

NATIONAL HEALTH AND MEDICAL RESEARCH COUNCIL

**Agency resources and
planned performance**

NHMRC

National Health and Medical Research Council

Health and Ageing Portfolio Agency

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Section 1: Agency Overview and Resources

1.1 Strategic Direction Statement

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

The role and functions of NHMRC are set out in the *National Health and Medical Research Council Act 1992*. NHMRC also has statutory obligations under the *Prohibition of Human Cloning for Reproduction Act 2002* and the *Research Involving Human Embryos Act 2002*. NHMRC is prescribed as an agency under the *Financial Management and Accountability Act 1997*.

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 2010-11 as at Budget May 2010

	Estimate of prior year amounts available in 2010-11 \$'000	Proposed at Budget 2010-11 \$'000	Total estimate 2010-11 \$'000	Estimated available appropriation 2009-10 \$'000
Ordinary annual services¹				
Departmental appropriation				
Prior year departmental appropriation ²	16,476	-	16,476	18,389
Departmental appropriation ³	-	39,385	39,385	40,843
s31 Relevant agency receipts ⁴	-	3,150	3,150	3,150
Total	16,476	42,535	59,011	62,382
Administered resources⁵				
Outcome 1	-	715,479	715,479	703,065
Total	-	715,479	715,479	703,065
Total ordinary annual services	16,476	758,014	774,490	765,447
Other services - Bill 2⁵				
Departmental non-operating				
Equity injections	-	350	350	350
Previous years' programs	-	-	-	-
Total	-	350	350	350
Total other services	-	350	350	350
Total available annual appropriations	16,476	758,364	774,840	765,797
Total appropriations excluding special accounts	16,476	758,364	774,840	765,797
Special Accounts				
Opening balance ⁶	290,762	-	290,762	310,986
Appropriation receipts	-	715,479	715,479	703,065
Non-appropriation receipts to Special Accounts	-	15,000	15,000	15,000
Total special account	290,762	730,479	1,021,241	1,029,051
Total resourcing	307,238	1,488,843	1,796,081	1,794,848
Less appropriations drawn from annual or special appropriations above and credited to special accounts and/or CAC Act bodies through annual appropriations	-	(715,479)	(715,479)	(703,065)
Total net resourcing for NHMRC	307,238	773,364	1,080,602	1,091,783

Note: All figures are GST exclusive.

¹ Appropriation Bill (No.1) 2010-11.

² Estimated adjusted balance carried from previous year for annual appropriations.

³ There is no amount in 2010-11 for the Departmental Capital Budget (refer to table 3.2.5 for further details).

⁴ Section 31 Relevant Agency receipts - estimate.

⁵ Appropriation Bill (No.2) 2010-11.

⁶ Estimated opening balance for special accounts. For further information on special accounts see Table 3.1.2.

1.3 Budget Measures

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

Table 1.2 Agency 2010-11 Budget Measures

	Program	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000
National Health and Hospitals Network – expansion of the Australian Commission on Safety and Quality in Health Care						
National Health and Medical Research Council						
Departmental expenses	1.1	-	-	994	1,001	1,008
Department of Health and Ageing						
Departmental expenses	10.6	-	677	852	858	865
Administered expenses	10.6	-	-	6,348	10,770	11,869
Total		-	677	8,194	12,629	13,742

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 NHMRC, invests in health and medical research that is undertaken within a well-established ethical framework, to address national health priorities and improve the health status of all Australians.

The creation of health and medical knowledge through research underpins improvements in health service delivery and intervention. It also supports the development of rigorous, evidence-based advice for both health practitioners and the Australian community.

The Australian Government will build Australia's research capacity and international standing by investing in national resources and facilities to support innovative research. By integrating research investment and research translation, NHMRC will facilitate the translation of evidence from health and medical research to prevent illness and improve public health.

It can take up to 20 years for knowledge, created through research, to be translated into health interventions and applied in clinical settings.¹ This means that the Government's investment in health and medical research will produce benefits for the Australian community well into the future.

NHMRC will maximise this investment through collaboration both with regional neighbours to address common health challenges, and more widely to facilitate access by Australian researchers and health professionals to sources of international funding and the best collaborative networks and research facilities. Engaging with international research partners provides an opportunity for Australia to be involved in developing international policies and initiatives in research governance and explore emerging fields of health and medical research.

