

2025-26 PRE-BUDGET SUBMISSION

January 2025

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Summary of recommendations

Theme	Key Recommendations	Page
Smarter Investment in Health and Medical Research	<p>The Government should outline a substantially increased investment in national innovation and commit to increasing its spending on research and development to at least 0.75% of GDP annually over the forward estimates.</p> <p>This recommendation reiterates Research Australia’s position outlined in our 2024 Pre-Budget submissions.</p>	11
	<p>The government should define a pathway to fund the full costs of research.</p> <p>This recommendation reiterates Research Australia’s position outlined in our Pre-Budget submissions since 2016 highlighting this as a long-term issue that must be addressed.</p>	11
	<p>The Government should increase funding for discovery science through the NHMRC and ARC.</p> <p>This recommendation reiterates Research Australia’s position outlined in our Pre-Budget submissions since 2016 highlighting this as a long-term issue that must be addressed.</p>	11
	<p>The Government should use National Collaborative Infrastructure Scheme (NCRIS) Roadmap Advisory Group’s recommendations to commit new funding to NCRIS beyond the funding already allocated in the Budget forward estimates of at least a further \$100 million per annum. The Advisory Group’s recommendations will enable this additional investment to be made effectively, in a manner which supports valuable research infrastructure and the expected recommendations of the Universities Accord Expert Panel.</p> <p>This recommendation reiterates Research Australia’s position outlined in our 2024 Pre-Budget submissions.</p>	11
	<p>The Government should develop an Australian equivalent of the US Government’s Biomedical Advanced Research and Development Authority (BARDA) to support the development and domestic manufacture of new medical products needed to protect the health of the Australian population.</p> <p>This recommendation reiterates Research Australia’s position outlined in our Pre-Budget submissions since 2021.</p>	12

	<p>The Government should monitor the demand for new programs (Australia’s Economic Accelerator, Start Up Year, the Industry Growth Program) and increase the level of funding where warranted.</p> <p>This recommendation reiterates Research Australia’s position outlined in our 2024 Pre-Budget submission.</p>	12
	<p>The Government should act on the Innovation Metrics Review; and restore funding to the Australian Bureau of Statistics to improve the capture and analysis of data relating to R&D in Australia as first steps to developing a proper framework for measuring the impact of Australian research and innovation.</p> <p>This recommendation reiterates Research Australia’s position outlined in our 2024 Pre-Budget submission.</p>	12
	<p>The Government should increase the amount of funding made available from the MRFF (\$650m) to better align with the Future Fund Board of Guardian’s determinations (\$973m).</p> <p>The Government should amend the MRFF Act to change the MRFF’s investments and distributions to align with this change.</p> <p>This recommendation reiterates Research Australia’s position since 2023.</p>	12
A Diverse and Supported Health and Medical Research Workforce	<p>The Government must invest in a health medical research and innovation workforce plan that:</p> <ul style="list-style-type: none"> • defines the workforce the country needs and wants for research, innovation and commercialisation • supports a highly skilled and sustainable research workforce with circular mobility between academia and industry • is aligned with key measures across other workforce strategies • ensures universities (and others) are equipped to train the next generation of researchers • retains Australian researchers and attracts the world’s best talent <p>This recommendation reiterates Research Australia’s position outlined in our Pre-Budget submissions since 2022.</p>	15
	<p>The government should respond to a gap in current workforce strategies and data about EMCRs by investing in a national Early-Mid Career Research Longitudinal Survey that</p> <ul style="list-style-type: none"> • builds on previous surveys; • provides the sector a regular environmental scan of key issues and monitor trends; • engages directly with policy frameworks and institutions in identifying opportunities and systems changes; and • identifies and recommend positive systems change across HMR sectors in order for a sustainable future workforce. 	15

