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Australian Government Department of Health, Disability and Ageing

National Health and Medical Research Council

Dear Sir / Madam,

**RE: RESPONSE TO THE DRAFT NATIONAL HEALTH AND MEDICAL RESEARCH STRATEGY (2026-2036)**

Thank you for the opportunity to respond to the Draft National Health and Medical Research Strategy (the draft strategy). The Australian Institute of Health Innovation (AIHI) broadly supports the vision and direction of the draft strategy. We offer comments and suggestions on ways the draft strategy can be enhanced.

**About AIHI**

AIHI is Australia's first and largest fully integrated health services research institute, engaged with 152 countries, nurturing over 200 relationships with partners and stakeholders, and managing 160 research projects valued at \$60 million. We participate as co-investigators in a further \$100 million of research funding held elsewhere. AIHI comprises four University research centres including:

- Centre for Healthcare Resilience and Implementation Science
- Centre for Health Systems and Safety Research
- Centre for Health Informatics
- Macquarie University Centre for the Health Economy

AIHI takes a systems and social perspective to addressing challenges in the health and care economy.

In reviewing the draft strategy, we call for greater clarity around funding mechanisms and further work in the refinement of strategic opportunities. Our response addresses these key areas and provides evidence-informed recommendations for the future of healthcare in Australia.

**Funding**

*Funding for health services research*

We strongly advocate for funding levels that reflect the scope and importance of health services research. Resources are already tight for research that provides for innovation and improved health outcomes, particularly for early- and mid-career researchers. Health services research, despite its importance, has experienced a decline in funding relative to the other NHMRC pillars in recent years.

AIHI contributed to discussions with the Health Services Research Association of Australia and New Zealand (HSRAANZ), highlighting concerns over declining success rates in NHMRC funding rounds. HSRAANZ reported that health services research accounted for only 2.6% of successful grants despite

representing 10.3% of applications, with a success rate of just 3.6% compared to an overall NHMRC success rate of 13.4%.

Without adequate investment in health services research, health systems risk operating inefficiently, failing to adapt to emerging challenges, and overlooking the needs of patients, clinicians, and the community. Gaps in evidence can lead to poorly designed policies, fragmented care, and missed opportunities to improve safety, quality, equity, and resource allocation.

### *Transparency of funding decisions*

We are concerned that the draft strategy lacks clarity on how funding allocations are determined and by whom, especially if co-funding is pursued. The proposal to co-fund with industry risks exacerbating inequities, as health services research may attract less private investment than clinical trials.

While co-funding generally focuses on translational work, it does not address advancement in methods and understanding needed to demonstrate gaps in health service provision, or the issue of researcher capacity building and career development. Consumer centric research cannot be achieved by research reliant on funding by business, which operates under corporate strategic goals and the pursuit of profit.

Furthermore, universities—who play a major role in co-funding research—are under increasing financial strain. They are not adequately co-funding research to the extent needed and many are downsizing currently, for a range of complex reasons.

We also highlight the tension between investing in areas of perceived *greatest research need* versus areas of *greatest health and medical benefit*. While we would advocate for greatest benefit (given already stretched resources), the strategy emphasises ‘greatest need’ and yet does not clearly define how ‘greatest need’ is identified. Greater clarity will be critical for aligning funding with national health priorities.

### **Strategic Opportunities**

We believe there are several areas of strategic opportunity for health and medical research that we share here:

#### *1. Benchmarking quality and safety*

We agree with the importance of horizon scanning, as highlighted in the draft strategy. However, we are concerned that the draft strategy does not acknowledge the current gap in achieving this goal. Notably, there has not been a comprehensive study on the safety of healthcare in Australia for almost 30 years—since the landmark work by [Wilson](#) et al in 1995 which examined the rate of harm (16.6% of admissions were associated with an adverse event, which resulted in disability, or a longer hospital stay). To truly benchmark the progress Australia has made in improving quality and safety, and to effectively target future efforts, a whole-of-nation quality in healthcare study is critically needed.

#### *2. Data-driven innovation and artificial intelligence*

Enhancing access to national data sets and electronic health record data has huge potential to boost our understanding of care, health systems performance and quality and safety, and hence our national research competitiveness. Whilst there are many high-quality registries, access to health record data, critical for the development of new interventions such as genomics and AI, faces formidable logistical challenges. NHMRC could play a role in enabling access to data sources, simplifying the approval chain, and linking such data sets across jurisdictional boundaries to accelerate their availability.

