



Health Research Council of New Zealand

Te Kaunihera Rangahau Hauora o Aotearoa

Briefing for the incoming Minister of Health and
Minister of Science, Innovation and Technology

November 2023

Message from the Council Chair and Chief Executive

Congratulations on your appointments as Minister of Health and Minister of Science, Innovation and Technology. The Health Research Council (HRC) is committed to supporting you to deliver your government's vision for health research and the benefits it offers all New Zealanders.

The HRC is the principal government funder of health research, investing in the best ideas, targeting our biggest priorities and supporting the people we need, across the biomedical, clinical, public health, health services, and Māori and Pacific health research continuum. As the government's specialist health research commissioning agency, we utilise the knowledge, expertise and relationships we hold to make sound, independent investments to improve the health of New Zealanders on behalf of government. The HRC is proud to have a demonstrated track record of funding research that maximises health, social and economic outcomes, with our funding underpinning some of the most significant advances in health research over the last 33 years.

The landscape for health research in New Zealand is complex. Ours is an important strategic role that bridges the health sector and research, science and innovation system. We provide leadership and international connection in a highly specialised field and have established a strong, connected, and stable environment for health research in New Zealand.

We work with you, the Minister of Health, to give effect to government policy, to advise you on health research policy and priorities, and to support your aspirations through investing in research and people who are making a meaningful difference to health outcomes and the quality, safety, and efficiency of healthcare delivery.

We work with you, the Minister of Science, Innovation and Technology, to contribute to a high-value and enduring research, science and innovation system that supports people to address our biggest challenges and opportunities and create meaningful impact. Health research is one of the highest performing parts of your sector and an area of strength and specialisation both nationally and internationally, with government's investment in health research delivering excellent value for New Zealanders.

By working together over the next three years, we have an opportunity to advance the government's health research priorities and the needs of the wider health system, by harnessing the excellence, innovation and impact of the research, science and innovation sector. The HRC looks forward to continuing our support for excellent and innovative research that addresses key knowledge needs, better utilises the knowledge we generate, and provides innovative solutions to improve health outcomes.

As Chair and Chief Executive, we look forward to working closely with you to create meaningful impact in areas of critical importance to New Zealand's health and prosperity.



Professor Lester Levy
CNZM, Chair



Professor Sunny Collings
Chief Executive

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Part 1: Introduction

Health Research Council (HRC) at a glance

1. We are a Crown Agent and the government's principal funder of health research in New Zealand.
2. We invest approximately \$120 million per year on behalf of government.
3. We were established by the Health Research Council Act 1990 (the Act).
4. We are primarily funded from Vote Science and Innovation but are accountable to the Minister of Health (ownership) and the Minister of Science, Innovation and Technology (funding). A Memorandum of Understanding (MoU) governs the relationship (see Appendix 2).
5. We are governed by a 10-member Council. The Minister of Health, in consultation with the Minister of Science, Innovation and Technology, appoints members.
6. We have eight Statutory and Standing Committees that play a vital role in the assessment of research applications, advise on funding, and keep the research environment ethical and safe.
7. We are a team of 32.6 Fulltime Equivalents with 37 full-and part-time staff, based in Auckland.
8. In the year ending 30 June 2023, we supported 867 research contracts, developing the people we need, investing in the best ideas and targeting our biggest priorities.
9. We currently support 2565 researchers across 4648 research positions, including 1134 clinically trained researchers (including 925 who are currently practicing).
10. Health research underpins advances in health, is integral to the effective and efficient delivery of healthcare and is one of the highest-performing parts of the research, science and innovation (RSI) sector.
11. The HRC works closely with the Minister of Health and the Minister of Science, Innovation and Technology to give effect to government policy and to serve the priorities and needs of the health system by harnessing the excellence, innovation and impact of the RSI sector.

Who we are

The Health Research Council of New Zealand (the HRC) is a Crown Agent and the government's primary funder of health research in New Zealand. We invest around \$120 million each year across the full spectrum of health research including biomedical, clinical, public health, health services, Māori health and Pacific health research.

We are your **specialist health research commissioning agent** and **advise you** on matters relating to **national health research policy** and health research **priorities**. The HRC enables government to **make robust, independent¹ funding decisions** and invest in health research for the benefit of all New Zealanders.

Our aspiration is that every New Zealander will benefit from an equitable world-leading health research system that contributes to positive health and wellbeing outcomes.

Our contribution is to lead the health research sector, developing a skilled and diverse workforce and investing in excellent research to improve wellbeing, health status and health outcomes.

We also have an important role in ensuring New Zealand can participate in and capture the immediate, medium and longer-term benefits arising from the health research we invest in - and that we have the people and skills needed to achieve it.

¹ Under the HRC Act 1990, HRC Council is empowered to "expend any of its funds in the exercise of its functions in such manner as, subject to the terms of any trust or endowment, the Council thinks fit, and make grants to any person, institution, or body of persons (whether incorporated or not) for the purposes of health research."

What we do

As a Crown agent we give effect to government policy, as directed by our responsible Minister, the Minister of Health. Our functions as set by the Health Research Council Act 1990² (in brief) include:

- advising the Minister of Health on national health research policy
- advising on health research priorities for New Zealand
- initiating and supporting health research
- fostering the recruitment, training, and retention of health researchers in New Zealand
- maintaining a safe and ethical health research environment, including ensuring the safety of large clinical trials.

We lead

We are the government agency who holds health research specific knowledge, expertise and relationships, and are tasked to work across the health and RSI sectors to provide leadership and establish a strong, connected, and stable environment for health research in New Zealand.

We advise

We advise the Minister of Health on national health research policy and priorities, our expert committees consider appeals on Health and Disability Ethics Committee (HDEC) decisions on behalf of the Minister of Health and make recommendations to the Minister and Director General of Health on studies involving gene technology and applications involving clinical trials for the use of a new medicine (see information on our ethics and regulatory committees).

We invest

We support excellent ideas from New Zealand's health researchers, we invest in developing the people and skills needed for a high-performing health research system, and commission research in priority areas where we identify immediate research and evidence needs or critical research gaps.

