9 October 2020

Dr Matthew Butlin
Chair and CEO
SA Productivity Commission

By email

Dear Dr Butlin,

Re: Health & Medical Research (HMR) Inquiry South Australian Productivity Commission (SAPC) Draft Report – Health Translation SA Response

Health Translation SA (HTSA) is pleased to provide a response to the draft report released by the South Australian Productivity Commission (SAPC) into Health and Medical Research (HMR) in South Australia in September 2020 and has appreciated the opportunity to be involved in various consultations with the SAPC over the past month.

The HTSA Board is keen to highlight the current role that HTSA plays in South Australia and strongly encourages the SAPC to take the opportunity to build on HTSA's strong foundations and current statewide activities as it deliberates on its final recommendations.

As noted in our initial submission, HTSA is South Australia's National Health and Medical Research Council (NHMRC) accredited Advance Health Research Translation Centre (AHRTC). We work with our 8 partner organisations and other interested key stakeholders to accelerate the translation of HMR along the translation pathway to improve the health of South Australians.

HTSA's partners include the 3 Universities, SAHMRI, SA Health, the two Primary Health Networks, and the Aboriginal Health Council of SA. The organisation is overseen by a Board of Partners led by an independent chair. HTSA's current Memorandum of Understanding allows for one Board representative per each partner organisation, however, at the recent HTSA Board meeting on 29 September, 2020, the Board agreed to recruit an additional representative from SA Health to ensure the Local Health Networks (LHN) are represented. SA Health will now have the Chief Medical Officer and a LHN Chief Executive Officer (CEO) representing SA Health's Council of CEOs as members of the HTSA Board.

HTSA's unique value proposition to Health and Medical Research in South Australia includes:

- Providing an independent, collaborative, partnership-based organisation focusing on research translation and research impact;
- Facilitating a forum for leaders of organisations responsible for HMR leadership and health improvement to develop unified and consolidated approaches to improving the HMR translation environment; and
- Having a statewide responsibility to identify and address system problems that obstruct research excellence and disrupt the research translation pathway through leading and facilitating collaborative efforts.

This is achieved by:

- A focus on the entire research translation pipeline;
- An inclusive, proactive approach with strong, connected leadership, partners and networks and a focus on end-users;

- Linking health services and research communities at primary care and acute care level to deliver projects and outcomes including the Aboriginal Community Controlled sector;
- A focus on building capacity and capability where required;
- Listening to stakeholders, including the community;
- Connecting to the NHMRC though ongoing AHTRC accreditation requirements;
- Connecting to the other 9 NHMRC accredited AHRTCs and membership of Australian Health Research Alliance (AHRA); and
- Liaising with the Medical Research Future Fund (MRFF).

HTSA works to be flexible and responsive to identified statewide priorities. As a result, our agenda changes with time, reflecting the current needs of our state. Over the last 12 months there have been a variety of specific examples where HTSA has taken the lead to coordinate statewide, issue-based activities that address research and health system challenges. Some examples include:

1. Establishing and coordinating an across partner SA MRFF working group to improve MRFF funding outcomes;
2. Establishing and driving the SA Clinical Research Governance Steering Committee to facilitate the implementation of the Birch Review Recommendations;
3. Coordinating an Acute/Primary care interface project with all relevant stakeholders to identify and design data solutions to address patient continuity of care issues;
4. Establishing a Health Analytics Research Collaborative to improve analytic capacity across the state; and
5. Establishing a Health Economics Community of Practice with associated training, communications and demonstration projects.

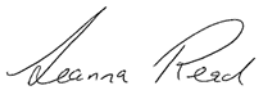
Additionally, HTSA supports statewide collaborative projects including in the areas of Ageing, Aboriginal Health, First 1000 days, Mental Health, Bowel Cancer and Consumer Engagement to name a few.

HTSA is keen to differentiate between SAHMRI and HTSA. SAHMRI played an important role in the establishment of HTSA and is now HTSA's administering agency. SAHMRI is a centre of research excellence with a focus on priority research areas and translation. HTSA operates as an independent, unincorporated joint venture that is positioned to drive state-wide collaborative projects with its partners, including SAHMRI and other key stakeholders. HTSA's projects respond to system-wide issues, health service challenges and state-wide capacity building needs.

The HTSA Board and partners are committed to HTSA having a significant role in improving HMR in South Australia over the next decade and welcomes any recommendations from the SAPC that identify and confirm the tangible contribution we can make.

