



Australian Academy of Science

RESPONSE TO THE REVIEW TO STRENGTHEN MEDICAL RESEARCH INSTITUTES DISCUSSION PAPER

FROM THE AUSTRALIAN ACADEMY OF SCIENCE / FEBRUARY 2015

Australian Academy of Science – Response to the Review to Strengthen Independent Medical Research Institutes Discussion Paper

The Australian Academy of Science welcomes the opportunity to provide a further submission to the Review to Strengthen Independent Medical Research Institutes (iMRIs). In addition to the points the Academy has put forward during the initial consultation period, the Academy would like to make the following additional points in response to the review's Discussion Paper. The Academy would be pleased to provide further information or to expand on any of the points made in either of its submissions.

The Academy offers the following broad comments and then a series of more detailed comments relating specific findings in the Discussion Paper.

1 Summary of recommendations

- 1. As per Government policy, the move to 5 year project grants should be used as an opportunity to reduce administrative burdens.**
- 2. The Panel should make clear recommendations with regards to properly funding the indirect costs of research.**
- 3. The review panel should have due regard to the government's policy of reducing red tape and reducing reporting requirements.**
- 4. A distinction needs to be drawn between the duplication of research, and whether the right balance of research is being undertaken across different disciplines/disease areas.**
- 5. The Panel should review how frequently the NHMRC has applied its policy on the duplication of research to get a better handle on the extent of the duplication of funding within medical research.**
- 6. Further analysis needs to be undertaken to determine the extent of duplicate research being funded.**
- 7. The functions of the Australian Charities and Not-for-profits Commission, including data collection and reporting, should not be duplicated by another government agency. If necessary, the role of the Commission could be expanded to ensure that the philanthropic sector has confidence in the work of the iMRIs.**
- 8. The Panel should further engage with iMRIs to ascertain the extent of institutional cooperation.**
- 9. The issue of unstable employment conditions is not restricted to stand-alone iMRIs, and a sector wide approach is needed to tackling this problem.**
- 10. Working with iMRIs and other stakeholders the Panel should detail practical examples of the scientific and organisational benefits that would accrue from assimilating iMRIs into other bodies. The Panel should re-investigate the models proposed to establish "Academic Health Centres" or "Advanced Health Centres" as vehicles to generate larger critical mass and coordinate medical research activity.**

2 Comments on the discussion paper as whole

2.1 Focus on business performance

The purpose of the review is “...to focus specifically on the role that iMRIs play in the Australian health and medical research sector... [and] to identify what is required to ensure that iMRIs can make a strong contribution to a vibrant, collaborative, and innovative health and medical research sector in Australia and continue to benefit Australians through translation of research”¹. This remit is broader than the two goals on p. 1 of the Introduction and **there might have been more discussion on the overarching goal to ensure scientific and clinical excellence across the whole medical research sector in Australia and the important role that iMRIs play in this context.**

Throughout the discussion paper, the iMRIs are largely treated as business enterprises, with the implicit assumption that their financial stability and viability can be used as a surrogate for their ability to undertake excellent research and deliver the results at the clinical level. There needs to be a greater focus on the role that iMRIs can take in contributing to excellence in medical research. .

2.2 Proposal to increase government reporting requirements

The discussion paper argues that because of wider structural changes within the health and medical research sector, iMRIs may be susceptible to financial pressures. The Panel argues that, as a significant funder of iMRIs through the NHMRC, the Government has a responsibility to ensure that iMRIs are financially viable before they should receive future NHMRC research funds. To achieve financial viability, the Panel has recommended that the Government (presumably through the NHMRC) introduce new data collection and reporting requirements that iMRIs will need to comply with, or for iMRIs to be assimilated into larger organisations such as universities, hospitals or other health service providers.

It is disappointing that one of the main recommendations arising from this review to find ways to improve efficiency within the iMRI sector is to actually increase the reporting requirements. The increased reporting requirements will come at some financial cost and it not apparent that this will improve the efficiency of the sector.

2.3 Recruiting and training the next generation of scientists

The discussion paper only briefly touches on employment and workforce issues yet this is one of the most significant and pressing issues facing the sector, and relates directly to efficiency of iMRIs. The current training and workforce model is inefficient and, in the long-term, will struggle to continue to attract and retain the very best outstanding high achieving scientists. Further work followed by substantive actions to remedy this ongoing problem would greatly contribute to reducing inefficiency both within the iMRIs, and also more broadly throughout the science sector.

