



**A New Research Investment Process
for the
Health Research Council of New Zealand
(HRC)**

Consultation Document

December 2008

www.hrc.govt.nz

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Abstract

This paper seeks feedback on the draft of a proposed improved investment process that the Health Research Council of New Zealand (HRC) is suggesting will replace the current annual funding round. The consultation period closes 2 March 2009.

Target Audience

The consultation paper seeks the views of all those interested in the Health Research Council of New Zealand's process of investment in health research.

Executive Summary

As indicated in the Strategic Plan 2008-2013, HRC has undertaken a review of the annual funding round process. There have been significant changes in the health research environment over the last decade, and the HRC considers that there is an opportunity and justification for introducing an improved investment model.

The proposed investment process replaces the annual funding round and does not impact on other investment activities such as career development awards and Partnership Programme initiatives. The proposed new process will retain peer review and contestability.

New contract types are proposed, replacing existing project and programme grants and adding an Innovation grant. Feasibility Study and Emerging Research grants are retained. All contract types have fixed budget maximums.

The proposed investment process is initiated by the release of several Investment Signals. These are brief documents that outline the scope and key characteristics of research being sought, and call for applications. Investment Signals will define priorities for investment. Applications must respond to a single Investment Signal, must address how the proposed research meets the content of the Investment Signal, and will be assessed on the basis of scientific merit and by the impact on and fit with the Investment Signal.

The HRC will invest in a limited number of broad Health Impact Targets (HITs). Each HIT will have an associated Investment Signal. For one of the targeted areas, the priority will be to invest in health research of highest quality. For other targeted areas, the priorities for investment will be more closely aligned with the needs of the New Zealand health sector. Each targeted area will have an indicative budget and an indicative spend for the next five years.

A two stage application process is proposed for Small Project grants, with an invitation for full application being issued to about 200% of the available budget. Group Project proposals will be via a one stage application process. The current Science Assessing Committees, convened by the statutory Research Committees, will be retained and be responsible for assessing the scientific merit of all proposals. For

proposals responding to Investment Signals in some targeted areas, separate committees will be formed to judge the fit with and impact on the Investment Signal. These committees will be composed of research end-users, as well as research experts.

1. Introduction

1.1 The HRC

The Health Research Council of New Zealand (HRC) is a Crown Agent, and the principal Government agency responsible for investment in health research. The Minister of Health is the owning Minister, although most funding is derived from Vote RS&T.

1.2 Purpose of the Paper

This is an HRC consultation paper, which seeks feedback on a proposal to change the major investment process. The proposed process is to replace HRC's current major investment mechanism, the annual contestable funding round. After a development phase, explained below in section 1.3.2, the Board of the HRC has now approved a consultation phase on the draft investment process. The purpose of the consultation phase is to seek views on the proposed investment process from a wide spectrum of individuals and organisations with an interest in health research, or in the outcomes of health research. Following the consultation phase, the feedback will be collated and responses will be prepared. The HRC Board undertakes to consider feedback before making any decisions around the investment model.

1.3 Background information

1.3.1 The need for change

HRC consulted widely in developing its Strategic Plan 2008-2013. One of the actions signalled in the new Plan was a review and potential revision of the annual contestable funding round. The annual funding round is the principal investment mechanism used by the HRC, and approximately 80% of research funding invested each year is via this mechanism. The current annual contestable round process has been in place, essentially in the same format, for at least a decade, although there have been major changes in the health research environment over that time. Significant changes have included the introduction of research portfolios, introduction of full cost funding and a greater emphasis on investing in research that addresses the needs of the health sector.

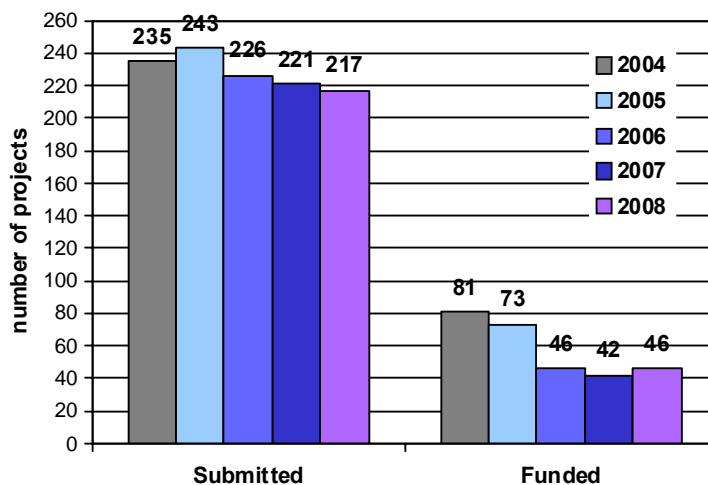
The Letter of Expectation from the Minister of Health for the 2008/09 year encourages HRC to review its investment processes with a view to implementation of any changes in 2009/10.

