

NATIONAL HEALTH AND MEDICAL RESEARCH COUNCIL

NHMRC

Agency Resources and Planned Performance

National Health and Medical Research Council

Health and Ageing Portfolio Agency

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Section 1: Agency Overview and Resources

1.1 Agency Overview

The National Health and Medical Research Council (NHMRC) is the Australian Government's key agency for supporting health and medical research. The NHMRC is responsible for developing evidence-based health advice for the Australian community, health professionals and governments, and for providing advice on ethical behaviour in health care and in the conduct of health and medical research.

The *National Health and Medical Research Council Act 1992* (the NHMRC Act) enables the Australian Government to pursue activities designed to raise the standard of individual and public health throughout Australia; foster the development of consistent health standards between the states and territories; support medical and public health research and training throughout Australia; and promote the consideration of ethical issues related to health.

The NHMRC is an independent statutory agency operating under the NHMRC Act, and has statutory obligations under the *Prohibition of Human Cloning for Reproduction Act 2002* and the *Research Involving Human Embryos Act 2002*.

The NHMRC is a prescribed agency under the *Financial Management and Accountability Act 1997* and is subject to the *Public Service Act 1999*.

1.2 Agency Resources

Table 1.2.1 shows the total resources from all origins. The table summarises how resources will be applied by outcome and by departmental classifications.

Table 1.2.1: NHMRC Resource Statement – Budget Estimates for 2009-10 as at Budget May 2009

		Estimate of prior year amounts available in 2009-10 \$'000	Proposed at Budget 2009-10 \$'000	Total estimate 2009-10 \$'000	Estimated available appropriation 2008-09 \$'000
Ordinary annual services					
Departmental appropriation					
Departmental appropriation*		17,972	40,843	58,815	65,746
s31 Relevant agency receipts [^]		-	3,150	3,150	4,901
Total		17,972	43,993	61,965	70,647
Administered expenses*					
Outcome 1		-	703,065	703,065	617,837
Total		-	703,065	703,065	617,837
Total ordinary annual services	A	17,972	747,058	765,030	688,484
Other services - Bill 2[#]					
Departmental non-operating					
Equity injections		-	350	350	350
Previous years' outputs		-	-	-	-
Total		-	350	350	350
Total other services	B	-	350	350	350
Total Available Annual Appropriations		17,972	747,408	765,380	688,834
Special Accounts					
Opening balance		370,413	-	370,413	366,113
Appropriation Receipts		-	703,753	703,753	617,837
Non-Appropriation receipts to Special Accounts		-	15,000	15,000	15,000
Total Special Account	C	370,413	718,753	1,089,166	998,950
Total resourcing (A+B+C)		388,385	1,466,161	1,854,546	1,687,784
Less appropriations drawn from annual or special appropriations above and credited to special accounts and/or CAC Act bodies through annual appropriations		-	703,753	703,753	662,837
Total net resourcing for NHMRC		388,385	762,408	1,150,793	1,024,947

Notes: All figures are GST exclusive.

* Appropriation Bill (No.1) 2009-10.

[^] s31 Relevant Agency receipts - estimate.

[#] Appropriation Bill (No.2) 2009-10.

1.3 Budget Measures

Budget measures relating to the NHMRC are detailed in Budget Paper No. 2 and are summarised below.

Table 1.3.1: NHMRC Budget Measures

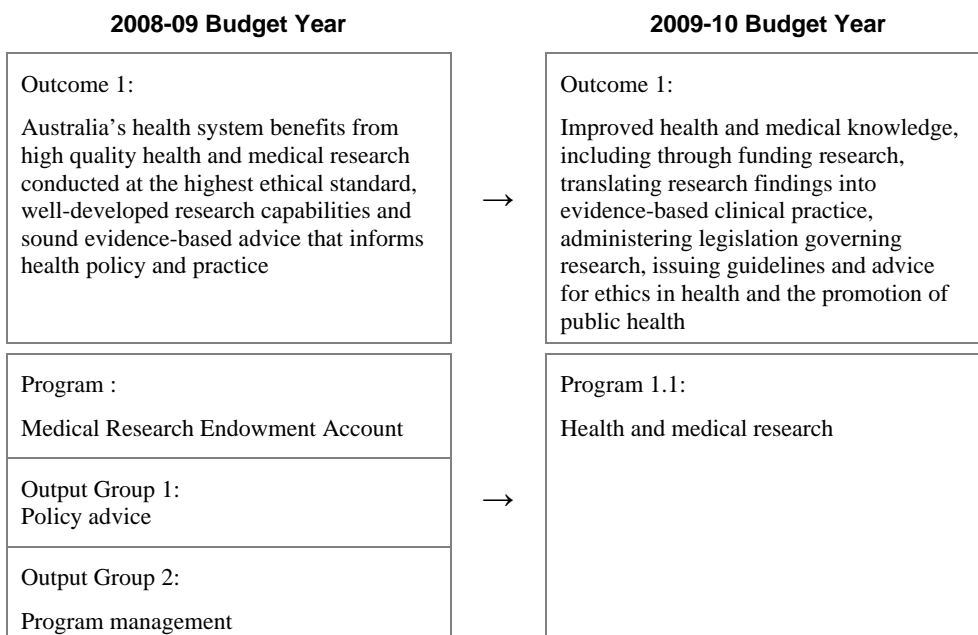
	Program	2008-09 \$'000	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000
Regulation of research involving human embryos and the prohibition of human cloning - continuation of funding						
National Health and Medical Research Council						
Departmental expenses	1.1	-	-	-	-	-
Administered expenses		-	-	-	-	-
Total		-	-	-	-	-

Prepared on a Government Financial Statistics (fiscal) basis.

