



Australian Government

National Health and Medical Research Council

Administering Institutions Policy

Conditions for registration as an NHMRC Administering Institution
for the purposes of applying for, and subsequently administering,
NHMRC research funds.

Note: This policy must be read in conjunction with the NHMRC Deeds of Agreement
- copies are available on the NHMRC web-site site: <http://www.nhmrc.gov.au/>

Introduction

The NHMRC, which is established by the *National Health and Medical Research Council Act 1992* (the Act), is Australia's principal health and medical research funding body with responsibility for fostering scientific excellence and knowledge creation in disciplines relevant to human health in order to contribute to improved individual and public health outcomes.

The Act's stated objective (see section 3) is, in effect, to make provision for the NHMRC to pursue the following activities:

- (a). To raise the standard of individual and public health throughout Australia; and
- (b). To foster development of consistent health standards between the States and Territories; and
- (c). To foster medical research and training and public health research and training throughout Australia; and
- (d). To foster consideration of ethical issues relating to health.

Section 49 of the Act establishes the Medical Research Endowment Reserve (the MREA). The purposes of the MREA are specified in section 51(1) and include (in section 51(1)(a)) providing assistance:

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

NHMRC research funds are paid from the MREA. All research funded by the NHMRC must be both consistent with, and conducted in accordance with, the objectives of the Act and the purposes of the MREA (see sections 3 and 51 of the Act). These and other obligations relating to the expenditure and acquittal of Australian government money are detailed in the NHMRC's three standard Deeds of Agreement (the Deed/s).

Decisions whether to provide funding from the MREA are made by the Commonwealth (see section 7(1)(c) of the Act which provides that one of the functions of the NHMRC is to "make recommendations to the Commonwealth on expenditure ... including recommendations on the application of the Reserve"). In practice, this means that the NHMRC advises the relevant Minister and the decision to grant funding is, as a matter of law, made by the Minister exercising the executive power of the Commonwealth.

The NHMRC also has, under section 11(1) of the Act, the power to do "all things necessary or convenient to be done in relation to the performance of its functions". The *Administering Institutions Policy*, including the decision to contract only with an Administering Institution reflects a conscious exercise by the NHMRC of that power to do "things necessary or convenient" to the performance of its functions. The NHMRC considers that the development of a policy which facilitates certainty and efficiency by clarifying requirements and standards reflecting responsible and transparent use of MREA funds is both convenient and necessary in the proper discharge of its functions.

Prior to the receipt of NHMRC research funds, institutions are required to sign a Deed(s) of Agreement with the Commonwealth of Australia. The Deed of Agreement places legal obligations on the institution relating to the administration and acquittance of Commonwealth money and matters relevant to the conduct of research. These obligations are detailed in the three standard Deeds that cover NHMRC Researcher Support Schemes, NHMRC Research Funding Schemes and the NHMRC Independent Research Institutes Infrastructure Support Scheme. Copies of the standard Deeds are available from the NHMRC Internet site (www.nhmrc.gov.au/research/general/condnew.htm).

To ensure efficient and timely assessment of applications for Administering Institution status, the NHMRC uses a 'pre-qualification' process to register institutions. The NHMRC maintains a Register of these institutions, which are known as **Administering Institutions**.

Purpose of the Administering Institutions Policy

The purposes of this Policy are to:

- provide an overview of the status and obligations of an Administering Institution;
- stipulate the requirements that must be met for registration as an Administering Institution; and
- detail the current registration process.

The Policy does not intend, through its registration process, to establish a list of *bona fide* research institutions for use by third party organisations. The NHMRC discourages third party organisations from using an organisation's status as an NHMRC Administering Institution, or otherwise, as a consideration in any decision making process, including the awarding of research funding.

Requirements to be met

Funding of NHMRC grants is provided through the MREA which is appropriated by the Commonwealth Parliament for this purpose. A consequence of this is that the NHMRC is required, by law, to ensure that the research funds are used in a manner that is "efficient, effective and ethical".

In order to ensure that research funds in the MREA are expended in an efficient, effective and ethical manner, the NHMRC has a policy of giving consideration to a range of matters, including the assessment of grant applications. Examples of such matters are:

- Evidence of the requirement under Section 51(1)(a) that (apart from Universities and for training of individuals) there is existing engagement in medical research. If this evidence is not readily available then the group is not eligible under the Act.
- whether appropriate levels of infrastructure and support are available to ensure that the research can be properly supported;
- financial viability of the institution, to ensure that the particular research being funded will not stall or lapse and the potential benefit from it be lost;
- appropriate insurance and indemnity cover, including third party and professional indemnity to ensure financial viability will not be compromised;

- the capacity to provide annual statements of compliance in relation to human and animal ethics matters and certification in relation to all NHMRC endorsed Statements on Research Practice;
- the capacity to ensure that all reporting requirements under the deed of agreement are met and
- the capacity to meet Australian Government accountability requirements, including independent auditing of accounts that complies with Australian Accounting Standards.