¹ Balas E & Boren S, 2000. *Managing clinical knowledge for health care improvement*. In: Schattauer V., editor. *Yearbook of Medical Informatics*. Stuttgart, Germany: Schattauer Publishing; pp. 65–70.

NHMRC Budgeted Expenses and Resources

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

Table 2.1.1: Budgeted Expenses and Resources for NHMRC

	2009-10 Estimated actual \$'000	2010-11 Budget \$'000	2011-12 Forward year 1 \$'000	2012-13 Forward year 2 \$'000	2013-14 Forward year 3 \$'000
Program 1.1: Health and medical research					
Administered expenses					
Special account					
Medical Research Endowment Account	723,289	791,700	771,200	763,900	795,500
Departmental expenses					
Ordinary annual services (Appropriation Bill No. 1)	40,843	39,385	41,139	41,441	41,827
Revenues from independent sources (section 31)	3,150	3,150	3,150	3,150	3,150
Expenses not requiring appropriation in the Budget year ¹	-	1,301	1,301	1,301	1,301
Operating deficit (surplus)	1,400	1,400	1,400	1,400	1,400
Total for Program 1.1	768,682	836,936	818,190	811,192	843,178
Total expenses for Outcome 1	768,682	836,936	818,190	811,192	843,178
	2009-10	2010-11			
Average staffing level (number)	220	220			

¹ Unfunded depreciation expense.

Contributions to NHMRC

Program 1.1: Health and medical research

Program Objective

The Australian Government, through this Program, aims to:

- support researchers to deliver high quality health and medical research;
- translate health and medical research findings into evidence-based clinical practice;
- monitor compliance with legislation governing the appropriate use of human embryos in research;
- promote the highest ethical standards to protect the welfare and rights of participants in health and medical research; and
- promote public health to improve the health of the Australian population.

Major Activities

Research investment

The Australian Government, through NHMRC, will invest in high quality health and medical research. Through the Medical Research Endowment Account, NHMRC will support applied and basic research across health services, public health, clinical and biomedical research. NHMRC will monitor research outcomes to inform government health policy and decision-making.

In 2010-11, NHMRC will build Australia's research capacity and international standing, supporting both people and facilities to promote innovative research. NHMRC will invest in priority areas such as Aboriginal and Torres Strait Islander health, diseases imposing the greatest financial and social burden, chronic disease and health research frontiers. NHMRC aims to invest at least five per cent of its annual research budget in Aboriginal and Torres Strait Islander health, reflecting the health disadvantage of Indigenous Australians. This will contribute to the Australian Government's aim to remove the health inequalities that exist between Indigenous and non-Indigenous Australians.

NHMRC will focus on the continued development of Australia's health and medical research capacity. NHMRC's new Partnerships for Better Health initiative will increase overall investment and encourage excellence in Australia's research capacity by creating partnerships among decision makers, policy makers, managers, clinicians and researchers. More effective connections between decision makers and researchers will improve the availability and quality of research evidence to help inform the policy development process.

In 2010-11, NHMRC will emphasise multidisciplinary approaches to research and multinational research collaborations. It will support co-funder participation, through partnership grants and centres, to address health issues that involve government, non-government agencies, the not-for-profit, and business sectors. By working with a broad range of research partners, including the Global Alliance for Chronic Diseases and the International Cancer Genome Consortium, NHMRC is able to maximise the Government's investment in health and medical research.

Research translation

To improve human health, research outcomes must be translated into evidence-based practice. The Australian Government, through NHMRC, will invest in applied research to drive research translation and the implementation of research evidence.

In 2010-11, NHMRC will ensure that research findings are translated and disseminated in a timely manner to guide clinical best practice and assist government and health consumer decision making. NHMRC will do this through its support of Clinical Centres of Research Excellence and Partnership Centres that focus on research implementation strategies and drive the creation, dissemination and exchange of health and medical knowledge through research. Through these centres, the Australian community will benefit from the translation of health and medical knowledge into evidence-based clinical practice.

NHMRC's National Institute of Clinical Studies (NICS) will focus on improving the uptake of research evidence into clinical practice by developing resources to support rigorous, evidence-based health care. NICS will focus on translating new health and medical knowledge into diverse applied settings and support networks to encourage the effective implementation of research evidence.