1.4 Transition from Outcomes and Outputs to Outcomes and Programs

From the 2009-10 Budget, all General Government Sector (GGS) entities will be reporting on a Program basis. The table below outlines the transition from the 2008-09 Budget year (as at Additional Estimates), which was presented in administered items, outputs and output groups, to the program reporting framework used for the 2009-10 Budget. The table also captures revisions made to GGS Outcome Statements under the Operation Sunlight Outcome Statements Review.

Figure 1: Transition Table



Note: Under the previous performance reporting structure, departmental activity was reported under departmental outputs. Under the new structure, departmental costs are reported as Programs.

Section 2: Outcomes and Planned Performance

2.1 Outcomes and Performance Information

Outcome 1 – Improved health and medical knowledge, including through funding research, translating research findings into evidence-based clinical practice, administering legislation governing research, issuing guidelines and advice for ethics in health and the promotion of public health

Outcome Strategy

The Australian Government, through the NHMRC's investment in health and medical research, aims to improve health and medical knowledge in order to improve the health status of all Australians. The development of health and medical knowledge is an essential step, and precedes the clinical, therapeutic and behavioural changes that lead to health improvement. The NHMRC, on behalf of the Australian Government, is the leading national investor in ethical research to address national health priorities.

The creation of health and medical knowledge through research underpins improvements in health service delivery and intervention and enables the development of rigorous advice for all consumers to make health choices that prevent the onset of disease and to seek the most effective treatments.

The Australian Government will continue to build Australia's research capacity and international standing by investing in national resources and facilities to promote innovative research. The Australian Government, through the NHMRC, will invest in people and teams to design and conduct research that spans discovery research and the subsequent application of new knowledge to improve health interventions, systems and policy. Through investment in priority areas such as Indigenous health, diseases imposing the greatest burden into the future, chronic disease and health research frontiers, the NHMRC will support the development of health and medical knowledge that will be of most relevance to the current and future health needs of all Australians.

The NHMRC will utilise its research investment through collaborations with international partners to address common health priorities. The NHMRC will continue to collaborate with regional neighbours such as New Zealand, China, Japan and Singapore, to augment health and medical research efforts and improve the health status of our respective populations, adding to regional cooperation and stability.

The NHMRC's investment in health and medical research on behalf of the Australian Government represents approximately 16 per cent of the total national investment by both the public and private sectors. It can take up to 20 years for knowledge created through research to be translated into health interventions and improvements. The NHMRC's investment in health and medical research thus produces benefits to Australia well into the future.

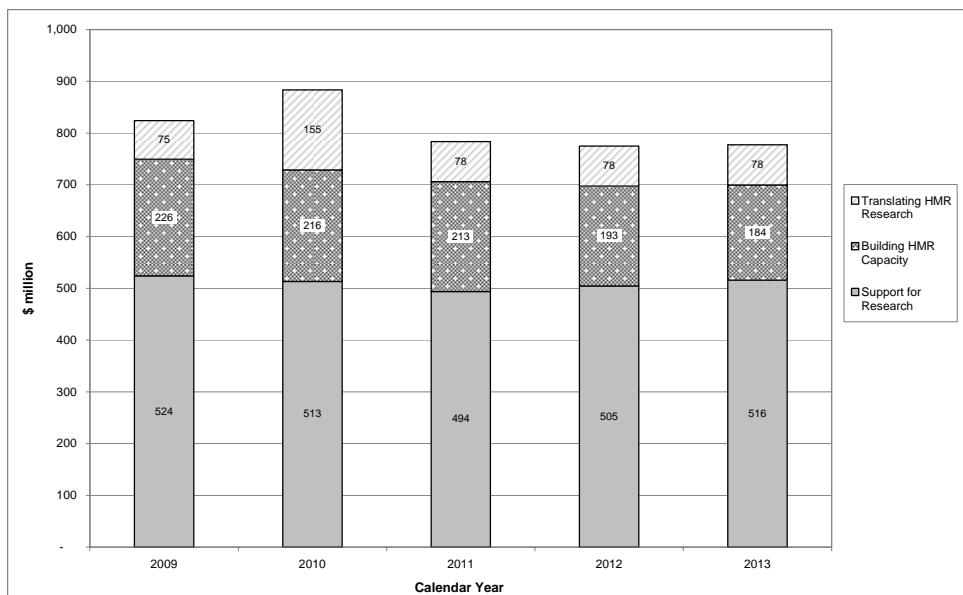
Refer to discussions under Program 1.1: Health and medical research for further information on these Government initiatives.