The Board of the HRC acknowledge several features of the current health research environment that support the need for a revision of grant awarding processes. Some of these features are:

- current investment processes do not have sufficient flexibility to allow HRC to respond to emerging opportunities for new research funding;

- current processes encourage a conservative approach to research; as success rates fall the opportunities for high risk, but potentially high return research are lost;
- there is a need to deliver research that responds more effectively to the needs of the New Zealand health sector, while at the same time retaining the areas of research expertise of international standing that have developed in New Zealand, and creating the opportunity for new areas of high international standing to develop;
- significant increases in the costs of project and programme contracts that are outstripping any increases in allocation through Vote RS&T. For example, over the last four years (for the annual rounds in years 2005-2008), the average project contract cost has increased 39%, and for biomedical and clinical projects the increase has been 48%.
- increasing costs of research mean that a lessening quantum of research has been purchased each year. This is illustrated in Figure 1, and
- if cost trends continue, in the face of constant investment, in five years HRC will be investing in two new research programmes each year (compared to 5 in 2008) and 10-15 projects (compared to 34 in 2008)

Figure 1. The number of project proposals funded through the annual contestable round, as either projects or part of programmes



Effects of purchasing a lessening quantum of research will be many, but likely to include:

- significant losses of research workforce; HRC analysis suggest the loss of 55 full time equivalent HRC-funded researchers over the next five years (or one sixth of the current workforce) if investment levels stay the same;
- loss of expertise from the health research workforce with a consequent diminution of the ability to respond to current and emergent health needs of New Zealand with appropriate research;
- unattractiveness of health research as a career option for young scientists;
- increasingly difficult for emerging health researchers to establish themselves;
- risk of loss of existing “star” research teams that have taken years to build, through failure to gain funding, or sufficient funding, and

- a loss of the status that New Zealand health research holds in the international arena. The 2007 OECD report *Review of Innovation Policy: New Zealand* noted that New Zealand has “world-class competencies in many areas, especially but not exclusively in agricultural and health research”. The report also noted that without sustained and increased investment the result will be lower levels of growth and productivity, an outflow of highly qualified researchers and deterioration of intellectual capital.

Other concerns with the current investment process have been raised informally, through Research Committees, or in correspondence to the HRC Board and the Chief Executive. These include:

- the high opportunity cost to applicants in preparing research proposals, when the success rate has declining to its current level;
- the perceived lack of transparency with the criteria that form the prioritisation score, and the ongoing unfamiliarity of some of the research sector with the prioritisation scoring step;
- disenchantment by some Science Assessing Committee members that so few of the proposals that they have put such effort into reviewing and scoring receive funding, and
- the concern that HRC is not responding appropriately or effectively to the priority needs of the health sector in New Zealand and that too much research has no obvious use.

1.3.2 The process so far

During consultation on the Strategic Plan, and in the intervening year, there has been considerable comment provided to HRC about the challenges facing the health research sector, and issues with current investment mechanisms. As part of the work indicated by the Strategic Plan, and in response to the Minister’s Letter of Expectations, the Board of the HRC requested that the Secretariat prepare a review of the strengths and weaknesses of the current annual round process and put forward alternative models.

At the September 2008 meeting, the Board considered strengths, weaknesses, threats and opportunities in relation to the annual contestable round process. A series of papers prepared by the Secretariat, covering suggestions about changes to research portfolios, the research proposal assessment process and criteria, the funding instruments and contract types were considered. The Board reviewed investment models that ranged from minimal change to the current process, through to a model that involved contracting research providers to deliver on high level outcomes, while leaving them to develop their own research programmes that would lead to the outcomes.

The Board asked the Secretariat to undertake further work in developing a draft investment process, taking into account several key features:

- the introduction of a two stage application process, or streamlining the one stage application process;
- a review of research portfolios;

- removal of Secretariat staff from input into the prioritisation scoring that currently occurs after the Science assessing Committee stage;
- the use of Investment Signals to initiate the call for proposals. (An Investment Signal is a document that calls for research proposals and lays down the characteristics and scope of the research that is being sought);
- transparency and full feedback on proposal assessment at its various stages, and
- an investment model that is flexible enough to respond to new opportunities.

The Board has also previously decided that it did not want to disinvest in any area of health research.

In its work in developing a revised investment model, the Secretariat worked to a number of assumptions that complemented the Board's directions:

- the model needs to be revised in order to invest more effectively in areas of strategic priority for New Zealand;
- the existing research portfolios will no longer be used as the investment framework (but may be used as a monitoring and evaluation tool for the near future);
- the new investment model must be simpler than the existing one, and easier for stakeholders to understand;
- the Secretariat will not be involved in making any classification that affects funding outcome;
- as there is not the intention to disinvest in any particular area of health research, the investment process must be open to the range of research that is currently eligible for funding;
- the investment model should drive and be aligned with expected outcomes;
- assessment processes should be tailored to contract types and outcomes, and
- There should be markedly fewer priorities than currently and they should be transparent and easily understood.

A revised investment model, developed by the Management team, was put before the Board at their November meeting, with the request that the Board approve a process of consultation on the model. It should be noted that the Board have not approved the investment model, just given the Secretariat permission to go and seek feedback on the proposal.

1.4 Responding to the paper

The document invites interested parties to respond to a series of questions, and provide the rationale for their views, about particular components of the model and to make any other comments. The questions are collated in section 4.

This document forms the basis for consultation and is available from the HRC website www.hrc.govt.nz/. The document also forms the basis for face-to-face consultation sessions held in several venues. A schedule of the consultation sessions is also available from the HRC website, and all with an interest in HRC's process for investment are invited to attend in person.

Responses can be made to the HRC website.

2. Proposed Investment Process Model

2.1 Introduction

The HRC is proposing to introduce an improved investment process, to replace the current annual contestable round process. Other existing investment mechanisms, such as career development awards and the partnership programme initiatives are not affected by this proposal. The model has been developed to provide substance for feedback and, as outlined in section 1, represents the result of listening to a range of views about the pros and cons of the current process.

The model at this stage is a proposal; the HRC fully expects that as a result of feedback that the final investment model may look different to this draft. The model is outlined in Figure 2 and is explained in detail in the following sections.

