

10 July 2015

Committee Secretary  
Senate Standing Committees on Community Affairs  
PO Box 6100  
Parliament House  
Canberra ACT 2600

Submitted on-line



Dear Senate Standing Committee,

## UNSW RESPONSE TO MEDICAL RESEARCH FUTURE FUND BILL 2015 AND MEDICAL RESEARCH FUTURE FUND (CONSEQUENTIAL AMENDMENTS) BILL 2015

UNSW welcomes the opportunity to respond to the Senate Community Affairs Legislation Committee regarding the Medical Research Future Fund Bill 2015 and the Medical Research Future Fund (Consequential Amendments) Bill 2015 (the Bills) for inquiry and report.

This submission represents the UNSW's position in relation to issues raised in the Bills.

### 1. UNSW SUPPORTS THE ESTABLISHMENT OF THE MRFF

*UNSW supports the establishment of the Medical Research Future Fund as an endowment to sustainably support medical research in Australia.* It has been demonstrated in many forums that increased investment in health and medical research will improve health outcomes and it will deliver direct and indirect long-term economic benefits to Australia.

### 2. CLEAR DEFINITION OF MEDICAL RESEARCH

While the intent of the Bills is to support **medical research**, at the moment, there is no clear definition of "medical research". Defining medical research for the purpose of the Bills is critical in determining where MRFF funds could and should be directed. *Medical research, for the purpose of the Bills, should be restricted to basic medical research, applied medical research or translational medical research* which is conducted to increase the stock of knowledge in the field of medicine and/or public health.

UNSW is concerned that, the way the Bill is written, significant funding could be diverted to essentially support health care or to provide health care facilities (for example to build new hospitals), or to big pharma for the development of commercial medicines, not medical research.

Our concern is exacerbated by statements such as:

*"MRFF funding may be made available, through the COAG Reform Fund, to States and Territories in order to support medical research infrastructure development. This may involve supporting infrastructure projects by hospitals, health services, universities or collaborative projects between state governments and medical research institutes. MRFF funding may also be made available to a Corporation. This could involve supporting research into the development of medicines or medical technologies (including personal health technologies) for commercial use."*<sup>1</sup>

*The MRFF should only be used to support medical research in Australian universities, medical research institutes and hospitals.*

### 3. A FOCUS ON RESEARCH EXCELLENCE

*An overarching priority for the MRFF must be to support excellence in Medical Research.* A focus on excellence will always lead to the best medical and health outcomes and the processes around administering and managing the MRFF must always come back to a focus on excellence.

<sup>1</sup> Medical Research Future Fund Bill 2015, Medical Research Future Fund (Consequential Amendments) Bill 2015, Supplementary Explanatory Memorandum, [http://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22legislation%2Fems%2Fr5397\\_ems\\_677f85cd-8688-40e4-ae45-1384d9ac1fa6%22](http://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22legislation%2Fems%2Fr5397_ems_677f85cd-8688-40e4-ae45-1384d9ac1fa6%22)

#### 4. CLEAR AND TRANSPARENT GOVERNANCE

While the Consequential Amendment Bill proposes the establishment of an independent expert Australia Medical Research Advisory Board to develop strategy and priorities, the Bill still gives the Finance and Health Ministers the absolute discretion and authority over disbursement of the Fund through the budget process. Without a clear governance framework, the Advisory Board could be directed by targeted priorities and could also be a firm target for lobbying and this process could bypass any strategy for medical research and potentially divert funding to projects that actually have little relevance to medical research.

**Stronger, more transparent, governance of the MRFF must be included in the Bill.** The Bill explicitly says that the NHMRC will not administer the fund. UNSW is concerned that rigour around excellence will be lost if the NHMRC is not used as the primary disbursement vehicle. UNSW is disappointed that the Government does not appear to be meeting the commitment made in the 2014-15 Budget that “From 2015-16, the net earnings from the Fund will serve as a permanent revenue stream, primarily to the National Health and Medical Research Council (NHMRC)”<sup>2</sup>.

#### 5. BASIC AND APPLIED RESEARCH Vs TRANSLATION & INNOVATION

UNSW recognises the great value that can flow from funding innovative ideas and inventions. However the disbursement of these funds also requires specialist, rigorous review. There is some concern that there has been a shift of focus in the Consequential Amendment Bill from supporting medical research towards also supporting medical innovation. The supplementary explanatory memorandum states that the development of the Advisory Boards Strategy must “ensure that a coherent and consistent approach is adopted in the funding of medical research and medical innovation from the MRFF over a five year period” and further the Health Minister is to report to Parliament every two years on “medical research and innovation investment”, which suggests that the MRFF is not to be used only for medical research. The MRFF must not be overly focussed on commercial outcomes. **There must be a focus on providing the right environment and infrastructure to capture and capitalise on new developments with commercial potential but commercialisation should not be a driver for determining medical research priorities.**

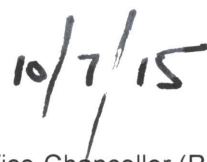
UNSW is a strong advocate of the concept of Academic Health Centres to build a critical mass of medical research and health care delivery. These centres bring together Universities, Medical Research Institutes and Hospitals and this model has worked very effectively in the USA and in the UK. The MRFF could be mechanism by which similar Centres could be resourced in Australia.

#### 6. REDUCING THE BUREACRACY

The NHMRC has a well-established machinery for assessing and awarding support for medical research support as well as monitoring outcomes. We should avoid setting up another parallel bureaucracy to administer the MRFF. The NHMRC at least has a breadth of experience which we should build on – **we should use the infrastructure available in the NHMRC to administer the MRFF and we should not attempt to duplicate the back-office machinery that is required to effectively run a program to allocate resources to support medical research.**

UNSW would welcome the opportunity to contribute further to the discussion on the implementation of the MRFF. UNSW consents to this submission being published in whole or part.

Yours sincerely,



Professor Les Field  
Vice-President and Deputy Vice-Chancellor (Research)

<sup>2</sup> Australian Government, Budget 2014-2015, “Medical Research Future Fund” [http://www.budget.gov.au/2014-15/content/overview/html/overview\\_12.htm](http://www.budget.gov.au/2014-15/content/overview/html/overview_12.htm)