We partner

The HRC has an important coordination role and bridges the health sector and RSI system, requiring us to be well connected to ministries and government agencies, non-government and philanthropic organisations, other research funders both national and international, researchers and research providers and the users of health research.

The HRC works closely with the Ministry of Health and the Ministry of Business, Innovation and Employment (MBIE), advising and reporting to them on all HRC matters, processes and strategies, while implementing joint initiatives and government priorities.

The HRC also maintains relationships with the health-related National Science Challenges, Crown Research Institutes (CRIs), and the Royal Society Te Apārangi, who we work jointly with every year to present the annual Research Honours awards.

Our investment focus areas

The HRC has three areas for investment designed to ensure that every investment decision made is focused on meeting our strategic objectives and our Ministers' expectations.

People

We develop and support careers for people to deliver excellent health research that meets the current and future needs of New Zealanders. We support research careers across the trajectory from early

² A review of the HRC Act is currently under consideration which could result in changes to the legislative structure and functions of the Health Research Council.

career to established leaders, and across the health research spectrum, from targeted basic research through to applied and experimental development. This includes dedicated opportunities where we need to build specific capability and capacity, such as for healthcare professionals³, Māori, and Pacific health researchers.

Ideas

We award funds through contestable funding rounds run annually to support excellent ideas and innovations proposed by researchers, designed to make a difference to health outcomes for all New Zealanders. This includes:

- Biomedical and public health research that advances our knowledge, understanding, treatment and prevention of ill health and improves quality of life and health outcomes.
- Investment in innovative, exploratory, or unconventional but potentially transformative research.
- Clinical and health delivery research that will directly improve health delivery by informing decisions or changes to policy, practice, services or systems.
- Investment in Rangahau Hauora Māori research, to address Māori health issues, meet knowledge needs, and improve Māori health outcomes.
- Investment in Pacific health research to achieve better health outcomes for Pacific peoples, families, and communities.

Priorities

All our funding opportunities have eligibility and assessment criteria that ensure we are investing in research that is focused on and has the potential to advance the current and future health needs of New Zealanders.

Where there are gaps in our investment, urgent or emerging priorities, specific evidence needs identified by our stakeholders, or a cross-sectoral approach to a health challenge is needed, we provide targeted investment opportunities. Our primary funding mechanism for achieving this is our Connecting for Impact fund.

The HRC supports ministry, health sector and community-led research efforts to address cross-sectoral issues by pooling resources in joint funding calls. We also work closely with other Crown Entities, such as Te Whatu Ora - Health New Zealand, the Accident Compensation Corporation (ACC) and Callaghan Innovation.

How we make our investments

The HRC manages an independent, robust, fair, and transparent assessment process involving multiple committees and typically more than 1500 national and international reviewers a year. The assessment tools we utilise are determined by the purpose, scope and value of the funding opportunity. Most of our funding opportunities are contestable. This ensures government funds go to the most excellent and innovative proposals with the greatest potential for impact. We also use negotiated processes where this is appropriate based upon the outcome we are seeking to achieve.

³ Overall, 36% of all HRC workforce positions for researchers are held by practicing clinicians, of which 45% are held by those with clinical training. Building research capability in health professionals is a crucial part of accelerating the translation and uptake of research findings into clinical practice and healthcare services.

Part 2: About the HRC

Engaging with you

Ministerial responsibilities

The Minister of Health has a responsibility to ensure that the HRC is connected to the health sector and the research that it funds is responsive to the health needs of New Zealanders and the health system.

The Minister of Science, Innovation and Technology has a responsibility to ensure the HRC is part of a cohesive science and innovation system, that HRC funding aligns with other investments in the science system, and that the economic and scientific benefits of health research are captured.

A Memorandum of Understanding (MoU), updated in 2016, by the then Ministers of Health and Science and Innovation, outlines the HRC's responsibilities, and describes how Ministers will work in partnership to set the high-level strategic direction for health research, and support the HRC via funding arrangements and appointments to the Council (see Appendix 2).

In person

The MoU outlines that the Minister of Health and the Minister of Science, Innovation and Technology will invest time in building a productive working relationship with the HRC's Chair, Council and senior management. As part of this, you are invited to meet at least annually with representatives of Council to discuss the strategic direction and leadership of the Council.

We encourage and welcome you to meet with Council and the Chief Executive at your earliest convenience.

Briefings

We provide you with briefings in collaboration with the Ministry of Health or MBIE where you have requested information. We also provide regular short updates on topics of interest or a newsworthy nature as they arise, in collaboration with the Ministry of Health and MBIE.

We report on exceptions, in line with a no surprises policy, to directly inform you in advance about any issue affecting the HRC that is likely to attract attention or that represents a risk. We also ensure Ministers are informed of research outcomes that relate or could relate to government policy.

Letter of Expectations

We receive an annual Letter of Expectations from the Minister of Health and the Minister of Science, Innovation and Technology, as per the MoU. The letter sets out areas of focus for the coming year, in line with the HRC's annual Output Agreement with the Ministry of Health and a soon to be negotiated 5-yearly Crown Funding Agreement with MBIE.

Statutory and reporting documents

The HRC produces regular statutory and reporting documents that monitor our performance. As a Crown Entity, MBIE and the Ministry of Health monitor our performance on your behalf. These include:

- **Statement of Intent:** Produced and tabled in Parliament by the Minister of Health every 3 years, to cover a 4-year period. It charts our strategic direction and performance monitoring framework. We released a new Statement of Intent 2023 – 2027⁴ on 1 July this year.

