

ASMR Response to the Draft National Health and Medical Research Strategy

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Introduction

The Australian Society for Medical Research (ASMR) is grateful for the opportunity to contribute to the Draft National Health and Medical Research Strategy. We commend the government for prioritising this comprehensive strategy development, which holds immense potential to shape Australia's future.

As the peak body representing health and medical researchers, ASMR recognises the national importance of this process and is committed to providing constructive feedback to ensure a robust and impactful final strategy is delivered that benefits all Australians.

About the Australian Society for Medical Research (ASMR)

The ASMR is a non-politically aligned, non-profit organisation established in 1961. ASMR is the peak organisation representing health and medical researchers in Australia through public, political, and scientific advocacy. ASMR's members include individuals from diverse career stages and research areas, as well as affiliate and associate members drawn from specialist medical societies, medical colleges and institutes, and consumer groups.

The ASMR is dedicated to achieving a secure and sustainable health and medical research workforce to facilitate increased productivity in Australian health and medical research.

In response to the Draft National Health and Medical Research Strategy, the ASMR provides the following comments.



Broad Strategy Commentary

The Draft National Health and Medical Research Strategy presents a significant attempt to take a broad view of the needs of the sector, extending beyond many previous reviews such as the McKeon Review in 2013 and the Cutler Review of the National Innovation System in 2008. Much like these previous reviews, the success or failure of this strategy will depend almost entirely on the commitment from governments to financially support an achievable implementation plan.

We also note that the 10-year term of the strategy is ambitious given the current rate of change in the sector. Even in the draft strategy, generative AI is essentially absent despite its current transformative impact.

Unlike the previous broad reviews for the sector, the current Draft Strategy opens the door to major reform in three areas of significant note to ASMR. These are 1. The number of PhD students trained in Australia, 2. The overall optimum size of the sector, and 3. The areas of focus for research within the sector. Additionally, the Draft Strategy places a very low emphasis on research at the discovery end of the pipeline – a significant gap in our view if a sustainable and innovative research sector is to be maintained over decadal time frames. Ultimately, the Strategy will need to clearly articulate what success looks like for the sector overall.

Contraction of the sector cannot be viewed as a measure of success.

This response from ASMR will focus on these key areas and we will rely on our esteemed colleagues from other peak bodies such as AAMRI, AAHMS, Go8 and UA to address some of the broader areas of focus.

Vision

“Australia: the healthiest nation – driven by research, delivering for all”

Preference for a more inclusive Vision, for example “Australia: the nation with research driven, optimised health outcomes for all”

Values

The absence of explicit language around supporting discovery type research in the strategy can be partially resolved by a modification of the first value listed “Impact & Sustainability”. We suggest that this read:

“A sustainable research system that **secures Australia’s international position in fundamental research**, improves the health of the community, powers a high performing health system and delivers productivity benefits.”

Goals

Following on from modifications to the Values above, we would again suggest a greater emphasis on fundamental/discovery research and Australia’s international status in the goals presented. To achieve this, we suggest combining Goals 2 and 3 as currently presented into a modified Goal 3 and add a new Goal 2 that would read:

Goal 2: Maintain Global Leadership in Research

Ensure Australia is internationally competitive in Discovery Research



ASMR Key Response Areas

Funding and Financial Sustainability

The current draft strategy lists Funding as an enabler on the same level as Workforce, Data and advanced technology, and Infrastructure. Ultimately Funding sits in a class of its own and would be better represented underpinning the other three enablers.

We would strongly suggest that the finalized strategy take up the opportunity to recast financial support for Health and Medical Research as an investment for Australia rather than as a cost. The returns on this investment have been demonstrated on numerous occasions over decades, and it is time this is explicitly stated.

Importantly, as new investments have been made in the sector over recent years (e.g. MRFF), the sector has grown. This needs to be heralded as a major success as would be the case for any other financially high performing industry, driving further investment rather than contraction.

