



Australian Government

National Health and
Medical Research Council

N H M R C

NHMRC RESPONSE TO THE INDEPENDENT REVIEW OF
NHMRC'S FUNDING PROCESSES INCORPORATING:

International Perspective on the NHMRC Research Strategy
(The *Zerhouni Review*)

and

The Independent Review of the NHMRC Research Funding Process
(The *Bernstein Review*)

MAY 2009

Response to the Independent Review of the National Health and Medical Research Council Funding Processes

Background

The National Health and Medical Research Council (NHMRC), established two International Review Panels in 2007 and 2008 to scrutinise NHMRC's health and medical research funding and peer review processes; to consider the broader future vision of health and medical research in Australia; and to assess and provide recommendations to improve NHMRC's role as a national medical research funding organisation.

Both Reviews were initiated following the transformation in June 2006 of NHMRC into an independent statutory agency charged with translating new knowledge into improved healthcare and health outcomes while continuing to support the funding of Australia's health and medical research.

The first review was conducted from 23 to 25 October 2007, and was chaired by Professor Alan Bernstein, the then President of the Canadian Institutes of Health Research (the *Bernstein Review*). The second review was conducted from 28 to 30 January 2008 and was chaired by Dr Elias Zerhouni, Director of the United States National Institutes of Health (the *Zerhouni Review*). Membership of the two Review Panels is provided at **Appendix 1**.

The scope of the Bernstein Review included international analysis and comparisons of NHMRC strategies, plans for targeted investment, funding mechanisms and schemes (for people, ideas and infrastructure) and the documents and processes associated with the various funding schemes.

The Zerhouni Review drew on the recommendations of the *Bernstein Review*, and provided a higher level international analysis of NHMRC strategic research funding policies to ensure that Australia has the highest quality health and medical research effort and was able to gain maximum benefit from the Australian Government's investment in health and medical research.

This document provides NHMRC's response to the findings of both reviews, initially focussing on the high level strategic recommendations outlined in the *Zerhouni Review*, before addressing the operational recommendations outlined in the *Bernstein Review*.

Comments on this response are invited at nhmrc@nhmrc.gov.au

Scope of review recommendations

The key areas of focus on which the *Zerhouni Review* made recommendations included the following six major strategic pathways:

1. International leadership of the research agenda
2. Development of an Australian health diplomacy policy
3. Fostering translational research
4. Support of industry partnerships
5. NHMRC's role as a key site for the public to access health information and medical education and communication
6. Leadership in medical ethics and regulation

The *Zerbouni Review* also provided a range of recommended actions as further support to the strategic pathways:

1. Successful transformation of NHMRC
2. NHMRC Goals
3. National Challenges
4. Infrastructure and indirect costs
5. Sustained government commitment

The key areas of focus on which the *Bernstein Review* made recommendations include:

1. Strategic directions and resource allocation
2. Organisational considerations
3. Partnerships
4. Peer review mechanisms and processes
5. Building a better NHMRC

NHMRC's response to the *Zerhouni Review* recommendations

The *Zerhouni Review* recommended that, to develop strategically, the NHMRC should explore the six major strategic pathways.

Strategic pathways recommendations

I. INTERNATIONAL LEADERSHIP OF THE RESEARCH AGENDA

1 Recommendation

NHMRC should lead an effort to build strategic partnerships with other nations in this region.

CEO Response:

NHMRC supports this recommendation. The Panel supported the work of NHMRC in developing strategic partnerships with other nations in the region and to develop multi-level relationships with countries in the region.

A five-year collaboration agreement on Indigenous Health Research with the Canadian Institutes of Health Research (CIHR) and the Health Research Council of New Zealand (HRC) was formed to develop research to improve Indigenous peoples' health in areas of mutually shared priorities.

NHMRC has introduced an Australia-China Fellowship Exchange, to support Chinese researchers working in Australia, and Australian researchers working in China.

NHMRC is an active participant in a range of international research, advisory and ethics collaborations and forums including the International Cancer Genome Consortium, Guidelines International Network, Global Science Forum, Human Frontier Science Programme, International Stem Cell Forum, Global Forum of National Bioethics Advisory Bodies, Global Forum on Research Ethics and Heads of International Research Organisations. Other nations in Eastern Asia are members of most of these organisations.