A whole of systems approach to HMR - addressing the siloed approach to health and medical research and innovation with a focus on prevention	<p>Implementation of the National Health and Medical Research Strategy which must have actions that:</p> <ul style="list-style-type: none"> • Are developed by the sector for the sector; • Will be led by a long-term vision and a theory of change; • facilitate coordinated, sustainable investment in research; • strengthen the connection between research and healthcare; • support emerging innovative health industries; and • ensure accountability through embedding monitoring and evaluation of measures of success <p>This recommendation reiterates Research Australia’s position outlined in our Pre-Budget submissions since 2022.</p>	18
	<p>The Government should consider an expanded role for the Australian Centre for Disease Control in supporting the alignment of Australian research and innovation with unmet health needs.</p> <p>In the event of a health emergency, such as the recent COVID pandemic, the Australian CDC should have the capacity to direct emergency funding provided by the Australian Government from outside normal funding streams.</p> <p>This recommendation reiterates Research Australia’s position outlined in our 2024 Pre-Budget submission.</p>	18
	<p>The Australian Government should prioritise reducing burden of disease through advancing early intervention and prevention as part of HMR. This should include:</p> <ul style="list-style-type: none"> • A focus on social and commercial (and other) determinants of health and wellbeing and how health and medical research innovation contributes back to platforms like climate change, cost of living, poverty and geopolitics • Contributions to global health challenges • Strengthening a sustainable and equitable healthcare system <p>Increasing public health and medical research literacy</p>	18
	<p>Under the National HMR Strategy, identification of specific actions for improving equity in health outcomes should be prioritised.</p>	19
	<p>The Government should identify and address data infrastructure and linkage gaps in its capacity to measure alignment between social and commercial determinants of health and health outcomes</p>	19

Introduction

Research Australia, as the national alliance and peak of health and medical research, is pleased to have the opportunity to make this pre-Budget submission ahead of the 2025-26 Federal Budget. This coming year offers a real opportunity to address these challenges through the Australian Government's development of the National Health and Medical Research Strategy, which Research Australia has advocated for since 2021, as well as the current Strategic Examination into R&D. We have the unique opportunity to reform and reimagine a whole of system that sets up a future Australia. One that is responsive, affordable, and sustainable.

2025 is a real opportunity for advancing health and medical research and innovation in Australia being an election year as well as through reforms to emerge from the development of the National Health and Medical Research Strategy, the Strategic Examination into Research & Development, Closing the Gap, Australia's Disability Strategy, the CDC, National Health Reform Agreement. The investments we make during the next 18 months will be the difference between short term ad hoc investments or establishing a policy framework and infrastructure that will future proof the sector into the future.

A strong health and medical research sector enables greater productivity through better health, drives efficiencies across Australia's expensive health system and delivers new revenue opportunities through the export of health innovations.

This Pre-Budget Submission has been developed drawing on previous submissions, the contribution of members and broader input. Research Australia undertakes a range of processes to develop evidence-informed positions.

Health and Medical Research's contribution to national productivity

All these measures are consistent with the Government's focus on increasing productivity, evident in the historic Statement of Expectations provided by the Treasurer to the Productivity Commission back in November 2023. It also highlights the critical role health and medical research can play in increasing national productivity, but the also the opportunity health and medical research holds for addressing wicked policy problems, as well as the risk in not investing¹.

Specifically, the benefits of technological and digital transformation are nowhere more evident than in digitally and AI enabled healthcare, and Australia has world class research and innovation capabilities on this area. Climate change is driving the need for adaptation of our health systems and environment to protect human life. An ageing population is accompanied by increasing rates of chronic disease which are driving rising demand for care and support services; research can help reduce the incidence and burden of chronic disease and make our health system more effective and efficient. Geopolitical risk and fragmentation are driving increasing security concerns, in particular how to ensure greater self-reliance through the production of medicines and medical technologies. Australia's health and medical research and innovation sector can boost Australia's self-reliance in this critical area.

¹ Australian Government, The Treasury, 2023, Statement of Expectations-Productivity Commission, November 2023

Australia's health and medical research and innovation sector can fulfil its potential as a cornerstone of a more productive and prosperous post-carbon Australian economy, but we must have the industrial capacity, the manufacturing sector, and the skills to make this happen.

The case for investing in health and medical research and innovation

A strong health and medical research sector enables greater productivity through better health; drives efficiencies across Australia's expensive health system and delivers new revenue opportunities through the export of health innovations.

