

**NATIONAL HEALTH AND
MEDICAL RESEARCH COUNCIL**

National Health and Medical Research Council

Health and Ageing Portfolio Agency

Section 1: Agency Overview and Resources	438
1.1: Agency Overview	438
1.2: Agency Resources	439
1.3: 2008-09 Budget Measures	440
Section 2: Agency Outcomes and Planned Performance	441
2.1: Summary of Outcome, Agency Resourcing, Administered Program, Outputs and Performance Information	441
Section 3: Budgeted Financial Statements	450
3.1: Explanatory Tables	450
3.2: Analysis of Budgeted Financial Statements	453
3.3: Budgeted Financial Statements Tables	454
3.4: Notes to the Financial Statements	461

The logo for the National Health and Medical Research Council (NHMRC) is a vertical black rectangle with the letters 'NHMRC' written in white, oriented vertically from bottom to top.

Section 1: Agency Overview and Resources

1.1: AGENCY OVERVIEW

The Australian Government, through the National Health and Medical Research Council (NHMRC), brings together within a single national organisation the functions of research funding and development of health advice.

The 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; to foster the development of consistent health standards between the states and territories; to support medical and public health research and training throughout Australia; and to promote 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*.

Summary of Agency Outcome and Output Groups

The products and services delivered by the NHMRC that contribute to the achievement of its outcome are summarised in Table 1.1.1.

Table 1.1.1: Agency Outcome and Output Groups

Outcome	Output Groups
Australia’s Health System Benefits from High Quality Health and Medical Research Conducted at the Highest Ethical Standard, Well-Developed Research Capabilities and Sound Evidence-Based Advice that Informs Health Policy and Practice	Output Group 1 – Policy Advice
	Output Group 2 – Program Management

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 administered and departmental classification.

The total resourcing for the NHMRC in the 2008-09 Budget is \$1,071.673 million.

Table 1.2.1: NHMRC Resource Statement

	Estimate of prior + year amounts available in 2008-09 \$'000	Proposed at Budget = 2008-09 \$'000	Total Estimate 2008-09 \$'000	Estimated Appropriation Available 2007-08 \$'000
Ordinary Annual Services				
Departmental Outputs				
Departmental outputs ¹	20,923	35,577	56,500	35,292
s31 Relevant agency receipts ²	-	1,785	1,785	7,250
Other	-	123	123	123
Total	20,923	37,485	58,408	42,665
Administered Expenses				
Health and Medical Research	-	617,879	617,879	644,041
Administered Output	-	3,840	3,840	
Total	-	621,719	621,719	644,041
Total Ordinary Annual Services A	20,923	659,204	680,127	686,706
Other Services				
Departmental Non-Operating				
Equity injections	-	350	350	550
Previous years' outputs				
Total	-	350	350	550
Total Other Services B	-	350	350	550
Total Available Annual Appropriations	20,923	659,554	680,477	687,256
Special Accounts				
Opening balance	-	376,196	376,196	258,746
Appropriation Receipts	-	617,879	617,879	644,041
Appropriation Receipts - other agen	-	-	-	-
Non-Appropriation receipts to Special Accounts	-	15,000	15,000	15,000
Total Special Account C	-	1,009,075	1,009,075	917,787
Total Resourcing				
A+B+C	-	1,668,629	1,689,552	1,605,043
Less appropriations drawn from annual or special appropriations above and credited to special accounts	-	617,879	617,879	644,041
Total Net Resourcing for NHMRC	20,923	1,050,750	1,071,673	961,002

1.3: 2008-09 BUDGET MEASURES

Section 1.3 is not applicable to NHMRC in 2008-09.

Section 2: Agency Outcomes and Planned Performance

The Australian Government requires agencies to measure their intended and actual performance in terms of outcomes. Government outcomes are the results, impacts or consequences of actions by the Government on the Australian community. Agencies are required to identify the output groups that demonstrate their contribution to Government outcomes over the coming year.