NHMRC is actively pursuing collaborative research opportunities with other countries in the region, including Singapore through A*STAR and with the UK Medical Research Council (MRC) on non-communicable diseases.

NHMRC's next Strategic Plan will include a focus on our responsibilities as a good international citizen, especially in our region of the world.

2. DEVELOPMENT OF AN AUSTRALIAN HEALTH DIPLOMACY POLICY

2 Recommendation

NHMRC should seize this opportunity and collaborate with government agencies such as AusAID and other groups to forge a health diplomacy agenda for this region.

CEO Response:

NHMRC supports this recommendation in principle and will work with the Health and Ageing portfolio of the Commonwealth Government and other government agencies.

3. FOSTERING TRANSLATIONAL RESEARCH

3 Recommendation

NHMRC should lead an initiative to better integrate research programs across the continuum from basic to translational to clinical research.

CEO Response:

NHMRC supports this recommendation. NHMRC was urged by the Panel to work across the interdisciplinary boundaries of policy, research and health service provision to ensure proactive strategies in discovery and translational research. NHMRC's role in fostering collaboration between universities, medical schools, research institutes, hospitals and research funders was given high priority by the Panel.

The Panel recommended a range of actions to support the strategic direction of the agency with particular attention on knowledge translation and expanding the research capability of NHMRC.

NHMRC has since implemented the *Partnerships for Better Health* initiative, Partnership Projects have been advertised and are undergoing peer review and a discussion paper on potential Partnership Centres for Research Excellence will shortly be released for consultation.

- ***NHMRC Partnership Projects*** will support collaborations between researchers and policy or practice agencies. These awards are envisaged as being similar in value and conditions to the NHMRC Project Grants. It is anticipated that cash and/or in-kind contributions would be provided by the policy/practice partner organisation.

The first round of Partnerships Projects was opened in July 2008 and applications are currently being peer reviewed.

- ***NHMRC Partnership Centres for Research Excellence*** will be established as leaders in scientific research relevant to policy and practice. The Centres will not necessarily be funded to address a particular health issue, but rather to develop research capacity in designated areas of interest to one or more partner policy agency. These Centres will require significant funding and financial flexibility. It is anticipated that cash and/or in-kind contributions would be provided by the partner organisation/s.

The first round of Partnerships Centres will open in late 2009.

NHMRC has a number of other funding schemes to support translational research. These include the Centres of Clinical Research Excellence and Practitioner Fellowships. In addition, newer Centres of Research Excellence in Public Health Research and in Health Services Research will be introduced in 2009.

NHMRC agrees with the need to foster collaboration. Many individual grants include collaboration between researchers across the sector's research institutions, including in our Program Grant scheme. We will work with others to ensure that Australia gains from the power of collaboration between universities, medical schools, medical research institutes and hospitals.

Table 1 outlines the total NHMRC commitments to applied research (clinical, public health and health services research) for the period 2000-2007.

Table 1: Total grant announcements for application years 2000-2007

Application year	TOTAL		Translational research as % total commitment
	Total funding	Translational research	
2000	\$255 million	\$79 million	31%
2001	\$471 million	\$133 million	28%
2002	\$372 million	\$138 million	37%
2003	\$368 million	\$117 million	32%
2004	\$575 million	\$176 million	31%
2005	\$505 million	\$195 million	39%
2006	\$640 million	\$208 million	33%
2007	\$660 million	\$251 million	38%

4. SUPPORT OF INDUSTRY PARTNERSHIPS

4 Recommendation

NHMRC should be the catalyst for establishing creative national and international funding mechanisms that enhance the development of this important industry sector and foster partnerships between investigators and research institutes with entities in the private sector.

CEO Response:

NHMRC supports this recommendation. The Panel commented on the unprecedented potential in the 21st century to translate discoveries into new preventative and therapeutic interventions. This would require effective and efficient transfer of discoveries made in universities and medical research institutes into the hospitals, clinics and community settings and should include preclinical validation work as well as early clinical translation to large-scale prospective population studies and clinical trials.