We would be very pleased to discuss any further recommendations with the SAPC.

Yours sincerely



Leanna Read
HTSA Board Chair

Wendy Keech
HTSA CEO

Attachment 1: HTSA Submission in response to the SAPC Draft Report – Comments and Additional Recommendations
Attachment 2: HTSA Response to SAPC Information Request 8.2 and 8.3

Attachment 1
HTSA Submission in response to the SAPC Draft Report
Comments and Additional Recommendations

General comments

HTSA recognises the benefits to HMR, health services and end users by embedding research in health services in the manner that is suggested in the recommendations. HTSA is well positioned to help SA Health and the LHN's link its research efforts with high quality research and skilled researchers in are range of external organizations including universities, non-government organizations and industry.

HTSA has outlined some additional points of interest and recommendations for consideration in 5 areas.

1. SA HMR Strategy/Framework
2. Improving the SA data environment for clinicians and researchers in SA
3. Capacity Building Initiatives
4. Clinical Research Governance
5. Commercialisation

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1. <u>SA HMR Strategy/Framework</u>

- SAPC recognize an absence of a statewide HMR Strategy/Framework. HTSA agrees this is a significant gap and is needed to drive coordinated culture change across the state.
- A HMR Strategy/Framework would work in harmony with the EXCITE Strategy and the Health and Medical Industry Sector plan and would be at an umbrella level to allow the Research Sector and the Health Networks to develop and own complimentary plans.
- HTSA is well positioned to lead the development of a statewide HMR Strategy. Using the successful model developed and led by HTSA to drive the implementation of the Birch Review Recommendations (SA Clinical Research Governance Steering Committee model (SACRGSC), the HTSA Board could mobilise the required leadership and processes to collaboratively build the HMR Strategy/Framework. As per the SACRGSC, HTSA could report directly to the SA Minister for Health.
- Following the creation of the HMR Strategy/Framework, HTSA could also drive an ongoing accountability process to overtly monitor progress against the framework over time. This could be in a report card like format.

Recommendation
HTSA is invited to lead the development of the HMR Strategy/Framework and an ongoing monitoring system to measure performance against the strategy over the following 10 years. This would be done in collaboration with all relevant research and health leaders in the state.

2. <u>Improving the SA data environment for clinicians and researchers in SA</u>

- HTSA strongly supports the SAPC's recommendation (7.1) to improve the funding model and the operations of SA/NT Datalink to ensure it can operate as a reliable and responsive piece of infrastructure for HMR in SA. SA/NT Datalink also needs suitable accountability processes to ensure the effects of increased investment can be monitored.
- HTSA supports all the 4 points in Recommendation 7.3. Below is some additional information to further inform the recommendations in this section. (See points 2.1 - 2.4)

2.1 Improved data access for non-SA Health staff (SAPC Recommendation 7.3)

- HTSA would like to stress that this is a major challenge to the research community and should be a very high priority on the SAPC agenda. There has been no tangible change in the past 7 years from a non-SA Health researcher perspective despite ongoing efforts from the research community.
- It is our understanding that the CALHN Research Office and Digital Health SA are in the process of progressing a SA Health Honorary Research Affiliate process. This process, modelled on interstate examples, would approve researchers to have access to data on a project by project basis, with acceptable checks and balances in place. SALHN is also working on a similar process.
- The SA Data and Analytics Plan is considering a credentialing licence for researchers and other non-SA Health staff to access SA Health data. This is at a very early stage.

Recommendation
The proposed CALHN Honorary Research Affiliate Application process is immediately reviewed by Digital Health SA and those driving the implementation of the SA Data and Analytics Plan and that agreed solution is identified, prioritised and implemented urgently.

2.2 The provision of private hospitals data to SA Health for linkage (SAPC Recommendation 7.3)

- The Minister for Health & Ageing has agreed to amend the SA Health Care Act to require private hospitals to submit their identified data for linkage. Subsequent to this announcement, Department Health and Wellbeing (DHW) has advised HTSA that the Act does not need to be amended and that it could be addressed by regulation. DHW needs to commence the arrangements to alter the regulations.
- It is noted that Calvary Group and St Andrews have agreed to submit their data voluntarily without any legislative or regulatory changes but require a secure portal in which to submit the data. This secure portal is already available within Government and DHW needs take the option to use this existing infrastructure rather than create something unique just for health. This would allow this outstanding matter to be dealt with rapidly and should be undertaken as a pilot project to commence the process and understand challenges and barriers.