This section summarises administered programs and output groups, specifying the performance indicators and targets used to assess and monitor the performance of the NHMRC in achieving Government outcomes.

Outcome 1 – Australia’s Health System Benefits from High Quality Health and Medical Research Conducted at the Highest Ethical Standard, Well-Developed Research Capabilities and Sound Evidence-Based Advice that Informs Health Policy and Practice

NHMRC

2.1: SUMMARY OF OUTCOME, AGENCY RESOURCING, ADMINISTERED PROGRAM, OUTPUTS AND PERFORMANCE INFORMATION

Outcome Summary

The Australian Government, through the NHMRC, supports research conducted to the highest ethical standards that leads to long-term health, economic and social benefits for all Australians.

The NHMRC develops excellence in research capacity and effectively translates evidence resulting from health and medical research into real improvements in clinical practice and preventative health care.

To achieve these goals, the NHMRC will encourage a true preventative focus to health and medical research, recognising that a multidisciplinary approach is needed to solve the complex problems of health. To do this, the NHMRC will strengthen its capacity to identify and support the best research, build excellence in all research approaches, develop a more robust means of supporting national health priorities, and ensure that the gaps between evidence-based knowledge and health policy and practice are bridged more efficiently and effectively.

Key Strategic Directions

- Support the best researchers and most relevant research that targets major health issues, including Indigenous Australians’ health.
- Produce high quality evidence-based guidelines and health advice, accelerate the uptake of research evidence and increase the capacity of health professionals to implement that evidence.

- Promote the responsible conduct and governance of research throughout Australia, and provide leadership to ensure Australian research is conducted within a sound ethical framework.
- Increase investment in health and medical research, actively encouraging researcher and private sector interaction, and philanthropic support.
- Enhance communication with stakeholders and improve internal expertise and capacity to respond to major and emerging health issues.

Major Activities

Health and Medical Research

The Australian Government has identified chronic diseases such as cancer and kidney disease and preventable diseases of affluence such as obesity and type 2 diabetes as priority health issues that need to be addressed. Closing the life expectancy gap between Indigenous and non-Indigenous Australians will be a major and necessary focus over the next five years.

In 2008-09, the NHMRC will consult extensively on its proposed response to the 2007-08 International Review. This independent review subjected NHMRC funding schemes to rigorous assessment against international best practice standards. In its response to the review, the NHMRC will ensure it continues to deliver objective evidence of excellence, transparency and quality in its grant management responsibilities.

The NHMRC will continue to build its profile as an authoritative source of health advice guidelines and develop strategies that increase community and practitioner access to evidence-based advice and information on health issues. To enhance transparency in all NHMRC activities, the NHMRC will extend lay observer participation in the funding application process by establishing a community panel.

To support the Australian Government in facing the challenges of both current and emerging health issues, the NHMRC will employ a targeted approach to improve funding schemes to encourage growth in all research approaches relevant to critical health issues.

In 2008-09, the NHMRC will undertake a review of the *NHMRC Road Map: A Strategic Framework for Improving Aboriginal and Torres Strait Islander Health Through Research* (The Road Map). Through a series of workshops and a process of public consultation, the review will consider the social, cultural and economic factors that have significant influences on the health of Aboriginal and Torres Strait Islander people and their communities. The review will lead to the publication of a revised Road Map focusing on prevention, delivery of care and governance of Indigenous health care.

The NHMRC is committed to achieving five per cent expenditure from the Medical Research Endowment Account for research relevant to Aboriginal and Torres Strait Islander people.

The pressures of an ageing population, increasing costs of pharmaceuticals, new technologies and the rise of chronic diseases will place additional demands on the resources of the NHMRC to fully respond while continuing to deliver excellence in all its activities.

Funding for this major activity is sourced from the Medical Research Endowment Account Program.

Health Policy and Practice

Integral to the National Preventative Healthcare Strategy will be the provision of robust evidence and advice to government and health providers, both public and private.