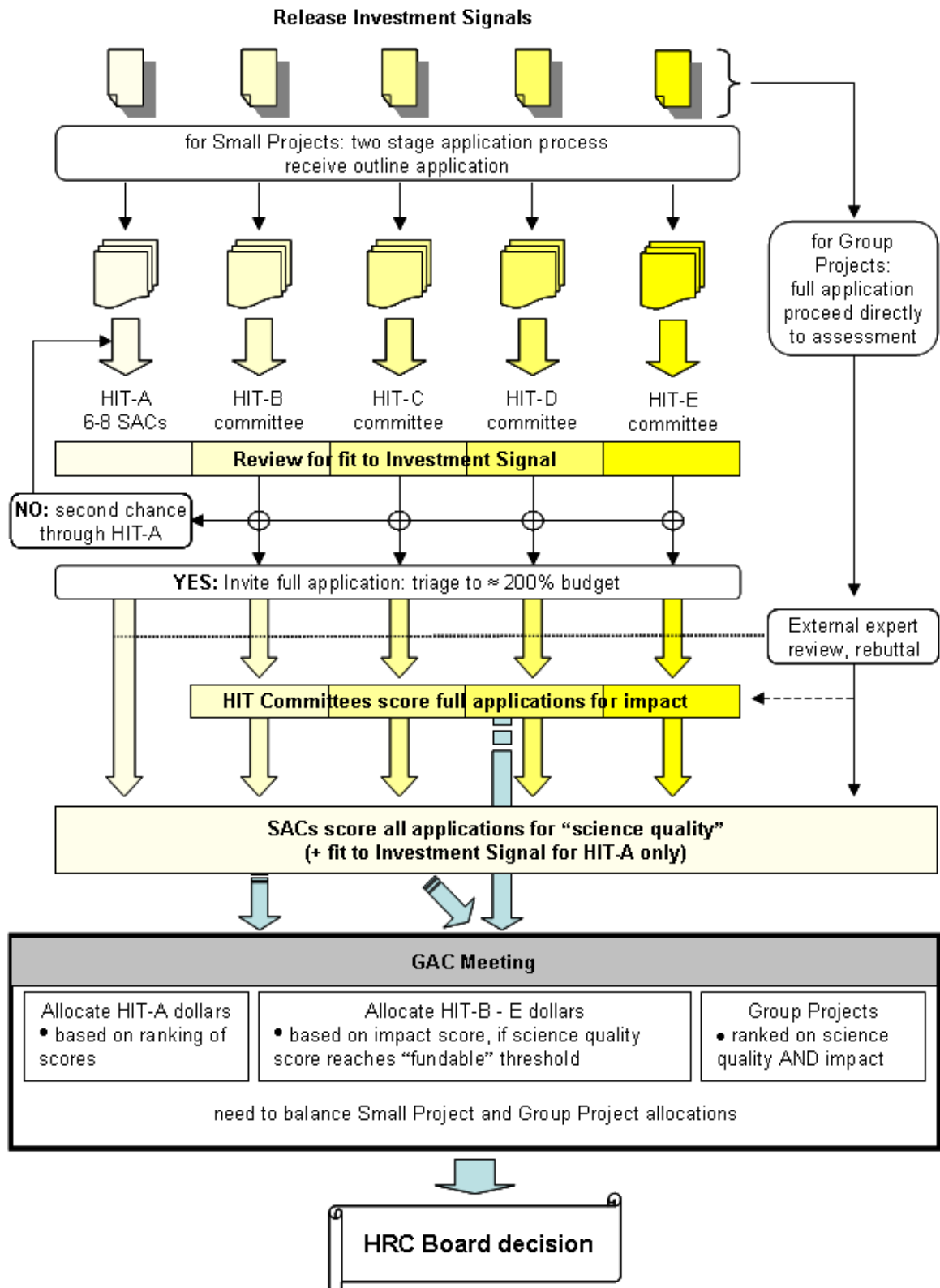
2.2 Key Features of the Proposed Investment Model

It is recognised that the current annual contestable round has served well for many years and has a number of strong points that should be retained. Equally, however, the research investment environment has changed substantially, and there is a need for some new approaches. In the proposed new investment model there are several key features:

- *the retention of peer review*, using external experts and (predominantly) local assessing committees, as now;
- *the retention of full contestability*, as now;
- *transparency of process*. Applicants will be able to follow the progress of their proposal electronically through its various stages of assessment, and see reviews, committee scoring and outcome;
- *a wider range of contract types* but with fixed maximum budgets. These are:
 - Group Project grants (replacing current programme grants);
 - Small Project grants (replacing current project grants);
 - Innovation grants, a new contract type to support high risk but potentially high return research, and
 - retention of both Feasibility Study Grants and Emerging Researcher First Grants, with adjustment of the existing fixed maximum budget limits.
- *a two stage application process* for Small Project proposals. Full proposals will be invited to about 200% of the available budget. In other words, the success rate for a full proposal should be around 50%. The two stage process may cut down the work required in preparing proposals for many applicants as they will not proceed past the first, brief application stage;
- *the potential for two funding rounds each year*. Modeling suggests that the timeline from due date of applications to announcement of funding could be compressed to 5-6 months, compared to the 7-8 months as now. This provides the opportunity, in the future, to offer two funding rounds each year;
- *elimination of the current prioritisation scoring* that along with scoring from Science Assessing Committees contributes to determining which research proposals will

receive funding. Instead, priorities for research will be announced at the start of the funding round, via Investment Signals, and how the proposal meets the stated priorities will be determined by Assessing Committees, and

Figure 2. The Proposed Investment Process



- *elimination of current research portfolios*, as far as the applicants are concerned. HRC will, however, monitor the effects of the new investment model on its investment profile in the short term by continuing to use the taxonomy process to classify funded proposals according to the current research portfolio descriptions.