NHMRC Trend

Trend Projection 1.1: Planned Investment in NHMRC Main Funding Groups to Create New Knowledge

Trend 1.1 shows the Australian Government’s forward budget for investment in health and medical research, as at the time of publication of these Portfolio Budget Statements. The Medical Research Endowment Account, a special account under the NHMRC Act, is managed by the NHMRC to fund research. The graph below presents the planned investment in 2009 and over the next four years, for research, building capacity and translation of research findings into clinical practice and public policy development.

Figure 2: Planned Funding Commitments for Major NHMRC Funding Schemes



Source: NHMRC Medical Research Endowment Account budget data, 2009.

NHMRC Budgeted Expenses and Resources

Table 2.1.1 provides an overview of the total expenses for the NHMRC by Program.

Table 2.1.1: Budgeted Expenses and Resources for the NHMRC

	2008-09 Estimated actual expenses \$'000	2009-10 Estimated expenses \$'000
Program 1.1 Health and medical research		
Administered expenses		
Special account		
Medical Research Endowment Account	628,537	723,289
Departmental expenses		
Ordinary annual services (Appropriation Bill No. 1)	39,425	40,843
Revenues from other sources (section 31)	4,901	3,150
Funded from prior year surpluses	1,400	1,400
Unfunded expenses*	337	-
Subtotal for Program 1.1	674,600	768,682
Total expenses for the NHMRC	674,600	768,682
	2008-09	2009-10
Average staffing level (number)	230	230

* Loss attributable to the effect of the decreased bond rate on employment entitlements.

Contributions to the NHMRC

Program 1.1: Health and medical research

Program Objective

Through this Program, the Australian Government aims to improve health and medical knowledge so that health consumers, clinical practitioners, health insurers, health system providers and industry can be informed by a sound evidence-base when making health-related decisions. The following discusses the key strategic directions the Australian Government will take through the NHMRC to help achieve this objective.

Key Strategic Directions

This Program aims to:

- support researchers to deliver the best and most relevant research upon which evidence-based health policies and practices are built;
- translate research findings into evidence-based practice to improve decision-making by health care practitioners in their treatment of the Australian community;
- monitor researcher compliance with legislation to ensure the appropriate use of human embryos in research;
- promote the highest ethical standards to protect the welfare and rights of participants in research; and
- promote public health to improve the health status of the Australian community.

Major Activities

Research Investment

The Australian Government provides funding for health and medical research to enable informed decision-making, channelling knowledge back into the design of health services and interventions to develop new products and services that improve health outcomes. In 2009-10, the Australian Government, through the NHMRC, will directly fund research projects, fellowships and research aimed at the translation of research evidence.

In 2009-10, the NHMRC will support investigator initiated research to address the health problems Australians face, including chronic diseases and diseases with the greatest health burden, the social, economic and environmental determinants of health, clinical practice improvement and enhanced health services and systems.

The NHMRC aims to invest five per cent of its annual research budget in Indigenous health, reflecting the proportionately greater health disadvantage of Aboriginal and Torres Strait Islander people. This will contribute to the Australian Government's objective of closing the 17 year gap in life expectancy between Indigenous and non-Indigenous Australians. The NHMRC will also invite co-funder participation, through partnership grants and centres, to address health issues that involve government, other agencies, and the not-for-profit and business sectors.

In addition, the NHMRC will participate in a number of international consortia and partnerships to increase overall investment, develop solutions for global health problems such as malaria, water-borne diseases and the increase of non-communicable diseases,

optimise the use of new technologies and enhance the economic stability of our neighbours through health and medical research efforts.

The NHMRC is developing its strategic plan for 2010 to 2012, which it will provide to the Minister for Health and Ageing for approval in accordance with the NHMRC Act. The strategic plan will focus on the best ways in which to provide an evidence-base for future health interventions, health policy development, health systems improvement, the growth of new industries and a high quality research workforce.

Challenges for funding research to generate new knowledge include the capacity of the NHMRC to manage an increasing volume of applications, the rising costs of research, particularly for clinical trials, and the trend for large scale and multidisciplinary research projects to address more complicated health issues within a complex health system. To meet these challenges, the NHMRC is investing in a new grants management system and establishing an academy of eminent researchers and experts, to advise on, and conduct, peer reviews. The NHMRC is also rationalising its funding schemes to improve efficiency and fill the gaps in health and medical knowledge.

The current global financial situation will impact on charitable funding organisations and private sector investment in research, and this will have significant effects on clinical and health services research.

Translating Research Findings into Evidence-based Practice

The Australian Government, through the NHMRC, invests in applied research through centres of research excellence and partnerships to translate evidence into effective prevention or treatments. Partnership projects will support collaborations between researchers and policy or practice agencies. Partnership centres will work on large scale programs of research and implementation strategies. In 2009-10, the NHMRC will also offer development grants that provide funding for research commercialisation at the early proof-of-concept stage, to make the projects commercially attractive to potential investors.

The NHMRC's National Institute of Clinical Studies (NICS) enables the translation of research findings into evidence-based clinical practice by developing resources to support the delivery of evidence-based health care. This helps build clinicians' capacity for the implementation of evidence-based health care and evidence-based practice in key clinical priority areas such as venous thromboembolism prevention and pain management.

