



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



**THE SENATE**

**PROOF**

**BILLS**

**Medical Research Future Fund Bill  
2015, Medical Research Future Fund  
(Consequential Amendments) Bill 2015**

**SPEECH**

**Wednesday, 12 August 2015**

BY AUTHORITY OF THE SENATE

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## SPEECH

<b>Date</b> Wednesday, 12 August 2015	<b>Source</b> Senate
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<b>Questioner</b>	<b>Responder</b>
<b>Speaker</b> Lambie, Sen Jacqui	<b>Question No.</b>

**Senator LAMBIE** (Tasmania) (10:39): I rise very briefly to give in-principle support for the Medical Research Future Fund (Consequential Amendments) Bill 2015. However, I have some reservations and would like the minister to clarify a few matters before I record my vote. I acknowledge that the Medical Research Future Fund provides for initial funding of \$1 billion from the uncommitted balance of the Health and Hospitals Fund and for the MRFF to be managed by the Future Fund Board of Guardians. I acknowledge that researchers from Tasmania's Menzies Institute for Medical Research also support this legislation. I will quote from a letter from them after quite a few meetings we have had over the last few months:

Dear Senator Lambie.

I'm sorry we missed each other on Tuesday at Salamanca. I wanted to speak to you about the Medical Research Future Fund (MRFF). This is a once in a generation opportunity to protect some future funding (\$20b) that will provide an ongoing investment (from interest) in medical research.

I know this is the subject of a review process and will be discussed soon in the Senate.

There are some aspects that are specifically relevant to Tasmania that I'd like to be sure that you have the knowledge of:

1) We currently lack a process for a major thematic investment in an area of research, and the charter of the NHMRC (the major Commonwealth funding body) is not well suited to move into this space, especially if it involves collaboration with industry for example. How might this work? Say we decide to make a serious effort to deal with the health gap of disadvantaged people—most apparent in the indigenous community, but unfortunately very apparent in this State. This will require an effort that extends from medicine all the way to social policy and education. There is no way of funding such an effort at the moment.

2) We are in the midst of an epidemic of chronic disease as well as demographic change. In Tasmania, our population is ageing more rapidly than the rest of the Australian community. We are going to need to do research about how to manage the illnesses of these folk—it's pretty clear that we cannot necessarily extrapolate what we do in younger people, especially if there is frailty or cognitive impairment. NHMRC expenditure (\$800m) is insufficient to cover the research needs of the current disease burden, let alone what is coming!

3) The health system at the moment is unsustainable—especially in Tasmania! There is no way that ½ million people can carry 4 significant hospitals (RHH, LGH, NW and Mersey). The only way we can continue to deliver universal access is by being smarter at what we do. Changes have to be supported by evidence. We cannot expect to get different results if we carry on doing the same stuff!

Of course I could go on at length. The point is that there are important needs for improving health care delivery in Australia that the MRFF can support. I really hope that you will be a supporter of this initiative. Of course I'd be happy to discuss this in person or on the phone.

Could the minister please explain exactly how this government proposal and program will be funded. Some media have reported in relation to the MRFF that 'the government will find almost \$1 billion by "rationalising and streamlining" other health programs over five years'. On behalf of Tasmanians, I need to know exactly what 'rationalising and streamlining other health programs over five years' means. How many Tasmanians will suffer extra costs if these bills are passed? Who will they be? Will they be unemployed, aged pensioners or working families? Exactly who is this going to hit?

I note that some media also say the government has plans to save more than \$250 million over five years through reducing the prices paid for certain drugs listed on the Pharmaceutical Benefits Scheme

That concerns me. Which drugs are going to cost more? And please name the Australians who are going to pay more for their life-saving drugs? This is a really specific area for me; I need to know about these drugs under the Pharmaceutical Benefits Scheme. It is very concerning

In closing, I also want to pose a question that I want the government to consider seriously and for the minister to provide a response to in his closing speech and summation. Why can a portion of our Future Fund not be used to fund the Medical Research Future Fund? Surely, the Future Fund, with its tens of billions of dollars, is a proper vehicle to fund medical research? Has the government considered using this? I believe this would be a better model to be able to fund medical research. I am asking whether the government has considered that proposal and whether that may be a better solution. I certainly do not want to see any pharmaceuticals cut from the PBS or people paying more for their medication with the way that things are out there in society. I just wonder whether anybody has considered whether the Future Fund can come into play here somewhere? We all know there are billions of dollars in that. Thank you.