More critically, the draft strategy is limited in its focus on AI, machine learning, and data-science fields that are rapidly transforming health research globally. Whilst past funding for AI is welcomed,

Australia remains a global laggard when levels of investment in healthcare AI are compared. It is also not clear that past AI rounds were necessarily well targeted, and there is real scope to constitute an expert panel to review future AI specific rounds, given the complexities of this space and the dizzying pace of global innovation. Our national capacity to develop and adopt AI will also require investment in research that is not traditionally prioritised in NHMRC schemes e.g. AI safety, governance, interoperability, or cybersecurity. A tight focus only or mainly on clinical applications of AI will mean innovation led by Australia will be slow. AIHI thus calls for national leadership in the responsible use of AI in healthcare, including funding for critical research into AI safety, effectiveness, and governance as outlined in the [National Policy Roadmap for AI in Healthcare](#) produced by the AIHI led research and industry collaboration of the Australian Alliance for AI in Healthcare.

### 3. *Consumer-led research*

While equity is mentioned in the draft strategy, AIHI's research ([see Harrison et al.](#)) demonstrates how people who face cultural, language and other communication challenges experience higher rates of [harm](#) in healthcare, and poorer quality care. Our research shows how consumers can co-lead research from inception, ensuring relevance and translatability.

We note that the current assessment criteria do not adequately support consumer centric and applied research. While these address the greatest need and impact, they are not measurable by the number of publications in peer review journals or clinical outcomes. Health services research is a vital step between discovery of new medical or technical solutions and their 'real world' use for the public good. Assessment indicators specifically for research quality need to consider indirect but significant health and societal gains from greater levels of equity, and appropriateness of study design.

### 4. *Health impacts of climate change*

The draft strategy does not adequately address the health impacts of climate change. AIHI supports prioritising a sustainable health system and advocates for a national review of the health system's capacity and preparedness for climate-related challenges (Braithwaite et al., [2024a](#); [2024b](#)). There are two key aspects of this: research on *mitigation*, and research on *adaptation*.

### 5. *Global collaboration*

There is limited discussion of international research partnerships, despite Australia's strong global ties. Over 36% of AIHI's research involves international collaborators across 152 countries. We have demonstrated the benefits of global collaboration and the opportunity to leverage international funding, such as Horizon Europe grants. Greater support for these partnerships would strengthen Australia's research impact.

## **AIHI's research led approach**

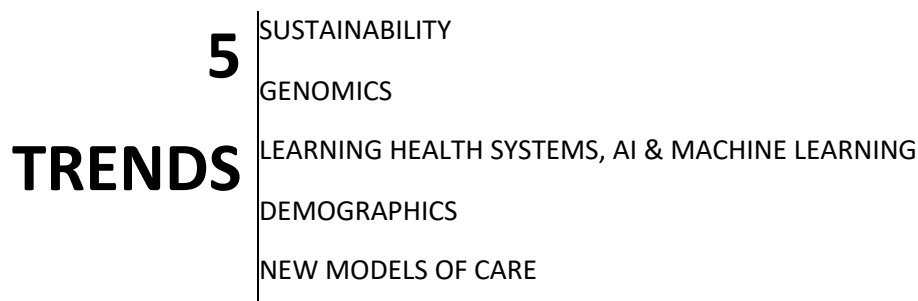
In 2018 we published research looking at the health reform initiatives of 152 countries and their progress with improving their health system. From this work, we created a model of reform initiatives across low-, middle- and high-income countries. We provide the [5+9 model](#) for how health systems can create better care systems by 2030, but it will be a challenging task, and high quality health services research will need to underpin progress. The essential elements of progress are:

- People receive high-quality, safe care wherever they need it, in a timely way.
- People can access care in out of hospital settings to manage their health and wellbeing.
- People receive timely emergency care.
- There is a major emphasis on keeping people healthy through prevention and health promotion.
- Our workforce and systems are continuously improving to deliver the best health outcomes and experiences.

## AIHI's 5+9 Model

AIHI's 5+9 model shows the five trends and nine priorities for health systems to 2030. **These are the factors that, if we can put them in place, will determine a better-performing health system for Australia.**

FIGURE 1: FIVE TRENDS SHAPING HEALTH SYSTEMS OVER THE DECADE



Explanations:

1. **Sustainability of healthcare:** creation of health systems that are built to last and resilient.
2. **Genomics:** the adoption, implementation, and risk management of this new technology.
3. **Learning Health Systems, artificial intelligence, and machine learning:** strides in informatics over the next decade; including maturing artificial intelligence and machine learning technologies.
4. **Demographics:** for example, ageing populations, socio-economic gaps or social determinants of health.
5. **New models of care:** rapid emergence of more flexible and decentralised models of care appropriate to patient needs.

FIGURE 2: NINE PRIORITIES THAT WILL DEFINE THE FUTURE OF HEALTH SERVICES OVER THE DECADE



Explanations:

**Integration of care:** Over the next decade, currently siloed models of care delivery need to be radically transformed and replaced by more integrated and collaborative ones. If we get it right, harnessing the power of multidisciplinary teams, highly skilled practitioners will work across disciplinary and sectoral boundaries to provide patients with high quality care throughout their lifetime. Confines separating primary, secondary and community care will dissipate as patient data and medical records become easily shared and accessible. Integration of care will be key to reducing waste, duplications and improving the coordination of health systems by 2030.

