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March 28<sup>th</sup> 2011

The Hon. Julia Gillard, MP  
Prime Minister of Australia and Member of the Expenditure Review Committee  
PO Box 6022  
House of Representatives  
Parliament House  
Canberra ACT 2600

Dear Prime Minister,

On behalf of the Australian Neuroscience Society (ANS), I write regarding the mooted substantial cuts to the NHMRC budget and urge you to fully support health and medical research in Australia.

ANS is the Peak Body representing ~1,000 laboratory-based and clinical researchers seeking to understand the role of the nervous system in health and disease. We urge you to maintain Australian Government investment in medical research, specifically by fully supporting funding for the National Health and Medical Research Council (NHMRC) in the upcoming federal budget. The reasons are as follows:

**1. Research is an investment, not a cost<sup>1,2</sup>**

- Average return on investment \$2.71 for every dollar
- Strong public support: 72% of people think that government should continue increasing funding
- In 2005, Australians ranked Health & Medical Research, along with education, as the most important factors in Australia's future
- The National Health and Medical Research Council (NHMRC), which distributes Australian Government medical research funds, supported more than 8,000 jobs in Australia in 2010. This funding trains the brightest and the best whose research contributes towards **reducing health care costs**

**2. The mooted cuts will reverse the investment made by the Coalition Government in response to the Wills Review and will severely restrict Australia's capacity to reduce health care costs and improve health outcomes for decades to come<sup>2-</sup>**

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Recognising the need to improve investment in health and medical research in order to reduce health care costs and improve health outcomes, the Commonwealth commissioned the Wills Review. As a consequence of the Review's recommendations:

- NHMRC funding was doubled over last decade from \$177m - \$632m because the former levels were recognized as incapable of delivering the expected social and economic returns ("The Virtuous Cycle", Wills Review, 1999; "Sustaining the Virtuous Cycle, Grant Review, 2004)
- Health budget: Government spending on Health R&D is 1.3% of the total Health and Aging budget. To maintain this level of investment in Health R&D, the NHMRC funding should be \$890m in 2014-15

### **3. Australia needs to boost its Health and Medical Research Workforce, not reduce it<sup>5</sup>**

- Between 2010-2019, 6,520 members of the current medical research workforce will retire and 4000 of these will hold a PhD.
- In addition to replacing the 4000 retirees, and *additional* 1,700 PhD completions are required for Australia to maintain medical research capacity as a proportion of the population of work force age in 2019 (i.e. taking projected population growth into account). Note that Australia has a low rate of PhD qualifications in the workforce (8 / 100,000) compared to comparable OECD nations (US: 11/100,000; Germany: 20/100,000; Switzerland 28 / 100,000)
- The majority of the NHMRC research funding supports people's salaries. Early career researchers, who are the next generation of Australia's health researchers and health educators, depend on NHMRC funding to cover the vulnerable career gap between the end of PhD training and the first position at a University, Research Institute, hospital or in industry. A sudden, major cut to funding will kill the research careers of a generation of Australia's brightest minds.

### **4. Diseases of the brain and mind are one of the fastest growing and largest burdens of disease in Australia<sup>1</sup>**

- Conditions touch **all ages and all walks of life** and include autism, cerebral palsy, ADHD, speech disorders, schizophrenia, alcohol & drug addiction, sleep & eating disorders, obesity, migraine, brain tumours, Parkinson's, Alzheimer's, Huntington's, stroke, epilepsy, multiple sclerosis, head and spinal cord injury, depression, macular degeneration, glaucoma, diabetes-related neurological conditions.
- Diseases of brain and mind that affect young people have long term cost implications well beyond health (e.g. education, welfare, police) so that research that results in improvements in prevention or treatment is especially cost effective.
- Half of all Australians aged 16 to 85 (~ 10.8 million) experience a mental illness at some point in their lives
- One in five (~4.3 million) experience a mental condition in any given year

### **5. With an ageing population the cost of caring for elderly people with diseases of the brain and mind presents a major economic and social challenge that needs help from health and medical research<sup>6</sup>**

- For example, the number of Australians with dementia will quadruple from 245,000

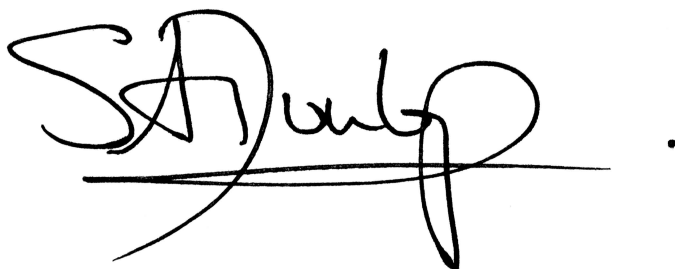
in 2010 to 981,000 million by 2050 with dire consequences for the health and aged care system

- Under the dementia growth policy scenario, annual expenditure on Health and Community Care services, community care packages and residential care places is estimated to increase to \$79.8 billion by 2050, i.e. ~600% increase of costs compared to current policy.
- Decreasing incidence of Alzheimer's disease by 5% through Australian R&D will result in savings of \$10.3 billion by 2050.

**Finally, if one ever thinks that research & education are expensive, try disease & ignorance.**

Strong sustained support for medical and health research is essential for the long-term physical, mental and economic well being of all Australians. For the reasons outlined above, a sudden cut to the NHMRC budget will have major long-term repercussions for Australia's health system and Australian society generally. We urge you to maintain government support for the NHMRC for the benefit of all Australians.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Sarah Dunlop', with a horizontal line drawn through the middle of the signature.

Professor Sarah Dunlop, PhD  
President, Australian Neuroscience Society

cc

ANS Council:

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NHMRC:

Professor Warwick Anderson, CEO NHMRC

Professor Tony Willis, Building Capacity Director, NHMRC

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