The panel proposed NHMRC be the catalyst for establishing creative national and international funding mechanisms that enhance the development of this important industry sector and foster partnerships between investigators and research institutes with entities in the private sector.

NHMRC was encouraged by the Panel to further develop strategies to enhance and strengthen a robust local biotechnology and pharmaceutical industry linked to national and international funding opportunities. In this way translation of research outcomes through the creation of Australian private companies and enhanced public-private partnerships would be achieved.

In 2002, NHMRC established the NHMRC Development Grants scheme to maximise the return on public investment in research by providing gap funding for early 'proof-of-concept' stage research that has commercial potential. These Grants are an important link between academic research and knowledge industries. Changes to the scheme are currently being introduced including increased flexibility around the duration of grants, and fewer restrictions on budgets. (See also NHMRC response to *Bernstein Review*).

NHMRC is keen to foster partnerships and consortia that build on Australia's research findings to develop new treatments, therapies and interventions. Within the Commonwealth Government, the Department of Industry, Innovation, Science and Research (DIISR) is mainly charged with this task and a number of announcements relevant to industry partnerships were made in the Budget. NHMRC works closely with DIISR and the Australian Research Council.

5. NHMRC'S ROLE AS A KEY SITE FOR THE PUBLIC TO ACCESS HEALTH INFORMATION AND MEDICAL EDUCATION AND COMMUNICATION

5 Recommendation

There is a national need for an Australian source of information and active communication that is both reliable and up to date regarding medical research, health information, and education of the public on health matters. This information service should become the most trusted site for Australians (medical investigators, clinicians, managers and the public) to access this type of information. NHMRC should undertake the development of one or more web sites that meet this national need.

CEO Response:

NHMRC supports this recommendation. The Panel recognised the as yet untapped potential for NHMRC to become a trusted site for Australians (medical investigators, clinicians, managers and the public) to access health information.

NHMRC recognises the significant role and capability of the agency in providing health and medical research findings and health information generally. NHMRC has enhanced its communications capability through restructuring its communications function, overhauling the web site, and in 2009 implementing a contemporary grants management information system. Extensive information on our funded research and Fellowships can be found at <http://www.nhmrc.gov.au/grants/dataset/index.htm>.

Amongst the additions to our website in the last 12 months, NHMRC has added a "Your Health" portal, that includes information health information, including podcasts. This will be built further in the coming year.

NHMRC also notes that the Department of Health and Ageing's HealthInsite website currently provides an invaluable resource for health consumers <http://www.healthinsite.gov.au/>.

6. LEADERSHIP IN MEDICAL ETHICS AND REGULATION

6 Recommendation

The NHMRC should continue to provide its other functions. That is, it should be a trusted source of advice and education on medical ethics. It should continue to develop its role as an effective regulator of research involving human reproduction and human embryos.

CEO Response:

NHMRC supports this recommendation. The Panel was strongly supportive of NHMRC's legislated role in human research ethics through its Australian Health Ethics Committee and recognised it to be a trusted source of advice and education on medical ethics. During 2008, NHMRC led public debate on the ethical issues arising from direct to consumer genetic testing and through a series of expert seminars to be conducted in 2009 will continue to foster national debate on health ethics.

7 Recommendation

NHMRC should be seen as the Australian source of evidence for policy and practice, including through issuing respected guidelines. It should further develop the dissemination of evidence-based improvements in clinical practice into health services, for example through the work of the National Institute of Clinical Studies (NICS).

CEO Response:

NHMRC supports this recommendation. The NHMRC will work with the Department of Health and Ageing and other agencies to develop a national approach to the development of public health guidelines and clinical practice guidelines.

The NHMRC's National Institute of Clinical Studies will extend its work in clinical practice guideline development and implementation. NHMRC notes that the Interim Report of the National Health and Hospitals Reform Commission (February 2009) recommended an expanded role for NICS.

Recommended actions to support strategic pathways

In addition to the six strategic pathways, the *Zerhouni Review* also recommended a range of actions which would strengthen and clarify the role of NHMRC's Council and Principal Committees, and would bolster knowledge translation, improve peer review and build a better and more highly skilled organisation.