⁴ Available here: <https://www.hrc.govt.nz/sites/default/files/2023-07/2023%20Statement%20of%20Intent.pdf>

- **Statement of Performance Expectations:**⁵ Produced annually and tabled in Parliament by the Minister of Health at the beginning of the financial year. It details deliverables and how progress will be measured.
- **Annual Report:**⁶ Produced annually and tabled in Parliament by the Minister of Health. It sets out how funding was allocated and our performance in achieving the goals, indicators and targets in our Statement of Intent and Statement of Performance Expectations. Our financial and non-financial performance is reviewed by our appointed auditors, Audit New Zealand.
- **Six-monthly report:** Provided to MBIE and the Ministry of Health, it reports on key activities and deliverables, progress against performance indicators and includes financial statements.
- **Quarterly financial statements.**
- **3-yearly Research Investment Plan:** It outlines our investment framework for the next three financial years and gives researchers high-level guidance about the intended priorities for, and outcomes sought from, our funding. A new Plan was published on 1 July 2023.⁷
- **3-yearly Investment Impact Report:**⁸ It demonstrates the effectiveness of research investments made by the Council and describes future risks and opportunities. The next report is due on 1 April 2025.

Our structure

The Act established the HRC's structure: a 10-member Council with four supporting Statutory Committees (Appendix 3: Council and Statutory Committee Membership). A Secretariat of 32.6 FTE based in Auckland, support the HRC's functions.

HRC Council

Council's core responsibility is making investment decisions which are influenced by the level of funds available, and the quality of applications received. Council governs the HRC's activities as outlined in the Act. The Minister of Health, in consultation with the Minister of Science, Innovation and Technology appoints members to the HRC Council. Membership consists of five persons who are or have been actively engaged in health research and five persons who have skills and experience in areas such as community affairs, health administration, law, commercial expertise, management, or knowledge of health issues from a consumer perspective.

Statutory and Standing Committees

The HRC has eight Statutory and Standing Committees.⁹ Our Biomedical, Public Health, and Māori Health Statutory Committees (members of Council chair these committees), and the Pacific Health Research Committee play a vital role in the assessment process and advise the Council on the assignment of funds for health research within the remit of their respective Committees. The Māori Health Committee has additional functions specified by the HRC Act 1990¹⁰ (see the next section on Māori Crown relations for further information).

Our ethics and regulatory committees are a key national resource and integral to ensuring New Zealand's health research is ethical and safe. We advise the Minister of Health on the safe uptake of new health technologies and conduct of clinical trials.

⁵ Available here: <https://www.hrc.govt.nz/sites/default/files/2023-09/HRC%20Statement%20of%20Performance%20Expectations%202023-2024%20Web.pdf>

⁶ Available here: <https://www.hrc.govt.nz/resources/hrc-annual-report>

⁷ Available here: <https://www.hrc.govt.nz/sites/default/files/2023-07/HRC%20Investment%20Plan%202023-2026.pdf>

⁸ Available here: http://www.hrc.govt.nz/sites/default/files/2022-11/HRC%20IIR%202022_FINAL_signed.pdf

⁹ **Statutory Committees:** Māori Health Committee; Biomedical Research Committee; Public Health Research Committee; Ethics Committee. **Standing Committees:** Pacific Health Research Committee; Data Monitoring Core Committee (DMCC); Standing Committee on Therapeutic Trials (SCOTT); Gene Technology Advisory Committee (GTAC).

¹⁰ The principal functions of the Māori Health Committee shall be to advise the Council on health research into issues that affect Māori people, with particular reference to research impinging on cultural factors affecting the Māori people, including those that affect the gathering of information, and the verification and validation of information.

- The **HRC Ethics Committee**: Responsible for approving all Health and Disability Ethics Committees (HDECs) and Institutional Ethics Committees (IECs) in New Zealand. The committee considers appeals on HDEC decisions, as authorised by the Minister of Health.
- The **Data Monitoring Core Committee**: Provides objective, independent monitoring of HRC-funded clinical trials in New Zealand.
- The **Gene Technology Advisory Committee**: Assesses the scientific merit of studies to transfer genes from one species to another and makes recommendations to the Director-General of Health.
- The **Standing Committee on Therapeutic Trials**: Assesses applications involving clinical trials for the use of a new medicine and makes recommendations to the Director-General of Health.

The HRC's operating context

As a Crown Agent, the HRC is governed by legislation and required to give effect to government policy when directed by the responsible Minister.

Overarching requirements	
<ul style="list-style-type: none"> • Health Research Council Act, 1990 (which sets out our functions) • Crown Entities Act, 2004 (as a Crown Agent we are to give effect to government policy) • Public Service Act, 2020 • Public Finance Act 2013 • Te Tiriti o Waitangi 	
Ministerial	
<ul style="list-style-type: none"> • Minister for Health (responsible Minister) • Minister of Science, Innovation and Technology (Vote RSI appropriation) • Memorandum of Understanding • Letter of Expectations • Annual Output Agreement with the Ministry of Health • 5-yearly Crown Funding Agreement with MBIE 	
National health research strategies and policies	
<ul style="list-style-type: none"> • New Zealand Health Research Strategy (2017-2027) • New Zealand Health Research Prioritisation Framework 	
Ministry of Health strategies and policies	MBIE strategies and policies
<ul style="list-style-type: none"> • Pae Ora¹¹ • The New Zealand Health Strategy • Pae Tū: Hauora Māori Strategy • Whakamaua: Māori Health Action Plan (2020-2025) • Te Mana Ola: Pacific Health Strategy • Health of Disabled People Strategy • Rural Health Strategy • Women's Health Strategy • Government Policy Statement on Health • Te Pae Tata • Code of Expectations for Engagement with Consumers and Whānau¹² 	<ul style="list-style-type: none"> • Te Ara Paerangi: Future Pathways (interim RSI strategy) • Vision Mātauranga • Diversity in Science Statement • Kaupapahere Rangahau Tuwhera - Open Research policy

¹¹ The HRC's functions are not directly affected by Pae Ora (Healthy Futures) Act, but we are expected to consider how we can contribute to achieving the overall system priorities of the reforms.

¹² The Pae Ora (Healthy Futures) Act does not require the HRC to act in accordance with the Code, but we are expected to consider how the principles and intent of the Code can be built into our work when engaging with consumers and whānau.

