

# CONSULTATION ON THE MRFF STRATEGY AND PRIORITIES

Submissions in response to the Consultation

June 2016

## ABOUT RESEARCH AUSTRALIA

Research Australia is an alliance of 160 members and supporters advocating for health and medical research in Australia. Research Australia's activities are funded by its members, donors and supporters from leading research organisations, academic institutions, philanthropy, community special interest groups, peak industry bodies, biotechnology and pharmaceutical companies, small businesses and corporate Australia. It reflects the views of its diverse membership and represents the interests of the broader community.

Research Australia's mission is to make health and medical research a higher priority for the nation. We have four goals that support this mission:

- A society that is well informed and values the benefits of health and medical research.
- Greater investment in health and medical research from all sources.
- Ensure Australia captures the benefits of health and medical research.
- Promote Australia's global position in health and medical research.

**Nadia Levin**  
CEO & Managing Director  
02 9295 8547  
nadia.levin@researchaustralia.org

**Greg Mullins**  
Head of Policy  
03 9662 9420  
greg.mullins@researchaustralia.org

This document and the ideas and concepts set out in this document are subject to copyright. No part of this document, ideas or concepts are to be reproduced or used either in identical or modified form, without the express written consent of Research Australia Limited ABN 28 095 324 379.

# CONSULTATION ON MRFF STRATEGY AND PRIORITIES

## **SUBMISSIONS IN RESPONSE TO THE CONSULTATION**

### INTRODUCTION

The Medical Research Future Fund Advisory Board was appointed on 4 April 2016. In May 2016, the Advisory Board commenced a consultation on the Australian Medical Research and Innovation Strategy and Related Priorities (the Strategy and Priorities) and issued a call for submissions.

The call for submissions sought responses to one question in respect of the Strategy and posed seven questions in respect of the Priorities. Responses were limited to a maximum of three pages.

Drawing on an extensive consultation process undertaken by Research Australia in the second half of 2015 with our broad membership and alliance partners, Research Australia provided a single submission in response to the Strategy and seven specific proposals in relation to Priorities for the MRFF. Lodged as eight separate submissions, they have been collated here in a single document.

# Australian Medical Research and Innovation Five Year Strategy

**Title:** A Research Australia Perspective: Translating Research for a Sustainable Future

## MRFF Strategic Goals

Research Australia suggests there are two fundamental goals for the MRFF Strategy and that these are best achieved by adopting an approach to research, funding and translation that is underpinned by collaboration.

### Health and Wellbeing

**The MRFF should fund projects with clearly identified goals that are end user informed and lead to better health and wellbeing through new clinical practices, health policy, products and services.**

This requires focused funding of medical research and innovation beyond the publication of findings to the development of new products and interventions which improve health. It embraces all the translation pathways to improved health, including better and safer treatments, the prevention of disease and injury, the promotion of wellbeing and the reform of healthcare systems.

The most pressing need is to improve the translation of research discoveries and innovation into better health outcomes through both commercial and non-commercial pathways. This involves:

- embedding research into health systems to better identify where research is needed;
- more resources to ensure research findings are adopted into practice and/or commercialised;
- greater capacity to measure the effect of the adoption of new practice and products ('did it perform as expected?');
- the adoption of new products and greater emphasis on advancing research further along the path to commercial development; and
- greater availability and utility of data for research purposes.

### Economic Prosperity

The MRFF has the potential to positively influence Australia's economic prosperity, which is itself a key component of better health and wellbeing, in a number of ways. As with the goal of Health and Wellbeing, measures by the MRFF to support economic prosperity will necessarily have a translational element.

#### *Increasing GDP*

**Research Australia suggests that the MRFF fund programs that specifically support the commercialisation of Australian HMR, particularly in the early stages.**

The pharmaceutical, medical device and biotechnology sectors in Australia are already significant exporters of manufactured goods. Australia can build on this success to create a strong and vibrant advanced manufacturing sector, providing skilled employment and economic growth. The MRFF can play a key role in addressing the sector's challenges including leveraging access to early stage risk capital and/or funding to advance research findings to the next step beyond publication.

