

# **NATIONAL HEALTH AND MEDICAL RESEARCH COUNCIL**

## **Entity Resources and Planned Performance**

**NHMRC**



# National Health and Medical Research Council

Health Portfolio Entity

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The logo for the National Health and Medical Research Council (NHMRC), consisting of the letters 'NHMRC' in white, oriented vertically on a black rectangular background.

## Section 1: Entity Overview and Resources

### 1.1 Strategic Direction Statement

The National Health and Medical Research Council (NHMRC) is the Australian Government's key entity for managing investment in health and medical research. NHMRC is also 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.

NHMRC's 2015-19 Corporate Plan outlines major health issues for the period covered by the plan, including how NHMRC will deal with these issues and a national strategy for medical research and public health research. It also sets out NHMRC's purposes, planned activities and performance for the period, and addresses NHMRC's capability, environment, and risk oversight and management. The Corporate Plan is tabled annually in Parliament after the Minister's approval.<sup>1</sup>

In 2016-17, NHMRC will continue to improve the research grants program by conducting an over-arching review of its structure to determine whether the suite of funding schemes can be streamlined and adapted to current circumstances, while continuing to support the best Australian research and researchers for the benefit of human health.

NHMRC will also continue to improve its application and assessment processes for research grants and look for further efficiencies and to reduce red tape for the research community.

NHMRC's work will also facilitate the translation of evidence derived from health and medical research into practices and systems designed to prevent illness and improve public health. NHMRC's guidelines and advice will also support the States and Territories in achieving consistent standards in public and environmental health in the detection and prevention of illness.

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 a Non-corporate Commonwealth Entity under the *Public Governance, Performance and Accountability Act 2013*. Operational details are contained in the Corporate Plan, which is available on the NHMRC website.

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<sup>1</sup> The NHMRC Corporate Plan is developed in accordance with Division 3 of the *National Health and Medical Research Council Act 1992*.

## 1.2 Entity Resource Statement

Table 1.1 shows the total funding from all sources available to the entity for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by Outcome (Government strategic policy objectives) and by Administered (on behalf of the Government or the public) and Departmental (for the entity's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (i.e. appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

**Table 1.1: NHMRC Resource Statement – Budget Estimates for 2016-17 as at Budget May 2016**

	2015-16 Estimated actual \$'000	2016-17 Estimate \$'000
<b>DEPARTMENTAL</b>		
Prior year appropriation available	10,179	11,151
<b>Annual appropriations</b>		
Ordinary annual services <sup>1</sup>		
Departmental appropriation	40,237	37,449
s74 retained revenue receipts <sup>2</sup>	1,500	1,500
Departmental capital budget <sup>3</sup>	4,186	173
Other services <sup>4</sup>		
Equity injection	-	-
<b>Total departmental annual appropriations</b>	<b>45,923</b>	<b>39,122</b>
<b>Total departmental resourcing</b>	<b>56,102</b>	<b>50,273</b>

**Table 1.1: NHMRC Resource Statement – Budget Estimates for 2016-17 as at Budget May 2016 (continued)**

	2015-16 Estimated actual \$'000	2016-17 Estimate \$'000
<b>ADMINISTERED</b>		
Prior year appropriation available	131,613	90,098
<b>Annual appropriations</b>		
Ordinary annual services <sup>1</sup>		
Outcome 1	840,583	852,458
Other services <sup>4</sup>		
Administered assets and liabilities	-	-
<b>Total administered annual appropriations</b>	<b>840,583</b>	<b>852,458</b>
<b>Special Accounts<sup>5</sup></b>		
Appropriation receipts	796,265	807,383
Appropriation receipts - other entities <sup>6</sup>	-	-
Non-appropriation receipts	8,000	8,000
<b>Total Special Accounts</b>	<b>804,265</b>	<b>815,383</b>
<b>Total administered resourcing</b>	<b>1,776,461</b>	<b>1,757,939</b>
Less appropriations drawn from annual or special appropriations above and credited to Special Accounts <sup>7</sup>	(796,265)	(807,383)
<b>Total administered resourcing</b>	<b>980,196</b>	<b>950,556</b>
<b>Total resourcing for NHMRC</b>	<b>1,036,298</b>	<b>1,000,829</b>
	<b>2015-16</b>	<b>2016-17</b>
<b>Average staffing level (number)</b>	185	179

All figures are GST exclusive.

<sup>1</sup> Appropriation Bill (No. 1) 2016-17.