Māori Crown relations

The Public Service Act 2020 requires the public service to strengthen the Māori Crown relationship and develop and maintain capability to engage with Māori and to understand Māori perspectives. The HRC is committed to advancing Māori health outcomes and to pursuing health equity.

The HRC's Māori Health Committee is a statutory committee established under the HRC Act 1990. As well as being responsible for making funding recommendations to Council concerning Māori health research and career development, the Act sets out statutory functions for the Māori Health Committee to advise the Council on health research into issues that affect Māori people, with reference to research impinging on cultural factors affecting the Māori people, including those that affect the gathering of information, and the verification and validation of information. In recent years, we have increasingly harnessed the committee's expertise.

In the past year, the HRC strengthened the work of the HRC Council and Māori Health Committee to support our existing statutory obligations as set out in the Health Research Council Act 1990 and the Crown Entities Act 2004, and to provide for the Māori Health Committee to discharge its role to its full extent.

How we are funded

Parliament appropriates funding for the HRC through Vote Business, Science and Innovation, which is administered by the Minister of Science, Innovation and Technology. Our appropriation is the Health Research Fund of approximately \$120 million per annum with an additional \$6 million to deliver our services and functions.

Additionally, the Minister of Science, Innovation and Technology devolves Vote funding to the HRC for international research initiatives (from the Catalyst Fund) and for furthering the goals of Vision Mātauranga (from the Vision Mātauranga Capability Fund). The HRC's investment of these devolved funds is subject to the policies developed by MBIE.

Vote Health provides \$285,000 per annum in funding for the ethics and regulatory functions that the HRC performs.

Our annual Output Agreement with the Ministry of Health and the 5-yearly Crown Funding Agreement with MBIE outline what the HRC is responsible for delivering, the funds available to support it, and the requirements for accountability and reporting.

Under our Act, the HRC is to negotiate, once every three years, the bulk-funding allocations that may be made to the Council by the government for the funding of health research. As a Crown Agent, the HRC participates in the budgetary process under MBIE. The HRC last had the opportunity to participate in 2015 and received an increase in funds in 2016.

As Minister of Science, Innovation and Technology, you have responsibility for ensuring the Health Research Fund appropriation is in line with appropriation requirements and the broader strategies and priorities set for the New Zealand health research and science and innovation sectors. While we anticipate constraints on public spending for Budget 2024, we welcome the opportunity to work with you and your Ministry on participating in the budget bid process as provided for in our Act, and to advise you on any areas where trade-offs may be needed, or reprioritisation within our existing budget could be made.

Public Equity Management Plan

The HRC currently has a public equity management plan in place with MBIE and the Ministry of Health. This is due to COVID-related disruptions and the ability of researchers to conduct and complete their research within contracted timeframes. Contract extensions were requested to allow for the completion of research projects, but this meant that committed funds have not been committed at the rate that was anticipated and have subsequently accumulated.

Upcoming key decisions

Review of the Health Research Council Act, 1990

A review of the Health Research Council Act 1990 is currently under consideration by the Ministry of Health. The purpose of the review is to modernise the provisions of the Act to better reflect changes to the health research environment.

Since the Act was introduced in 1990, interdisciplinary research is now a prominent feature. The Act is prescriptive in terms of the makeup of Council and its Committees, and some adjustments may be appropriate to enable the Council and Chief Executive to be more flexible about statutory committee structures and decision making.

The HRC has been asked to prepare for a formal review to commence in 2024. We look forward to engaging with the Minister of Health and the Ministry of Health should the HRC Act 1990 be considered a priority for legislative review.

Review of the New Zealand Health Research Strategy (NZHRS)

The New Zealand Health Research Strategy 2017 – 2027 (the NZHRS) was released in 2017 and sets out the government's guiding principles, strategic priorities and actions towards building a world-leading health and innovation system that, through excellent research, improves the health and wellbeing of all New Zealanders. Since it was introduced, the HRC, the Ministry of Health and MBIE have made good progress towards its joint implementation.

The strategy was developed following an extensive consultation process. More than 500 people attended regional consultation meetings and targeted focus groups, and 166 written submissions were made in response to the public discussion document. There is still broad support for the strategy and the high levels of interest and involvement in its development reflect the importance New Zealanders place on health research.

While the vision for the strategy remains relevant, the refresh will focus on updating it to better reflect New Zealand's changing health sector brought about by both COVID and the recent health system reforms and align with wider changes to the RSI system.

The HRC welcomes the opportunity to work closely with the Ministry of Health who will be leading the refresh process, and other agencies, to produce a revised strategy that best reflects the health sector and RSI system aspirations.

Council appointments

There is currently one vacancy and two members whose terms expired in December 2022. Therefore, three new appointments will need to be made by the incoming Minister of Health, in consultation with the Minister of Science, Innovation and Technology. A further two Council member's terms expire in December 2023. Please see Appendix 3 for further information.

Part 3: How HRC contributes to system performance

The landscape for health research in New Zealand is complex. HRC is the conduit between the health and RSI sectors. At present, there is significant change occurring in both.

The HRC will continue to work with and support the Ministry of Health to explore how research and innovation can underpin an evidence-informed, effective, efficient, enduring and learning health and disability system as the reforms take shape.

We contribute to the health sector by:

- providing the quality evidence needed for the effective and efficient delivery of health services and policies that benefit all New Zealanders.
- building a 'learning' health system that has a culture of innovation, evaluation, knowledge development and research to enable a cycle of continuous improvement.
- exploring innovative models of quality care that improve access, choice and can be delivered close to home.
- identifying preventative approaches that work to keep people well, for longer.
- working with the Ministry of Health, other health Crown Entities and the wider health delivery sector to support health research capacity and capability within the health system and fund research in priority areas.

We will also work with MBIE on the future shape of the RSI system to contribute to a high-performing, high-value and enduring RSI system that supports people to address our biggest challenges and opportunities and create meaningful impact.