Focus Area 2 – Commonwealth research funding

There is little doubt that the single most significant concern for researchers is the scarcity of funds to support projects, infrastructure and workforce. The current situation has extended well beyond funding being difficult to obtain. **Success rates for most competitive grant programs are now so low that they are having a significant impact on the research culture in Australia.** The Draft Strategy needs to take a bold approach to addressing this issue. Importantly, the strategy could powerfully explore the time lag in investment returns, especially for Discovery research, to indicate the crucial nature of timely investment in the coming budget rounds to ensure Australia is in a solid position in the decades ahead.

ASMR strongly endorses four key areas for Funding and Financial Sustainability:

1. Streamlining of Funding Agencies - The Draft Strategy proposes the streamlining of grant agencies to reduce the number of pathways to funding and better consolidate the strategic use of funds. ASMR endorses this approach, especially with MREA and MRFF, with the caveat that a strong balance between discovery and clinical research be maintained. The large investment at the applied end with the MRFF funding has been a welcome addition to the funding landscape but has not been appropriately matched at the discovery end – this needs to be addressed.

There also needs to be greater clarity between the state and federal responsibility for the funding of organizations. This is particularly important for Medical Research Institutes.

2. Towards full funding of research – As the costs of research continue to rise, the lack of supporting funds through block grants to meet the full cost of research has reached a critical tipping point for many of Australia’s medical research institutes. The problem is also significant within universities, despite them having multiple revenue streams to help buffer this expense.

The issue of indirect costs has been an intractable one for many decades now. The Strategy could take a bold approach to this, like its workforce approach, and recommend the establishment of a Taskforce to assess and address this issue. An initial base level of 30% could be recommended (see point 3 below), with the goal of moving to between 35-45% within the next three years. Without a resolution to this top strategic issue for institutions, efforts in other areas of the strategy are likely to have limited success.

3. Full utilization of MRFF funding – Currently the MRFF holds approximately \$24 billion, well beyond the original target of \$20 billion. The Future Fund Board of Guardians determines the Maximum Annual Distribution Amount (MADA) every year, with this value at \$973 million in 2024-25 and \$1.055 billion in 2025-26. Despite this allocation, only **62%** of funds (650 million) were allocated by the Department of Health, Disability and Ageing this year. Further modelling by the Parliamentary Budget Office commissioned by Independent MP Monique Ryan indicates that disbursements of \$1.4 billion per year can be made without depleting the fund below \$24.5 billion. If the cap is maintained, this will mean **only 46% of the fund is being utilized**.

Although changes to the current cap on MRFF distribution are not in the forward estimates, there is an opportunity to correct this course in the coming budget rounds. **The case for further investment was previously made by the sector and led to the establishment of the MRFF in the first place.**

The Final Strategy has an opportunity here to present a clear position on the utilization of these unspent resources. There are often calls for the funds to be simply released for more projects, but we would caution against this approach. Doing so would indeed provide more available grants, possibly improve some success rates, but could further exacerbate the issues related to full funding of research not being addressed.

As an alternative, the Strategy could explore the *partial* use of these additional funds to ensure that all programs (at the least within the MRFF, but additionally with the NHMRC) meet the criteria for ‘full funding of research’ without compromising the number of grants available, success rates, or proportion of requested funds allocated.

4. Increased funding to the sector as a whole - According to the recent R&D and innovation in Australia: 2024 update, “In 2021–22, GERD was an estimated \$38.8 billion and 1.68% as a proportion of gross domestic product (GDP)”. This is in stark contrast to the OECD average 2.7% [noting this is the average, not the value for leading countries – for example Korea at around 5%]. The average annual real growth rate of expenditure on health and medical research is only 2.3% (2012-2022) despite the success of the sector.

Currently the NHMRC Grants Scheme has success rates that are so low as to be not fit for purpose. For example:

	2019	2020	2021	2022	2023	2024
Investigator	13.2%	13.3%	14.8%	15.9%	14.3%	13.8%
Ideas	11.1%	9.9%	9.9%	11.0%	11.1%	10.1%
Synergy	15.6%	---	19.8%	14.5%	20.0%	17.9%

This results in a very significant portion of researcher time being spent on grant applications instead of research, noting that time spent on grant applications has zero benefit to the Australian public.

The Strategy could take a far bolder approach to funding levels.