I. SUCCESSFUL TRANSFORMATION OF NHMRC

8 Recommendation

Refine the organisational structure of NHMRC to better reflect its different functions and responsibilities.

CEO Response:

NHMRC supports this recommendation and is implementing these recommendations to the greatest extent possible within the *NHMRC Act (1992)* and in accord with its resources. The Agency undertook an organisational restructure in early 2007, and has continued to evolve as it considered the recommendations of this review and other external advice.

The Panel's recommendations that the Agency strengthen its capacity through a series of structural and recruitment steps are being implemented. The Agency is now actively recruiting highly qualified staff, including senior academics and staff with direct research experience.

9 Recommendation

That a Deputy Director with a strong scientific background and experience in having managed a similar size organisation be recruited soon to implement the operational aspects of the reorganisation once they have been defined by the CEO.

CEO Response:

NHMRC supports this recommendation which is under consideration.

10 Recommendation

A specific review of internal work processes should be undertaken to streamline and clarify the activities of the various divisions by developing standard operating procedures with a view to increasing the efficiency and effectiveness of the organisation in harmony with current ongoing Information Technology (IT) developments.

CEO Response:

NHMRC supports this recommendation. The Panel's recommendation for the re-evaluation of the agency's grants program supported by contemporary information systems has been adopted through the implementation of a new Research Grants Management System (RGMS) which is currently undergoing "beta-testing" with the 2009 Development Grants funding round. It is expected to be fully operational by late 2009. By June 2009 RGMS will allow grant applicants to construct CV's which will then be held on our server and can be downloaded in future applications. From 2010, it is anticipated that all grant applications will be online grant applications. When fully implemented, the new system will provide online support for application processing including peer review, and this in turn should allow improvements to be made to timeliness of review. Ongoing grants management will also occur via RGMS.

Recruitment of senior researchers to NHMRC staff is progressively refining, streamlining and better coordinating NHMRC's research processes.

11 Recommendation

Re-evaluate the traditional funding strategy of NHMRC in terms of size, duration and type of grants and the relationship of the funding mechanisms to the life cycle of investigators at each stage of their careers (with special attention to early and mid career transition stages).

CEO Response:

NHMRC supports this recommendation. This review is being undertaken concurrently with development of NHMRC's next (2010-2012) Strategic Plan, which is required by the NHMRC Act to include a "Strategy of Medical Research and Public Health Research". Research Committee is also currently considering all aspects of NHMRC's "People Support" schemes. A workshop for early/mid-career researchers will be held in July 2009 to provide further input.

12 Recommendation

A specific strategy for professional development and training of current staff should be undertaken, including short training periods to observe and assess best practices at similar organisations in other countries if necessary.

CEO Response:

NHMRC supports this recommendation. NHMRC has introduced a People Plan to provide a framework to ensure learning and development strategies are in place to ensure staffing capabilities align with the functional requirements of the organisation. NHMRC will also seek opportunities for temporary placement or secondment of key staff into relevant international funding agencies.

2. NHMRC GOALS

13 Recommendation

Develop the NHMRC to build on Australia's record of accomplishment and expertise to become the leader in the development of the medical health and clinical research agenda for the entire region through strategic partnerships with other nations, particularly China and India.

CEO Response:

NHMRC supports this recommendation. The Panel commented on the achievements and internationally competitive position of Australian research as the third highest recipient of international NIH funding following Canada and the UK. A recent bibliometric study undertaken for NHMRC by RSSS (ANU) of the performance (in citations) of Australian health and medical research also confirms the international competitiveness of Australian researchers.

NHMRC will actively promote collaborative research opportunities through strategic international partnerships, with a particular focus on Eastern Asia and our region.

14 Recommendation

Build the capabilities of the NHMRC and its leadership team as an effective promoter and enabler of national synergies between life sciences research and health.

CEO Response:

NHMRC supports this recommendation. NHMRC recognises the need to build internal capacity to strengthen the Leadership Team and promote synergies between health and life sciences research. As indicated above, NHMRC is actively recruiting senior research staff to help drive its leadership in these areas, and will shortly appoint medical and public health experts to leadership positions.