We contribute to the RSI system by:

- leading and coordinating health research.
- working to ensure the RSI system is high performing by valuing and rewarding excellence (broadly defined), incentivising innovation, balancing competition and collaboration, supporting national and international connectivity, developing and retaining the health research workforce needed to meet our local, global and future health needs, and capturing economic benefits for New Zealand.
- working to ensure the RSI system is impactful by valuing engagement, connection, and knowledge exchange; and developing the research skill sets needed to support innovation and knowledge translation and uptake.
- working to ensure the RSI system remains viable by valuing and developing people and planning for career path transitions and succession.

Part 4: New Zealand health research in context

HRC strategic review

In 2015 the Ministry of Health and MBIE undertook a strategic review of the HRC. The Strategic Refresh report concluded that the HRC plays a critical role in supporting health research in New Zealand and that health research is crucial to delivering better health outcomes for New Zealanders and contributes to economic prosperity by improving the efficiency of the health system and generating high value, knowledge-intensive sectors.

The report recommended a greater leadership role for the HRC, based upon the wealth of knowledge held by the organisation and the valuable connections we can foster between researchers and end users. The report also recommended the establishment of a 10-year Health Research Strategy; that a robust process for negotiating and setting the HRC's funding that involves both Ministers needs to be established; and that the HRC be a priority for funding increases.

More recently, the HRC model has been recognised in a review undertaken by the Parliamentary Commissioner for the environment. The report, '*A review of the funding and prioritisation of*

*environmental research in New Zealand (2020)*¹³ asserts that the single, national funding agency approach for health research is the reason health research is performing better than other areas of the science system. This is because the HRC is an expert body operating within a highly specialised field, responsibility for the oversight of strategy, investment and accountability. This type of operational model reduces fragmentation and duplication within the system, attracts high-performing staff with specialist skills and knowledge, and therefore enjoys greater confidence on the part of researchers and researcher providers. The report goes on to recommend developing an ‘ERC’ for environmental research.

Key health research strategies

Health Research in New Zealand is fortunate to be in a position where there is a national New Zealand Health Research Strategy (NZHRS) and a New Zealand Research Prioritisation Framework (NZHRPF). As a result, we have a highly strategically focused, purposeful, and productive health research ecosystem. The strategy and framework provide clear and stable strategic signals to guide our investment priorities and decisions into the future. The framework prioritises why and how health research needs to be done in New Zealand and directs government’s investment towards research most likely to deliver the greatest impact. Since their introduction in 2017 and 2019 respectively, good progress has been made in embedding them.

Health research delivers health and economic benefits

Health research evidence and innovation are what underpin improvements in population-level health outcomes, increases in life-expectancy and the number of years individuals can expect to be productive and live in good health. Health research also has a critical impact on how well a health system performs and delivers care and makes a significant contribution to the economy – both through cost savings generated and the development of treatments and tools.¹⁴

Fundamental to the HRC’s impact is continuing to fuel the innovation pipeline by funding targeted basic and exploratory research with the potential to generate new and beneficial discoveries, and by providing stable funding opportunities for areas of research for which it may take up to 20 years to realise the impact of our investment.

Commercialisation is another key pathway by which HRC-funded researchers can maximise the impact of their research. We have established links with existing government and tertiary agencies that are skilled at realising the commercial benefits of health research and innovation. The HRC offers innovative ‘Explorer Grants’ for researchers to push the boundaries of the known, and to foster unconventional ideas with transformative potential¹⁵.

HRC funding has resulted in some important breakthroughs in health over the last 33-years. Examples of the breadth of the research we support and the difference it has made are available on our website.¹⁶

¹³ A review of the funding and prioritisation of environmental research in New Zealand (2020), Parliamentary Commissioner for the Environment. Available at: <https://pce.parliament.nz/media/ih0psxan/report-environmental-research-funding-review-pdf-32mb.pdf>

¹⁴ Twenty-two percent of our largest grants have a technology focus, including (but not limited to) artificial intelligence, bioengineering, computational modelling, genomics, implants/prosthetics, immunotherapy, medical technologies and devices, personalised medicine, pharmaceuticals and biologics. This represents 71 contracts to a value of **\$92M** allocated in the last 5 years. Twenty percent have a line of sight to commercial potential, through the early-stage development of new screening or diagnostic tools, medical devices or implants, or drugs/biological therapies. This represents 63 contracts to the value of **\$81M** allocated in the last 5 years.

¹⁵ The 120 proposals supported to date have included ground-breaking research to tackle antibiotic resistance, treat Parkinson’s disease, and control tumour growth. They have already produced intellectual property that has been patented and is being commercialised.

¹⁶ See <https://hrc.govt.nz/making-difference/impact-stories> and <https://hrc.govt.nz/making-difference/30-years-hrc>

The value for money New Zealand's health research delivers

Health research is an area of strength and specialisation, nationally and internationally, with government's investment in health research delivering excellent value for New Zealanders. The New Zealanders for Health Research¹⁷ advocacy group commissioned the New Zealand Institute of Economic Research (NZIER) to run a feasibility study to establish the return on investment for health research in New Zealand.¹⁸ NZIER's preliminary analysis based on existing reports estimated that across public, private and philanthropic investment an annual return on investment of 13-30% could be anticipated.¹⁹

Other markers of productivity, efficiency and international competitiveness within the system include bibliometric analyses. MBIE's latest Research, Science and Innovation Report 2021²⁰ identified that in 2020, medical and health sciences accounted for 30% of all New Zealand publications at 6804 publications.²¹ There has also been a 1.8-fold increase in publications in the period 2010 to 2020, from 3691 to 6804. The increase in publications is used as an indication of the overall research activity within a particular field. MBIE's analyses shows that in the 10-years from 2010 to 2020, the influence of New Zealand's health research has remained consistently high. This is measured by the revealed comparative advantage (RCA)²² which for medical and health sciences increased from 1.3 to 1.6.

However, there are opportunity costs within the system. Securing funding is exceptionally competitive with HRC success rates for our funding rounds averaging 13 percent over the past 5 years. This represents a significant loss of productivity in the system with time spent on applications that are fundable but do not receive funding. Through our review of funding opportunities that is currently underway we are looking at how we can maintain a robust assessment process that reduces lost productivity.

