

**Submission to the National Health and Medical Research Council
Strategic Review of Health and Medical Research**

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Introduction

Thank you for the opportunity for the complementary medicines industry, through the Complementary Healthcare Council of Australia (the CHC), to provide a submission to the independent McKeon review of health and medical research in Australia.

The CHC is the peak industry body for the Complementary Medicines (CM) Industry, representing the entire industry supply chain including; manufacturers, importers, exporters, raw material suppliers, wholesalers, distributors and retailers. The CHC is committed to a high growth and sustainable CM industry. Uniquely placed as the voice of both Industry and consumers we promote industry advancement whilst ensuring consumers have access to CMs of the highest quality, contributing to improved population health outcomes. We are the principal reference point for our members, government, media and consumers to communicate about issues relating to the CM industry.

Complementary medicines and natural healthcare products are vitamins, mineral and nutritional supplements, special purpose foods, herbal and homeopathic medicines, aromatherapy products, and natural cosmetics using herbals and botanicals. Complementary medicines comprise traditional medicines, including Traditional Chinese Medicines, Ayurvedic, and Australian Indigenous medicines. Complementary medicines are generally available for self selection by consumers and can be obtained from retail outlets such as pharmacies, supermarkets and health food stores. The majority of complementary medicines are indicated for the relief of symptoms of minor, self-limiting conditions, maintaining health and wellbeing, or the promotion or enhancement of health¹.

There are over 300 complementary medicine companies in Australia generating around \$2 billion in annual revenues. Australian companies export around \$200 million in complementary medicines to more than 20 countries in Southeast Asia, Europe and The America's, and this continues to grow at higher rates than domestic consumption². In Australia the industry generates around 5,000 highly-skilled manufacturing jobs, and indirectly supports a further 60,000 jobs. The global market has been estimated at \$US 83 billion annually³.

Production of complementary medicines in Australia is a substantial industry, with 59 TGA approved manufacturing facilities for Listed medicines nationally (including CMs, sunscreens and over-the-counter medicines). Over 75% of Australians use complementary medicines, so it is not surprising that the majority of consumers can name the exact CM product they purchase and why.⁴

Australia's complementary medicines industry continues to lead the world in the development of global benchmark standards in safety, quality and efficacy.

Key Recommendations

- Why is it in Australia's interest to have a viable, internationally competitive health and medical research sector?

¹ Source TGA, <http://www.tga.gov.au/industry/cm-basics-regulation-overview.htm>

² CHC Complementary Medicines Industry Audit May 2011, available by request

³ The Australian National Audit Office, Performance Audit Report No. 3 2011-2012, Therapeutic Goods Regulation: Complementary Medicines, pp13

⁴ My Opinions Research for CHC May 2011

Australian investment in health and medical research is not only important from an economic perspective, but is integral to a vibrant, educated and culturally rich community. The Deloitte Access Economics Report, exploring extrapolated returns on investment in NHMRC medical research, commissioned by the Australian Society of Medical Research, found that NHMRC expenditure in 2010 returned considerable financial benefits to the community⁵. The CHC believes that it is in Australia's best interests to invest in health and medical research that provides outcomes for preventative health measures, and that maximises a return on government investment.

Research on preventative measures will go a long way to ameliorating a wide range of health conditions and improve the future health of all Australians. Promoting health and wellbeing addresses the root causes of illness and disease, including the interacting social, environmental, biological and psychological dimensions, but this must be supported by research to ensure the right strategies are implemented⁶.

It is vital that Australia's research sector is competitive on an international scale to ensure long term viability by attracting, developing and retaining a skilled workforce that harnesses home-grown innovation and opportunities. There are many notable examples of improvements that have been made to the health of the community that have arisen from Australian research and discoveries, for example, the bionic ear and the cervical cancer vaccine. While the CHC believes that there is a good level of credible evidence published in mainstream medical journals to support the efficacy of many complementary medicines, more needs to be done to promote this sector.