The NHMRC will provide the highest quality evidence and advice to inform Australian Government health policy and clinical decision-making.

To maintain a leading role for the provision of rigorous evidence-based public health and clinical practice advice and guidelines, the NHMRC will provide increased stakeholder access to high quality research evidence and advice.

In support of this, in 2008-09, an internal review will be undertaken to reform the NHMRC's role of publishing guidelines and setting standards in health care and public health, with an emphasis on increased responsiveness to emerging issues such as genetic testing, water quality and regenerative medicine. To stimulate research in these areas, the NHMRC will partner with relevant government and non-government organisations to develop and fund research to address specific policy issues and evidence gaps.

As an institute of the NHMRC, the National Institute of Clinical Studies (NICS) will play a central role in encouraging the translation of evidence from health and medical research into policy and practice, and in developing systems to facilitate NHMRC collaboration with agencies and organisations that deliver health services across Australia. Using the skills, expertise and networks of the NICS, the NHMRC will focus on accelerating the uptake of research evidence and increasing the capacity of health professionals to implement that evidence.

The NHMRC will meet the challenge of improving health literacy to identify the most effective ways of engaging the community. A better understanding of community engagement will contribute to improved public health outcomes. The NHMRC will deliver a directed strategy of communicating health messages through NHMRC appointed expert commentators and the NHMRC website enabling health consumers to make informed decisions and participate in their own health care.

Funding for this major activity is sourced from Output Group 1 – Policy Advice.

Responsible Conduct and Governance of Research

On behalf of the Australian Government, the NHMRC will continue its leadership role in promoting responsible conduct and governance of research throughout Australia. This will include further development of a systematic, national approach to ensure increased compliance with Australian research ethics guidelines.

Rapid advances in science have raised ethically significant and complex issues relating to human health and research, and in 2008-09 the NHMRC will work with research organisations to ensure effective implementation of the *Australian Code for the Responsible Conduct of Research 2007* and establish transparent processes for instances of research misconduct. The NHMRC will also work with institutions, researchers, and Human Research Ethics Committees to ensure effective dissemination of the *National Statement on Ethical Conduct in Human Research 2007*.

In performing its functions under the *Prohibition of Human Cloning for Reproduction Act 2002* and the *Research Involving Human Embryos Act 2002*, the NHMRC will further implement procedures to ensure compliance with these Acts, as amended by the

Prohibition of Human Cloning for Reproduction and the Regulation of Human Embryo Research Amendment Act 2006. This includes working with the Australian Customs Service to establish a permit system for the import and export of human embryonic stem cell lines which have been derived from human embryo clones.

In 2008-09, the NHMRC will work with all jurisdictions to facilitate development and implementation of processes to harmonise ethics assessments of multi-centre and multi-jurisdictional research. The NHMRC will also review existing processes to determine the need for a national system to ensure the integrity of Australian research.

To meet the challenge of promoting an active culture of innovation, the NHMRC in 2008-09 will further develop guidance to facilitate the research community's interaction with the private sector. Through sponsoring discussion between researchers and industry, the NHMRC will promote an improved public understanding of the research community.

Funding for this major activity is sourced from Output Group 1 – Policy Advice.

Investment in Health and Medical Research

The Australian Government recognises investment in health, particularly preventative health care and the hospital system as an economic issue of critical importance.

To maximise investment in health and medical research, the NHMRC will actively pursue strategies that increase researcher and private sector interaction, and encourage industry and philanthropic support. By working with other government and non-government agencies, both within Australia and internationally, the NHMRC will pursue agreements that support regional and global partnerships in health and medical research.

On behalf of the Australian Government, the NHMRC will develop measures that demonstrate the return on investment in health and medical research. These measures will help show that investment in health research delivers benefits to society from health and medical research in the form of improved individual and community health, a better health system and the growth of innovative industries. In turn, these benefits will lead to increased productivity, reduced pressure on the health system, more cost-effective health care and increased wealth through the establishment of new industries.