<sup>2</sup> Estimated retained revenue receipts under section 74 of the *PGPA Act 2013*.

<sup>3</sup> Departmental capital budgets (DCB) are not separately identified in Appropriation Bill (No. 1) and form part of ordinary annual services items. Refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.

<sup>4</sup> Appropriation Bill (No. 2) 2016-17.

<sup>5</sup> For further information on special appropriations and special accounts, please refer to *Budget Paper No. 4 - Agency Resourcing*. Also see Table 2.1 for further information on outcome and program expenses broken down by various funding sources, e.g annual appropriations, special appropriations and special accounts.

<sup>6</sup> Appropriation receipts from the Department of Health.

<sup>7</sup> Appropriation receipts included above.

### 1.3 Budget Measures

This entity was impacted by the 2015-16 *Mid-Year Economic and Fiscal Outlook* measure *Public Sector Savings – Shared and Common Services Program*. For details refer to Table 1.2 in the Department of Health chapter of this publication.

## Section 2: Outcomes and Planned Performance

Government Outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which Government entities achieve the intended results of their Outcome statements. Entities are required to identify the programs which contribute to Government Outcomes over the Budget and forward years.

Each Outcome is described below together with its related programs. The following provides detailed information on expenses for each Outcome and program, further broken down by funding source.

**Note:** From 1 July 2015, performance reporting requirements in the Portfolio Budget Statements sit alongside those required under the enhanced Commonwealth Performance Framework. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plan and annual performance statement – included in Annual Reports from October 2016 – to provide an entity's complete performance story.

## 2.1 Budgeted Expenses and Performance

**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**

### Linked Programs

Commonwealth entity and linked programs	Contribution to Outcome 1 made by linked programs
<b>Department of Health</b> <b>Program 1.1:</b> Health Policy Research and Analysis	The Department of Health has policy responsibility for health and medical research through the Medical Research Future Fund, which will support the sustainability of the health system into the future, and drive further medical innovation.
<b>Department of Industry, Innovation and Science</b> <b>Program 2.2:</b> Business and Market Development	The Department of Industry, Innovation and Science is working with the National Health and Medical Research Council and the Department of Health to support the Australian pharmaceutical industry and medical research sector through simplifying and streamlining clinical trial processes. In addition, resources have been developed around education and training for those involved in the management of clinical trials, and activities undertaken to encourage recruitment into clinical trials.
<b>Education and Training Portfolio</b> (Australian Research Council) <b>Program 1.2:</b> Linkage – Cross-Sector Research Partnerships	The Australian Research Council is working in close collaboration with the National Health and Medical Research Council to prioritise and fund capacity building initiatives for dementia, under the Government’s <i>Dementia Initiative: Making Dementia a National Health Priority</i> .



## Budgeted Expenses for NHMRC

This table shows how much the entity intends to spend (on an accrual basis) on achieving the Outcome, broken down by program, as well as by Administered and Departmental funding sources.

**Table 2.1.1: Budgeted Expenses for NHMRC**

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward Year 1 \$'000	2018-19 Forward Year 2 \$'000	2019-20 Forward Year 3 \$'000
<b>Program 1.1: Health and medical research</b>					
Administered expenses					
Ordinary annual services <sup>1</sup> to Medical Research Endowment Account	840,583	852,458	873,653	885,369	858,935
Special Accounts Medical Research Endowment Account	(796,265)	(807,383)	(819,400)	(831,613)	(846,638)
Departmental expenses					
Departmental appropriation <sup>2</sup>	41,737	38,949	39,167	39,361	39,622
Expenses not requiring appropriation in the Budget year <sup>3</sup>	2,300	2,300	2,300	2,300	2,300
Operating deficit (surplus)	-	-	-	-	-
<b>Total for Program 1.1</b>	<b>934,135</b>	<b>926,827</b>	<b>938,832</b>	<b>942,232</b>	<b>903,174</b>
<b>Total expenses for Outcome 1</b>	<b>934,135</b>	<b>926,827</b>	<b>938,832</b>	<b>942,232</b>	<b>903,174</b>
	<b>2015-16</b>	<b>2016-17</b>			
<b>Average staffing level (number)</b>	185	179			

<sup>1</sup> Appropriation (Bill No. 1) 2016-17.

<sup>2</sup> Departmental appropriation combines "Ordinary annual services (Appropriation Bill No. 1)" and "Revenue from independent sources (s74)".

