



# Improving alignment and coordination between the Medical Research Future Fund Fund and NHMRC's Medical Research Endowment Account

Submission from The George Institute for Global Health

July 10, 2023

## Acknowledgement of Country

The George Institute for Global Health acknowledges the traditional owners of the lands on which we work, and in particular the Gadigal people of the Eora Nation on which our Sydney office is situated. We pay our respects to Elders past, present and future.

We value and respect the ongoing connection of Aboriginal and Torres Strait Islander peoples to Country, and are committed to working in partnership with communities to deliver better health outcomes.

## 1. Executive Summary

The George Institute for Global Health is pleased to contribute a submission to the review of governance and administrative arrangements for the Medical Research Future Fund (MRFF) and Medical Research Endowment Account (MREA).

In summary:

- The MRFF and MREA serve important, but distinct, purposes. The George Institute believes that the funds should be kept separate and operate under separate legislation, as they do currently. We support this to ensure that there is a balance between investigator-driven, basic research and priority-driven implementation research. We do not support the implementation of Option 3.
- We support the purpose of the review to improve coordination and alignment of the two funds. We support the review in seeking to simplify administrative arrangements, improve strategic coordination, and improve linkages between research and policy making.
- In addition, we believe that further improvements could be made to strengthen transparency and accountability and reduce any perception of bias. These issues were highlighted in a recent performance audit of the MRFF by the Australian National Audit Office (ANAO).
- In particular, we recommend greater clarity around the setting of strategic priorities. The National Health and Medical Research Strategy represents an opportunity to develop clear national priorities in consultation with the research sector, communities, and industry. These priorities should cascade into the 10-year plan for the MRFF and its shorter-term strategy and priorities. Clarity in priority setting will facilitate greater alignment between grant applications and priorities, and may assist in reducing administrative burden on researchers.
- It is also important that advisory bodies established to recommend priorities for funding represent the full spectrum of health and medical research, including research on prevention, non-communicable diseases and injuries. They should also include representatives of under-served populations, including Aboriginal and Torres Strait Islander and culturally and linguistically diverse (CALD) communities, for example. Community and consumer representatives must also be part of any advisory body recommending priorities.
- Processes around the appointment of members to advisory bodies and the management of potential conflicts of interest should be strengthened to ensure transparency and avoid any perception of bias.

- We also make other specific recommendations to improve transparency and accountability, including publication of advisory committee communiqués and grant outcomes.
- In addition to harmonising administrative requirements, we recommend that funding bodies also undertake a program of continual improvement to maximise efficiency and minimise the investment required to prepare applications.
- We believe that the National Health and Medical Research Strategy should guide the administrative arrangements. Therefore, we support implementation of Option 1 as a temporary measure until the Strategy is finalised. This would enable governance and administrative arrangements to be improved while the Strategy is developed, with more strategic changes to follow the development of the Strategy.
- If Option 2 is implemented in the longer term, we support reviewing the resources and skills, capabilities, and advisory bodies of the NHMRC to ensure that it is able to manage the MRFF effectively.

Thank you for the opportunity to comment and we look forward to further consultation on the Strategy.

## 2. Introduction

The Medical Research Future Fund (MRFF) and Medical Research Endowment Account (MREA) are critical funding sources for health and medical research. Both are important, but serve distinct purposes. The MREA supports investigator-driven research focused primarily on basic science; while the MRFF supports priority-driven research to address particular areas of interest and importance. Both of these functions are necessary in order to have a well-functioning medical research ecosystem that provides the evidence base for policy making, and the knowledge and capability for innovation and commercialisation. Whatever governance and administrative arrangements are implemented for health and medical research, they must achieve the overarching purpose of enabling and supporting research across the spectrum, from basic science, to implementation and translation science, to commercialisation. We encourage the government to ensure that this balance is prioritised to ensure that it can achieve its overall objective of investing in health and medical research to maximise outcomes for the Australian community.