2.3 SA Data and Analytics Plan

- HTSA is very supportive of a statewide plan to guide transformational changes the use of data across South Australia to inform health services improvements and associated research projects that lead to improved health outcomes for South Australians. The concept of a "Learning Health System" should underpin the implementation of this plan.
- HTSA wants to ensure that the research community is recognised as an important and valuable stakeholder group and are given due consideration and priority in the delivery of the plan.

Recommendation
SA Health prioritise the implementation of aspects of the SA Data and Analytics Plan and other statewide data infrastructure that meet the needs of the research community as well as SA Health staff.

2.4 Improving analytic capacity in SA

- HTSA recognizes the need to build capacity across the state to ensure we have a culture where data analysis across the state includes state of the art analytics and fit for purpose analytics to best meet the needs of all decision makers, clinicians, service planners and service evaluators.

Recommendation
HTSA's Health Analytics Research Collaborative (HARC) Leadership Group creates a statewide HARC Community of Practice with a vibrant and explicit capacity building agenda that links all key players in the state.

3. **Capacity Building Initiatives** (SAPC Recommendation 6.1)

- HTSA has a Research Translation Capacity Building Leadership group that has led some formative work across SA. There is a strong international evidence base around the value and effectiveness of suitably resourced, well-coordinated "Communities of Practice" (CommPrac) to build capacity in specific focused areas.
- HTSA is mandated to drive statewide capacity building and as a result is well positioned to lead and coordinate statewide CommPracs across its partner organisations and other interested stakeholders. CommPracs would focus on servicing the needs of the clinical research communities, the academic research communities and policy makers to support the development of research and research translation skills and expertise to be embedded into their work at a suitable quality, scale and standard.
- Based on the current gaps and needs in SA the following platforms are being suggested, however, other areas of need may emerge. HTSA already has some activities underway to a limited extent (*) and could extend efforts to include other needed areas (#). Each platform should have a leadership structure as well as a Community of Practice that facilities capacity building activities and networking.
- Potential platforms include:
  - **Clinical Research Development** including 3 key areas of need
    - Clinical Research Skills (#),
    - Good Clinical Practice (#) and
    - Future Clinical Research Leaders Forum (#) for ECR and MCR clinical researchers. These would include all Health Networks including Acute Care and Primary Care in both metropolitan and regional areas.
  - **Health Data Analytics*** (Health Analytics Research Collaborative (HARC))
  - **Health Economics*** (Embedded Economist Project and CommPrac)
  - **Grant Funding development*** (SA MRFF Working Group)
  - **Consumer Engagement*** (Community Engagement Action Group)
  - **Knowledge Translation and Implementation Science** #
  - **Research Commercialisation** #
- Platforms would need to be resourced to allow activities to take place at scale and with the required reach and intensity.

Recommendation
HTSA establishes and maintains a series of collaborative, across-sector, across-institution statewide capability platforms with the aim of building skills and capacity across the state in areas to support research excellence and research translation.

4. Clinical Research Governance

HTSA is coordinating the SA Clinical Research Governance Steering Committee (SACRGSC) to drive the implementation of the Birch Review Recommendations. The SACRGSC has developed a submission for the SAPC.

5. Commercialisation

Drawing on a wealth of knowledge from expertise in the commercialisation field HTSA would like to respond to the SAPC "Request for Information" 8.2 and 8.3.

Please refer **Attachment 2** for this response.

Attachment 2
HTSA Response to SAPC Information Request 8.2 and 8.3

Information Request 8.2
The Commission seeks information and views on an HMR IP framework that better enables collaboration and clinical research. What are the relative merits of:

- ***a centralised IP network covering the local health networks;***
- ***SA Health, in conjunction with university and industry, developing guidance on intellectual property and commercialisation;***
- ***addressing intellectual property ownership and treatment in the contractual arrangements for clinician researchers who are employed in local health networks; and making specific overarching framework agreements between local health networks and individual universities, as noted by Flinders University.***

What other options are possible? What are their merits?

HTSA Response:

Establishment of an independent expert panel to provide advice on IP management.

Background to current HMR IP management

In September 2017, the South Australian Government implemented a whole of government Intellectual Property Policy (2). The policy stipulates that IP routinely generated during government business (e.g. written material, websites, software, infrastructure design and various types of research and analysis) may have significant commercial or public value which must be recognised, protected and optimised. The commercial exploitation of IP is not the primary concern of government; however, the policy grants agencies authority to commercialise government-owned IP if the benefit of commercialisation outweighs the benefit to the public of open access to the government-owned IP.

