

Dr Paul Hutchison: NZ's R&D investment is below OECD's average

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Dr Paul Hutchison, a healthcare professional and a parliamentarian from Hunua, New Zealand, has emerged as one-of-the-most influential individuals when it comes to the life science policies of the island nation. He is presently the chair of the Health Select Committee, a key body responsible for bringing the recent changes in the clinical trial industry of New Zealand.

Dr Hutchison, in an interview to *BioSpectrum*, speaks about the various recommendations that have been made by a recent review report published by his committee and also about the future of the clinical trial industry in New Zealand.

What did the Health Select Committee hope to achieve through the review?

The committee's major objective is to improve the environment in New Zealand to carry out clinical trials and support innovation. We knew that this, in turn, is good for patients, for standards and education within the health system, for attracting key clinicians, for industry, commercialization and the economy.

New Zealand has excellent universities and research institutions and yet our investment in science R&D is below the Organization for Economic Co-operation and Development (OECD) average for public expenditure at about 0.59 percent of GDP and one third of the OECD average of 0.5 percent of GDP. Health research investment is estimated at about one sixth of that of countries such as Australia, Canada, and the UK. We are all of the view that, over time, if New Zealand is to improve its OECD rankings, further investment in this area is fundamental.

Is the committee satisfied with the response of the government to the recommendations?

To my knowledge the committee is generally satisfied at the response given by the government. On the negative side, due to the global economic recession, it was understandable the government would not immediately respond to recommendations of greater investment although since 2008, health, education, and science R&D are the only areas of new government expenditure. The government has introduced goals of bringing both public and private expenditure on R&D up to the OECD average.

What is the progress on the key recommendations that the committee had recommended?

The government did not agree with our suggestions relating to Pharmac, including the formation of an industry liaison body similar to Australia. However, I understand that Pharmac is meeting regularly with the industry and that the general relationship with pharmaceutical companies and Medicines New Zealand is much more constructive and useful than it has been in the past.

There is also a view that the government needs to embed a research ethos in our health system, with district health boards being required to have research and training as part of their key performance indicators.

On the very positive side, most of the recommendations have been acted on, or are in the process of being acted on. The new electronic ethics committee process has commenced since 2012. This has seen improved operating procedures, less duplication, and clearly defined time lines. Comments I have received are that the New Zealand system is now one-of-the-best in the world in terms of efficiency, while maintaining the vital function of a robust ethical system.

The New Zealand Health Innovation Hub was established in June 2012 and involves a partnership of the four major district health boards (DHBs). It aims to include further district health boards, crown research industries, universities, and private industry. Given that the private and public spend on health in New Zealand is over \$18 billion, there is a huge opportunity to harness innovation for the benefit of New Zealand. The hub is initially funded by the central government with an aim of being self-sustaining within five years.

Organizations, including the Ministry of Science and Innovation, New Zealand trade and industry, labour and housing, along with the Health Research Council, Ministry of Health, Tertiary Education Commission and National Health Committee are working together with Sir Peter Gluckman (chief scientific adviser to the Prime Minister) to develop a national health research framework.

How long will it take for the government to implement the key recommendations?

The government has made a good start in implementing the key recommendations but I believe it will take 12 months or more for international sponsors of clinical research to fully realize significant helpful changes have been made.

There is still a problem of researchers from universities, district health boards, and crown research institutes, as well as private research institutes having to scrap over small pots of money. Hopefully this will improve as the economy gets better and the researchers learn to lever off industry and the private sector. I also hope the new Ministry of Economic Development, Science, and Innovation and Housing will proactively seek out international sponsors to carry out clinical research and joint venture commercialization projects in New Zealand. This includes the whole spectrum of clinical trials on drugs, bioactives, and medical devices.

What is next on the agenda of the committee?

The Health Select Committee has requested Mr Murray Horne, chairman of the new innovation hub, to brief us on progress by the end-of-the-year, and I will suggest at least regular briefings until we are satisfied that the clinical trial environment is as good as it can be. In the meantime, apart from the routine business of the committee, we have initiated an inquiry into improving children's outcomes with a particular focus on pre-conception to the first three years.