

# PRIME MINISTER'S SCIENCE, ENGINEERING AND INNOVATION COUNCIL

**SECOND MEETING, 4 December 1998**

## **AGENDA ITEM 3**

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### **THE WILLS HEALTH AND MEDICAL RESEARCH STRATEGIC REVIEW**

Australia faces an exciting opportunity to build on its strength in health and medical research to create a healthier and more prosperous nation as we enter the age of biotechnology. The Review envisions a mutually reinforcing “virtuous cycle” whereby the research community, industry and government work together to deliver improved quality of life for all Australians, a cost-effective and equitable health system, and to create knowledge-based employment and wealth for the nation. The recommendations of this Review will create the environment to fulfil this vision.

**The research sector** for its part will undertake initiatives designed to build on Australia’s strong health and medical research record and its system of peer-reviewed, investigator-initiated research. A strategic framework has been developed to guide the allocation of resources across fundamental, strategic, and development and evaluation research, in the Australian context.

The Review outlines a number of recommendations aimed at further strengthening Australia’s overall health and medical research capability through:

- Refining grant allocation mechanisms and achieving effective team structures to lift the impact and innovative nature of its research
- Introducing professional management to research groups to better manage relationships with industry and alternative sources of funding, and use of group resources
- Optimising the research sector’s use of shared resources

The crucial task of enhancing recruitment, training and development of a talented and suitably skilled workforce is addressed through recommending:

- Focussed efforts to expose students and teachers to the excitement and potential of science as a way of building interest and a larger recruitment pool.
- Broader research training to produce more diverse and well-rounded PhDs, and build capacity for quality research involving health practitioners of all kinds.
- A viable and competitive career path to create opportunities for, and reward the best researchers.

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*This paper was prepared by the Wills Review to aid discussion at PMSEIC. It is not intended to be an official statement of the Commonwealth Government.*

However, the key to workforce development will be to make research an attractive career proposition through the “virtuous cycle” of research, industry and government.

Finally, the research sector should develop priority-driven research that contributes directly, in the short to medium term, to population health and the performance of the health care system. The Review has termed this Strategic, Development and Evaluation Research, and synonymously Priority-Driven Research. It differs from fundamental research in terms of its objectives, the range of stakeholders, which includes State and Territory health authorities, and the processes that should be employed. The Review outlines a priority-setting approach, ways to apply the research investment within these priorities, and initiatives to build capacity to execute this research and to integrate research-based knowledge into policy and practice.

The **industry sector** must mutually reinforce the research sector. A strong industry sector is required to develop the discoveries of our research for the benefit of human kind and to create wealth for the nation. This is how the public investment in health and medical research is ultimately repaid to the government and the community. It also creates an attractive career path for researchers who may move out of research into industry. The Review outlines a set of recommendations required to develop a vibrant industry sector.

- Developing the culture and management skills needed to support technology transfer and new business development
- Implementing a competitive capital gains tax regime and continuing new venture start-up support to ensure that there is an adequate flow of capital to new biotechnology ventures
- Supporting and enhancing the presence and research investment of established pharmaceutical and related industries

In addition to facilitating the conditions outlined above, the **government’s** role is to invest in a well-managed research sector. This is a legitimate core role of government. The Review describes three sets of initiatives to:

- Enhance the organisation, management and resourcing of the NHMRC to fulfil an expanded role including managing priority-driven research.
- Engage and involve the community as stakeholders in the research effort
- Increase contestable public investment in health and medical research, fund priority-driven research, rationalise infrastructure funding, and explore ways to broaden the sources of funding. Over a five-year period, investment in health and medical research should be increased to levels more typical of leading developed nations.

The Review recommends that funding increases be made against agreed performance targets relating to the impact of research output, creation of new ventures, and knowledge-based employment over a five to ten year period. This is not to suggest that all research should have identifiable commercial outcomes. That would defeat the purpose of publicly funded research and compromise its quality and integrity. However, unless the range of initiatives outlined for the Research and Industry sectors are implemented, and the discoveries of our research are commercialised where appropriate, then increased public investment would be difficult to justify. Similarly, if the targets are not met within the agreed period, research investment should be reduced over time to existing levels as a percentage of GDP.

This combination of initiatives for research, industry and government will create the mutually-reinforcing “virtuous cycle” that is the theme of this Review.

Finally, and importantly, the Review has suggested an approach to implementing these recommendations aimed at driving change and maintaining the considerable momentum created

through this Review process. It will be necessary to coordinate the range of initiatives across the many organisations that would be responsible for execution.

## **THE REVIEW PROCESS**

The Review Committee has consulted widely in preparing this report. It has absorbed 220 well-considered submissions and met with a wide range of stakeholders and experts in Australia and overseas. It has also drawn on many past reports and papers, international benchmarks, and conducted its own analysis. The members of the Committee have brought to the Review, a wealth of experience covering a range of research disciplines, current and past experience with the National Health and Medical Research Council and its committees, industry and international perspectives through the US and UK members.

The “Discussion Draft” was launched on 4 December 1998 after the meeting of the Prime Minister’s Science, Engineering and Innovation Council. It is envisaged that the Review will present in each State early in 1999 and receive feedback prior to the release of its final report in late March or early April.