Potential challenges include the need to develop advice for third party guideline developers and provide assistance with developing implementation programs. To overcome this, the NHMRC will be working closely with key organisations and agencies to help set priorities in guideline development and implementation.

Monitoring Compliance with Legislation

The Australian Government acknowledges that research involving human embryos leads to improved knowledge of embryo development and potential therapeutic applications for stem cells. In 2009-10, the Australian Government will fund the NHMRC to continue administering the *Research Involving Human Embryos Act 2002* and the *Prohibition of Human Cloning for Reproduction Act 2002* (the Acts), which prohibit certain unacceptable practices, including human cloning for reproduction, and regulate certain uses of human embryos. This will ensure that improved health and medical knowledge is underpinned through the administration of legislation governing research.

The NHMRC will do this largely through its Embryo Research Licensing Committee which considers applications, issues licences to people using human embryos for research purposes and makes information on licences publicly available. Through its inspection powers under the Acts, the NHMRC will also monitor researchers' compliance with the Acts and their licences.

Promoting the Highest Ethical Standards

The Australian Government aims to ensure that research involving or affecting humans is performed in an ethical manner to protect the welfare and rights of participants. The Government funds the NHMRC to promote the highest ethical standards. In 2009-10, the NHMRC, upon advice from the Australian Health Ethics Committee, will continue to develop principle-based guidelines, standards and advice related to priority topics in ethics in human research and health. Australian researchers, policy makers, health professionals and the general public can make better decisions when they have appropriate guidance available on important issues. The NHMRC will support human research ethics committees that undertake the ethical review of human research before it commences, and will continue work to enable the single ethics review of multi-centre human research.

In addition, the NHMRC will implement significant improvements to the approval and monitoring of institutions that receive Australian Government funding. This will provide further assurance that research conducted in Australia complies with the highest ethical standards.

The NHMRC will continue to develop principle-based guidelines and standards on the ethical care and use of animals for scientific purposes. The NHMRC will lead a major review of the *Australian Code of Practice for the Care and Use of Animals for Scientific Purposes 2004* that will include community and stakeholder engagement.

Promoting Public Health

The Australian Government is committed to investing in the development and promotion of public health. Through the NHMRC, the Government provides funding for public health research and the development of a public health research workforce. It also supports the development and dissemination of systematic literature reviews, evidence-based statements and guidelines on priority areas of public health. The NHMRC promotes the development and promotion of public health through the provision of evidence-based scientific and technical advice to a wide range of external stakeholders that include regulatory agencies, professional organisations, ethics committees and government departments.

In 2009, the NHMRC will formally release its response to the recommendations of the Review of Public Health Research Funding in Australia chaired by Professor Don Nutbeam. The review was commissioned by the NHMRC in 2008 and has identified a number of challenges in supporting public health research. Response strategies cover a wide range of issues canvassed during the course of stakeholder consultation, including the need for improved national coordination of public health research, changes to funding mechanisms and improvements to NHMRC application processes.

Program 1.1: Expenses

The NHMRC's planned funding commitments for health and medical research in Australia over the Budget and forward estimates is expected to rise to over \$880 million in 2010 and then stabilise at around \$780 million over the next three years, with 63 per cent of funding supporting research projects, 25 per cent supporting capacity building fellowships and

scholarships, and 12 per cent supporting the translation of health and medical research into evidence-based practice.

The NHMRC was appropriated \$12.7 million in 2006-07 to administer the Australia Fellowship scheme. The funding was to be spent over the nine year period of the scheme. This results in an approved operating loss in the Departmental Income Statement of \$1.4 million per year.

Table 2.1.2: Program Expenses

	2008-09 Estimated actual \$'000	2009-10 Budget \$'000	2010-11 Forward year 1 \$'000	2011-12 Forward year 2 \$'000	2012-13 Forward year 3 \$'000
Annual administered expenses:					
Special account					
Medical Research Endowment					
Account	628,537	723,289	786,177	823,808	835,901
Program support	46,063	45,393	40,385	41,138	41,356
Total Program expenses	674,600	768,682	826,562	864,946	877,257

Program 1.1: Deliverables

To drive the development of new knowledge, improve Australia's capacity to innovate and facilitate sound decision-making, Program 1.1 will support research conducted to the highest ethical standards. The NHMRC has overall responsibility for the 'deliverables' that contribute to the Program.

Qualitative Deliverables

Research Investment

- High quality research is facilitated by NHMRC investment. This will be measured by the number of awards for research projects, building capacity and translating health and medical research.

Translating Research Findings into Evidence-based Practice

- Identify and fund translational research, including centres of research excellence in clinical, public health and health services research, and partnership research projects. This will be measured by the number of research projects improving evidence-based practice.
- The provision of guidance to support clinical and public health guideline development and review, measured by the number of organisations using NHMRC guidelines

Monitoring Compliance with Legislation

- The NHMRC is required to ensure researchers comply with human embryo research licence conditions and legislation, and organisations comply with deeds of agreement. This will be measured by the number of inspections, desk audits and monitoring visits conducted on licensed facilities.

