

Outcome 14

## Health and Medical Research

**Australia's health system benefits from high quality health and medical research conducted at the highest ethical standard, well-developed research capabilities and sound evidence-based advice that informs health policy and practice**

### OUTCOME SUMMARY – THE YEAR AHEAD

The National Health and Medical Research Centre (NHMRC) is the key agency for managing the Australian Government's investment in health and medical research. The NHMRC also: disseminates authoritative public health advice; considers and promulgates advice on ethical standards in relation to complex health issues, and research involving humans and animals; and regulates sensitive medical research activities.

The NHMRC's strength is built on its committee system and the diversity of its committee membership, which draws upon the resources of all components of the health system, including governments, medical practitioners, nurses and allied health professionals, researchers, community health organisations, social health researchers, business and consumers.

The *National Health and Medical Research Council Act 1992* (NHMRC Act) provides four statutory obligations for the NHMRC:

- to raise the standard of individual and public health throughout Australia;
- to foster development of consistent health standards between the states and territories;
- to foster medical research and training and public health research and training throughout Australia; and
- to foster consideration of ethical issues relating to health.

The NHMRC also has statutory obligations under the *Prohibition of Human Cloning Act 2002* (PHC Act) and the *Research Involving Human Embryos Act 2002* (RIHE Act).

The Australian Government decided in September 2005 to introduce new governance arrangements for the NHMRC. When these arrangements are implemented (planned for 1 July 2006) the NHMRC will be an independent public sector agency within the Health and Ageing portfolio. It will be a 'statutory agency' for the purposes of the *Public Service Act 1999* and a 'prescribed agency' for the purposes of the *Financial Management and Accountability Act 1997*.

The NHMRC is currently a body corporate within the Health and Ageing portfolio, with funding to perform its functions being appropriated to and administered by the Department of Health and Ageing.

The outcomes and functions of the NHMRC will not change under the new arrangements, but over the coming year the NHMRC will, in consultation with its incoming Council for the 2006-2009 triennium, develop strategic directions and administrative processes and structures to maximise efficiency, effectiveness and responsiveness to government under the new governance arrangements.

### **Key Strategic Directions for 2006-07**

During 2006-07, the Chief Executive Officer of the NHMRC, reporting to the Minister for Health and Ageing, will:

- provide oversight of, and support for, the work of the NHMRC's Council and Principal Committees;
- increase the NHMRC's reputation for responding effectively to the needs of government, researchers, health professionals and the Australian community;
- promote a research culture that is positive towards research commercialisation; and
- increase awareness of the outcomes and benefits of medical research and how this facilitates the development of health standards and health policy.

### **Major Activities**

The operations of the NHMRC are supported by strategic plans approved by the Minister for Health and Ageing. The current strategic plan (2003-2006) expires on 31 December 2006. During the first half of 2006-07, the NHMRC will develop a new strategic plan to cover the years 2007 to 2009. The major priorities in the current strategic plan (2003-2006) are:

- creating internationally competitive knowledge;
- developing research capacity and capability within Australia;
- improving the utilisation of research findings in health;
- maintaining and promulgating high ethical standards;
- engaging with the Australian community;
- building and maintaining a comprehensive regulatory framework for the use of excess human embryos and the prohibition of human cloning; and
- improving governance and accountability.

The activities of the NHMRC translate into five major groups: health and medical research; health policy and advice; health ethics; human genetics advice; and the regulation of research involving donated IVF embryos, including monitoring compliance with the ban on human cloning and certain other activities.

### **Health and medical research**

The NHMRC, informed by the advice of its Research Committee, will:

- continue funding high impact research and developing a strong research workforce;
- continue progressing the Government's National Research Priorities;
- manage the review of the *Joint NHMRC/Australian Vice Chancellors Committee (AVCC) Statement and Guidelines on Research Practice (1997)*, which will become the *Australian Code for the Responsible Conduct of Research (2006)*; and
- finalise a nationally-focused *Minimising pain, distress and suffering in animals in research* document.

In 2006-07, the NHMRC will also build on its support for medical research by administering the additional funding for research grants and fellowships.

Major activities for 2006-07 will include:

- establishing a new Australian Health and Medical Research Fellowship Scheme which will see, for each of the first five years of the scheme, approximately 10 to 13 new fellows commence a five year-long research program; and
- managing increased research grants.