<sup>3</sup> Expenses not requiring appropriation in the Budget year are made up of depreciation expense, amortisation expense, makegood expense and audit fees.

### Movement of Funds

There were no movements of Administered funds between years.

**Table 2.1.2: Performance Criteria for NHMRC**

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1.<sup>2</sup> It also summarises how each program is delivered and where 2016-17 Budget measures have created new programs or materially changed existing programs.

<b>Outcome</b>	<b>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</b>
<b>Program</b>	<b>1.1: Health and Medical Research</b> The Australian Government, through NHMRC, will continue to invest in innovative 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.
<b>Purposes</b>	<ul style="list-style-type: none"> <li>• To fund high quality health and medical research and build research capability;</li> <li>• To support the translation of health and medical research into better health outcomes; and</li> <li>• To promote the highest ethical standards in health and medical research.<sup>3</sup></li> </ul>
<b>Delivery</b>	Program activities, intended to benefit the Australian community, will be delivered under the following program objectives: A. Supporting high quality health and medical research B. Boosting dementia research C. Streamlining grant assessment and management processes and developing a nationally consistent approach to clinical trials D. Supporting the translation of health and medical research E. Promoting the highest ethical standards in health and medical research
<b>Program objective</b>	
<b>A. Supporting high quality health and medical research</b>	
The Australian Government, through NHMRC, will continue to invest in Australia’s health and medical research sector by awarding grants through a range of competitive, peer reviewed funding schemes to support the highest quality research, and the best researchers, in all areas of health. In 2016-17, NHMRC will continue to implement a program of research that focuses on tropical disease and the effective translation of this research into health policy and practice in Northern Australia.	

<sup>2</sup> Progress against the performance criteria published in the 2015-16 Portfolio Budget Statements will be reported in the 2015-16 NHMRC Annual Report.

<sup>3</sup> These purposes will be reflected in the 2016-17 NHMRC Corporate Plan.

Qualitative performance criteria		2016-17 Reference point or target				
Funding provided for high quality research into Australian health problems.		NHMRC will undertake grant rounds to support the breadth of health and medical research to benefit the health of Australians.				
Periodic review of established funding schemes to determine strengths and identify where improvements can be made. <sup>4</sup>		Complete over-arching Structural Review of NHMRC's grant program by January 2017.				
Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target	
Percentage of total Medical Research Endowment Account funding to the NHMRC Project Grant scheme.	50%	50%	50%	50%	50%	
Percentage of annual research budget awarded to Indigenous health research.	>5%	>5%	>5%	>5%	>5%	
<b>Program objective</b>						
<b>B. Boosting dementia research</b>						
Dementia is now the second <sup>5</sup> leading cause of death in Australia and no cure exists. The Australian Government, through NHMRC, will tackle the dementia burden through a series of initiatives to: boost Australia's dementia research capacity; prioritise funding for vital new dementia research projects; and translate research into new treatments and better care for people with dementia. Operating within the NHMRC governance arrangements, the NHMRC National Institute for Dementia Research will lead this effort, drawing together existing activity and developing a strategic research and translation agenda through identifying national research and translation priorities.						
Qualitative performance criteria		2016-17 Reference point or target				
Funding provided for large scale research projects in priority areas for dementia.		Undertake an additional grant round to support priority research projects.				
<b>Program objective</b>						
<b>C. Streamlining grant assessment and management processes and developing a nationally consistent approach to clinical trials</b>						
In 2016-17, NHMRC will continue to work collaboratively with States, Territories, other Commonwealth entities, industry, clinical trial sites and academic stakeholders, towards a nationally consistent approach to the site assessment and authorisation of clinical trials. This approach will expedite the clinical trials review process in both the public and private health sectors, and enable Australian sites to be more competitive internationally. NHMRC will complete pilot studies to implement a streamlined clinical trial site authorisation process and continue the development of a market driven initiative that aims to recognise sites that are 'ready, willing and able' to conduct high quality clinical trials. In						



<sup>4</sup> The target for this performance criterion has been revised to reflect the Structural Review. The target published in the 2015-16 Portfolio Budget Statements has been achieved.

<sup>5</sup> Dementia was previously the third leading cause of death in Australia.