**Research Australia suggests that the MRFF support research on improving health system efficiency and quality to achieve the best outcomes and value for expenditure on health care.**

Expenditure on health care has increased in Australia from 6.5% of gross domestic product in 1989-90 to 9.7% of GDP in 2013-14 and the same trend has been evident in much of the developed world.<sup>1</sup> The rate of increase has been identified by successive Australian Governments as an important issue, with real concerns about Australia's ability to sustain the current health system in the future.

**Research Australia suggests the MRFF support programs with high relevance to the Australian community, in particular: 1) the translation of evidence into practice through the funding of research that identifies clear pathways to implementation; 2) including engagement with the end users in the health system, governments and the broader community; and 3) commercialisation of prospects that will be of value to Australia.**

**Research Australia suggests funding for research in disciplines such as health services research, public health research and health economics form an essential component of the MRFF Strategy.**

**Research Australia is cognisant of the intersection of HMR with the other disciplines and recognises the value that occurs at this intersection. Assistive technology and diagnostics and health research with fundamental sciences should be appreciated and fostered.**

A key priority in improving the efficiency and productivity of our health system is the translation of research findings into evidence based practice. This is because research can identify new practices that better support recovery from injury and illness (and current practices that are of little value or relatively less effective). New treatments support the delivery of better, safe and higher quality health care, leading to faster and more complete recoveries and fewer readmissions, which are key drivers of cost. By identifying practices that are ineffective or sub optimal research can reduce unnecessary expenditure on procedures, imaging and pathology. Research can also support the adoption of new processes and work practices which improve the efficiency with which healthcare is provided.

Outside our hospitals and clinics, research provides the opportunity to prevent illness, injury and death through the identification of behaviours that increase mortality and morbidity and the design of programs that modify these behaviours.

### **Better value research**

Publicly funded research, like all other expenditures, has an opportunity cost; money invested in research could otherwise be used for different purposes. **The opportunity cost of health and medical research can be minimised by making the most effective and efficient use of the funding provided for research.**

- Research proposals have clear and well-articulated intermediate and final objectives.
- Research is funded to deliver these objectives and is terminated in a timely manner when objectives are not met (using an industry methodology such as a milestone/stage gate approach).
- Research proposals have clearly identified pathways to translation and implementation.
- Research findings are disseminated and publication is fit for purpose, containing all the information needed for the findings to be applied and/or verified and the underlying data is made available.

### **A Collaborative Approach**

The Strategic Goals of Health and Wellbeing and Economic Prosperity are best achieved by adopting an approach to discovery research, translation and funding that is underpinned by collaboration.

<sup>1</sup> Australian Institute of Health and Welfare, 2016, 25 years of health expenditure in Australia 1989-90 to 2013-14. p.vi

Success in collaboration will lead to the more effective use of our existing resources for faster and more impactful research which addresses the needs of the health system and the Australian population and which is translated more quickly, completely and effectively into new clinical practices, products, services and health policy.

**Research Australia suggests the MRFF should fund collaborative interdisciplinary research programs that include health systems, industry, the community and policymakers as partners.**

- Collaboration with other researchers, including across disciplines, makes them more productive and effective, improves research quality and ultimately leads to better health outcomes.
- International collaboration with leading institutions and global networks brings new opportunities and leads to better quality and more efficient research.
- Collaboration by funding bodies enables more resources to be brought to the task from within Australia and around the world, and promotes collaboration by researchers.
- Collaboration between researchers and health providers helps to frame research questions and directs research to the issues that need to be addressed to improve the quality of healthcare. It also provides opportunities for participation by the public and patients. Ultimately it embeds research in the health system and promotes the more effective and timely translation of research outcomes into practice.
- Collaboration with industry helps direct research towards commercially viable solutions to problems and enhances the likelihood of the commercialisation of new products and services.
- Collaboration and engagement with the community and policy makers can help research to better inform public policy and drive better health outcomes through public health measures.