To promote opportunities for synthesis of research into practice, in 2010-11, NHMRC will award a number of Translating Research into Practice Fellowships to support increased capacity of health professionals to implement evidence into practice.

Administer legislation governing human embryo research

In 2010-11, NHMRC will continue to administer the *Research Involving Human Embryos Act 2002* and the *Prohibition of Human Cloning for Reproduction Act 2002* (the Acts), which prohibit certain practices, including human cloning for reproduction and a range of other practices relating to reproductive technology. The Acts also regulate research activities involving the use of human embryos created by assisted reproductive technology or other means and prescribe strong penalties for non-compliance.

The Acts require the responsible Minister to cause an independent review of the operation of the Acts to be undertaken before 12 December 2010.

The Embryo Research Licensing Committee, a Principal Committee of NHMRC, is responsible for administering the national regulatory system described by the Acts. In accordance with the legislation, the committee will continue to table biannual reports in the Parliament that describe its activities and include information about research licences issued under the *Research Involving Human Embryos Act 2002*.

NHMRC ensures individuals and licence holder organisations comply with the provisions of the Acts. The legislation establishes a monitoring and compliance framework designed to strengthen the cooperative compliance of researchers and licence holders and provides for the appointment of inspectors. In 2010-11, NHMRC inspectors will continue to conduct site visits to ensure compliance with licence conditions, including records' audits and research monitoring inspections.

To mitigate against non-compliance, NHMRC has a communications strategy in place to ensure information about the legislation is easily accessible. This includes regular information exchange meetings with licence applicants to provide guidance on the operation of the legislation and the licence application process.

Advocate high ethical standards in research

NHMRC provides leadership to promote the responsible conduct and governance of research in Australia to ensure that all research is performed to the highest ethical standards.

In 2010-11, NHMRC, through the Australian Health Ethics Committee, will develop principle-based guidelines and advice related to priority topics in ethics in human health and research. There are many ethically significant and complex issues relating to human health and research. By providing researchers, policy makers and health professionals with appropriate guidance, NHMRC will ensure that health and medical research is conducted to the highest ethical standards.

NHMRC will continue to advise Human Research Ethics Committees that undertake the ethical review of research involving humans, monitor the conduct of research and deal with complaints arising from that research. In 2010-11, NHMRC will work with all states and territories to facilitate the development and implementation of processes to align multi-centre and multi-jurisdictional research assessment. The Harmonisation of Multi-centre Ethical Review (HoMER) initiative will enable the recognition of a single ethical review of multi-centre health and medical research conducted within or across Australian jurisdictions, noting that the Clinical Trials Action Group recommends that a multi-centre ethics approval process for clinical trials be implemented by December 2010.

NHMRC will advise and monitor institutions that receive Australian Government funding to ensure that research is conducted to the highest ethical standards. In 2010-11, NHMRC will continue to improve understanding of the *National Statement on Ethical Conduct in Human Research 2007* and support the implementation of the *Australian Code for the Responsible Conduct of Research 2007* by guiding institutions and researchers in responsible research practices and promoting integrity in research. NHMRC will also work with the Australian Research Council to develop new processes for reviewing management of research misconduct allegations by institutions.

The ethical conduct of research is a shared responsibility and all individuals and organisations involved in research have a role in ensuring that research is conducted ethically. In 2010-11, NHMRC will continue its leadership role by issuing advice and guidelines on ethics and related issues in the fields of health, and both human and animal research.

Promote public health

The Australian Government is committed to raising the standard of individual and public health in Australia. NHMRC will contribute to this goal by supporting the translation of research evidence into health advice and guidelines to inform public health policy and community understanding.

In 2010-11, NHMRC will focus on facilitating the translation of health and medical research evidence into the improvement of public health. To do this, NHMRC will continue to promote public health through evidence-based scientific and technical advice provided to a wide range of stakeholders including regulatory agencies, professional organisations, governments and the Australian community.

On behalf of the Australian Government, NHMRC will invest in public health research and in the development of a robust public health research workforce. In 2010-11, support for career development of public health researchers will continue through NHMRC fellowship

schemes. To strengthen the peer review process of public health research applications, NHMRC Fellowship and NHMRC Program Grant applicants are reviewed by panels with expertise in public health research.