In 2008-09, the NHMRC will focus on direct and collaborative funding of research by industry and philanthropic organisations on major health issues including obesity, diabetes, cancer and cardiovascular disease.

In 2008-09, the NHMRC will support research with demonstrated commercial potential through rigorous evaluation of its Development Grant scheme to actively encourage researchers to develop the commercial potential arising from their research.

Access to funding sources can be competitive and the NHMRC will meet this challenge by developing new and innovative ways of fostering linkages and funding collaboration with relevant community and industry partners.

Funding for this major activity is sourced from Output Group 2 – Program Management.

A Better, More Responsive NHMRC

A better and more responsive NHMRC will ensure that the Australian Government is better able to respond to major and emerging health issues through an enhanced NHMRC internal

scientific capacity and improved communications strategies with health professionals, the community and other stakeholders.

The NHMRC is developing an integrated data platform to improve accountability, information management and reporting of the Australian Government's investment into health and medical research. In 2009, a research investment management system, developed by the NHMRC to support the grants management process, will come online. The system will support the full grants management process from application through to grant acquittal, including peer review, approvals, administration and accountability. It will replace the current grants management system and facilitate the growing reporting and business intelligence needs of the NHMRC.

Recommendations arising out of a review of NHMRC communications functions will be implemented in 2008-09 and subsequent years. The strategies used by the NHMRC to engage with its stakeholders will be addressed to ensure that the structure, mechanisms and systems are appropriate to meet the communication and potential reputation challenges ahead.

To strengthen the ability of the Australian Government to meet the challenges of major and emerging health issues, the NHMRC will reinforce current internal expertise to build a highly science-literate staff profile.

Funding for this major activity is sourced from Output Group 2 – Program Management.

NHMRC Resourcing

Table 2.1.1 shows how the 2008-09 Budget appropriations translate to total resourcing for the NHMRC, including administered expenses, revenue from government (appropriations), revenue from other sources, and the total price of outputs.

Table 2.1.1: Total Resources for the NHMRC

	2008-09 Total estimate of available resources \$'000	2007-08 Estimated actual \$'000
Medical Research Endowment Account		
Administered items		
Annual Appropriation Bill 1	3,840	-
Special Accounts		
Medical Research Endowment Account		
Opening balance	376,196	258,746
Appropriation receipts	617,879	644,041
Non-Appropriation receipts to Special Accounts	15,000	15,000
Subtotal for Program	1,012,915	917,787
Output Group 1:		
Departmental Outputs		
Departmental Outputs	11,130	10,711
Revenues from other sources (s.31) for Policy Advice	536	2,175
Subtotal for Output Group 1	11,666	12,886
Output Group 2:		
Departmental Outputs		
Program Management	25,969	24,704
Revenues from other sources for Program Management	1,250	5,075
Subtotal for Output Group 2	27,219	29,779
Total resources for NHMRC	1,051,799	960,452
	2008-09	2007-08
Average staffing level (number)	230	230

Contribution of Administered Programs

Program – Medical Research Endowment Account

The Australian Government’s national research priorities are funded through the Medical Research Endowment Account, which provides assistance to governments, departments, universities, institutions or persons engaged in medical research, and training of persons in medical research and related purposes. By investing in high quality medical research and the development of Australian research capacity, the Australian Government drives the development of new knowledge and the capacity to innovate.

The contribution to this outcome is measured through investment in health and medical research, and enhancing the capacity for innovation by supporting the research community.

Contribution of Departmental Outputs

Output Group 1 – Policy Advice

The NHMRC provides advice for Australian Government decision-making, including advice on current and emerging health-related issues. The NHMRC is Australia’s peak body for developing health advice for the Australian community, health professionals and governments. The NHMRC is the pre-eminent source of evidence-based advice to inform health policy and practice.