The MRFF is ideally placed to take the lead role in forming ‘syndicates’ of funding bodies for research projects.

**Research Australia suggests that, where funding is provided in conjunction with another funding agency, the funding agreement must clearly stipulate how the costs of the project (direct and indirect) are to be met by the participants, with responsibility for each component of funding clearly allocated.** The MRFF has the capacity and expertise, through the resources of the Department of Health and elsewhere to provide the necessary levels of oversight and budgetary discipline to collaborative ventures.

**Research Australia suggests that the MRFF should be prepared to fund the indirect costs of research where doing so provides the best chance of success.**

As a matter of good practice, there should be absolute clarity about which activities are being funded and by whom, and the contribution that each party is making; no project should commence until all the necessary funding has been secured. This includes explicit recognition of both the direct and indirect costs and allocation of responsibility among the parties as part of the agreement. Leaving indirect costs out of funding agreements, particularly with large projects, risks jeopardising the quality and timely completion of the research project.

## Australian Medical Research and Innovation Two Year Priorities

**Title:** NHMRC Advanced Health Translation Centres-

1. **What is the gap in Australia's health system to be addressed by this priority?**  
The effective and timely translation of research into health outcomes.
2. **How does your area of priority address either an existing or a new health or health system challenge?**  
Inviting the NHMRC Advanced Health Research and Translation Centres (AHRTCs) to nominate initiatives to deliver improved health outcomes provides the opportunity to facilitate the translation of research into health outcomes, support research and innovation from concept to delivery and promote continuous improvement in healthcare delivery.
3. **Comment on which aims and objectives your priority is likely to meet.**  
This initiative would promote sustainable, high quality, cost-effective healthcare and help develop translation pathways that maximise the opportunities for success.
4. **Mandatory considerations – which of the mandatory considerations set out in the *Medical Research Future Fund Act (2015)* does your priority proposal address?**  
*Tick as appropriate, no further information required.*
  - Burden of disease on the Australian Community
  - How to deliver practical benefits from medical research and medical innovation to as many Australians as possible
  - How to ensure that financial assistance provides that greatest value for all Australians
  - How to ensure that disbursements complement and enhance other assistance provided to the sector
5. **Outline of priority proposal:**  
The AHRTCs have recognised capability and expertise in the translation of research into practice. **Research Australia suggests the MRFF invite the four *NHMRC Advanced Health Research and Translation Centres* to nominate initiatives to deliver improved health outcomes which could be undertaken immediately and have the potential for rapid national implementation.**  
  
With funding available from the MRFF forecast to be \$61 million for 2016-17 and \$122 million in 2017-18, there needs to be an emphasis on providing funding for some initiatives with low administration costs and short lead times that can be implemented quickly and cost effectively. Research Australia believes that a direct approach to the four AHRTCs would elicit high quality proposals that could meet these criteria.
6. **What measures of success do you propose and what will be the impact on health care consumers?**  
The effectiveness of the work undertaken by the AHRTCs in delivering the negotiated improved health outcomes.
7. **Please outline any linkages your proposal has with stakeholders, policy agendas and other health and medical research funding agencies.**  
The AHRTCs already have established collaborations between health and medical researcher organisations and health care providers and the infrastructure needed to support the delivery of the initiatives is already in place.

## Australian Medical Research and Innovation Two Year Priorities

**Title:** Linkage Program for medical research and medical innovation

**1. What is the gap in Australia’s health system to be addressed by this priority?**

The lack of support for research and innovation from concept to delivery and the existing barriers to collaboration between publicly funded researchers, the private sector and the health system.

**2. How does your area of priority address either an existing or a new health or health system challenge?**

It provides a funding program to support collaborative research and innovation to deliver the commercial and non-commercial translation of research into health outcomes.

**3. Comment on which aims and objectives your priority is likely to meet.**

This priority addresses the aims and objectives of developing the preventions and cures of tomorrow and providing economic benefits by supporting translation pathways that maximise the opportunities for success.