In 2010-11, NHMRC will continue to implement the recommendations arising from the *Report of the Review of Public Health Research Funding in Australia 2008*. Public health research has an important part to play in improving the health status of the Australian community and NHMRC will pursue a leadership role in coordinating investment in public health research. To coincide with the start of the NHMRC 2009-2012 triennium, the Australian Government established the Prevention and Community Health Committee as a Principal Committee of NHMRC. The committee includes members with expertise in public health and will provide evidence-based health advice on a range of matters in community and population health, prevention and environmental health.

Program 1.1: Deliverables

NHMRC will produce the following ‘Deliverables’ to achieve the Program Objective.

Table 2.1.2: Qualitative Deliverables for Program 1.1

Qualitative Deliverables	2010-11 Reference Point or Target
Research investment	
Provide funding for health priority areas	Develop a process for targeted calls for research within established timeframes
Research translation	
Establish Partnership Centres for Better Health	Centres are operational within established timeframes
Administer legislation governing human embryo research	
NHMRC Embryo Research Licensing Committee tables its biannual report to the Parliament of Australia	Report is tabled on time and in accordance with legislation
Advocate high ethical standards in research	
Develop a more comprehensive Administering Institutions ² policy	Revised Administering Institutions policy better addresses responsible conduct and governance of research
Promote public health	
Provide evidence-based advice to government, health practitioners and the community	Delivery of health advice and guidelines within established timeframes

² Accessible at: www.nhmrc.gov.au/grants/policy/admininst.htm

Table 2.1.3: Quantitative Deliverables for Program 1.1³

Quantitative Deliverables	2009-10 Revised Budget	2010-11 Budget	2011-12 Forward Year 1	2012-13 Forward Year 2	2013-14 Forward Year 3
Research investment					
Percentage of total Medical Research Endowment Account funding to the NHMRC Project Grant scheme	49%	50%	50%	50%	50%
Research translation					
Number of new Practitioner Fellowships	15	15	15	15	15
Administer legislation governing human embryo research					
Percentage of human embryo research licence holders monitored through inspection visits	100%	100%	100%	100%	100%
Advocate high ethical standards in research					
Percentage of institutions conducting human research that comply with ethical research guidelines	100%	100%	100%	100%	100%
Promote public health					
Percentage of annual research budget allocated to Indigenous health research	6%	>5%	>5%	>5%	>5%

³ The quantitative deliverable ‘number of visits to NICS website’ from the 2009-10 Portfolio Budget Statements NHMRC Agency Chapter has been moved, and is now a quantitative Key Performance Indicator.

Program 1.1: Key Performance Indicators

The following ‘Key Performance Indicators’ measure the impact of the Program.

Table 2.1.4: Qualitative Key Performance Indicators for Program 1.1

Qualitative Indicators	2010-11 Reference Point or Target
Research investment	
Review of the NHMRC Program Grant scheme	The Program Grant scheme evaluation shows that researchers are provided with the time, funds and flexibility to conduct innovative, high quality research
Increase access to best research evidence	Development of processes that rapidly identify and seek to address evidence gaps
Research translation	
Review of the NHMRC Development Grant scheme	Scheme supports research transition into commercial development
Review approaches to clinical practice guideline development and implementation	Australian approach to development and implementation of clinical practice guidelines is in accordance with international best practice
Administer legislation governing human embryo research	
Administering Institutions’ compliance with the NHMRC Funding Agreement	Desk audits and site visits to provide evidence of compliance
Advocate high ethical standards in research	
Promote the ethical conduct of research by setting guidelines and advice	Review and develop guidance on Xenotransplantation and the commercialisation of human tissue products
Promote public health	
Increase access to and uptake of public health advice on current and emerging health issues	Development of evidence-based advice and public health guidelines to improve the health status of the Australian community
Establish and engage in international research collaborations to contribute to global and regional improvements in health	New collaborations and activities increase regional research capacity and improve health

Table 2.1.5: Quantitative Key Performance Indicators for Program 1.1

Quantitative Indicators	2009-10 Revised Budget	2010-11 Budget Target	2011-12 Forward Year 1	2012-13 Forward Year 2	2013-14 Forward Year 3
Research investment					
Percentage of applications reviewed and funding allocated within timeframes	100%	100%	100%	100%	100%
Percentage of end of grant reports submitted by grant recipients	100%	100%	100%	100%	100%
Research translation					
Citation rate of publications arising from NHMRC funded research ⁴	>50%	>50%	>50%	>50%	>50%
Number of visits to the National Institute of Clinical Studies section of the NHMRC website ⁵	66,000	69,000	73,000	77,000	81,000
Administer legislation governing human embryo research					
Percentage of licence holder compliance with licence conditions	100%	100%	100%	100%	100%
Advocate high ethical standards in research					
Percentage of researcher and institutional compliance with the <i>Australian Code for the Responsible Conduct of Research 2007</i> ⁶	100%	100%	100%	100%	100%

⁴ Citation rates as ranked against the world citation benchmark.

