

## National Commission of Audit & medical research

The Australian Government released the [reports](#) of the National Commission of Audit on 1 May. The Commission was established to independently review and report on the performance, functions and roles of the Commonwealth Government. Please note, the reports' recommendations are not Government policy.

The focus of [AAMRI's submission](#), for equitable and streamlined funding for the indirect costs of research, was taken up in the report's recommendations, as were the recommendations of various other research peak bodies for a long-term investment plan for research infrastructure, and streamlined ARC/NHMRC grant processes. Some of the commission's other recommendations include abolishing the CRC program, the Innovation Investment Fund and Commercialisation Australia.

### Summary of recommendations affecting medical research:

#### 1. Consolidation of Health Bodies (Rec 53)

- **Combine the NHMRC, Cancer Australia and the research budget of the Australian National Preventative Health Agency into a new National Health and Medical Research Institute** to better align and embed health and medical research in the health system.
- **Establish a new Health Productivity and Performance Commission** by merging agencies that collect data and report on health outcomes, including:
  - the Australian Commission on Safety & Quality in Health Care
  - the Australian Institute of Health & Welfare
  - the Australian National Performance Authority
  - components of the Australian National Preventative Health Agency
  - the Private Health Insurance Administration Council
  - the Independent Hospital Pricing Authority
  - the National Health Funding Body and the National Mental Health Commission;the commission's role would be to better coordinate, report and drive performance across Australia's health care system with a focus on measurable outcomes; this would include identifying innovative options to increase efficiency across the sector and publicly reporting health performance statistics and outcomes.
- **Consider consolidating the following agencies into the Department of Health:**
  - Australian Organ & Tissue Donation & Transplantation Authority, together with the National Blood Authority
  - General Practice Education and Training Ltd, together with Health Workforce Australia
  - Professional Services Review scheme.

## 2. Research & Development (Rec 34)

**Summary:** The commission recommended the government take a more strategic, whole-of-government approach to funding R&D. The Commission justified government investment in basic research based on the 'spillover effects' and consequent 'market failures' reducing business investment in basic research, and their perception that applied research is generally the role of the business sector (other than for areas that are the government's responsibility, e.g. biosecurity, defence technology).

The commission also suggested that sector-specific grant programs (over and above the R&D tax concession) have the potential to skew business investment decisions. The commission argues that there are inherent incentives for public-private sector research collaborations to share funding, knowledge and IP. So government should play a targeted role in this space. Further, they indicate that the evidence base shows that industry clusters created deliberately by government rarely become independent of government funding. Therefore, government should pull back from this area.

- **Abolish sector-specific R&D programs, including the Innovation Investment Fund, Australian Renewable Energy Agency, National Low Emissions Coal Initiative, and Carbon Capture & Storage Flagship. Abolish Australian Climate Change Science Program (Phase 2 report).**
- **Consolidate research programs aimed at fostering collaboration, including:**
  - **abolishing the CRC Program**, with funding rolled into the ARC Linkages program
  - **abolishing the Collaborative Research Network Program** for universities
  - **abolishing the Industry Innovation Precincts Program** and the Industry Collaboration Fund.
  - **abolishing the ARC Linkage - Industrial Transformation Research Program** (from Phase 2 report)
- **Consider longer funding periods for ARC grants** (as part of the transition of CRC funding to the ARC).
- **Align ARC and NHMRC grant processes (but keep the entities separate)** to reduce admin costs to government and researchers.
- **Streamline the current system of research block grants** and post-graduate scholarships and look at options for better aligning funding for the direct and indirect costs of research.
- **Commit to ongoing funding for critical research infrastructure** in Australia, informed by a reassessment of existing research infrastructure provision and requirements.
- **Allow for more government oversight of the work of CSIRO** to ensure resources are directed to areas of greatest priority.
- **Re-model and reduce funding for rural R&D corporations.**

## 3. Reducing Industry Assistance (Rec 32)

- **Includes abolishing Commercialisation Australia, Enterprise Solutions Program, Enterprise Connect and Small Business Advisory Services.**

## 4. Reduce Assistance to Exporters (Rec 33)

- **Includes abolishing Market Development Grants and Asian Business Engagement Plan Grants, reducing the activities of Austrade** and moving residual Austrade functions into a commercial arm of DFAT.

## 5. Grants Programs (Rec 49)

- **Establish a central register of grants programs** within the Dep't of Finance with complete transparency of grants awarded.
- **Reduce red tape for grant recipients** by applying contemporary risk-based approaches to grant management (balancing the need for financial reporting against reporting burden).
- **Decrease the number of grant programs** by abolishing, merging or consolidating existing programs including:
  - consolidating all grant programs with a value less than \$5M and reducing funding for these grant programs by 15% by 2015-16
  - **consolidating the 20+ mental health grant programs as a priority**
  - **consolidating Indigenous grant programs**
  - abolishing several programs in the environment, communications & education portfolios (see p 202).
- **Address proliferation of new grant programs** by introducing a rigorous grant assessment process at the approval stage.
- **Ensure all grants have measurable outcomes** which are regularly assessed.

## 6. Higher Education (Rec 30)

- A range of changes that will increase the costs incurred by students; merging of TEQSA with the Australian Skills Quality Authority.

## 7. Indigenous Programs (Rec 35)

- Includes substantial rationalisation of programs.

## 8. Mental Health (Rec 40)

- Includes removing state/Commonwealth government duplication of programs.

## 9. Other (Phase 2 report)

- **Review the need for Innovation Australia** and its eight underlying committees and groups.
- **In relation to the Education Investment Fund and the Health & Hospital Fund**, consideration should be given to the long-term structures for education and health infrastructure funding.