



# Statutory Review of the *Medical Research Future Fund Act 2015*

Department of Finance, Department of the Treasury in consultation  
with Department of Health and Aged Care and the Future Fund  
Management Agency

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# Terms of Reference

## Purpose, context and background

The Hon Dr Jim Chalmers MP, Treasurer, and Senator the Hon Katy Gallagher, Minister for Finance (as responsible Ministers), are required to cause a review of the Medical Research Future Fund (MRFF) in accordance with section 62 of the *Medical Research Future Fund Act 2015* (the MRFF Act). The responsible Ministers have agreed that the review is to be undertaken by 31 December 2024, consistent with paragraph 62(1)(b) of the MRFF Act. This date allows the government to consider the outcomes of national consultations on improving the alignment and coordination of the National Health and Medical Research Council's (NHMRC) Medical Research Endowment Account (MREA) and the MRFF.

The MRFF was established in 2015 to improve the health and wellbeing of Australians through grants of financial assistance to support medical research and medical innovation. The MRFF operates as an Australian Government Investment Fund (AGIF). The capital of the MRFF is invested by the Future Fund Board of Guardians (Future Fund Board) and the earnings are used to make grants of financial assistance for medical research and medical innovation over the long term.

The Hon Mark Butler MP, Minister for Health and Aged Care, and the Hon Ged Kearney MP, Assistant Minister for Health and Aged Care, are considering opportunities for improving coordination and alignment between the spending governance and administration of the MRFF and National health and Medical Research Council's (NHMRC) Medical Research Endowment Account (MREA). A separate process via a national consultation in June and July 2023 captured views from stakeholders. This feedback has informed this review.

## Scope of the review

The review focuses on the object of the MRFF Act, which is to improve the health and wellbeing of Australians through grants of financial assistance to support medical research and medical innovation.

The review was managed jointly by the Treasury and the Departments of Finance and Health and Aged Care.

As required by subsection 62(1) of the MRFF Act, the review involves a consideration of the substantive provisions of the MRFF Act, including those in relation to:

- the establishment and operation of the Special Accounts,
- the process of the transfer of MRFF funds, and
- reporting and governance.

As required by subsection 62(2) of the MRFF Act, the review considers whether financial assistance provided under the MRFF has:

- complemented and enhanced other financial assistance provided by the Commonwealth for medical research and medical innovation, including through the NHMRC, and
- otherwise affected the total amount of other financial assistance provided by the Commonwealth for medical research and medical innovation.

## Executive Summary

The MRFF was established on 26 August 2015 by the MRFF Act. The legislated object of the MRFF Act is to improve the health and wellbeing of Australians by establishing the MRFF to provide grants of financial assistance to support medical research and medical innovation.

The MRFF operates as an Australian Government Investment Fund (AGIF) with the capital preserved for the long term. The initial capital of the MRFF was sourced from the uncommitted balance of a former AGIF (the Health and Hospitals Fund) plus Health portfolio savings measures announced in the 2014-15 Budget. Annual credits were made until July 2020 when the Fund's total assets were fully capitalised at \$20 billion, with no further credits expected. As of 30 September 2024, the capital base of the MRFF is valued at \$23.3 billion.

The MRFF comprises the investments of the MRFF and the MRFF Special Account. The Fund's capital is invested independently by the Future Fund Board, consistent with the MRFF Act and the Investment Mandate issued by the Treasurer and the Finance Minister. This generates returns which, subject to maximum amounts determined annually by the Future Fund Board, are then disbursed towards grants for medical research and medical innovation. This can occur when the Health Minister requires the Finance Minister to debit funds from the MRFF Special Account (which is managed by the Department of Finance) to the MRFF Health Special Account (which is managed by the Department of Health and Aged Care). The MRFF Act also provides for funds to be debited from the MRFF Special Account to the Federation Reform Fund (formerly the Council of Australian Governments Reform Fund) for the purpose of making grants to states and territories, and directly to corporate Commonwealth entities, although to date the latter two avenues of funding have not been used.

Each year the Board specifies a Maximum Annual Distribution Amount (MADA) that can be spent on grants of financial assistance in the upcoming financial year. The value of the MADA has historically fluctuated depending on the performance of the Fund. To provide greater certainty of funding for researchers and support more responsible grants management practices, since 2018-19 the Government has committed to a fixed annual budget for the MRFF under the 10-year Investment Plan (10-year Plan). The 10-year Plan is a non-legislative mechanism that the Department of Health and Aged Care uses to forecast, design and deliver MRFF grant opportunities over the long term. The ongoing differences between the MADA and the budgeted amounts allocated to the MRFF under 10-year Plan highlight an opportunity to streamline the disbursements model for the MRFF.

Annual disbursements from the MRFF towards grants of financial assistance commenced in 2016-17 and increased while the MRFF was being capitalised. In response to this rapid growth, the Department of Health and Aged Care has put mechanisms in place to ease the administrative burden of funds transfers between the MRFF Special Account and the MRFF Health Special Account. Disbursements from the MRFF towards research are currently estimated at \$650 million per year, in line with government commitments under the 3rd MRFF 10-year Investment Plan (10-year Plan).

Decisions about grants of financial assistance funded from the MRFF are made by the Health Minister, taking into account the *Australian Medical Research and Innovation Strategy* and related *Priorities*, which are developed every five years and two years respectively by the independent Australian Medical Research Advisory Board (AMRAB). In addition to the Strategy and Priorities and the 10-year Plan, the Department of Health and Aged Care also delivers the MRFF grant program in line with other applicable legislative and policy frameworks, including the *Commonwealth Grants Rules and Principles 2024*, MRFF Mission Roadmaps and Implementation Plans and other Research Plans, and the MRFF Monitoring, Evaluation and Learning Strategy. As the volume of disbursements

from the MRFF has grown, the Departments of Finance and Health and Aged Care have introduced administrative efficiencies to support provision of grants payments from the MRFF Health Special Account at scale. This review provides an opportunity to reflect these processes in the MRFF Act.

The consideration of the performance of the MRFF in this review is informed by numerous published evaluations and reports on MRFF investments since inception, as well as the outcomes of broader consultations conducted by the Department of Health and Aged Care over the past 18 months, including:

- consultation with the AMRAB on the *Australian Medical Research and Innovation Priorities 2024-2026* and proposed amendments to the MRFF Act,
- public consultation across the health and medical research sector on options for improving alignment and coordination between the Medical Research Future Fund and the National Health and Medical Research Council's Medical Research Endowment Account (MREA), and
- initial consultations on the development of the inaugural National Health and Medical Research Strategy.

## Findings

1. The disbursements model under the MRFF Act, which specifies a maximum annual distribution amount for the MRFF, leads to constrained timeframes for grant design and delivery.
2. Current policy frameworks, including the MRFF 10-year Investment Plan, support certainty and direction of funding for research and promote responsible grant design, delivery and management practices.
3. The MRFF's required rate of return is benchmarked to the RBA Cash Rate target. This is inconsistent with the required rate of return for other Australian Government Investment Funds that primarily benchmark against the consumer price index. Changes to the benchmark rate of return would only be considered in the context of a revised disbursement framework.
4. Grants to states and territories through the Federation Reform Fund have not been used to date.
5. The MRFF is meeting the object of the MRFF Act to 'improve the health and wellbeing of Australians by establishing the MRFF to provide grants of financial assistance to support medical research and medical innovation'.
6. Financial assistance provided by the MRFF has complemented and enhanced other financial assistance provided by the Commonwealth for medical research and medical innovation, including through the National Health and Medical Research Council.
7. The Australian Government Investment Fund model provides ongoing certainty of funding for grants but limited administrative and funding flexibility. There are alternative, more flexible, options for funding medical research grants using annual appropriations or a Special Account.

## Recommendations

1. Amend the MRFF Act to remove the requirement for the Future Fund Board to set a Maximum Annual Distribution Amount for the MRFF. Instead, specify in the MRFF Act that annual disbursements from the MRFF will be a set value, with Responsible Ministers able to adjust this amount by legislative instrument after consultation with the Future Fund Board.
2. Amend the MRFF Act to increase the duration of the *Australian Medical Research and Innovation Strategy* to 6 years and the *Australian Medical Research and Innovation Priorities* to 3 years, to align consultation processes and reduce the overall consultation burden on stakeholders.
3. Amend the MRFF Act to allow states and territories (including state and territory entities) to receive funding directly from the MRFF Health Special Account.

4. Amend the MRFF Act to:

- a. clarify that funds transferred from the Medical Research Future Fund Special Account may be held in the Medical Research Future Fund Health Special Account for short durations to streamline the administration of funds transfers and allow for grants to be paid in instalments, and
- b. provide that funds credited to the Medical Research Future Fund Health Special Account as a result of debt recovery actions may be held in the Medical Research Future Fund Health Special Account for short durations and used to offset the next funds transfer from the Medical Research Future Fund Special Account.

5. Amend the MRFF Act to require a review of its operation at least every 10 years and provide that the:

- a. Health Minister is required to commission reviews of the management of financial assistance to support medical research and medical innovation, and
- b. responsible Ministers are required to commission reviews of the investment and governance framework of the Fund.



# Establishment of the Medical Research Future Fund

## Medical Research Future Fund Act

The MRFF was established on 26 August 2015 by the MRFF Act.

The MRFF provides an ongoing funding stream for medical research and medical innovation. Its capital base is preserved for the long term, and the earnings on the investments from this capital are used to make grants of financial assistance to support medical research and medical innovation.

The provisions in the MRFF Act fall into two main categories. Parts 3 and 4 of the MRFF Act relate to the investment of the MRFF's capital by the Future Fund Board to generate investment returns and provide disbursements. Parts 2 and 2A of the MRFF Act authorise MRFF disbursements for grants that support medical research and medical innovation.

### Box 1: Establishment of the MRFF

In 2013, the Strategic Review of Health and Medical Research (the McKeon Review) advocated for investment in a world class health and medical research sector and identified that:

The next phase of reform will be defined by a continued focus on high-quality research, with an increased emphasis on translational impact and a more strategic approach to target Australia's highest priority health and medical research issues.<sup>1</sup>

In response, the MRFF was announced in the 2014-15 Budget and a Bill was introduced to Parliament in 2015. The Preamble to the MRFF Act reads:

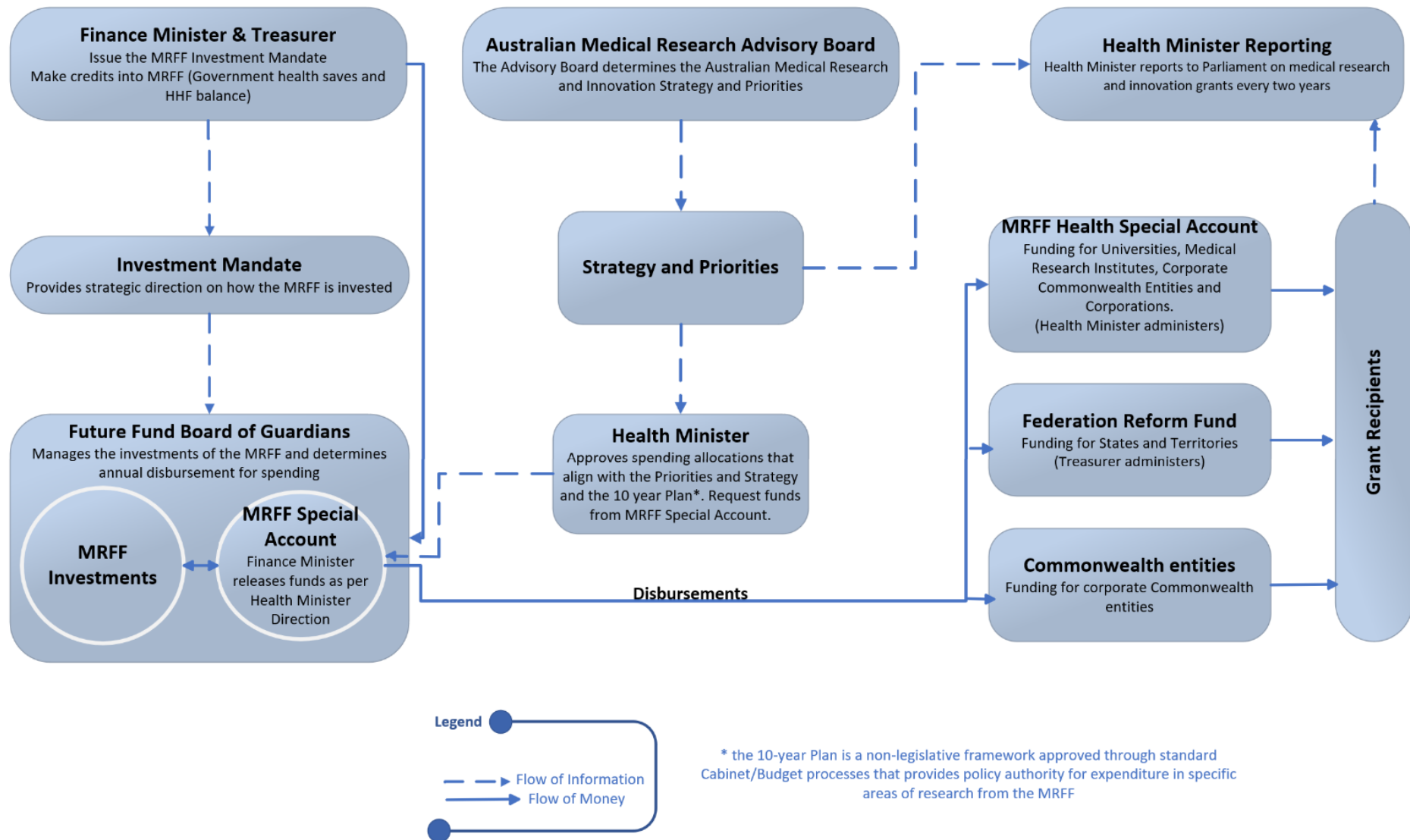
In order for medical research and medical innovation to support a healthy and productive nation, long-term and largescale funding is required. The Parliament believes that the establishment of a perpetual fund capable of generating income over the long term is the most appropriate mechanism for ensuring that this funding is available on an ongoing basis. The Commonwealth has a role in meeting this funding need as it is able to marshal and deploy resources not available through other means.

Funding a system for medical research and medical innovation requires a national approach. The establishment of the MRFF and its administration will ensure that a coherent and consistent approach is adopted in the funding of medical research and medical innovation to ensure that such research and innovation benefits all Australians.