<p>addition, NHMRC will release an improved ethics application form and will develop contemporary guidance around safety monitoring and reporting requirements for clinical trials. NHMRC will continue to raise awareness of the AustralianClinicalTrials.gov.au website, and the role and value of clinical trials.</p> <p>NHMRC will continue to review the effectiveness of changes made to the Research Grants Management System and the introduction of video conferencing for some grant review panels, to ensure an improved and consistent application and assessment process as well as a streamlined reporting system.</p>	
Qualitative performance criteria	2016-17 Reference point or target
Streamline ethical review and research governance processes for clinical trials.	<p>Launch a simplified Human Research Ethics Application to support a nationally consistent ethical review for all human research, in particular clinical trials.</p> <p>Provide a report in the first quarter of 2016-17 to the Clinical Trials Advisory Committee and to the Clinical Trials Jurisdictional Working Group, on the implementation of a Good Practice Process for site assessment and authorisation of clinical trials.<sup>6</sup></p>
Implement initiatives to enable Australian sites to be more competitive internationally. <sup>7</sup>	<p>A market driven approach to recognise and promote sites that are ‘clinical trials ready’ and to carry out high quality trials in a timely, transparent and efficient manner is developed and implemented by June 2017.</p> <p>Contemporary guidance around safety monitoring and reporting requirements for clinical trials is developed by July 2016.</p>
Conduct marketing activities to raise awareness of the role and value of clinical trials and further enhance the AustralianClinicalTrials.gov.au website as a key resource to facilitate recruitment into clinical trials.	Increased recruitment into clinical trials.

<sup>6</sup> The target for this performance criterion has been revised to reflect the work being undertaken by NHMRC as part of the Government’s initiatives of Simplified and Consistent Health and Medical Research and Expediting Clinical Trials Reforms in Australia.

<sup>7</sup> This performance criterion has been revised to reflect the work being undertaken by NHMRC as part of the Government’s initiatives of Simplified and Consistent Health and Medical Research and Expediting Clinical Trials Reforms in Australia.

Program objective					
D. Supporting the translation of health and medical research					
<p>NHMRC recognises the importance of reliable and timely evidence for clinicians, consumers and policy makers. In 2016-17, NHMRC will conduct a second call for recognition of Advanced Health Research and Translation Centres (AHRTCs). This initiative will support and promote collaboration between leading health care organisations, academia and research institutions that link clinical care with the latest research findings, to benefit patient care. Continued support for the Research Translation Faculty Symposium in 2016-17 will build research translation understanding and capability amongst Australia’s research community.</p> <p>Guidelines and associated resources developed by NHMRC are integral to the development of health policies at a national and state level, and guiding health and medical professionals. In 2016-17, NHMRC will continue to maintain its leadership role in guideline development by publishing best practice advice to developers of clinical, public and environmental health guidelines through NHMRC’s new Standards for Guideline Development and approval of high quality guidelines prepared by third parties. NHMRC will:</p> <ul style="list-style-type: none"> <li>• Release for public consultation a draft information paper on the health effects of water fluoridation and a report on an evidence evaluation on interventions that impact on children’s socio-emotional wellbeing; and</li> <li>• Commence the revision of the <i>Australian guidelines for the prevention and control of infection in healthcare</i> (2010) in collaboration with the Australian Commission on Safety and Quality in Health Care and the <i>Australian Guidelines to Reduce Health Risks from Drinking Alcohol</i> (2009).</li> </ul>					
Qualitative performance criteria		2016-17 Reference point or target			
Approve high quality clinical, public and/or environmental health guidelines prepared by NHMRC or third parties. <sup>8</sup>		Guidelines submitted to the Council and approved by the CEO of NHMRC, meet quality standards.			
Recognise and promote leading collaborations between health care organisations, academia and research institutions.		Recognise second tranche of collaborations through the Advanced Health Research and Translation Centres program.			
Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target
Citation rate of journal articles resulting from NHMRC funded research. <sup>9</sup>	>50%	>50%	>50%	>50%	>50%



<sup>8</sup> This performance criterion has been revised to be specific and measurable. The target published in the 2015-16 Portfolio Budget Statements has been achieved.

<sup>9</sup> Bibliographic citations are where a journal article is referenced in a subsequent journal article, indicating some scientific impact of the original work. The citation rate of journal articles resulting from NHMRC funded research (above) is compared to the world citation average, which is determined by dividing the total number of citations by the total number of journal articles published in the world in the same time period.

