



Australian Government

National Health and Medical Research Council

NHMRC Administering Institution Policy

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PURPOSE OF THIS DOCUMENT

This document sets out NHMRC's policy to determine whether institutions are suitable to administer Commonwealth Government funding provided by the NHMRC. Comments on the Strategic intent of the policy are included at Appendix A.

OBJECTIVES OF THE POLICY

1. To ensure that NHMRC funds can be used effectively and efficiently for the purposes granted in a manner consistent with good administration of public money.
2. To ensure that organisations can meet the principles and requirements of the *Australian Code for the Responsible Conduct of Research* effectively.
3. To encourage collaboration and avoid imposing barriers to collaboration.
4. To encourage the continued development of highest quality research in Australia, and the gain of national benefit from that research, especially in improved health and care.
5. To encourage the development of robust research institutions.
6. To ensure that institutions are:
 - a. able to provide our NHMRC-funded researchers with a rich and stimulating environment;
 - b. well enough established to support the needs of 21st century research and researchers;
 - c. able to provide support for the indirect costs of research;
 - d. able to provide other current research and human resource support (e.g. to support the career path of people with family commitments); and
 - e. able to contribute to the creation of knowledge through research, translation of knowledge, the education of health professionals and scientists, including research training.

LEGISLATIVE AND ADMINISTRATIVE FRAMEWORK FOR THIS POLICY

- ***National Health and Medical Research Council Act 1992 (The NHMRC Act)***: The NHMRC Act places certain responsibilities upon the NHMRC in administering the Medical Research Endowment Account, including definitions of the institutions to which NHMRC may provide support (see below).
- **NHMRC Funding Agreement**. Those institutions that NHMRC has agreed to allow to administer NHMRC funding are required to comply with the terms and conditions in the Funding Agreement and its associated Schedules.
- **Australian Code for the Responsible Conduct of Research**. This document sets out the Principles under which NHMRC expects research institutions and researchers to manage and conduct research funded by NHMRC.
- ***Financial Management and Accountability Act 1997***: This Act and annotated Regulations requires NHMRC to administer Commonwealth funding in an effective, efficient and ethical manner.
- **Commonwealth Grant Guidelines**: The requirements of the Guidelines must be met by NHMRC in order to improve the transparency and accountability of grants administration.

NHMRC also operates within governmental requirements of accountability and reporting, including scrutiny by the Australian National Audit Office¹.

SCOPE OF THE ADMINISTERING INSTITUTION POLICY

The bodies which NHMRC may support research are set out in Section 51 of the *National Health and Medical Research Council Act 1992* which states that the purpose of the Medical Research Endowment Account is to provide assistance:

- (i) to the Departments of the Commonwealth or of a State or Territory that are engaged in medical research;
- (ii) to universities for the purpose of medical research;
- (iii) to institutions and persons engaged in medical research; and
- (iv) in the training of persons in medical research.

GENERAL CRITERIA

In order to administer NHMRC funds all institutions must:

¹ The 2009 ANAO report on NHMRC contained criticisms of the administration of NHMRC's Administering Institutions Policy.

- Exist as a physical entity in Australia on at least one site at which research is conducted;
- Provide resources for, and have appropriate procedures in place for, the administration and acquittal of Commonwealth funds and the financial management of NHMRC funded research activities;
- Have policies and procedures to ensure that the institution maintains a high standard of research and ethical governance in accordance with the NHMRC Funding Agreement;
- Have policies and procedures to ensure that researchers comply with the requirements in the NHMRC Funding Agreement, including but not limited to
 - Responsible conduct of research
 - Ethical human research
 - Ethical animal research
 - Reporting on research
- Maintain a current ABN and / or ACN;
- Employ Chief Investigator As (CIAs) named on research grants funded by NHMRC² or researchers who are awarded NHMRC Fellowships³, or have appointed the CIA to an academic position through that university's academic appointment process⁴; and
- Establish formal agreements with institutions employing, or responsible for, other Chief Investigators on grants funded by NHMRC⁵.

SPECIFIC CRITERIA

The following are specific criteria to be met by groups of institutions or bodies as defined under the NHMRC Act.

Departments or agencies of the Commonwealth or of a State or Territory that are engaged in health and medical research

This category includes public hospitals and area health services, local area health networks and government departments. Such institutions must:

- Be a legal entity established by Commonwealth, State or Territory legislation or by formal administrative government arrangements; or
- Be a Commonwealth, State or Territory government Department, or fully controlled agency of such a Department.

Universities engaged in health and medical research

These institutions must:

- Be listed in Division 16 of the *Higher Education Support Act 2003*; and

² NHMRC regards the first named Chief Investigator as carrying the primary responsibility for multi-investigator grants

³ This includes all NHMRC Fellowships, and currently includes Early Career, Career Development Awards, and NHMRC Senior Research, Principal Research, Senior Principal Research and Australia Fellowships.

⁴ The university making the academic appointment will be responsible for ensuring that research is conducted in accordance with the NHMRC Funding Agreement and *Australian Code for the Responsible Conduct of Research (2007)*.

⁵ See Chapter 8 of the *Australian Code for the Responsible Conduct of Research (2007)*

- Have been or intend to be audited by the Australian Universities Quality Agency (AUQA) and maintain registration with the Tertiary Education Quality and Standards Agency (TEQSA) when established.

