



THE UNIVERSITY OF
SYDNEY

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Mr Grant Hehir
Auditor-General
Australian National Audit Office

Online: <https://www.anao.gov.au/work/performance-audit/health-management-the-medical-research-future-fund>

Dear Mr Hehir,

Thank you for the opportunity to provide feedback to the Commonwealth's audit of whether the Department of Health is effectively managing the **Medical Research Future Fund** (MRFF).

In preparing our submission we consulted medical researchers from across our institution and their feedback informs our response to the audit's three criteria.

A number of key themes and program design principles emerged from our expert academics in examining the governance arrangements of the MRFF and consequent performance measurements. In particular, MRFF processes remain somewhat opaque and subject to frequent changes. Greater consistency and transparency in approach is something our research community would welcome.

As a result, one major recommendation we make is for the MRFF to adopt an improved system of governance - including a yearly funding calendar across major funding calls (as in the NHMRC and ARC) - which would help to standardise the application process and facilitate better engagement with the research community. Further, we strongly recommend that MRFF outcomes be reported on a rolling, consistent basis, similar to NHMRC and ARC funding outcomes, which are consolidated in a single place and updated after each funding announcement has been made.

We provide feedback on a range of other issues in our submission included here, including with regard to the various Missions and Priorities of the MRFF.

I trust that our submission will be helpful. We remain grateful for the very significant investment in health and medical research that the Government is providing through this important scheme.

Yours sincerely,

(signature removed)

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Attachment University of Sydney responses to the ANAO's audit criteria of the Medical Research Future Fund, May 2021

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The University of Sydney, responses to the ANAO's audit criteria of the Medical Research Future Fund, May 2021

Criterion 1: Are the MRFF governance arrangements effective?

There are concerns that the current governance arrangements for the MRFF are not effective, specifically:

- It is not clear who is responsible for the overall governance of the MRFF or how the many organisations involved in its management and governance - Future Fund Board of Guardians, AMRAB, the Minister for Health, fund administering bodies (i.e. GrantConnect, NHMRC, Business Grants Hub and Cancer Australia) - interact to make decisions. This may need to be formalised in some way to provide transparency of the governance arrangements.
- The MRFF governance webpage states that the "Minister for Health takes the strategy and priorities into account and decides which research initiatives to fund", however, the process and reporting of how the Minister makes funding decisions are not clearly defined nor reported.

The MRFF plays a critical role and has provided a much-needed boost to the health and medical research sector to improve health outcomes for Australians.

A key enhancement for the sector is the way in which expert advice is sought in the designation and selection of projects, however, there appears to be a lack of transparency related to how programs are funded and success factors that drive differences in outcomes. **This could be improved through seeking supplementary and more direct feedback from expert researchers regarding priorities and alignment to disease burden to amplify the positive impact of MRFF funded projects.**

The current approach is also complex. Rather than provide a coherent, cohesive and unified program of funding the MRFF tends to represent a patchwork of schemes run in disparate ways from the pre-award through to the post-award stages. This represents a major challenge for investigators and institutions administering grants and would benefit from simplification to reduce administrative overhead and improve clarity. **Adopting an 'NHMRC style' system (including a yearly funding calendar across major funding calls) would help to standardise the application process and facilitate better engagement with the research community.**

Criterion 2: Has MRFF legislation, governance, strategies and priorities guided selection of medical research initiatives?

In summary, with specific regard to MRFF Missions:

- The governance structure for all Missions must include the ability to accept non-government sources of funding. This is an opportunity for development and growth, for example, in mental health research.
- Large-scale data analysis and management capacity should be a core part of the Mission.
- A focus on prevention and early intervention reflecting the government priorities in the preventative health strategy.

It is not clear how MRFF legislation, governance, strategies and priorities have guided selection of medical research initiatives; in fact, the current approach to funding allocation may compromise the MRFF's aim of improving the health and wellbeing of all Australians and the lack of transparency about how funding decisions are made in relation to MRFF priorities makes it vulnerable to the perception that equitable allocation is compromised by lobbying and the opportunity for the Minister for Health to make 'captain's picks'.

To meet the MRFF's aim of improving the health and wellbeing of all Australians, **greater balance in the distribution of funding across Strategic Platforms should be considered.** There are clear 'favourite' and 'unloved' diseases. To some degree MRFF funding seems to be driven by the death burden, however, the disability burden of non-fatal disease is not reflected in allocation of grants. For example, musculoskeletal conditions are the leading cause of non-fatal disease burden in Australia

(24.8 per cent) but have received only 1 per cent of MRFF funding. The NHMRC criteria for scoring grant applications value significance, research quality, and team quality and capability. It is therefore possible that researchers working in disease areas with less MRFF funding submit less meritorious MRFF applications than their peers, but without access to the MRFF peer review scores we cannot judge this issue. A more likely explanation, and one that can and has been examined, is that the MRFF calls do not align with these conditions. The majority of MRFF funding calls (76 per cent to December 2020) focus on specific health conditions, but only one of these calls supports research related to injuries, respiratory or musculoskeletal conditions¹.

