

SUBMISSION

Submission to the Department of Health and Aged Care

Submission on Improving Alignment and Coordination Between the Medical Research Future Fund and Medical Research Endowment Account

14 July 2023

The Australian Academy of Technological Sciences and Engineering (ATSE) is a Learned Academy of independent, non-political experts helping Australians understand and use technology to solve complex problems. Bringing together Australia's leading thinkers in applied science, technology and engineering, ATSE provides impartial, practical and evidence-based advice on how to achieve sustainable solutions and advance prosperity.

ATSE thanks the Department of Health and Aged Care for the opportunity to provide feedback on Australia's health and medical research funding system. The recommendations in this submission are designed to assist the Australian Government in maximising its significant investment (over \$1.5 billion annually) in health and medical research, to achieve better health outcomes for all Australians.

ATSE recommends that model two from the consultation discussion paper be implemented, since it has the greatest potential for delivering a coordinated approach to health and medical research funding. Combining unified governance arrangements while maintaining two separate funding streams with distinct funding responsibilities can address potential duplication of funding, applicant administrative burden and lacking coordination. This approach also provides the flexibility to fund investigator-led research and researcher-driven research to address national priorities.

Currently, Australia lacks an overarching strategy for Australian Government funded health and medical research due to inconsistencies in the operation of the Medical Research Future Fund (MRFF) and the Medical Research Endowment Account (MREA). The reform offers Australia the opportunity to determine how health and medical research can better fit the nation's needs now and into the future.

ATSE makes the following recommendations to improve the alignment of Australian health and medical research funding:

Recommendation 1: Adopt model two to enhance the coordination of Australia's strategic investment in health and medical research while increasing efficiency in delivering the two funding streams.

Recommendation 2: Leverage the distinct funding responsibilities of the MRFF and MREA to meet the needs of the different priorities, while being managed by the NHMRC (with increased resources) to overcome efficiency problems and achieve greater alignment.

Recommendation 3: Promote the integration of research outcomes into the health system by increasing dedicated translational research funding and encourage MRFF-funded translation activities for promising MREA-funded research.

Recommendation 4: Encourage innovation that doesn't fit within 'standard' research areas to ensure Australia is at the cutting edge of global health technology research.

Enhancing strategic and operational coordination between the two funds

A core issue with the current arrangement is a lack of strategic and operational coordination between the two funds. With two distinct funds (having separate administration and strategic oversight), there is a risk of overlap of administration and research funding. Therefore, the Australian Government's investment in health and medical research may not have the capacity to realise the maximum health benefits for the population. Maintaining the two funds with separate strategic oversight while coordinating their delivery through one organisation provides a balanced solution to coordination and strategic oversight. Having the two funds delivered by the same agency would provide organisation and clarity regarding the annual grant round schedule and application requirements.

Researchers in Australia spend over 13% of their working year writing grant applications for few outcomes – just 14.9% of applicants to NHMRC grants received funding in 2022 (NHMRC 2023; Herbert et al. 2013). For the MRFF, the main issue is that funding calls are often very narrow or very broad, making it difficult for applicants to determine their competitiveness in any given round. Changing to model two would increase efficiency for public health and medical research funding, analogous to the recommendation in [ATSE's submission](#) to the Australian Research Council (ARC) Review, that funding dates and systems should be aligned where possible (ATSE 2022).

While the Australian Medical Research Advisory Board (AMRAB) advises on the MRFF's spending, upon changing to model two, there would be an urgent need for an advisory body for the MRFF; be this the AMRAB, a new body, or a preexisting NHMRC advisory board.

Recommendation 1: Adopt model two to enhance the coordination of Australia's strategic investment in health and medical research while increasing efficiency in delivering the two funding streams.

Selecting a funding model to maximise research outcomes

The distinct funding responsibilities of the MRFF and MREA can be leveraged so that funding for investigator-led and priority-led research can be separated to meet the needs of the different priorities. Model one, which proposes a coordination mechanism for greater alignment (without changing the funds' management authority), does not offer the opportunity for increasing operational coordination, efficiency or clarity for applicants. This could lead to delays and potential miscommunications and does not provide the best pathways to consumer involvement in funded health and medical research. Model three (which proposes the NHMRC manages the merged funds) would risk the loss of one of the funding approaches (investigator-led or priority-led research), reducing flexibility to respond to national needs.