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<sup>1</sup> Strategic Review of Health and Medical Research, Summary Report, February 2013, page 12.

**Figure 1: Medical Research Future Fund**



# Operation of the MRFF Special Accounts

The MRFF Act establishes two special accounts: the MRFF Special Account (section 14) and the MRFF Health Special Account (section 23).

A special account is a limited special appropriation that notionally sets aside an amount that can be expended for listed purposes. Special accounts provide transparency regarding the availability of funds and clear governance arrangements for the management of the available funds.

The MRFF Special Account is administered by the Department of Finance and the MRFF Health Special Account is administered by the Department of Health and Aged Care.

## The MRFF Special Account

The MRFF Special Account has the purpose of transferring annual disbursements from MRFF investments to the MRFF Health Special Account and the Federation Reform Fund (for the purposes of making grants) and making grants directly to corporate Commonwealth entities.

### Credits to the MRFF Special Account

Section 15 of the MRFF Act allows the Treasurer and Finance Minister (as responsible Ministers) to make credits into the MRFF Special Account via written determination. An initial credit was made into the MRFF in 2015. Further annual credits were made from 2015 until July 2020 when the Fund's total credits reached \$20 billion (see Table 1).

Table 1: Credits to MRFF Special Account

Date	Source of Funds	Amount (\$AUD m)
<b>28 August 2015</b>	Uncommitted balance of the Health and Hospitals Fund	1,010
<b>26 November 2015</b>	Value of health saving measures announced in the 2014-15 Budget and residual amounts from the closure of the Health and Hospitals Fund	2,139
<b>26 August 2016</b>	Value of health saving measures announced in the 2014-15 Budget and residual amounts from the closure of the Health and Hospitals Fund	1,277
<b>3 July 2017</b>	Value of realised health saving measures announced in the 2014-15 Budget	2,242
<b>10 July 2018</b>	Value of realised health saving measures announced in the 2014-15 Budget	2,289
<b>23 July 2019</b>	Value of realised health saving measures announced in the 2014-15 Budget	7,831
<b>21 July 2020</b>	Value of realised health saving measures announced in the 2014-15 Budget	3,212
<b>Total Credits</b>		20,000

Source: Department of Finance

## MRFF Investments

Part 4 of the MRFF Act provides that the Future Fund Board has responsibility for investing, at arm's length from the Government, the capital of the MRFF.<sup>11</sup>

Section 43 of the MRFF Act requires the Future Fund Board to comply with an Investment Mandate issued by the responsible Ministers. The Investment Mandate provides the Future Fund Board with strategic directions about the performance of its investment functions and covers matters of financial risk and return, as well as the allocation of financial assets.<sup>12</sup> To protect the independence of the Future Fund Board and its investment functions, the MRFF Act prohibits the responsible Ministers from using the Investment Mandate to direct the Future Fund Board to invest in any particular financial asset, business entity, activity or business.<sup>13</sup>

The current Investment Mandate for the MRFF was issued on 8 November 2015, shortly after the MRFF was established.<sup>14</sup> The Investment Mandate requires the Future Fund Board to adopt a benchmark return of "at least the Reserve Bank of Australia (RBA) Cash Rate target + 1.5 per cent to 2.0 per cent per annum, net of investment fees, over a rolling 10-year term". The benchmark return reflects disbursement requirements and is consistent with an acceptable level of risk.

Investment mandates are long term in nature, given the perpetual funding intentions of the MRFF. It is therefore appropriate that the Investment Mandate remain in effect until or unless there is a compelling reason to change it.

## Investment Performance

The Future Fund Board's management of the investments of the MRFF has been in line with the directions in the Investment Mandate. The Future Fund Board has outperformed the benchmark rate of return for the MRFF. It has generated average returns of 4.7 per cent per annum since inception compared to a benchmark of 3.2 per cent.<sup>15</sup> Total earnings since inception, net of investment and administration fees, have been \$6.435 billion.<sup>16</sup>

Table 2: MRFF Credits, Earnings and Disbursements since inception (as at 30 September 2024)

	\$ million
<b>Total Credits</b>	20,000
<i>(Plus)</i> <b>Net Investment Earnings<sup>17</sup></b>	6,435
<i>(Less)</i> <b>Disbursements</b>	(3,150)
<b><i>(Equals)</i> Balance</b>	<b>23,285</b>

Source: Department of Finance

The successful investment of the MRFF portfolio since inception has generated additional funds above the level of disbursements. If the current annual disbursement figure of \$650 million is

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<sup>11</sup>

<sup>12</sup> Section 39 of the MRFF Act.

<sup>13</sup> Section 41 of the MRFF Act.

<sup>14</sup> Medical Research Future Fund Investment Mandate Direction 2015.

<sup>15</sup> As of 30 September 2024.

<sup>16</sup> As of 30 September 2024.

<sup>17</sup> Earnings are net of investment and administration fees incurred by the Future Fund Board.

retained and the benchmark is achieved, it is projected that the MRFF will grow to over \$30 billion by 2033-34.

Information on the investment performance and asset allocation of the MRFF is available in the Future Fund's quarterly portfolio updates, with more detailed information on MRFF investment holdings published as part of the Future Fund Periodic Investment Reports.<sup>18</sup>

The Future Fund Board ensures that the necessary amounts from the MRFF are made available in the MRFF Special Account for the purpose of providing grants for medical research and medical innovation. The main purpose of the MRFF Special Account, as per section 17 of the MRFF Act, is to make payments to support medical research and medical innovation.

## Transfers from the MRFF Special Account

Amounts may be transferred from the MRFF Special Account to:

- the MRFF Health Special Account (for grants to a medical research institute, a university, a corporate Commonwealth entity or a corporation),
- the Federation Reform Fund (for grants to the states and territories), and
- corporate Commonwealth entities.

The MRFF Special Account has other legislated purposes listed in sections 18 and 19 of the MRFF Act. These provisions allow the MRFF Special Account to be used to cover expenses that may be incurred by the Future Fund Board in respect of its investment functions. These are standard provisions contained in the legislation for all AGIFs that allow the Future Fund Board to apportion and recover costs between the various investment funds under its management.

The Health Minister may request (under section 15A of the MRFF Act) that the Finance Minister debit an amount from the MRFF Special Account (administered by the Department of Finance). When this occurs, the Finance Minister is required to direct in writing that the transfer be made.<sup>19</sup>

The direction by the Finance Minister is not a legislative instrument.<sup>20</sup> A copy of the direction must be provided to the Health Minister and the Treasurer.<sup>21</sup> These provisions provide visibility over transfers and facilitate the efficient administration of grants payments. In practice, delegates of the Ministers and officials within the relevant departments and the Future Fund Management Agency work together to prepare for transfers to be made in an efficient and timely manner.

The MRFF Act provides for funds to be debited from the MRFF Special Account to the MRFF Health Special Account, the Federation Reform Fund (formerly the COAG Reform Fund) or directly to a corporate Commonwealth entity.

To date, funds from the MRFF Special Account have exclusively been debited to the MRFF Health Special Account (see page 21).

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<sup>18</sup> <https://futurefund.gov.au/>

<sup>19</sup> See subsections 20(1), 25(1) and 29(1) of the MRFF Act.

<sup>20</sup> See subsections 20(4), 25(4) and 29(3) of the MRFF Act.

<sup>21</sup> See subsections 20(5), 25(5) and 29(4) of the MRFF Act.

Disbursements from the MRFF Special Account to the MRFF Health Special Account occur on a quarterly basis, with the Department of Health and Aged Care assessing the grant payment requirements for the upcoming quarter.

Finance officials ensure that the requested debits from the MRFF Special Account comply with legislative and administrative requirements.

## MRFF Health Special Account

The MRFF Health Special Account, established by section 23 of the MRFF Act, is administered by the Department of Health and Aged Care and receives credits exclusively from the MRFF Special Account. It has the purpose of making medical research and medical innovation grants to medical research institutes, universities, corporate Commonwealth entities and corporations.

Grant payments from the MRFF Health Special Account are discussed on pages 18-23 of this Review.

## Maximum Annual Distribution Amount

The maximum amount available for grants from the MRFF Special Account is determined under Part 3 of the MRFF Act, which requires the Future Fund Board to determine a Maximum Annual Distribution Amount (MADA) for each financial year.

Under the current determination by the Finance Minister, the Future Fund Board must provide its annual determination to the Finance Minister by the first Friday in November of the preceding financial year (approximately 8 months before the relevant financial year commences).

In making each determination, the Future Fund Board must take into account the principles that:

- the nominal value of credits to the MRFF be preserved over the long term, and
- the volatility in maximum annual distributions be moderated from one financial year to the next, to the extent possible.

The Future Fund Board is also required to describe, in each determination, the method and considerations taken into account for working out the MADA (see Box 2).

While the MADA sets the maximum drawdown for grants from a legislative perspective, the spending of disbursements still requires formal government approval through the Budget decision making process.

Following government approval, the Health Minister requests the drawdowns from the MRFF Special Account, up to the value of the Government approved maximum distribution. The power to request drawdowns is currently delegated to senior officials in the Department of Health and Aged Care.

### Box 2: Maximum Annual Distribution Amount methodology

The Future Fund Board has an established methodology for determining a MADA each year, which is explained in detail in each determination.

The amount available for MRFF grants in a given financial year is the sum of three components (less an amount for expenses incurred in managing and investing the MRFF that financial year):

- the Target Distribution Amount, which is equal to the MRFF's cumulative contributions (\$20 billion) multiplied by the mid-point of the benchmark rate of return (currently equal to the "the Reserve Bank of Australia (RBA) Cash Rate target + 1.5 per cent to 2.0 per cent per annum"),
- the Amortisation Amount, which is equal to 10 per cent of the difference between the MRFF's cumulative contributions (\$20 billion) and the MRFF's balance. This adjustment effectively smooths out the difference between the MRFF's contributions and its balance by allowing higher disbursements when the fund's value exceeds contributions, and vice versa, and
- the Experience and Outlook Adjustment, which is a discretionary adjustment available to the Future Fund Board to amend the MADA for relevant considerations such as abnormal investment market conditions.

The methodology for calculating the MADA relies on the benchmark rate of return, which is currently linked to the RBA cash rate. While the Amortisation Amount and the Experience and Outlook Adjustment can smooth disbursements across years, the current disbursements framework can result in differences between the MADA (calculated reference to the *benchmark* rate of return) and the MRFF's ability to make disbursements (linked to MRFF's *actual* returns and balance).

## MADA and 10-year Investment Plan

Prior to 2018-19, grant expenditure was designed to fall below the MADA each year. The MADA was set 8 months in advance of the upcoming financial year, requiring the Department of Health and Aged Care to meet compressed timelines for obtaining policy authority (through the Budget process), followed by completion of grant design, selection and establishment processes in the following 12 months. These compressed timelines presented challenges for applicants and administrators.

The MRFF 10-year Investment Plan was developed to provide more certainty and direction to the health and medical research sector over the long term.

Since 2018-19, the level of annual Government funding commitments from the MRFF has been determined under the MRFF 10-Year Investment Plan,<sup>22</sup> and is largely independent of the process of determining the MADA, and the value of the MADA itself.

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<sup>22</sup> See section 15A of the MRFF Act.

## MRFF 10-year Investment Plan

The MRFF 10-year Investment Plan (10-Year Plan) is a non-legislative mechanism for implementing the MRFF Strategy and Priorities (see pages 19-20).

The 10-year Plan provides indicative funding allocations for the MRFF beyond the forward estimates and is structured around four themes (Patients, Researchers, Research Translation and Research Missions). The first MRFF 10-year Plan commenced in 2018-19 and has been updated twice, in 2022-23 (2<sup>nd</sup> Plan) and 2024-25 (3<sup>rd</sup> and current Plan).

The 3<sup>rd</sup> and current MRFF 10-year Plan<sup>23</sup> estimates that \$650 million will be made available for MRFF grants per year from 2024-25 to 2033-34 across 22 initiatives.

The MRFF 10-year Plan gives an important signal to researchers and the community about the Government's priorities for research, allowing the sector to re-prioritise efforts towards these priorities. The 10-Year Plan assists the Department of Health and Aged Care to design and deliver grants consistent with responsible grants management practices, including the *Commonwealth Grants Rules and Principles 2024*. It also gives the Department of Health and Aged Care the flexibility and visibility to plan, prepare and communicate MRFF granting activities over the long term to stakeholders.

### 10-Year Investment Plan vs MADA

In recent years, the MADA has fluctuated significantly, reflecting broader market volatility and a low RBA cash rate. In 2021-22 and 2022-23, the Commonwealth provided supplementation on top of MRFF funding to address a shortfall in the MADA relative to government commitments under the 10-year Plan. This supplementation was administered by the Department of Health and Aged Care separately to the MRFF Health Special Account. In 2023-24 and 2024-25, the MADA exceeded the estimates under the MRFF 10-year Plan (see Table 3).

Table 3: MRFF finances – MADA vs MRFF Commitments

Financial Year	Net Earnings	MADA	Budget Supplementation	MRFF commitments*
2015-16	57.1	69.0	-	10.0
2016-17	185.9	118.0	-	60.9
2017-18	314.1	155.0	-	143.3
2018-19	505.8	243.0	-	222.4
2019-20	29.3	396.0	-	392.7
2020-21	2,159.2	579.0	-	597.9
2021-22	18.2	455.0	172.5	627.5
2022-23	931.4	598.0	52.0	650.0
2023-24	1,808.8	870.0	-	650.0
2024-25	N/A	973.0	-	650.0

Source: Department of Health and Aged Care and Department of Finance

\*The table above shows grant payments made by the Department of Health and Ageing, which differs from amounts drawn from the MRFF and reflect the MRFF 10-year Plan since it commenced in 2018-19.

<sup>23</sup> Available at: <https://www.health.gov.au/resources/publications/mrff-3rd-10-year-investment-plan-2024-25-to-2033-34?language=en>



## Set disbursements model

The recurring difference between the MADA and the 10-year Plan has raised concerns from stakeholders regarding the security of annual funding for research (in years where the MADA was lower) and perceived ‘missed opportunities’ to use the full amount available to support research (in years where the MADA was higher).

An alternative to requiring the Future Fund Board to set a MADA for the MRFF each year is to instead specify an annual disbursement amount in legislation, which could be initially set at, for example, \$650 million per annum in line with the current 10-year Plan. Responsible Ministers could then be given the power to adjust this amount by legislative instrument. Such an instrument could specify either a set amount per year for a given period, or a schedule of differing amounts per year over a set period.

