



Association of Australian Medical Research Institutes

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Mr John Hawkins
Committee Secretary
Senate Economics Committee
Department of the Senate
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Mr Hawkins

The Association of Australian Medical Research Institutes (AAMRI) welcomes the opportunity to input into the Senate Standing Committee on Economics inquiry into the Nation Building Funds Bill 2008 and the Nation Building Funds (Consequential Amendments) Bill 2008:

- Building Australia Fund (BAF)
- Education Investment Fund (EIF)
- Health and Hospital Fund (HHF)

AAMRI represents 37 independent medical research institutes (MRIs) across Australia. The MRIs are independent, not-for-profit organizations, closely affiliated with the health sector and hospitals and higher education and universities. The MRIs employ more than 6000 researchers and support staff, and train more than 1500 post-graduate students each year. They have a combined research income of more than \$350 million per annum, winning most of that from competitive grant funding. About half of this is derived from the NHMRC, and a significant amount is awarded by international funding agencies.

AAMRI members conduct much of Australia's most distinguished and world-renowned health and medical research, in almost every aspect of human health and disease and are major partners in commercialization of Australian biomedical discoveries.

AAMRI supports the Nation Building Funds Bill 2008 that establishes three separate funds: the Building Australia Fund (BAF), the Education Investment Fund (EIF) and the Health and Hospitals Fund (HHF). AAMRI enthusiastically supports the objectives of these funds as listed below:

- Address national infrastructure priorities;
- Demonstrate high benefits and effective use of resources
- Efficiently address infrastructure needs; and

- Demonstrate they achieve established standards in implementation and management

Given the important role of AAMRI members in the health and medical research and education sectors, the following comments relate mainly to the EIF and the HHF.

Eligibility

In clause 4, Chapter 1 of the Nation Building Funds 2008 there is the following definition: *research institution* means an institution that is specified in a legislative instrument to be made by the EIF designated Ministers. AAMRI would like to clarify that independent medical research institutes will be eligible under this definition. In particular, that eligibility is direct and not via universities or other third parties.

Funding mechanism

The funding distribution mechanisms for both EIF and HHF should be transparent, competitive and support the best proposals regardless of institutional origin.

To achieve this goal, AAMRI advocates a contestable application process open to all Australian institutions for the HHF including:

- hospitals,
- medical research institutes,
- universities
- primary care groups
- other health care providers

AAMRI recommends that applications are reviewed by external expert panels with broad representation from the health, research and higher education community.

Evaluation criteria

The legislation states that the evaluation criteria for the EIF will be developed by the Education Minister and the Research Minister and that these Ministers are required to consult with the Treasurer and the Finance Minister before formulating the EIF evaluation criteria. As independent medical research institutes collaborate with the university sector and provide training for PhD students and medical researchers, AAMRI would like to ensure that the role of MRIs in both the health research as well as the education field, is considered.

Selection criteria for HHF submissions, which we understand will be formulated by the Health Minister in consultation with the Treasurer and the Finance Minister, should be transparent, clearly articulated and include:

- reference/relevance to Australia's national health priorities
- potential for impact on health care delivery
- contribute to improving health of Australians and as a consequence increase productivity in the workplace
- Significance and novelty

Sustainability

At the time of the 2008 Budget, AAMRI welcomed the Rudd Government's \$10 billion investment in the new Health and Hospitals Fund. We also welcome the announcement that \$5 billion has already been earmarked from the 2007/08 Budget surplus for the Health and Hospitals Fund and that this will be credited by 30 June 2009. The mechanism for future contributions is critical and we hope that the HHF will continue to grow and provide an ongoing source of funds. Spending on health and medical research will help to stimulate the economy and deliver social benefits.

AAMRI would be pleased to offer any further assistance in developing the EIF and HHF.

Yours sincerely,



Professor Robert Graham
President



Professor Garry Jennings
Immediate Past President