

**My submission relates to the following term of reference:**

**“The diversity, fragmentation and efficiency of research investment across the Australian Government, including the range of programs, guidelines and methods of assessment of grants.”**

I wish to draw the Committee’s attention to an article I wrote on Australian Government medical research funding that was published in the *Medical Journal of Australia* earlier this year. The reference is:

Jorm, A.F. (2018). The other source of government funding for medical research that needs reform. *Medical Journal of Australia*, 208, 104-105.

The article argued as follows:

- The Australian Government operates the NHMRC as an open competitive peer-reviewed source of funding for medical research. In addition to this, there is an informal system of funding through discretionary grants given by Ministers for Health. Such funds are often announced at Budget time or foreshadowed as election promises.
- Some of these funds are awarded competitively through the NHMRC, but others are given directly to particular organizations, without any formal tender process or peer review. I referred to such grants as ‘gifted funding’.
- As success rates through the NHMRC and other open peer-reviewed schemes decline, researchers are increasingly lobbying for gifted funding.
- Gifted funding undermines quality in science and administrative best practice. Competition and peer review are important factors in producing the best quality research. They also ensure probity, transparency and best use of public funds.
- The Medical Research Future Fund is a growing source of medical research funding. When the legislation for this Fund was going through Parliament, concern was expressed that it allowed the Minister to make decisions that are not underpinned by open competition and peer review, in contrast to the situation with NHMRC. While the Fund may have so far been used in defensible ways, there is a danger that it could be used as a source of gifted funding of projects or organizations favoured by the government of the day.
- Ministers need to realize that they and their staff are not qualified to pick the best research to be funded. We need a commitment from all political parties to competition and peer review in all grant funding if we are to achieve the best for the nation.
- NHMRC, the Australian Research Council and other research funding bodies have rigorous peer review procedures which can be drawn on.

Although the arguments in the article were specifically in relation to medical research, the same points apply to all research supported by the Australian Government.

**Recommendation: The Committee should support the principle of open competition and peer review in all Australian Government research funding and recommend against the practice of ‘gifted funding’ by Ministers.**