Promoting the Highest Ethical Standards

- In 2009-10, the NHMRC will consult on ethical issues in health and medical research. This will be measured by the development or revision of human research guidelines and other advice.
- Implementation of the single ethics review of multi-centre human research by 2010. This will be measured by the scale of uptake by the research community.

Promoting Public Health

- Public health promotion will be measured by the implementation of the agreed recommendations from the Review of Public Health Research Funding in Australia.

Table 2.1.3: Quantitative Deliverables for Program 1.1

Quantitative Deliverables	2008-09 Revised Budget	2009-10 Budget	2010-11 Forward Year 1	2011-12 Forward Year 2	2012-13 Forward Year 3
Research Investment					
Percentage of the NHMRC's research funding allocated to Indigenous health research.	5%	5%	5%	5%	5%
Translating Research Findings into Evidence-based Clinical Practice					
Number of visits to NICS website. ¹	63,000	66,000	69,000	73,000	77,000
Promoting Public Health					
Downloads of NHMRC publications from website, ¹ including systematic literature reviews, evidence-based statements and other public health guidelines.	319,000	335,000	352,000	369,000	388,000
Number of visits to NHMRC website. ¹	1,061,000	1,114,500	1,170,000	1,229,000	1,290,000

¹ Accessible at <www.nhmrc.gov.au>.

Program 1.1: Key Performance Indicators

The following ‘key performance indicators’ measure the impact of the Program.

Qualitative Indicators

Research Investment

- Improved health and medical knowledge. This will be measured by monitoring the end of grant reports produced for contracted research. Longer term success will be measured by commissioning external reviews, such as the impact of journal publications resulting from NHMRC-funded grants, the return on investment in health improvement for Australians and improved national productivity. These reports are commissioned on a three to five year basis.

Translating Research Findings into Evidence-based Practice

- Funded initiatives produce public health, clinical, and ethical advice and guidelines. This will be initially measured by access to the published resources on the NHMRC internet site,² and then through the citation of NHMRC resources and funded research in clinical guidelines, health policy, and in health professional education programs.

Table 2.1.4: Quantitative Key Performance Indicator for Program 1.1

Quantitative Indicator	2008-09 <i>Revised Budget</i>	2009-10 <i>Budget Target</i>	2010-11 <i>Forward Year 1</i>	2011-12 <i>Forward Year 2</i>	2012-13 <i>Forward Year 3</i>
Research Investment					
Percentage of end of grant reports submitted by grant recipients.	100%	100%	100%	100%	100%

² Accessible at: <www.nhmrc.gov.au>.

Section 3: Explanatory Tables and Budgeted Financial Statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the Budget year 2009-10. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and Program expenses, movements in administered funds, special accounts and Government Indigenous expenditure.

3.1 Explanatory Tables

3.1.1 Movement of Administered Funds Between Years

Section 3.1.1 is not applicable to the NHMRC.

3.1.2 Special Accounts

Special accounts provide a means to set aside and record amounts used for specified purposes. Special Accounts can be created by a Finance Minister's Determination under the *Financial Management and Accountability Act 1997* or under separate enabling legislation. Table 3.1.2 shows the expected additions (receipts) and reductions (payments) for each account used by the NHMRC.

Table 3.1.2: Estimates of Special Account Cash Flows and Balances

	Opening balance 2009-10 2008-09	Appropriation receipts 2009-10 2008-09	Other receipts 2009-10 2008-09	Payments 2009-10 2008-09	Closing balance 2009-10 2008-09
Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Medical Research Endowment Account - s21 FMA Act [National Health and Medical Research Council Act 1992] ^A	1 370,413 366,113	 703,753 617,837	 45,000 45,000	 753,977 658,537	 365,189 370,413
Total special accounts					
2009-10 Estimate	370,413	703,753	45,000	753,977	365,189
<i>Total special accounts 2008-09 estimate actual</i>	<i>366,113</i>	<i>617,837</i>	<i>45,000</i>	<i>658,537</i>	<i>370,413</i>

Note: ^A Administered

3.1.3 Australian Government Indigenous Expenditure

Table 3.1.3: Australian Government Indigenous Expenditure

Outcome	Appropriations				Other \$'000	Total \$'000
	Bill	Bill	Special	Total		
	No. 1 \$'000	No. 2 \$'000	approp \$'000	approp \$'000		
National Health and Medical Research Council						
Program 1.1						
Administered 2009-10	30,929	-	-	30,929	-	30,929
<i>Administered 2008-09</i>	<i>35,526</i>	-	-	<i>35,526</i>	-	<i>35,526</i>
Departmental 2009-10	-	-	-	-	-	-
<i>Departmental 2008-09</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Total Outcome 2009-10	<u>30,929</u>	<u>-</u>	<u>-</u>	<u>30,929</u>	<u>-</u>	<u>30,929</u>
<i>Total Outcome 2008-09</i>	<i><u>35,526</u></i>	<i><u>-</u></i>	<i><u>-</u></i>	<i><u>35,526</u></i>	<i><u>-</u></i>	<i><u>35,526</u></i>
Total administered 2009-10	<u>30,929</u>	<u>-</u>	<u>-</u>	<u>30,929</u>	<u>-</u>	<u>30,929</u>
<i>Total administered 2008-09</i>	<i><u>35,526</u></i>	<i><u>-</u></i>	<i><u>-</u></i>	<i><u>35,526</u></i>	<i><u>-</u></i>	<i><u>35,526</u></i>
Total departmental 2009-10	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total departmental 2008-09</i>	<i><u>-</u></i>	<i><u>-</u></i>	<i><u>-</u></i>	<i><u>-</u></i>	<i><u>-</u></i>	<i><u>-</u></i>
Total AGIE 2009-10	<u>30,929</u>	<u>-</u>	<u>-</u>	<u>30,929</u>	<u>-</u>	<u>30,929</u>
<i>Total AGIE 2008-09</i>	<i><u>35,526</u></i>	<i><u>-</u></i>	<i><u>-</u></i>	<i><u>35,526</u></i>	<i><u>-</u></i>	<i><u>35,526</u></i>