Q1. Are there any features of the current HRC annual contestable round process, or other features, aside from contestability and peer review, that you believe ought to be incorporated in any new investment model?

2.3 Contract types

The HRC is proposing a suite of contract types to replace those that have been in place for many years. The changes have been made to meet the needs and restraints of the health research sector. The most significant change is the removal Programme contracts and the introduction of Group Projects. Over the years, the application, assessment and compliance processes for Programmes have become complicated. Other changes are the capping of budgets for all contract types (with Project Grants now being called Small Project Grants) and the introduction of Innovation Grants to support highly innovative research ideas that have a potential to return very significant health impact.

Small Project applications will use a two stage process beginning with an Outline proposal, followed by an invitation to provide a Full proposal at an oversubscription rate of 200% available budget. Feedback and announcement of outcomes will be much faster than previously. Group Project, Innovation, Emerging Researcher and Feasibility Study Grants will use a one stage application process (with some streamlining of content).

Q2. Do you support the introduction of a two stage application process, at least for some contract types? Briefly state your reasons.

Q3. If a two stage application process is introduced for Small Projects, is a success rate of approximately 50% at the full application stage too low, too high or about right?

2.3.1 Small Project Grants

The HRC wishes to provide greater opportunity for researchers to access funds by simplifying the application process and shortening the period between funding rounds. It is implementing this strategy by capping the size and length of projects and streamlining assessment processes. HRC Small Projects are intended to support an individual or small group of investigators working on a focussed area of health research. Contracts are restricted to \$0.6 M for 3-5 years.

2.3.2 Group Project Grants

HRC Group Projects are intended to provide support for the long-term development of a health research field by a multidisciplinary group of established investigators. It is the intent of the HRC to support groups with strategic, long-term visions that

promote development of knowledge relevant to the health needs of New Zealand. Group Projects normally require three or more established researchers, who have a successful funding history of peer reviewed contracts and an outstanding track record of achievement in health research. Group Projects will be of 5 years duration and will be capped in value at \$3.5 M. Collaboration between research groups and institutions is encouraged. Group Project named investigators may expand the size of their group through incorporation of additional peer-reviewed projects.

2.3.3 Innovation Health Research Grants

The HRC's new Innovation Health Research Awards will support highly innovative projects that may be "risky", as opposed to "business as usual", but could have significant impact on health outcomes. The contract will provide \$0.4 M for 2 years.

2.3.4 Feasibility Study Grants

Feasibility Study grants remain as now, with a budget maximum of \$150,000 over no longer than 12 months. Feasibility Study grants support public health and clinical research at an early stage.

2.3.5 Emerging Researcher Grants

Emerging Researcher grants remain as now, but with an increased budget maximum amount of \$250,000, for up to three years.

Table 1 provides a guide to the rationale for the maximum budget of each contract type.

Table 1. Derivation of proposed contract budget maximums

	Feasibility Study	Emerging Researcher Grant	Innovation Award	Small Project	Group Project
PI FTE	0.1	0.25	0.1	0.15	0.6
PI salary/FTE	\$100,000		\$100,000	\$100,000	\$100,000
Other FTE	1	1	1	1	3
Other salary/FTE	\$45,000		\$65,000	\$65,000	\$70,000
Total FTE	1.1	1.25	1.1	1.15	3.6
Total salary	\$55,000	0	\$75,000	\$80,000	\$270,000
overhead rate*	1.14	1.14	1.14	1.14	1.14
overhead	\$62,700	0	\$85,500	\$91,200	\$307,800
direct costs/FTE	\$30,000	\$65,000	\$35,000	\$30,000	\$30,000
direct costs	\$33,000	\$81,250	\$38,500	\$34,500	\$108,000
years	1	3	2	3	5
Annual Budget	\$150,700	\$81,250	\$199,000	\$205,700	\$685,800
Total Budget	\$150,700	\$243,750	\$398,000	\$617,100	\$3,429,000

* indicative for the purposes of calculation only

As a guide to the number of proposals that might be funded for the five contract types proposed, Table 2 illustrates a possible outcome, using the total dollars allocated during the 2008 funding round.

Table 2. Potential funding round outcome

Contract type	Allocation	Value, \$M	Number of contracts*	Term (yr)
FS	\$1.5M	\$150,000	10 (7)	1
ERFG	\$2.0M	\$250,000	8 (10)	3
IA	\$5.0M	\$400,000	13 (0)	2
SP	\$30.0M	\$600,000	50 (31)	3
GP	\$28.0M	\$3,500,000	8 (5)	5
Total	\$66.5M		89 (53)	

* number in brackets represent the actual number of contracts awarded in the 2008 funding round, for the equivalent contract type

Q4. Fixed maximum budgets are one approach to containing proposal costs. Can you suggest alternative processes by which the increasing cost of research contracts can be controlled?

Q5. Do you have any comments on the proposed levels of the contract budget maximums?

Q6. Do you have any comments on the nature of the proposed Group Projects as a replacement for the current programme grants?

Q7. What are your views on the introduction of Innovation Grants, as outlined here?

Q8. Do you have any other comments about the proposed contract types?

