

## NZHR SUBMISSION ON THE PROPOSED HEALTH RESEARCH STRATEGY

### Introduction

New Zealanders for Health Research (NZHR) was formally established in November 2015 to lift health research investment from all sources, including government, industry and philanthropy, with the aim of improving New Zealanders health and prosperity. The NZHR Board comprises leaders of member organisations including Massey, Victoria and Otago Universities, Merck Sharpe and Dohme, the Malaghan Institute, Cure Kids and Research Australia. NZHR's growing membership also comprises the Auckland Medical Research Foundation, Roche Products, AbbVie and the Cawthron Institute, with others in the pipeline.

As an organisation which represents a cross section of health research stakeholders we appreciate both the opportunity to provide feedback on the proposed health research strategy and the reference in the Ministers' forward to NZHR's public opinion poll.

While NZHR welcomes the proposed strategy's addressing of a number of significant issues we also submit that it could be strengthened as outlined below.

### Sufficiency of investment should be included as a strategic priority

NZHR concurs that the four strategic priorities identified in the document are necessary and appropriate, however we submit that the following should be added as the first strategic priority, bringing the total number to five:

**"Achieve a level of financial investment in health research from all sources sufficient to positively impact on New Zealanders' health outcomes and health service demand"**

If we fail to invest enough money in health research, we significantly compromise our ability to effectively address the other four priorities of investing in excellent health research, creating a vibrant research environment in the health sector, building and strengthening pathways for translating research findings into policy and practice, and advancing innovative ideas and commercial opportunities.

If we compromise our ability to address these four priorities we reduce the likelihood that the health research strategy will make any appreciable difference to health outcomes and health service demand.

NZHR submits that this additional priority is necessary because of both a significant difference between actual and required ringfenced government investment in health research, an apparently declining industry investment in clinical trials, and insufficient recognition of the role of philanthropy in funding health research.

### Government investment

NZHR holds the view that the government's ringfenced investment in health research should be considered as its research and development investment in health service

delivery. We further believe that the level of such investment should, as a minimum, be 2.4% of health care costs<sup>1</sup>.

Our analysis based in part on Treasury Budget estimates indicates that:

- the average level of ringfenced investment over the past ten years has stood at just 0.65% (Appendix A Table 1)
- the average 11% overall growth trajectory implied by the recent announcements of increased HRC funding will be insufficient to achieve a 2.4% level of investment within the ten year time horizon of the Health Research Strategy (and even under the most optimistic assumptions about future health care costs won't be achieved until at least 2033, or 2029 assuming a post 2020 16% growth trajectory<sup>2</sup>) (Appendix A Graph 1)
- the level of investment in the HRC required to achieve the 2.4% level within the next ten years will be at least 25% per year after the three years to which the recent funding announcements apply have elapsed (Appendix A Graph 1)

While NZHR is not specifically proposing that the Health Research Strategy itself adopts a ringfenced 2.4% investment target, we are recommending that there be an action point which creates a requirement for determining what constitutes a sufficient level of investment, and for that to be set as a ten year target.

## Industry investment

NZHR believes that more prominence should be given to industry investment in health research, particularly through better support of clinical trials. Although there is in New Zealand a thriving clinical trials sector overall, being driven by overseas agencies contracting with New Zealand clinical trials organisations, medical device development, and increasing interest in the evidence for the effectiveness of natural products, we see a decline since 2011 in the number of clinical trials being undertaken in New Zealand by international pharmaceutical companies operating in New Zealand.

NZHR recommends that a third action and commentary under strategic priority 2 (Create a vibrant research environment in the health sector) be included as follows:

### *Monitor, promote and incentivise industry investment in clinical trials*

*Clinical research in New Zealand could be strengthened by improving the environment for clinical trials, and ensuring that government policy and purchasing settings incentivise industry investment in clinical trials from all sources. The regulatory environment needs to be fit for purpose so that clinical trials follow safe and ethical research practice and are internationally competitive.*

## Philanthropic investment

Although the contribution of the philanthropic sector to health research was acknowledged in the original consultation document as being significant, it receives only

---

<sup>1</sup> Reid et al found that for 2012/13 the Australian and UK direct investment in health research is respectively 3.4 and 4.5 times more per head of population than that of New Zealand (NZMJ 14 February 2014, Vol 127 No 1389; URL: [https://www.nzma.org.nz/\\_data/assets/pdf\\_file/0007/34189/content.pdf](https://www.nzma.org.nz/_data/assets/pdf_file/0007/34189/content.pdf)). Applying these factors to the 2012/13 budgeted direct expenditure on health research in New Zealand, if health research had been funded at the same level as it was in Australia it would have comprised 2.07% of that year's health care delivery costs, and 2.75% if the UK benchmark is used. The average of the two equates to 2.4%, which NZHR believes is an appropriate target to aim for.

<sup>2</sup> Based on 2019-2020 HRC funding increase

passing attention in the proposed strategy document, and seems to be an area which is not well understood.