Program objective					
<b>E. Promoting the highest ethical standards in health and medical research</b>					
<p>NHMRC promotes high quality ethical standards in research by ensuring that key ethical guidelines remain up-to-date and reflect best practice in the area.</p> <p>In 2016-17, NHMRC will finalise Part B of the <i>Ethical Guidelines on the use of Assisted Reproductive Technology in Clinical Practice and Research June 2007</i><sup>10</sup> and <i>Ethical guidelines for organ transplantation from deceased donors</i>. NHMRC will review the following guidelines jointly with the Australian Research Council and Universities Australia:</p> <ul style="list-style-type: none"> <li>• Section 3 of the <i>National Statement on Ethical Conduct in Human Research 2007</i>;<sup>11</sup></li> <li>• The <i>Australian Code for the Responsible Conduct of Research 2007</i>;<sup>12</sup> and</li> <li>• Aboriginal and Torres Strait Islander research ethics guidelines.</li> </ul> <p>NHMRC will continue to monitor the uptake of the national approach to single ethical review and ensure that institutions participating in the National Certification Scheme of Institutional Processes related to the Ethical Review of Multi-centre Research, maintain certification requirements.<sup>13</sup> NHMRC also administers the <i>Research Involving Human Embryos Act 2002</i> (RIHE Act) and the <i>Prohibition of Human Cloning for Reproduction Act 2002</i> (PHCR Act), which prohibit certain practices, including human cloning for reproduction, and restrict other practices relating to reproductive technology and research.</p>					
Qualitative performance criteria		2016-17 Reference point or target			
Institutions that participate in the National Certification Scheme of Institutional Processes related to the Ethical Review of Multi-centre Research maintain certification requirements. <sup>14</sup>		The ethical review processes and associated governance arrangements of certified institutions and their Human Research Ethics Committees are assessed to ensure that the requirements of the Certification Scheme have been met.			
Stakeholders demonstrate good understanding of the regulatory requirements under the RIHE Act and PHCR Act. <sup>15</sup>		Risk-based strategy of monitoring compliance through inspections and NHMRC assessment of activity reports and other information received.			
Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target
Percentage of institutions maintaining certification requirements.	100%	100%	100%	100%	100%
<b>Material changes to Program 1.1 resulting from the following measures:</b>					
There are no material changes to Program 1.1 resulting from measures.					

<sup>10</sup> Available at: [www.nhmrc.gov.au/\\_files\\_nhmrc/publications/attachments/e78.pdf](http://www.nhmrc.gov.au/_files_nhmrc/publications/attachments/e78.pdf)

<sup>11</sup> Available at: [www.nhmrc.gov.au/guidelines-publications/e72](http://www.nhmrc.gov.au/guidelines-publications/e72)

<sup>12</sup> Available at: [www.nhmrc.gov.au/\\_files\\_nhmrc/publications/attachments/r39.pdf](http://www.nhmrc.gov.au/_files_nhmrc/publications/attachments/r39.pdf)

<sup>13</sup> Available at: [hrep.nhmrc.gov.au/certification](http://hrep.nhmrc.gov.au/certification)

<sup>14</sup> This performance criterion has been revised to reflect the work being undertaken. For 2016-17, the focus is on monitoring the maintenance of certification requirements.

<sup>15</sup> This performance criterion has been revised to be more specific and measurable.

## **Section 3: Budgeted Financial Statements**

Section 3 presents budgeted financial statements, which provide a comprehensive snapshot of entity finances for the 2016-17 Budget year, including the impact of Budget measures and resourcing on financial statements.

### **3.1 Budgeted Financial Statements**

#### **3.1.1 Differences Between Entity Resourcing and Financial Statements**

This section is not applicable to NHMRC.

#### **3.1.2 Explanatory Notes and Analysis of Budgeted Financial Statements**

An analysis of NHMRC's budgeted financial statements for 2016-17 is set out below.

##### **Departmental Resources**

###### **Comprehensive Income Statement (showing net cost of services)**

Revenue and expenditure for 2016-17 is expected to be in line with Government forecasts, with Employee expenses to be 55 per cent of total expenditure.

##### **Administered Resources**

The Administered accounts are used as a mechanism to transfer most of the funds to NHMRC's Special Account (Medical Research Endowment Account). In 2016-17 the transfer to the Special Account is expected to be \$807.4 million.

Expenditure in 2016-17 is expected to be greater than the Administered Appropriation and funds will be drawn down from the Medical Research Endowment Account.