There are multiple paths to resolution of this problem. The Draft Strategy in multiple locations speaks to allocation of funds based on “an optimally sized health and medical research sector”. Certainly, a contraction of the sector size and workforce could result in an increase in grant success rates to match or exceed those in other countries such as the NIH. Such an unprecedented move, however, would go against the estimated return on investment in Health and Medical Research, conservatively estimated to be >3-fold.

The ASMR would strongly support the alternative path of the Strategy promoting larger investment as a percentage of GDP, with a target of reaching the OECD average within a ten-year timeframe. This enhanced investment would be consistent with the anticipated threats to health due to climate change and our aging population.

The Draft Strategy also proposes “*Funding needs to be directed into areas of health and medical research that address health challenges of greatest need, both now and into the future to improve health outcomes.*” On the surface this seems to be an appropriate way to invest taxpayer dollars, but it would need to be carefully nuanced both to provide equity of health outcomes to all, and to avoid eroding areas of strength that already exist in Australian research. Again, this type of strategy needs to carefully include discovery type research programs that must be viewed over a longer time scale to measure success and impact.

Workforce Planning

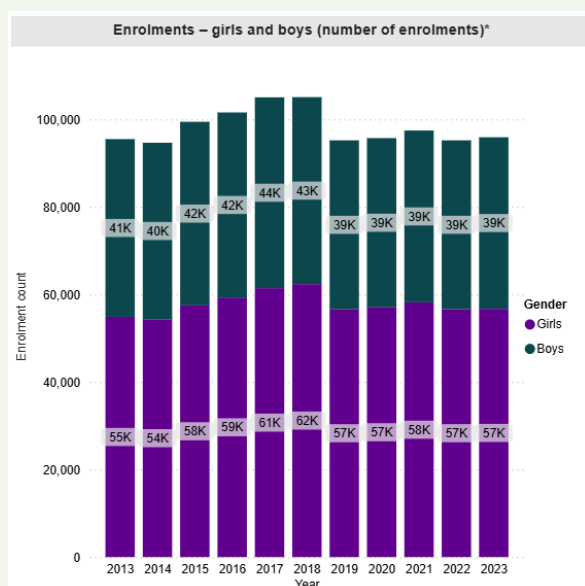
The ASMR strongly supports effective workforce planning for the sector, especially around PhD cohorts and EMCRs. The development of an Australian HMR Workforce Plan is described with a key goal being “*Greater job security and long-term planning for researchers through evidence-informed adjustments to funding models to better align graduate output with workforce needs.*” (p.39). This goal is supported by ASMR. As a first agenda item for the workforce planning process, impact evaluation needs to be developed to **address all career pathways and all types of research** (Discovery through to Implementation).

The ASMR does not, however, support workforce planning where the initiating goal is a reduction in the size of the sector to reduce expenditure.

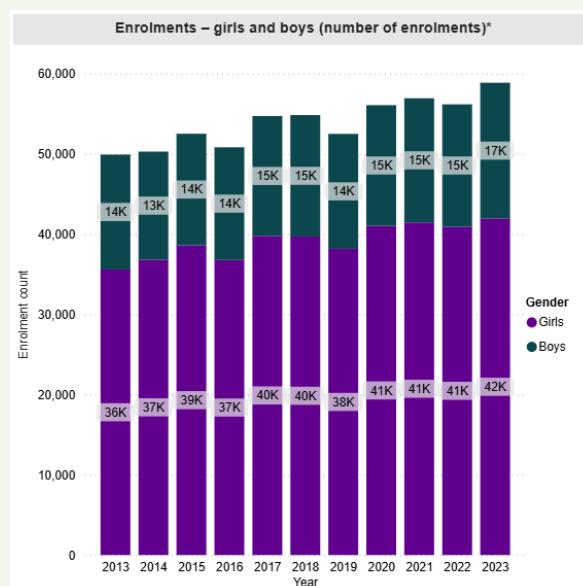
Additionally, workforce planning would need to account for the vast array of possible career paths that can eventuate from training and professional experience in health and medical research. Currently, there is a negativity attached to career paths that are not ‘traditional academic’ in nature – the language used in workforce planning needs to address this issue.