In addition, our role in promoting and enabling these synergies will be a central feature of our next Strategic Plan (2020-2012), and will be strengthened immediately by the Minister for Health and Ageing's establishment of two new NHMRC Principal Committees for the 2009-2012 triennium, the Health Care Committee and the Prevention and Community Health Committee.

15 Recommendation

Enhance the partnerships between life science funders, universities, medical research institutes, the healthcare system and the public

CEO Response:

NHMRC supports this recommendation. An important barrier to collaborative research, particularly between the universities and the independent medical research institutes, has been the funding of the indirect costs of research. NHMRC is also aware of pressures within the healthcare system impacting on conduct of research within the clinical setting. NHMRC's role in fostering collaboration between universities, medical schools, research institutes, hospitals and research funders was given high priority by the Panel. As it consults on its new Strategic Plan for the next triennium, NHMRC is considering how to best meet the objective of supporting translational research, knowledge transfer and exchange. NHMRC will continue to work to remove barriers to translational research.

3. NATIONAL CHALLENGES

16 Recommendation

NHMRC should raise with governments the need to form a national health alliance to address key issues for Australia.

CEO Response:

NHMRC supports this recommendation in principle. NHMRC is only one agency within the national arena working on improvements to our national health outcomes. For example the key Commonwealth agency is the Department of Health and Ageing. The National Health and Hospitals Reform Commission has been established by the Minister for Health and Ageing to provide advice on performance benchmarks and reforms to the Australian health system, to reduce inefficiencies in the healthcare system, better integrate and coordinate care across all aspects of the health sector, and bring a greater focus on prevention to the health system.

NHMRC is well positioned to address key national health issues through its Council, which includes the Chief Health Officers from each State and Territory, through its expert Principal Committees, particularly its Health Care Committee and its Prevention and Community Health Committee, and through its wide networks and good relationships with groups such as Cancer Australia, the Australian Commission for Safety and Quality in Health Care and the Australian Institute for Health and Welfare.

4. INFRASTRUCTURE AND INDIRECT COSTS

17 Recommendation

Problems around inadequate funding for infrastructure (and overhead) funding in both the academic and health environments needs urgent review and rectification if Australia is to maintain its international competitiveness.

CEO Response:

NHMRC supports this recommendation in principle. Since the Panel met, the government has announced in the 12 May 2009 budget a plan to address this issue, including for funding of the indirect costs of research at Universities and capital infrastructure initiatives. In this and other recent budgets, considerable sums have been allocated to new capital infrastructure for medical research institutes.

18 Recommendation

Plans drawn up for dedicated health sector research funding, rising to 1% of total health funding. This fund should support infrastructure and overheads as well as direct research of relevance to the health service and to the health aspirations of Australia

CEO Response:

NHMRC supports this recommendation in principle. NHMRC is funded by the Commonwealth Government through the Health and Ageing portfolio and all decisions on the level of the agency's funding are determined through the government budgetary process.

NHMRC's response to the *Bernstein Review* recommendations

I. STRATEGIC DIRECTIONS AND RESOURCE ALLOCATION

1 Recommendation

That the CEO as a matter of urgency prepare an implementation plan for the next 12 months, with indicative information for the subsequent two years, setting out priorities, activities and resource allocation in order to implement its Strategic Plan. This plan should be presented for discussion and approval to the Research Committee (RC) and Council.

2 Recommendation

That the implementation plan recognise, accommodate and be consistent with the broad landscape of structural and thematic priority areas relevant to NHMRC activities, noting specifically how these priorities are addressed within the range of NHMRC programs.

3 Recommendation

That the CEO, working with NHMRC staff and Committees, develop an information-driven process for strategic allocation of resources across NHMRC activities, programs and priorities in the short and longer terms as an integral part of strategic and implementation planning. This may require addition of further expertise to the NHMRC staff.

4 Recommendation

That the CEO work with the Chairs of the Council and the RC as well as their members to maximise their value in providing timely, meaningful and actionable advice by clarifying and strengthening their roles, and ensuring the development of work addressing NHMRC strategic priorities.