NZHR's anecdotal feedback from health research funders whose income is derived from donations and bequests is that the demand for their funds consistently exceeds their resources, that they are often asked to consider proposals which would have been funded by the HRC had the HRC had more resources, and that as a result many scientifically excellent proposals which they would have wished to support are being declined.

Furthermore a search of the Charities Register indicates that there about 100 different research funding agencies in the philanthropic sector which can present significant time and resource challenges for health and clinical research organisations which are applying to the philanthropic sector for funds.

NZHR submits that the health research strategy document should be more explicit in its recognition of the role of philanthropy in supporting health research, and that this could be addressed within Action 1 so that the last paragraph on page 10 reads:

*"The HRC will develop a priority-setting process to advise the Minister of Health and the Minister of Science and Innovation on health research priorities for New Zealand. The priority-setting process will be inclusive, involving researchers, **philanthropically funded and other health research funding agencies**, health sector agencies, health practitioners, consumers, iwi, Pacific peoples, community organisations, disabled people and government agencies"*

NZHR also submits that there should be a fourth action and commentary under Strategic Priority 2 as follows:

*Promote a better coordinated approach to accessing of philanthropically derived health research funding.*

*There are about 100 different research funding agencies in the philanthropic sector which can present significant time and resource challenges for health and clinical research organisations which are applying to the philanthropic sector for funds. Ways will be explored of making these funds more efficiently accessible to health researchers, including consideration of rationalising the number of funding application portals.*

NZHR further submits that the second full paragraph on page 11 should be amended to:

*Other funding mechanisms in New Zealand's health research and innovation system, such as academic institutional funding, the Centres of Research Excellence, **philanthropic sector funders**, the Lotteries Health Research Fund and the Marsden Fund, will be free to continue to support curiosity-driven health research that may or may not fit with these priorities.*

## The Vision

### Excellent research

NZHR recommends that the third bullet point be amended to:

covers all health research areas, including health service delivery research; **preventative and public health research**; and **research into overcoming barriers to applying research findings to individual behaviour and choices, clinical practice, and health service delivery**

**The health research and innovation system has impact. It improves the health and wellbeing of all New Zealanders**

NZHR submits that the following should be an additional bullet point under this heading:

**Demand for and pressure on health services provision is mitigated**

Strategic priority 3 could be strengthened by amending the second to last full paragraph on page 14 to read

*New Zealand lacks frameworks and mechanisms for translating research findings into policy and practice. No one agency or part of the system has overarching responsibility for this task. District health boards and the Ministry of Health have a particularly important role to play in strengthening the focus on translation in the future through their respective purchaser/provider mechanisms.*

## **Implementing the strategy**

NZHR believes that this section is too loose to provide the sector with any real confidence that the strategy will be implemented with the necessary vigour to make any but the smallest of incremental differences.

NZHR submits that paragraph should be amended to read

*MBIE, the Ministry of Health and the HRC will develop a twenty four month work plan and report to the Ministers every six months at first, evaluating progress made towards the vision. One of these agencies will take the lead for one or more of the strategic priorities (see section 3 for their specific roles) and report on progress made toward completing the related actions.*

We also submit that the heading *performance indicators* should be amended to *performance indicators and targets*, and that clinical trials should be specifically identified in the subsequent list of elements to be monitored.

We note the intention to establish an advisory group to advise MBIE and the Ministry of Health on the implementation of the strategy, and that the advisory group will include representation from across the health research and innovation system. NZHR fully supports this and we would be very pleased if an invitation was extended to us to be represented.

Chris Higgins  
Chief Executive  
New Zealanders for Health research  
[ceo@nz4healthresearch.org.nz](mailto:ceo@nz4healthresearch.org.nz)  
021 292 8433