Under a set disbursements model, an annual disbursement would be determined and would remain the same regardless of short-term investment performance of the MRFF. The annual disbursement could be set at a level that provides meaningful disbursements to support research while ensuring the MRFF is not overdrawn over the long-term. A profile of annual disbursements over a set number of years could also be considered as part of a legislative instrument, this could assist to provide the required certainty over long-term funding for grant applicants and the Department of Health and Aged Care.

The responsible Ministers, in consultation with the Health Minister, could be required to regularly review the annual disbursement amount and be permitted (but not required) to update the amount by disallowable legislative instrument when appropriate. This would ensure the disbursement profile balances meaningful short term disbursements against the long term funding objective of the MRFF. A review at least every five years would provide relative stability while ensuring the disbursement profile remains appropriately updated. This is consistent with the approach taken for the Disaster Ready Fund (see section 34 of the *Disaster Ready Fund Act 2019*).

Similar to the Housing Australia Future Fund and the Disaster Ready Fund, the responsible Ministers should be required to consult with the Future Fund Board before adjusting the annual disbursement amount to ensure a robust understanding of the effect of any changes on the longevity and sustainability of the MRFF.

Simplifying the MRFF’s disbursements framework would reduce administrative pressures and promote responsible grant design and delivery, while retaining the certainty and direction of government commitments towards research for researchers and research organisations provided by the MRFF 10-year Plan.

The successful investment of the MRFF portfolio by the Future Fund Board has generated \$6.4 billion in net investment earnings since inception. If disbursements are maintained at \$650 million per year and the benchmark rate of return is met, the MRFF is projected to grow to over \$30 billion by 2033-34. On this basis it could be argued that the MRFF could support a higher level of disbursements in the future.

Under a set disbursements model, the MADA determination requirement for the Future Fund Board to consider the principle of preserving the nominal credits to the MRFF over the long term would be removed. This could allow the Future Fund Board to invest a higher proportion of the Fund's capital in longer-term investments with higher expected returns and could potentially be reflected in a higher benchmark rate of return in the Investment Mandate.

A higher benchmark rate of return more in line with the other AGIFs would allow the Future Fund Board to match the MRFF portfolio's level of risk with other AGIFs that have similar liquidity requirements, including the Housing Australia Future Fund, the Future Drought Fund and the Disaster Ready Fund (Table 4). This is expected to create operational efficiencies for the Future Fund Board.

Table 4: Australian Government Investment Fund benchmark rates of return

Investment Fund	Disbursement profile	Benchmark rate of return
<b>Medical Research Future Fund</b>	Variable disbursement profile determined annually by Future Fund Board. Principle to maintain nominal value of the fund.	RBA Cash Rate target + 1.5-2.0 % p.a., net of investment fees, over a rolling 10 year term
<b>Future Drought Fund</b>	Set disbursements of \$100m annually	Consumer Price Index (CPI) + 2.0-3.0% p.a., net of costs, over the long term
<b>Disaster Ready Fund</b>	Set disbursements of \$200m annually	CPI + 2.0-3.0% p.a., net of costs, over the long term
<b>Housing Australia Future Fund</b>	Set disbursements of \$500m annually. Indexed to CPI from 2029-30.	CPI + 2.0-3.0% p.a., net of costs, over the long term
<b>Aboriginal and Torres Strait Islander Land and Sea Future Fund</b>	Set disbursements profile indexed to CPI.	CPI + 2.0 + 3.0% p.a., net of costs, over the long term.
<b>Future Fund</b>	No disbursements until at least 2032-33.	CPI + 4-5% p.a., over the long term  (target return of CPI + 4.5-5.5% p.a. to 30 June 2017)
<b>DisabilityCare Australia Fund</b>	Set disbursements of \$4 billion per year until fully exhausted.	Australian three month bank bill swap rate + 0.3% p.a., net of fees, calculated on a rolling 12 month basis.

#### Finding 1

The disbursements model under the MRFF Act, which specifies a maximum annual distribution amount for the MRFF, leads to constrained timeframes for grant design and delivery.

#### Finding 2

Current policy frameworks, including the MRFF 10-year Investment Plan, support certainty and direction of funding for research and promote responsible grant design, delivery and management practices.

### Finding 3

The MRFF's required rate of return is benchmarked to the RBA Cash Rate target. This is inconsistent with the required rate of return for other Australian Government Investment Funds that primarily benchmark against the consumer price index. Changes to the benchmark rate of return would only be considered in the context of a revised disbursement framework.

### Recommendation 1

Amend the MRFF Act to remove the requirement for the Future Fund Board to set a Maximum Annual Distribution Amount for the MRFF. Instead, specify in the MRFF Act that annual disbursements from the MRFF will be a set value, with Responsible Ministers able to adjust this amount by legislative instrument after consultation with the Future Fund Board.

## MRFF grants processes

The Department of Health and Aged Care has policy responsibility for designing and delivering MRFF grants and reporting on these grants.

The Department of Health and Aged Care seeks approval from the Health Minister to conduct grant opportunities and administers them through its grant hubs (the NHMRC and the Business Grants Hub), consistent with whole-of-government requirements for grants administration. Once the outcomes of a grant opportunity are known, the Department of Health and Aged Care commits funds and enters into written agreements with grant recipients.<sup>24</sup> The Department of Health and Aged Care shares responsibility for reporting on MRFF grants with the grant hubs.

There are several policy frameworks that determine how MRFF grants are directed:

- the [Australian Medical Research and Innovation Strategy and Australian Medical Research and Innovation Priorities](#),
- the [MRFF Funding Principles](#),
- the [MRFF Monitoring, Evaluation and Learning Strategy](#) (MEL Strategy),
- the [MRFF 10-year Investment Plan](#), and
- MRFF Mission Roadmaps and Implementation Plans, and other published Research Plans.

MRFF grants must also comply with relevant whole-of-government requirements for grants administration. These include the *Commonwealth Grants Rules and Principles* 2024 and the PGPA Act. Health officials work with the grant hubs to ensure that funds disbursed from the MRFF Health Special Account comply with these requirements.

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<sup>24</sup> This function is delegated to senior officials consistent with section 61A of the MRFF Act.

## Australian Medical Research and Innovation Strategy and Priorities

Part 2A of the MRFF Act establishes the independent expert AMRAB to:

- determine a Strategy every five years to ensure that a coherent and consistent approach is adopted in providing financial assistance for medical research and medical innovation through the MRFF,
- determine Priorities every two years to identify the initiatives that will reduce burden of disease, provide practical benefits or deliver the best value, consistent with the Strategy that is in force, and
- provide a transparent process for consulting with experts in medical research and consumers before determining a Strategy or Priorities.

Under section 15A of the MRFF Act, the Health Minister must consider the Priorities in force when determining whether to require the Finance Minister to debit an amount from the MRFF Special Account.

In determining the Strategy and Priorities, the AMRAB is required by section 32EA of the MRFF Act to consult with a range of stakeholders across the health and medical research sector (see Box 3 for the 2024-26 Priorities consultation process).

Under sections 32F and 32G of the MRFF Act, AMRAB membership consists of:

- the CEO of the NHMRC, and
- 7 other members with an appropriate balance of experience or knowledge in:
  - medical research
  - policy relating to health systems
  - management or delivery of health services
  - medical innovation
  - financing and investment
  - commercialisation
  - philanthropy
  - consumer issues relating to health.

The maximum term for the ministerially appointed AMRAB members is five years. The current membership includes two international advisors to provide expert advice about relevant international activities. Members may be re-appointed and the term of the current AMRAB is due to expire in early 2026.

### Box 3: The AMRAB consultation process for the 2024-2026 Priorities

The AMRAB's consultation on the 2024-2026 Priorities commenced on 6 September 2024, with a roundtable to encourage discussion and reflection on shaping the MRFF's future strategic directions. Thirty organisations or individuals participated, including peak health and medical research representative bodies, consumers and consumer advocates.

An online survey was also run for interested parties to provide further feedback. This provided an opportunity to review the current Priorities and make additions or amendments to ensure that the new Priorities aligned with the 2021-2026 Strategy. Additions and amendments focussed on emerging gaps and particular areas of concerns. A total of 41 respondents made submissions in response to the online survey.

Overall, 42 organisations and 19 individuals provided input to the consultation. In addition to views conveyed in the consultation process, the AMRAB took into consideration preliminary discussions on the National Health and Medical Research Strategy, previous consultation for the 2022-2024 Priorities, NHMRC's 2024-2027 Priorities and reports provided by the Health and Medical Research Office on the performance of the MRFF.

### Duration of Strategy and Priorities

Refreshing the Priorities every two years and the Strategy every five years leads to a consultation burden on the medical research and medical innovation sector, which also regularly contributes to consultations for the:

- NHMRC Triennium Priorities,
- Australian Research Council's triennium Strategy,
- Department of Industry, Science and Resources' Australian National Science and Research Priorities, and
- National Science Statement.

The AMRAB consulted stakeholders on the duration of the Strategy and Priorities. The majority of stakeholders support a change in the frequency of Strategy and Priority renewal periods from two and five years to three and six years respectively. This would reduce the ongoing consultation burden on the health and medical research sector and reflect the enduring, long-term approach to government support for medical research and medical innovation under the MRFF. The proposed extension to the duration of the Strategy and Priorities would also retain the MRFF's ability to respond to the new and emerging health needs of Australians while maintaining sufficient time for mobilisation of research efforts.

The proposed durations would also create a regular cycle that would allow every second update of the Priorities to occur at the same time as an update of the Strategy, further reducing consultation requirements while still providing sufficient opportunity for stakeholder input. Subject to legislative priorities, a legislative amendment could take effect from 2026 when the current Strategy, Priorities, AMRAB (board membership) and the AMRAB Terms of Reference are due to expire.

## Recommendation 2

Amend the MRFF Act to increase the duration of the *Australian Medical Research and Innovation Strategy* to 6 years and the *Australian Medical Research and Innovation Priorities* to 3 years, to align consultation processes and reduce the overall consultation burden on stakeholders.

## MRFF Funding Principles

The MRFF [Funding Principles](#) were published in 2017 to guide the Department of Health and Aged Care in designing MRFF grant opportunities. The Principles cover:

- strategic issues, including that MRFF funding will complement other health and medical research funding,
- grant evaluation and processes, including that evaluations of initiatives will consider scientific rigour and return on investment, and
- grant processes.

## Monitoring, Evaluation and Learning Strategy

The Monitoring, Evaluation and Learning (MEL) Strategy for the MRFF was published in November 2020 and provides a framework for the evaluation of grants awarded from the MRFF. The Department of Health and Aged Care uses the outcomes of its evaluation activities to inform further funding from the MRFF (see page 27).

## MRFF Mission Roadmaps and Implementation Plans, and other published Research Plans

The Department of Health and Aged Care consults widely with the health and medical research sector, including with Expert Advisory Panels. These consultations inform, amongst other things, Roadmaps and Implementation Plans (for the MRFF [Research Missions](#)) and other Research Plans for specific MRFF Initiatives. These documents provide detailed guidance for researchers on specific areas for research investment under the relevant Mission or Initiative and support the ability of the Department of Health and Aged Care to plan and prepare grant opportunities over the long term.

## Entities which may receive grant funding

Section 24 of the MRFF Act limits grant payments from the MRFF Health Special Account to medical research institutes, universities, corporate Commonwealth entities and corporations. The MRFF Act also provides for grants to states and territories via the Federation Reform Fund, and payments directly to corporate Commonwealth entities from the MRFF Special Account, however, to date these avenues of funding have not been used.

## States and Territories

Under the MRFF Act, grant funding to States and Territories must be provided through the [Federation Reform Fund](#) (formerly known as the Council of Australian Governments (COAG) Reform Fund). The Federation Reform Fund is a special account established for the purpose of 'making grants of financial assistance to the States and Territories'.

Section 24 of the MRFF Act does not allow for States and Territories to be paid directly from the MRFF Health Special Account. The MRFF has provided two grants to state governments; these were paid from MRFF supplementation that was administered separately to the MRFF Health Special Account in 2021-22 and 2022-23 and were therefore not subject to the requirements under section 24 of the MRFF Act. The Department of Health and Aged Care has not used the Federation Reform Fund to channel grants to States and Territories because of the additional administrative requirements for using this channel.

As part of the consultation process for the 2024-2026 Priorities, AMRAB also consulted on allowing States and Territories to apply for, and receive, grants of financial assistance through existing MRFF grant processes. AMRAB recognised the increasing amount of research being conducted in conjunction with State and Territory governments and the scope to use MRFF Special Account funds to leverage this research funding, particularly with regards to commercialisation and translation. However, AMRAB also noted the following:

- the proposal may lead to fragmentation of Australian research and dilution of research funding,
- a perceived lack of skills and infrastructure in States and Territories, which may cause delays in delivering any intended outcomes,
- introduction of risk of bias and political influence from State and Territory governments,
- further isolation of healthcare and universities while integration of health workforce with academic workforce is important, and
- concerns about inequity of funding distribution between States and Territories.

Amending the MRFF Act to allow for States and Territories to be paid from the MRFF Health Special Account would facilitate States and Territory governments to apply for, and receive, grants of financial assistance through existing MRFF grant processes. In making this amendment, the government should consider potential impacts on the delivery and performance of the MRFF.

#### Finding 4

Grants to states and territories through the Federation Reform Fund have not been used to date.

#### Recommendation 3

Amend the MRFF Act to allow states and territories (including state and territory entities) to receive funding directly from the MRFF Health Special Account.

## Provision of grants payments and retention of funds in the MRFF Health Special Account

The MRFF Act requires that any amounts transferred from the MRFF Special Account to the MRFF Health Special Account (or the Federation Reform Fund) for the purposes of making grants is paid out as soon as practicable after being received. Grant funding is credited to the relevant special account

and then an administrative process follows to make the grant payment. If a grant cannot be made, the amount of the grant must be returned to the MRFF Special Account.<sup>25</sup>

These provisions aim to ensure that the funds made available from the MRFF for grants are either paid out in a timely manner or returned to the MRFF for reinvestment. However, they are predicated on the assumption that a grant is paid out, in full, in a single up-front payment. They also do not explicitly support temporary retention of funds in the MRFF Health Special Account in circumstances where it would be administratively inefficient to return them to the MRFF Special Account (e.g. small funding amounts).

