



Australian Government

National Health and Medical Research Council

BUILDING  
A HEALTHY  
AUSTRALIA

# Annual Report 2018–19

National Health and Medical Research Council

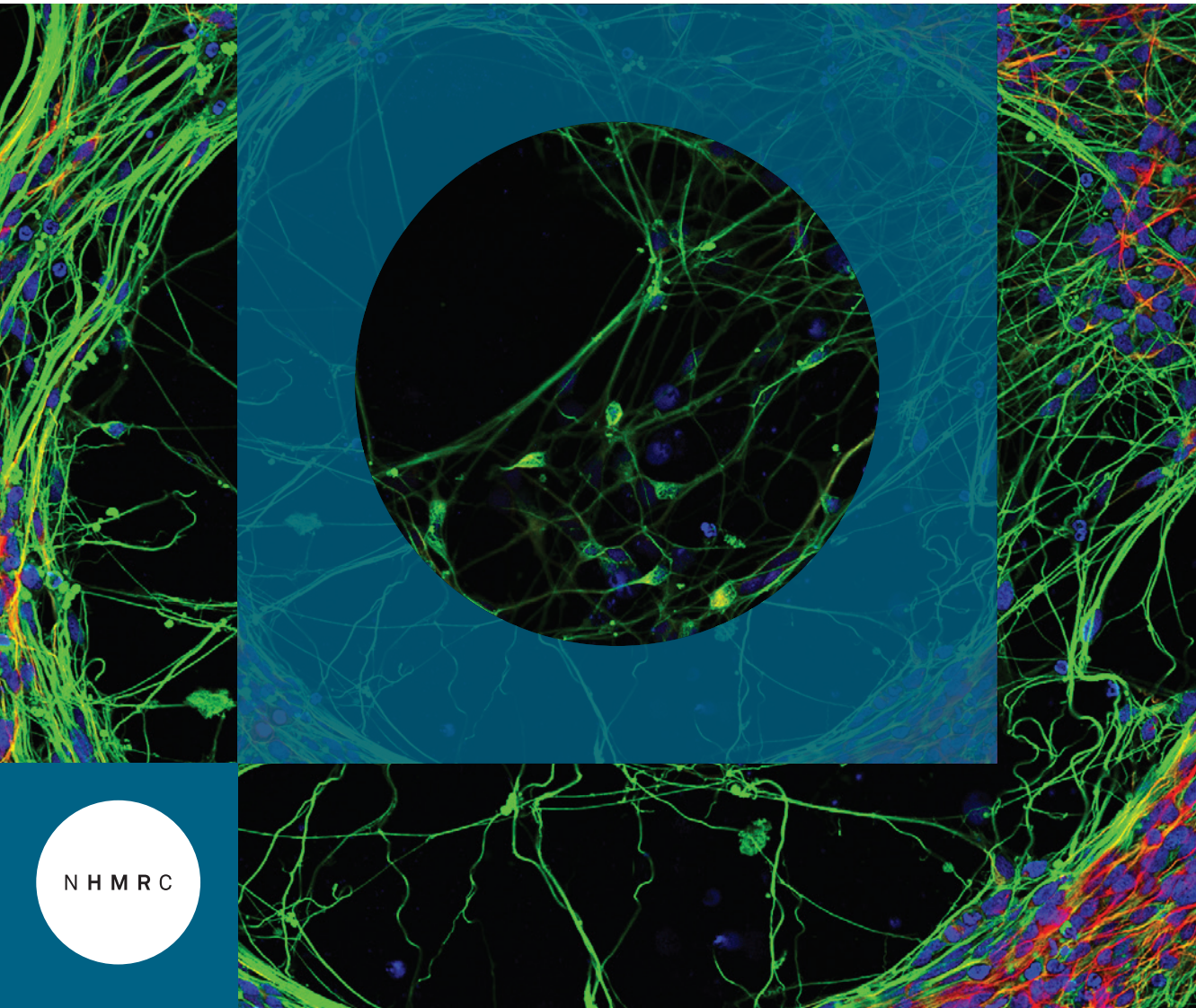


Figure 1: NHMRC funding snapshot, 2018-19

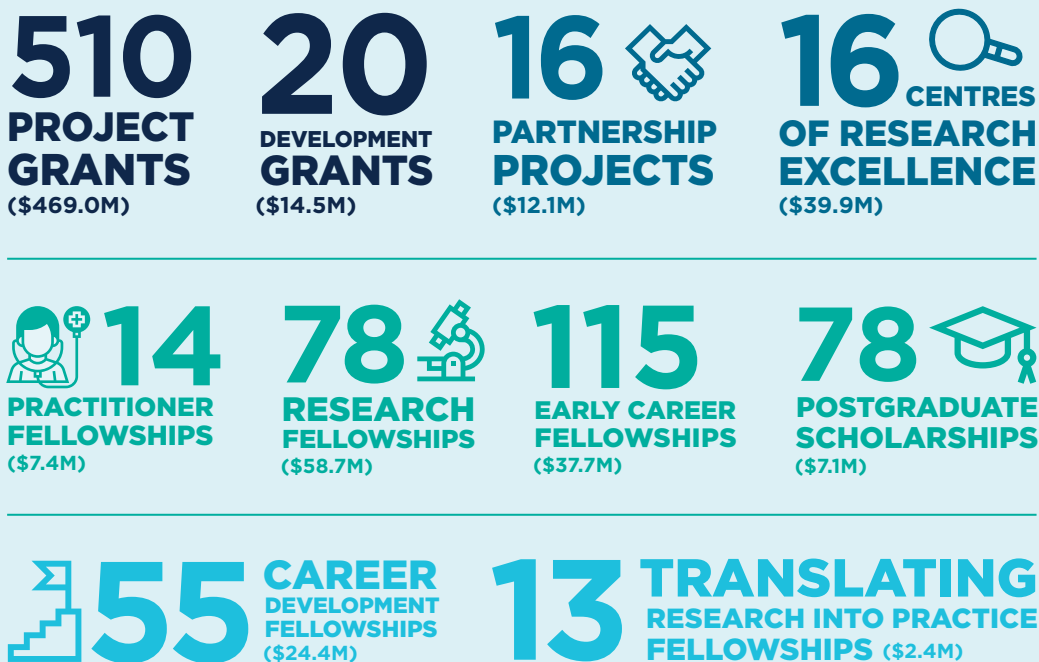


Figure 2: NHMRC staff snapshot, 2018-19



Figure 3: Research on major health issues funded by NHMRC, 2018-19

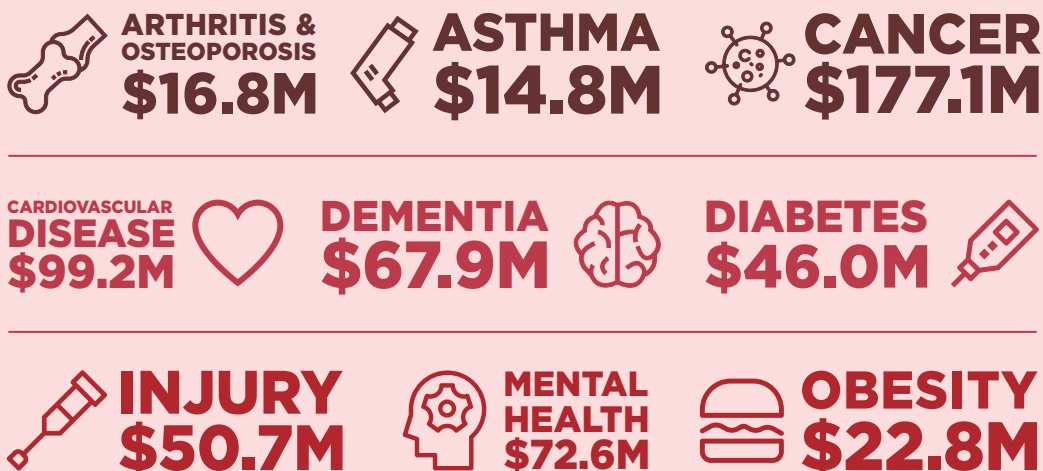


Figure 4: NHMRC Aboriginal and Torres Strait Islander health research funding, 2018-19

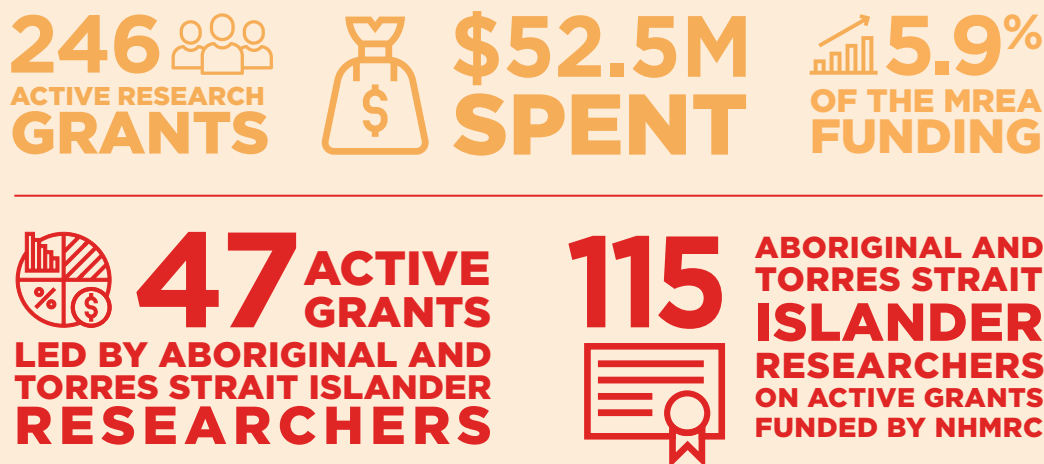


Figure 5: NHMRC applications for funding by gender, 2018-19



CIA refers to the Chief Investigator A.

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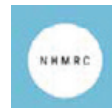
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# Letter of transmittal



Australian Government  
National Health and Medical Research Council



The Hon Greg Hunt MP  
Minister for Health  
Parliament House  
CANBERRA ACT 2600

Dear Minister,

I am pleased to present to you the annual report of the National Health and Medical Research Council (NHMRC) for the financial year 2018–19.