3 Comments on specific discussion paper findings

3.1 Reducing administrative burden through the introduction of five year grants

Discussion paper finding:

“...the Council’s move to emphasise availability of 5 year projects grants and encourage wider uptake of these longer grants has meant that fewer grants have been made available. The Panel considers that it would be poor management of public funding to award a 5 year grant to

¹ Discussion paper, page 5

researchers in an iMRI (or other organisation) which is unable to demonstrate that it is financially sustainable.”

The Government has stated that part of the reason for moving from three year to five year NHMRC project grants, was that three year project grants have led to ‘a constant administrative burden’. Moving towards longer grants and reducing administrative burden by reducing the frequency on which grants need to be applied for, should be applauded. This will significantly reduce administrative burdens.

Recommendation:

1. As per Government policy, the move to 5 year project grants should be used as an opportunity to reduce administrative burdens.

3.2 Pursuing alternative sources of income

Discussion paper finding:

“iMRIs may need to pursue supplementary and/or alternative sources of income such as increased philanthropic support and commercial income.”

As the data in Figure 1 of the Discussion Paper show, iMRIs are already pursuing supplementary and/or alternative sources of income, with about 46 per cent of iMRI income coming from non-government sources. The discussion paper should squarely confront the “elephant in the room” which is the fact that, in Australia, research is not fully funded – particularly the indirect costs of conducting research and this is what puts strain on the financial sustainability of many iMRIs.

Recommendation:

2. The Panel should make clear recommendations with regards to properly funding the indirect costs of research.

3.3 Introducing data collection measures and efficiency measures

Discussion paper finding:

Efficiency measures should be better utilised in allocating government funding. These measures relating to reporting and analysis recommended by the Panel around sustainability and efficiency should be publicly available.

The panel is considering developing a monitoring framework to include data collection that could be used to measure financial efficiency in the future.

The review was asked to *make recommendations for improved efficiency* within the iMRI sector. It is disappointing that one of the main conclusions of an efficiency review is that Government should increase data collection and reporting requirements. The Government was elected on a platform of reducing red tape and reporting requirements². Collecting and reporting the data the Review Panel has proposed comes at a financial cost to iMRIs, and would actually divert resources away from core research activities.

² See The Coalition’s Policy to Boost Productivity and Reduce Regulation (2013), available at: <http://www.liberal.org.au/boosting-productivity-and-reducing-regulation>

Recommendation:

3. The review panel should have due regard to the government's policy of reducing red tape and reducing reporting requirements.

3.4 Research duplication

Discussion paper findings:

The Panel recognises that it is unsustainable to support multiple separate groups undertaking very similar research in a competitive manner.

It is difficult to ascertain the extent of duplication within the sector due to the lack of transparency and reporting

The Academy strongly supports the efforts to coordinate research to avoid potential duplication or strong overlap of research programs. However there should be a clear distinction between undertaking duplicate research at the project level, and whether Australia has the right balance of research effort across different medical research disciplines or disease areas. These are two distinct issues - it would, in general, not be the best use of resources to duplicate two or more very similar projects. However, to argue there are too many institutions undertaking one particular discipline or disease area at the expense of other areas is actually a discussion about the overall balance of research being funded, rather than duplication.

At the project level, different groups working in the same general research areas almost inevitably address different aspects of a problem, using different approaches. A degree of healthy competition often forms the basis of major scientific advances.

The NHMRC already has a policy within its funding rules, to prevent duplicate funding of research at the project level, and given the effective and thorough peer-review process it is unlikely that a significant amount of duplicate research is being funded.

*"The NHMRC may compare the research proposed in grant applications with grants it currently funds, grants funded by other agencies (Eg: Australian Research Council (ARC), refer to [section 9.2](#)) and published research. The NHMRC will not fund research it considers to duplicate research previously or currently being undertaken."*³

The Panel states in their discussion paper that they have found it difficult to ascertain the extent of duplication within the sector due to the lack of transparency and reporting. If this is the case, then there should be a clear recommendation that reporting the outcomes of NHMRC projects should be improved such that the extent of overlap and duplication is more apparent.

Recommendations:

4. A distinction needs to be drawn between the duplication of research, and whether the right balance of research is being undertaken across different disciplines/disease areas.

5. The Panel should review how frequently the NHMRC has applied its policy on the duplication of research to get a better handle on the extent of the duplication of funding within medical research.

