

12 April 2006

Mr Elton Humphery
Committee Secretary
Parliament House
CANBERRA ACT 2600
Community.affairs.sen@aph.gov.au

Dear Mr Humphery

National Health and Medical Research Council Amendment Bill 2006

Thank you for the opportunity of providing comments in relation to the above Bill for inquiry and report.

The Australian Society for Medical Research supports the establishment of the National Health and Medical Research Council (NHMRC) as a statutory agency. This would strengthen NHMRC's independence and facilitate clear lines of responsibility for governance and financial accountability. It will also allow Council to focus on matters pertaining to health and medical research and advice. We note that the roles and functions of the Council, the Principal Committees and working committees have not been altered, and that the new agency will be financially independent, with direct appropriations, and that the CEO will be responsible and accountable for the financial and on-going operations of the agency.

The NHMRC restructure arises from the recommendations of the *Investment Review*, which was released in late 2004. Already some of the recommendations have been adopted. However, we note the Bill will not affect the level of funding the Government will allocate for health and medical research. We again strongly endorse the recommendations of the *Investment Review* of a substantive increase in the NHMRC MREA. Funding levels now that *The Virtuous Cycle* period is complete are now static. Based on forward projections, success rates for NHMRC project grants will fall from 21% to 9% in the next 5 years, and NHMRC Fellowships success rates will fall by a factor of 2. This would have undesirable knock-on effects for the Australian health and medical research sector, the health system and the knowledge-based economy.

We hope these comments are useful.

Sincerely yours,



Professor Levon Khachigian, Ph.D., D.Sc.
ASMR President