It is common grants management practice for grants to be paid in instalments over the life of the grant (i.e. across multiple financial years). The increasing number of actively paying grants since inception of the MRFF (see page 25) means that the Department of Health and Aged Care processes more than 1,000 separate grant payments from the MRFF Health Special Account each financial year. These grant payments are usually of relatively low individual value and are generally paid within 6 months of the forecasted grant commencement date.

To minimise administrative burden, funds are debited from the MRFF Special Account to the MRFF Health Special Account on a quarterly basis. Each drawdown reflects the combined value of all forecast payments for new grants, existing (paying) grants in the upcoming quarter, as well as a modest buffer for any unforeseen payments. Relatively minor amendments to the MRFF Act could clarify that funds may be retained in the MRFF Health Special Account in anticipation of forecasted payments. This would enable the Department of Health and Aged Care to make its forecasted grant payments, while also allowing funds to be retained in the MRFF Special Account until they are needed.

Any unused funds in the MRFF Health Special Account are usually the result of debt recoveries throughout the year, rather than an entire grant not being made as anticipated under section 26 of the MRFF Act. Debt recoveries are typically low value compared to the administrative effort required to return them to the MRFF Special Account. Amendments to the MRFF Act would allow the Department of Health and Aged Care to use the net balance of the MRFF Health Special Account to offset the next quarterly drawdown instead of being required to return these funds to the MRFF Special Account for reinvestment.

Due to the typically low value of debt recoveries and the administrative effort required to return them to the MRFF Special Account, the Health Department uses the net balance of the MRFF Health Special Account to offset the next quarterly drawdown rather than returning these funds to the MRFF Special Account for reinvestment.

Amending the MRFF Act to clarify that funds may be retained in the MRFF Health Special Account, in anticipation of forecasted payments in the short term or as a result of debt recovery actions, would support administrative efficiencies in the delivery of the MRFF.

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<sup>25</sup> See subsections 21(2) and 26(2) of the MRFF Act.



#### Recommendation 4

Amend the MRFF Act to:

- a. clarify that funds transferred from the Medical Research Future Fund Special Account may be held in the Medical Research Future Fund Health Special Account for short durations to streamline the administration of funds transfers and allow for grants to be paid in instalments, and
- b. provide that funds credited to the Medical Research Future Fund Health Special Account as a result of debt recovery actions may be held in the Medical Research Future Fund Health Special Account for short durations and used to offset the next funds transfer from the Medical Research Future Fund Special Account.

## Performance of the MRFF against the object of the MRFF Act

The Object of the MRFF Act provides strategic oversight and direction of the MRFF. The Object of the MRFF Act is:

“to improve the health and wellbeing of Australians by establishing the Medical Research Future Fund to provide grants of financial assistance to support medical research and medical innovation”.

The Department of Health and Aged Care monitors developments, discoveries and new technologies emerging from health and medical research. The department collaborates across government, including with the NHMRC, Department of Industry, Science and Resources, AusIndustry, Department of Education and other stakeholders to promote knowledge exchange and translation, and evidence-based policy development.

In its assessment of the performance of the MRFF against its legislated object, the Department of Health and Aged Care considered:

- financial data on disbursements from the MRFF towards grants of financial assistance,
- delivery of the MRFF grant program against the 10-year Plan,
- the outcomes of independent evaluations and reviews of MRFF investments in research,
- the findings and recommendations from the [Australian National Audit Office’s independent performance audit of the MRFF](#),
- the 2 yearly Financial Assistance Reports required under section 57A of the MRFF Act, and
- other regular monitoring and reporting activities consistent with the MRFF Monitoring, Evaluation and Learning Strategy.<sup>26</sup>

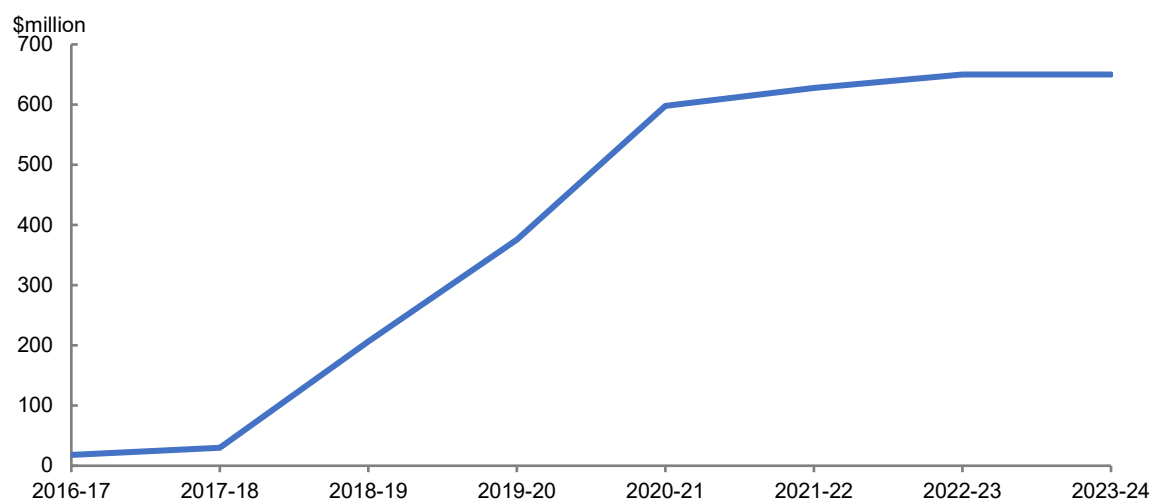
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<sup>26</sup> [www.health.gov.au/our-work/mrff/about/monitoring-evaluation-learning](http://www.health.gov.au/our-work/mrff/about/monitoring-evaluation-learning)

## Grants of financial assistance to support medical research and medical innovation

MRFF disbursements commenced in 2016-17. As of 19 November 2024, the MRFF has awarded and announced 1,489 grants, valued at a total of \$3.7 billion.<sup>27</sup> MRFF funding has increased over time as the MRFF has been capitalised and the amount available for grants has increased (see Chart 1 below).

Chart 1: MRFF grant funding over time



Source: Health Portfolio Budget Statements and Health Portfolio Additional Estimates Statements (includes budget supplementation in 2021-22 and 2022-23)

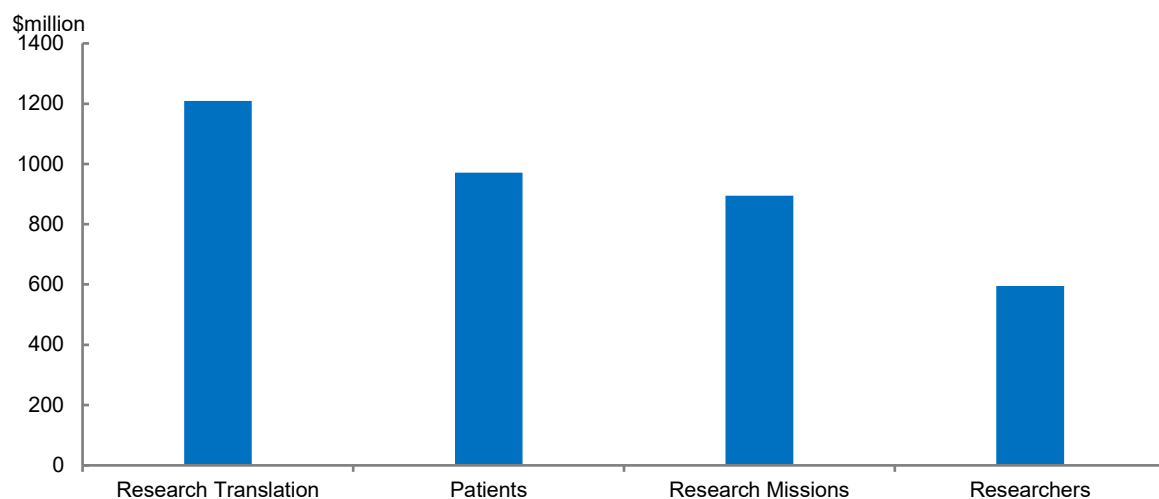
MRFF grants are designed and delivered consistent with policy requirements specified in the MRFF 10-year Plan. This includes delivery of funding for 75 grants under the MRFF Coronavirus Research Response between 2020 and 2021. Of the MRFF funding that has been awarded and announced (as at 19 November 2024):

- 32.9 per cent has been awarded under the **Research Translation** theme, which aims to translate research outcomes into practice by building the evidence base to support the adoption of best practice care into health care delivery,
- 26.4 per cent has been awarded under the **Patients** theme, which aims to bring benefits to patients, including supporting life-changing clinical trials, funding innovative treatments and advanced health care and medical technologies,
- 24.4 per cent has been awarded under the **Research Missions** theme, which aims to tackle significant health challenges and enable the discovery of new medical interventions, diagnostic tools, treatments and devices, and
- 16.2 per cent has been awarded under the **Researchers** theme, which aims to support Australian researchers, including to help build their skills and capacity, support their research in priority areas and assist them to develop and bring new research discoveries to the market (Chart 2).

<sup>27</sup> This amount includes MRFF drawdowns and budget supplementation.

These trends reflect the relative proportions of funding provided to each theme under the MRFF 10-year Plan.

Chart 2: Value of MRFF grants awarded by theme



Source: Data from the Department of Health and Aged Care website<sup>28</sup>

Further details on the allocation of funding across MRFF initiatives that have been funded are in Table 5.

<sup>28</sup> Available at: <https://www.health.gov.au/resources/publications/medical-research-future-fund-mrff-grant-recipients?language=en>

Table 5: Awarded and announced MRFF grants by Theme and Initiative

MRFF Theme and Initiative	Number of grants	Value of grants (\$)
<b>Patients</b>		
Clinical Trials Activity	232	465,843,823.42
Emerging Priorities and Consumer Driven Research	167	482,856,742.69
Global Health	12	22,107,352.99
<b>Researchers</b>		
Clinician Researchers	159	153,486,797.56
Early to Mid-Career Researchers	48	85,136,565.07
Frontier Health and Medical Research	61	325,030,464.73
Researcher Exchange and Development Within Industry	1	32,000,000.00
<b>Research Missions</b>		
Australian Brain Cancer Mission	12	33,244,938.94
Cardiovascular Health Mission	96	138,029,304.43
Dementia, Ageing and Aged Care Mission	67	105,280,889.74
Genomics Health Futures Mission	96	300,285,751.33
Indigenous Health Research Fund	63	118,051,312.57
Million Minds Mental Health Research Mission	36	87,181,993.33
Stem Cell Therapies Mission	53	94,598,510.81
Traumatic Brain Injury Mission	14	18,267,342.35
<b>Research Translation</b>		
National Critical Research Infrastructure	64	351,407,120.40
Medical Research Commercialisation	9	246,300,000.00
Preventive and Public Health Research	204	353,339,872.73
Primary Health Care Research	30	51,014,648.49
Rapid Applied Research Translation	45	163,085,548.00
Research Data Infrastructure	20	44,405,231.00
<b>TOTAL</b>	<b>1,489</b>	<b>3,670,954,210.58</b>

Source: Data from the Department of Health and Aged Care website<sup>29</sup>

Note: Data as at 19 November 2024. Note that the 3rd 10-year Investment Plan introduced two additional Research Missions (Low Survival Cancers Mission and Reducing Health Inequities Mission). Disbursements for these Missions will not commence before 2027-28.

## Reviews of MRFF performance and impact

### MRFF Monitoring, Evaluation and Learning Strategy

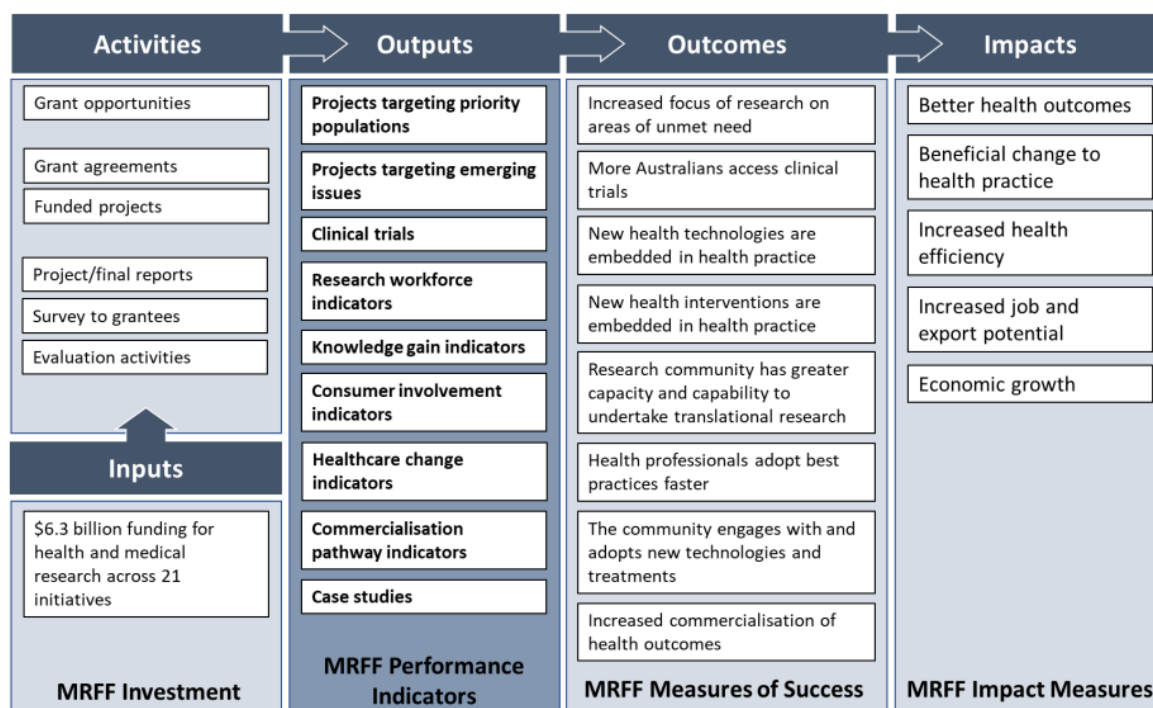
The MRFF MEL Strategy sets out the principles and approach used to monitor and evaluate grants awarded under the MRFF evaluation and learning conceptual framework. Evaluations need to be independent and impartial. Researchers are expected to report on outcomes above outputs and processes.

