



The George Institute for Global Health
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Senator Claire Chandler
Chair
Senate Finance and Public Administration Legislation Committee
PO Box 6100
Parliament House
Canberra ACT 2600
Email: fpa.sen@aph.gov.au

Dear Senator,

Re: Investment Funds Legislation Amendment Bill 2021 [Provisions]

On behalf of The George Institute for Global Health, please accept our submission to the Senate Finance and Public Administration Legislation Committee in relation to the *Investment Funds Legislation Amendment Bill 2021 [Provisions]*.

The George Institute is a leading independent global medical research institute established and headquartered in Sydney. Established 22 years ago, our mission is to improve the health of millions of people worldwide, particularly those living in disadvantaged circumstances, by challenging the status quo and using innovative approaches to prevent and treat non-communicable diseases and injury.

The George Institute supports the *Investment Funds Legislation Amendment Bill 2021 [Provisions]* legislation before the Senate, particularly "Schedule 3, Medical Research Future Fund (MRFF)".

Since 2015, the MRFF has helped to transform health and medical research, and innovation, to improve lives, build the economy and contribute to health system sustainability.

In relation to the bill, The George Institute recommends:

1. **If there is to be a calculated maximum to the fund, this should be subject to indexation.** The George Institute believes indexation is required, otherwise the fund will erode each year there is growth in the economy, which is forecast in the budget.
2. **Provide a fixed minimum annual disbursement of at least \$650 million from 2022-23 subject to indexation.** The George Institute believes there should be a minimum annual disbursement to ensure funding from the MRFF is consistent with reliable budget forecasts. This will provide confidence to the medical research community. If there is no minimum annual disbursement, then a situation could arise, similar to 2021-22, in which a low Reserve Bank of Australia (RBA) cash rate could negatively impact the MRFF if there is no supplement from the Federal Government.

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3. **Protect the initial \$20 billion endowment.** The George Institute believes that in the event of drawing down of the \$20 billion endowment, it should only happen through legislation.
4. **Expand avenues available to provide funding to the states and territories:** The George Institute supports this proposal, as it will enable greater integration and cooperation of medical research within the overall Australian health system.
5. **Timing of the Australian Medical Research and Innovation Strategy and Priorities:** The George Institute supports this proposal as it will allow for better alignment between the Strategy and Priorities. Currently, the Strategy is released every five years and Priorities every two years, creating a confusing overlap and unnecessary additional stakeholder consultation. By amending the Strategy to six years and the Priorities to three years, they will better align, as well as help streamline stakeholder consultation.

Again, thank you for considering this submission.

Yours sincerely,

Professor Bruce Neal
Executive Director
The George Institute for Global Health, Australia

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