



Martin Foley MP

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Committee Secretary
Senate Standing Committee on Community Affairs
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Dear Committee Secretary

Re: Senate Committee Inquiry into the Medical Research Future Fund Bill 2015

The Victorian Government welcomes the opportunity to contribute to the Senate Committee's Inquiry into the above bill and the associated Medical Research Future Fund (Consequential Amendments) Bill 2015.

The Victorian health and medical research sector is characterised by excellence in medical research, biosciences and medical education, and innovation. Victoria's leadership in medical research is undisputable as the State consistently attracts over 40 per cent of National Health and Medical Research Council (NHMRC) funding.

Accordingly, we support the establishment of the Medical Research Future Fund (MRFF) and its objective to improve the health and wellbeing of Australians by providing an additional revenue stream to support medical research and medical innovation. However, we do not support funding medical research through imposing a GP tax, or at the expense of other vital parts of the health sector such as hospitals.

The Victorian Government notes amendments to the Medical Research Future Fund Bill which aim to enhance the accountability and decision-making mechanisms that will be used for the disbursement of funds from the MRFF. We note:

- The amendment which establishes an independent expert Australian Medical Research Advisory Board (Advisory Board) to develop the Australian Medical Research and Innovation Strategy and the Australian Medical Research and Innovation Priorities;
- The requirement under the Bill for the establishment of transparent Strategies and Priorities that take into account other national priorities in research;
- The amendment which states that the Finance Minister must act on the direction of the Health Minister when disbursing funds from the MRFF; and
- The amendment requiring the Health Minister to report to Parliament every two years on the financial assistance provided from the MRFF.

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However, the Victorian Government remains concerned that the proposed legislation does not provide adequate accountability and seems at odds with the Prime Minister's assurance that the "the vast majority of disbursements from the fund will be in the hands of the National Health and Medical Research Council". Further, the bill proposes a medical research funding allocation process that is not independent and/or peer reviewed. These principles are critical in ensuring that the best projects are funded, through experts evaluating projects, according to unbiased and scientifically rigorous criteria.

The Victorian Government believes the Medical Research Future Fund requires legislated, independent, peer reviewed oversight of its distributions.

The Victorian Government is deeply concerned that effective governance structures will not be in place and that the Commonwealth Government will effectively allocate \$20 billion in funding with no independent oversight of how earnings from that money is spent.

The Victorian Government therefore believes the MRFF Bill should be amended when it comes before the Senate to ensure distributions of the MRFF are directed to medical research solely on the basis of independent and peer reviewed advice.

Given Australia already has an existing and highly respected organisation dedicated to this task, the Victorian Government believes the best method of ensuring the earnings of the MRFF achieve the best possible outcome for medical research in Australia is to direct its earnings to the NHMRC.

Furthermore, the Victorian Government believes that to best support the transparency of the MRFF, the Health Minister should report to Parliament on an annual basis on the financial assistance provided from the MRFF.

The Victorian Government notes that hospitals and health services are not identified as eligible organisations for funding in the Bill (S 24). Health services' research is fundamental to improving health service delivery and reducing healthcare costs. The Victorian Government recommends that hospitals and health services be expressly identified in the Bill and the associated Explanatory Memorandum as eligible bodies to receive funding from the MRFF.

Finally, that the full cost of Commonwealth-funded research, including indirect costs, should be funded by the Commonwealth through consistent health and medical research grants for all administering institutions, including universities, hospitals and medical research institutes.

Thank you again for the opportunity to contribute to the Senate Committee's Inquiry into the Medical Research Future Fund bills. The Victorian Government is available to provide further advice if required.

Yours sincerely

Martin Foley MP
Acting Minister for Health

16/7/2015