Pipeline Input – The Importance of Schools

The current year 12 enrolment statistics for Year 12 students in subjects most relevant to the HMR sector are far from encouraging. Those in biological and chemical sciences are falling and for a growing sector this is deeply problematic. The promotion of the ‘excitement of science’ needs to be balanced with strong career pathways and security for students coming through the system. The broad negativity projected by the sector with regards to funding and security needs to be addressed and the HMR Strategy’s success is thus a crucial factor in securing an incoming workforce.



Year 12 enrolments in Biological and Chemical Sciences



Year 12 enrolments in Health

Source: <https://www.industry.gov.au/publications/stem-equity-monitor/primary-and-secondary-school-data>

PhD students

The Draft Strategy states, “*The interplay between the formulation of Research Training Program funding to universities, the number of PhD graduates being trained, and the pressure this places on funding programs as graduates seek to enter the workforce, is not well understood.*”



The ASMR agrees that there are significant issues with the degree to which PhD students are supported with career options. An argument can be made that the number of PhD students being enrolled exceeds the sector's capacity, but importantly the driving forces behind this need to be examined. The scarcity of research funding for postdoctoral positions (1) limits the career opportunities for graduating HDRs and at the same time (2) drives institutions to recruit more students as a low-cost workforce.

The argument could also be made that as the sector builds, with greater needs for a diverse workforce, the number of PhD students needed will actually increase over time.

The PhD Student Ecosystem: PhD students are a priority group for ASMR. The ASMR strongly supports the idea that the number of PhD students trained in Australia needs to be primarily linked to **the number that can be adequately supported**. Currently there are significant issues for students. These issues include financial support, quality of supervision, mental health support, breadth of training, provision of facilities, preparation for diverse career paths, and post completion employment.

Across Australia the PhD ecosystem is highly varied. As part of ASMR's ongoing work to support PhD students, we have initiated the '**ASMR PhD Charter Project**'. The objective of this project is to establish, via extensive consultation, a brief Charter to set minimum standards for the PhD ecosystem. Once the Charter is established, ASMR will work to have universities and institutes sign the Charter. The focus initially for ASMR will be for health and medical research students but we intend to later extend the Charter to be relevant to all PhD students in Australia.

ASMR would like to see the Strategy endorse and support the development of a PhD Charter and have the outcomes of the project feed directly into the workforce planning process.

Early – Middle Career Researchers

The Australian Health and Medical Research Workforce Audit has reported that 69% of the HMR Workforce are in traditional research environments. Additionally, the majority of the remaining

31% are employed across a range of sectors. There are two main issues that need to be addressed by the final strategy and implementation plan.

The first relates to the limited data available from the Audit. This data does not provide a time series making it difficult to determine how the sector is evolving. Grant success rates across the board have been falling, which is partly due to the sector growing. Workforce planning will need to determine if this growth can/should be maintained and if so, how that will be achieved.

The second issue relates specifically to the age distribution of the HMR workforce and how this may adversely impact ECMRs in the future. The ASMR would recommend the strategy specifically look at two key parameters when recommending workforce planning. The first is the distribution of the workforce amongst the academic employment levels and where the bottlenecks are between these levels, both in total and by gender. We expect there to be significant issues at the top of level A, B and C in particular. Secondly, the workforce plan should look at the average length of time health and medical researchers remain on relatively short-term contracts (e.g. <3years), and whether or not this is appropriate. This should also be examined by sector of employment.

The ASMR also recommends that the draft strategy specifically provide more detail for item 3 in the workforce plan list “*Ensuring people can move successfully into and out of the research workforce*”. For this to be possible the key assessment criteria for grant schemes and institutional employment and advancement would require significant reform. Our preference here would be for the strategy to instead focus on broadening researcher capabilities for diverse careers and the provision of funding programs that enable greater inter-sector collaboration. This is addressed elsewhere in the strategy where it proposes encouraging and rewarding researcher movement across discipline and sector boundaries, “to strengthen the bridge between academia and business”. ASMR notes that supporting such movement will also help facilitate a variety of career trajectories for EMCRs in particular. The ARC’s former Industry Fellowship scheme has demonstrated not only the value of embedding researchers in industry settings but also significant interest in such programs from researchers and industry. The addition of similar programs, specifically for EMCRs would be strongly supported by ASMR (note: without reduction to other existing NHMRC schemes or success rates).