Government is often not best placed to further develop IP and where there are opportunities for innovation, government should allow staff or third parties to further develop and commercially benefit from IP—provided this can be done on a fair, equitable and transparent basis and clearly generates public benefit, knowledge transfer or innovation, and does not erode the state's IP.

Policy states that expert input must be sought in relation to all significant decisions relating to IP. Specifically,

> *"33 Agencies must seek and document appropriate legal, commercial and technical advice in relation to their policies, procedures and practices and significant decisions relating to IP.*
>
> *34 Expert input may include advice from the Crown Solicitor, patent attorneys, commercial advisers or consultants, technical advisers or consultants or other agencies with specialised knowledge or expertise.*
>
> *35 Agencies must not make a decision to assign or license IP to a third party under commercial arrangements, or offer staff incentives or rewards, without input from an expert panel including representation from the Crown Solicitor's Office and a commercial expert. If the decision involves monetary rewards or assigning or licensing IP to a current or former public sector employee, the panel must include a commercial expert from a separate agency. The advice of an expert panel is not required for licensing of data to use in aggregated national datasets Classes of intellectual property*
>
> *36 It is open to agencies to adopt general policies, procedures and practices for specific types of IP routinely arising as part of that agency's business. Agencies must take care to consider the risks*

commercialisation may expose government to in choosing the most appropriate vehicle for commercialisation".

Key points:

SA has a good IP policy that promotes commercialisation of IP but does not have the procedures and processes to enact the policy;

The IP policy refers to input from an expert panel to inform decisions by Head of Agency, but it is unclear whether such panels exists nor how to form such a panel.

In South Australia, a process to facilitate the provision of expert advice and commercialisation recommendations within SA Health is limited primarily to AusHealth for CAHLN. This limits the opportunity to commercialise IP that has arisen solely within SA Health as well as limiting the opportunity to commercialise IP that has been generated jointly by researchers from SA Health collaborating with researchers from non-SA Health centres, such as universities. Although the extent of this barrier to commercialising IP from SA Health researchers has not (to our knowledge) been calculated, we are aware of examples for which the involvement of researchers from SA Health has hindered commercialisation of IP solely because of the barrier of getting decisions out of SA Health.

Ironically, such research collaborations have access to commercialisation support from the university researchers that is not available through SA Health. If the barrier of slow/inaction on decisions from SA Health could be overcome, there would not be a need to increase the commercialisation personnel from SA Health because the commercialisation support would come through the universities.

Key points:

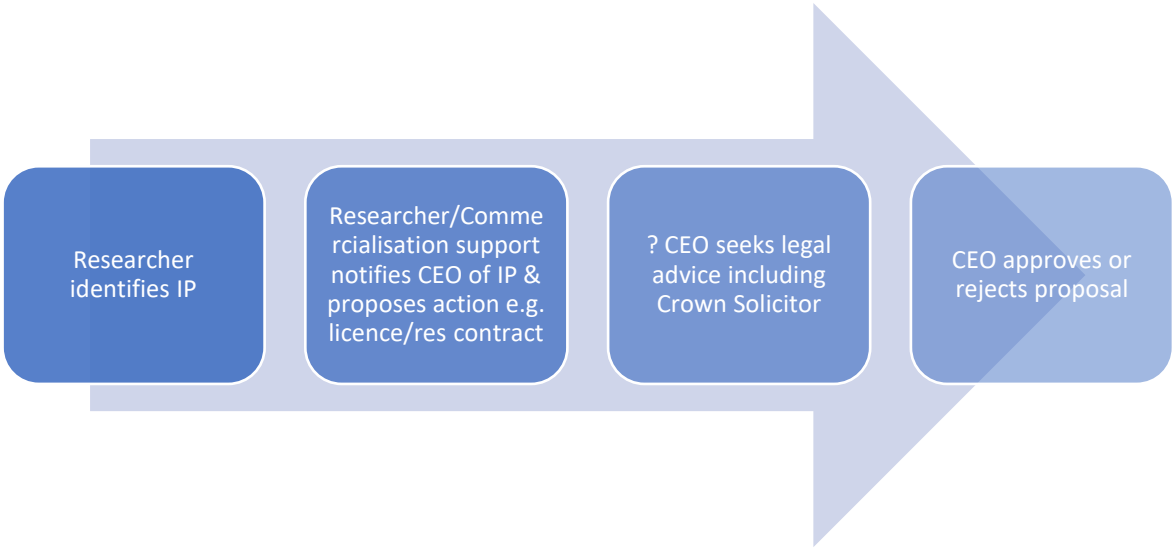
Involvement of SA Health researchers jeopardises the commercialisation of IP from non-SA Health collaborators;

By removing the barriers to prompt, informed decisions by SA Health Heads of Agency regarding IP, we would anticipate an increase in commercialisation activity without the need to hire additional staff.

