

# THEMES AND PRIORITIES FOR THE CRC PROGRAMME

Response to the Consultation

February 2017

## ABOUT RESEARCH AUSTRALIA

Research Australia is an alliance of 160 members and supporters advocating for health and medical research in Australia. Research Australia's activities are funded by its members, donors and supporters from leading research organisations, academic institutions, philanthropy, community special interest groups, peak industry bodies, biotechnology and pharmaceutical companies, small businesses and corporate Australia. It reflects the views of its diverse membership and represents the interests of the broader community.

Research Australia's mission is to make health and medical research a higher priority for the nation. We have four goals that support this mission:

- A society that is well informed and values the benefits of health and medical research.
- Greater investment in health and medical research from all sources.
- Ensure Australia captures the benefits of health and medical research.
- Promote Australia's global position in health and medical research.

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# THEMES AND PRIORITIES FOR THE CRC PROGRAMME

## RESPONSE TO THE CONSULTATION

### Introduction

Research Australia responded to the Government's consultation on Themes and Priorities for the CRC Programme using the electronic survey provided by the Department of Industry, Innovation and Science.

Research Australia used the consultation process to advocate for the reinstatement of Public Good CRCs, which are specifically excluded by the most recent Guidelines for the CRC Programme, implemented in December 2015, following a review of the CRC Programme undertaken in 2014.

### Invitation to prioritise eight themes provided in the survey

(Eight themes were provided in the survey, with an invitation to rank them from 1 to 8)

- Clinical health care
- Climate
- Cybersecurity
- Disaster response and preparedness
- Mental health
- Remote and Indigenous health
- Soil and Water
- Transport

Research Australia is pleased to see that three areas of health are included in the eight proposed research themes. While we do not propose to rank these three, the CRC Programme has been important to advances in healthcare in a range of areas in the past, and Research Australia submits that this should continue to be the case in future, without limitation to these three.

## Suggested Theme: Public Good CRCs

Research Australia is supportive of the CRC Programme and believes that over the course of the Programme, it has been effective in implementing the outputs of health and medical research in ways that have significant social and economic benefits.

Research Australia is concerned that the current CRC Programme Guideline's exclusive focus on commercial CRCs (the *Lead Participant* must be an *Industry Entity*) limits the role the CRC Programme can provide in the application of research through innovation in the healthcare industry. Research Australia supports the reinstatement of guidelines that allow for the funding of 'Public Good' CRCs.

The healthcare industry is a significant component of the Australian economy, with total expenditures of approximately \$161 billion per annum<sup>1</sup>. Apart from its size, it has several characteristics that set it apart from most other industries:

- The bulk of the healthcare industry's expenditure (\$108.2 billion) is by Commonwealth and State Governments, with the balance made up of individuals, private health insurers and other private funders.
- Healthcare is delivered by a mix of public, private and not for profit healthcare entities. These range from Government agencies and instrumentalities to corporations, public hospitals and SMEs such as GPs and dentists.
- Even where governments are not delivering the service, decisions about how, where and when healthcare is delivered are influenced by government agencies which approve products and practices for use and determine which are to be publicly subsidised.
- Unlike most markets, the consumer is often not responsible for the purchasing decisions when it comes to health care. In addition to the individual health consumers, purchasing decisions are made by government agencies, large healthcare providers such as hospitals, and by individual clinicians and healthcare workers who decide which products to use; for example: which artificial hip to use in surgery.
- While much healthcare is delivered on a transactional basis, other elements of healthcare are delivered through more indirect mechanisms- e.g. public health campaigns to reduce smoking and Australian design standards for car safety.

These characteristics of the healthcare industry mean that the market for healthcare products differs from the market for consumer goods or for industrial technology, and this has implications for the role CRCs can play in this nationally important industry. For example, public good CRCs can support the development of publicly available e-mental health programs, the development of new practices and protocols in hospitals and inform health policy, all of which are 'products' that resist commercialisation but contribute to better health, disease prevention and more efficient healthcare services.

The current CRC Guidelines, which require lead participants to be Industry Entities (defined as receiving the majority of their revenue from non-government sources), effectively excludes many health industry players from participation as lead participants and limits the types of health innovations a CRC can pursue. While there are other health-specific programs to support innovation, the CRC model is unique and has proven itself to be effective at bringing disparate parties together to achieve a specific outcome with both economic and social benefits. The fact that so many existing CRCs are health related is testament to the effectiveness of the CRC Programme in making a significant contribution to Australian healthcare. Hence, Public Good CRCs across the health landscape will encourage and stimulate health related innovation including and beyond the three health related themes nominated for prioritisation.

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<sup>1</sup> Australian Institute of Health and Welfare 2016. *Health expenditure Australia 2014–15*. Health and welfare expenditure series no. 57. Cat. no. HWE 67. Canberra: AIHW.

Broadening the CRC Guidelines to provide for 'Public Good' CRCs (as have existed in the past) which are not required to have a commercial entity as lead participants, significantly broadens the range of healthcare entities that can lead CRCs, the types of research that can be conducted, and the innovations that can be developed. This is of particular importance in areas where delivery is predominantly through the public sector and via public health measures; for example, in mental health, which is one of the eight themes nominated in the survey.

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