Since the pandemic, Research Australia has closely examined how we tackle the challenges and opportunities of the sector. There have been over 550 recommendations proposed by the 20 health and medical research reviews conducted nationally in the last 15 years. Some of these recommendations have been partially or fully implemented, many have not. Consistent themes can be identified across these recommendations:

- Driving greater efficiencies and improvements in health and medical research funding;
- Developing a research informed health system;
- Improving the relationship between research and industry and increasing the capacity for research commercialisation; and
- Concerns about the research workforce².

The most consistent recommendation across almost all the reviews has been to improve the funding structure of health and medical research. These recommendations do not just propose increasing funding but rather suggest improving the structure of health and medical research funding to be more streamlined and efficient. Over half of the 20 reviews also recommend establishing a national health and medical research strategy and governing body to help drive these efficiencies and improvements in funding.

In 2024, Research Australia undertook further consultation with its members and have identified the following key priorities for the sector across the pipeline:

- Whole of systems approach to health and medical research;
- Smarter Investment in health and medical research
- A diverse and supported health and medical research Workforce
- Advancing Primary Prevention

² Research Australia. [Consultation Paper Post pandemic opportunities for health medical research innovation](#) (2021)

Recommendations

In order to address these policy priorities in the upcoming 2025-26 Federal Budget there are three key priority areas:

- Smarter Investment in Health and Medical Research and Innovation
- A Supported and Diverse Health and Medical Research and Innovation Workforce
- A Whole of Systems Approach to Health and Medical Research and Innovation

These three areas are laid out in both text and captured in discrete tables below:

Smarter investment in Health and Medical Research and Innovation

We acknowledge there is considerable investment in the sector (with an estimated annual expenditure of approximately \$10billion), policy frameworks and funding are not cohesive, there are duplications and gaps, we are reactive, focussing on the now, rather than preparing for the future and our evaluation is largely weak as a precursor to future targeted and larger investment. The health and medical research and innovation pipeline, including the policy and funding landscape, needs to be truly collaborative, transparent and competitive.

Uncoordinated funding sources for health and medical research leads to breaks in the pipeline, inefficiencies and exclusions. Health and medical research is funded and administered by several federal portfolios (Health, Education, Industry and Science, Social Services, Defence & Foreign Affairs). State and territory governments are also providing varying levels of funding, so too are non-government organisations across philanthropy, private healthcare and industry. While each provides valuable funding, these sources have grown independently with little inter-scheme coordination, resulting in duplication of effort and inefficient allocation of funding in some places. Most importantly, running multiple, uncoordinated streams of research adds to the administration costs for funders. It is a disincentive for attracting funding from other sources, including private capital and philanthropy. Finally, the complexity of funding sources poses challenges in accurately quantifying the extent and distribution of funding within the HMR sector.

Australia needs smarter investment to remain globally competitive. Investing in Australia's health and medical research innovation industry is critical. It contributes to both a healthy nation and a healthy economy. This is not to say there is no investment. Recent initiatives include the National Reconstruction Fund, the Medical Sciences Co-Investment Plan and the Clinical Trials One Stop Shop to name but a few. Additionally, almost \$1.6 billion is dispersed through the National Health and Medical Research Council and the Medical Research Future Fund. However, policy frameworks and funding are not cohesive, there are duplications and gaps, we are reactive, focussing on the now, rather than preparing for the future and our evaluation is largely weak as a precursor to future targeted and larger investment.

We welcome the review of the Government's current funding landscape of health and medical research funding, which we called for during the dissemination of our 2020-2021 national consultation report. Underpinning this review should be consideration for:

- Establishing a measurable path to R&D investment of 3% of GDP
- Identifying the current funding investment in order to establish an accessible, equitable and responsive future, including better coordination between MREA and MRFF
- Funding the full cost of research, including infrastructure

- Activating government's significant procurement power to support local HMR manufacturers
- Incentivising the growth opportunities for venture capitalists and develop companies that are attractive to private equity