The output group’s contribution to this outcome is measured by the timely production and publication of relevant, evidence-based advice that meets consistently high levels of ministerial satisfaction.

Output Group 2 – Program Management

Achieving high standards of governance and accountability is critical to the NHMRC’s statutory obligations in administering the requirements of the *Prohibition of Human Cloning for Reproduction Act 2002* and the *Research Involving Human Embryos Act 2002*. Australia’s health system benefits from high quality health and medical research because the NHMRC proactively drives the utilisation of research knowledge by delivering a majority of published advice in national priority areas.

The output group’s contribution to the outcome is measured by research sector compliance with relevant legislation.

Performance Information for the NHMRC

Performance information for administered programs and output groups relating to the NHMRC are summarised in Table 2.1.2.

Table 2.1.2: Key Performance Information for the NHMRC

Performance Information for Administered Programs

Indicator	2008-09 Reference Point or Target
Program – Medical Research Endowment Account	
<ul style="list-style-type: none"> Administered Items 	
New knowledge through investment in research.	80% of the Medical Research Endowment Account ¹ appropriation is paid to research institutions for research activities.
Enhancing capacity to innovate through investment in people (researcher) support.	20% of the Medical Research Endowment Account appropriation allocated to support people focused activities.
<ul style="list-style-type: none"> Departmental Outputs² 	
Resourcing: \$1,012.915m	

Performance Information for Departmental Outputs

In relation to the following program:

- Medical Research Endowment Account.

Indicator	2008-09 Reference Point or Target
Output Group 1 – Policy Advice	
Provide high quality, relevant and timely advice for Australian Government decision-making.	Maintain or increase Ministerial satisfaction from previous year.
Produce and publish high quality, relevant and timely evidence-based advice on current and emerging health-related issues.	Maintain or increase number of publications and briefings compared with previous years.
Output Group 1 Resourcing: \$11.666m	

¹ The Medical Research Endowment Account is a special account established under the NHMRC Act. Payments are made from the account for medical research and public health research.

² See 'Performance Information for Departmental Outputs' for further information.

Indicator	2008-09 Reference Point or Target
Output Group 2 – Program Management	
Achieving high standards of governance and accountability, measured by compliance with legislative requirements.	Meet statutory requirements for all external and compliance reporting.
Using research outputs through improved transfer of expert knowledge relating to national health priority areas.	75% of published advice and information in national priority areas.
Ensuring high ethical standards through compliance with NHMRC ethics advice and guidelines.	100% compliance by human research ethics committees and animal research ethics committees with NHMRC guidelines.
Regulating embryo research and maintaining the prohibition of human cloning through administering the requirements of the <i>Prohibition of Human Cloning for Reproduction Act 2002</i> and the <i>Research Involving Human Embryos Act 2002</i> .	Unqualified audits (no caveats) of monitoring and compliance systems.
Output Group 2 Resourcing: \$27.219m	



Section 3: Budgeted Financial Statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of agency finances for the Budget year 2008-09. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between the agency and outcome resource statements, movements in administered funds, special accounts and Government Indigenous expenditure.

3.1: EXPLANATORY TABLES

3.1.1: Reconciliation of Total Available Appropriation and Outcomes

The Agency Resource Statement (Table 1.2.1) details the total available appropriation available to an agency from all sources. For departmental operating appropriations (outputs) this includes carry-forward amounts as well as amounts appropriated at Budget. As agencies incur and are funded for future liabilities, generally depreciation and employee entitlements, the total amount of departmental operating appropriation available to an agency is unlikely to be fully utilised in the Budget year. Outcome resource statements include details of the expected use of available resources in contributing towards outcomes in the Budget year. The difference between the agency resource statement and the sum of all payments made at the departmental outputs level is the expected carry-forward amount of resources for the Budget year 2009-10, including amounts related to meeting future obligations to maintain the agency's asset base and to meet employee entitlement liabilities.