3.2 Budgeted Financial Statements

3.2.1 Differences in Agency Resourcing and Financial Statements

3.2.1 is not applicable to the NHMRC.

3.2.2 Analysis of Budgeted Financial Statements

An analysis of the NHMRC's budgeted financial statements for 2009-10 is provided below.

Departmental Resources

Comprehensive Income Statement

Income and expenditure statements have been compiled on the basis of fully expending its operating budget.

Income

Total revenues are expected to decrease from \$44.326 million in 2008-09 to \$43.993 million in 2009-10. The decrease is due to lower revenues from other sources (s31).

Expenses

Expected expenditure will be reduced in line with revenue forecasts. Depreciation will increase as the NHMRC moved into new building premises in April 2009 and new IT systems will come online in 2009-10.

Balance Sheet

The receivable includes funding for the Australia Research Fellowship scheme appropriated in 2006-07 that will be drawn down annually to facilitate the approved \$1.400 million loss per annum over 9 years. As planned, receivables will decrease in 2008-09 due to funding of fit-out and new IT systems in addition to utilising \$1.400 million to fund the approved operating loss. The planned receivable will further decrease in 2009-10 to fund the approved operating deficit of \$1.400 million and to enable finalisation of the IT systems currently being built.

Administered Resources

The administered account is used to move funds to the NHMRC's Special Account (Medical Research Endowment Account). Increased expenditure over forward estimates is due to increased appropriations and drawdown from the Special Account balance.

3.2.3 Budgeted Financial Statements Tables

**Table 3.2.1: Budgeted Departmental Comprehensive Income Statement
(for the period ended 30 June)**

	Estimated actual 2008-09 \$'000	Budget estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000
EXPENSES					
Employee benefits	22,906	23,105	20,541	20,746	20,922
Supplier	22,538	20,883	18,439	18,987	19,029
Grants	-	-	-	-	-
Depreciation and amortisation	619	1,405	1,405	1,405	1,405
Write-down and impairment of assets	-	-	-	-	-
Losses from asset sales	-	-	-	-	-
Finance costs	-	-	-	-	-
Other	-	-	-	-	-
Total expenses	46,063	45,393	40,385	41,138	41,356
LESS:					
OWN-SOURCE INCOME					
Revenue					
Sale of goods and rendering of services	4,901	3,150	2,450	2,450	2,450
Fees and fines	-	-	-	-	-
Interest	-	-	-	-	-
Other revenue	-	-	-	-	-
Total revenue	4,901	3,150	2,450	2,450	2,450
Gains					
Sale of assets	-	-	-	-	-
Other gains	-	-	-	-	-
Total gains	-	-	-	-	-
Total own-source income	4,901	3,150	2,450	2,450	2,450
Net cost of (contribution by) services	41,162	42,243	37,935	38,688	38,906
Appropriation revenue	39,425	40,843	36,535	37,288	37,506
Surplus (Deficit)	(1,737)	(1,400)	(1,400)	(1,400)	(1,400)
Surplus (Deficit) attributable to the Australian Government	(1,737)	(1,400)	(1,400)	(1,400)	(1,400)

Prepared on Australian Accounting Standards basis.

Table 3.2.2: Budgeted Departmental Balance Sheet (as at 30 June)

	Estimated actual 2008-09 \$'000	Budget estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	4,539	4,539	4,539	4,539	4,539
Receivables	13,310	12,750	13,191	14,623	14,747
Total financial assets	17,849	17,289	17,730	19,162	19,286
Non-financial assets					
Land and buildings	-	-	-	-	-
Infrastructure, plant and equipment	7,644	6,689	5,648	4,694	3,740
Inventories	569	569	569	538	515
Intangibles	3,295	4,036	3,389	2,542	1,995
Other	249	249	249	249	249
Total non-financial assets	11,757	11,543	9,855	8,023	6,499
Total assets	29,606	28,832	27,585	27,185	25,785
LIABILITIES					
Payables					
Suppliers	5,855	6,115	5,904	5,904	5,904
Other payables	1,170	1,170	1,170	2,170	2,170
Total payables	7,025	7,285	7,074	8,074	8,074
Provisions					
Employees	4,367	4,383	4,397	4,397	4,397
Other provisions	60	60	60	60	60
Total provisions	4,427	4,443	4,457	4,457	4,457
Total liabilities	11,452	11,728	11,531	12,531	12,531
Net Assets	18,154	17,104	16,054	14,654	13,254
EQUITY					
Contributed equity	4,494	4,844	5,194	5,194	5,194
Reserves	-	-	-	-	-
Retained surpluses or accumulated deficits	13,660	12,260	10,860	9,460	8,060
Total equity	18,154	17,104	16,054	14,654	13,254
Current assets	18,667	18,107	18,548	19,949	20,050
Non-current assets	10,939	10,725	9,037	7,236	5,735
Current liabilities	10,519	10,791	10,592	11,592	11,592
Non-current liabilities	933	937	939	939	939

Prepared on Australian Accounting Standards basis.