The CHC notes the analysis undertaken by Research Australia that shows the Australian health and medical research sector performs well at an international level. However, increased investment is needed to maintain Australia's position at the global level, particularly noting Australian researchers have less access to sources of funding to cover the indirect costs of research than competitors in Europe and America⁷. Health and medical research in Australia should be a higher national priority considering Australia represents 0.3% of the world's population, however, contributes 3% of medical research publications⁶.

The CHC believes the NHMRC should support research that can be performed outside of Australia, noting many health and medical research discoveries are made collaboratively with international research partners. An active contribution to the international research effort means that Australia is likely to be considered for follow-on opportunities such as, for example, the conducting of clinical trials. This opens the door or allows priority access to the latest medicines and health technologies to the Australian population.

Health and medical research that is industry focused and supported by robust policy is essential to the future of the complementary medicines sector. The complementary medicines industry sits in a unique position where products often sit within both a medical model and a wellness/nutrition model. There is a broad scope for further research in complementary medicines, in terms of both curing disease and for the long term prevention of disease. Striking the balance between research that is evidence based, supported by robust policy, while being flexible enough to recognise specific industry sectors such as complementary medicines industry, will provide for improved, long lasting population health outcomes.

It should be stressed that economic benefits derived from improved community health, such as avoiding costs associated with disability and premature mortality, while perhaps not directly measurable, should not be lost in the final analysis.

⁵ Deloitte Access Economics (2012). Extrapolated returns on investment in NHMRC medical research, Australian Society for Medical Research

⁶ Fleming, M.L., Parker, E. (2012). Introduction to Public Health. (2nd ed.). Chatswood: Elsevier.

⁷ Research Australia (2011) Shaping up: trends and statistics in funding health and medical research

- How might health and medical research be best managed and funded in Australia? (Terms of Reference 2, 3 and 7)

Health and medical research is a powerful investment, one that delivers immense benefits. The current model for funding health and medical research (that is supported by federal, state and territory governments, industry, non-government organisations and philanthropy) could be further improved by ensuring Australia's global competitiveness is maintained and enhanced. For example, during the global financial crisis Australia's Gross Domestic Product (GDP) increased by 2.7%. Yet, Australian spending on health and medical research did not gain any ground when compared with investment in the USA or UK, despite those economies exhibiting GDP growth of -2.4% and 0.4% respectively over the same period ⁶.

The medicines industry, which includes complementary medicines, invests over \$1 billion in research and development every year with revenue estimated to be in the order of \$7.6 billion in 2009-2010 ⁶.

The government could substantially increase its investment into the complementary medicine industry. Less than one per cent of NHMRC funding supports complementary medicine research, yet statistics show complementary medicines are ~ 12.5% of the total medicines and devices industry. The CHC suggests that Australia could improve its management of health and medical research by investing in complementary medicines research, and by reinvesting profits generated from government-funded research into complementary medicines.

- What are the health and medical research strategic directions and priorities and how might we meet them? (Terms of Reference 5, 12 and 13)

The CHC notes that the NHMRC's two highest-funded disease areas are cardiovascular disease and cancer. The aforementioned Deloitte Report found that for cancer, every dollar invested yielded \$1.70 in benefit to the community; for cardiovascular disease, the returns were even more substantial, valued at \$5.02 per dollar of NHMRC investment.

The CHC recently commissioned Deloitte Access Economics to assess the cost effectiveness of the use of fish oils in the prevention of heart disease in heart attack survivors. The report found that the Australian community could be saving up to \$4.19 billion, in terms of costs related to disease burden and premature life loss, through the preventive use of fish oils in Australians with heart disease⁸.

The contribution made by complementary medicines to improving population health outcomes is supported by a large and constantly growing evidence base; this is particularly the case for major products such as multi vitamins, vitamin B, and fish oil, which together account for approximately 50 percent of complementary medicine sales in Australia.