Establish a measurable path to R & D investment of 3% GDP

While the Government is increasingly filling the gaps in Australia's pipeline for R&D, the level of investment in R&D by both Governments and the private sector is still well below the levels required to achieve the Government's ambitions for a prosperous and productive nation. Australia's Gross Expenditure on R&D (GERD) was 1.68% in 2021-22 (note additional years data is not publicly available). By comparison, the average GERD across all OECD nations in 2021 was 2.718%. Australia has been falling further behind the OECD average since 2009.³ The Australian Government's expenditure on R&D has declined from 0.67% of GDP in 2011-12 to approximately 0.49% in 2022-23.⁴ The OECD average for Government expenditure on R&D in 2021 was 0.74% of GDP.⁵

The Government must significantly increase investment in R&D throughout the pipeline, from discovery science to commercialisation. We are hopeful the Strategic Examination into R&D will elevate the critical need for increased investment in R&D, with a clear pathway to R&D investment of at least 3% of GDP. Given more than a quarter (26%) of Australia R&D is spent on health and medical research, there needs to be a dedicated focus in the Strategic Examination of R&D on HMR.

Better MREA and MRFF Coordination

The Government's review into better coordination of NHMRC's Medical Research Endowment Account and the Medical Research Future Fund will provide opportunities for smarter investment. This review, including revisiting the proposed legislative amendments to the MRFF's investment mandate to improve the returns available as research funding, provides the opportunity to improve the overall operations of the MRFF and MREA.

Defining a pathway to fund the full cost of research, including infrastructure

Funding the full cost of research is essential for advancing health and medical research. It includes laboratories and equipment, data storage and computing resources, biobanks and repositories, research networks and collaborations, and technical and administrative support. Without adequate funding, researchers face significant challenges in covering essential expenses. Insufficient support can slow progress, limit innovation, and hinder collaboration, ultimately delaying critical medical breakthroughs. By fully funding research, governments, institutions, and private sectors can foster an environment where health and medical researchers have the resources needed to safeguarding public health and driving economic growth through medical innovation. A definitive pathway to reaching full cost of research needs to be developed.

³ Source: OECD (2023), Gross domestic spending on R&D (indicator). doi: 10.1787/d8b068b4-en (Accessed on 28 November 2023)

⁴ Australian Government, Science, Research and Innovation (SRI) Budget Tables, 2022-23, Australian Government investment in R&D by sector and sub-sector, and other analyses Table 6, Australian Government investment in R&D as a percentage of Gross Domestic Product.

⁵ Australian Government, Science, Research and Innovation (SRI) Budget Tables, 2022-23, SRI Interactive Dashboard, page 9 of 11.

Government procurement powers to activate Australian innovation

Building on the Government's recognition of the importance of its role as a purchaser of products and services and the capacity for better government procurement policy to support Australian businesses and activate innovation, Australia could develop a similar model to the US Government's Biomedical Advanced Research and Development Authority (BARDA). Through establishing our own BARDA system, the Australian Government could use its role as customer to purchase medical products to support Australian R&D and manufacturing, while also protecting Australia's population and ensuring supply of essential medical products, including in emergencies.

This includes private companies, pharmaceuticals, therapeutics and medical devices.⁶ Australia has a similar model in defence, with the Advanced Strategic Capabilities Accelerator.⁷

The following table sets out key outcomes and recommendations for the 2025-26 Federal Budget.

⁶ <https://www.vaxxas.com/>

⁷ <https://www.asca.gov.au/>

Sector Priority	Smarter Investment
Objective	Australia's investment in health and medical research is globally competitive and resilient
Outcomes	<ul style="list-style-type: none"> • Identify the current funding investment in order to establish an accessible, equitable and responsive future • Establish a measurable path to R&D investment of 3% of GDP • Leverage government's significant procurement power to support local health and medical research and innovation manufacturers and activate innovation • Incentivise the growth opportunities for venture capitalists and develop companies that are attractive to private equity • Define a pathway to fund the full cost of research including infrastructure
Budget Priorities for 2025-26	<p>The Government should outline a substantially increased investment in national innovation and commit to increasing its spending on research and development to at least 0.75% of GDP annually over the forward estimates.</p> <p><i>This recommendation reiterates Research Australia's position outlined in our Pre-Budget submissions since 2024</i></p>
	<p>The government should define a pathway to fund the full costs of research.</p> <p><i>This recommendation reiterates Research Australia's position outlined in our Pre-Budget submissions since 2016.</i></p>
	<p>The Government should increase funding for discovery science through the NHMRC and ARC</p> <p><i>This recommendation reiterates Research Australia's position outlined in our Pre-Budget submissions since 2016.</i></p>
	<p>The Government should use National Collaborative Infrastructure Scheme (NCRIS) Roadmap Advisory Group's recommendations to commit new funding to NCRIS beyond the funding already allocated in the Budget forward estimates of at least a further \$100 million per annum. The Advisory Group's recommendations will enable this additional investment to be made effectively, in a manner which supports valuable research infrastructure and the expected recommendations of the Universities Accord Expert Panel.</p> <p><i>This recommendation reiterates Research Australia's position outlined in our Pre-Budget submissions since 2024</i></p>