**Table 3.2.3: Budgeted Departmental Statement of Cash Flows
(for the period ended 30 June)**

	Estimated actual 2008-09 \$'000	Budget estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	4,901	3,150	2,450	2,450	2,450
Appropriations	49,660	41,915	37,518	37,280	37,506
Interest	-	-	-	-	-
Net GST received	1,500	1,500	1,500	1,500	1,500
Other cash received	1,000	1,000	1,000	1,000	1,000
Total cash received	57,061	47,565	42,468	42,230	42,456
Cash used					
Employees	24,120	24,519	22,633	22,852	22,846
Suppliers	22,791	22,196	19,835	19,378	19,610
Net GST paid	-	-	-	-	-
Other cash used	-	-	-	-	-
Total cash used	46,911	46,715	42,468	42,230	42,456
Net cash from (or used by) operating activities	10,150	850	-	-	-
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	8,100	-	-	-	-
Intangibles	2,400	1,200	350	-	-
Total cash used	10,500	1,200	350	-	-
Net cash from (or used by) investing activities	(10,500)	(1,200)	(350)	-	-
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	350	350	350	-	-
Total cash received	350	350	350	-	-
Cash used					
Dividends paid	-	-	-	-	-
Other cash used	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from (or used by) financing activities	350	350	350	-	-
Net increase (or decrease) in cash held	-	-	-	-	-
Cash at the beginning of the reporting period	4,539	4,539	4,539	4,539	4,539
Cash at the end of the reporting period	4,539	4,539	4,539	4,539	4,539

Prepared on Australian Accounting Standards basis.

Table 3.2.4: Departmental Statement of Changes in Equity – Summary of Movement (Budget year 2009-10)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at					
1 July 2009	13,660	-	-	4,494	18,154
Net operating result	(1,400)	-	-	-	(1,400)
Appropriation (equity injection)	-	-	-	350	350
Estimated closing balance as at 30 June 2010	12,260	-	-	4,844	17,104

Table 3.2.5: Departmental Capital Budget Statement

	Estimated actual 2008-09 \$'000	Budget estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000
CAPITAL APPROPRIATIONS					
Total equity injections	350	350	350	-	-
Total loans	-	-	-	-	-
Special appropriations	-	-	-	-	-
Total capital appropriations	350	350	350	-	-
Represented by:					
Purchase of non-financial assets	350	350	350	-	-
Other	-	-	-	-	-
Total represented by	350	350	350	-	-
ACQUISITION OF NON-FINANCIAL ASSETS					
Funded by capital appropriations	350	350	350	-	-
Funded internally from Departmental resources*	10,050	841	-	-	-
Assets received due to restructure (FMA s32)	-	-	-	-	-
Total acquisitions of non-financial assets	10,400	1,191	350	-	-

Note: * Includes the following sources of funding:

- annual and prior year appropriations;
- donations and contributions;
- gifts;
- finance leases;
- internally developed assets;
- s31 relevant agency receipts; and
- proceeds from the sale of assets.

Table 3.2.6: Statement of Asset Movements - Departmental

	Land	Buildings	Other infrastructure, plant & equipment	Intangibles	Other non- financial assets	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
as at 1 July 2009						
Gross book value	-	-	8,800	3,305	818	12,923
Accumulated depreciation/amortisation	-	-	1,156	10	-	1,166
Opening net book balance	-	-	7,644	3,295	818	11,757
CAPITAL ASSET ADDITIONS						
Estimated expenditure on new or replacement assets						
by purchase or internally developed	-	-	-	1,191	-	1,191
by finance lease	-	-	-	-	-	-
by contribution/donation	-	-	-	-	-	-
by gift	-	-	-	-	-	-
Sub-total	-	-	-	1,191	-	1,191
Other movements						
Depreciation/amortisation expense	-	-	955	450	-	1,405
Disposals*	-	-	-	-	-	-
Other	-	-	-	-	-	-
as at 30 June 2010						
Gross book value	-	-	8,800	4,496	818	14,114
Accumulated depreciation/amortisation	-	-	2,111	460	-	2,571
Closing net book balance	-	-	6,689	4,036	818	11,543

Note: * Proceeds may be returned to the Official Public Account.