CEO Response:

NHMRC agrees in principle with all these recommendations and most have been or are being implemented. However, it is noted that the implementation of these recommendations needs to take account of NHMRC's statutory obligations, structures, and current Strategic Plan.

The *NHMRC Act (1992)* requires a Strategic Plan to be tabled in Parliament. The Plan for the 2006-2009 triennium was tabled in Parliament in late 2006 and covers the period 1 January 2007 until 31 December 2009. Changes to a NHMRC Strategic Plan require a process prescribed by the Act.

During 2006 – 2007, the CEO worked closely with Council and each Principal Committee to develop a high level agenda for each Committee aligned to the current Strategic Plan. Within the organisation, a detailed Business Plan was developed to support this agenda.

Over the course of 2008 and 2009, the NHMRC has consulted the Minister, the Department of Health and Ageing and other key external stakeholders on the current Strategic Plan and the plan for the next triennium. The CEO has also conducted a nation wide series of interactive forums for the research community on the current plan and new directions of NHMRC. This consultation is informing the development of a new Strategic Plan which must be provided to the Minister by December 2009.

The *NHMRC Act (1992)* requires each Strategic Plan to include a national strategy for medical research and public health research.

5 Recommendation

That as part of the general re-organisation and development of the NHMRC staffing appropriately qualified senior staff be allocated specific responsibility for the Council and Committees, ensuring that briefing papers are prepared and follow up actions carried out to ensure most effective operations of these advisory groups.

12 Recommendation

That an increased proportion of NHMRC staff should have a strong scientific background to enable internal staff to take ownership of the peer review process and drive analysis and evaluation.

CEO Response:

NHMRC supports these recommendations. As indicated in the response to the *Zerbouni Review*, the recruitment of staff with a research background and with clinical and public health training as well as administrative skills is underway. Almost 9 per cent of NHMRC staff now hold Ph.D. or other higher degree qualifications.

A Coordination and Research Unit has been established to provide further support for NHMRC's committees. The Unit was established in April 2009 to help with high level analytical and research-focused tasks for the CEO, Council and Principal Committees, and external stakeholders. NHMRC has also put in place an associated recruitment strategy to attract additional staff with strong research backgrounds, particularly in basic science, clinical and public health.

Council and Principal Committees are now supported by experienced Executive Directors each of whom has broad knowledge and/or qualifications to progress the consideration of issues as required.

2. KNOWLEDGE TRANSLATION

6 Recommendation

The IRP views knowledge translation as an integral, explicit and important component of the NHMRC's mandate and therefore recommends that the NHMRC develop a robust knowledge translation strategic plan. That plan should take advantage of the integration of the National Institute of Clinical Studies (NICS) into the NHMRC.

7 Recommendation

That the NHMRC closely examine knowledge translation programs in other countries that have placed particular emphasis in this area (e.g. the Netherlands, Canada, the United Kingdom) to ensure implementation of best practice.

8 Recommendation

That, as part of developing the knowledge translation strategic plan, NHMRC fully engages and consults with all stakeholders in this process, including the research community, caregivers, public health officials, policy makers and the private sector.

9 Recommendation

That once a knowledge translation strategic plan is developed and approved, a detailed implementation plan, including costing and an evaluation procedure, supported by expert senior staff within the NHMRC, should be put in place.

CEO Response:

NHMRC supports these recommendations. New knowledge transfer activities have been implemented, adding to pre-existing funding schemes and other NHMRC activities. Australian health benefits enormously from the transfer of knowledge gained from research into improved primary and hospital care, aged care, better preventative health strategies, and through innovative industries based on new health diagnostics, technology and treatments.

As indicated in the NHMRC's response to the *Zerbouni Review*, NHMRC has introduced a major knowledge transfer initiative, the *Partnerships for Better Health*, which is described above. The NHMRC Partnerships initiative was designed by NHMRC to integrate more effectively evidence into health policy and service delivery, a key objective of its Strategic Plan 2007-09. NHMRC Partnerships aim to lead to more effective connections between decision makers who design policy and researchers, and to improve the availability and quality of research evidence to help inform the policy process.