## 3.2 Budgeted Financial Statements Tables

**Table 3.1: Comprehensive Income Statement (showing net cost of services) for the period ended 30 June**

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
<b>EXPENSES</b>					
Employee benefits	24,857	22,858	22,552	22,227	21,764
Supplier expenses	16,960	16,171	16,695	17,214	17,938
Depreciation and amortisation	2,200	2,200	2,200	2,200	2,200
Finance costs	20	20	20	20	20
<b>Total expenses</b>	<b>44,037</b>	<b>41,249</b>	<b>41,467</b>	<b>41,661</b>	<b>41,922</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Revenue</b>					
Sale of goods and rendering of services	1,500	1,500	1,500	1,500	1,500
<b>Total revenue</b>	<b>1,500</b>	<b>1,500</b>	<b>1,500</b>	<b>1,500</b>	<b>1,500</b>
<b>Gains</b>					
Other	100	100	100	100	100
<b>Total gains</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Total own-source income</b>	<b>1,600</b>	<b>1,600</b>	<b>1,600</b>	<b>1,600</b>	<b>1,600</b>
<b>Net cost of (contribution by) services</b>	<b>42,437</b>	<b>39,649</b>	<b>39,867</b>	<b>40,061</b>	<b>40,322</b>
Revenue from Government	40,237	37,449	37,667	37,861	38,122
<b>Surplus (deficit)</b>	<b>(2,200)</b>	<b>(2,200)</b>	<b>(2,200)</b>	<b>(2,200)</b>	<b>(2,200)</b>
<b>Surplus (deficit) attributable to the Australian Government</b>	<b>(2,200)</b>	<b>(2,200)</b>	<b>(2,200)</b>	<b>(2,200)</b>	<b>(2,200)</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Changes in asset revaluation reserves	-	-	-	-	-
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income attributable to the Australian Government</b>	<b>(2,200)</b>	<b>(2,200)</b>	<b>(2,200)</b>	<b>(2,200)</b>	<b>(2,200)</b>
<b>Note: Reconciliation of comprehensive income attributable to the entity</b>					
	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
<b>Total comprehensive income (loss) attributable to the Australian Government</b>	<b>(2,200)</b>	<b>(2,200)</b>	<b>(2,200)</b>	<b>(2,200)</b>	<b>(2,200)</b>
plus non-appropriated expenses depreciation and amortisation expenses	2,200	2,200	2,200	2,200	2,200
<b>Total comprehensive income (loss) attributable to the entity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



Table 3.2: Budgeted Departmental Balance Sheet (as at 30 June)

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	389	389	389	389	389
Receivables	11,014	11,557	11,584	11,614	10,264
<b>Total financial assets</b>	<b>11,403</b>	<b>11,946</b>	<b>11,973</b>	<b>12,003</b>	<b>10,653</b>
<b>Non-financial assets</b>					
Property, plant and equipment	4,361	2,961	1,561	337	464
Inventories	201	201	201	201	201
Intangibles	6,533	5,906	5,281	4,481	3,681
Other	952	952	952	952	952
<b>Total non-financial assets</b>	<b>12,047</b>	<b>10,020</b>	<b>7,995</b>	<b>5,971</b>	<b>5,298</b>
<b>Total assets</b>	<b>23,450</b>	<b>21,966</b>	<b>19,968</b>	<b>17,974</b>	<b>15,951</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	3,466	3,266	3,215	3,205	3,205
Other payables	879	686	686	686	686
<b>Total payables</b>	<b>4,345</b>	<b>3,952</b>	<b>3,901</b>	<b>3,891</b>	<b>3,891</b>
<b>Provisions</b>					
Employees	5,240	5,129	4,443	4,318	4,318
Other provisions	657	684	691	697	697
<b>Total provisions</b>	<b>5,897</b>	<b>5,813</b>	<b>5,134</b>	<b>5,015</b>	<b>5,015</b>
<b>Total liabilities</b>	<b>10,242</b>	<b>9,765</b>	<b>9,035</b>	<b>8,906</b>	<b>8,906</b>
<b>Net Assets</b>	<b>13,208</b>	<b>12,201</b>	<b>10,933</b>	<b>9,068</b>	<b>7,045</b>
<b>EQUITY</b>					
Contributed equity	11,602	11,775	11,950	12,126	12,303
Reserves	73	73	73	73	73
Retained surpluses or accumulated deficits	1,533	353	(1,090)	(3,131)	(5,331)
<b>Total equity</b>	<b>13,208</b>	<b>12,201</b>	<b>10,933</b>	<b>9,068</b>	<b>7,045</b>

