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Research ratings to help donors

Sean Parnell | January 19, 2008

PROFESSOR Warwick Anderson is a powerful and respected figure in Australian medical research, one of a small band of gatekeepers in charge of millions of dollars of government funding that will, ultimately, lead to breakthroughs or just broken hearts.

While the CEO of the National Health and Medical Research Council is confident in the grant application and peer-review processes used by his organisation, he has also been willing to have it tested by an international review panel, which is yet to report its findings.

Anderson knows his organisation needs to be a world leader if Australia is to retain its intellectual strength, and continue to be transparent and accountable if it is to retain the nation's trust and the industry's support. He also knows funding, both public and private, is a valuable and limited resource that needs to be managed and distributed wisely.

With that in mind, the NHMRC is preparing for one of the boldest ventures its 72-year history - opening its databases to the general public. Doing so might just spark a revolution in the private funding market, among the philanthropists, corporations and everyday donors who give money to health charities and foundations or, if the NHMRC has its way, to the researchers direct.

"In a way we think we run a sort of ratings agency here, a Standard and Poor's for health; we have very robust mechanisms for analysing applications for salary support and research," Anderson says.

"We're planning and developing a way of putting that in the public domain. If people have an interest in multiple sclerosis, or chronic fatigue or heart failure, they could then get advice on the groups and individuals that have received funding from the NHMRC and have a triple-A rating."

The NHMRC's funding for grants and ongoing programs broke the half-billion-dollar mark last year, when it had more than 3000 projects on its books. In 2007 it made decisions on \$637 million in funding, providing hope for the 1202 scientists and medical researchers who received new grants.

But the concept of opening up its databases, and, in particular, rating scientists and researchers in public, is likely to spark some controversy.

The president of the Australian Society for Medical Research, Mark Hulett, has mixed views, particularly being a younger researcher himself and knowing that "in Australia there's not a lot of money to go around".

"What it will mean I guess is the money that people want to donate to particular disease research areas will then possibly go to people who already have a lot of money," Hulett says.

"It's likely to be utilised well, but the lesser achiever probably misses out again."

Labor's federal election win in November, and the promise of co-operative federalism, heralded a major reform push in health. New federal Health Minister Nicola Roxon, whose portfolio responsibilities include medical research, has moved to establish a National Health and Hospitals Reform Commission and already held several meetings with the states aimed at

increasing, and better directing, taxpayer funding on the system.

Anderson does not believe the new commission will duplicate the work of the NHMRC, expecting it to focus more on the commonwealth-state divide in the health system - but has adopted a "wait and see" approach.

Yet with the Rudd Government placing such an emphasis on fixing and better funding the system within a conservative Budget framework, some scientists and medical researchers are wondering whether funding will be harder to come by.

A spokesman for Roxon offers only a carefully worded response: "Our intention is to maintain current levels of funding for medical research, and of course we would look at ways to increase the funding if the budget allows."

At the same time, the level of private funding remains below comparable international standards, although the number of Australians who give, and how much they give, is increasing.

The 2005 Giving Australia study found that of the \$5.7 billion of philanthropic giving every year, \$807 million - or 14.2 per cent - went to health and medical research.

A subsequent Research Australia report highlighted how the average annual donation per donor to medical research was only \$77 - far below religious or spiritual organisations (\$529), international aid and development organisations (\$234), arts/cultural organisations (\$220) and a range of others causes.

Of the \$1.7 billion invested in health and medical research in 2001 in total - from government and other sources - contributions by Australian philanthropy accounted for just \$216 million, or 12 per cent. The comparable rate in the US, Canada and the United Kingdom - all with considerably higher per capita total investments in health and medical research - was about 25-30 per cent.

Clearly, increasing that amount and making better use of the money is a major focus of the medical research community, particularly if the increase in funding under the Howard Government plateaus now under the Labor administration.

Since November, Research Australia has employed a philanthropy development manager in Rikki Andrews, whose job is essentially to increase the amount of money donated to medical research, either directly or via charities, without necessarily taking away from other causes.

Andrews says while some of the larger charities have scientific advisers, advisory committees or work with organisations like the NHMRC, some of the smaller charities sometimes don't know where to start.

"Part of our focus is to encourage philanthropic donations to medical research to be perhaps a little bit more informed, and in line with good science," Andrews says.

"That's not to say that philanthropists or trusts or foundations are getting it wrong, but there's always a need for these decisions to be based on sound science."

Hulett says one benefit of having individual donors give their money to charities, and the charities then decide the grants, is that "often there is a focus of monies to people who might have just missed out on NHMRC monies".

"I think that's a very good system in that it does provide help for researchers who are very competitive but unfortunately just missed out on NHMRC funding," Hulett says.

"It creates a greater diversity of medical researchers and helps strengthen the field."

Andrews will also work with scientists and medical researchers to help them better describe

their projects in the quest for private funding.

"Philanthropists will want to understand what the community benefit is, so therefore what the outcome of the research is going to be - so not just that you have discovered a new chemical pathway, but what it actually means to us," she says.

"Philanthropists can identify with that, recognise the benefit and hopefully be more willing to give."

Traditionally in Australia, most fundraising has been done by the charities themselves, not the medical researchers or scientists. There is little hard data on what happens to the money donated, but a report by the Perpetual Foundation suggests Australia's charities are under-performing.

The report, released in November, highlights resources wasted due to competition, lack of co-operation and industry structure; underdeveloped accountability, transparency, solvency and governance; a misalignment of interests and other worrying trends.

The report's core conclusion was that "many of the issues and problems stem from a lack of data, frameworks and education", something the NHMRC and Research Australia - who both see a role for charities in the future - are doing their bit to correct.

While the report suggests charities reform from within, and the NHMRC and Research Australia are keen to work with donors and recipients of donations, there are others calling for greater government regulation, especially to show where donor funds are spent.

The Commonwealth regulates charities through the Australian Taxation Office, but the states and territories regulate fundraising, and finding information on the performance of individual charities is difficult if not impossible.

But Professor Myles McGregor-Lowndes, director of the Australian Centre for Philanthropy and Non-Profit Studies at the Queensland University of Technology, says the answer is not as simple as more government regulation and rationalisation.

McGregor-Lowndes says there will always be unmet need, and amalgamating the smaller charities might actually stop groups of individual donors, in certain specialties or geographic locations or with certain aims, from doing good in the first place.

There is also a paradox, he says, in calls for charities to be more upfront about how they spend their money, or the proportion spent on administration: donors want to see their money spent where it counts, not necessarily on the administration expenses associated with informing them where it has been spent.

"In medical research, the real big expense is assessing the scientific validity - you don't want to fund some crackpot - and all this has to go to peer review," McGregor-Lowndes says. "Often that's a long and complicated and difficult and expensive process, but there are now positive moves to change that."

Anderson - the former head of the School of Biomedical Sciences at Monash University and deputy director of The Baker Institute - says the private funding market is crying out for help. With the help of the NHMRC, charities can streamline their processes, and individual and corporate donors may find it easier to give.

"We're big and have efficiencies of scale, so we work with probably a dozen small and large charities to help them decide where and how to invest," Anderson says.

"It helps charities not over-invest in the machinery of work and make sure the dollars go where the donors want."

Going that step further, showing what decisions have been made by the peak funding agency,

rather than how its decisions are made, will have a much greater impact.

"We could be a first-stop shop in terms of giving that information rather than them having to hunt around, and we have a bit more independence and experience in the area," Anderson says.

"The main emphasis here is to say that our organisation's particular skill is identifying high quality and important research that's where your money should go - the best ideas and the best people are the key to results."

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