Administering Institutions must be located in Australia.

While individual researchers may apply for registration as an Administering Institution, they are not encouraged to apply, as it is highly unlikely that any individual would meet the stipulated criteria. To date, no individual has been able to demonstrate that s/he can meet the requirements to be granted Administering Institution status.

Organisations or individuals wishing to become Administering Institutions must apply to the NHMRC in order to be placed on the Register.

Although the NHMRC provides research funding under section 51(1) (a) (iii) of the Act to individuals to conduct health and medical research, funding is only provided through Administering Institutions to individual researchers. Hence health and medical researchers who wish to apply for NHMRC research funding, must do so through an Administering Institution. Individual researchers are advised generally to apply through the Administering institution with which they are associated.

A research funding applicant who is associated with an institution that is applying for registration as an Administering Institution, will need to lodge a funding application through an institution that already has Administering Institution status, and then consider transferring, should Administering Institution status be granted to the former. As stipulated in the Deeds of Agreement, individual researchers may transfer from their current Administering Institution to another Administering Institution, (including a newly appointed Administering Institution).

Institutions are strongly advised that they should proceed with their application to be registered as an Administering Institution only if they are satisfied that they will be able to comply with all the requirements set out in the NHMRC's three standard Deeds of Agreement. The *Administering Institutions Policy* must be read in conjunction with the standard Deeds of Agreement, copies of which can be obtained from the NHMRC Internet site.

The NHMRC requires that all institutions self-certify that they will be able to comply with all the obligations in the Deeds of Agreement prior to being placed on the **Register of Administering Institutions** (the Register). The acceptance of an organisation onto the Register is conditional upon confirmation by the NHMRC of as many aspects of the self-certification as the NHMRC, at its absolute discretion and having regard to the characteristics of the institution seeking registration, deems to be prudent or necessary.

Circumstances in which Institutions will not be placed onto the Register include:

- where the NHMRC, in its absolute discretion, has reasonably determined that the institution is unable to meet the requirements as set out in the Deeds of Agreement;
- where the NHMRC, in its absolute discretion, has determined that the institution is not suited to conducting research consistent with, and conducted in accordance with, the objectives of the Act and the purposes of the MREA (see sections 3 and 51 of the Act);
- where an institution refuses a reasonable request from the NHMRC to provide information in support of an application for registration as an Administering Institution; or
- where an institution refuses a reasonable request from the NHMRC to submit to an audit of the institution's ability to comply with the obligations in the Deeds of Agreement.

Registration as an Administering Institution does not exempt the institution from any obligations imposed by the NHMRC through the Deeds of Agreement (for instance, reporting requirements, acquittance of funds or provision of ethical clearances).

Registration is time – limited

Registration as an Administering Institution will remain in place for a six-year period that will be specified by NHMRC. Should an Institution apply for registration some months after the specified period has commenced, its period of registration will therefore be less than six years for that period.

Registration will cease, should any of the following events occur:

- The NHMRC withdraws an institution's registration; or
- The institution requests removal from the Register; or
- The NHMRC seeks re-registration from institutions including for the purposes of any new policy requirements.

NHMRC Accredited Institutes and Administering Institute status

Institutions that intend to apply to be NHMRC Accredited Independent Research Institutes and are not currently registered as an Administering Institution should also apply for registration as an Administering Institution.

Additional information regarding NHMRC Accredited Institutes, NHMRC Accredited Independent Research Institutes and Approved Research Institutes is available on the NHMRC web site at www.nhmrc.gov.au/research/general/condnew.htm.

Registration as an Administering Institution is separate and distinct from certification by the Australian Taxation Office (ATO) as an Approved Research Institute within the meaning of section 73A of the *Income Tax Assessment Act 1936*.