Other institutions engaged in health and medical research

This includes legal entities such as medical research institutes and hospitals not otherwise specified above. Such institutions must:

- Be established under the *Commonwealth Corporations Act 2001* or be specifically described in another Commonwealth Act or a State and Territory Act, or be established under their own Act, and have the conduct of health and medical research as one of the institution's main objectives;
- Agree to provide each year, if required, an audited annual account which includes a statement of solvency and financial viability and a document providing membership of the governing body of the institution.

Notes:

1. Bodies may be granted temporary status as an administering institution, to achieve a specific NHMRC priority, provided NHMRC is persuaded that this is essential to achieve its aims (e.g. in the priority area of Aboriginal and Torres Strait Islander health)

INDIRECT COSTS OF RESEARCH

While this policy does not deal directly with funding for the indirect costs of research provided by NHMRC under its independent research institute infrastructure support scheme (IRIISS), NHMRC supports the concept that support for indirect costs of research should be as equitable as possible across research sectors.

NHMRC's current policy on the provision of IRIISS is not affected by this revised policy. This policy is to provide formula-driven support up to twenty cents in the dollar for competitively won NHMRC grants, for independent institutions not in receipt of funding through the RIBG/SRE scheme. Any future changes to this policy will be discussed with the research sector.

APPEALS MECHANISM

NHMRC may make a decision to refuse an application for Administering Institution status if NHMRC has, in its absolute discretion, reasonably determined that the applicant institution is not able to meet the criteria including requirements under the Funding Agreement.

NHMRC may also make a decision to withdraw an institution's Administering Institution status if NHMRC has, in its absolute discretion, reasonably determined that the applicant institution is not able to meet the criteria including requirements under the Funding Agreement.

If either of these scenarios occurs, institutions will need to make alternative arrangements to access NHMRC funds, as appropriate.

Appeals against these decisions can be made to the Chief Executive Officer.

APPENDIX A - COMMENTS ON ADDITIONAL STRATEGIC INTENTIONS OF THIS POLICY

Fostering Collaboration

NHMRC wishes to encourage cooperation and collaboration in the conduct of research, in the education of researchers through involvement of NHMRC- funded researchers in the undergraduate and postgraduate education and research training of scientists and healthcare professionals, and in health care and health policy development. Researchers and institutions working together in research, training and education will help ensure that a culture of research and enquiry permeates higher education for doctors, nurses and other health professionals, and for students studying biomedical science.

Addressing the Multidisciplinary Nature of 21st Century Research

It has been argued to NHMRC during consultation on this policy that institutions need to achieve some threshold in size in order to be able to support 21st century health and medical research. Unlike in the previous NHMRC Institutional Accreditation policy, NHMRC has not set such a threshold at this time.

However, NHMRC believes that as research becomes more multidisciplinary and complex, and as the translation of research into health and other benefits become increasingly an expectation, critical mass becomes an important factor. In contrast, there has been a proliferation of smaller, independently governed research institutes in recent years.

Universities have an important leadership role, as the major institutions in health and medical research in Australia. NHMRC encourages universities to support the development of centres of research excellence including within universities, in order to minimise the establishment of separate, autonomous institutes that do not have the critical mass or secure resources to carry out health and medical research. NHMRC notes the development of institutes of research excellence within universities in the last decade.

During 2011, NHMRC will promote discussion with research institutions about how the health and medical research sector can develop greater multi-disciplinary capacity and sufficient critical mass to tackle the major questions in research and health in the 21st century. Following this discussion we will consider whether there are additional ways in which collaboration and critical mass can be encouraged.

NHMRC strongly encourages smaller institutions to consider how to address the need for greater multi-disciplinary capacity and sufficient critical mass needed to tackle the major research questions of the future.

Providing Recognition and Esteem

Recognition of excellence is of increasing interest to research institutions. NHMRC will publicly acknowledge annually the places where its funding supports research (i.e. the place where the research is conducted, nominated as “the actual institution⁶” in applications to NHMRC), as well as acknowledging the institution that administers the funding.

⁶ These are referred to as ‘Participating Institutions’ in the NHMRC Funding Agreement

APPENDIX B - INTERIM ARRANGEMENTS AND APPLICATION PROCESS

Interim Arrangements for Administering Institutions currently administering NHMRC funding

Administering Institutions that currently administer NHMRC funding can continue to do so with their Administering Institution status extended until the expiry of any current grants.

All institutions that currently administer NHMRC funding or wish to administer NHMRC funding provided after 31 December 2011 must be registered under this Administering Institution Policy, and should notify NHMRC in writing of their intention to do so by a date to be advised by NHMRC. At this time, NHMRC will provide institutions with an application form which will include a requirement to provide evidence to satisfy eligibility requirements. Institutions wishing to maintain Administering Institution status must ensure they can meet all eligibility requirements and the requirements of the Funding Agreement.

Administering Institutions not currently administering NHMRC funding

Administering Institutions that are not currently administering NHMRC funding will be required to apply for registration as an Administering Institution under this Administering Institution Policy and will be required to provide evidence that they meet all of the criteria described above.

Public listing on the NHMRC Register of Administering Institutions

When NHMRC makes the decision to give an institution Administering Institution status under this Administering Institution Policy and the institution signs a Funding Agreement, NHMRC will list the institution on the NHMRC Register of Administering Institutions and inform the institution.