This new initiative joins other NHMRC schemes aimed at research translation, including:

- *Centres of Research Excellence* – These Centres provide leadership in the application of research findings into health and clinical practice areas, into public health practice and policy, and in research needed to ensure best practice in health services based on evidence.
- *Grants for Research Translation into Commercial Development (Development Grants)* – NHMRC provides grants for the first steps in the commercial development of new technologies, therapeutics and processes from research. These are aimed primarily at the earliest proof of principle stage.
- *NHMRC's National Role in Clinical and Public Health Evidence-based Guidelines* – NHMRC has a mandate to provide advice on health matters of relevance to the Australian community based on the best international and national evidence. NHMRC will develop new systems to enable Australian practitioners, policy makers, and the public to have access to up-to-date, evidence-based guidelines to inform clinical practice and public health policy.

NHMRC's National Institute for Clinical Studies (NICS) is specifically tasked with building the highways between research evidence and its effective implementation clinically. NHMRC will support the National Health and Hospitals Reform Commission's call for an expansion of NICS in their interim report – *A Healthier Future for all Australians*, December 2008.

NHMRC strongly supports activities to promote the translation of knowledge gained through research into improved clinical practice and preventive and public health policy. This will form a key theme of the 2010-2012 NHMRC Strategic Plan.

3. PARTNERSHIPS

10 Recommendation

That the NHMRC establish a Partnerships Group within the organisation to facilitate partnering activities with others whose aims overlap with those of the NHMRC, with the objectives of both increasing the effectiveness of funding distribution and ensuring that partnerships appropriately advance strategic goals.

CEO Response:

NHMRC supports this recommendation. These activities are now the responsibility of NHMRC's senior Executive team, with support from the Coordination and Research Unit. The strengthening of NHMRC partnerships across the health and research spectrum will also be central to the next Strategic Plan.

4. PEER REVIEW MECHANISMS AND PROCESSES

11 Recommendation

That NHMRC examine and adapt the best features from other national and international peer review policies and processes to address perceived deficiencies in the current application and review processes. Qualities that should be incorporated include a more streamlined and simplified application and review process with consistency from year to year, transparent selection of review panels and reviewers and integral use of IT.

CEO Response:

NHMRC supports this recommendation. As indicated previously in the response to the *Zerbouni Review*, NHMRC is implementing the new Research Grants Management System to simplify grant application procedures.

In December 2008, NHMRC established an Academy comprising initially over 25 of Australia's leading researchers to undertake assessments of applications, assign reviewers and provide research advice and expertise to NHMRC.

The CEO has also held discussions with other heads of funding bodies around the world over the past 18 months. Some features of peer review will continue to be "Australian-specific" as an advanced scientific country but with a smaller scientific community (and thus increased potential for conflicts of interest).

NHMRC regards obtaining the highest quality peer review of applications as a matter of the highest priority and will continue to work to improve and enhance our review processes.

13 Recommendation

That a high priority should be given to funding, developing and implementing a state-of-the-art IT system to handle all aspects of the application and review process, increasing efficiency for applicants and providing a considerably accelerated process for the NHMRC. Ideally this system should draw from and adapt a system already being used successfully by other funding agencies, whether in Australia or overseas.

CEO Response:

NHMRC supports this recommendation. As indicated above, implementation of this recommendation is proceeding towards finalisation during the 2009-10 financial year. It is built on an established platform for granting systems used within Commonwealth government agencies.

14 Recommendation

That NHMRC consider establishing ad hoc Specialist Review Panels to assess multi-disciplinary, complex trans-disciplinary and emerging technology applications as well as applications where apparent or perceived conflicts of interest exist.

CEO Response:

NHMRC supports this recommendation. There is an increasing need to develop more multidisciplinary approaches to peer review, and for this reason we strongly support the use of external, independent assessors, which allows a wider disciplinary input than is possible on a GRP. External assessment of Project Grant applications was re-introduced in 2008 in order to improve the breadth and depth of the peer review process. Two external assessments are now sought for each grant application to provide the best possible balance of disciplinary input to the grant assessment process.

In 2009, NHMRC will use a multi-disciplinary panel to review large scale clinical trial applications. NHMRC already has in place such multi-disciplinary panels for Program Grants and Fellowships.