2.4 Investment Signals

In the proposed investment model, all proposals are investigator-initiated, in response to Investment Signals. Several Investment Signal documents will be released simultaneously. Investment Signals are brief documents that outline the scope and key characteristics of research being sought, and call for applications. Investment Signals will define priorities for investment, replacing HRC's current priorities which are contained in a variety of documents, including portfolio descriptions, priority population descriptions, the New Zealand Health Strategy and He Korowai Oranga. The priorities identified by Investment Signals will be broad and clearly and succinctly expressed.

Investigators must nominate which Investment Signal they are responding to and in their application clearly make a case for how their proposal addresses the Investment Signal. An example of a draft Investment Signal is attached as Appendix 1.

Indicative budgets are included in each Investment Signal. The size of the budget for each area will clearly depend on the scope, and initially, could be informed by current funding patterns. It is proposed that an Investment Signal is likely to be relevant and stable for at least 3-5 years, and so indicative investment levels over the medium term could be signaled. A benefit of the Investment Signal document is that investment can be analysed retrospectively to identify gaps or undersubscribed components, which could then be addressed via RFPs or via Partnership Programme initiatives.

Q9. Do you have comments on the use of Investment Signals as a mechanism for communicating HRC's research priorities?

Q10. What detail is necessary in an Investment Signal to make it relevant and helpful in developing a research proposal? For example, does the draft Investment Signal in Appendix 1 provide adequate guidance? If not, why not?

2.5 Health Impact Targets (HITs)

HRC will invest in research in several defined areas (tentatively named Health Impact Targets - HITs). Several of the HITs (HITs B-E in figure 2) will be reflective of defined priority needs for the health sector, while for another HIT (HIT-A in figure 2) the priority being addressed will be the need for highest quality health-relevant research but which is not better funded through the other HITs. The model itself does not presume that HIT-A will only fund more basic research and that other HITs will only fund more applied research.

Each HIT will have a separate Investment Signal. Draft suggestions for these HITs are provided in Appendix 2. More work needs to be done to refine the suggestions. Investment Signals for HITs, along with the assessment processes (see below) replace prioritization or relevance scoring, which will no longer be required. (Note: a taxonomy process will still be run by the Secretariat, after funding decisions have been made, as the information is required for HRC's reporting obligations and evaluation activities).

A formal review of each HIT should be undertaken on a five yearly basis to assess if it still represents a priority for investment.

Q11. How should HITs be determined?

Q12. Do you support replacement of the current prioritization (or relevance) scoring process with assessment of fit to and impact on an Investment Signal? If not, why not?

2.6 Outline Applications and Assessment

Small Project applications will use a two stage process beginning with an Outline proposal. Proposal outlines will probably consist of three pages summarising the problem being addressed and how it will be approached, plus two pages describing

fit with and impact on the Investment Signal. The outline application may reduce the workload for applicants. A two-stage assessment process will reduce the number of external referees required by the HRC, as only full applications will receive external expert review.

HRC statutory Research Committees (Biomedical, Māori and Public Health Research Committees) will convene Science Assessment Committees (SACs), with membership for up to 3 years, in much the same way that they are now, to assess all outline applications fitting within HIT-A. Assessment of outline applications will be for fit with and impact on the priority defined in the Investment Signal. This assessment will be via a modified and simplified electronic process that will not require physical meeting of the SACs. Triage of applications will be performed, such that full applications are sought to approximately 200% of the indicative budget.

For HITs B-E, Assessing Committees would be convened by the HRC, with members appointed on the basis of their expertise and would likely involve key stakeholders, end-users and researchers. Their role is to assess outline applications for fit with and impact on the Investment Signal. Assessment will be via a modified and simplified electronic process that will not require physical meeting. Triage of applications will be performed, such that full applications are sought to approximately 200% of the indicative budget. Applications triaged from these HITs, because they are inappropriately targeted to that HIT, will be forwarded to the SACs of HIT-A, giving them another chance at receiving invitation to full application. This step is considered to be a temporary measure, for the first two years of the new process. The model puts the onus on applicants to interpret an Investment Signal and correctly target their research proposals to a HIT. As this is a new feature, which the research community will not be used to, HRC want to offer the opportunity for research proposals which are judged to be inappropriately targeted to a particular HIT, to have a second chance.

Q13. A five page Outline proposal, not including pages for contact details, budget indication and brief CVs is suggested. Is this an appropriate length? If not, what would you propose/prefer?

Q14. Against what criteria should the Outline proposal be assessed?

2.7 Assessment of Full Applications

All full applications (including those relevant to HITs B-E) will undergo assessment of science which would run almost exactly as it does now, including external peer review, applicant rebuttal, further opportunity for triage and assessment by a SAC. All assessing committees will physically convene, for one day meetings to assess full applications. There would be no 'taxonomy' process and all proposals would be assessed on the science quality/track record criteria, similar to the current process. Normalisation of SAC scores could be applied, as now.

Rather than the current health significance criterion, full applications will be assessed against fit with the Investment Signal. For HIT-A this will be carried out by the SACs, remembering that for HIT-A the Investment Signal will be seeking high

quality research that impacts on human health, etc. For other HITs, the relevant HIT Committees will score applications on criteria developed to assess the importance and potential impact of the research for each HIT. (Note: these HIT committees will not be required to assess against the other science quality/track record criteria).

At the end of the SAC process, the Joint Research Committee would meet to combine the HIT-A SAC results into a single ranked list, based on science score. This list would then proceed to the Grant Advisory Committee (GAC) for consideration. Committees for HITs B-E will forward to GAC the ranking of applications from their areas.