How New Zealand's investment in health research compares internationally

New Zealand's direct government investment in health research is low compared to other small, advanced economies and OECD countries. Our direct government investment in health research is typically between 0.6 and 0.8 percent of the government health care costs²³ despite international evidence and comparisons indicating investment in health research should be at least 2.4 percent of health spend.

Even relative to other areas of RSI investment in New Zealand, HRC funding has remained low. Our annual budget of \$120 million is to support all health issues across the entire spectrum of health research (from basic science through to community interventions). In 2020/21 financial year the Research, Science and Innovation budget was \$949 million. The HRC's allocation of the overall science budget is approximately 12.6 percent.

¹⁷ More information at: www.nz4healthresearch.org.nz

¹⁸ NZIER. 2022. Valuing health research in New Zealand: Feasibility study. A report for New Zealanders for Health Research. Available at: <https://nz4healthresearch.org.nz/wp-content/uploads/2022/12/Slides-for-Wellington-Workshop-NZIER.pdf>

¹⁹ New Zealanders for Health Research Budget-Policy-Statement-Submission 2023. Available at:

<https://nz4healthresearch.org.nz/wp-content/uploads/2023/01/NZHR-Budget-Policy-Statement-submission-270123.pdf>

²⁰ MBIE (2021) The Research, Science and Innovation Report. Available at: <https://mbienz.shinyapps.io/research-science-innovation-report/pdf/research-science-and-innovation-system-performance-report-2021.pdf>

²¹ MBIE (2021) The Research, Science and Innovation Report. Available at: <https://mbienz.shinyapps.io/research-science-innovation-report/pdf/research-science-and-innovation-system-performance-report-2021.pdf>

²² The RCA is calculated by the proportion of New Zealand publications in one field divided by the proportion of publications in the same field globally. An RCA value greater than 1.0 indicates a higher proportion of New Zealand publications in a given research field relative to the rest of the world.

²³ New Zealanders for Health Research Budget-Policy-Statement-Submission 2023. Available at:

<https://nz4healthresearch.org.nz/wp-content/uploads/2023/01/NZHR-Budget-Policy-Statement-submission-270123.pdf>

New Zealand's international connectivity in health research

As a small country, it is vital that New Zealand's researchers are connected to the international health research effort and can gain access to international expertise and resources. International collaborations raise the profile of New Zealand health research in the global arena, contribute to global research efforts, provide a forum for sharing best practice for improving health outcomes, maximise research impact and return on investment and enable New Zealand to be early adopters of the latest international evidence.

As most research knowledge is generated offshore, we also need to be adept at adapting and implementing international knowledge to the New Zealand context as research conducted offshore will not always generate the evidence and insight needed for our population and context.

The HRC's role in system coordination means we have long provided opportunities for New Zealand researchers to connect with international counterparts. One way we do this is through international agreements and consortia, where research calls in areas of mutual priority may be released. Since 2020, we have run eight funding rounds with international partners. In the financial year 2022/23, 59% of our larger grant opportunities included at least one international collaboration (with 15 countries represented).

Appendix 1: Health Research Council Act 1990 Functions

The Health Research Council Act 1990²⁴ sets out the functions of the HRC:

- (a) to advise the Minister on national health research policy
- (b) to administer funds granted to the Council to implement national health research policy
- (c) to negotiate, once every 3 years, the bulk-funding allocations that may be made to the Council by the Government for the funding of health research
- (d) to foster the recruitment, education, training, and retention of those engaged in health research in New Zealand
- (e) to initiate and support health research,
- (f) to encourage initiatives into health research by soliciting research proposals and applications, particularly in areas considered by the Council to have a high priority:
- (g) to consult with the Minister of Health, the Ministry of Health, other persons who fund or produce research (public or private sector, and persons who have a knowledge of health issues from the consumer perspective - to establish priorities for health research,
- (h) to promote and disseminate the results of health research in ways that will be most effective in encouraging their contribution to health science, health policy, and health care delivery
- (i) to advertise actively for applications for grants to support proposals or personal awards in relation to health research:
- (j) to appoint the members of the Biomedical, Public Health, Māori Health, and Ethics Committees
- (k) to ensure the development and application of appropriate assessment standards by committees that assess health research proposals.

²⁴ New Zealand Government. 1990. Health Research Council Act. Wellington: NZ Government. Available at: <http://www.legislation.govt.nz/act/public/1990/0068/latest/DLM213017.html>. Accessed 17 October 2017.

Appendix 2: Memorandum of Understanding

Office of the Minister of Health

Office of the Minister of Science and Innovation

MEMORANDUM OF UNDERSTANDING: MINISTERIAL RESPONSIBILITIES FOR THE HEALTH RESEARCH COUNCIL OF NEW ZEALAND

Parties

The Minister of Health and the Minister of Science and Innovation

Purpose

The Minister of Science and Innovation and the Minister of Health are jointly responsible for the efficient and effective functioning of the Health Research Council of New Zealand.

This memorandum of understanding outlines each Minister's responsibilities for the Health Research Council. The memorandum sets the basis for the Ministers responsible for the health and science and innovation portfolios to work in partnership. Ministers expect the Health Research Council to be an efficient and effective organisation contributing to both health and economic outcomes.

This memorandum of understanding is supported by a memorandum of understanding between the Ministry of Business, Innovation and Employment and the Ministry of Health, the two government agencies supporting the health and science and innovation portfolios.

Roles

The Health Research Council

The Health Research Council has both a funding and strategic leadership role in health research. It is the government's primary funder for research funds specifically targeted at health research. This includes, but is not limited to, funding research in biomedical sciences, population and public health, Māori health, clinical care and health service delivery.

The Health Research Council is a crown entity established under the Health Research Council Act 1990 (the Act). Under this Act, the Minister of Health is the responsible Minister. Since 1997/8, the majority of Health Research Council funding has been appropriated through Vote Science and Innovation. This has enabled the full cost funding model for science to be implemented across the science system.