**4. Mandatory considerations – which of the mandatory considerations set out in the *Medical Research Future Fund Act (2015)* does your priority proposal address?**

*Tick as appropriate, no further information required.*

- Burden of disease on the Australian Community
- How to deliver practical benefits from medical research and medical innovation to as many Australians as possible
- How to ensure that financial assistance provides that greatest value for all Australians
- How to ensure that disbursements complement and enhance other assistance provided to the sector

**5. Outline of priority proposal**

**Research Australia suggests that funding from the MRFF be provided for an HMR stream of Linkage Projects.**

Funding under the Program should be provided for proposals that commercialise research discoveries or directly improve the delivery of health care in the Australian health system.

Options include:

- duplicating successful aspects of the Linkage Program in an **HMR specific program funded by the MRFF**, potentially administered by the NHMRC; and
- opening the ARC Linkage Program to HMR with expanded eligibility to include applications by MRIs and health services, and retaining administration with the ARC, with funding provided by the MRFF.

The ARC Linkage Program was raised in Research Australia’s consultations on the MRFF as an example of an effective model for funding research innovation which could be emulated by the MRFF.

The ARC's Linkage funding schemes aim to encourage and extend cooperative approaches to research and improve the use of research outcomes by strengthening links within Australia’s innovation system and with innovation systems internationally.

Linkage promotes national and international research partnerships between researchers and business, industry, community organisations and other publicly funded research agencies. By supporting the development of partnerships, the ARC encourages the transfer of skills, knowledge



and ideas as a basis for securing commercial and other benefits of research<sup>2</sup>

The objectives of the proposed Program align with the MRFF's role in funding the application and commercialisation of medical research. This can become a centerpiece of the MRFF's focus on medical innovation and partnerships between industry and the research community.

The role of the Linkage Program in promoting innovation and engagement between universities and industry was recognised in the NISA, with the announcement that from 1 July 2016 the Linkage Projects scheme will be open to continuous applications 'and decisions will be fast-tracked'.<sup>3</sup>

The ARC Linkage Program has been open to health and medical research in the past; the McKeon Review noted the (then) recent decision to close the ARC Linkage Program to HMR in its report in 2013, and recommended that access be restored.<sup>4</sup>

The Program provides the advantage of being able to be implemented relatively quickly and efficiently, utilising much of the existing Linkage Program rules, guidelines and infrastructure, and it is a program that is relatively well understood and liked by researchers and industry. As the current program is not open to health and medical research it meets the requirement to complement (rather than supplement or duplicate) existing funding.

**6. What measures of success do you propose and what will be the impact on health care consumers?**

The rate of the success of the funded projects in achieving the translation outcomes stipulated in the funding agreement.

**7. Please outline any linkages your proposal has with stakeholders, policy agendas and other health and medical research funding agencies.**

National Innovation and Science Agenda

---

<sup>2</sup> <http://www.arc.gov.au/linkage-programme>

<sup>3</sup> Australian Government, National Innovation and Science Agenda, *Welcome to the Ideas Boom*, December 2015, page 11

<sup>4</sup> Australian Government, *Final Report of the Strategic Review of Health and Medical Research*, 2013, page 216

## Australian Medical Research and Innovation Two Year Priorities

**Title:** Institute of Health Services Research

**1. What is the gap in Australia’s health system to be addressed by this priority?**

An Institute of Health Services Research would assist in improving the quality, safety, effectiveness and efficiency of healthcare in Australia.

**2. How does your area of priority address either an existing or a new health or health system challenge?**

An institute of Health Services Research would help address the challenge of achieving continuous quality improvement and efficiency in health care, help facilitate the translation of research into health outcomes and maximise productivity within the health and research system.

**3. Comment on which aims and objectives your priority is likely to meet.**

An Institute of Health Services Research would provide economic benefits by facilitating the adoption of evidence into practice and identifying translation pathways that maximise the opportunities for success, leading to more sustainable, high quality and cost- effective healthcare.