Table 3.1.1: Reconciliation of Total Available Appropriation and Outcomes

	\$'000
Total available departmental operating appropriation (outputs)	58,408
Less estimated payments in 2008-09	46,911
Estimated Departmental Operating appropriation carry-forward for 2009-10 (outputs)	11,497

3.1.2: Movement of Administered Funds Between Years

3.1.2 is not applicable to the NHMRC.

3.1.3: 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 3.1.3 shows the expected additions (receipts) and reductions (payments) for each account used by the NHMRC.

Table 3.1.3: Estimates of Special Account Cash Flows and Balances

	Opening balance	Receipts	Payments	Adjustments	Closing balance
	2008-09	2008-09	2008-09	2008-09	2008-09
	2007-08	2007-08	2007-08	2007-08	2007-08
Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Medical Research Endowment Account	1.1 376,196	632,879	632,419		376,656
NHMRC Act and s.21 FMA Act 1997 (A)	258,746	659,041	541,591		376,196
Total Special Accounts 2008-09 Budget Estimate	376,196	632,879	632,419		376,656
Total special accounts 2007-08 estimate actual	258,746	659,041	541,561		376,196



3.1.4: Australian Government Indigenous Expenditure

Table 3.1.4: Australian Government Indigenous Expenditure

	Appropriations			Total Approp \$'000	Other \$'000	Total \$'000
	Bill No. 1 \$'000	Bill No. 2 \$'000	Special Approp \$'000			
	National Health and Medical Research Council					
Administered 2008-09	31,033	-	-	31,033	-	31,033
<i>Administered 2007-08</i>	<i>32,197</i>	<i>-</i>	<i>-</i>	<i>32,197</i>	<i>-</i>	<i>32,197</i>
Departmental 2008-09						
<i>Departmental 2007-08</i>						
Total Outcome 2008-09	31,033	-	-	31,033	-	31,033
<i>Total Outcome 2007-08</i>	<i>32,197</i>	<i>-</i>	<i>-</i>	<i>32,197</i>	<i>-</i>	<i>32,197</i>
Total Administered 2008-09	31,033	-	-	31,033	-	31,033
<i>Total Administered 2007-08</i>	<i>32,197</i>	<i>-</i>	<i>-</i>	<i>32,197</i>	<i>-</i>	<i>32,197</i>
Total Departmental 2008-09						
<i>Total Departmental 2007-08</i>						
Total AGIE 2008-09	31,033	-	-	31,033	-	31,033
<i>Total AGIE 2007-08</i>	<i>32,197</i>	<i>-</i>	<i>-</i>	<i>32,197</i>	<i>-</i>	<i>32,197</i>

3.2: ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

An analysis of the NHMRC's budgeted financial statements for 2008-09 are provided below.

Departmental Resources

Income Statement

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

Revenues

Total revenues are expected to decrease from \$42.665 million in 2007-08 to \$41.325 million in 2008-09. This includes an impending transfer of \$3.840 million revenue from Administered to Departmental Output funding to cover operating expenditure for the National Institute of Clinical Studies. The decrease from \$42.665 million in 2007-08 to \$41.325 million in 2008-09 is largely due to the 3.25 percent efficiency dividend.

Expenses

Employee expenses for the NHMRC are expected to increase from \$21.642 million to approximately \$22.133 million. The 2008-09 estimate includes approximately \$2.122 million yet to be transferred from Administered Output funding for the National Institute of Clinical Studies.

Balance Sheet

Receivables will decrease as the research fellowship scheme funds appropriated in 2006-07 are spent. This will result in an approved operating deficit of \$1.400 million each year. Receivables will also be reduced to enable funds to be utilised for fit out of new premises and new information technology systems.

Administered Resources

The administered accounts are used as a mechanism to move funds to the NHMRC's Special Account (Medical Research Endowment Account). The increasing appropriation in the forward years reflects the increased funding of \$500 million for medical research announced in the 2006-07 Budget to be spent over four years.