	<p>The Government should develop an Australian equivalent of the US Government’s Biomedical Advanced Research and Development Authority (BARDA) to support the development and domestic manufacture of new medical products needed to protect the health of the Australian population.</p> <p><i>This recommendation reiterates Research Australia’s position outlined in our Pre-Budget submissions since 2021.</i></p>
	<p>The Government should monitor the demand for new programs (Australia’s Economic Accelerator, Start Up Year, the Industry Growth Program) and increase the level of funding where warranted.</p> <p><i>This recommendation reiterates Research Australia’s position outlined in our Pre-Budget submissions since 2024</i></p>
	<p>The Government should act on the Innovation Metrics Review; and restore funding to the Australian Bureau of Statistics to improve the capture and analysis of data relating to R&D in Australia as first steps to developing a proper framework for measuring the impact of Australian research and innovation.</p> <p><i>This recommendation reiterates Research Australia’s position outlined in our Pre-Budget submission since 2024</i></p>
	<p>The Government should increase the amount of funding made available from the MRFF (\$650m) to better align with the Future Fund Board of Guardian’s determinations (\$973m).</p> <p><i>This recommendation reiterates Research Australia’s position since 2023.</i></p>

A supported and diverse Health and Medical Research and Innovation Workforce

Australia needs to activate a responsive, supported and diverse health and medical research and innovation workforce. The health and medical research and innovation sector workforce is located in a range of settings (universities, medical research institutes, healthcare settings, industry), requires a variety of different techniques and approaches, constantly evolving, and requires adaptive skills. Understanding not just the skills and roles required today but those we will need in ten years' time and beyond is critical to our future success in undertaking research, commercialising the outcomes and building the manufacturing industries that will enable us to capitalise on our discoveries. Health and medical research and innovation, like many sectors have skills shortages in particular areas and oversupply in others.

There remain particular gaps in workforce investment, such as Clinician Researchers, Early-Mid Career Researchers, and lived-experience researchers⁸. Clinician researchers are health practitioners including medical, nursing and midwifery, allied health or other health professions, active in research. Effectively, clinician researchers hold two roles – being clinicians or health care practitioners and conducting research. By being truly embedded in Australia's health system, clinician researchers play an important bridging role between the research world and the health system, delivering better care and health outcomes for Australians. However, the decline in the clinician researcher workforce is a problem affecting both the traditional research side of the health and medical research pipeline – universities and medical research institutes – and the health system end of the pipeline – local health districts, primary health networks and public and private hospitals. Prioritising clinician researchers and new workforce models across the entire health and medical research and innovation ecosystem will strengthen the workforce and a research active health system.

Workforce development for priority groups needs to include strategies for creating and maintaining organisational environments that enable health and medical researchers to thrive. For example insufficient priority and under resourcing are currently preventing the sector wide, comprehensive and routine adoption of measures for Early and Mid-Career Researchers to thrive. Individual institutions are implementing their own approaches, resulting in isolated improvements and islands of excellence, rather than system wide improvement, and nationwide growth of investing in the future the workforce⁹.

Greater clarity of career pathways is essential to enable individuals to have mobility across the pipeline. For example, in a knowledge intensive industry like medical products, better defined pathways between academia and industry must be established, encouraged and incentivised to build new industries and foster true innovation. The private sector research and innovation workforce is a critical component of this mix, but a relatively small component in the Australian context. Increasing employment in private sector research organisations and increasing private sector R&D are critical to the long-term future of our entire research and innovation workforce and our capacity to increase advanced manufacturing¹⁰.

