends that the National Health and Medical Research Council (NHMRC) consider broadening its block grants policy to enable pre-eminent medical researchers and research groups to apply for 5 year block grants. In doing so, the NHMRC should only allocate such block grants to the best scientists performing the highest quality research.

An extension to the NHMRC's block grants policy should therefore be based strictly on scientific excellence and merit as opposed to any geographical distribution.

Recommendation 3

The Committee recommends that the National Health and Medical Research Council be given the responsibility to develop a data base of the quantum and direction of funds allocated to medical and public health research throughout Australia.

Recommendation 4

The Committee recommends that the various charitable organisations in Victoria which support medical and public health research, be encouraged to form an Association of Medical Charitable Organisations to serve the professional needs of the numerous organisations as a means of achieving greater co0ordination and better use of resources.

Recommendation 5

1. The Committee recommends that the State Department of Human Services' medical research infrastructure grants be allocated on a formula based on the following:-

Infrastructure Support = $(R \times I) - HS$, where:

R = a uniform percentage

I = Institutes total income

HS = host hospital/university infrastructure support

2. The Committee recommends that the uniform percentage figure be 10% for the next financial year and that the Department of Human Services consider increasing this figure as appropriate in future budget allocations.
3. The Committee recommends that criteria for funding be based in the following:-
 - i. the entity is established for the conduct of medical and/or public health research;
 - ii. the entity is affiliated with a major teaching hospital and/or university;
 - iii. the entity has its own Board on which no affiliated hospital or university has a majority representation;
 - iv. the entity has a separate independent accounting body to ensure infrastructure money is used to support research activities and to allow ease of auditing; and
 - v. the entity has a total budget of not less than \$5 million and/or is in receipt of competitive grants totalling no less than \$1 million per financial year using a rolling average over a 3 year period.
4. The Committee recommends that additional infrastructure funds be made available for those institutes which co-locate to achieve critical mass. Such smaller institutes and centres can enter into co-location agreements as means of reaching the threshold in 2(v) above.
5. The Committee recommends that in applying the above formula and criteria, the Department of Human Services must make transitional arrangements to take into account any historical and other factors which may affect the on-going operations of an Institute. In particular, the Committee recommends that the Department give due consideration to the on-going targeted research support in previously identified health priority areas such as mental health.
6. The Committee recommends that as a second priority to the infrastructure funding above, the Department of Human Services consider creating an additional pool of funds to be allocated

for new initiatives/incentives from a 'Medical Research Development Fund'. The allocation of these funds will be based on applications of merit taking into consideration:-

- i.
 - i. new health research initiatives where there is high potential for attracting new research funds;
 - ii. new health initiatives where there are clear policy implications;
 - iii. the awarding of prizes, scholarships and incentives for "new and young" researchers to establish themselves within the research community and to remain in Victoria; and
 - iv. supporting innovation and innovative approaches to research involving the health system.

7. The Committee recommends that all medical research infrastructure grants will be subject to:-

- i.
 - i. accountability mechanisms being established between the Department of Human Services and the medical research institutes;
 - ii. regular dissemination of research results to the Victorian community; and
 - iii. appropriate intellectual property patents being taken out on research discoveries.

Recommendation 6

The Committee recommends that the State Department of Human Services enter into negotiations with AMRAD Corporation Limited to assess the viability of expanding AMRAD's Intellectual Property/Commercialisation unit as a means of extending its services to university medical research, hospital research and smaller research institutes not presently affiliated with AMRAD.

Recommendation 7

The Committee recommends that Victoria's medical research industry actively seek to improve the dissemination of research results to the wider community through initiative including:-

- information provided to schools and universities:
 - greater use of information technology, in particular, the internet; and
 - strategic health promotion activities.
- see recommendation 9

Recommendation 8

The Committee recommends that the Commonwealth Government rigorously defend the ethical traditions of medical research in Australia to ensure that the dissemination of research results is not impeded by political interference and challenges by the legal community.

Recommendation 9

That the State Department of Human Services re-allocate resources to establish a Health R&D Group as a means of achieving a co-ordinated. Strategic approach to allocating the State's health R&D budget and to further promote medical and public health activity in the State.