⁵ Accessible at: www.nhmrc.gov.au

⁶ Compliance is self-reported by institutions.

NHMRC – Agency Budget Statements – Outcomes and Planned Performance

Quantitative Indicators	2009-10 Revised Budget	2010-11 Budget Target	2011-12 Forward Year 1	2012-13 Forward Year 2	2013-14 Forward Year 3
Percentage of researcher and institutional compliance with the <i>National Statement on Ethical Conduct in Human Research 2007</i> ⁷	100%	100%	100%	100%	100%
Promote public health					
Number of downloads of publications from NHMRC website, including systematic literature reviews, evidence-based statements and public health guidelines	335,000	352,000	369,000	388,000	408,000
Number of visits to NHMRC website ⁸	1,114,500	>1,100,000	>1,200,000	>1,200,000	>1,350,000

⁷ Compliance is self-reported by institutions.

⁸ 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 2010-11 Budget year. 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 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 FMA Act or under separate enabling legislation. Table 3.1.2 shows the expected additions (receipts) and reductions (payments) for each account used by NHMRC.

Table 3.1.2: Estimates of special account flows and balances

	Opening balance 2010-11 <i>2009-10</i>	Appropriation receipts 2010-11 <i>2009-10</i>	Other receipts 2010-11 <i>2009-10</i>	Payments 2010-11 <i>2009-10</i>	Closing balance 2010-11 <i>2009-10</i>
Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Medical Research Endowment Account - s21 FMA Act [<i>National Health and Medical Research Council Act 1992</i>] ^A	1 290,762 <i>310,986</i>	715,479 <i>703,065</i>	55,000 <i>51,692</i>	846,700 <i>774,981</i>	214,541 <i>290,762</i>
Total special accounts					
2010-11 Estimate	290,762	715,479	55,000	846,700	214,541
<i>Total special accounts 2009-10 estimate actual</i>	<i>310,986</i>	<i>703,065</i>	<i>51,692</i>	<i>774,981</i>	<i>290,762</i>

^A Administered

3.1.3 Australian Government Indigenous Expenditure

Table 3.1.3 Australian Government Indigenous Expenditure

Outcome	Appropriations				Other \$'000	Total \$'000
	Bill No. 1 \$'000	Bill No. 2 \$'000	Special approp \$'000	Total approp \$'000		
National Health and Medical Research Council						
Administered 2010-11	38,179	-	-	38,179	-	38,179
<i>Administered 2009-10</i>	<i>40,597</i>	-	-	<i>40,597</i>	-	<i>40,597</i>
Departmental 2010-11	-	-	-	-	-	-
<i>Departmental 2009-10</i>	-	-	-	-	-	-
Total Outcome 2010-11	38,179	-	-	38,179	-	38,179
<i>Total Outcome 2009-10</i>	<i>40,597</i>	-	-	<i>40,597</i>	-	<i>40,597</i>
Total administered 2010-11	38,179	-	-	38,179	-	38,179
<i>Total administered 2009-10</i>	<i>40,597</i>	-	-	<i>40,597</i>	-	<i>40,597</i>
Total departmental 2010-11	-	-	-	-	-	-
<i>Total departmental 2009-10</i>	-	-	-	-	-	-
Total AGIE 2010-11	38,179	-	-	38,179	-	38,179
<i>Total AGIE 2009-10</i>	<i>40,597</i>	-	-	<i>40,597</i>	-	<i>40,597</i>

3.2 Budgeted Financial Statements

3.2.1 Differences in agency resourcing and financial statements

3.2.2 Analysis of budgeted financial statements

An analysis of NHMRC's budgeted financial statements, as reflected in NHMRC's budgeted departmental financial statements for 2010-11 are set out below.