Obligations of Administering Institutions

The Deeds of Agreement place a wide range of obligations on institutions including, but not limited to:

1. Providing facilities and services necessary for the effective conduct of research and to meet the normal institutional overhead expenses including maintenance costs of equipment purchased with NHMRC funds and normal institutional maintenance charges;

2. Committing financial resources equivalent to the amount of any salary and other entitlements of conditions of service payable as a result of an enterprise agreement, that is in excess of the amount of the component for personnel support provided by the NHMRC. The Institution must ensure that such financial resources are directed within the Institution's administrative arrangements to supplement salary payments directly;

3. Providing facilities and resources for the management and administration of personnel records and all related claims allowable under the Deeds of Agreement;

4. Ensuring the ethical conduct of research including:

- providing the NHMRC with annual statements of compliance in relation to human and animal ethics matters and certification in relation to all NHMRC endorsed statements on research practice;

5. Administering research funding to the standards required by the Commonwealth, including:

- nomination of a responsible financial officer who is not the grant recipient;
- having processes in place to satisfy annual progress and final reporting of scientific output, annual financial reporting requirements and for the acquittance of funding, including the return of unused funds;
- provision of an annual compliance statement that the funds were expended in accordance with the conditions under which they were awarded; and annual independent auditing of accounts.

6. Indemnifying the Commonwealth against all action, claims demands, costs and expenses as specified in the Deeds.

Other obligations not included here are fully outlined in the three standard Deeds of Agreement which are available from the NHMRC Internet site: www.nhmrc.gov.au.

The Registration process

All institutions must conduct a self-assessment as to whether they can comply with the legal obligations detailed in the Deeds of Agreement, including requirements relating to the conduct of research, the provision of infrastructure and the administration (with appropriate accountability) of Commonwealth funds.

Institutions that, after conducting a self-assessment, are prepared to certify to the NHMRC that they can comply with the obligations set out in the Deeds of Agreement are invited to complete the application for registration as an *Administering Institution* and return it to the NHMRC.

Application forms may be obtained from the NHMRC Internet site (www.nhmrc.gov.au/research/policy.htm) or the GrantNet Help Desk:

GrantNet HelpDesk
Office of NHMRC (MDP 33)
GPO Box 9848
Canberra ACT 2601
Phone: 1800 500 983
Fax: +61 2 6289 9132
Email: grantnet.help@nhmrc.gov.au

This form should be submitted with information relating to all the requirements specified in the Deeds of Agreement (a checklist to assist institutes is included in the application form). The information supplied must be sufficiently detailed for the NHMRC to confirm the self-assessment during audits of the Register of Administering Institutions.

The NHMRC may request that additional information be obtained from the institution, or provide an opinion as to whether registration of the institution is in accordance with the objectives of the Act and the purpose of the Medical Research Endowment Reserve (see sections 3 and 51 of the Act).

Below is a list of the types of institutions that might be expected to qualify for Registration and is included to clarify the intention of this Policy:

- DEST-recognised higher education institutions and bodies (within the meaning of the *Higher Education Funding Act 1988* [subsection 23(1D)]);
- A public hospital or public community health centre engaged in research;
- Commonwealth, State or Territory Government agencies that conduct health and medical research as defined in Section 4 of the Act;
- NHMRC Accredited Health and Medical Research Institutes (Information on becoming an NHMRC Independent Accredited Health and Medical Research Institute can be obtained from the NHMRC Internet site: www.nhmrc.gov.au/research/policy.htm);
- an institution primarily involved in health and medical research as defined in the section 4 of the Act; and
- a not-for-profit private hospital engaged in research or a not-for-profit community health centre engaged in research.

Review and Compliance

All Administering Institutions will be periodically audited to determine their ability to meet their obligations as an Administering Institution.

The NHMRC accepts that some institutions have in place appropriate personnel and governance arrangements that provide a high level of confidence that the obligations detailed

in the Deeds of Agreement will be fulfilled. In recognition of this, the NHMRC employs a risk management approach when determining when and how frequently a particular institution will be audited.

Non-compliance

Any Administering Institution that fails to meet the obligations as set out in the Deeds of Agreement will be given the opportunity to put a written case for continuing on the Register to the NHMRC for consideration. Administering Institutions currently receiving NHMRC research funding which are not in compliance with obligations detailed in the Deed(s) of Agreement to which they are a party may be subject to compliance action appropriate to the nature and extent of the non-compliance.

Deregistration

The NHMRC retains the right to deregister any institution that:

- the NHMRC, in its absolute discretion, has reasonably determined to be unable to meet the requirements as set out in the Deeds of Agreement;
- the NHMRC, in its absolute discretion, has determined is not suited to conducting research consistent with, and conducted in accordance with, the objectives of the Act and the purposes of the MREA (see sections 3 and 51 of the Act);
- refuses a reasonable request from the NHMRC to provide information relevant to the institution's ability to meet their obligations as an Administering Institution; or
- refuses to submit to an audit of the institution's compliance.

Institutions that are currently not receiving NHMRC funding and have not submitted an application for research funds in the previous three years will be contacted by the NHMRC requesting that the institution puts forward reasons to justify retaining its registration as an NHMRC Administering Institution.