The MEL Strategy outlines five impact measures that are the focus of the MRFF (Figure 2). The MEL Strategy also articulates 8 MRFF measures of success to assess the contribution of the outcomes of MRFF-funded research to the impact measures. More recently, the MEL Strategy has incorporated a number of project-level performance indicators (Figure 2), to track progress towards achieving the MRFF measures of success. Impacts on health outcomes can be complex to measure. At this time, assessing the MRFF against these impacts is challenged further by the fact that MRFF-funded

<sup>29</sup> Available at: <https://www.health.gov.au/resources/publications/medical-research-future-fund-mrff-grant-recipients?language=en>

projects are still relatively early in the project life cycle, and only a small proportion of the research funded through the MRFF since inception have concluded. Even following completion of a project, it can take further time for research to be commercialised or implemented in the health system.

Figure 2: MRFF monitoring, evaluation and learning conceptual framework



Source: *Performance indicators towards the impact of the Medical Research Future Fund*, Department of Health and Aged Care<sup>30</sup>

## Reviews, Evaluations and Reports of MRFF-Funded Research

Six independent, external reviews and evaluations of MRFF Initiatives have been completed to date. In accordance with the MEL Strategy, they need to be:

- independent from the policy areas responsible for administering the grant opportunities and from grant recipients,
- impartial,
- transparent,
- inclusive of stakeholders,
- future focused,
- regular and systematic, and
- proportionate and fit for purpose for the program.

<sup>30</sup> [Performance indicators towards the impact of the Medical Research Future Fund](#), page 5

All MRFF Initiatives are subject to reviews and/or evaluations. There have also been a number of additional reports focused on key topics and the impact of MRFF-funded research.

For the Research Missions in particular, mid-term reviews have been scheduled at the 5-year mark to help assess alignment of investments with Mission priorities and progress towards impact, guided by an independent Mission Review Panel comprising national and international experts, First Nations, consumer and industry representatives. These reviews have provided guidance on investments for the remaining 5 years of the Mission's 10-year tenure. Furthermore, the extension of the Missions will be subject to evaluation at the end of the 10-year mark.

These reviews and evaluations identify opportunities to improve MRFF initiatives, and shape future priorities for grant funding for the sector. They assess whether the program is progressing as anticipated and ensure they are aligned with their purpose. In addition, they enable stakeholders to provide feedback on future opportunities and unmet need.

In addition to the completed evaluations, reviews and reports, this review considers the preliminary results of performance indicators survey conducted between March to May 2024 covering all MRFF grant recipients.<sup>31</sup> The survey collected data related to the MRFF performance indicators the measures of success. These results are unpublished at the time of writing, but will be made publicly available on the website of the Department of Health and Aged Care.

Detailed findings can be found in Appendix A. These reviews and/or evaluations have generally found that the MRFF has made progress in:

- addressing areas of unmet need,
- ensuring that more Australians have access to clinical trials, and
- research community having greater capacity and capability to undertake translational research.

However, a common finding is that more time is required for the MRFF to show progress in relation to:

- health professionals adopting best practices faster,
- new health technologies being embedded in health policy and practice,
- new health interventions being embedded in health policy and practice,
- the community engaging with and adopting new technologies, treatments and interventions, and
- increased commercialisation of health research outcomes.

### Increased focus of research on areas of unmet need

Research into areas of unmet need includes priority populations, emerging challenges and rare diseases. The performance indicators survey found that 84 per cent of MRFF projects focused on priority populations and that 67 per cent of MRFF grants focused on emerging issues. An evaluation of the [Clinical Trials Activity Initiative](#) found that the MRFF has become a dominant source of funding support for rare cancers that may not be fundable via other avenues. This is echoed in the Review of

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<sup>31</sup>The response rate was 75.5 per cent, corresponding to 1002 projects.

the Australian Brain Cancer Mission, which found that increased funding has encouraged more cancer researchers to move into the brain cancer field, and that there has been strong focus on the unmet need of improving survivorship among brain cancer patients. The MRFF Report on Rural, Regional and Remote Health Research demonstrated that as at July 2023, 22 MRFF projects (total \$49 million) had a focus on Aboriginal and Torres Strait Islander health, and 40 projects (total \$245 million) had a focus on the health of rural, regional and remote communities.

### **More Australians access clinical trials**

The outcomes of the performance indicators survey indicated that as at May 2024, the MRFF has supported at least 744 clinical trials since its inception. Multiple reviews and reports, including of the [Million Minds Mental Health Research Mission](#), the [Australian Brain Cancer Mission](#) and the [MRFF Coronavirus Research Response](#), found that the MRFF increased access for clinical trials. The review of the Australian Brain Cancer Mission also found that the MRFF has improved clinical trial infrastructure over time, enabling more clinical trials to be conducted in future, and the report on rural, regional and remote health research identified 11 projects (total \$145 million) involving clinical trials and clinical trial-enabling infrastructure outside of metropolitan areas, improving access for patients in those areas.

### **New health technologies and health interventions are embedded in health practice**

Reviews of the [Australian Brain Cancer Mission](#) and the [Genomics Health Futures Mission](#) found that limited progress had been made in embedding technologies and interventions into health practice. However, the report on the [MRFF Coronavirus Research Response](#) found that MRFF grants supported research into novel antiviral treatments, as well as ways to repurpose current treatments.

### **Research community has greater capacity and capability to undertake translational research**

The MRFF performance indicators survey shows that since inception, the MRFF has supported more than 7527 research staff, and attracted \$787 million in co-funding and \$949 million in new funding. Reviews of MRFF Research Missions, including the [Million Minds Mental Health Research Mission](#), the [Australian Brain Cancer Mission](#) and the [Genomics Health Futures Mission](#) have consistently found that the MRFF has increased the capacity of the sector to undertake translational research. These reviews identified that the MRFF has increased engagement between industry and researchers and provided training in research translation and knowledge mobilisation.

### **Health professionals adopt best practices faster**

The MRFF performance indicators survey found that 42 per cent of MRFF projects have contributed to healthcare policy or guidelines and 35 per cent have changed health professional education. However, most reviews of MRFF Initiatives to date have found that it is too early to determine the impact of the MRFF on the behaviour of health professionals. The report on the [MRFF Coronavirus Research Response](#) noted the success of “living guidelines” for clinical best practice that was funded through the MRFF.

### **The community engages with and adopts new technologies and treatments**

It is difficult to assess the ultimate impact of MRFF projects that have not yet concluded on adoption of technologies and treatments by the community. However engagement with consumers throughout the project life cycle including co-design prior to project commencement maximises the chances of successful adoption by the community. The evaluation of the [Clinical Trials Activity Initiative](#) found that 80 per cent MRFF-funded projects with clinical trials engaged with consumers in

the design of their study. The performance indicators survey reports a similar figure (84 per cent) had meaningful engagement with consumers. More specifically:

- 62 per cent involved consumer organisations as project partners or advisory groups,
- 59 per cent involved consumers in priority setting and co-design,
- 47 per cent involved consumers in project governance, and
- 33 per cent involved consumers inputting into data gathering or analysis.

### Increased commercialisation of health outcomes

The [Medical Research Commercialisation Landscape Report](#) highlighted that the MRFF has a positive impact on stimulating increased engagement between industry and researchers. However, it takes time for these impacts to occur, with the performance indicators survey and all reviews to date finding that less progress has been made on commercialisation, reflecting the early stages of the majority of MRFF-funded projects. Out of the 14 per cent of completed projects captured, the performance indicators survey did note that 19 per cent resulted in a health technology or product with improved technology maturity level, 13 per cent involved intellectual property disclosure, and 10 per cent led to a patent application or approval.

### Performance Audit of the MRFF

In 2021 the Australian National Audit Office (ANAO) conducted an independent performance audit of the administration of the MRFF. As part of the audit, the ANAO examined the following three criteria:

- Are the MRFF governance arrangements effective?
- Are MRFF grants consistent with the requirements of relevant legislation and policy, including the MRFF Act?
- Has Health effectively reported on the performance of the MRFF and evaluated the effectiveness of MRFF financial assistance?

The audit made the following conclusions:

- the Department of Health's management of financial assistance under the MRFF is largely effective,
- the Department of Health's governance arrangements for the management of the MRFF are largely effective,
- the Department of Health's management of grants of financial assistance to support medical research and medical innovation is largely consistent with the *MRFF Act 2015* and the *Commonwealth Grant Rules and Guidelines 2017* and
- The Department of Health does not have adequate performance measures for the MRFF and has not effectively measured and reported on the performance of MRFF financial assistance in its annual performance statements.

The audit also found that Health has not formalised arrangements with NHMRC for coherent and consistent coordination of MRFF funding and NHMRC programs, and acknowledged that Health focuses on gaps in existing investments, research gaps, and areas of unmet need, and considers



potential capacity within the sector when establishing the objectives and scope of MRFF grant opportunities.

In response, the Department of Health and Aged Care has:

- updated its performance statements on the performance of MRFF financial assistance, with the intent to enable an assessment of the program's performance for each financial year and consideration of outcomes and impact achieved, and
- conducted the consultation on *Improving alignment and coordination between the Medical Research Future Fund and Medical Research Endowment Account*. The outcomes of this consultation led to increased alignment work between the two agencies as described on page 34.

### Financial Assistance Reports

Section 57A of the MRFF Act requires that the Health Minister must, as soon as practicable after the most recent *Australian Medical Research and Innovation Priorities* cease to be in force, prepare a report on the financial assistance provided for medical research and medical innovation from the MRFF Special Account during the period the Priorities were in force.

There have been three '*Financial assistance to support the Australian Medical Research and Innovation Priorities*' reports to date.

The most recent report, '*Financial assistance to support the Australian Medical Research and Innovation Priorities 2020–2022*'<sup>32</sup> found that MRFF grants have increased support for medical research commercialisation and enabled clinical trials research, addressed unmet demand for research in rural health, and prioritised leadership of Aboriginal and/or Torres Strait Islander researchers and communities in research on First Nations health.

All three reports have found that MRFF funding has complemented and enhanced other financial assistance provided by the Commonwealth for medical research and medical innovation.

#### Finding 5

The MRFF is meeting the object of the MRFF Act to 'improve the health and wellbeing of Australians by establishing the MRFF to provide grants of financial assistance to support medical research and medical innovation'.

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<sup>32</sup> [www.health.gov.au/resources/publications/mrff-financial-assistance-to-support-the-australian-medical-research-and-innovation-priorities-2020-2022](http://www.health.gov.au/resources/publications/mrff-financial-assistance-to-support-the-australian-medical-research-and-innovation-priorities-2020-2022)

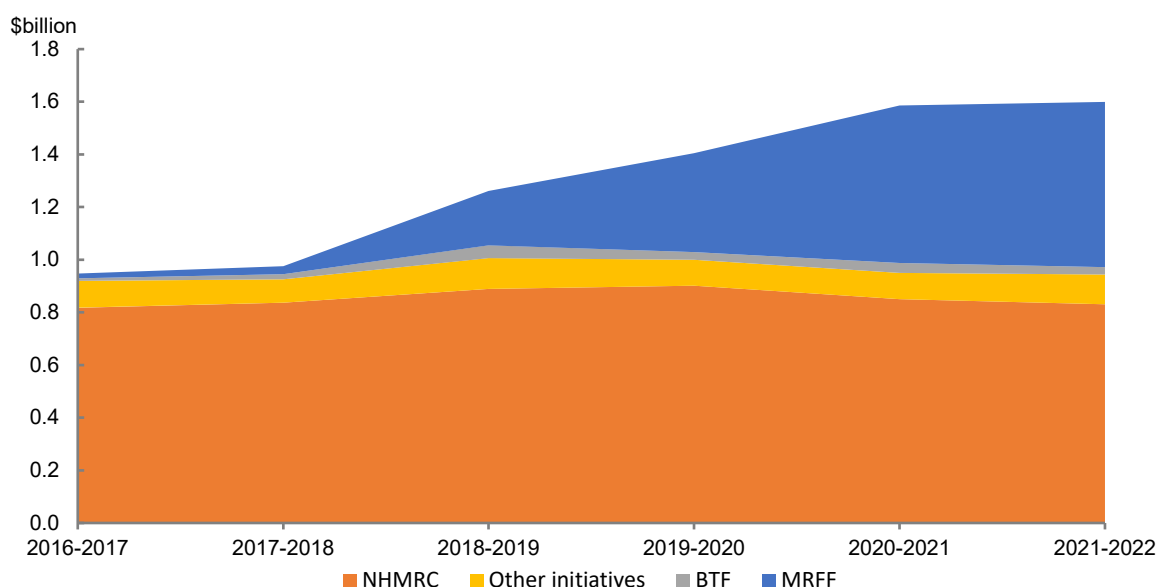
# Impact of MRFF on financial assistance for medical research and medical innovation

In considering how the MRFF has complemented, enhanced or otherwise affected other financial assistance provided by the Commonwealth for medical research and medical innovation, this review considered:

- the NHMRC, which disburses health and medical research grants from the MREA towards investigator-led research,
- the Biomedical Translation Fund (BTF), an equity co-investment venture capital program which provides matched funding to private sector fund managers to develop and commercialise biomedical discoveries in Australia, and
- other financial assistance provided by the Commonwealth as captured in the [Science Research and Innovation budget tables](#) published by the Department of Industry, Science and Resources.

Chart 3 shows that since the introduction of the MRFF, Commonwealth funding for medical research and innovation has increased from \$950 million in 2016-17 to \$1.6 billion in 2021-22.

