



Universities Australia submission to the Senate inquiry into the Medical Research Future Fund Bill 2015

10 July 2015

Universities Australia welcomes the opportunity to provide a submission regarding the Medical Research Future Fund (MRFF) Bill 2015 (the 'Bill'), including the Consequential Amendments. The MRFF constitutes a significant new investment in medical research and its implementation will require careful consideration to ensure the most benefit for all Australians.

Health and medical research is Australia's largest and most celebrated research field, with universities receiving more than 55 per cent of their competitive research grant income in health and medical related fields of research¹. Australian research has resulted in internationally recognised health and medical breakthroughs, including the Cochlear implant, the cervical and influenza vaccines and spray-on skin for treating burns.

The National Health and Medical Research Council (NHMRC) in particular represents a major funding pool for universities: in 2013 it awarded \$562 million in grants to thirty universities, accounting for 74 per cent of available funds. Medical Research Institutes and Hospitals received \$199 million (26 per cent of available funds).

This research relies on having a strong research sector more generally, with a base of excellence in underpinning disciplines. This key aspect needs to be considered in the implementation of the MRFF, and Australia's ability to capitalise on this investment will be diminished if the fundamentals of the research system are not maintained.

Extensive consultation and ongoing monitoring is necessary to ensure the MRFF achieves the goals outlined by the Australian Government. In particular, the interaction between the NHMRC and the operation of the MRFF needs to be carefully considered, so that existing linkages, infrastructure, expertise and support systems are drawn on to maximise the positive impacts from the system as a whole.

Implementation

The Consequential Amendments Bill 2015 provides for the establishment of a new Australian Medical Research Advisory Board. Universities Australia welcomes the inclusion of the CEO of the NHMRC on this Board, as coordination between the MRFF and the NHMRC will be vital. Board members must have expertise in both health services and

¹ Universities Australia, *University research: policy considerations to drive Australia's competitiveness*, Canberra, 2014, p. 45.

prevention research thereby ensuring funds are directed to a range of important areas that have not received sufficient attention from the NHMRC.

The governance and disbursement arrangements outlined in the amendments provide for a more holistic approach to the implementation of the MRFF and increases its ability to address known issues in the medical and health research system. It will be important to ensure that the investments flowing from the fund address the most critical areas and as such a review of MRFF priorities every two years by the Advisory Board is essential. Expert advice and consultation, beyond the new Board, will be needed to ensure that the Australian medical research and innovation strategy and associated priorities reflect these areas. Medical research is defined in the Bill to encompass research into health and this broad definition is supported.

Universities Australia welcomes the prospect of MRFF funds diversifying the type of funding available for health and medical researchers in our universities, such as funding initiatives with agencies like the CSIRO, and reducing pressure on the NHMRC grants system. In order to maintain our international reputation it is imperative that MRFF funding decisions support research excellence and be made by experts through a transparent, peer reviewed process.

In addition, a whole-of-government approach is essential. Clear lines of communication between the Board and other key agencies such as the Australian Research Council, the Commonwealth Science Council, the Department of Education and Training, the Department of Industry and Science, and the Department of Health should be established.

Broader research system issues

The significance of the investment in the MRFF and the complexity of the research system demand that related issues such as research infrastructure, research training, translation into clinical practice and preventative health strategies, commercialisation of research and adequate funding for the indirect costs of research be considered throughout the implementation phase to ensure that the maximum return is obtained from this investment.

Research infrastructure is a critical part of ensuring excellent and transformative research, including for medical research. Predictable, recurrent funding for national and landmark level research infrastructure is an issue that needs to be addressed. Universities Australia welcomes the Australian Government's current review of research infrastructure, but is concerned that continuing uncertainty is compromising the viability of facilities and damaging our international reputation.

The review of the research training system will also be highly relevant to the implementation of the MRFF. Ensuring a clear pathway for our medical research students into employment in both academia and industry is vital if we are to reap the benefits from the investment in research training. Research students drive Australia's research and innovation capacity and

recruitment of skilled graduates represents one of the most important mechanisms through which industry derives economic benefits from publicly funded research. Students whose study is supported through the Research Training Scheme (RTS) will be significantly impeded if there is a reduction to the RTS in the future and this will significantly constrain the impact of the MRFF investment.

Expenditure of MRFF funds on research translation is essential and should be guided by national health priorities. The 2013 McKeon review of health and medical research argued convincingly that translation of research into clinical practice and preventative health strategies in Australia has lagged well behind research discoveries. Implementation of current knowledge into primary and community care and hospital clinical practice would have a major positive impact on the health of Australians and reduce the cost of the healthcare system. Applying current and future research findings to prevention and management of the early stages of high prevalence conditions like obesity, diabetes and mental health conditions would significantly reduce the burden of disease and suffering, and would also avoid costly hospital admissions.

There should also be a commitment to, and incentives for, industry partnership to ensure a commercial focus where possible. The Bill refers to funding being allocated to academic institutions as well as corporations but does not explicitly refer to partnerships or incentives to partner.

The inadequate level of support for the indirect costs of research has long been identified as a serious concern for the Australian research system. Indirect costs are real, ongoing and impossible to associate with a specific research project. They include the range of commercialisation, engagement and outreach activities that are fundamental to the success of the MRFF in achieving improved health outcomes for Australians.

If funding through the MRFF is primarily distributed through competitive grants without a commensurate increase in funding for indirect costs, the research system will be put under further pressure. The outcome of the review of university research funding and policy, including research block grants, announced on 7 July 2015 as part of the Government's *Boosting the Commercial Returns from Research Strategy* will be crucial to all of these issues.

Recommendations

1. That the government consult extensively with the university sector on both the governance of the MRFF and the Australian Medical Research and Innovation Priorities.
2. That the broad definition of medical research in the Bill be retained.
3. That 'excellence' underpinned by peer review be a central principle in the administration of the fund.

4. That long-term sustainability of the broader research system, including the medical research sector, be improved to ensure adequate and reliable funding mechanisms, infrastructure and research training pathways.
5. That research translation is essential and should be guided by national health priorities, noting that translation of research into clinical practice and preventative health strategies in Australia lags well behind research discoveries.

Universities Australia looks forward to continuing to work with the Australian Government during implementation of the MRFF.

Yours sincerely,

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