Departmental Resources

Comprehensive Income Statement (Showing Net Cost of Services)

Revenue from Government is expected to decrease from \$40.843 million in 2009-10 to \$39.385 million in 2010-11. The decrease is largely due to the change of depreciation funding as a result of Operation Sunlight and the implementation of net cash arrangements.

Revenue is expected to increase again from 2011-12 to 2013-14 due to the implementation of the new measure National Health and Hospitals Network – expansion of the Australian Commission on Safety and Quality in Health Care.

Expenditure is expected to be in line with the Revenue forecasts, with Employee expenses to be approximately fifty per cent.

Balance Sheet

The Receivables includes funding for the Australian Research Fellowship scheme appropriated in 2006-07 which will be drawn down annually to facilitate the approved \$1.400 million loss per annum over the forward estimates.

Administered Resources

The administered accounts are used as a mechanism to move funds to NHMRC's Special Account (Medical Research Endowment Account). Expenditure in 2010-11 and forward estimates is due to be greater than the Administered appropriations due to the additional funding allocated in 2006-07 which is expected to be drawn down from the Special Account balance over future years.

3.2.3 Budgeted financial statements tables

**Table 3.2.1: Comprehensive income statement (showing net cost of services)
(for the period ended 30 June)**

	Estimated actual 2009-10 \$'000	Budget estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
EXPENSES					
Employee benefits	23,035	23,160	24,034	24,177	24,321
Supplier expenses	21,057	20,775	21,655	21,814	22,056
Depreciation and amortisation	1,301	1,301	1,301	1,301	1,301
Total expenses	45,393	45,236	46,990	47,292	47,678
LESS:					
OWN-SOURCE INCOME					
Revenue					
Sale of goods and rendering of services	3,150	3,150	3,150	3,150	3,150
Total revenue	3,150	3,150	3,150	3,150	3,150
Gains					
Other	-	-	-	-	-
Total gains	-	-	-	-	-
Total own-source income	3,150	3,150	3,150	3,150	3,150
Net cost of (contribution by) services	42,243	42,086	43,840	44,142	44,528
Revenue from Government	40,843	39,385	41,139	41,441	41,827
Surplus (Deficit)	(1,400)	(2,701)	(2,701)	(2,701)	(2,701)
Surplus (Deficit) attributable to the Australian Government	(1,400)	(2,701)	(2,701)	(2,701)	(2,701)
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation reserves	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-
Total comprehensive income attributable to the Australian Government	(1,400)	(2,701)	(2,701)	(2,701)	(2,701)

**Table 3.2.1: Comprehensive income statement (showing net cost of services)
(for the period ended 30 June) (cont.)**

Note: Reconciliation of operating result attributable to the agency					
	2009-10	2010-11	2011-12	2012-13	2013-14
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating result attributable to the Australian Government	(1,400)	(2,701)	(2,701)	(2,701)	(2,701)
plus non-appropriated expenses					
depreciation and amortisation expen	-	1,301	1,301	1,301	1,301
Operating result attributable to the Agency	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)

Table 3.2.2: Budgeted departmental balance sheet (as at 30 June)

	Estimated actual 2009-10 \$'000	Budget estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	640	640	640	640	640
Receivables	18,622	17,262	16,893	16,516	15,215
Total financial assets	19,262	17,902	17,533	17,156	15,855
Non-financial assets					
Infrastructure, plant and equipment	6,407	5,453	4,499	3,545	2,591
Inventories	520	520	520	520	520
Intangibles	4,416	4,419	4,172	3,925	3,678
Other	81	81	81	81	81
Total non-financial assets	11,424	10,473	9,272	8,071	6,870
Total assets	30,686	28,375	26,805	25,227	22,725
LIABILITIES					
Payables					
Suppliers	5,233	5,259	5,259	5,259	5,259
Other payables	2,416	2,416	2,416	2,416	2,416
Total payables	7,649	7,675	7,675	7,675	7,675
Provisions					
Employees	4,710	4,724	4,724	4,724	4,724
Other provisions	444	444	444	444	444
Total provisions	5,154	5,168	5,168	5,168	5,168
Total liabilities	12,803	12,843	12,843	12,843	12,843
Net Assets	17,883	15,532	13,962	12,384	9,882
EQUITY					
Contributed equity					
Retained surpluses or accumulated deficits	17,883	15,532	13,962	12,384	9,882
Total equity	17,883	15,532	13,962	12,384	9,882