Chart 3: Commonwealth funding for medical research and innovation over time



Source: *Financial Assistance to support the Australian Medical Research and Innovation Priorities 2016-2018, 2018-2020 and 2020-2022 reports*

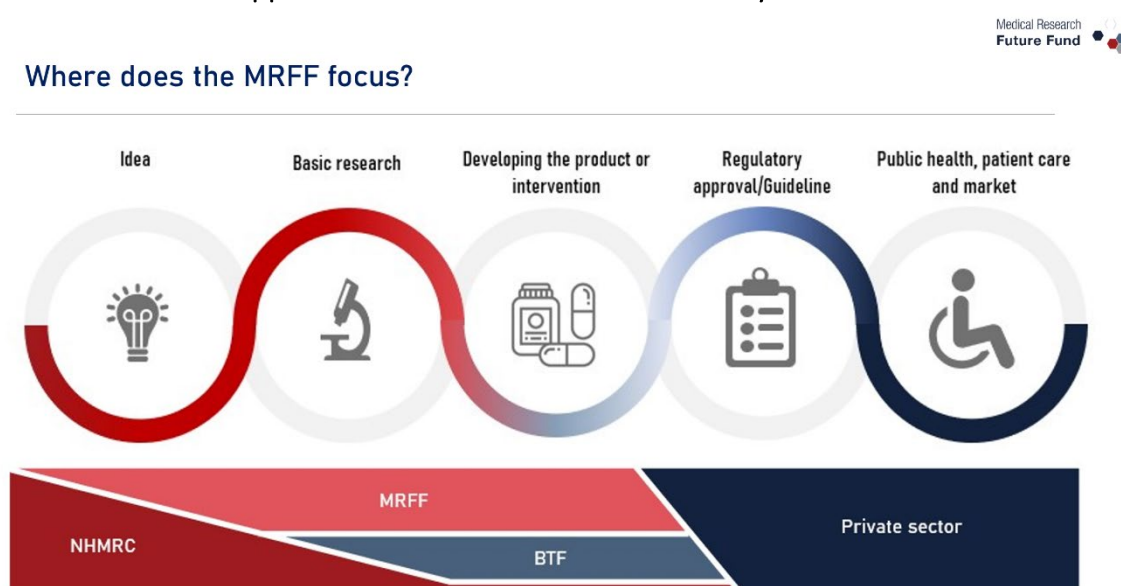
There has been ongoing, significant sector feedback recommending that MRFF funding supports the full costs of research to keep up with increasing costs, demand and unmet need for health and medical research. This feedback has been provided by several stakeholders, including by Research Australia, the Australian Academy of Health and Medicine Sciences and the Association of Australian Medical Research Institutes. There are currently no funding mechanisms to support the indirect costs of research, such as organisation overhead costs that support research, nor for annual indexation of

MRFF disbursements. Indirect research costs are estimated to be at least 63 cents for every \$1 spent on research.<sup>33</sup>

## Role of MRFF in the Commonwealth's health innovation ecosystem

Figure 3 describes how the MRFF aims to complement health and medical research funding provided through the NHMRC, BTF and private sector.

Figure 3: Government support across the health innovation lifecycle



Source: Department of Health and Aged Care

### MRFF and the NHMRC

The following section considers, in accordance with section 62 of the MRFF Act, how the MRFF and NHMRC complement each other.

The MRFF Act states that the MRFF is to provide grants to support medical research and medical innovation. Medical innovation includes the translation, application and commercialisation of research outcomes. The NHMRC's grant program is governed by the *National Health and Medical Research Council Act 1992*, which makes no specific reference to the translation, application or commercialisation of medical research. These differences have helped support a research funding ecosystem in which the MRFF and NHMRC provide complementary funding.

The MRFF grant program is priority-led, in which topics for research funding aim to address identified and unmet needs and emerging health challenges. It has a particular focus on translational research and associated outcomes, which enables rapid and flexible disbursements to respond to emerging issues such as the COVID-19 pandemic.

<sup>33</sup> The AAMRI Report 2022. *Australian Medical Research Institute and the early days of the COVID-19 pandemic*.

The NHMRC grant program comprises competitive funding schemes that call for investigator-initiated proposals in any field of human health. The NHMRC designs each grant scheme to achieve defined overall goals – such as capacity building, clinical trials, partnerships with health services and policy makers, and proof-of-concept research – while remaining agnostic about the health issues and priorities that are addressed in doing so. While some grant rounds are directed at a particular health issue or technology, most NHMRC schemes support research in any health-related field.

This broad-based approach to funding ensures Australia is actively engaged in research to address our diverse health needs, well connected to international developments and ready to respond to emerging health challenges. In amplifying investment in priority areas, the MRFF deepens and builds on the knowledge, capacity and capability foundations supported by NHMRC. The broader NHMRC-funded grant program in turn benefits from the outcomes of MRFF-funded research to fill gaps and extend research effort in specific areas of need.

The 2023 Consultation Summary Report on improving Alignment and Coordination between the MRFF and NHMRC's MREA contained comprehensive analysis of stakeholder feedback. Overall, stakeholders valued the distinctiveness of the two funds, which are seen as delivering benefits in different ways across the research ecosystem. The MRFF is valued for its support for research in areas of unmet need, with the priority-driven fund representing a 'game-changer' for individuals and communities experiencing worse health outcomes, including for First Nations, rare diseases, rural and remote health and health services. The NHMRC is valued for its focus on 'investigator-driven' research and its focus on building foundational research capacity.

Ongoing work arising from the outcomes of this consultation is described in Appendix B.

#### **Finding 6**

Financial assistance provided by the MRFF has complemented and enhanced other financial assistance provided by the Commonwealth for medical research and medical innovation, including through the National Health and Medical Research Council.

## **Governance and Reporting**

### **Investment Fund Governance and Reporting**

The Future Fund Board manages the investments of the MRFF and reports to the Treasurer and the Finance Minister.

There is an overarching requirement under section 15 of the PGPA Act for an accountable authority to govern the affairs of an entity in a way that promotes the proper use and management of public resources for which the authority is responsible. The Chair of the Future Fund Board is the accountable authority of the Future Fund Management Agency.

The reporting arrangements for the investment of the MRFF are consistent with the arrangements for other AGIFs. The Treasurer and the Finance Minister, as jointly responsible Ministers under the

Act, are responsible for making credits into the MRFF, issuing investment mandates to the Future Fund Board and causing this review into the operation of the MRFF Act.

Part 5 of the MRFF Act provides that:

- the Finance Minister may require the Future Fund Board to prepare and provide a report or document about the performance of the Future Fund Board's functions under the MRFF Act,<sup>34</sup>
- the Future Fund Board is required to keep the responsible Ministers informed of the operations of the Future Fund Board under the MRFF Act,<sup>35</sup> and
- the Finance Minister is permitted to provide reports or documents obtained under the MRFF Act to other Ministers.<sup>36</sup>

Box 4 identifies other reporting and transparency measures that relate to reporting for the MRFF investment fund.

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<sup>34</sup> Section 55 of the MRFF Act.

<sup>35</sup> Section 56 of the MRFF Act.

<sup>36</sup> Section 57 of the MRFF Act.

#### Box 4: Investment Fund reporting and transparency

In addition to the reporting and governance arrangements in the MRFF Act, there are a range of other reporting and transparency measures in place that relate to the MRFF Investment Fund:

- an Annual Report covering both the Future Fund Board and the Future Fund Management Agency is provided to the Finance Minister and tabled in the Parliament, with detailed information on investment strategy, investment performance, governance and financial reporting, including for the MRFF,<sup>37</sup>
- appearances at Senate Estimates hearings by Future Fund Management Agency officials,
- quarterly performance updates for all AGIFs, including the MRFF are published on the Future Fund website,
- the Future Fund (Investment Funds Periodic Investment Report) Rules 2023 require the Future Fund Board to report on all investments twice each year, and
- a wide range of information is published online to assist accountability and transparency, including:
  - a Statement of Investment Policies for each investment fund, including the MRFF,<sup>38</sup>
  - investment policies of the Future Fund Board, including its Environmental, Social and Governance (ESG) Policy,<sup>39</sup>
  - a list of all investment managers used by the Future Fund Board,
  - an annual 'Year in Review'<sup>40</sup> publication, which outlines investment performance, risk positioning and the investment outlook,
  - estimates of MRFF transfers and balances are reported in Finance portfolio budget statements (see, for example, Table 2.2.1.2 on page 35 of the Finance Portfolio Budget Statements 2024-25), and
  - detailed disclosure and performance reports in the Department of Finance annual financial statements.

## MRFF Grant Program Governance and Reporting

There are limited provisions in the MRFF Act for governance and reporting in relation to the MRFF grant program (i.e. MRFF disbursements towards grants of financial assistance). As discussed on page 18, the Department of Health and Aged Care has put numerous policy frameworks in place since inception of the MRFF to promote responsible grant design, delivery and management, including the 10-year Plan and the MEL Strategy.

The Department of Health and Aged Care also draws on advice from AMRAB (see page 19), and other internal and external governance and advisory bodies, to inform MRFF grants. These were considered by the ANAO in its performance audit of the MRFF in 2021 as described on page 31.

Section 58 of the MRFF Act requires the Health Minister to publish information on the internet about MRFF grants. These have since become whole-of-government requirements for grants reporting

<sup>37</sup> Section 46 of the PGPA Act (supported by sections 80 and 81 of the *Future Fund Act 2006*).

<sup>38</sup> See website: [www.futurefund.gov.au/investment/how-we-invest/investment-policies](http://www.futurefund.gov.au/investment/how-we-invest/investment-policies)

<sup>39</sup> See website: [www.futurefund.gov.au/investment/how-we-invest/esg](http://www.futurefund.gov.au/investment/how-we-invest/esg)

<sup>40</sup> See website: [www.futurefund.gov.au/about-us/publications](http://www.futurefund.gov.au/about-us/publications)

under the *Commonwealth Grants Rules and Guidelines 2017* (recently updated to the *Commonwealth Grants Rules and Principles 2024*) and senate orders 13 (Murray Motion) and 16 (Minchin Motion).

Section 57A of the MRFF Act also requires the Health Minister to report on the financial assistance provided for medical research and medical innovation from the MRFF Special Account as soon as practical after the most recent Priorities cease to be in force. These reports are discussed in detail on page 32 and in Appendix A.

The Department of Health and Aged Care also reports on delivery of the MRFF grant program through:

- independent reviews and evaluations of MRFF Initiatives and investments,
- regular and themed funding reports on special topics, e.g. gender, early-to-mid-career researchers, the MRFF coronavirus research response, rural, regional and remote health,
- publicly available records of MRFF recipients and funded rates, on the Department of Health and Aged Care website and through GrantConnect,
- Department of Health Portfolio Budget Statements, annual reports and corporate plans, and
- detailed disclosure and performance reports in the Department of Health and Aged Care annual financial statements.

## Future reviews of the MRFF Act

The MRFF Act requires the responsible Ministers to initiate only one review of the operation of the MRFF Act. Given the ongoing and long-term nature of the MRFF, it would be appropriate to require further reviews of the MRFF's legislation and operation.

A legislated review at least every 10 years would strengthen the governance and evaluation framework in the MRFF Act and ensure it can respond to the evolving health needs of Australians and the health and medical research sector. A number of AGIFs have been established since the MRFF that require regular statutory reviews of their establishing legislation.<sup>41</sup>

A focus of future reviews should be on the outcomes from grants funding provided from the MRFF (see section 26B of the *Disaster Ready Fund Act 2019*, for example), including the legislated process for determining priority areas for grants expenditure, as well as the performance of MRFF grants. Reviews should also include an assessment of MRFF grants funding and how it interacts with the broader health funding landscape.

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<sup>41</sup> See *Aboriginal and Torres Strait Islander Land and Sea Future Fund Act 2018* s.55, *Disaster Ready Fund Act 2019* s.63, and *Housing Australia Future Fund Act 2023* s.65.

### Recommendation 5

Amend the MRFF Act to require a review of its operation at least every 10 years and provide that the:

- a. Health Minister is required to commission reviews of the management of financial assistance to support medical research and medical innovation, and
- b. responsible Ministers are required to commission reviews of the investment and governance framework of the Fund.

## The MRFF as an Australian Government Investment Fund

AGIFs invest capital in financial assets, with returns to provide a funding stream for an identified policy area.

AGIFs are used to offset a liability that is both significant and long-term in nature (for example, the Future Fund) and/or to provide transparency and certainty that the Government is committed to providing funding over the long term (for example, the Aboriginal and Torres Strait Islander Land and Sea Future Fund).

AGIFs require an up-front capital commitment, which results in higher gross debt and interest costs. The risk-return profile of an AGIF should outweigh the costs of borrowing and administration over the long term. Where this occurs, the net earnings of an AGIF can provide additional funding for policy purposes over the long term.

## Australian Government Investment Fund Principles

The three AGIF Principles (listed below) provide a framework for assessing the appropriateness of an investment fund against funding alternatives.

### **Principle 1: Is there a clear need to hypothecate funding outside the normal Budget process?**

By allocating funds up-front and through separate legislation, the MRFF differs from the standard approach of funding grants programs through annual appropriations. The MRFF is enshrined in primary legislation which specifies a framework for the level of funding (via disbursements) and the purposes for which funding can be used. The Government cannot amend this framework without the agreement of the Parliament.

The MRFF is a long-term commitment to invest in the enduring benefits of medical research and medical innovation into the future. By funding MRFF grants from an AGIF, recipients have greater certainty that grants will be funded into the future. A legislated stream of income for health research can help attract and retain high-quality health researchers in Australia.

However, hypothecating funding to the MRFF in this way reduces the flexibility of the Government to reform the program and requires additional administration.



## **Principle 2: Is there a clear need to hold financial assets (can a Special Account be used)?**

There are direct and indirect costs associated with investing in financial assets, as well as material risks. Financial markets can be volatile and short-term losses can directly impact the Government's balance sheet.

To date MRFF returns have on average exceeded the cost of borrowing. This generates additional funding that can fund medical research. The MRFF has generated \$6.4 billion<sup>42</sup> in net investment earnings since inception.

However, volatility in MRFF returns and the current disbursement model have caused stakeholder concerns about the security of annual funding (see pages 14-17). Long-term funding is constrained by long-term returns of the fund, and so grants cannot be indexed over time without running down the balance of the fund. NHMRC funding of health research uses a Special Account, rather than an AGIF.

## **Principle 3: What is the most efficient management arrangement for investment of financial assets, and who is best placed to manage these arrangements, taking into account the investment horizon, liquidity needs and risk appetite?**

If Principles 1 and 2 are satisfied, Principle 3 is used to consider which entity is best placed to manage the investment in financial assets. The acquisition and management of financial assets requires expertise, including risk and liquidity management expertise. The Future Fund Board has responsibility for investing the MRFF. The Future Fund Board has a proven track record of successfully investing AGIFs consistent with the legislative framework and the risk and return directions in their investment mandates.

Box 5 discusses the MRFF Total Return Swap used by the Future Fund Board to reduce investment costs.

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<sup>42</sup> As at 30 September 2024.

### Box 5: Medical Research Future Fund Total Return Swap

The Future Fund Board manages four smaller AGIFs with long term investment horizons.<sup>43</sup> Having to build and maintain standalone portfolios for each of these funds would take significant time and likely expose the portfolios to higher risk levels. In addition, the relatively small size of the portfolios would inhibit access to diversifying investment strategies and would not achieve the benefits of economies of scale.