An analysis of the NHMRC's budgeted financial statements for 2008-09 is provided below.

3.3: BUDGETED FINANCIAL STATEMENTS TABLES

Table 3.3.1: Budgeted Departmental Income Statement (for the period ended 30 June)

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forw ard estimate 2009-10 \$'000	Forw ard estimate 2010-11 \$'000	Forw ard estimate 2011-12 \$'000
INCOME					
Revenue					
Revenues from Government	35,292	35,577	32,595	28,331	29,033
Goods and services	7,250	1,785	653	653	653
Other	123	123	123	123	123
Total Revenue	42,665	37,485	33,371	29,107	29,809
Total Income	42,665	37,485	33,371	29,107	29,809
EXPENSE					
Employees	21,642	20,011	19,335	16,097	15,990
Suppliers	21,443	17,795	14,035	13,009	13,818
Grants	450	460	460	460	460
Depreciation and amortisation	530	619	941	941	941
Total Expenses	44,065	38,885	34,771	30,507	31,209
Surplus/(Deficit)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)

Prepared on Australian Accounting Standards basis.

Table 3.3.2: Budgeted Departmental Balance Sheet (as at 30 June)

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forw ard estimate 2009-10 \$'000	Forw ard estimate 2010-11 \$'000	Forw ard estimate 2011-12 \$'000
ASSETS					
Financial Assets					
Cash and equivalents	940	940	940	940	940
Trade and other Receivables	23,969	15,094	14,476	14,273	13,314
Total Financial Assets	24,909	16,034	15,416	15,213	14,254
Non-Financial Assets					
Infrastructure, plant and equipment	443	8,543	7,743	6,943	6,083
Inventories	412	412	612	612	612
Intangibles	1,952	2,334	3,155	3,166	3,833
Other	270	270	270	270	270
Total Non-Financial Assets	3,077	11,559	11,780	10,991	10,798
Total Assets	27,986	27,593	27,197	26,204	25,052
LIABILITIES					
Provisions					
Employees	2,960	3,404	3,798	3,898	3,993
Total Provisions	2,960	3,404	3,798	3,898	3,993
Payables					
Suppliers	4,400	4,613	4,873	4,830	4,983
Other	2,755	2,755	2,755	2,755	2,755
Total Payables	7,155	7,368	7,628	7,585	7,738
Total Liabilities	10,115	10,772	11,426	11,483	11,731
Net Assets	17,871	16,821	15,771	14,721	13,321
EQUITY					
Parent Entity Interest					
Contributed equity	4,144	4,494	4,844	5,194	5,194
Retained surpluses or accumulated deficits	13,727	12,327	10,927	9,527	8,127
Total Parent Entity Interest	17,871	16,821	15,771	14,721	13,321
Total Equity	17,871	16,821	15,771	14,721	13,321
Current assets	25,591	16,716	16,298	16,095	15,136
Non-current assets	2,395	10,877	10,898	10,109	9,916
Current liabilities	9,609	10,233	10,854	10,909	11,144
Non-current liabilities	506	539	571	574	587

Table 3.3.3: Budgeted Departmental Statement of Cash Flows (for the period ended 30 June)

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forw ard estimate 2009-10 \$'000	Forw ard estimate 2010-11 \$'000	Forw ard estimate 2011-12 \$'000
OPERATING ACTIVITIES					
Cash Received					
Goods and services	7,250	1,785	653	653	653
Appropriations	35,292	44,625	32,595	28,331	29,033
Other	501	501	501	501	501
Total Cash Received	43,043	46,911	33,749	29,485	30,187
Cash Used					
Employees	21,909	20,966	19,161	16,090	15,789
Suppliers	21,134	18,795	14,588	13,395	14,398
Total Cash Used	43,043	39,761	33,749	29,485	30,187
Net Cash from or (used by) Operating Activities	-	7,150	-	-	-
INVESTING ACTIVITIES					
Cash Used					
Purchase of property, plant and equipment	550	7,500	350	350	350
Total Cash Used	550	7,500	350	350	350
Net Cash from or (used by) Investing Activities	(550)	(7,500)	(350)	(350)	(350)
FINANCING ACTIVITIES					
Cash Received					
Appropriations - contributed equity	550	350	350	350	350
Total Cash Received	550	350	350	350	350
Net Cash from or (used by) Financing Activities	550	350	350	350	350
Net Increase or (Decrease) in Cash Held	-	-	-	-	-
Cash at the beginning of the reporting period	940	940	940	940	940
Cash at the End of the Reporting Period	940	940	940	940	940