Furthermore, due to the siloed approach to health and medical research and innovation, current policies are working in contradiction with each other. For example, there is recognition of the importance of Australia's EMCRs and clinician researchers, however, policy decisions in other portfolios are reducing funding to universities.

⁸ Research Australia. *Research Australia Submission MRFF Priorities and MRFF Act Review*. (2024)

⁹ Research Australia. *Measures to Support Early and Mid Career Researchers*. (2024)

¹⁰ Research Australia. *Developing Advanced Manufacturing in Australia*. (2023).

As in all the priorities there is a need to increase diversity within the workforce, such as the participation and retention of women into research leadership positions, as critical for both economic participation, improved health and wellbeing of marginalised groups, likelihood of increased focus in health and medical research in research that impacts on marginalised groups.

In response to the lack of investment in workforce, there is a need to develop a National Health and Medical Research Workforce plan. The Plan should have a long-term vision with immediate incentives for boosting the current workforce. The actions need to be strategic, embed and leverage other workforce and employment strategies, such as gender responsive budgeting to address the gender disparity within the sector, especially in research leadership positions.

To support the gap in longitudinal data for priority workforces, the development of a national longitudinal survey of EMCRs is also required. This survey would build on a previous survey, supported by Research Australia, with a purpose to provide the sector a regular environmental scan of key issues and monitor trends; respond to a gap in current workforce strategies and data, provide a national picture; engage directly with policy frameworks and institutions in identifying opportunities and systems changes; and identify and recommend positive systems change in across HMR sectors in order to develop a sustainable future for workforce.

The following table sets out key outcomes and recommendations for the 2025-26 Federal Budget.

Sector Priority	A supported and Diverse Health and Medical Research and Innovation Workforce
Objective	Australia has long-term vision of the HMR workforce, with immediate incentives for boosting the current workforce
Outcomes	<ul style="list-style-type: none"> • Develop and implement a National Health and Medical Research and Innovation Workforce Plan • Invest in priority workforces including: Clinician Researchers; Early-Mid Career Researchers; lived experience researchers • Create the conditions for a research active workforce • Enhance circular mobility across the pipeline
Budget Priorities for 2025-26	<p>The Government must invest in a health medical research and innovation workforce plan that:</p> <ul style="list-style-type: none"> • addresses the whole pipeline of skills required from initial discovery through product development, commercialisation and manufacturing • supports a highly skilled and sustainable research workforce with circular mobility between academia, industry and other sectors across the pipeline • is aligned with key measures across other workforce strategies • ensures universities (and others) are equipped to train the next generation of researchers • retains Australian researchers and attracts the world's best talent • prioritise marginalised workforces <p>This recommendation reiterates Research Australia's position outlined in our Pre-Budget submissions since 2022.</p>
	<p>The government should respond to a gaps in current workforce strategies and data about EMCRs by investing in a national Early-Mid Career Research Longitudinal Survey that</p> <ul style="list-style-type: none"> • builds on previous surveys • provides the sector a regular environmental scan of key issues and monitor trends; • engages directly with policy frameworks and institutions in identifying opportunities and systems changes; and • identifies and recommend positive systems change across HMR sectors in order for a sustainable future workforce.

A whole of systems approach to Health and Medical Research and Innovation - addressing the siloed approach, with a focus on prevention

In 2020-21 Research Australia undertook national consultation on the needs of the sector, including a national strategy. We have consistently emphasised the need to facilitate coordinated, sustainable investment in research; strengthen the connection between research and healthcare; and support emerging innovative health industries. This requires a whole of system and pipeline approach, across portfolios and jurisdictions. This can be achieved by putting research, development and innovation at the centre of all government policy.

During 2024, Research Australia was recognised by the Hon Minister Butler MP, Minister for Health and Aged Care, for leading the call for the development of the National Strategy, and we welcome the Government's commitment to its development.

National Health and Medical Research Strategy

The National Strategy requires a cross-portfolio and state and federal perspective, it is bigger than the NHMRC, or a single funding body. This also requires joint investment from federal and state and territory governments, to foster seamless integration of research and healthcare. The National Health and Medical Research Strategy represents a real opportunity to develop clear national priorities in consultation and engagement with the entire pipeline.