**4. Mandatory considerations – which of the mandatory considerations set out in the *Medical Research Future Fund Act (2015)* does your priority proposal address?**

*Tick as appropriate, no further information required.*

Burden of disease on the Australian Community

How to deliver practical benefits from medical research and medical innovation to as many Australians as possible

How to ensure that financial assistance provides that greatest value for all Australians

How to ensure that disbursements complement and enhance other assistance provided to the sector

**5. Outline of priority proposal:**

A key priority in improving the efficiency and productivity of our health system is the translation of research findings into evidence based practice. This is because research can identify new practices that better support recovery from injury and illness (and current practices that are of little value or relatively less effective). New treatments support the delivery of better, safe and higher quality health care, leading to faster and more complete recoveries and fewer readmissions, which are key drivers of cost. By identifying practices that are ineffective or sub optimal research can reduce unnecessary expenditure on procedures, imaging and pathology. Research can also support the adoption of new processes and work practices which improve the efficiency with which healthcare is provided.

Multidisciplinary and applied in nature, research to improve the delivery of health services is a good fit with the MRFF’s emphasis on improving the health and wellbeing of Australians and the definition of medical innovation that emphasises ‘new or better ways of improving the health and wellbeing of Australians.’

Health Services Research is a focus of the National Science and Research Priority of Health.

‘Build healthy and resilient communities throughout Australia by developing treatments, solutions and preventative strategies to improve physical and mental well-being and improve the efficiency and effectiveness of Australia’s health care system. This priority is focused mainly on health services and public health research.’<sup>5</sup>

<sup>5</sup> Australian Government, National Health and Research Priorities, Health- Capability Statement

As the above excerpt from the Health Capability Statement recognises, Australia currently lacks capability in health services research. If research and innovation are to deliver real health outcomes we have to address the lack of investment in this area, and the MRFF is ideally placed to do so. The Strategic Review of Health and Medical Research proposed an Institute of Health Services Research as a means of building capacity in health services research, coordinating effort and disseminating new knowledge and practices.<sup>6</sup>

**Research Australia suggests that the MRFF fund the creation of a new Institute of Health Services Research or alternatively a collaborative of existing research organisations (a virtual institute) to undertake this program of work.**

The state and territory governments should be actively recruited as partners to this program. Part of the function of the Institute could be to invite the submission of innovative approaches to healthcare by individual health providers that can be evaluated for their effectiveness and suitability for wider adoption. The Institute could work with the proposers to develop funding proposals to the MRFF to further develop and evaluate the approaches for broader implementation in the health system.

**6. What measures of success do you propose and what will be the impact on health care consumers?**

The effectiveness of the work undertaken by the Institute in hastening the more complete adoption of evidence based practice into healthcare.

**7. Please outline any linkages your proposal has with stakeholders, policy agendas and other health and medical research funding agencies.**

Increasing capacity in Health Services Research is a focus of the National Science and Research Priority of Health. The proposed Institute of Health Services Research should engage with the health system and with state and territory governments.

---

<sup>6</sup> Australian Government, Final Report of the Strategic Review of Health and Medical Research, 2013,

## Australian Medical Research and Innovation Two Year Priorities

**Title:** Health economics researchers to help design the evaluation framework to be used for the MRFF.

**1. What is the gap in Australia's health system to be addressed by this priority?**

The gap is the current failure to maximise productivity within the health and research systems and the failure to translate research into health outcomes by appropriately evaluating the potential outcomes of research that is proposed to be funded.

**2. How does your area of priority address either an existing or a new health or health system challenge?**

Using health economics researchers to design the evaluation framework to be used for the MRFF will help to ensure that the research that is funded will be directed towards delivering outcomes that provide tangible benefits for individuals and the health system.

**3. Comment on which aims and objectives your priority is likely to meet.**

Incorporation of health economics in the evaluation framework for the MRFF provides economic benefits by directing research to areas with the potential to improve efficiency in the health system and support sustainable, high quality, cost effective health care.