Commercialisation

The commercialization of research is mentioned multiple times in the draft strategy. Currently, the sector does not have a sustainable system for developing skills in this area, nor does it have adequate investment keep ownership of major discoveries in Australia.

ASMR recommends that the current significant skills gaps in this area be addressed as part of the workforce plan, providing greater diversity of opportunities for PhD graduates.

Research Priorities

Focus area 1 in the Draft Strategy notes “*Research funding decisions – whether made by the Commonwealth, states and territories, industry, or philanthropic organizations – should be driven by priorities that offer the greatest potential benefit to public health and community wellbeing*”. Although in principle ASMR agrees with the idea of priority setting, it will be important that this is done in a way that preserves investment in discovery research. It can often be difficult to chart a direct line between discovery research and ‘public health and community wellbeing’, but discovery research is the backbone of the entire health and medical research ecosystem and needs to be front of mind.

Australia is currently benefitting enormously from previous investments in discovery research, and we have an obligation to serve Australia's future but continuing these investments in the coming years. The Strategy could consider greater nuance with regards to longer term impact measurements on discovery research programs.

The Draft Strategy does raise the possibility of 'disinvestment' in some areas of research – "Consider approaches for disinvestment based on duplication or evidence of research impact". This is listed as a strategic opportunity. It will be important for the final Strategy to provide clarity around this statement. If this is achieved via an impact assessment pathway, the details of any such impact assessment need to be carefully considered to not disadvantage discovery research where metrics are challenging.

The Strategy should also clearly articulate the connection with other initiatives such as the National Reconstruction Fund, Future Made in Australia, along with numerous others.

Industry/Research Engagement

Focus Area 4 – Drive impact through research translation, innovation and commercial solutions

ASMR would like to see greater detail in this section on strategies that will lead to enhancements in industry/research partnerships. These specific strategies should aim to:

- a) Attract investment from industry into research
- b) Generate economic gain for the country
- c) Increase sovereign capacity
- d) Build workforce capacity in industry-driven translational research
- e) Facilitate industry-research exchange
- f) Increase manufacturing capabilities
- g) Drive greater investments specifically into discovery research – to guarantee an adequate pipeline for decades to come.

We would also suggest clarity around the phrase "Advancing health and medical research innovation" – Does this include Discovery research? If so, it should be specifically stated, and details need to be given on how Discovery research will be addressed in this focus area.

Priority-ranking of Actions and Enabling Initiatives

The ASMR notes that the strategy covers a broad range of areas, many of which will require engagement between numerous agencies and levels of government. Our top ranked areas for the Strategy to deliver on if it is to be deemed successful are:

1. **An Australian Health and Medical Research Workforce Plan:** building sovereign human capability in health and medical research is mission critical. The system needs to provide job security and enable career progression across academia and the health/medical sector.
2. **Design innovative funding models:** long-term financial stability is vitally important to underpinning this ambitious vision. In reality, most current funding timelines are too short given the significant time required to take research outcomes from the benchtop to the market. All sources of funding need to be harmonised to ensure significant amplification of the effort required to meet the vision. Targeted/Priority investment must continue to be a feature of the new strategy.
3. **Commonwealth research funding:** this strategy needs to be underpinned by significant long-term investment. This requires the aggregation of all major health and medical

research investment into one targeted investment fund. Federal/state government investments need to be coordinated.

National Strategy Advisory Council

The ASMR strongly supports the proposal to establish a council to guarantee delivery of the goals of the National Strategy over the 10-year term. As the peak body representing researchers, ASMR would welcome being an active participant on the Council.

Conclusion

Many of the transformational changes required by the sector will require long term vision and a Strategy that is bold. Given the 10-year horizon to the National Health and Medical Research Strategy, the opportunity exists to achieve these changes and guarantee a future of success for Australia.



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