Recommendation 10

The Committee recommends that the existing research component of the State Department of Human Services' Hospital Training and Development Grant Program be withdrawn from the present funding recipients and be re-allocated on a competitive basis for specifically directed health delivery and public health/disease prevention research.

The Committee further recommends that the appropriate mechanism for allocating these research grants is through a Health R&D Group within the Department of Human Services which would be responsible for determining how the funds were to be directed in terms of health priorities and hospitals.

Recommendation 11

The Committee recommends that it is now timely for research to be undertaken into evaluating the effectiveness of all health promotional activities on behavioural changes and health outcomes.

To facilitate such research, it is recommended that relevant health promotion bodies including VicHealth, the Anti-Cancer Council of Victoria and the National Heart Foundation, be required to set aside a proportion of their budgets to commission rigorous independent evaluation research and to disseminate the results of the research to the Government and the public at large.

Recommendation 12

The Committee recommends that the State Government undertake an independent external evaluation of the activities and funding allocation of the Victorian Health Promotion Foundation.

Findings

In its final Report in May 1997, the Committee made the following findings:-

- It could be argued that the majority of health benefits would have flowed on to Australia and Victoria even if the Government made no investment in medical research. The Committee finds however, that this is not a viable proposition as investment in medical research is clearly a national and international obligation.
- The Committee believes the National Health & Medical Research Council needs to undertake international benchmarking to assess the appropriate level of funding in medical research as a means of Australia fulfilling its international research obligations and opportunities.
- The Committee finds that given the Commonwealth has a major role in supporting science based biochemical research, the State's responsibility must be towards increasing the levels of funding directed to research into public health, disease prevention and health delivery. This research has the greatest impact on maximising economic benefits to the State.
- The Committee finds that the State Government should maintain a watching brief to ensure that the pharmaceutical and medical manufacturing industries are maintained in Victoria and that any future opportunities to attract business to the State in these sectors are capitalised upon.
- The Committee finds that the State Government should, as a matter of priority, ensure that Victoria is in a position to capitalise upon potential spillovers 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.
- The Committee finds that any added economic benefit to the State by increasing a direct investment in pure biochemical research would be marginal and therefore is not justified on an economic basis.
- The Committee finds that as the State Government is responsible for the running of an efficient and cost effective health system, the State should also be responsible for increasing its support for public health research, disease prevention and health delivery research which would have the greatest impact on maximising economic benefits to Victoria.
- The Committee finds that critical mass and co-location of medical research entities in Victoria must be actively pursued as a means of achieving efficiencies, rationalising administrative and infrastructure costs, ensuring high quality research and reducing duplications.

There are various ways in which the Government could pursue co-location including the creation of a new institute, providing incentives in the form of infrastructure grants and forming consortia of research endeavours.

- The Committee finds that 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.
- The Committee finds that the concept of other medical research granting bodies utilising the NHMRC Grant Committee process to allocate their research grants has merit in terms of better knowledge of funds allocated and a mechanism for ensuring only the highest quality research is funded.

However, until such time as additional resources are directed towards the NHMRC administration and other funding bodies are willing to contract out their funding processes, the concept could not be effectively implemented.

In order to obtain a better knowledge of the total medical and public health research funds allocated in Australia, the Committee believed it is essential that a data base is co-ordinated by a central body containing information on the quantum and direction of funds allocated to medical and public health research in Australia. Such a function is seen to be within the national charter of the NHMRC.

- The Committee finds that there is a need for the numerous charitable organisations supporting medical and public health research in Victoria to co-ordinate their activities as a means of streamlining administrative costs and fund raising activities and to enable further funds to be directed into research activities.
- The Committee finds that the present system of Government funded medical research infrastructure support is inequitable and that the Commonwealth Government, through the Department of Employment, Education, Training and Youth Affairs, should incorporate an infrastructure loading on all Commonwealth research grants, regardless of which Department the grants are allocated from.
- In recommending a change to the existing system of allocating State Government infrastructure support, the Committee finds as follows:-

Economic Benefits

- Given that one 1 in 5 research grant applications are able to be funded, increasing existing levels of support to Victorian Medical Research Institutes within the present Infrastructure Grants Program, is unlikely to significantly increase the research grants won by the State.

