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**Australian Academy of Science submission to the Department of Health consultation on the
*Improving alignment and coordination between the Medical Research Future Fund and
NHMRC's Medical Research Endowment Account***

The Australian Academy of Science:

- supports the funding of the full spectrum of medical research in Australia – from ‘bench to bedside and the community;’
- welcomes improvement of the strategic coherence of the funding framework that supports medical research while reiterating the importance of each of the MREA and MRFF funding streams.

Combined governance, separate purpose

Both the Medical Research Future Fund (MRFF) and the Medical Research Endowment Account (MREA) are central mechanisms for the funding of medical research in Australia, and while maintaining the clear differences between the two schemes, coordination between the two is likely to benefit the outcomes from both.

It is noteworthy that medical research is unlike other federally funded research in Australia: the MREA largely supports research aimed at improving our knowledge of biological and biomedical systems, while the MRFF supports the translation of that research in a clinical setting. It is an arrangement that could be improved, but the value of two purposeful and discrete streams should not be underestimated.

Notwithstanding the differences, it is undeniable that there is a relationship between what Australian researchers do in the laboratory and the potential of that knowledge to improve patient care. Australians should all benefit from the research and innovation of Australian medical research.

The Academy therefore supports measures to improve the effectiveness of these two funds by ensuring that their relationship is clear and strategic while maintaining their complementary roles.

The Academy would not support merging and consolidating the funding streams into a single fund: it would blur the two functions and would likely be detrimental to medical research and its application in Australia.

The preferred model

Of the options presented in the issues paper, Model 2 - the strategic alignment of the MRFF and the MREA under the governance structure of the National Health and Medical Research Council (NHMRC) - represents a logical development for the funds and avoids the inefficiencies and unnecessary costs of separate administrative bodies. The NHMRC governance model will address gaps in independence, transparency, risk management and accountability in the MRFF as currently structured.

However, Model 2 as presented does not fully reflect the different role and purposes of the funds.

The Academy **recommends** an expanded version of Model 2 – a “Model 2 Plus” – that draws on the strengths of the current structures and the proposed models.

The ‘Model 2 Plus’ proposal presents the opportunity to incorporate the strengths of the NHMRC structure into the MRFF, and to develop and improve each body leading to better medical research and to better health outcomes for Australians.

'Model 2 Plus' would:

- Retain the individual character and intent of the MREA and MRFF funds, as noted. The MREA would remain directed towards competitive grants for investigator-led research, while the MRFF would provide strategic, flexible funding for priority research translation projects.
- Retain the safeguard mechanism of perpetuity flooring of the MRFF, to ensure long-term security and assurance for funding.
- Ensure transparency for setting and reviewing priority research areas under the MRFF.
- Ensure transparency for grant decisions under both funds.
- Retain the Australian Medical Research Advisory Board or equivalent as a Principal Committee under the NHMRC Act, for determining MRFF allocations. This committee should be separate from the Research Committee that allocates funding under the MREA.
- Incorporate and develop a national strategy and equal opportunities for Early and Mid-Career Researchers (EMCRs), including measures to overcome barriers, improve diversity of access and address workforce needs.

The Academy notes that membership of NHMRC Council will require review to ensure the right spread of expertise to oversee both the MREA and the MRFF.

The new form of NHMRC should continue to operate independently whilst maintaining strong connections to the minister's office and appropriate mechanisms to ensure the body delivers Australia's needs.

Implementation of the model would be most effective if guided by a new national health research strategy to ensure the alignment of the funding schemes and to set national achievement targets for the sector.

Capitalizing on research outputs

Over the last decade or more there has been a substantial expansion of Australian medical research physical infrastructure. However, funding for research has not kept pace with infrastructure growth. The present federal government support for all [science and research in Australia is 0.51% of GDP](#); support for Health and Aged Care Research make up just 0.05%. This is well below international benchmarks.

There is a cost to too little support: less research, less translation, a less healthy Australia, a less sustainable health care system, fewer jobs in health care, fewer co-benefits such as advanced manufacturing of pharmaceuticals and medical technologies, and sovereign risk, where we are too dependent on allies or markets to solve our problems. We deny ourselves the opportunity to enhance Australia's global reputation for innovation, and the domestic opportunity to create highly skilled jobs.

Australia has a strong base to build on, but we should never be unwilling to improve. This review offers the opportunity to make a strong base better. We must get the change right.

To discuss or clarify any aspect of this submission, please contact Mr Chris Anderson, Director Science Policy at Chris.Anderson@science.org.au.