## 3. Purpose of the review

The Discussion Paper notes the need to “develop an overarching strategy for Commonwealth-funded health and medical research that takes advantage of the complementary purposes and characteristics of the two funds,” and indicates that development of the National Health and Medical Research strategy will commence after the review of the governance and administration arrangements has been decided.

The Discussion Paper notes a number of improvements that could be made to current arrangements, including:

- Simplification of the two sets of administrative arrangements that currently exist;
- Reduction of duplication and overlap between the grants offered by the two schemes;
- Strengthening the linkages between research and policy making, clinical care, and emerging health threats;

- Improving strategic coordination between the two funds and the priorities set out for each;
- Increasing clarity and transparency of the operation and distinctions between the two funds;
- Improvements to coordination of grant timing, submission systems, and requirements to reduce administrative burden.

These improvements would be welcomed.

Grant approval processes should be significantly improved to make the application quicker and less resource intensive. Applications currently take around 38 days to prepare<sup>1</sup>. In addition to harmonising administration processes, we recommend that the funding bodies also undertake a program of continual improvement to maximise efficiency and minimise the investment required to prepare applications. We encourage the Department to consider introducing an EOI phase of grant rounds, as has been done in New Zealand, as one approach that could be implemented.

#### 4. Key issues to be addressed

In its 2021 performance audit of the MRFF, the Australian National Audit Office (ANAO)<sup>2</sup> identified a number of relevant findings and recommendations, including:

- There were no formalised governance arrangements with the National Health and Medical Research Council (NHMRC) for coherent and consistent coordination of MRFF and NHMRC programs (p8);
- The Department of Health had not consistently updated the registers of AMRAB and expert panels members' conflicts of interest and had not made them available to the public for transparency (p8);
- There was no direct relationship between the initiatives in the MRFF 10-year plan and the MRFF Strategy and MRFF priorities, and it is not clear how the 10-year plan was designed (p9);
- The Department of Health had not consistently advised the Health Minister of the MRFF Priorities that the proposed grant opportunities would address and its approach to reporting the outcomes of grant opportunities reduces transparency. Health provided little information on priorities being considered for future grant opportunities (p9).

The performance audit found that some initiatives in the early years of the program represented grants to specific organisations, and noted that the Department of Health provided no information on how the 10-year plan was developed. It noted some shortcomings in the processes applied by the Department of Health. For example, while the Minister was provided with information about successful grant applications, the Minister wasn't advised of how the grant applications related to the identified priorities. The

<sup>1</sup> Association of Australian Medical Research Institutes, 2021. AUSTRALIA'S MISSING LINK: A NATIONAL HEALTH AND MEDICAL RESEARCH STRATEGY Novem

<sup>2</sup> Auditor-General Report No.3 2021–22 Performance Audit, *Department of Health's Management of Financial Assistance under the Medical Research Future Fund*, [https://www.anao.gov.au/sites/default/files/Auditor-General\\_Report\\_2021-22\\_3.pdf](https://www.anao.gov.au/sites/default/files/Auditor-General_Report_2021-22_3.pdf)

Department also provided little information on priorities being considered for future grant opportunities (p35).

The Department of Health had not explained in the information provided to the ANAO how grant opportunities are identified or a list of priorities for future research and innovation developed.

Using the categorisation of grants in the grant opportunity guidelines, six of the 46 grant opportunities in the sample assessed by the ANAO were described as 'open competitive', while 26 were described as 'targeted' or 'restricted competitive'. In our view, 'open competitive' grants should be maximised to avoid the perception of bias and ensure that open and transparent processes are followed.

The performance audit findings and recommendations highlight the importance of transparency in the operation of the MRFF grants process. The process for setting the MRFF priorities outlined within the 10-year plan need to be open, transparent, and accountable. The linkage between the 10-year plan and MRFF Strategy and priorities needs to be clarified to avoid any perception of bias.