The MRFF admirably funds research in relation to “Emerging Priorities and Consumer Driven Research”, however, it is unclear how the [current consumer driven priorities](#) have been selected, how consumers advocated for such funding and how consumers will be involved in setting future priority areas. The MRFF notes that at the first stage it will “involve consumers in developing research priorities and the research process”, however, there is no detail about how this has occurred. To fully realise this goal it is extremely important for consumers and their allies to be more involved as standard in MRFF funded projects and the MRFF’s commitment to this goal needs to be tightened in the following ways:

- Assessment criteria related to patient and public involvement in project development and methodology must be built into the administration of grants.
- Funding consumer-led projects or enabling consumer leadership via paid positions within research teams receiving MRFF funding to develop capacity in lived-experience led research in Australia and enable careers for researchers with disability.
- Strengthening the scheme [guidelines](#) which currently state that the MRFF will “encourage researchers to work together with the public on projects that matter to the public” so that this is standard practice unless there is a justifiable reason not to do so.

The guidelines also state that the MRFF scheme will “connect researchers to consumers, carers and clinicians and foster partnerships”, however, there is no evidence of this transpiring on a widespread scale and this is neither filtering down to universities or to researchers and research groups directly from the MRFF in any clear defined way.

It is acknowledged that the MRFF Priorities were determined by AMRAB following national consultation and are intended to inform Government decision-making on future initiatives and while they must be taken into consideration, the Government is not required to address each and every Priority. It is noted, however, that the processes by which the Government makes funding decisions in regard to the MRFF research priorities are not apparent.

The research priorities should be clearly linked to MRFF decision making and funding decisions.

Where possible, Priorities based MRFF decisions should be linked directly to the principles in the MRFF Act, with particular emphasis on how the particular Priority addresses:

- the burden of disease on the Australian community (which includes addressing burden of disease on specific communities, as well as on the broader population); and
- delivery of practical benefits from medical research and medical innovation to as many Australians as possible.

For example, in response to mental health priorities the MRFF funded the \$125M Million Minds Mission, which has now been allocated. To date, MRFF funding is predominantly supporting research relevant to physical health, not mental health. While the Million Minds Mission is welcome, it represents virtually all MRFF funding to mental health research since the scheme commenced. In the 2019-2020 financial year, \$6.2M of MRFF funding went to mental health research programs or researchers (including \$5M for Million Minds), representing just 4.4 per cent of total funding. In contrast, the disability and mortality attributed to mental illness, addiction, self-harm and suicide is approximately 17 per cent and increasing, representing approximately four times the proportion of research funding received for this area.

¹ Gilbert, S., et al., *A comparison of the distribution of Medical Research Future Fund grants with disease burden in Australia.* Med J Aust, 2021. **214**(3): p. 111-4. <https://onlinelibrary.wiley.com/doi/10.5694/mja2.50916>

Previous research has reported that in country ranking, Australia ranks higher in mental health research outputs and citations than all other key areas of health and medical research, suggesting the funding gap is also not a reflection of the quality of research conducted.

Assessment of burden of disease and funding alignment should be undertaken by MRFF.

A recent worldwide view of the state of mental health research funding found that in comparison with other disease areas, mental health research remains relatively underfunded. Mental health research received only 4 per cent (approximately \$18.5 billion) of the total research funding spent globally during 2015-2019; with most global mental health funding coming from the public sector.

Criterion 3: Does Health effectively monitor, measure and evaluate MRFF's performance?

The approach to monitoring, measuring and evaluating performance

It is recommended that MRFF outcomes be reported on a rolling, consistent basis, similar to NHMRC funding outcomes which are consolidated in a single place and updated after each funding announcement has been made. This would allow for better understanding of engagement and success with MRFF schemes.

The MRFF's conceptual framework identifies eight key measures of success to be applied across all Missions and activities, however, this approach is not suitable for all MRFF Missions and activities and has not led to effective reporting of success².

To effectively monitor MRFF performance, success should be determined in consultation with experts in the relevant field and external bodies in order to customise the measures to each Mission/activity. The framework to evaluate performance also defines an 'unmet need' as 'serious health conditions whose diagnosis or treatment is not adequately addressed by existing options'. To date, non-fatal disease is still awaiting proportionate MRFF funds³; such that success in reducing the health burden from common diseases may not be able to be assessed.

Performance data related to the award of MRFF funds is one of the most problematic areas. The current approach is to provide disaggregated updates on funding outcomes and then report on awards after funding agreements have been established.

The method for evaluating adherence to the funding principles for the MRFF should also be clearly outlined. For example, how has the MRFF ensured the following Principles have been successfully implemented: Principle 5 (utilise review processes that embrace diverse perspectives, including alternative disciplines, industry and consumer experience), Principle 12 (evaluate return on investment), Principle 13 (infrastructures support) and Principle 16 (nurture proposals with potential).

AMRAB has noted that a more goal orientated approach to Mission and Mission-funded project evaluation should be undertaken, including external milestone reviews. Missions have undergone international peer review and recommendations from such peer review should be considered for each Mission/activity to determine appropriate measures of success for the specific mission/activity.

Effective change in policy and practice should also be included in the process of performance evaluation. As part of the impact evaluation/ likely return on investment it would also be valuable to know how many Australians will benefit from the innovations and the likely impact on population disability and health service utilisation.

² For example, the Stem Cell Therapy sector in Australia is underdeveloped (Regenerative Medicine: Opportunities for Australia, Oct 2018). The lead time from the bench to bedside is long and arduous with entrenched deficiencies in the systems to commercialise research in Australia. Clinical trial funding is expensive and limited, and MRFF funding is not available to integrate research into the health care sector. Such that success of the Stem Cell Therapies Mission will not be able to be measured against outcomes in the eight key measures such as the number of patients in clinical trials nor the embedding of new technologies in practice.

³ Gilbert, S., et al., *A comparison of the distribution of Medical Research Future Fund grants with disease burden in Australia*. Med J Aust, 2021. **214**(3): p. 111-4.