- In order to maintain Victoria's pre-eminence, additional funds should be directed to specific new infrastructure. Such funds should be targeted as special grants to establish new skills and equipment that have the potential to bring in additional research grant funds to Victoria.

Support of Pre-eminence of Research Institutes & Critical Mass

- A minimum level of total income and competitive grants received each year should be the determinant for eligibility of infrastructure grants.
- Infrastructure grants should be awarded to groupings of smaller units who have a combined minimum level of competitive research grants as a means of achieving critical mass of research activity.

Equity & Uniformity

- Allowance should be made for the infrastructure support provided to many institutes from universities, hospitals and other government funding bodies in order to remove the existing inequities.
- Eligibility criteria should be established which would require greater accountability, wider dissemination of research results and the need to protect the intellectual property of research discoveries.
- The Committee finds that the majority of Victoria's high quality medical research activity is presently receiving adequate intellectual property protection and commercialisation advice from existing avenues. However consideration should be given to a mechanism to ensure all opportunities are capitalised upon.

The Committee believes AMRAD Corporation Limited is the logical avenue in which to expand the State's commercialisation and intellectual property advice.

- The Committee finds that there are some benefits from conducting clinical trials in Victoria in terms of health benefits and enhancing skills and expertise. However there does not appear to be a significant net economic benefit from conducting clinical trials.

Despite Victoria's level of medical research activity, there has been a lack of clinical trial activity in Australia due to problems associated with the approval process.

The Committee believes that if hospitals wish to increase their level of clinical trial activity, they should be encouraged to develop a common data base of disease identification for conducting clinical trials in Victoria, together with the establishment of a central, co-ordinated agency with appropriate expertise in clinical trial activity and approval processes.

- The Committee finds that the medical research industry disseminates its findings widely amongst the scientific community however there needs to be strategies in place aimed at disseminating results to the public at large, including Government, as policy makers, and the education system.
- The Committee finds that dissemination of medical research results can be hampered temporarily and possibly indefinitely, due to legal challenges preventing the release of findings. Such challenges stifle debate and research, cause confusion which works to undermine public confidence in scientific research and may have negative public health implications.

The Committee believes that dissemination of medical research must be independent of political interference and legal challenges by lobbyists. Any challenge to medical research findings should come from the scientists themselves.

- The Committee finds that there is a need for a combined State medical/public health research budget to be managed by a Health R&D Group within the Department of Human Services. The functions of the Group would include:-
- Allocating the State's medical and public health research funds;
- Allocating appropriate levels of infrastructure funds to support the State's research activities;
- Auditing infrastructure costs and determining levels of host support;
- Establishing health priorities to be targeted for research funding;
- Promoting the conduct of health program evaluation research;
- Ensuring greater accountability
- Developing close contact with the medical research community;
- Assisting with co-location proposals; and
- Ensuring that medical research results are evaluated and disseminated to hospitals, general practitioners, the medical community and community at large, including the co-ordination of a medical research internet homepage and data base of the State's research activities.

- The Committee finds that there is an urgent need for the State Government's hospital research funding to be made more accountable and to be closely aligned to health system and disease prevention priorities in Victoria.
- The Committee finds that health promotion activities in Australia and Victoria have been effective in raising awareness of health messages however there has been little or no research into whether this awareness has resulted in behavioural changes which in turn lead to health outcomes.
- The Committee finds that it is now timely that a full external evaluation of the Victorian Health Promotion Foundation be carried out by the State Government having established the Foundation ten years ago through the Tobacco Act 1987.

A review of the Foundation would include an assessment of:-

- The appropriateness of its total budget allocation as determined by the Tobacco Act;
- The need for VicHealth's research budget to be totally directed to public health research;
- The effectiveness of various methods of health promotion such as sponsorship and advertising; and
- An audit of health promotion money allocated to sports and arts bodies and the effectiveness of the delivery of healthy message.