

REVIEW TO STRENGTHEN INDEPENDENT MEDICAL RESEARCH INSTITUTES

Issues Paper – Released 18 November 2014

Submissions close Midnight 7 December 2014

The Review Panel is seeking written submissions to inform the review of independent Medical Research Institutes. Submissions are particularly welcome from independent and other medical research institutes, universities, state and territory governments, hospitals, clinical researchers, health professionals and private contributors.

Message from the Panel

On 29 October 2014, the Commonwealth Minister for Health, the Hon Peter Dutton MP, announced a review of independent Medical Research Institutes (iMRIs). The review will identify what is required to ensure that iMRIs can continue to make a strong contribution to a vibrant, collaborative, and innovative health and medical research sector in Australia, following the introduction of the Medical Research Future Fund.

The review is to be conducted by Professor Graeme Samuel AC (Review Panel Chair), Mr Alastair Lucas AM, Mr Matthew Grounds and Professor Warwick Anderson AM. It is anticipated the review will be concluded by the end of February 2015.

Most iMRIs are established as independent entities under Companies or State legislation. They nevertheless administer a significant proportion of Commonwealth provided NHMRC grants. Overall, around \$178 million in competitive grants (plus \$34 million in Independent Research Institute Infrastructure Support Scheme) was administered by iMRIs in 2013, out of a total of \$851.4 million for NHMRC Medical Research Endowment Account expenditure.

The review is an opportunity to examine how these organisations currently operate and relate to the wider Australian health and medical research community, and how well positioned they are to respond to the opportunities presented by the Medical Research Future Fund. The Review Panel has been asked to assess whether there are opportunities for efficiency, collaboration and translational outcomes.

The Review Panel is seeking written submissions to inform the iMRI review. Submissions are particularly welcome from independent and other medical research institutes, universities, state and territory governments, hospitals, clinical researchers, health professionals and private contributors.

The input received from written submissions will help to inform the Review Panel's conclusions, deliberations and recommendations.

The Media Release and Terms of Reference for the review are available online at www.health.gov.au/iMRIreview

Introduction

Independent Medical Research Institutes (iMRIs) play an important role in the health and medical research sector. The majority of Australian iMRIs are not-for-profit organisations established under the Corporations Act which operate as independent legal entities.

There are over fifty iMRIs¹ in Australia, with a reported combined annual turnover of over \$1 billion. iMRIs receive the majority of their research funding through competitive grants for research projects, fellowships and programs, primarily through the National Health and Medical Research Council. The balance of other funding comes largely through state government infrastructure support, competitive grants from foundations and trusts, commercialisation collaborations and contracts, and community donations.

Scope of the Review

The review is to encompass two areas:

- To review the major types of business models used by Australian iMRIs, including sources and application of funds, capital and asset models, corporate and research infrastructure platforms, translational impact and make recommendations for improved efficiency.
- To consider iMRIs' existing research effort, review their research links, alliances and partnerships, identify gaps and potential synergies, and make recommendations for improved collaboration both within and outside the research sector (including with public and private hospitals, other clinical settings, universities, pharmaceutical and biotechnology companies, private capital, philanthropic bodies).

Stakeholder guide to providing written submissions

Written submissions to inform the review should address the questions detailed in this Issues Paper. All questions should be addressed individually. To facilitate the Panel's consideration of your submission you are invited to provide a concise Executive Summary covering all major issues. Submissions should be sent to the Independent Medical Research Institute Review Secretariat electronically at iMRI.review@health.gov.au

To assist the Review Panel in addressing their Terms of Reference, the Review Panel requests that iMRIs provide information on their business frameworks. This information is designed to ascertain the current sources and application of funds available to iMRIs, as well as the range of capital and asset models implemented by iMRIs. A template will be made available shortly at the review website and should be submitted as a separate attachment to the main submission: www.health.gov.au/iMRIreview. iMRIs will be advised via email when this template has been made available.

Submissions close **Midnight Sunday 7 December 2014, Australian Eastern Daylight Time.**

¹ Based on the definition from AAMRI's Submission to the National Commission of Audit, 2013

Submissions will be used as a platform to further consult with stakeholders. The Final Report, due to be provided to the Minister in late February 2015, will be based on the outcomes of all consultations, as well as the Panel's own research.

Details of the Review Panel's consultation process will be available at the review's website shortly.