Dual responsibilities for health research and the Health Research Council

Ministers recognise that to achieve maximum benefit from health research, New Zealand needs a dynamic and well-connected health research and innovation system with strategic leadership and oversight from both Ministers. In particular, the Minister of Health and the Minister of Science and Innovation recognise that:

- (i) health research contributes to both health and economic outcomes
- (ii) health research underpins improvements in health outcomes and quality of care
- (iii) knowledge and results from health research form the evidence base for many areas of health and social policy
- (iv) knowledge and innovations resulting from health research can generate cost-efficient and cost-effective solutions for the health system
- (v) the research process increases the skills and expertise of health practitioners

- (vi) the ability to participate in research helps New Zealand recruit and retain excellence clinicians
- (vii) health research constitutes a significant part of New Zealand's science and research system
- (viii) health research is a science strength for New Zealand
- (ix) health research results in broader benefits for the biological economy and manufacturing and food industries
- (x) the most innovative health research can spin off high-value, knowledge-intensive firms.

Effective governance and leadership is needed from both the health and the research portfolios to ensure strong and enduring links between the health and science and innovation systems. This will enable health researchers and health sector agencies to work together to achieve better outcomes.

An effective and efficient Health Research Council is critical to achieving these goals.

Ministerial responsibilities

The Minister of Health has a responsibility to ensure that the Health Research Council is connected to the health sector and the research that it funds is responsive to the health needs of New Zealanders and the health system.

The Minister of Science and Innovation has a responsibility to ensure the Health Research Council is part of a cohesive science and innovation system, that Health Research Council funding aligns with other investments in the science system, and that the economic and scientific benefits of health research are captured.

Agreement

The two Ministers will work in partnership in carrying out their specified responsibilities for the Health Research Council.

These responsibilities cover:

- A. Strategic direction for health research and guidance to the Health Research Council
- B. Trusting and productive relationships with the Health Research Council
- C. Funding arrangements for the Health Research Council
- D. Appointments to the Health Research Council.

These responsibilities and arrangements are detailed below and summarised in Appendix 1.

A. Strategic direction for health research and guidance to the Health Research Council

(i) Health research strategy for New Zealand

The Minister of Health and the Minister of Science and Innovation are jointly responsible for developing and overseeing the implementation of a health research strategy for New Zealand. This strategy will provide high-level and long-term strategic direction for the health research and innovation system, in particular the Health Research Council.

(ii) Health Research Council's three yearly investment plan

The health research strategy will inform the three-yearly investment plans prepared by the Health Research Council for consideration by the Minister of Health and the Minister of Science and Innovation. These plans will articulate the Council's investment priorities and portfolio approach and how these contribute to the objectives of the health research strategy. The investment plan will be annexed to the Statement of Intent of the Health Research Council.

(iii) Health Research Council's Statement of Intent, Statement of Performance Expectation and Annual Report

Under the Crown Entities Act 2004, the Minister of Health is responsible for the oversight of the Health Research Council's Statement of Intent, annual Statement of Performance Expectation and Annual Report. This responsibility involves, where appropriate, commenting on these strategic documents and presenting the documents in Parliament. In carrying out these responsibilities, the Minister of Health will consult with the Minister of Science and Innovation.

The Health Research Council is monitored against the performance standards in the Statement of Intent and annual Statement of Performance Expectation.

(iv) Annual letter of expectation

Both Ministers will provide a joint annual letter of expectation to the Health Research Council, setting out their general expectations for the year ahead.

B. Trusting and productive relationships with the Health Research Council

(i) Building productive working relationships

The two Ministers will invest time in building a productive working relationship with the Health Research Council's Chair, board and senior management. As part of this, the two Ministers will meet at least annually with representatives of the Health Research Council to discuss the strategic direction and leadership of the Council.

(ii) Output Agreement(s) with the Health Research Council

The output agreement(s) between Ministers and the Health Research Council will include details of funding, performance and reporting requirements.

C. Funding arrangements for the Health Research Council

The Act contains a provision for the Health Research Council to renegotiate its funding every three years.

These three-yearly negotiations will include:

- a) consideration of the research funding administered by the Health Research Council through Vote Business, Science and Innovation
- b) consideration of the operational funding (research contract management funds) for the Health Research Council
- c) funding agreements within Vote Health, such as for the provision of advice on ethics.

The Minister of Science and Innovation will consult with the Minister of Health in determining the level of funding provided to the Health Research Council through Vote Business, Science and Innovation.

In determining the level of funding to be provided to the Health Research Council, Ministers will recognise the Government's broader fiscal commitments and Budget processes.

Ministers will together agree on the level of operational funding (research contract management funds) provided to the Health Research Council. This will take into account the proportion of operational funding to research funding for other research funding agencies, the specific roles of the Health Research Council, and the level of research funding administered by the Health Research Council.

D. Appointments to the Health Research Council

Under the Health Research Act 1990, the Minister of Health is responsible for appointing the members and the Chair of the Health Research Council.

The Minister of Health will consult with the Minister of Science and Innovation on the names being considered for the membership and the Chair of the Health Research Council and seek the Minister of Science and Innovation's views on who to appoint.

Variation

This Memorandum of Understanding may be varied by the written agreement of both Ministers.

Review

This Memorandum of Understanding shall be reviewed by the respective Ministers as needed as New Zealand's health research and innovation system evolves.

Effective date

This Memorandum of Understanding will come into force on 1 July 2016.

This Memorandum replaces that signed by the Minister of Health and the Minister of Research, Science and Technology on 30 August 2001.

Term

This Memorandum of Understanding will continue in force until either a replacement Memorandum is put in place, or it is terminated by the written agreement of both Ministers.