 Table 3.3: Departmental Statement of Changes in Equity — Summary of Movement  
(Budget year 2016-17)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2016</b>				
Balance carried forward from previous period	1,533	73	11,602	<b>13,208</b>
Surplus (deficit) for the period	(2,200)	-	-	<b>(2,200)</b>
Appropriation (equity injection)	-	-	-	-
Capital budget - Bill 1 (DCB)	-	-	173	<b>173</b>
Other movements	1,020	-	-	<b>1,020</b>
<b>Estimated closing balance as at 30 June 2017</b>	<b>353</b>	<b>73</b>	<b>11,775</b>	<b>12,201</b>

**Table 3.4: Budgeted Departmental Statement of Cash Flows (for the period ended 30 June)**

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	1,500	1,500	1,500	1,500	1,500
Appropriations	39,849	36,589	37,667	37,861	38,122
Net GST received	1,500	1,500	1,500	1,500	1,500
<b>Total cash received</b>	<b>42,849</b>	<b>39,589</b>	<b>40,667</b>	<b>40,861</b>	<b>41,122</b>
<b>Cash used</b>					
Employees	23,860	23,207	24,078	24,522	23,264
Suppliers	18,989	16,382	16,589	16,339	17,858
<b>Total cash used</b>	<b>42,849</b>	<b>39,589</b>	<b>40,667</b>	<b>40,861</b>	<b>41,122</b>
<b>Net cash from (or used by) operating activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment	4,186	173	175	176	177
<b>Total cash used</b>	<b>4,186</b>	<b>173</b>	<b>175</b>	<b>176</b>	<b>177</b>
<b>Net cash from (or used by) investing activities</b>	<b>(4,186)</b>	<b>(173)</b>	<b>(175)</b>	<b>(176)</b>	<b>(177)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Capital budget - Bill 1 (DCB)	4,186	173	175	176	177
<b>Total cash received</b>	<b>4,186</b>	<b>173</b>	<b>175</b>	<b>176</b>	<b>177</b>
<b>Net cash from (or used by) financing activities</b>	<b>4,186</b>	<b>173</b>	<b>175</b>	<b>176</b>	<b>177</b>
<b>Net increase (or decrease) in cash held</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	389	389	389	389	389
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>389</b>	<b>389</b>	<b>389</b>	<b>389</b>	<b>389</b>

**Table 3.5: Departmental Capital Budget Statement (for the period ended 30 June)**

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Capital budget - Bill 1 (DCB)	4,186	173	175	176	177
Equity injections - Bill 2	-	-	-	-	-
<b>Total capital appropriations</b>	<b>4,186</b>	<b>173</b>	<b>175</b>	<b>176</b>	<b>177</b>
<b>Total new capital appropriations represented by:</b>					
Purchase of non-financial assets	4,186	173	175	176	177
<b>Total items</b>	<b>4,186</b>	<b>173</b>	<b>175</b>	<b>176</b>	<b>177</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations - equity injection <sup>1</sup>	-	-	-	-	-
Funded by capital appropriation - DCB <sup>2</sup>	4,186	173	175	176	177
Funded internally from departmental resources	-	-	-	-	-
<b>Total acquisitions of non-financial assets</b>	<b>4,186</b>	<b>173</b>	<b>175</b>	<b>176</b>	<b>177</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
<b>Total purchases</b>	<b>4,186</b>	<b>173</b>	<b>175</b>	<b>176</b>	<b>177</b>
<b>Total cash used to acquire assets</b>	<b>4,186</b>	<b>173</b>	<b>175</b>	<b>176</b>	<b>177</b>

<sup>1</sup> Includes both current Bill 2, prior Act 2/4/6 appropriations and special capital appropriations.

<sup>2</sup> Does not include annual finance lease costs. Includes purchases from current and previous years' Departmental Capital Budgets (DCB).