The George Institute recommends strengthening transparency by:

- Updating the MRFF 10-year plan to be consistent with the National Health and Medical Research Strategy, once developed;
- Updating the MRFF Strategy and priorities to be consistent with the 10-year plan to ensure that there is a clear logic between the highest-level priorities set out in the National Strategy for Health and Medical Research, the long-term priorities for the MRFF set out in the 10-year plan, and the shorter-term priorities outlined in the MRFF Strategy and priorities;
- Developing and publishing clear criteria for the assessment of grants, similar to the NHMRC process;
- Updating the MRFF grant guidelines to state that all grant opportunities should be conducted through an open, competitive process to avoid perceptions of bias, including where there is an expectation that few organisations will be able to submit grant applications;
- Communiqués from all meetings of AMRAB or its replacement should be published within a reasonable timeframe;
- Grant outcomes should also be published within a reasonable timeframe.

## **5. Comments on the models described in the Discussion Paper**

The George Institute does not support Model 3, which would involve combining the MREA and MRFF funds together into a single health and medical research fund operating under a single piece of legislation, designed to support both basic and implementation research.

The existence of separate funds for investigator-driven research and priority-driven research allows there to be funds quarantined for each of those distinct purposes. This provides a degree of clarity to researchers about the quantum of funds available, and ensures that balancing these two types of research is designed into the decision-making process. It is our



view that the two funds work reasonably well in achieving a balance between basic and implementation research, although we would support a refresh of priorities that placed greater emphasis on prevention and public health research that addresses the significant burden of non-communicable diseases. No clear case has been made to merge the two funds into one. There is a risk that if Option 3 were implemented, the balance of funding between basic and implementation research would be altered, which could have negative impacts on Australia's ability to deliver the right mix of health and medical research. Option 3 would also require significant legislative change, which would take time to develop and implement.

We recommend that Option 1 should be implemented as a temporary measure until the National Health and Medical Research Strategy is developed. The process of developing the Strategy may itself alter research priorities in ways that may inform the governance and administration of the two funds. For that reason, we suggest a minimal set of changes that would address the findings of the ANAO performance audit and the objectives of this review to improve the strategic coordination, communication, and administrative processes between the two funds.

We suggest that a decision about whether to move to Model 2 should be made once the National Health and Medical Research Strategy is finalised. We acknowledge the benefits that Model 2 offers: the NHMRC is an independent agency that has robust and transparent processes that could be adapted to the MRFF, which would simplify the existing arrangements considerably.

In addition, we recommend the following:

- That the transition to Model 2 is not implemented until the National Health and Medical Research Strategy has been finalised to ensure that the administrative arrangements are aligned with the Strategy;
- That consideration is given to appropriate resourcing of the NHMRC to ensure that administering the MRFF does not result in delays to grants being offered and awarded;
- That consideration is given to ensuring that the NHMRC has the skills and capabilities needed to administer priority-driven research, and in particular that there is strong linkage to policy development within the Department of Health;
- That an appropriate set of advisory bodies is established within the NHMRC to replace AMRAB and ensure that the full spectrum of scientific advice is available to inform MRFF priorities, investments, and grant opportunities. Advisory bodies should include community and consumer representatives, and there should be a strong focus on ensuring that research for Aboriginal and Torres Strait Islander health is prioritised. Aboriginal and Torres Strait Islander representatives should be engaged in providing advice about how to conduct research in culturally safe ways, and to ensure that Aboriginal and Torres Strait Islander leadership is prioritised in the awarding of grants and the setting of priorities.
- That a program of work is established with the purpose of streamlining and harmonising arrangements between the two funds to reduce the administrative burden on research organisations.

## 6. Contact

Veronica Le Nevez  
Head of Impact and Engagement Australia  
[vlenevez@georgeinstitute.org.au](mailto:vlenevez@georgeinstitute.org.au)