To reduce costs and achieve the benefits of economies of scale, the Future Fund Board has set up a co-mingling investment arrangement with the four smaller funds and the MRFF. This is achieved via a derivative contract between the smaller AGIFs and the MRFF, known as a Total Return Swap. Under this arrangement, the smaller AGIFs provide a portion of their capital to the MRFF, plus an agreed fixed payment, in exchange for a variable rate of return that reflects the performance of the return seeking and higher risk portion of the MRFF portfolio.

This co-mingling investment arrangement achieves benefits for the MRFF too. The additional capital available increases the ability of the MRFF to invest in further opportunities and secure services of high quality managers.

If the Government decides to amend the investment arrangements for the MRFF (such as liquidating the MRFF or transferring its investment management to another body), this could reduce or remove the benefits of the Total Return Swap arrangement, given the economies of scale that currently exist.

## Alternative options for funding health research grants

While MRFF grants for health research are funded from AGIF returns, NHMRC grants for health research are funded via the MREA Special Account established by the NHMRC Act.

There are several options for providing the same level of funding for MRFF grants. Each option would require legislative change to implement.

### 1. Funding MRFF grants through annual appropriations

MRFF grants could be funded through annual appropriation processes. This would remove administrative costs related to the running of an AGIF and increase flexibility for government. Processes for grant payments would not be limited by the administrative procedures outlined on pages 18-22. However, this would reduce the level of certainty about ongoing funding.

This option would require any uncommitted amounts to be returned to consolidated revenue at the end of each financial year, unless the government approves otherwise.

Under this option, the MRFF AGIF could be closed and the balance returned to budget to reduce gross debt and interest costs.

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<sup>43</sup> The Aboriginal and Torres Strait Islander Land and Sea Future Fund, the Future Drought Fund, the Disaster Ready Fund and the Housing Australia Future Fund.

## **2. Funding MRFF grants through a special account**

MRFF grants could be funded through a special account that is enshrined in legislation to provide longer-term certainty for the research community. This would also remove administrative costs relating to the running of an AGIF and increase flexibility for government in the timing of grant payments.

While Special Accounts can provide additional certainty over future funding in some circumstances, these mechanisms are generally only appropriate as an alternative to annual appropriations in very specific circumstances.

This option would require any uncommitted amounts to be returned to consolidated revenue at the end of each financial year, unless the government approves otherwise.

As with the first option, the MRFF AGIF could be closed and the balance returned to budget to reduce gross debt.

## **3. Funding both MRFF and NHMRC grants from the MRFF AGIF**

Both MRFF and NHMRC grants could be funded from the MRFF AGIF. This would result in the MRFF AGIF being drawn down over time. MRFF and NHMRC grants could then be funded by annual appropriations or through a special account, as specified above.

## **4. Funding MRFF grants and part of the NHMRC grants from the MRFF AGIF**

The MRFF and part of the NHMRC grants could be funded from the MRFF AGIF. In years where returns from the AGIF exceed disbursements the excess returns could be drawn down into the MREA, reducing the need to issue debt to fund the NHMRC. In addition, this would still preserve the MRFF capital and provide guaranteed funding to the MRFF.

Table 6: MRFF Funding options

	AGIF	Special Account	Annual appropriations
<b>Stakeholder certainty</b>	<p>Enshrined in legislation and well-supported as a dedicated pool of capital for medical research.</p> <p>Returns subject to annual volatility.</p>	<p>Enshrined in legislation but no dedicated pool of capital.</p> <p>Grants can be indexed as not constrained by investment returns.</p>	<p>Grants can be indexed as not constrained by investment returns.</p>
<b>Administration of funding</b>	<p>Additional administrative processes required.</p> <p>Less government flexibility in administration of grants.</p>	<p>Minimal additional administrative processes required.</p>	<p>No additional administrative processes.</p>
<b>Financial impacts</b>	<p>Returns increase net financial worth.</p> <p>Net returns create additional funding for MRFF grants.</p>	<p>Capital of AGIF can be used to pay off gross debt; decreases net financial worth over time.</p>	<p>Capital of AGIF can be used to pay off gross debt; decreases net financial worth over time.</p>

Drawing down the capital of the MRFF would improve gross debt but make net financial worth worse off and have minimal impact on the Underlying Cash Balance.

#### Finding 7

The current Australian Government Investment Fund model provides ongoing certainty of funding for grants but little administrative and funding flexibility. There are alternative options for funding medical research grants using annual appropriations or a Special Account.

## Appendix A: MRFF evaluations, reviews and reports

### Medical Research Commercialisation Landscape Report 2020<sup>44</sup>

This evaluation provided an overview of public and private funding programs that support the commercialisation of medical research in Australia, as well as sector views on the MRFF, existing support, funding gaps, barriers and opportunities in terms of commercialisation and translation.

A key finding in relation to the MRFF was that it is seen as having a positive impact on sector capacity and capability through funding, facilitating and stimulating increased engagement between industry and researchers, and through improving clinical trial infrastructure. The Early Stage Translation and Commercialisation grant opportunity was implemented as a result of this report, providing four \$19.75 million grants (\$79 million total).

### Rapid Applied Research Translation Initiative 2020<sup>45</sup>

This evaluation examined how the MRFF's Rapid Applied Research Translation (RART) Initiative has been implemented by research translation centres, implementation models, alignment with Australian health research priorities, top-down and bottom-up strategic planning, and international best practice. As the RART Initiative was in such early stages, the intent of this activity was to undertake a formative process evaluation to inform options for future investment. To this end, the evaluation found that:

- grant funding should continue to focus on funding research projects that can demonstrate the greatest potential for research translation and adoption in areas of prioritised need. There should be continued flexibility to fund both small scale and larger, more complex research projects,
- grant funding should be underpinned by evidence of engagement and involvement with all stakeholders relevant to the research and its translation. There must be consideration of national, state/territory and local community priorities, and
- assessment of research outcomes and impact should be embedded in the RART Initiative and account for the diversity of research contexts including cultural, geographical, demographic and economic factors which can impact health outcomes.

### Review of the Million Minds Mental Health Research Mission 2021-22<sup>46</sup>

This review examined 18 MRFF grants related to mental health made through the Million Minds Mental Health Research Mission and other MRFF initiatives, amounting to almost \$65 million. It found:

- strong alignment between the Mission investments to date and the Mission Roadmap in terms of addressing the origins of mental health, mental health of priority populations such as Aboriginal

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<sup>44</sup> [www.health.gov.au/resources/publications/medical-research-commercialisation-landscape-report](http://www.health.gov.au/resources/publications/medical-research-commercialisation-landscape-report)

<sup>45</sup> [www.health.gov.au/resources/publications/evaluation-of-the-rapid-applied-research-translation-initiative](http://www.health.gov.au/resources/publications/evaluation-of-the-rapid-applied-research-translation-initiative)

<sup>46</sup> [www.health.gov.au/resources/publications/million-minds-mental-health-research-mission-review](http://www.health.gov.au/resources/publications/million-minds-mental-health-research-mission-review)

and Torres Strait Islander peoples and children and youth, other critical and emerging priorities, and research capacity and resources,

- enablers for mental health research funded by the MRFF included strong leadership and governance, a collaborative approach to research, and genuine co-design with community members and people with lived experience, and
- barriers included the COVID-19 pandemic, administrative burden particularly when involving multiple institutions, and persistent social stigma and limited mental health literacy in the population with implications for access to consumers and research progress.

In relation to the Measures of Success, the review found:

- Mission projects were making significant contributions to addressing unmet needs, not only by conducting research and clinical trials in areas that have been previously underfunded and by encouraging research collaborations, but also by shifting the emphasis from individualised academic models of research to ones that are grounded in practice, consumer engagement and co-design,
- the Mission was providing more opportunities for Australians to access clinical trials. While the exact number of research participants and beneficiaries could not be quantified at that stage, many Mission and non-Mission MRFF projects are using innovative approaches to encourage research participation from the wider community and amongst population groups and in locations which have previously been under-served,
- several new technological solutions and interventions were being developed or trialled through the Mission. The projects are too early in their implementation to assess whether these technologies will be successfully embedded into health practice,
- Mission projects were found to have contributed to building the capacity and capability of the research community to undertake translational research through: (1) the establishment of cross - disciplinary partnerships across institutions and sectors, and (2) developing the capabilities of individual researchers, and
- it was too early to assess whether Mission projects would support the adoption of new technologies, treatments and best practices, though there were early indications to suggest that the MRFF was supporting these goals. It was also too early to assess progress towards increasing the commercialisation of research outcomes.

## **Evaluation of the MRFF Clinical Trials Activity Initiative 2021-2023<sup>47</sup>**

This evaluation examined all existing MRFF grants for clinical trials (a total of 167 clinical trials funded between 2017 and 2021 inclusive). It found that MRFF-funded trials are broadly comparable or better in design and quality to other national and international funders.

In relation to the Measures of Success, it found:

- the MRFF has allowed increased research into unmet need as a dominant source of funding support for clinical trials in Australia, particularly in rare cancers which may not be fundable via other avenues. It has also allowed more Australians access to clinical trials, and significant

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<sup>47</sup> [www.health.gov.au/resources/publications/evaluation-of-the-medical-research-future-fund-clinical-trials-activity?language=en](https://www.health.gov.au/resources/publications/evaluation-of-the-medical-research-future-fund-clinical-trials-activity?language=en)

involvement of key stakeholders such as consumers and professional bodies in trials, which is recognised to enhance research translation,

- the MRFF was promoting community engagement through the involvement of consumers in grant opportunity guidelines and assessment processes, and there is further evidence of community engagement through the co-funding of projects by health services, pharmaceutical and device companies, and other research funders,
- in relation to these Measures of Success: '*New health technologies and interventions are embedded in health practice*', '*Health professionals adopt best practices faster*' and '*Increased commercialisation of health research outcomes*,' the evaluation found that as clinical trials typically have a long lead-time until results are available, and few MRFF trials have completed, assessment of these Measures was difficult at the time the evaluation was completed, and
- improvement opportunities existed, including encouraging more efficient or innovative trial designs, exploring specific priority setting methodologies, and encouraging trial registration and protocol availability. Supported by these findings, the Department of Health and Aged Care launched the 2023 Innovative Trials grant opportunity under the MRFF National Critical Research Infrastructure initiative to promote the development and implementation of 'adaptive platform' and 'registry based' clinical trial methodologies in areas of unmet medical need.

## **Review of the MRFF Australian Brain Cancer Mission 2021-2023<sup>48</sup>**

This review examined 19 MRFF grants for brain cancer research through the Australian Brain Cancer Mission (ABCM) plus other MRFF initiatives and partner funding, representing \$30.6 million in funding. The report found that:

- the ABCM Mission has fostered greater investment in brain cancer among funders and provided increased financial certainty to support further research, including encouraging more cancer researchers to move into the brain cancer field,
- the ABCM Mission also built capacity for clinical trials and translational research, and addressed a gap in survivorship research, and
- there is a need for better coordination and communication with co-funders of the ABCM Mission, more strategic engagement with consumers and industry, and use of innovative grant models to: provide support for basic/discovery research, early-to-mid career researchers, as well as high risk research that goes beyond incremental advances.

The Measures of Success, the review found:

- the ABCM Mission's key areas of impact in addressing unmet need include increasing the amount of funding for Australian brain cancer research, and investing in survivorship to improve patient quality of life,
- the ABCM Mission has provided more Australians with access to clinical trials and has built additional capacity that will lead to more clinical trials in the future,

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<sup>48</sup> [www.health.gov.au/resources/publications/review-of-the-australian-brain-cancer-mission?language=en](https://www.health.gov.au/resources/publications/review-of-the-australian-brain-cancer-mission?language=en)

- it is too early to be definitive about what impact MRFF brain cancer research grants have achieved, or will, achieve regarding new health technologies and new health interventions, although the prospects for both are positive,
- the ABCM Mission has already had a positive impact on building capacity for translational research in terms of attracting researchers into the brain cancer field, and funding shared infrastructure,
- MRFF brain cancer research grantees expect that interventions developed through research grants will contribute to health professionals adopting best practices faster than they otherwise would, although there are outstanding concerns regarding the standardisation of care, particularly for adult patients,
- the ABCM Mission has made some progress in community engagement by facilitating a move towards more consumer involvement in brain cancer research, and
- the ABCM Mission is not yet believed to have had an impact on commercialisation, with minimal impact on encouraging industry to collaborate, engage, and support the Australian brain cancer research sector, or otherwise contribute to other aspects of the commercialisation environment.

## **Review of the Genomics Health Futures Mission 2023-2024<sup>49</sup>**

Key findings of the Genomics Health Futures Mission (GHFM) Review include:

- the MRFF has made a significant contribution to the Australian genomics research landscape, being the second largest funder of genomics research. Greatest progress has been made in the priority area of genomic diagnoses, prevention and early interventions, though much of this research is yet to be commercialised or implemented in the health system,
- the GHFM is unique nationally in its funding of translational research for genetics and genomics, particularly to improve diagnosis of rare disease and cancer,
- funding has bolstered a consistent pipeline of activity, generated employment opportunities, facilitated collaboration between national networks and generated non-government investment in genomics, and
- in relation to the MRFF Measures of Success, the GHFM has increased the focus of research on areas of unmet need, increased the number of Australians accessing clinical trials, and increased the research community's capacity and capability to undertake translational research. Less progress is being made in Measures of Success generally associated with later-stage translation activities and health system implementation.

## **The MRFF Report on the Coronavirus Research Response<sup>50</sup> (May 2023)**

This report found that the MRFF's Coronavirus research response was able to provide timely and responsive funding to the health and medical research sector for COVID-19 research and leveraged the significant expertise of Australian researchers in responding to the pandemic. To date, \$130 million in grants has been provided through 80 projects across 24 grant opportunities/rounds.

<sup>49</sup> <https://www.health.gov.au/sites/default/files/2024-09/review-of-the-genomics-health-futures-mission.pdf>

<sup>50</sup> [www.health.gov.au/resources/publications/medical-research-future-fund-report-on-the-coronavirus-research-response?language=en](http://www.health.gov.au/resources/publications/medical-research-future-fund-report-on-the-coronavirus-research-response?language=en)



These grant opportunities cover a variety of themes, including vaccine development, antiviral treatments, public health and prevention.