With this in mind, the 2025-26 Federal Budget should ensure funding is provided to continue the development of the National Health and Medical Research Strategy in the next fiscal year and provide funding for implementation over the forward estimates.

Accountability, monitoring and evaluation

The National Strategy needs to have accountability, monitoring and evaluation embedded as a fundamental cornerstone of its implementation. Yet, we do not have effective methodology for monitoring and evaluating measures to support innovation, to enable us to understand what works and what doesn't¹¹. As such investment in effective research evaluations need to be developed in order to monitor and evaluate all Government initiatives to support activity on the whole research and innovation pipeline and systems improvement.

Advancing primary prevention policy

Advancing research into prevention is critical, it includes understanding social determinants and commercial determinants (as well as other determinants, such as cultural) of health and wellbeing and how to address health equality and reduce the burden of disease on individuals, the healthcare systems and the economy. The non-medical factors of what keeps us well, or unwell are expansive – the social determinants of health include housing, income, education, employment, food security - or cultural determinants of health including access to health care on Country for First Nations peoples and communities; or commercial determinants of health, those conditions created by commercial actors that are responsible for ill health.

¹¹ Industry Innovation and Science Australia, 2023, Barriers to collaboration and commercialisation, page 42.

One way of embedding a prevention focus in existing infrastructure is through the Australian Centre for Disease Control (CDC). With its extensive data gathering and analysis capabilities and its responsibility for assessing and mediating the risks of future health emergencies, the CDC will be ideally placed to undertake the function of coordinating the application of research to the prevention and control of disease, both communicable and non-communicable. The Australian CDC could also play a role in identifying promising interventions (e.g. from clinical trials) with the potential to help address a disease and support the activities needed to help implement and test the intervention in a pilot program and its subsequent scaling up into routine care.

Improving health outcomes through advancing prevention recognises that health and wellbeing is not solely the responsibility of health departments, hospitals, or pharmaceutical companies or any singular part of the pipeline. It requires a whole-of-system approach, considering factors such as climate change, housing, poverty, and geopolitics on health, but also how preventative health and medical research innovation then contributes back to these research and policy platforms.

The following table sets out key outcomes and recommendations for 2025-26.

Priority	Whole of systems approach to Health and Medical Research and Innovation
Objective	Australia has a co-ordinated whole of pipeline, systems and government approach to Health and Medical Research and Innovation, across portfolios and jurisdictions.
Outcomes	<ul style="list-style-type: none"> • Development and implementation of National Health and Medical Research Strategy • HMR policy and funding investment focusses on the whole research pipeline from design, implementation, knowledge translation, commercialisation, monitoring and evaluation. • Embed HMR in other policy frameworks, strategies and reviews, such as the Strategic Examination of R&D or Future Made in Australia. • Embed evidence-led/informed approaches, research, development and innovation in all government policy.
Budget Priorities for 2025-26	<p>Development and Implementation of the National Health and Medical Research Strategy must:</p> <ul style="list-style-type: none"> • Be developed by the sector for the sector; • Be led by a long-term vision and a theory of change; • facilitate coordinated, sustainable investment in research; • strengthen the connection between research and healthcare; • support emerging innovative health industries; and • ensure accountability through embedding monitoring and evaluation of measures of success <p><i>This recommendation reiterates Research Australia's position outlined in our Pre-Budget submissions since 2022.</i></p> <p>The Government should consider an expanded role for the Australian Centre for Disease Control in supporting the alignment of Australian research and innovation with unmet health needs.</p> <p>In the event of a health emergency, such as the recent COVID pandemic, the Australian CDC should have the capacity to direct emergency funding provided by the Australian Government from outside normal funding streams.</p> <p><i>This recommendation reiterates Research Australia's position outlined in our Pre-Budget submissions since 2024</i></p>