Table 3.2.3: Departmental statement of changes in equity — summary of movement (Budget year 2010-11)

	Retained surplus \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Balance carried forward from previous period	17,883	-	-	-	17,883
Surplus (deficit) for the period	(2,701)	-	-	-	(2,701)
Appropriation (equity injection)	-	-	-	-	-
Capital budget - Bill 1 ¹	-	-	-	350	350
Estimated closing balance as at 30 June 2011	15,182	-	-	350	15,532

¹ Departmental Capital Budget (DCB)

**Table 3.2.4: Budgeted departmental statement of cash flows
(for the period ended 30 June)**

	Estimated actual 2009-10 \$'000	Budget estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	4,771	3,150	3,150	3,150	3,150
Appropriations	42,756	41,669	42,432	42,742	43,128
Net GST received	1,500	1,500	1,500	1,500	1,500
Other cash received	1,000	1,000	1,000	1,000	-
Total cash received	50,027	47,319	48,082	48,392	47,778
Cash used					
Employees	25,205	25,252	26,140	26,101	24,321
Suppliers	23,981	22,067	21,942	22,291	23,457
Total cash used	49,186	47,319	48,082	48,392	47,778
Net cash from (or used by) operating activities	841	-	-	-	-
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	1,191	350	100	100	100
Total cash used	1,191	350	100	100	100
Net cash from (or used by) investing activities	(1,191)	(350)	(100)	(100)	(100)
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	350	350	100	100	100
Total cash received	350	350	100	100	100
Net cash from (or used by) financing activities	350	350	100	100	100
Net increase (or decrease) in cash held	-	-	-	-	-
Cash at the beginning of the reporting period	640	640	640	640	640
Cash at the end of the reporting period	640	640	640	640	640

Table 3.2.5: Capital budget statement

	Estimated actual 2009-10 \$'000	Budget estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	-	-	100	100	100
Equity injections - Bill 2	350	350	-	-	-
Total capital appropriations	350	350	100	100	100
Total new capital appropriations					
Represented by:					
Purchase of non-financial assets	350	350	100	100	100
Total represented by	350	350	100	100	100
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations	350	350	-	-	-
Funded by capital appropriation - DCB ¹	-	-	100	100	100
Funded internally from departmental resources ²	841	-	-	-	-
Total acquisitions of non-financial assets	1,191	350	100	100	100
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	1,191	350	100	100	100
Total cash used to acquire assets	1,191	350	100	100	100

¹ Does not include annual finance lease costs. Include purchase from current and previous years Departmental Capital Budgets (DCB).

² Includes the following sources of funding:

- annual and prior year appropriations;
- donations and contributions;
- gifts;
- finance leases;
- internally developed assets;
- section 31 relevant agency receipts (for FMA agencies only); and
- proceeds from the sale of assets.

Table 3.2.6: Statement of asset movements (2010-11)

	Land	Buildings	Other infrastructure, plant & equipment	Intangibles	Other non- financial assets	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2010						
Gross book value	-	-	7,973	5,355	-	13,328
Accumulated depreciation/amortisation	-	-	1,566	939	-	2,505
Opening net book balance	-	-	6,407	4,416	-	10,823
CAPITAL ASSET ADDITIONS						
Estimated expenditure on new or replacement assets						
By purchase - appropriation equity	-	-	-	350	-	350
By purchase - appropriation ordinary annual services	-	-	-	-	-	-
Sub-total	-	-	-	350	-	350
Other movements						
Depreciation/amortisation expense	-	-	954	347	-	1,301
Disposals	-	-	-	-	-	-
Other	-	-	-	-	-	-
as at 30 June 2011						
Gross book value	-	-	7,973	5,705	-	13,678
Accumulated depreciation/amortisation	-	-	2,520	1,286	-	3,806
Closing net book balance	-	-	5,453	4,419	-	9,872

Table 3.2.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)

	Estimated actual 2009-10 \$'000	Budget estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Grants	723,289	791,700	771,200	763,900	795,500
Total expenses administered on behalf of Government	723,289	791,700	771,200	763,900	795,500

Table 3.2.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)