Q15. Do you have comments on the proposed assessment process for full applications? If not, please outline your concerns.

2.8 Group Project Applications

There is a one stage application process. All proposals must be developed in response to one of the Investment Signals. The Group Project full applications will undergo assessment, proceeding via external peer review, applicant rebuttal and opportunity for triage, before final assessment by SACs (for all applications) and HIT B-E Committees, if the proposal is relevant to those Investment Signals.

2.9 Role of the Grant Advisory Committee (GAC)

GAC will have a modified role compared to now. GAC will continue to make the final funding recommendations to the Board and the HRC Secretariat staff will not influence or contribute to funding recommendations.

GAC will be making recommendations about funding for several discrete pools of money, as indicated in the Investment Signals, and so will need to forward to the Board several ranked lists of proposals and any recommendations about under spend or overspend.

GAC would convene for a one-day meeting.

- GAC would establish ranking for proposals in each of HITs B-E (remembering that each of these areas has its own indicative budget). In doing this, GAC would rely on the rank order of proposals provided by the HIT committees, with the proviso that the SAC assessment score of science quality and track record would be used to establish that the proposal was fundable.
- For proposals within HIT-A, GAC will rank its recommendations taking into account only the scores provided by the SACS (via the Joint Research Committee). As now, the Joint Research Committee might consider balance across SACs.
- GAC must also make recommendations for funding of Group Projects. GAC will use science quality/track record scores from SACs and fit to/impact on Investment Signal score from SACs for HIT-A, or HIT committees for HITs B-E, to rank Group Projects.
- In making final funding recommendations, GAC will take account of the indicative budgets for each HIT, but will also need to be mindful of the need to

achieve a 50:50 split overall for funding to Group Projects and Small Projects. (This mirrors the current situation where the Board strives to achieve a 50:50 split of funding to projects and programmes). GAC would have limited flexibility to reallocate funds between HITs B-E, based upon quality and over- or under-subscription. GAC could also make recommendations to the Board regarding any HIT Committee specifications to release RFPs in areas of the Investment Signals not addressed by investigator-initiated applications.

Q16. Ignoring the proposed maximum budgets for contracts, what is the appropriate balance of investment between Small Projects and Group Projects? For example, do you support a 50:50 split? Briefly comment on your view.

Q17. Do you have a view on the principle of the Grant Advisory Committee being constrained by the indicative budgets for each HIT?

Q18. Are there other comments on the HRC's new draft investment process that you would like to make?

3. Next steps

3.1 Summary

The purpose of this paper is to seek feedback on improvements to the investment model proposed by the HRC. The HRC sees the need for a significant revision of the current annual contestable round process and has carried out work internally to develop a model for consultation. Interested parties are invited to submit their feedback on the model, by both responding to specific questions about components of the model, and by making any general comments.

This document forms the basis for consultation and will be available from the HRC website www.hrc.govt.nz/. The document will also form the basis for face-to-face consultation sessions held in several venues. A schedule of the consultation sessions is also available from the HRC website, and all with an interest in HRC's process for investment are invited to attend in person.

3.2 Timetable for Consultation and Implementation

The deadline for return of feedback to HRC is Monday 2 March. The HRC Secretariat will then collate the feedback, prepare responses and present the feedback, responses and amendments to the HRC Board for its meeting on 22 April 2009.

If the model, or an amended version of the model, is approved by the HRC Board, the new process will be introduced in time for the 2009/10 funding round. Investment Signals will be released in August 2009 and first contracts will be offered to start from 1 July 2010.

4. Summary of Questions

Q1. Are there any features of the current HRC annual contestable round process or other features, aside from contestability and peer review, that you believe ought to be incorporated in any new investment model?

Q2. Do you support the introduction of a two stage application process, at least for some contract types? Briefly state your reasons.

Q3. If a two stage application process is introduced for Small Projects, is a success rate of approximately 50% at the full application stage too low, too high or about right?

Q4. Fixed maximum budgets are one approach to containing proposal costs. Can you suggest alternative processes by which the increasing cost of research contracts can be controlled?

Q5. Do you have any comments on the proposed levels of the contract budget maximums?

Q6. Do you have any comments on the nature of the proposed Group Projects as a replacement for the current programme grants?

Q7. What are your views on the introduction of Innovation Grants, as outlined here?

Q8. Do you have any other comments about the proposed contract types?

Q9. Do you have comments on the use of Investment Signals as a mechanism for communicating HRC's research priorities?

Q10. What detail is necessary in an Investment Signal to make it relevant and helpful in developing a research proposal? For example, does the draft Investment Signal provided in Appendix 1 provide adequate guidance? If not, why not?

Q11. How should HITs be determined?

Q12. Do you support replacement of the current prioritization (or relevance) scoring process with assessment of fit to and impact on an Investment Signal? If not, why not?

Q13. A five page Outline proposal, not including pages for contact details, budget indication and brief CVs is suggested. Is this an appropriate length? If not, what would you propose/prefer?

Q14. Against what criteria should the Outline proposal be assessed?

Q15. Do you have comments on the proposed assessment process for full applications? If not, please outline your concerns.

Q16. Ignoring the proposed maximum budgets for contracts, what is the appropriate balance of investment between Small Projects and Group Projects? For example, do you support a 50:50 split? Briefly comment on your view.

Q17. Do you have a view on the principle of the Grant Advisory Committee being constrained by the indicative budgets for each HIT?

Q18. Are there other comments on the HRC's new draft investment process that you would like to make?