Confidentiality of submissions

All information (including name and address details) contained in submissions may be made available on the Department of Health website unless you indicate that you would like all or part of your submission to remain in confidence. Automatically generated confidentiality statements in emails do not suffice for this purpose. Respondents who would like part of their submission to remain in confidence should provide this information marked as such in a separate attachment.

Legal requirements, such as those imposed by the *Freedom of Information Act 1982*, may affect the confidentiality of your submission.

Information provided by organisations on their business frameworks will remain in confidence. This information should be submitted as a separate attachment. Whilst this information will not be published on the Department of Health's website, legal requirements, such as those imposed by the *Freedom of Information Act 1982*, may affect the confidentiality of your submission.

Key Questions for consideration in the consultation process

Opportunities for Efficiencies

Some iMRIs have raised concerns about the burden of overhead costs. Overhead costs may include: the significant costs associated with acquiring and maintaining research facilities, property and equipment, utilities, telecommunications, and maintaining administrative services such as HR, recruitment and payroll.

The following questions will address the first element of the Terms of Reference which stipulates that the Review Panel will “*review the major types of business models used by Australian iMRIs, including sources and application of funds, capital and asset models, corporate and research infrastructure platforms, translational impact and make recommendations for improved efficiency*”.

1. Having regard for sources of medical research funding in Australia, current funding arrangements and other players in the sector
 - a. Identify and describe key elements of a best practice model for iMRIs. Suggestions may address organisational structure, and capital and asset models
 - b. Is there an optimally sized and structured model for an MRI in Australia? For example, is there an optimal size for number of scientists, number of support staff etc? The Panel notes that most Australian MRIs are smaller than their international counterparts. Do Australian MRIs see themselves at a disadvantage to their typically larger offshore counterparts?
2. Identify and describe opportunities for how iMRIs might increase efficiency and avoid duplication in the health and medical research sector. Suggestions may address capital and asset models, corporate and research infrastructure, and organisational structure.
3. Identify and describe opportunities for iMRIs to share resources and equipment with other health and medical research institutions (universities, other iMRIs, hospitals, healthcare providers). Suggestions may address sharing administrative services (e.g. HR, security, OHSE, research administration) or scientific facilities (e.g. equipment, staff, laboratories).
4. Identify and describe possible opportunities for accessing more diverse funding sources.

Opportunities for Collaboration

Recently there has been a renewed focus on enhancing collaboration in the health and medical research sector, both in Australia and overseas. This change can be seen through the introduction of strategic alliances such as ‘health and medical research hubs’ or the NHMRCs Advanced Health Research and Translation Centres. Purely based on the capacity of their organisations, some iMRIs may experience challenges in achieving their objectives. Collaboration

with other health and medical research bodies may serve to bolster the capacity of these organisations.

The following questions will address the second element of the Terms of Reference which stipulates that the Review Panel will “*consider iMRIs’ existing research effort, review their research links, alliances and partnerships, identify gaps and potential synergies, and make recommendations for improved collaboration both within and outside the research sector (including with public and private hospitals, other clinical settings, universities, pharmaceutical and biotechnology companies, private equity, philanthropic bodies).*”

5. Identify opportunities for iMRIs to expand existing and develop new national and international strategic collaborations with other institutions (universities, MRIs, health sector and/or industry), including collaboration with those fields, disciplines and scientific resources needed for research growth and expansion over the next decade (e.g. mathematics and big data expertise, behavioural sciences, engineering).

Opportunities for the Future – Impact and Translational outcomes

Following the announcement of the Medical Research Future Fund, one of the key ambitions for medical research is to improve the health of Australians through discoveries in the medical research sector, whilst bolstering the Australian medical research sector for the future; through training and research innovations, and by doing so, strengthen Australia’s economy.

The following questions will address the ‘*translational impact*’ element of the Terms of Reference.

6. Identify and describe opportunities for iMRIs to implement policy, governance or other arrangements to more readily translate research into health policy, and with this, positive health outcomes.
7. Identify ways iMRIs can actively build the capacity of the health and medical research sector in Australia to respond to future challenges. Suggestions may address innovations in the areas of research methodology, workforce and training.
8. Outline strategies that could be implemented by iMRIs to boost their commercial and fiscal returns in the health and medical research sector.
9. Apart from publications and citations, what other impact criteria are used by your institution as indicators of individual or institutional success?

Business Frameworks

To assist the Review Panel in addressing their Terms of Reference, the Review Panel requests that iMRIs provide information on their business framework by completing the provided template. This template will be made available shortly at the review website:

www.health.gov.au/iMRIreview. iMRIs will be advised via email when this template has been made available.