**4. Mandatory considerations – which of the mandatory considerations set out in *the Medical Research Future Fund Act (2015)* does your priority proposal address?**

*Tick as appropriate, no further information required.*

Burden of disease on the Australian Community

How to deliver practical benefits from medical research and medical innovation to as many Australians as possible

How to ensure that financial assistance provides that greatest value for all Australians

How to ensure that disbursements complement and enhance other assistance provided to the sector

**5. Outline of priority proposal:**

Australia's capacity in health services and health economics research is under-funded, under-resourced and lacks cohesion. As the MRFF brings an increased focus on commercial and non-commercial translation of research, Australia is likely to face capacity constraints in key areas such as health economics, health services research and innovation capability as well as expertise in commercialisation/spin out opportunities.

If the MRFF is to focus on, among others, delivering practical benefits and value, it will need to develop measures that can be used to evaluate funding proposals for their capacity to deliver practical benefits and value. It will also need the capacity to assess whether research and innovation that it has funded has, in fact, delivered practical benefits and/or value at the individual project level and overall as part of an evaluation framework for the MRFF.

Research Australia proposes that the MRFF engage with health economists in the design of funding rules, agreements and evaluation frameworks for the MRFF. This will help ensure that the research and innovation activities the MRFF funds are oriented towards delivering practical benefits and value for the Australian community. It is essential that any such measures are robust and cost effective and do not impose an unnecessary burden on funding applicants.

**6. What measures of success do you propose and what will be the impact on health care consumers?**

The effectiveness of this proposal would be measured by the extent to which the MRFF funds medical research and medical innovation that leads to practical benefits and value for the Australian community- i.e. research and innovation that translates into real benefits.

**7. Please outline any linkages your proposal has with stakeholders, policy agendas and other health and medical research funding agencies.**

This proposal will require linkages with health and medical researchers, state health systems and consumers to ensure that their perspectives of what constitutes practical benefits and value are incorporated

## Australian Medical Research and Innovation Two Year Priorities

**Title:** Build capability in the preparation, linkage and analysis of data

**1. What is the gap in Australia’s health system to be addressed by this priority?**

A lack of workforce capability and infrastructure for the preparation, linkage and analysis of data

**2. How does your area of priority address either an existing or a new health or health system challenge?**

Funding to build capability in the preparation of datasets their linkage and analysis helps develop the workforce and provide research infrastructure which supports the continuous improvement in healthcare.

**3. Comment on which aims and objectives your priority is likely to meet.**

The proposal is designed to meet the aims and objectives of a balanced and appropriately skilled workforce and contemporary infrastructure that meets research needs.

**4. Mandatory considerations – which of the mandatory considerations set out in the Medical Research Future Fund Act (2015) does your priority proposal address?**

*Tick as appropriate, no further information required.*

Burden of disease on the Australian Community

How to deliver practical benefits from medical research and medical innovation to as many Australians as possible

How to ensure that financial assistance provides that greatest value for all Australians

How to ensure that disbursements complement and enhance other assistance provided to the sector

**5. Outline of priority proposal:**

Australia’s health system is often ‘flying blind’ without access to the rich data that could be made available. Health system and health services researchers have long called for de-identified linkage of data sets that currently exist such as the MBS, PBS and public and private hospital databases. Data has become increasingly important to our understanding of health and disease. It can be used by researchers to identify new and improved ways of delivering health services and improving health outcomes, but there is currently a range of impediments to the use of health data sets in this way. In many cases, the barriers to the better use of data can be addressed with funding to facilitate the participation of disparate stakeholders in efforts to make data available for research and prepare appropriate datasets.

**Research Australia suggests that the MRFF provide funding to build capability in the preparation of research oriented health information datasets, their linkage and subsequent analysis, preferably through shared infrastructure and resources available to research groups.**

This will help build a new national framework for the collection, storage and use of data which recognises that:

- Data sets are a valuable and critically important national resource
- Data should be collected and stored in a manner which enables the use and linkage of de-identified data for research purposes
- Research is a legitimate purpose for which information can be collected, used and disclosed
- Access to data for appropriate research purposes should be facilitated by the owners/operators of data sets.