**Table 3.6: Statement of Asset Movements (Budget year 2016-17)**

	Buildings	Other property, plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2016</b>				
Gross book value	-	12,287	12,695	<b>24,982</b>
Accumulated depreciation amortisation and impairment	-	(7,926)	(6,162)	<b>(14,088)</b>
<b>Opening net book balance</b>	<b>-</b>	<b>4,361</b>	<b>6,533</b>	<b>10,894</b>
<b>CAPITAL ASSET ADDITIONS</b>				
<b>Estimated expenditure on new or replacement assets</b>				
By purchase - appropriation ordinary annual services	-	-	173	<b>173</b>
<b>Total additions</b>	<b>-</b>	<b>-</b>	<b>173</b>	<b>173</b>
<b>Other movements</b>				
Depreciation/amortisation expense	-	(1,400)	(800)	<b>(2,200)</b>
<b>Total other movements</b>	<b>-</b>	<b>(1,400)</b>	<b>(800)</b>	<b>(2,200)</b>
<b>As at 30 June 2017</b>				
Gross book value	-	12,287	12,868	<b>25,155</b>
Accumulated depreciation amortisation and impairment	-	(9,326)	(6,962)	<b>(16,288)</b>
<b>Closing net book balance</b>	<b>-</b>	<b>2,961</b>	<b>5,906</b>	<b>8,867</b>

**Table 3.7: Schedule of Budgeted Income and Expenses Administered on Behalf of Government (for the period ended 30 June)**

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
<b>INCOME ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
Recoveries	5,000	5,000	5,000	5,000	5,000
Other non-tax revenue	3,000	3,000	3,000	3,000	3,000
<b>Total income administered on behalf of Government</b>	<b>8,000</b>	<b>8,000</b>	<b>8,000</b>	<b>8,000</b>	<b>8,000</b>
<b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
Grants - MREA	845,780	840,503	843,112	846,815	848,955
Grants - dementia	31,000	31,000	40,000	40,000	-
Suppliers	13,318	14,075	14,253	13,756	12,297
<b>Total expenses administered on behalf of Government</b>	<b>890,098</b>	<b>885,578</b>	<b>897,365</b>	<b>900,571</b>	<b>861,252</b>

MREA = Medical Research Endowment Account.

**Table 3.8: Schedule of Budgeted Assets and Liabilities Administered on Behalf of Government (as at 30 June)**

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
<b>ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Financial assets</b>					
Cash and cash equivalents	-	-	-	-	-
Receivables	919	919	919	919	919
<b>Total financial assets</b>	<b>919</b>	<b>919</b>	<b>919</b>	<b>919</b>	<b>919</b>
<b>Total assets administered on behalf of Government</b>	<b>919</b>	<b>919</b>	<b>919</b>	<b>919</b>	<b>919</b>
<b>LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Payables</b>					
Grants	14,854	14,854	14,854	28,091	28,091
Other	-	-	-	-	-
<b>Total payables</b>	<b>14,854</b>	<b>14,854</b>	<b>14,854</b>	<b>28,091</b>	<b>28,091</b>
<b>Total liabilities administered on behalf of Government</b>	<b>14,854</b>	<b>14,854</b>	<b>14,854</b>	<b>28,091</b>	<b>28,091</b>

**Table 3.9: Schedule of Budgeted Administered Cash Flows (for the period ended 30 June)**

	<b>2015-16 Estimated actual \$'000</b>	<b>2016-17 Budget \$'000</b>	<b>2017-18 Forward estimate \$'000</b>	<b>2018-19 Forward estimate \$'000</b>	<b>2019-20 Forward estimate \$'000</b>
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Cash received - other	8,000	8,000	8,000	8,000	8,000
Net GST received	26,000	26,000	26,000	26,000	26,000
<b>Total cash received</b>	<b>34,000</b>	<b>34,000</b>	<b>34,000</b>	<b>34,000</b>	<b>34,000</b>
<b>Cash used</b>					
Grant payments - MREA	845,780	840,503	843,112	846,815	848,955
Grant payments - dementia	31,000	31,000	40,000	40,000	-
Suppliers	13,318	14,075	14,253	13,756	12,297
Net GST paid	26,000	26,000	26,000	26,000	26,000
<b>Total cash used</b>	<b>916,098</b>	<b>911,578</b>	<b>923,365</b>	<b>926,571</b>	<b>887,252</b>
<b>Net cash from (or used by) operating activities</b>	<b>(882,098)</b>	<b>(877,578)</b>	<b>(889,365)</b>	<b>(892,571)</b>	<b>(853,252)</b>
<b>Net increase (or decrease) in cash held</b>	<b>(882,098)</b>	<b>(877,578)</b>	<b>(889,365)</b>	<b>(892,571)</b>	<b>(853,252)</b>
Cash at beginning of reporting period	-	-	-	-	-
Cash from Official Public Account for: - appropriations	882,098	877,578	889,365	892,571	853,252
<b>Cash at end of reporting period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

MREA = Medical Research Endowment Account.