	Estimated actual 2009-10 \$'000	Budget estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash and cash equivalents	10,432	10,432	10,432	10,432	10,432
Receivables	7,977	7,977	7,977	7,977	7,977
Total financial assets	18,409	18,409	18,409	18,409	18,409
Total assets administered on behalf of Government	18,409	18,409	18,409	18,409	18,409
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Payables					
Grants	16,146	16,146	16,146	16,146	16,146
Other payables	75	75	75	75	75
Total payables	16,221	16,221	16,221	16,221	16,221
Total liabilities administered on behalf of Government	16,221	16,221	16,221	16,221	16,221

**Table 3.2.9: Schedule of budgeted administered cash flows
(for the period ended 30 June)**

	Estimated actual 2009-10 \$'000	Budget estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
OPERATING ACTIVITIES					
Cash received					
Net GST received	36,692	40,000	40,000	40,000	40,000
Total cash received	36,692	40,000	40,000	40,000	40,000
Cash used					
Grant payments	723,289	791,700	771,200	763,900	795,500
Net GST paid	36,692	40,000	40,000	40,000	40,000
Total cash used	759,981	831,700	811,200	803,900	835,500
Net cash from (or used by) operating activities	(723,289)	(791,700)	(771,200)	(763,900)	(795,500)
Net increase (or decrease) in cash held	(723,289)	(791,700)	(771,200)	(763,900)	(795,500)
Cash at beginning of reporting period	10,432	10,432	10,432	10,432	10,432
Cash from Official Public Account for: - appropriations	723,289	791,700	771,200	763,900	795,500
Cash at end of reporting period	10,432	10,432	10,432	10,432	10,432

3.2.4 Notes to financial statements

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

Changes resulting from Net Cash Arrangements

Net cash appropriation arrangements have been implemented as part of the Operation Sunlight reform agenda to increase budget transparency and accountability through improving the levels of disclosure to Parliament regarding the use of appropriations, and encouraging more effective resource management practices with the release of funds to agencies as and when they are needed.

Net cash appropriation arrangements involve the cessation of funding for depreciation, amortisation and makegood expenses. Funding for these expenses have been replaced with a Departmental Capital Budgets (DCBs) for FMA Act Agencies.

To aid transparency of operating results as a result of this change, the Comprehensive Income Statement includes a reconciliation of operating result attributable to the NHMRC by including non-appropriated depreciation and amortisation expenses.

Estimates of special account flows and balances

This tables provides for the cash flows and balances of the special accounts under the responsibility of NHMRC.

Departmental Financial Statements

Comprehensive income statement (showing net cost of services) (for the period ended 30 June)

This statement provides a picture of the expected financial results for NHMRC by identifying accrual expenses and revenues showing the net cost of services.

This statement also provides for the first time, revenues and expenses taken through equity to provide for a comprehensive income and expense.

Budgeted departmental balance sheet (as at 30 June)

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

Departmental statement of changes in equity – summary of movement (Budget year 2010-2011)

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

This table has been amended for the 2010-11 Budget to include amounts provided in the NHMRC Capital Budget as part of net cash arrangements as discussed above.

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.

Capital budget statement

This table shows the appropriations from Government for the purchase of capital items and purchases of non-financial assets from capital and internal sources.

This table has been amended for the 2010-11 Budget to include Departmental Capital Budget funding as part of net cash arrangements discussed above, and to provide a reconciliation between the asset purchases and cash flow statement.

Statement of asset movements (2010-11)

This table shows the movements in asset classes through addition (eg purchases) and other movements (eg depreciation and amortisation).

Purchases are reconciled in the Capital Budget Statement to the Statement of Cash Flows as described above and include sources of funding for asset purchases and include amounts received under net cash resourcing arrangements as also described above.

Schedules 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 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 NHMRC on behalf of the Government.

Administered Statement of Changes in Equity – Summary of Movement (Budget year 2010-2011)

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

Administered Capital Budget Statement (for the period ended 30 June)

This table shows the appropriations from Government for the purchase of capital items and purchases of non-financial assets from capital and internal sources.

This table has been amended for the 2010-11 Budget to include a reconciliation between the asset purchases and cash flow statement.

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.

Statement of asset movements (2010-11)

This table shows the movements in asset classes through addition (eg purchases) and other movements (eg depreciation and amortisation).

Purchases are reconciled in the Capital Budget Statement to the Statement of Cash Flows as described above and include sources of funding for asset purchases.