**6. What measures of success do you propose and what will be the impact on health care consumers?**

Availability of more datasets to researchers

Greater use of datasets by researchers

Reduced time for the preparation of appropriate datasets

**7. Please outline any linkages your proposal has with stakeholders, policy agendas and other health and medical research funding agencies.**

The Health system- medical workforce, hospitals

Australian Government Policy:

- Australian Government, Public Data Policy Statement (Referencing NISA), 7 December 2015
- Australian Government, Department of Prime Minister and Cabinet, Public Sector Data Management July 2015
- The Australian Treasurer's Referral to the Productivity Commission of an Inquiry into Data Availability, Terms of Reference, 21 March 2016

## Australian Medical Research and Innovation Two Year Priorities

**Title:** Centre of Research Excellence for the evaluation of Health Outcomes

**1. What is the gap in Australia’s health system to be addressed by this priority?**

The gap is the current failure to maximise productivity within the health and research systems and the failure to translate research into health outcomes by appropriately evaluating the potential outcomes of research that is proposed to be funded.

**2. How does your area of priority address either an existing or a new health or health system challenge?**

A Centre of Research Excellence for the Evaluation of Health Outcomes will help to ensure that the research that is funded will be directed towards delivering outcomes that provide tangible benefits for individuals and the health system.

**3. Comment on which aims and objectives your priority is likely to meet.**

A Centre of Research Excellence for the Evaluation of Health Outcomes can help to ensure the MRFF’s resources are directed to research and innovation that has the greatest potential to provide economic benefits and more sustainable high quality health care.

**4. Mandatory considerations – which of the mandatory considerations set out in the *Medical Research Future Fund Act (2015)* does your priority proposal address?**

*Tick as appropriate, no further information required.*

- Burden of disease on the Australian Community
- How to deliver practical benefits from medical research and medical innovation to as many Australians as possible
- How to ensure that financial assistance provides that greatest value for all Australians
- How to ensure that disbursements complement and enhance other assistance provided to the sector

**5. Outline of priority proposal:**

Medical research and innovation provide the opportunity to improve the efficiency and productivity of our health system and its workforce. With health expenditure in Australia of \$150 billion per year, even small improvements in efficiency and productivity can provide significant dividends for both the broader economy and government budgets. Reducing the percentage of GDP required to fund healthcare provides the opportunity to reduce public expenditures and increase the amount of GDP available to promote economic growth.

A key priority in improving the efficiency and productivity of our health system is the translation of research findings into evidence based practice. This is because research can identify new practices that better support recovery from injury and illness (and current practices that are of little value or relatively less effective). New treatments support the delivery of better, safe and higher quality health care, leading to faster and more complete recoveries and fewer readmissions, which are key drivers of cost. By identifying practices that are ineffective or sub optimal research can reduce unnecessary expenditure on procedures, imaging and pathology. Research can also support the adoption of new processes and work practices which improve the efficiency with which healthcare is provided.

Outside our hospitals and clinics, research provides the opportunity to prevent illness, injury and death through the identification of behaviours that increase mortality and morbidity and the design of programs that modify these behaviours.

However, in many areas we lack an understanding of the health outcomes that a particular research or innovation activity will support, or the path needed to be taken to achieve these outcomes.



**Research Australia suggests the creation of a Centre of Research Excellence for the evaluation of health outcomes.** Its functions would be to:

- develop measures of success (eg. quicker, more complete recoveries, lower incidence of disease) for the translation of medical research and innovation;
- evaluate the likely impact and outcomes of proposed research activities;
- ensure an effective and consistent approach to evaluating the outcomes and success measures of completed projects; and
- support the ongoing evaluation of the MRFF as a whole.

**6. What measures of success do you propose and what will be the impact on health care consumers?**

The effectiveness of this proposal would be measured by the extent to which the MRFF funds medical research and medical innovation that leads to practical benefits and value for the Australian community- i.e. research and innovation that translates into real benefits.

**7. Please outline any linkages your proposal has with stakeholders, policy agendas and other health and medical research funding agencies.**

This proposal will require linkages with health and medical researchers, state health systems and consumers to ensure that their perspectives of what constitutes practical benefits and value are incorporated.