Model two therefore strikes a balance and, out of the three proposed models, is ATSE's preferred model for maximising health and medical research funding outcomes and efficiency. The sole management of policies and procedures of the two funds would reduce confusion over the strategic purpose of the funds and facilitate the harmonisation of post-award arrangements. The initial time and effort investment to arrange a transition to model two (including some legislative change, such as potentially abolishing AMRAB as posited in the consultation paper) is most likely to offer the greatest benefits in the long run, by streamlining the funding process and providing more time for researchers to do research. The coexistence of the two funds while being managed separately means that when transitioning the MRFF management to the NHMRC, there needs to be increased resources for the NHMRC to take on this responsibility. Directing more resources to the NHMRC would make a practical difference in supporting both funds' management and promoting research of unique importance to Australia. The reform must also be accompanied by improved communication on grant timing and greater clarity on the difference between the grants.

ATSE supports most grants being awarded through a competitive process while noting that a direct award of funds is the most appropriate response to national needs in some exceptional cases. For example, there are circumstances where research outcomes are key to the national response to emerging and unforeseen health challenges, such as the urgent need to develop a COVID-19 vaccine during the recent global pandemic. Maintaining the strategic priority-driven approach of the MRFF also allows for this flexibility and agility in a national crisis.

Recommendation 2: Leverage the distinct funding responsibilities of the MRFF and MREA to meet the needs of the different priorities, while being managed by the NHMRC (with increased resources) to overcome efficiency problems and achieve greater alignment.

Backing health research translation and commercialisation

More coordination between the MRFF and MREA would assist in shepherding basic research into translatable outcomes. This is supported by the four objectives of the MRFF: research-informed preventative health care, translation and commercialisation, a skilled research workforce, and a responsive research sector and health system (DHAC 2022). Outcomes of research translation can positively impact the health system and the population through a more efficient health system, better health practices and new drugs, devices and preventions. Identifying MREA-funded research that can progress to MRFF-funded translational research can help overcome existing challenges and allow Australians to directly benefit from health technology funding by improving health outcomes.

ATSE supports model two as the best proposed model to enhance the integration of research into the Australian health system and draw upon the NHMRC's role in funding translational research. This could be further enhanced by connecting this new model to stakeholders and systems that influence the health system (such as with industry or state and local governments). The Australian Academy of Health and Medical Sciences (AAHMS) identified five priority areas for integrating research into the health system, which should be considered during this reform: a) address fragmentation by creating a new alliance for transforming healthcare through research, b) build a skilled and enabled health research workforce, c) maximise the value of current investments in research and innovation, d) foster stronger consumer and community involvement, e) build integrated teams and cross-sector collaboration (AAHMS 2022).

ATSE proposes that additional translational research funding and strategic investment of the MRFF and MREA require further consideration. Strategic investment in translational research would help foster researcher-industry engagement, economic benefits and keep globally competitive health technology companies in Australia.

Recommendation 3: Promote the integration of research outcomes into the health system by increasing dedicated translational research funding and encourage MRFF-funded translation activities for promising MREA-funded research.

Supporting funding pathways for innovative research

The reform of the Australian health and medical research funding system provides the opportunity to encourage innovative research alongside blue skies research. The current arrangement can limit research that does not necessarily fit within pre-defined parameters or scope. Without proactive steps to encourage innovative research ideas, applicants may be more inclined to propose "safe" research that is more likely to be awarded funding. There is a role for government-supported innovative research that is unlikely to be undertaken by the private sector. [ATSE's Submission](#) to the ARC Review recommended championing research funding across the research pipeline, including curiosity-driven, null result and replication research (ATSE 2022). Providing health and medical research funding that supports innovative and curiosity-driven research would help to ensure a pipeline of translatable research into the future and protects Australia's research strengths.

Recommendation 4: Encourage innovation that doesn't fit within 'standard' research areas to ensure Australia is at the cutting edge of global health technology research.

ATSE thanks the Department of Health and Aged Care for the opportunity to respond to the consultation, Improving alignment and coordination between the Medical Research Future Fund and Medical Research Endowment Account. For further information, please contact academypolicyteam@atse.org.au.

References

AAHMS (2022) [Integrating research in the health system](#), Australian Academy of Health and Medical Sciences.

ATSE (2022) [Submission to the Australian Research Council \(ARC\) Review](#), Australian Academy of Technological Sciences and Engineering.

DHAC (2022) [MRFF Strategy and Priorities](#), Department of Health and Aged Care.

Herbert DL, Barnett AG, Clarke P and Graves N (2013) '[On the time spent preparing grant proposals: an observational study of Australian researchers](#)', *Open*, 3:2800.

NHMRC (2023) [Outcomes of funding rounds](#), National Health and Medical Research Council.