	<p>The Australian Government should prioritise reducing burden of disease through advancing early intervention and prevention as part of health and medical research. This should include:</p> <ul style="list-style-type: none">• A focus on social and commercial (and other) determinants of health and wellbeing and how health and medical research innovation contributes back to platforms like climate change, cost of living, poverty and geopolitics• Contributions to global health challenges• Strengthening a sustainable and equitable healthcare system• Increasing public health and medical research literacy
	<p>Under the National HMR Strategy, identification of specific actions for improving equity in health outcomes should be prioritised.</p>
	<p>The Government should identify and address data infrastructure and linkage gaps in its capacity to measure alignment between social and commercial determinants of health and health outcomes</p>

Conclusion

The 2025-26 Budget provides the opportunity for the Australian Government to consolidate the steps it has already taken to improve the health and wellbeing of the Australian population and to reposition Australia as a modern and innovative nation with a knowledge-based economy. Much of this is about utilising the various reviews and initiatives that are currently in development to coordinate and then significantly scale up the Government's investment in research and innovation.

Improving the health of the Australian population is central to improving national productivity. Australian health and medical research leads to new medicines, technologies and treatments that cure us when we are ill or injured. It plays a significant role in disease prevention through the development of vaccines, as well as technologies for early disease diagnosis. More immediately, health and medical research in Australia continues to tackle how to best deliver healthcare, providing critical evidence that addresses clinically important unanswered questions.

All Australians benefit from strong investment in health and medical research and innovation. The opportunity provided through the health, medical research and innovation sector is immense for both the health and wealth of our nation. From a national security perspective, a strategic investment in enhanced medical production and preparation for the next pandemic can help ensure Australians have access to vital medical products at future times of crisis.

Longer term, positioning Australia as a nation with a strong advanced manufacturing base and a diversified economy requires a renewed commitment to significant investment in innovation to reverse the declines in recent years that are evident when investment in R&D is considered as a proportion of GDP.

In addition to raising national prosperity and diversifying our economy, smarter investment in health and medical research and innovation can improve the effectiveness and productivity of our health system, constraining the rise in health costs that accompany an ageing population. It can also provide a sustainable pathway to addressing modern lifestyle factors such as obesity. Smarter investment also drives skilled employment in vibrant new pharmaceutical, medical device and biotechnology industries.

Research Australia is pleased to have had the opportunity to make this submission on behalf of our broad membership, which is drawn from across the health and medical research pipeline. We are also willing to provide further information and/or contribute further to support all efforts in ensuring health and medical research can play a leading role in supporting productivity gains, both health and financial in securing Australia's healthy future.

About Research Australia

Research Australia is the national alliance and peak body representing the entire Australian health and medical research and innovation pipeline. Our membership is drawn from the whole pipeline of health and medical research and innovation, from universities and medical research institutes to charities and patient groups, and health care providers and companies commercialising new health technologies.

Research Australia was established in December 2000 from the recommendations of the Australian Government's Strategic Review into Health and Medical Research. Peter Wills AC led this strategic review and was instrumental in Research Australia being established. Our former Chair and Patron, Emeritus Professor Christine Bennett AO, was Chair of the Rudd Government's National Health and Hospitals Reform Commission. Research Australia's current Chair, Mr Martin Bowles AO PSM is a former Secretary of the Department of Health and the Department of Immigration and is national CEO of Calvary Health Care.

We have 20 years of demonstrated policy expertise for health and medical research, including providing credible, politically neutral, policy advice to governments and our members. Health and medical research is a complex ecosystem sustained by many participants and multiple funding streams. We have been instrumental in policy development to support HMR over the past 20 years, not least working with the then government to double funding for the NHMRC and through the McKeon Review to establish the Medical Research Future Fund.

Research Australia is in the unique and privileged position of having visibility over the breadth of medical research undertaken in Australia and the public, commercial and philanthropic funding that drives it. We see the policy levers and barriers differently – we understand, and we reflect collaboration across the pipelines. This includes the policy levers and barriers that sit across the HMR policy ecosystem – health, education, science, digital, social policy, environment, defence to name a few.

For further information about this pre-budget submission please contact Dr Talia Avrahamzon, Head Policy and Advocacy, Talia.Avrahamzon@researchaustralia.org

Nadia Levin
CEO & Managing Director
02 9295 8547
nadia.levin@researchaustralia.org
www.researchaustralia.org
384 Victoria Street Darlinghurst NSW 2010

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