

## **2000 – Chairman’s Report**

### **Heart Disease: The Good News and the Bad**

In the mid 1900s, heart disease in developed countries reached pandemic proportions and was responsible for over 50% of all death. As a direct result of *medical research*, this figure peaked in the 1960s and has declined steadily since then. In the US alone, this triumph of modern medicine has been estimated to have had an economic value in excess of \$US 500 billion annually from 1970 through 1990.

Nevertheless, with the aging of our population and with improvements in the standards-of-living worldwide, heart disease is again on the increase although now the major problem has shifted from coronary artery disease to heart failure. In Australia alone, heart muscle diseases – the cause of heart failure – are responsible for the death of over 130,000 annually with 400 new cases being added each week. Further, treatment of heart failure is hospital-intensive and extremely expensive, and, as such, is the single major cause of our ever-increasing health-care costs.

Indeed, in the absence of further advances through medical research, it has been estimated that by 2010, heart disease will, for the first time ever in the history of mankind, become the commonest cause of death worldwide, when it will account for almost 30% of all deaths.

It is most appropriate, therefore, that the Victor Chang Cardiac Research Institute has, as one of its primary focuses, the diagnosis, prevention and treatment of heart muscle diseases and heart failure. This focus is being addressed by the Institute at the most fundamental level, including studies of heart muscle cell biology, the regulation of heart muscle contractility, genetic causes of heart diseases and heart development.

Progress by the Institute in 2000, I am pleased to report, continued in all these areas at the very highest level with major advances being reported by the Institute’s investigators, in scientific journals of the highest stature (see Executive Director’s Report for details). In addition, the Institute continued its outstanding track record of success in securing peer-reviewed grants, with an 86% success rate for its National Health and medical Research Council applications – the highest for any institution in Australia. In the same vein, for the third successive year one of the Institute’s applications to the National Heart Foundation (NSW Division) received the highest award for excellence.

### **Progress with Expansion of the VCCRI**

As indicated in my previous reports, the Institute has already outgrown its current facilities, and yet needs to grow if it is to realise its full national and international potential – an issue clearly recognised by its Scientific Advisory Committee at the time of its review of the Institute in 1999.

Progress towards the development of a new research building required for the VCCRI’s expansion has been steady throughout 2000 with a masterplan being developed for the entire St Vincent’s Research Campus. It is hoped that funding for this facility through governmental and/or private support can be realised in 2001, to

allow construction of new research facilities on the Northern site adjacent to the Garvan Building.

### **Financial Performance and Administration**

As a result of the Institute's excellent grant performance in 2000, income from this source increased by \$892,067 to \$2,382,618 – a figure almost twice as high as the increase (\$436,452) in the Institute's expenses.

However, due most likely to the Olympics and other factors, fundraising during 2000 was difficult. Thus, despite the most concerted efforts of the Board, our Appeals Committee and our Fund Development Office, returns were only \$2.24m, a figure that was at least \$1.25m lower than average. As a result, the Institute sustained a small operating deficit amounting to \$270,438. In addition, because of the downturn in the stockmarket, the Institute sustained an abnormal loss of some \$705,310 due to a change in the market value of its investments. Clearly these results reflect both a tightening of the market and importantly an increasingly competitive climate for charitable fundraising.

In managing the Institute's finance, I would like to thank the Board's Finance Committee (Mr Mark Johnson, Chair; Mr Malcolm Irving, Mr John Kean, Dr Tina Clifton and Professor Robert Graham) and the performance of our Chief Operating Officer, Mr Tim Dugan and Finance Manager, Ms Anita Cvitkovic (till June 2000), Ms Anne Collins (from July-December) and Ms Cassandra Fernandez (from December).

### **Board and Appeals Committee**

In 2000, Sr Paulina Pilkington, RSC, who has been with us from the beginning, retired from the Board. We wish to thank her for her outstanding efforts and we are delighted that she continues to assist us as a new member of the Appeals Committee. In addition, we are delighted to welcome Sr Claire Nolan, RSC to the Board, and Ms Fiona Coote, AM and Mr Michael Renford to the Appeals Committee.

My thanks to all of my colleagues on the Board and the Appeals Committee for their generous and unstinting efforts during a difficult year.

### **Future Prospects**

In addition to a new building to allow the necessary expansion of the institute, a continuing issue is the relentless on-going need for fundraising. While our Board and Appeals Committee continue to work tirelessly for funds, the increasingly competitive environment for charitable support means that we need to look at additional options. In this regard, the prospect of a separate and distinct research facility for the institute should provide a powerful vehicle for not only recognising the generous contributions of all who have given already, but also for mounting a major new campaign to generate funds. Finally, we are also working hard to try and obtain long-term sponsorship for the Institute's activities.

Neville Wran, AC, QC