Table 3.3.4: Departmental Statement of Changes in Equity — Summary of Movement (Budget year 2008-09)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening Balance as at 1 July 2008					
Balance carried forward from previous period	13,727	-	-	4,144	17,871
Surplus (deficit) for the period	(1,400)	-	-	-	(1,400)
Transactions with Owners					
<i>Contribution by owners</i>					
Appropriation (equity injection)				350	350
Other:					
Restructuring	-	-	-	-	-
Sub-Total Transactions with Owners	-	-	-	350	350
Estimated Closing Balance as at 30 June 2009	12,327	-	-	4,494	16,821



Table 3.3.5: Schedule of Budgeted Income and Expenses Administered on Behalf of Government (for the period ended 30 June)

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forw ard estimate 2009-10 \$'000	Forw ard estimate 2010-11 \$'000	Forw ard estimate 2011-12 \$'000
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Grants	541,591	632,419	722,816	733,533	747,506
Employees	-	2,112	2,152	2,193	2,235
Suppliers	-	1,728	1,761	1,794	1,828
Total Expenses Administered on Behalf of Government	541,591	636,259	726,729	737,520	751,569

Table 3.3.6: Schedule of Budgeted Assets and Liabilities Administered on Behalf of Government (as at 30 June)

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forw ard estimate 2009-10 \$'000	Forw ard estimate 2010-11 \$'000	Forw ard estimate 2011-12 \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial Assets					
Cash and cash equivalents	-	-	-	-	-
Receivables	376,196	376,656	370,543	372,196	391,933
Investments	-	-	-	-	-
Other financial assets	-	-	-	-	-
Total Financial Assets	376,196	376,656	370,543	372,196	391,933
Non-Financial Assets					
Other	-	-	-	-	-
Total Non-Financial Assets	-	-	-	-	-
Total Assets Administered on Behalf of Government	-	-	-	-	-



Table 3.3.7: Schedule of Budgeted Administered Cash Flows (for the period ended 30 June)

	Estimated actual 2007-08 \$'000	Budget estimate 2008-09 \$'000	Forw ard estimate 2009-10 \$'000	Forw ard estimate 2010-11 \$'000	Forw ard estimate 2011-12 \$'000
OPERATING ACTIVITIES					
Cash Used					
Employees	-	2,122	2,152	2,193	2,235
Grant payments	541,591	632,419	722,816	733,533	747,506
Suppliers	-	1,728	1,761	1,794	1,828
Total Cash Used	541,591	636,269	726,729	737,520	751,569
Net Cash From or (Used by)					
Operating Activities	(541,591)	(636,269)	(726,729)	(737,520)	(751,569)
Net Increase or (Decrease)					
in Cash Held	(541,591)	(636,269)	(726,729)	(737,520)	(751,569)
Cash at beginning of reporting period					
Cash from Official Public Account for:					
- appropriations	541,591	636,269	726,729	737,520	751,569
- special accounts	-	-	-	-	-
Cash at End of Reporting Period	-	-	-	-	-

3.4: 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 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. This highlights whether the NHMRC is operating at a sustainable level.

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 2008-09)

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 NHMRC's main 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 NHMRC's 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 NHMRC's cash flows administered on behalf of the Government.