⁸ <https://www.deloitteaccessconomics.com.au/uploads/File/Fish%20oils%20for%20the%20secondary%20prevention%20of%20CHD.pdf>

There are approximately 10 000 such medicines available on the Australian market. The evidence suggests that selected complementary medicine interventions are more cost-effective in dealing with minor conditions than the available pharmaceutical medicines on the market⁹ (for some the cost differential is up to 70 per cent), and their efficacy has been recognised by the National Health and Medical Research Council (NHMRC).

Complementary medicines are also widely considered to offer a means of managing chronic conditions associated with greater life expectancy¹⁰. The Commonwealth Government has acknowledged that for too long the health system has focused on treating people after they become unwell, and this has resulted in vast social and economic costs associated with chronic disease¹¹.

The CHC acknowledges that further and ongoing research is required to reinforce the current extensive evidence base for complementary medicines. Indeed, one of the most challenging aspects of regulating complementary medicines, which also affects the transparency of the regulatory system as a whole, is the public availability of evidence relating to efficacy of complementary medicines¹².

The government should prioritise complementary medicines and provide a strategic direction for Australian Indigenous medicines. Indigenous Australians have used medicinal plants and food for thousands of years. Research demonstrating the effectiveness of other traditional medicines around the world (Western, Chinese, Ayurvedic and American) is building. Yet aside from a small amount of work undertaken by the Indigenous Bio-resources Research Group at Macquarie University, very little has been done to catalogue traditional knowledge in this field. Even less work has been done to ensure the intellectual property rights of Indigenous Australians are protected if products become commercialised. Consistent with the World Health Organisation's 2008 Declaration on Traditional Medicines, the Australian Government should take concrete steps to research, catalogue and protect traditional indigenous medicines.

This research must translate into policy that accommodates a role for complementary medicines in the preventive health agenda. For example, there is no acknowledgment of the preventive health benefits of complementary medicines within the work-plan of the new Australian National Preventive Health Agency (ANPHA).

- How can we optimise translation of health and medical research into better health and wellbeing? (Terms of Reference 4, 8, 9, 10 and 11)

⁹ NICM <http://www.nicm.edu.au/content/view/159/276/>

¹⁰ WHO Traditional Medicine Strategy 2002-2005, Geneva, 2002, p. 2, available from <http://www.who.int/medicines/publications/traditionalpolicy/en/>

¹¹ Australian Government: Taking Preventative Action. A Response to Australia: The Healthiest Country by 2020, the report of the National Preventative Health Task Force.

¹² The Australian National Audit Office, Performance Audit Report No. 3 2011-2012, Therapeutic Goods Regulation: Complementary Medicines, p. 18.

The CHC recognises it is difficult to establish sound policy that meets the needs of modern Australia in the absence of a robust scientific evidence base. Improving communication and information flow between scientists, policy makers, and industry, can assist in the formulation of sound, accurate and timely policies. It would also enable further innovation in industry; improving population health outcomes and safeguarding Australia's position in the International research arena.

The CHC recommends increased utilisation of science communicators to assist in improving access to, and translation of, research outcomes, ultimately leading to a greater uptake and utilisation of such data. Indeed, it was the Australian National University (ANU) in 1996 that formed the Centre for the Public Awareness of Science (CPAS) that heralded the start of the science communication movement. This approach involves the public more in the processes and culture of science, and creates an awareness of what science is attempting to achieve. By showing how research is contributing to a healthier community, the economy and Australia's position on the world stage strengthens the case for future growth, whether from industry, government, or philanthropy.

The CHC values the opportunity to make this submission. In general, the CHC is very supportive of the NHMRCs strategic approach and current funding for health and medical research in Australia. The CHC encourages a closer examination of the intersection between evidence-based industry-focused research and robust policy development to achieve lasting outcomes that will provide for improved population health. The economic benefits of supporting medical research, and the role that complementary medicines can play in this, arise from reducing the community's health-care costs, increasing individuals' productivity and wellbeing, and providing financial returns through commercialisation.