Appendix 1: Investment Signal – High Impact Health Research

Overview

This document provides information on the aim, expectations and eligibility criteria for the **High Impact Health Research** investment area for the HRC's Annual Contestable Funding Round.

This document should be used in conjunction with the Application Guidelines 2009/10 for this fund available from the HRC website <http://www.hrc.govt.nz>.

Further information relating to this investment process can be found in the following document:

- HRC Investment Strategy (www.hrc.govt.nz).
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The HRC is investing \$M per annum in High Impact Health Research from DATE.

Funds for *Small Project* applications will be invested using a two-stage investment process comprising an initial Expression of Interest application in the first instance, followed by a full proposal for selected applications.

Funds for *Group Project* applications will be invested using a one-stage investment process whereby applicants will only submit a full application.

It should be noted that applications that have been directly submitted in response to this Investment Signal *cannot be simultaneously submitted* through another funding mechanism or in response to another Investment Signal.

Funded projects will be subject to the same quality assurance processes, stringent contestability regime and monitoring protocols as is standard with other HRC research contracts.

In order to identify and support high quality and relevant research, the HRC will continue the use of international peer review processes. Applicants should refer to the HRC's Assessment Processes Handbook on the HRC website for further details on this process.

1. Introduction

High Impact Health Research constitutes the HRC's 'open' funding opportunity whereby investigator-initiated health research proposals are funded in two research contracts categories for public good health research that meets the mission and expectations of the HRC.

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High Impact Health Research is that research which would not be better addressed through one of the HRC's other funding opportunities or Investment Signals for the annual contestable round.

These research contracts categories for High Impact Health Research are:

- Small Project Grants

For single clearly defined research projects undertaken by individuals or small groups of investigators. Contracts are restricted to \$M for 3-5 years.

- Group Project Grants

For the long-term development of a health research field by a multidisciplinary group of three or more established investigators who have a successful funding history of peer-reviewed contracts and an outstanding track record of achievement in health research. Contracts will be of 5 years duration and will be capped in value at \$M.

Through this opportunity the HRC aims to fund excellent health research that will ultimately address our vision of 'improved health and quality of life for all'. It is anticipated that High Impact Health Research projects will directly 'meet New Zealand health needs and have international impact' in line with Goal 1 of the HRC's Strategic Plan 2008 -2013. In addition, High Impact Health Research projects will lead to improved engagement with the public of New Zealand who will benefit from high quality health research. In this way, research funded through this opportunity will also meet Goal 2 of the HRC's Strategic Plan to 'maximise the benefits of health research'.

High Impact Health Research will support a broad portfolio of research that advances human health and is relevant to the needs of the NZ health sector and to Government's goals for the research, science and technology sector. The High Impact Health Research investment signal reflects the HRC's vision, and recognises that highest quality health research is vital for achievement of health and well-being for the New Zealand population.

High Impact Health Research is research of very high scientific merit, which has the ability to influence the national health research community and health research practice. High Impact Health Research will build upon the existing national knowledge-base and expertise to increase the potential of the New Zealand health research community. Undertaking High Impact Health Research enables health researchers to keep abreast of key and often cutting-edge issues for current and future research leaders. High Impact Health Research integrates world-class research experience and real-world research experience, allowing research to have the best possible impact on pressing domestic health issues.

Research funded through this opportunity will also have international impact. High Impact Health Research will also raise the profile and contribute to the credibility of health research in New Zealand and allow access to the best international work that might be adopted or modified to meet our needs.

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2. High Impact Health Research

Through High Impact Health Research the HRC aims to support highest quality research to produce the best outcomes. Robust processes based on competition and independent peer review will elicit research that addresses New Zealand's health needs and has international impact.

Applications will outline investigator-initiated projects spanning a broad spectrum of health research including fundamental, strategic and applied research within the general categories of biomedical, clinical, public health, health services, Māori health and Pacific health.

There are no restrictions on the type of health research opportunity that will be considered, or on the discipline, as High Impact Health Research is intended to respond to a wide range of opportunities. However, applicants should note the expectations, aims and priorities of the HRC outlined below in order to ensure that their research is aligned with the strategic direction of the HRC.

Applicants should also refer to the Eligibility section of this Investment Signal to ensure that their proposed research falls within the remit of the HRC.

The HRC considers the following key points to be fundamental to High Impact Health Research:

2.1 Highest Quality Health Research

The HRC recognizes that excellent health research is fundamental to improved health. High Impact Health Research applications will be reviewed by independent experts to ensure the rigorousness and quality of the proposed research and the extent to which the research is important and/or innovative.

2.2 Contribution to the Development and Retention of the Health Research Workforce

New Zealand has a highly dedicated and excellent health research workforce producing work equivalent to the best in the world. The HRC considers it vitally important to retain existing research competencies and to develop any new competencies that are required to ensure that health research continues to have a high impact both nationally and internationally.

High Impact Health Research applicants will demonstrate how their research is contributing to the retention health research workforce. Similarly development of the future health research workforce is an essential and important activity for the HRC. High Impact Health Research applicants will also give consideration to the provision of opportunities for the support of emerging researchers on funded contracts.

3. High Impact Māori Health Research

The HRC's vision for Ngā Pou Rangahau Hauora Kia Whakapiki Ake Te Haoura Māori: The Health Research Strategy to Improve Māori Health and Wellbeing is that

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“all health research in Aotearoa New Zealand benefits the hauora (health and wellbeing) of tangata whenua”. In order to achieve this vision, the HRC aims to:

- ensure all High Impact Health Research meets our ‘Responsiveness to Māori’ expectations, and
- fund and support High Impact Health Research which is driven by Māori health priorities and needs, consistent with tikanga Māori, and which generates mātauranga that is highly valued and used by tangata whenua and government agencies.