Current Practice

In South Australia, there is no specific IP Policy specifically for the Department of Health. Agencies are bound by Whole of Government Policy to seek input from expert panel including representative from Crown Solicitor. Direct equity investment requires Cabinet approval (unless SA VCF, or part of a CRC). There is a haphazard approach to how this input is sought and the quality of the recommendations with no government organization having dedicated commercialisation staff. Currently varying access points exist for CEOs in Local Health Networks (LHNs) to seek expert commercialisation advice.

The current process for IP Management:



The Problem

Limitations to the current practice are:

- Requires CEO to make a decision outside of own expertise;
- Proposals for IP management are often made by commercialisation managers from universities (responsible for the IP management of collaborators) and are thus seen as conflicted;
- Without support from university collaborators, SA Health researchers have very limited access of commercialisation support, with CAHLN/AusHealth being the exception;

The Solution

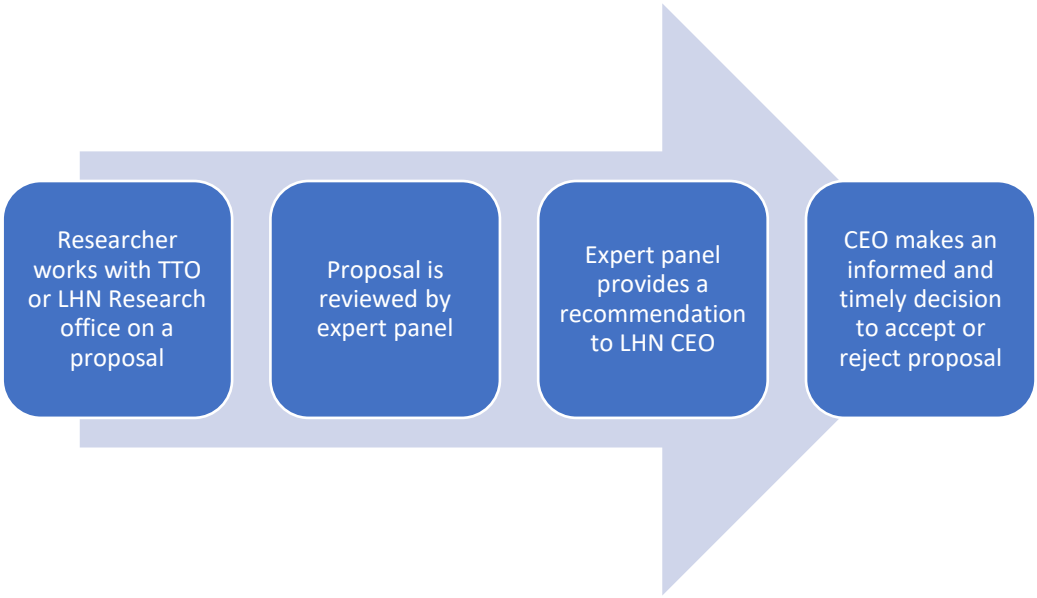
Processes to support government agencies to enact the IP Policy and assess commercialisation opportunity of HMR are needed. The provision of a process and infrastructure that facilitates the provision of expert commercialisation advice and associated recommendations will ultimately enhance the capability to translate health research into tangible services and products which benefit patients.

Key features of the vision for the future include the establishment of a process for acquiring input from an expert panel.

An expert panel of at least 5 people, including representatives from (but not limited to)

- Representative from Department of Innovation and Skills (Chair, not conflicted)
- Local Health Network (LHN) Research Office
- Health Translation SA
- Crown Solicitor and/or LHN Legal Department
- University Technology Transfer Offices

Suggested process for consideration and further development by a Working Group is that a proposal for commercialisation will be made by LHN Manager or University Technology Transfer Officer to an Expert Panel. The Expert panel will meet to consider proposal and the Chair of Expert Panel will make a recommendation to Agency CEO to support or reject the proposal.