### **Health policy and advice**

The NHMRC, informed by the advice of its National Health Committee, will:

- continue commissioning the development of new health guidelines and information in identified priority areas, including air quality standards, consumer involvement in development of health advice, identification of Indigenous status in health data collections, and autism;
- continue providing authoritative guidance for the use and application of electronic guidelines and decision support systems;
- update existing NHMRC guidelines, including alcohol guidelines and dietary guidelines for older Australians; and
- produce the document *NHMRC additional levels of evidence and grades for recommendations for developers of guidelines*.

### **Health ethics**

The NHMRC, through its Australian Health Ethics Committee (AHEC), builds confidence within the Australian community through considering ethical issues relating to health and the conduct of research involving humans.

Major priorities for 2006-07 include:

- producing *Organ and Tissue Donation after Death: Ethical Guidelines for Health Professionals*, and *Making a Decision about Organ and Tissue Donation after Death*; and
- reviewing, in conjunction with the Australian Research Council (ARC) and the Australian Vice-Chancellors Committee (AVCC), the *National Statement on Ethical Conduct in Research Involving Humans (1999)* to produce the *National Statement on Ethical Conduct in Human Research (2006)*.

### **Human genetics advice**

The NHMRC, through its Human Genetics Advisory Committee (HGAC) (established in January 2006), will provide advice to government on high-level technical and strategic issues in human genetics, and on the social, ethical and legal implications of human genetics and related technologies. The HGAC will also provide national leadership in responding to new developments in these technologies.

Major spheres of activity in 2006-07 will include industry and commercialisation; communication and education; health delivery and research; and ethical, legal and social issues.

### **Regulation of the ban on human cloning and licensing of human embryo research**

Reviews of the *Prohibition of Human Cloning Act 2002* (PHC Act) and the *Research Involving Human Embryos Act 2002* (RIHE Act) were completed and tabled in Parliament in December 2005. Australian governments will consider the reports in the reviews during 2006.

Major priorities for the Embryo Research Licensing Committee of the NHMRC (NHMRC Licensing Committee) for 2006-07 include:

- in accordance with the RIHE Act, considering and deciding on applications for licences (or variations to existing licences) to use excess assisted reproductive technology embryos in research;
- monitoring and enforcing compliance with the RIHE Act and the PHC Act;
- maintaining a public database on licences issued by the Licensing Committee; and
- reporting to Parliament by 30 June and 31 December on the operation of the legislation and the licences issued.

### **Outcome 14 Resourcing**

Table 3.1.14 shows how the 2006-07 Budget appropriations translate to total resourcing for Outcome 14, including administered expenses, revenue from government (appropriation), revenue from other sources, and the total price of outputs.

Section 3 – Department Outcomes – 14 Health and Medical Research

**Table 3.1.14: Total resources for Outcome 14**

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000
<b>Administered appropriations</b>		
<b>Program 14.1: Medical Research</b>		
To Department of Health and Ageing	18,505	16,285
To Medical Research Endowment Special Account - <i>National Health and Medical Research Council Act 1992 and FMA Act 1997, s21<sup>(1)(2)</sup></i>	430,459	627,191
Total Bill 1	448,964	643,476
	<b>448,964</b>	<b>643,476</b>
<b>Total Administered Appropriations</b>	<b>448,964</b>	<b>643,476</b>
<b>Departmental appropriations</b>		
<b>Health and Ageing</b>		
Output Group 1 - Policy Advice	6,611	6,663
Output Group 2 - Program Management	15,425	15,548
<b>Total price of departmental outputs</b> <i>(Total revenue from government and from other sources)</i>	22,036	22,211
Total revenue from government (appropriations) contributing to price of departmental outputs	21,600	21,775
Total revenue from other sources	436	436
<b>Total price of departmental outputs</b> <i>(Total revenue from government and from other sources)</i>	22,036	22,211
<b>Total Price of Outputs for Outcome 14</b> <i>(Total Revenue from Government and from other sources)</i>	22,036	22,211
<b>Total estimated resourcing for Outcome 14</b> <i>(Total price of outputs and administered appropriations)</i>	<b>471,000</b>	<b>665,687</b>
	2005-06	2006-07
<b>Average staffing level (number)</b>		
Department	177	176

1. Flows into Special Accounts are also shown in the receipts column of the Special Accounts table in Table 2.6.
2. Where names of Acts have been abbreviated, the full name of the Act can be found in the Acts Glossary at the end of Table 2.6.