15 Recommendation

That once Recommendation 13 has been implemented, NHMRC consider the option of calling for applications in at least two rounds per year. If this approach is adopted, the NHMRC should analyse whether the applicant response/rebuttal process has any impact on funding decisions and, if not, whether it should be abolished.

CEO Response:

NHMRC does not support this recommendation. This option has been considered, but the introduction of two rounds at this time would double the peer review load for Australian researchers, and halve the success rate for applicants for each round.

However, the new IT system may allow a major feature of “two rounds” to be implemented, namely the ability to revise the application in response to assessor’s comments, and be re-assessed by the same reviewer. This would allow one advantage of the NIH system to be introduced – that is, the ability to submit a revised application following peer review. This will be considered by Research Committee, as part of a range of possible improvements to the application process. The sector will be consulted prior to any changes.

5. BUILDING A BETTER NHMRC

16 Recommendation

That NHMRC seek external advice to assist it in planning and building an organisational structure which is appropriate for fulfilling its strategic objectives and for making best use of its expert advisory structures.

CEO response:

NHMRC supports this recommendation. In recent times, NHMRC has twice sought external independent advice and implemented the findings.

17 Recommendation

That NHMRC strengthen its general infrastructure, particularly for business systems, IT and communications capabilities. The enhanced system should integrate not only with the assessment application process but also seamlessly with systems supporting data collection and analysis and facilitate planning and reporting processes.

CEO response:

NHMRC supports this recommendation. The *Bernstein Review* occurred early in NHMRC's separation of services from the Department of Health and Ageing. This separation is occurring over a period of three years, and will be complete in June 2009. New IT and other services have needed to be established within existing financial resources. Some features of the new system will include:

- the new Research Grants Management System as described above
- the *DataMart*. When fully implemented, this DataMart will provide state-of-the-art information on all grants and the outcomes of NHMRC funded research.

Both RGMS and DataMart will assist NHMRC in linking the current disparate IT systems together to greatly improve the analysis and reporting of NHMRC grant funding and the outcomes of funded research.

18 Recommendation

That this report be made public and that the health and medical research community, as well as other stakeholders, be invited to provide comment both on the report and the proposed follow-up actions.

CEO response:

NHMRC supports this recommendation.

Building on Previous Reports

19 Recommendation

That the NHMRC continue to utilise the wisdom contained in reports from previous reviews of the health and medical research sector, and ensure that both the recommendations from these reviews, and internal papers developed in response to them, form an important resource for NHMRC as it develops and implements its plans in the short and medium term.

CEO response:

NHMRC supports this recommendation. Both the 1999 report *The Virtuous Cycle – Working together for health and medical research – Health and Medical Research Strategic Review* (the “Wills Review”) and the 2004 report *Sustaining the Virtuous Cycle for a healthy, competitive Australia – Investment Review of Health and Medical Research* (the “Grant Review”) have been taken into account, including the recommended recruitment of staff with research backgrounds and the introduction of policy and practice based research vehicles. The implementation of both these recommendations is now underway.

Appendix I

Membership of the Review Panels

The composition of the *Bernstein Review* Panel, convened from 23 – 25 October 2007, comprised:

- Professor Alan Bernstein (Chair), President, Canadian Institutes of Health Research
- Professor Toni Scarpa, Director for Scientific Review, U.S. National Institutes of Health, and
- Dr Merylyn Sleigh, Life Sciences Strategic Consultant and former Managing Director of biotechnology company EvoGenix Ltd

The composition of the *Zerhouni Review* Panel, convened from 28 – 30 January 2008 comprised:

- Dr. Elias Zerhouni, Director, U.S. National Institutes of Health, Washington D.C
- Professor Sally C. Davies, Director General of Research, Department of Health, London
- Professor Edward W. Holmes, Executive Chairman, National Medical Research Council & Executive Deputy Chairman, Biomedical Research Council, A*STAR, Singapore

Both Review Panels were supported by consultants – Growing Your Knowledge – appointed through a competitive tender process in accordance with Commonwealth Government procurement guidelines.