³ NHMRC (2015) *NHMRC 2015 Funding Rules*. Available at: <https://www.nhmrc.gov.au/book/nhmrc-funding-rules-2015/8-funding>

6. Further analysis needs to be undertaken to determine the extent of duplicate research being funded.

3.5 Transparent reporting by iMRIs to philanthropists

Discussion paper finding:

Private philanthropists have as much interest as government in knowing the efficiency and accountability of the iMRI that they are funding. Accordingly, the measures relating to reporting and analysis recommended by the Panel around sustainability and efficiency should be publicly available to assist private philanthropists in their own allocation of funding.

The Panel suggests that new reporting mechanisms are required so that philanthropists can have confidence in the work of iMRIs. The Australian Charities and Not-for-profits Commission does already undertake aspects of this function. The Commission's purpose is to reduce red-tape reporting requirements, and increase public understanding of the not-for-profit sector. The work of the Commission should not be duplicated; however its terms of reference could be expanded to ensure that the philanthropic sector has confidence in the work of the iMRIs.

Recommendation:

7. The functions of the Australian Charities and Not-for-profits Commission, including data collection and reporting, should not be duplicated by another government agency. If necessary, the role of the Commission could be expanded to ensure that the philanthropic sector has confidence in the work of the iMRIs.

3.6 The need for partnerships between iMRIs, universities, hospitals, health services, industry and the community

Discussion paper finding:

Partnerships between iMRIs, universities, hospitals, health services, industry and the community represent Australia's best chance of finding solutions to the range of complex health issues facing the population. However the Panel could not "ascertain the extent of institutional cooperation due to the lack of transparency in the system".

Partnerships between iMRIs, universities, hospitals, health services, industry and the community already exist and in many places, and in many cases are well embedded within the health and medical research system. iMRIs are frequently the vehicles through which research is translated into health outcomes.

Whilst the Panel found it difficult to 'ascertain the extent of institutional cooperation due to the lack of transparency in the system', this does not mean that such partnerships do not exist. Such arrangements have not been routinely reported to government.

Recommendation:

8. The Panel should further engage with iMRIs to ascertain the extent of institutional cooperation.

3.7 Unstable employment conditions within stand-alone iMRIs

Discussion paper finding:

The discussion paper states that a consideration for stand-alone iMRIs is that: “Submissions on the Issues Paper indicated that researchers are becoming increasingly uncomfortable with the largely unstable employment conditions associated with uncertain, less predictable funding structures... [and] iMRIs should look to modify their business model in ways that provide long-term stability for the iMRI and their staff...”

Tackling the problems associated with unstable employment conditions for our research workforce (particularly for early career researchers) is not an issue limited to iMRIs – this issue is a priority across the whole research sector. Irrespective of the structure of iMRIs in the future, issues of workforce sustainability and stability are likely to continue. **To attract and retain the very best researchers, we do need to develop appropriate career structures for our research workforce.** While the larger the institution, the more flexibility is available to manage the workforce, it is very difficult for many iMRIs to properly manage career paths for the research workforce whilst so many positions depend on short-term competitive grant funding.

Recommendation:

9. The issue of unstable employment conditions is not restricted to stand-alone iMRIs, and a sector wide approach is needed to tackling this problem.

3.8 Assimilating iMRIs into universities, hospitals or health service providers

Discussion paper finding:

The Panel is of the preliminary view that assimilating iMRIs into universities, hospitals or health services provides an opportunity to reduce the financial risks to which vulnerable institutes are exposed by bringing them into a larger entity, and also reduces the scientific risk associated with a narrow research effort.

The discussion paper contains little detail about how some iMRIs might be embedded or incorporated into universities, hospitals or health services. Such a proposal would require whole-of-sector support, including iMRIs, universities, hospitals and health services, and it would be advantageous to assess real practical examples of where this has been successful. The assessment should outline both the scientific and organisational benefits and challenges that have occurred. The possible formation of “Academic Health Centres” or “Advanced Health Centres” has been proposed for many years. These could be vehicles to generate a larger critical mass of research activity, coordinate research activity and the translation of research into health care and to provide some sustained stability for the medical research workforce.

Recommendation:

10. Working with iMRIs and other stakeholders the Panel should detail practical examples of the scientific and organisational benefits that would accrue from assimilating iMRIs into other bodies. The Panel should re-investigate the models proposed to establish “Academic Health Centres” or “Advanced Health Centres” as vehicles to generate larger critical mass and coordinate medical research activity.