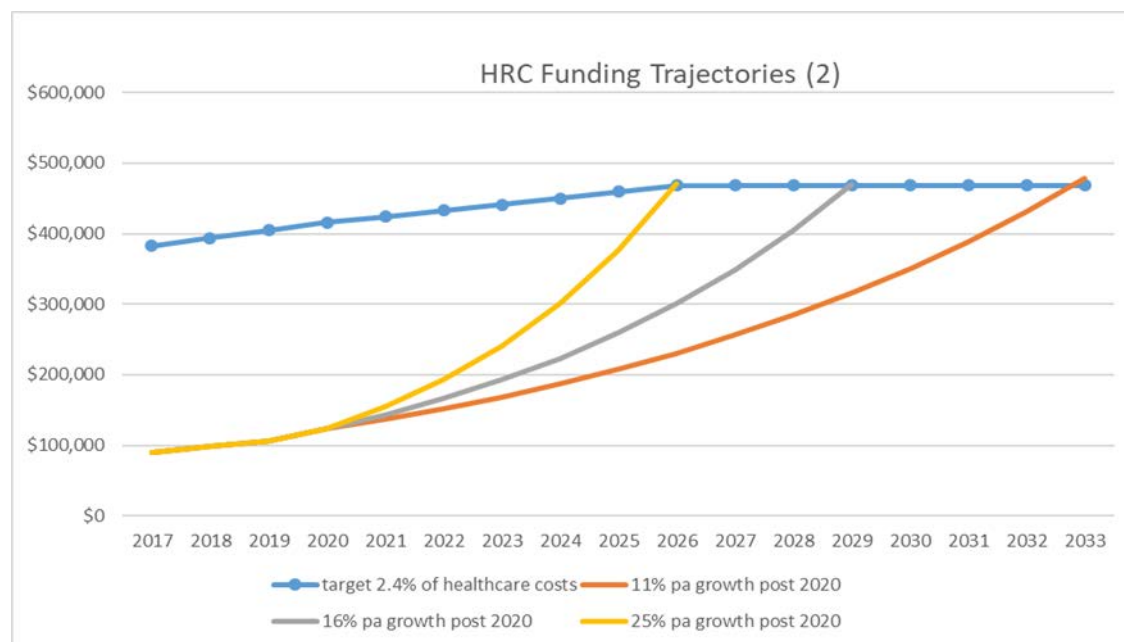
29<sup>th</sup> May 2017

## Appendix A: Tables and Graphs

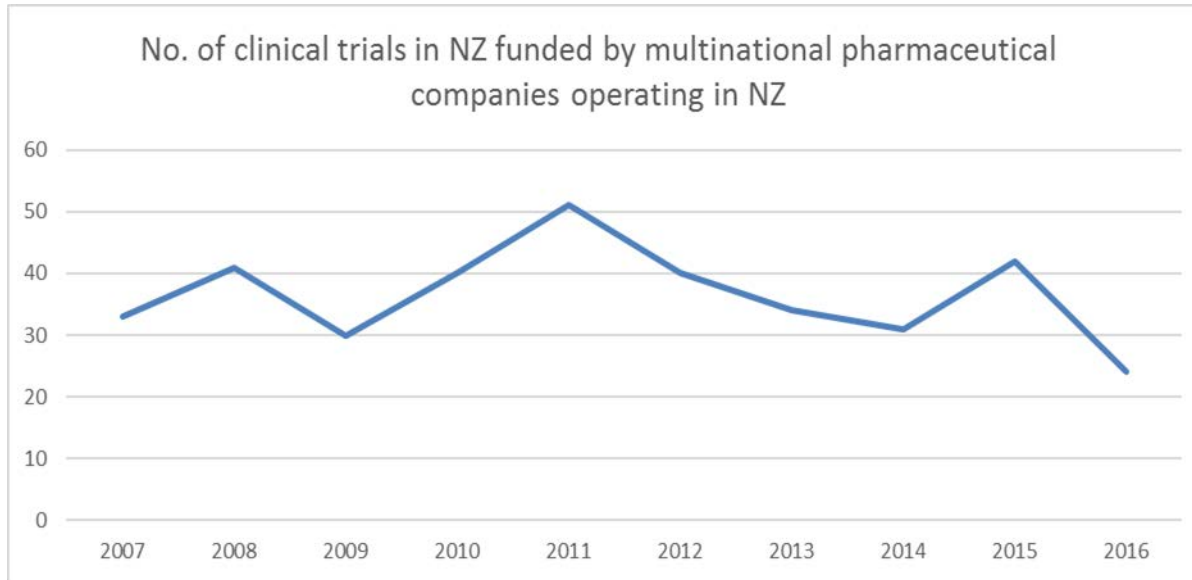
Table 1: Ringfenced health research funding as a percentage of health care costs 2008 - 2017

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
total health services expenditure	\$10,842,713	\$11,698,859	\$12,403,827	\$12,844,050	\$13,276,943	\$13,674,828	\$14,066,568	\$14,353,250	\$14,794,704	\$15,299,470
Science and Innovation: Health and Society Research				\$86,948	\$84,970	\$82,727	\$81,885	\$82,586	\$83,946	
Science and Innovation: Marsden Fund	\$12,604	\$21,740	\$15,806	\$19,663	\$18,175	\$16,005	\$18,004	\$20,421	\$22,576	\$26,645
Science and Innovation: Genomics Research Infrastructure			\$12,000	\$16,200	\$5,600	\$1,175		\$110	\$12,084	
Science and Innovation: Health Research Fund										\$87,175
Health Research	\$58,955	\$62,955	\$70,955							
Social Research	\$5,860	\$5,860	\$5,860							
Primary Health Research		\$500								
total ringfenced health research funding	\$64,815	\$69,315	\$88,815	\$103,148	\$90,570	\$83,902	\$81,885	\$82,696	\$96,030	\$87,175
percentage ringfenced investment	0.60%	0.59%	0.72%	0.80%	0.68%	0.61%	0.58%	0.58%	0.65%	0.57%

Graph 1: Health Research Council Funding Trajectories 2017 - 2033



Graph 2: No. of clinical trials in New Zealand funded by multinational pharmaceutical companies operating in New Zealand 2007 - 2016<sup>3</sup>



<sup>3</sup> Data derived from the ClinicalTrials.gov and EUCT registries