It is too early to draw meaningful conclusions on longer-term impacts, but there are strong examples of MRFF-funded projects:

- contributing to vaccine development in Australia (*'The community adopts new technologies'*),
- developing novel treatments (*'New health interventions to be embedded in health practice'*, *'Increased commercialisation of health research outcomes'*),
- informing 'living' treatment guidelines (*'Health professionals adopt best practices faster'*),
- gaining knowledge that has led, or may lead, to new research (*'Increased focus on unmet need'*), and
- promoting collaborative and innovative trial designs (*'More Australians have access to clinical trials'*, *'Research community have greater capacity and capability to undertake translation research'*).

## **The MRFF Report on Funding for Rural, Regional and Remote Health Research<sup>51</sup> (July 2023)**

This Report found that the MRFF has supported rural, regional and remote (RRR) communities by increasing investment in research that addresses the specific health and healthcare needs that are a priority for people in RRR communities, including consumers, patients, researchers and the health workforce. This includes supporting RRR research into specific health and healthcare needs to improve diagnosis, treatment and care to meet the needs of individuals and communities and to improve quality of life (as per the Priorities).

In mapping projects that focus on RRR health to the Measures of Success:

- *'Increased focus on areas of unmet need'*: 22 projects (total \$49 million) with a focus on Aboriginal and Torres Strait Islander health, and 40 projects (total \$245 million) on RRR communities,
- *'More Australians have access to clinical trials'*: 11 projects (total \$145 million) involved clinical trials and clinical trial-enabling infrastructure,
- *'New health technologies/interventions are embedded in practice'*: 40 projects (total \$245 million) deployed strategies to support better access to health interventions or technologies,
- *'Research community has greater capacity and capability to undertake translational research'*: 6 projects (total \$119 million) involved training in research translation and knowledge mobilisation, and
- *'The community engages with and adopts new technologies and treatments'*: 15 projects (total \$29 million) involved consumers in setting study.

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<sup>51</sup> [www.health.gov.au/resources/publications/medical-research-future-fund-report-on-funding-for-rural-regional-and-remote-health-research](https://www.health.gov.au/resources/publications/medical-research-future-fund-report-on-funding-for-rural-regional-and-remote-health-research)

## Financial Assistance to support the Australian medical research and innovation priorities 2020 - 2022

In addition to reporting funding that goes towards the Australian medical research and innovation priorities, the 2020-2022 report includes the following observations that demonstrate success against the Measures of Success:

- Increasing support for medical research commercialisation

MRFF grants have been provided to a range of recipients seeking to support projects with commercial potential, particularly from Small to Medium Enterprises (SMEs), towards the *'Increased commercialisation of health research outcomes'* Measure of Success.

The reported identified that from November 2020 to November 2022 when the 2020-2022 Priorities were in force, \$146 million (now updated to \$246.3 million out of an allocation of \$345.4 million) of MRFF funding has been awarded through the Medical Research Commercialisation initiative, which has included:

- \$45 million through the BioMedTech Horizons program which has supported the development of 49 biomedical and medical technologies from proof-of-concept to commercial development,
- \$22.3 million through the Biomedical Translation Bridge which has nurtured the translation of 21 projects through to the proof-of-concept stage with expert industry support and mentoring,
- \$79 million through the Early Stage Translation and Commercialisation Support program which has supported 33 Australian SMEs (now updated to 74 Australian SMEs) undertaking early stage medical research and innovation projects with commercial potential, across 4 streams: Early Stage Digital Health, Early Clinical Medical Devices, Early Clinical Drugs, and Pre-Clinical Research or Medical innovation, and
- the remainder allocated/to be allocated to the BioMedTech Incubator program intended to increase the number of innovations, novel drugs, novel uses for existing drugs, innovative medical devices and/or digital health technologies that have progressed through the early stages of research and development to the point where they are 'de-risked' and attractive to private investment or commercialisation.

- Enabling clinical trials research

Clinical trials are an essential component of health and medical research, playing an important role in validating new treatments and approaches for the prevention, management, detection and diagnosis of health conditions.

Through a range of its initiatives, the MRFF has funded Australian clinical trials across many different health conditions. In addition, MRFF-funded projects bring researchers, medical specialists and patients together to promote clinical innovation, improve patient outcomes and support jobs and economic growth in the health and medical research sector.

As indicated above, the MRFF Clinical Trials Activity initiative evaluation also reported the MRFF increased research into unmet need as a dominant source of funding support for clinical trials in

Australia, particularly in rare cancers which may not be fundable via other avenues. It has also allowed more Australians access to clinical trials, and significant engagement with key stakeholders such as consumers and professional bodies in trials, which is recognised to enhance research translation (The community engages with and adopts new technologies and treatments’).

- Prioritised leadership of Aboriginal and/or Torres Strait Islander researchers and communities in research on First Nations health

Although the impacts of many First Nations health projects are yet to be realised at this stage, the Indigenous Health Research Fund (IHRF) recognises that supporting First Nations-led research ensures that the research tackles health issues that are of importance to Aboriginal and Torres Strait Islander people, and is best placed to generate evidence-based structural changes in health practice and outcomes.

MRFF First Nations health research grants acknowledge, prioritise and promote First Nations leadership in research practice, governance, and knowledge translation. In doing so it aims to improve health outcomes and contribute to closing the gap on health mortality and morbidity of Aboriginal and Torres Strait Islander people.

The MRFF has been able to increase the percentage of grants led by an Aboriginal and/or Torres Strait Islander Chief Investigator over time following progressive modification to the assessment process for IHRF grant opportunities, going from 22% grants led by an Aboriginal and/or Torres Strait Islander researcher in 2019, to 57% in 2020, to 64% in 2021. Since the publication of the 2020-2022 report this number has continued on a positive trajectory.

In addition to the IHRF, First Nations leadership was prioritised in the 2021 Improving the Health and Wellbeing of Aboriginal and Torres Strait Islander Mothers and Babies grant opportunity. Five projects totalling \$18.4 million have been supported to undertake increased research into unmet need, in terms of improving access to culturally safe care during pregnancy, birthing and the post-natal period (for example, on-country birthing and continuity of family and midwifery care).

## Appendix B: Work to improve alignment and coordination of the MRFF and MREA

### Governance of MRFF and MREA

Governance arrangements for the MRFF and the NHMRC's MREA differ, reflecting their discrete legislative frameworks and funding objectives. The MRFF and the MREA cumulatively award more than \$1.5 billion in research grants each year.

#### MRFF

The Department of Health and Aged Care has overall policy responsibility for the governance and administration of MRFF grants. Funding through the MRFF is overseen by the Health Minister and the Departmental Executive. The MRFF funds priority-driven research, including in areas of unmet need such as First Nations health research, rare diseases research, rural and remote health research and health services research.

Under the 10-year Plan, the MRFF provides \$650 million per annum for research. The Department of Health and Aged Care draws on a range of internal and external advisory bodies to inform MRFF funding as described on pages 18-22. Depending on the specific policy and administrative requirements of each grant opportunity, the Department of Health and Aged Care administers MRFF grants through the Business Grants Hub or the NHMRC (which in this case acts in the capacity of grants hub for the MRFF).

Consistent with the MRFF Act, the Health Minister has powers to approve MRFF funding decisions. Since 2018 the powers to commit funds and enter into agreements under sections 24 and 26 of the MRFF Act have also been delegated to senior officials within the Department of Health and Aged Care and the NHMRC.

#### NHMRC

The NHMRC is an independent statutory agency within the Health and Ageing portfolio, operating under the NHMRC Act. The NHMRC is led by a Chief Executive Officer (CEO), supported by an Executive Team. Investments through the MREA are overseen by the NHMRC. The MREA focuses on investigator-driven research to address a wide range of health needs and to build foundational research capacity.

The MREA is a special account that provides approximately \$900 million per annum to support NHMRC's investigator-initiated grants in all fields of health and medical research from discovery to clinical, public health and health services research. The MREA was established by subsection 5 of the *Financial Management Legislation Amendment Act 1999* and is reflected in Section 49 of the NHMRC Act.

The NHMRC CEO is required to articulate a strategy for health and medical research and identify major health issues likely to arise (referred to as health priorities in the NHMRC's Corporate Plan) in consultation with the Health Minister and the NHMRC Council each year. The strategy and priorities are reviewed every 3 years to align with the term of membership for the NHMRC Council.

The NHMRC CEO is the NHMRC's accountable authority who makes recommendations to the Health Minister on the application of the MREA. The NHMRC Council is established under the NHMRC Act to advise the NHMRC CEO on the performance of their functions, including expenditure on health and medical research.

The Research Committee is established under the NHMRC Act as a Principal Committee of the NHMRC Council and has specific functions to advise and make recommendations to the NHMRC Council on the application of the MREA, the use of financial assistance provided by the MREA, and other matters such as the quality and scope of health and medical research in Australia.

## **National Consultation on alignment of MRFF and NHMRC's MREA**

### **Improving alignment**

In May 2023 the Australian Government released a discussion paper on improving alignment and coordination between the MRFF and the NHMRC's MREA to improve Australia's healthcare system for the future, including by investing in health and medical research and innovation to improve lives, build the economy and ensure the sustainability of the health system. The discussion paper commenced sector-wide consultation on whether, and if so how, to reform the governance and administration of the MRFF and the MREA to ensure the Australian community obtains the greatest benefit from Commonwealth investment in health and medical research.

During 2023, the Department of Health and Aged Care co-ordinated a series of national consultations on strategies for optimising the government's funding arrangements for health and medical research through the MRFF and the NHMRC's MREA. The consultation highlighted the need to develop an overarching strategy for Commonwealth-funded health and medical research that takes advantage of the complementary purposes and characteristics of the two funds.

Box 1 provides more detail on the process and findings of this consultation.

### Box 1: consultation on governance of MRFF and MREA

The consultation process presented stakeholders with three potential options for improving alignment and coordination between the MRFF and the MREA.<sup>52</sup>

#### Model 1: Better alignment through coordination

The MRFF and MREA continue to be separately managed (by the Department of Health and Aged Care and by the NHMRC respectively), with a new coordination mechanism established to embed and facilitate collaboration and alignment of investment and policy between the two funds.

#### Model 2: Management of both funds by NHMRC

The management of MRFF grants is transitioned to NHMRC, which maintains the two separate funding streams with distinct funding responsibilities under unified governance and administrative arrangements.

#### Model 3: Merge the two funds with new governance arrangements\*

The two funds are merged and disbursed as a single grant program (managed by NHMRC) to maximise flexibility and facilitate complementarity. This approach would require the careful design of new governance arrangements to preserve the unique value of the MRFF and MREA investment streams.

\*The MRFF as a separate investment vehicle would continue to exist, with returns directed to the MREA, instead of the MRFF Health Special Account

Overall, stakeholders expressed the view that they wanted to see reform where:

- the distinctive priority-led focus of the MRFF is retained (as compared to the investigator-led focus of the MREA), and
- there is better strategic coordination and alignment between the MRFF and the MREA using a 'seamless but not homogenous' model.

While there was support for models 2 and 3, stakeholders were concerned about model 3 resulting in a loss of the current system's strengths, including the distinct focuses for the two funds. Respondents also expressed concerns that merging the two funds could result in reduced total funding over time, or preferential funding for one part of the research system over another (eg. basic science vs. translation/commercialisation).

For models 2 and 3, stakeholders also raised concerns about the NHMRC's capability and capacity to deliver the full breadth of the MRFF grant program, particularly commercialisation and the commissioning aspects of research design (eg. for health technology assessment, the Research Missions, or for priority populations). Some stakeholders considered that the NHMRC would require a substantial increase in resourcing and to acquire staff with specific skills and experiences under these models.

Overall, stakeholders supported improved coordination of a cohesive, integrated and fit-for-purpose system, targeted at improving the health of all Australians. Stakeholders want health and medical research funding to benefit the community and broader healthcare system, with impact being the focus of funding delivery and evaluation. All stakeholders wanted a funding system that provides robust and well-balanced support and infrastructure for health and medical research across the entire pipeline.<sup>53</sup>

## Reforms

In response to the outcomes of the consultation, the government has initiated the following reforms:

- establishment of joint NHMRC-MRFF advisory committees, and
- development of a National Health and Medical Research Strategy.

The following joint advisory committees have been established to advise on research strategies and funding policies for the MRFF and NHMRC:

- NHMRC-MRFF Consumer Advisory Group – to advise on consumer and community involvement in health and medical research, including on strengthening consumer involvement in MREA and MRFF grant programs,
- NHMRC-MRFF Industry, Philanthropy and Commercialisation Committee – to advise on industry and philanthropic involvement in health and medical research and strategies to foster greater research commercialisation,
- NHMRC-MRFF Public Health and Health Systems Committee – to advise on strategies for strengthening preventive health, public health, primary care and health services, and for embedding research translation in the Australian health system, and
- NHMRC-MRFF Indigenous Advisory Group – to advise on health research involving Aboriginal and Torres Strait Islander communities and capacity building for health researchers who identify as Aboriginal or Torres Strait Islander.

NHMRC Research Committee (which is established as an NHMRC Principal Committee under the NHMRC Act) is also expected to be asked to support both NHMRC and the Department of Health and Aged Care, including advising on alignment between the funding policies and processes for the MREA and the MRFF.

The Department of Health and Aged Care and the NHMRC are also working together to identify and develop joint policies and procedures, and potential grant opportunities, consistent with feedback from the consultation.

Joint internal working groups have also been established to identify overlaps and to work towards synergy, with oversight from both the Department of Health and Aged Care executive and the NHMRC CEO.

The Government is developing a National Health and Medical Research Strategy to provide national direction, build on Australia's strengths in the health and medical research sector, fill any gaps, and continue to attract researchers and investors to Australia.

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<sup>52</sup> As outlined within 'Purpose', Discussion Paper: Improving alignment and coordination between the Medical Research Future Fund and NHMRC's Medical, Research Endowment Account Page 5, [www.health.gov.au/sites/default/files/2024-05/improving-alignment-and-coordination-between-the-medical-research-future-fund-and-nhmrc-s-medical-research-endowment-account-consultation.pdf](http://www.health.gov.au/sites/default/files/2024-05/improving-alignment-and-coordination-between-the-medical-research-future-fund-and-nhmrc-s-medical-research-endowment-account-consultation.pdf)

<sup>53</sup> [www.health.gov.au/resources/publications/improving-alignment-and-coordination-between-the-medical-research-future-fund-and-nhmrcs-medical-research-endowment-account-consultation?language=en](http://www.health.gov.au/resources/publications/improving-alignment-and-coordination-between-the-medical-research-future-fund-and-nhmrcs-medical-research-endowment-account-consultation?language=en).