## Australian Medical Research and Innovation Two Year Priorities

**Title:** Research to support the COAG Health Reform Agenda

**1. What is the gap in Australia’s health system to be addressed by this priority?**

The gaps to be addressed by this priority are the failure to embed research in the health system and to maximise productivity within the health system.

**2. How does your area of priority address either an existing or a new health or health system challenge?**

Using research to inform the design and delivery of health reforms and to evaluate their effectiveness helps to maximise productivity within the health system while engaging researchers and the health workforce together in the reform process.

**3. Comment on which aims and objectives your priority is likely to meet.**

Research can strengthen the evidence base for new healthcare policy and its delivery and promote sustainable, high quality, cost effective healthcare.

**4. Mandatory considerations – which of the mandatory considerations set out in the Medical Research Future Fund Act (2015) does your priority proposal address?**

*Tick as appropriate, no further information required.*

- Burden of disease on the Australian Community
- How to deliver practical benefits from medical research and medical innovation to as many Australians as possible
- How to ensure that financial assistance provides that greatest value for all Australians
- How to ensure that disbursements complement and enhance other assistance provided to the sector

**5. Outline of priority proposal:**

**The COAG commitment to health reform provides the opportunity for the MRFF to provide funding to more actively involve researchers in the design, delivery and evaluation of the COAG health reforms.**

The involvement of the state and territory governments in innovation in the health system is critical to success. At the December 2015 Council of Australian Governments meeting, the principle of a shared responsibility of the Commonwealth, state and territory governments for the planning and provision of healthcare was adopted. The group emphasised the need for a whole-of-governments approach to innovation if we are to transform the delivery of healthcare.

At the April 2016 meeting, all jurisdictions agreed to take action to improve the quality of care in hospitals and reduce the number of avoidable admissions, by:

- reducing demand for hospital services through better coordinated care for people with complex and chronic disease – the current system does not always provide the care the chronically ill need – this means they are hospitalised more than is necessary;
- improving hospital pricing mechanisms to reflect the safety and quality of hospital services by reducing funding for unnecessary or unsafe care – reducing hospital-acquired complications will improve patient safety; and
- reducing the number of avoidable hospital readmissions – too many patients are readmitted to hospitals as a result of complications arising from the management of their original condition.

The Commonwealth committed to continue its focus on reforms in primary care that are designed to improve patient outcomes and reduce avoidable hospital admissions.<sup>7</sup>

Research Australia notes that there was no recognition of the role research could play in the design, implementation and evaluation of the proposed reforms or how this could improve outcomes. Research provides the opportunity to pilot, evaluate and refine the reforms as they are developed to drive continuous improvement and efficiency. It provides the opportunity to identify what has worked and what hasn't, and to identify barriers to implementation and the actions required to improve implementation and adoption.

Including research in this reform process could be done in conjunction with state and territory governments with funding provided by the MRFF alone or in partnership with state and territory governments. In a similar manner, the MRFF could support other Commonwealth Government health reforms currently underway, for example the Medicare Benefits Schedule (MBS) Review, the reform of primary health care to support patients with chronic and complex illness, and the Australian Digital Health Agency.

**6. What measures of success do you propose and what will be the impact on health care consumers?**

Success will be able to be measured in the timeliness and completeness of the implementation of reforms, the extent to which they have met their targets and the degree to which we understand what worked, what didn't, and why.

**7. Please outline any linkages your proposal has with stakeholders, policy agendas and other health and medical research funding agencies.**

The inclusion of researchers in the design, implementation and evaluation of COAG health reforms involves linkages with the health system, State and Territory health and medical research initiatives, Commonwealth Health Portfolio Priorities and consumers.

---

<sup>7</sup> <https://www.coag.gov.au/node/537#1>

**RESEARCH AUSTRALIA LIMITED**  
384 Victoria Street Darlinghurst NSW 2010  
T: +61 2 9295 8546 | ABN: 28 095 324 379  
[www.researchaustralia.org](http://www.researchaustralia.org)