It is important that any guidelines for process have sufficient flexibility to work harmoniously with existing capabilities. For example, if IP from LHNs have their own expert panels to make recommendations, it may not be necessary to involve the expert panel proposed herein.

An appropriate manager of the Expert Panel is the Innovation and Science division within the Department of Innovation and Skills. This team has experience and expertise in commercialisation of research and will be able to invite appropriately qualified panellists. An advantage of this model is that the panel can change to match expertise to the technology. For example, if the IP relates to a medical device, commercialisation professionals with experience commercialising medical devices can be invited to be a panellist. A limitation to the expert panel at AusHealth, is that the same panel is making recommendations on all technologies.

Key points:
An expert panel can be made up of the most appropriately qualified commercialisation professionals and can be varied in accordance with the expertise needed;

The expert panel will be managed by the Innovation and Science division in the Department of Innovation and Skills, thus recommendations to LHN CEOs will be independent and arms-length;

No additional staff need to be hired, this is removing a barrier to commercialisation that exists in the current system.

In conclusion:

- Staff in the Innovation and Science division, DIS, are interested in the concept
- The Expert Panel should change to ensure it has the right expertise for each case
- This would be of particularly value to Flinders/SALHN but could be used state-wide
- While the exact number of proposals per year is unclear it is probably only 5-10
- This would work even more effectively if an overarching framework agreement between LHN's and individual universities are in place.

This would be an " at arms length" mechanism that would ensure LHN CEO's had independent, non-conflicted expert guidance to guide their decision making.

Information Request 8.3
The Commission seeks views and evidence on the merits of a more centralised, streamlined and coordinated approach to commercialisation across LHNs including:

- **a single organisation, such as AusHealth, to be responsible for commercialisation activity across SA Health;**

HTSA Response:

This should only be done after extensive due diligence, including exploration of:
- The success of this model for CAHLN and whether a roll-out to other LHNs is expected to increase the overall commercialisation output for SA Health. For example, the AusHealth website states: *Companies in Australia that AusHealth Research has started are now valued at $1.5 billion. This exceeds the total value commercialised by all 3 Universities in SA combined.* https://www.aushealthresearch.com.au/ What financial returns were provided to CAHLN for AusHealth's successes and how has this impacted the researchers involved in these successes? Would they recommend AusHealth as the single organisation to be responsible for commercialisation activity across SA Health?
- How to adequately resource such a service for the scale of research undertaken in SA Health and is this necessary? How many SA Health researchers would be without commercialisation support if an overarching framework for IP management of collaborations could enable associated-university TTOs to manage their IP?
- Successful commercialisation is built on relationships. Have LHNs considered working with AusHealth previously and what is their view of being forced to work with AusHealth?
- Examples where AusHealth has provided commercialisation support to research that do not offer financial returns but rather translation benefits. A benefit of university TTOs is that their remit is broader than financial returns only, they support translation as well. If AusHealth is being considered as the single commercialisation organisation, the parameters and limitations of what is offered need to be clearly understood.

- **LHNs to have access to a central commercialisation back office support function; and**

HTSA Response:

This would be great if adequately resourced. Otherwise, if SA Health does not wish to invest in commercialisation resources or make commercialisation a priority, it would be better that it establishes overarching frameworks to enable those that do have commercialisation as a priority (ie TTOs) to take responsibility for commercialisation, with an appropriate share of financial returns provided to SA Health. I.e. do it properly or not at all.

NSW Ministry of Health initiated this type of service in the last few years and would be worth speaking with about the success of this model.

- **a precinct approach in which collaborating institutions can pool resources.**

HTSA Response:

It may not be necessary to do this formally, by removing the current barriers to commercialisation of joint IP (as discussed in response to 8.2), this is likely to happen without prompting. Collaboration is currently hindered by having to address each collaboration on a case-by-case basis. We would anticipate a considerable increase in speed, efficiency and success by (the proposed):

- addressing intellectual property ownership and treatment in the contractual arrangements for clinician researchers who are employed in local health networks; and

- making specific overarching framework agreements between local health networks and individual universities, as noted by Flinders University; and
- Establishment of an independent expert panel as discussed elsewhere.

Note:

The factors that are necessary for a vibrant HMR sector and translation to better health outcomes as extensively discussed in the draft Productivity Commission report, are also the same factors necessary for commercialisation of HMR. By addressing the fundamental flaw in the current system and instead embedding medical research within the health system, we should expect an increase in commercialisation opportunities.

The most exciting commercial opportunities arise when great science addresses unmet medical need.