### Measures Affecting Outcome 14

A summary of measures affecting this outcome is provided at Table 2.2, Section 2. Measure descriptions are published in full in Budget Paper No. 2, *Budget Measures 2006-07*, available on the Australian Government website at <<http://www.budget.gov.au>>.

### Contribution of Administered Programs to Outcome 14

#### Program 14.1: Medical Research Endowment Account (MREA)

The MREA provides assistance to Departments, universities, institutions or persons engaged in medical research; assistance in the training of persons in medical research; and related purposes.

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The contribution of this item to NHMRC outcomes is measured under Outcomes 1 to 2 of the NHMRC's Performance Measurement Framework 2003-2006, specifically, Creating New Knowledge, and Enhancing Capacity to Innovate.

### Contribution of Departmental Outputs to Outcome 14

The Department describes its core activities in terms of three output groups: policy advice, program management and agency-specific service delivery. Outcome 14 reports on policy advice and program management. Refer to Section 3.1 for more information on output groups.

### Performance Information for Outcome 14

Performance information for administered programs, individual outputs and output groups relating to Outcome 14 are summarised in Table 3.2.

**Table 3.2.14: Key Performance Information for Outcome 14**

#### Performance Information for Administered Programs

Indicator	Measured by	Reference Point or Target
<b>Administered Funding – Health and Medical Research Programs</b>		
Creating new knowledge.	Investment in research.	80% of MREA <sup>1</sup> appropriation is paid to research institutions for research activities.
Enhancing capacity to innovate.	Investment in people (researcher) support.	20% of MREA appropriation allocated to people support activities.
<b>Cost: \$643.476m</b>		

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<sup>1</sup> The Medical Research Endowment Account (MREA) is a special account established under the NHMRC Act. Payments are made from the account for medical research and public health research.

Section 3 – Department Outcomes – 14 Health and Medical Research

**Performance Information for Departmental Outputs**

<b>Indicator</b>	<b>Measured by</b>	<b>Reference Point or Target</b>
<b>Output Group 1 – Policy Advice</b>		
Providing quality, relevant and timely advice for Australian Government decision-making.	Ministerial satisfaction.	Maintain or increase from previous year.
Providing quality, relevant and timely evidence-based advice on current and emerging health-related issues.	Production and publication of relevant and timely evidence-based advice.	Maintain or increase number of publications and briefings compared with previous year.
<b>Price: \$6.663m</b>		

<b>Indicator</b>	<b>Measured by</b>	<b>Reference Point or Target</b>
<b>Output Group 2 – Program Management</b>		
Meeting administered budget predictions.	Percentage that actual expenses vary from budgeted expenses.	Actual expenses vary from budgeted expenses by 0.5% or less.
Achieving high standards of governance and accountability.	Compliance with legislative requirements.	Meet statutory requirements for all external reporting.
Utilising knowledge.	Transfer of expert knowledge related to national priority areas.	75% of published advice and information is in national priority areas.
Ensuring high ethical standards.	Compliance with NHMRC ethics guidelines.	100% of human research ethics committees and animal research ethics committees comply with the National Statements and associated ethics guidelines.
Regulating embryo research and maintaining the prohibition of human cloning.	Compliance with relevant legislation.	Unqualified audits of monitoring and compliance systems.
<b>Price: \$15.548m</b>		

### **Evaluations**

There are no evaluations planned to be undertaken by NHMRC in 2006-07.

### **Major Reviews**

There are no major reviews planned to be undertaken by NHMRC in 2006-07.

### **Performance Improvement Initiatives**

NHMRC is undertaking a performance initiative entitled the Research Investment Management and Evaluation System (RIMES) in 2006-07. It is envisaged that this will involve acquisition, building and integrating of a suite of IT solutions to support the core business activities of grants administration, and program management and reporting. The project will extend beyond 2006-07.

RIMES will replace the NHMRC's current IT systems, which are complex and outdated. This, in turn, should enable the NHMRC to provide enhanced quality of information to government, the Department of Health and Ageing and the Council. It will also enhance responsiveness to the research community, and transform the NHMRC's resource base away from routine administrative transactions support to enable better performance and delivery of results in its mandated functions overall, and more resources to be devoted to health and medical investment review and priority setting, provision of health advice and assigned regulatory functions.