Hon Dr Jonathan Coleman
Minister of Health

19/9 / 2016



Hon Steven Joyce
Minister of Science and Innovation

31/10 / 2016

Summary of Ministerial responsibilities and arrangements for the Health Research Council

Areas of responsibility	Components	Arrangements
A: Strategic direction for health research and guidance to the Health Research Council	Health research strategy for New Zealand	Both Ministers responsible for developing the strategy and overseeing its implementation
	Health Research Council's three yearly investment plan	Health Research Council will prepare these plans for consideration by both Ministers
	Statement of Intent Statement Performance Expectation Annual Report	Minister of Health will consult with Minister of Science and Innovation prior to commenting on, or tabling these document
	Annual letter of expectation	Joint letter from both Ministers
B: Trusting and productive relationships with the Health Research Council	Building and maintaining productive working relationships with the Chair, board and senior management	Both Ministers will meet at least annually with representatives of the Council to discuss strategic direction and leadership
	Output agreement(s) with the Health Research Council	Ministers are responsible for agreeing to and monitoring their output agreement(s)
C: Funding arrangements for the Health Research Council	Three yearly negotiations to determine funding level	Minister of Science and Innovation will consult the Minister of Health on the level of funding provided to the Council. Both Ministers will agree on the level of operational funding provided to the Council
D: Appointments to the Health Research Council	Appointing the Chair and Council members	Minister of Health is responsible and will seek the Minister of Science and Innovation's view on who to appoint

Appendix 3: Council and Statutory Committee Membership

Health Research Council

Council Member	Date of original appointment	Expiry date of present term
Professor Jeroen Douwes	08. 2015	07.2025
Dr Will Barker	05.2017	12.2022 (Expired)
Professor Parry Guilford	10.2016	12.2023
Professor Lester Levy (Chair)	01.2016	07.2026
Professor Elaine Rush	12.2020	12.2023
Professor Paora Tapsell	12.2020	12.2022 (Expired)
Professor Emma Wyeth	07.2023	07.2026
Dr Lifeng Zhou	07.2023	07.2025
Baden Vertongen	07.2023	07.2025

There is currently one vacancy and two members of Council whose term has expired.

Committee Secretary: Mel Phillips

Māori Health Committee

Committee Member	Date of original appointment	Expiry date of present term
Dr Annabel Ahuriri-Driscoll	05.2022	05.2025
Dr Kimiora Henare	05.2022	05.2025
Associate Professor Cameron Lacey	11.2022	11.2025
Associate Professor Sarah-Jane Paine (Reappointment)	08.2018	08.2024
Dr Naomi Simmonds	11.2022	11.2025
Dr Isaac Warbrick	04.2023	04.2026
Professor Emma Wyeth (Chair & Council Member)	07.2023	07.2026

Committee Secretary: Le-Shan Pomana-Wesley

Biomedical Research Committee

Committee Member	Date of original appointment	Expiry date of present term
Associate Professor Dianne Sika-Paotonu	12.2022	12.2025
Professor Jonathan Koea	08.2021	04.2025
Dr Jade Tamatea (Acting Deputy Chair)	12.2020	12.2026
Professor Greg Jones	12.2020	12.2024
Dr Natalie Netzler	12.2022	12.2024
Associate Professor Sunia Foliaki	04.2023	04.2026

The Committee does not currently have a Chair and there are two vacancies due to members stepping down early.

Committee Secretary: Dr Katie Palastanga

Public Health Research Committee

Committee Member	Date of original appointment	Expiry date of present term
Professor Jeroen Douwes (Chair & Council Member)	08. 2015	07.2025
Professor Jane Koziol-McLain	10. 2017	12. 2023
Associate Professor Jemaima Tiatia	12. 2017	12. 2023
Associate Professor Lisa Te Morenga	12. 2019	12. 2025
Professor Sarah Derrett	12. 2019	12. 2025
Associate Professor Polly Atatoa Carr	09. 2020	12. 2026
Dr Corina Grey	01. 2023	01. 2026

Committee Secretary: Toni Liu

HRC Ethics Committee

Committee Member	Date of original appointment	Expiry date of present term
Associate Professor Monique Jonas	04.2018	04.2024
Associate Professor Donna Cormack	06.2021	06.2024
Ms Helen Davidson	08.2019	08.2025
Professor Elaine Rush	08.2021	08.2024
Professor Parry Guilford	05.2017	05.2023
Dr Anna Ponnampalam	08.2023	08.2027
Dr Lindsey Te Ata O Tū MacDonald	08.2023	08.2027
Ms Josephine Johnston	10.2023	04.2027

Committee Secretary: Lana Lon

Appendix 4: Overview of current annual allocation

01 In the year ending 30 June 2023, the HRC supported 867 research contracts, spending **\$119M** on these during the year.

\$83.6 M

Impact and innovation

298 Contracts

- 29 Programmes
- 20 Project Grants: *Māori Health Research*
- 48 Project Grants: *Health Delivery Research*
- 16 Project Grants: *Pacific Health Research*
- 185 Project Grants: *General*

\$7.3 M

Idea development pipeline

250 Contracts

- 64 Emerging Researcher First Grants
- 52 Explorer Grants
- 20 Feasibility Study
- 114 Health Delivery Activation

\$8.2 M

Partnering on national and global research efforts

67 Contracts

- 13 International Partnership Grants
- 16 Ngā Kanohi Kitea Grants
- 33 Partnership Programme (domestic)
- 5 Rapid Response*

\$12.7 M

People development pipeline

245 Contracts

- 60 Māori Career Development Awards
- 47 Pacific Career Development Awards
- 64 Clinical Career Development Awards
- 15 Scholarships and Postdoctoral Awards
- 59 Health Delivery Career Development Awards

\$7.2 M

Sustaining critical capacity

7 Contracts

- 7 Negotiated funding agreements

*Reflects final payments for contracts funded in 2020 through COVID-19 Equity and COVID-19 Project funding rounds (total 24 grants awarded, \$10.2M) and one Christchurch March 15 Project funded in 2019 (\$0.69M).

Infographic: Research supported by the Health Research Council for year ending 30 June 2023
Figures represent payments across all active contracts in the year.

02 We supported a broad portfolio of research across all disciplines. The investment below includes \$16.1M for research by Māori, for Māori (124 contracts) and \$6.7M for Pacific research (72 contracts).



Graph: Research supported by the Health Research Council in the year ending 30 June 2023, by portfolio (in millions).