High Impact Health Research also includes those research projects that are of high relevance and benefit to Māori. High Impact Māori Health Research will actively seek to produce knowledge which contributes to health outcomes for Māori by:

- building upon Māori research excellence to date, incorporating knowledge, Māori research methods and other paradigms;
- enabling Māori research leaders to work hand-in-hand with tangata whenua communities to identify and solve some of the most pressing health issues for Māori, and
- impacting on the national health research community and health research practice by providing insight from Māori research experts to facilitate understanding around present and future Māori health issues.

High Impact Māori Health Research will align with the HRC’s Māori Health Research Strategy and contribute to He Korowai Oranga, the Ministry of Health’s Māori Health Strategy – and Vision Mātauranga – the Ministry of Research, Science and Technology’s strategy to unlock the innovation potential of Māori knowledge, resources and people.

4. High Impact Pacific Health Research

The HRC’s vision in our Strategic Plan for Pacific Health Research is ‘optimal health for Pacific peoples’. It is anticipated that Pacific health solutions will be discovered through the support of High Impact Pacific Health Research.

High Impact Pacific Health Research will be that research that seeks to improve Pacific health outcomes through scientific excellence. High Impact Pacific Health Research will promote active participation, focus on quality, enable responsiveness and reciprocity to and with Pacific communities and encourage Pacific health research leadership.

High Impact Pacific Health Research will be informed from within the continuum of Pacific world-views, be consistent with Pacific cultural values and beliefs, and be underpinned by Pacific ethical standards, values and aspirations.

High Impact Pacific Health Research will also recognise diversity by generating a high quality evidence-base for the different Pacific ethnic groups in New Zealand and by responding to changing Pacific contexts.

5. Eligibility

Applications that have been directly submitted in response to this Investment Signal cannot be submitted *simultaneously* through another funding mechanism.

Applicants should also note that the HRC does not support research that is not relevant to health outcomes or which is primarily operational or management focused. Typically HRC would not support:

- Clinical audits in a healthcare setting examining practice and outcomes in a particular time and place to determine conformance with expectations. These audits inform and improve management rather than provide advancement of knowledge.
- Community needs assessments, aimed at seeking a health service provider contract.
- Operational research or database audits that evaluate an agency, institution or organisation's compliance with policy, statute or regulation; or evaluate the integrity of an agency, institution or organisation's database. You may however, submit proposals evaluating impact of legislative change.
- Any research that is not relevant to health outcomes.

Appendix 2: Potential Health Impact Targets (HITs)

The HITs are intended to capture and reflect the greatest priority and need areas for the health of New Zealanders (areas B-E), and opportunities for the highest impact in health research (A).

We suggest six HITs; they need to be effective in targeting HRC’s investment towards high quality and high priority research. The greater the number of HITs, the more thinly spread will be the available funds for each area.

A brief description of the kind of research that could be covered within each HIT area is outlined below.

<p>High Impact Health Research (A)</p> <p>e.g. research that is excellent, likely to achieve high impact in the field, and contributes to the HRC’s vision of ‘improved health and quality of life for all’. Research in this stream will meet the HRC’s expectations for all research, such as, engagement with stakeholders and end-users; contribution to the development and retention of the health research workforce; and responsiveness to Māori and Pacific health needs. There is particular emphasis on the quality of the research and the potential for international impact. ‘High Impact Health Research’ is intended to encompass research that would not be better addressed through the other HIT areas.</p>
<p>Enhancing Health and Wellbeing (B)</p> <p>e.g. healthy start to life; ageing well; maintaining independence; reducing smoking; minimizing harm cause by drugs/alcohol; improving nutrition, increasing physical activity and reducing obesity; health promotion; identifying effective health messages for different communities; exploring cultural models of wellbeing and conceptualisations of health; involving communities as partners in research etc.</p>
<p>Research for Health Equity (C)</p> <p>e.g. research focused on improving health equity and health outcomes for our priority populations (Maori, Pacific peoples, children and youth, older adults, people with disability), as well as vulnerable individuals with high chronic health needs and low socioeconomic status; ensuring accessible and appropriate services etc.</p>
<p>Managing Chronic Conditions¹ (D)</p> <p>e.g. reducing the incidence, morbidity and mortality of cardiovascular disease/stroke; cancer (breast, lung, prostate, colorectal); diabetes/obesity; musculoskeletal; chronic obstructive respiratory disease; and managing chronic conditions though the lifecourse etc.</p>
<p>Improving Mental Health Outcomes (E)</p> <p>e.g. the impact of environmental factors (e.g. cultural, social, economic) on mental health; effective strategies for prevention, early detection and treatment of mental and behavioural disorders; translation of biological and behavioural research findings into useful applications in clinical settings; effective service delivery models etc.</p>
<p>Research for New Zealand Health Delivery (F)</p> <p>e.g. developing and identifying effective interventions, models of service delivery and best practice; improving health care delivery and the quality and cost-effectiveness of care; research to inform clinical decision making; evidence for policy and practice; the translation of clinical research to application phase; innovation in the health sector; critically adapting health sector breakthroughs from overseas for uptake in the NZ context; research on the health and disability sector workforce; clinical trials (excluding drug development), etc.</p>

¹ These are the priority chronic conditions identified by the MoH.