**Financing, economics, and universal health coverage:** Ensuring healthcare costs are sustainable is increasingly becoming a priority for governments around the world, as healthcare costs as a proportion of gross domestic product continues to increase. Policy makers and funders can play a decisive role in extracting more value from their healthcare systems including through the adoption of [value-based payments](#). This would entail a natural next step in progress towards value-based healthcare.

**Patient centred care:** As experts and partners in their care, patients will play an increasingly prominent role in controlling and driving treatment options and plans. The ubiquity of health data will empower them to decide how they access and use health services. New technologies will enable them to manage emerging or chronic routine procedures.

**Universal coverage:** In line with the WHO's quest for all countries to cover their population adequately and equitably, the better performing health systems will, over the current decade, have introduced a basic level of care for all, creating greater levels of coverage across-the-board. Our [survey](#) of Australians showed that 14% of people with chronic health conditions were unable to pay for healthcare or medicine due 'a shortage of money'.

**Clinical and information technology:** Health systems are on the cusp of a major digital revolution. Exponential innovations in clinical technologies, monitoring and diagnostic capabilities are set to increasingly rely on new technologies such as robotics to automate and streamline many of the tasks conducted by doctors today, and AI to support better decision-making. Decisions will need to be made around investment to support the safe and ethical introduction of AI into healthcare. This may involve further developing the national agenda. Learning Health Systems would act to capitalise on the information revolution and bring clinicians and patients together with a culture of continuous learning and empowerment. Greater transparency of data being made available from the health system will lead to improvements in care and opportunities to introduce value-based funding models. For example, greater access to emergency department data would deliver better understanding of the need to improve the management of chronic health issues at the primary care level.

**Ageing populations and demographics:** Shifting demographic profiles constitute a major challenge for healthcare. People are living longer than ever before, and with a high prevalence of degenerative chronic conditions that add considerable pressure on health systems. Holistic healthcare strategies are needed that will help reduce the burden of the global demographic and epidemiological transitions on health systems.

**Preventative care:** Future health systems will be pro-active in anticipating patient needs. They will focus on wellbeing and early intervention to prevent foreseeable disease. As monitoring technologies and biosensors become ubiquitous, health data will be continuously tracked and analysed thanks to advanced computing capabilities. Irregularities will be detected in time to prevent issues before they arise or escalate to a more serious or life-threatening level. The affordability of new technologies is not yet clear, and it is necessary to identify and resolve obstacles to the implementation of delivery systems. There is work to do, particularly given the separate funding and governance jurisdictions involved from primary care to allied health, specialists, hospitals, aged care and community services. It will be necessary to balance the drive for bricks and mortar health system building projects against the need for preventative health strategies.

**Accreditation, standards, and policy:** Although considerable efforts have been made to improve patient safety and the quality of care, health systems have a considerable way to go in reducing harm to patients. The next decade is expected to see a rise in national policies and regulatory efforts oriented towards improving patient safety and strengthening the system

through accreditation or national policies and standards. They will also integrate ideas from Safey-II: this involves a concerted effort to enable things that go right, to go right more often.

**Human development:** The healthcare workforce is an essential component of health systems. Workforce development is crucial to improving the quality of care from recruitment to education and training, to professional development, to supporting leadership roles. Robust, evidence-based health workforce planning (not just the medical workforce) is essential to enable healthcare systems to respond to significant challenges, including climate change induced events, outbreaks and future epidemics and pandemics. The current journey of learning to rigorously evaluate organisational change programs is aimed at changing unprofessional behaviours and overcoming the current epidemic of toxic behaviour impacting some health provider organisations. Creating positive workplace cultures is critical to staff retention, wellbeing, reduced burnout and the delivery of safe and effective care. Current measures to attract more doctors, nurses and allied health staff, particularly to regional areas, needs to be reinforced with strategies to enable staff to work at the top of their licence and across silos.

## Conclusion

The performance of Australia's health system is defined by [three numbers](#) (Braithwaite et al.): 60% of care is in line with level 1 evidence or consensus-based guidelines; 30% is waste or care of low value; and 10% is harmful. The main way to tackle this performance is through better, more targeted, health services research.

We have outlined several key considerations centred on an improved health services research capability in response to the Draft National Health and Medical Research Strategy. While this is not a complete list, these points demonstrate our commitment to improving healthcare through evidence-based recommendations and interventions. Each year, AIHI produces over 500 publications including peer reviewed journal articles, books and chapters on optimising the safety and quality of care, managing care delivery systems, and safely integrating digital technologies into clinical practice and the broader care economy. We welcome further discussions.


Yours sincerely,



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