

Consultation: Improving alignment and coordination between the Medical Research Future Fund & Medical Research Endowment Account

Webinar 1
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Acknowledgement of Country & Introductions



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Format

Part 1

- Background and context
- Purpose
- Potential models
- Next steps

Part 2

- Questions
 - Submit via Slido

Background and context

- Over **\$1.5 billion** is provided each year for health and medical research grants through the MRFF and MREA.
- Intent is to improve cohesiveness of system and improve the effectiveness of the MRFF and MREA.
- We are seeking input from a broad range of stakeholders on how to do this.
- This is an important first step towards broader reforms to Australia's health and medical research system.

MRFF and MREA

Medical Research Future Fund (MRFF)

- \$20 billion sovereign fund that supports MRFF grants (\$650 million p.a.)
- Supports grants in priority areas of medical research and innovation determined by government on advice of AMRAB following public consultation
- Administered by Health and Medical Research Office (HMRO) in Department of Health and Aged Care

Medical Research Endowment Account (MREA)

- Special account that supports NHMRC grants (~\$900 million p.a.)
- Supports investigator-initiated grants in all fields of health and medical research from discovery to clinical, public health and health services research
- Administered by NHMRC, an independent agency in the Health portfolio

Stage 1: Improving alignment & coordination of MRFF & MREA

Governance

The governance arrangements (including accountability and advice) that enable effective oversight of the MRFF and MREA grant programs consistent with the national strategy.

Administration

The administrative and resourcing arrangements to deliver the MRFF and MREA grant programs consistent with the national strategy.

— Orange line indicates scope of current consultation

Stage 2: Development of national strategy

National strategy

A national strategy for health and medical research in Australia.
The government's investment through the MRFF and MREA will be part of this strategy.

Purpose - What problems are to be addressed?

- 1 Limited strategic coordination
- 2 Lack of clarity around different purposes of the two funds
- 3 Operational issues
- 4 Limited avenues for consumer involvement in research
- 5 Lack of support for research translation & commercialisation

Addressing stakeholder concerns

The discussion paper summarises key concerns raised (pp. 24–25) and how the models would address them (pp. 26–30).

Purpose – what is the goal of reform?

A health and medical research funding system that:

- ✓ regards all Australians as stakeholders
- ✓ values and seeks advice from stakeholders
- ✓ provides certainty for stakeholders, with well-understood frameworks, streamlined administration and coordinated grant opportunities
- ✓ harnesses foundational capability, knowledge and innovation generated by investigator-led research
- ✓ values priority-driven research to strengthen Australia's health and economic sustainability



Potential models

Three potential models for the governance and administration of the MRFF and MREA are presented for discussion:

- Model 1: Better alignment through coordination
- Model 2: Management of both funds by NHMRC
- Model 3: Merging of the two funds with new governance arrangements

Model 1 – Better alignment through coordination

The MRFF and MREA continue to be separately managed, with a new coordination mechanism established to ensure collaboration and alignment between the funds:

- Promotes greater collaboration between HMRO CEO and NHMRC CEO, and between AMRAB and NHMRC Council
- Retains current governance and administrative arrangements
- Low implementation complexity

Model 2 – Management of both funds by NHMRC

NHMRC leads and manages the MRFF and MREA, which continue as separate funding streams with distinct focuses:

- AMRAB is abolished and NHMRC develops new investment plans for both funds
- New or revised advisory structures are implemented to support NHMRC Council and the NHMRC CEO
- Medium implementation complexity

Model 3 – Merge the two funds with new governance arrangement

Funds are merged and disbursed as a single grant program managed by NHMRC:

- New governance arrangements to support a single Commonwealth funding source for health and medical research
- Single cohesive investment strategy
- High implementation complexity

Purpose - What problems are to be addressed?

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Addressing stakeholder concerns

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Guiding questions

1. What benefits should be achieved through improving the alignment and coordination of the MRFF and MREA?
2. Which feature/s of the models will deliver these benefits?
3. What elements of the existing arrangements for the MRFF and the MREA work well and should be retained? Which feature/s of the models will help ensure these elements are preserved?
4. Which aspects of the current arrangements could be changed to deliver the most appropriate and effective change, and why? Which feature/s of the models will help deliver this change?
5. Is there anything you would like to raise that is not otherwise captured by these questions?

Next steps

- Targeted consultation – Ministerial and Commonwealth roundtables held over the coming weeks
- Another webinar on Monday 3 July 2023, 2:30 – 4:00pm
- Written submissions due via the **Consultation Hub** by 11:59pm on Friday 14 July 2023
- Following consultation period, a summary report will be publicly available
- Contact: HMRconsultations@health.gov.au

Questions?



Please submit your questions via Slido.



**Thank you for
attending**