Table 3.2.7: Schedule of Budgeted Income and Expenses Administered on behalf of Government (for the period ended 30 June)

	Estimated actual 2008-09 \$'000	Budget estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Revenue					
Taxation					
Other taxes, fees and fines	-	-	-	-	-
Total taxation	-	-	-	-	-
Non-taxation					
Interest	-	-	-	-	-
Other sources of non- taxation revenues	-	-	-	-	-
Total non-taxation	-	-	-	-	-
Total revenues administered on behalf of Government	-	-	-	-	-
Gains					
Other gains	-	-	-	-	-
Total gains administered on behalf of Government	-	-	-	-	-
Total income administered on behalf of Government	-	-	-	-	-
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Employees	-	-	-	-	-
Suppliers	-	-	-	-	-
Depreciation and amortisation	-	-	-	-	-
Grants	628,537	723,289	786,177	823,808	835,901
Subsidies	-	-	-	-	-
Personal benefits	-	-	-	-	-
Write down and impairment of assets	-	-	-	-	-
Concessional Loan Discount	-	-	-	-	-
Total expenses administered on behalf of Government	628,537	723,289	786,177	823,808	835,901

Prepared on Australian Accounting Standards basis.

Table 3.2.8: Schedule of Budgeted Assets and Liabilities Administered on behalf of Government (as at 30 June)

	Estimated actual 2008-09 \$'000	Budget estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash and cash equivalents	2,855	2,855	2,855	2,855	2,855
Receivables	8,684	8,684	8,684	8,684	8,684
Investments	-	-	-	-	-
Total financial assets	11,539	11,539	11,539	11,539	11,539
Non-financial assets					
Land and Buildings	-	-	-	-	-
Infrastructure, Plant and Equipment	-	-	-	-	-
Inventories	-	-	-	-	-
Total non-financial assets	-	-	-	-	-
Total assets administered on behalf of Government	11,539	11,539	11,539	11,539	11,539
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Interest bearing liabilities					
Loans	-	-	-	-	-
Total interest bearing liabilities	-	-	-	-	-
Provisions					
Other	-	-	-	-	-
Total provisions	-	-	-	-	-
Payables					
Suppliers	2,742	2,742	2,742	2,742	2,742
Subsidies	-	-	-	-	-
Personal benefits payable	-	-	-	-	-
Grants	3,969	3,969	3,969	3,969	3,969
Other payables	-	-	-	-	-
Total payables	6,711	6,711	6,711	6,711	6,711
Total liabilities administered on behalf of Government	6,711	6,711	6,711	6,711	6,711

Prepared on Australian Accounting Standards basis.

**Table 3.2.9: Schedule of Budgeted Administered Cash Flows
(for the period ended 30 June)**

	Estimated actual 2008-09 \$'000	Budget estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000
OPERATING ACTIVITIES					
Cash received					
Net GST received	30,000	30,000	30,000	30,000	30,000
Total cash received	30,000	30,000	30,000	30,000	30,000
Cash used					
Grant payments	628,537	723,289	786,177	823,808	835,901
Cash to the Official Public Account	-	-	-	-	-
Net GST paid	30,000	30,000	30,000	30,000	30,000
Total cash used	658,537	753,289	816,177	853,808	865,901
Net cash from (or used by) operating activities	(628,537)	(723,289)	(786,177)	(823,808)	(835,901)
INVESTING ACTIVITIES					
Cash Received					
Other	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Other	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from (or used by) investing activities	-	-	-	-	-
FINANCING ACTIVITIES					
Cash received					
Cash from Official Public Account	-	-	-	-	-
Other	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Other	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from (or used by) financing activities	-	-	-	-	-
Net increase (or decrease in cash held)	(628,537)	(723,289)	(786,177)	(823,808)	(835,901)
Cash at beginning of reporting period	2,855	2,855	2,855	2,855	2,855
Cash from Official Public Account for: - appropriations	628,537	723,289	786,177	823,808	835,901
Cash at end of reporting period	2,855	2,855	2,855	2,855	2,855

Prepared on Australian Accounting Standards basis.

3.2.4 Notes to the Financial Statements

The budgeted financial statements for the NHMRC are prepared for the Budget year, previous year and three forward years.

Departmental Financial Statements

Budgeted Departmental Comprehensive Income Statement (for the period ended 30 June)

This statement provides a picture of the expected financial results for the NHMRC by identifying full accrual expenses and revenues.

Budgeted Departmental Balance Sheet (as at 30 June)

The statement shows the financial position of the NHMRC. It enables decision-makers to track the management of the NHMRC's assets and liabilities.

Budgeted Departmental Statement of Cash Flows (for the period ended 30 June)

Budgeted cash flows as reflected in the statement of cash flows, provides important information on the extent and nature of cash flows by characterising them into expected cash flows from operating activities, investing activities and financing activities.

Departmental Statement of Changes in Equity – Summary of Movement (Budget year 2009-2010)

This table shows the movements in equity during the Budget year.

Schedule of Administered Activity

Schedule of Budgeted Income and Expenses Administered on Behalf of Government (for the period ended 30 June)

The schedule identifies the revenues and expenses administered by the NHMRC on behalf of the Government.

Schedule of Budgeted Assets and Liabilities Administered on Behalf of Government (as at 30 June)

The schedule shows the assets and liabilities administered by the NHMRC on behalf of the Government.

Schedule of Budgeted Administered Cash Flows (for the period ended 30 June)

The schedule shows the cash flows administered by the NHMRC on behalf of the Government.