This report was prepared in accordance with section 46 of the *Public Governance, Performance and Accountability Act 2013* and section 83 of the *National Health and Medical Research Council Act 1992*.

During the financial year, NHMRC has continued to fund high quality health and medical research and build research capability, support the translation of health and medical research into better health outcomes and promote the highest standards of ethics and integrity in health and medical research. This has included performing functions under the *Prohibition of Human Cloning for Reproduction Act 2002* and the *Research Involving Human Embryos Act 2002*.

The report includes the annual reports of the Australian Research Integrity Committee and the Commissioner of Complaints, as required under section 68 of the *National Health and Medical Research Council Act 1992*.

As required by section 10 of the *Public Governance, Performance and Accountability Rule 2014*, I certify that:

- NHMRC has prepared fraud risk assessments and fraud control plans
- NHMRC has in place appropriate fraud prevention, detection, investigation and reporting mechanisms that meet its specific needs
- I have taken all reasonable measures to deal appropriately with fraud relating to NHMRC.

Yours sincerely,

**Professor Anne Kelso AO**  
Chief Executive Officer

16 September 2019

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# About the report

This annual report is a summary of the activities and financial position of the National Health and Medical Research Council (NHMRC) for the 12-month period to 30 June 2019.

Unless otherwise stated, references to ‘the organisation’, ‘us’, and ‘our’ refer to NHMRC as a whole. In this report, ‘this year’ refers to the financial year ended 30 June 2019, unless stated otherwise.

As a statutory authority in the Health portfolio, we manage our performance through the outcome and program structure in the annual portfolio budget statements (PBS).

This report reviews our performance against the outcome and performance indicators in our corporate plan and our PBS as required by the *Public Governance, Performance and Accountability Act 2013*.

Our summary of outcomes and performance criteria is on page 34.

Our corporate plan is at [nhmrc.gov.au/about-us/publications/nhmrc-corporate-plan-2018-2019](http://nhmrc.gov.au/about-us/publications/nhmrc-corporate-plan-2018-2019).

Our PBS are available on the Australian Government Department of Health website at [health.gov.au/resources/publications/health-portfolio-budget-statements-2018-19](http://health.gov.au/resources/publications/health-portfolio-budget-statements-2018-19).

# Chief Executive Officer's review



This has been a landmark year for NHMRC with the implementation of our new grant program. After three years of consultation and careful planning, with advice from an Expert Advisory Committee, Research Committee and many others, the new grant schemes were opened for applications in late 2018 and early 2019.

The new grant program will strengthen NHMRC's capacity to achieve its mission of *Building a Healthy Australia*. It is grounded in NHMRC's continuing philosophy that the greatest long-term impact on the health of our community will be obtained from investment in the best researchers and the highest quality research across the health and medical research spectrum.

The reform of NHMRC's grant program has several overarching goals—to provide opportunities for talented researchers at all career stages, to foster innovation and creativity, and to reduce the burden of application and peer review on the research sector. Achievement of these goals will naturally take some years as researchers move from the old to new funding schemes. The outcomes and impact of the changes will be monitored using an evaluation framework developed for us by RAND Corporation Australia, informed by a review of international practice and taking advantage of NHMRC's data capabilities.

Response to the new grant schemes has been strong, such that NHMRC received a significantly higher number of grant applications overall than in previous years. While this was expected, it does mean that the first rounds of the new schemes will be extremely competitive and a number of high quality applications will not be funded.

Major change is challenging for everyone involved, particularly those researchers for whom NHMRC support is critical to the pursuit of their research goals. We at NHMRC appreciate the resilience of the research sector in the face of change, the strong support that many have expressed for the reforms, and the contribution of a large number of people to the peer review of grant applications in this demanding first year.



This has been a landmark year for NHMRC with the implementation of our new grant program.



The Australian community makes a significant investment in health and medical research, particularly through Government spending delivered by NHMRC and other pathways. NHMRC has increased its focus on demonstrating the value of this investment by reporting some of the extraordinary outcomes of NHMRC-funded research through our website and social media and by developing impact case studies to illustrate the journey from idea to new medical product or public health policy. A related new initiative this year was the introduction of a requirement for applicants to two major grant schemes to describe the impact of their past research on knowledge, health, the economy or society. This addition to the usual assessment of research publications and other academic outputs will encourage a broader view of research productivity and enable NHMRC to recognise research of broad societal value.

Important progress was made across a number of activities that underpin NHMRC's engagement with the research sector and the community. These included:

- continuing development of a new research grants management system, Sapphire, to make it easier for researchers to apply for and peer review grant applications
- streamlining of peer review processes for several schemes, reducing the number of steps and increasing the number of independent assessments for each application, and
- the launch of our new website which conforms to Digital Service Standards, simplifies access to information needed by the research sector and tells our "story".

NHMRC recognises our national responsibility to "close the gap" in health outcomes for Aboriginal and Torres Strait Islander people. In this, the first year of our action plan for *Road Map 3: a strategic framework for improving Aboriginal and Torres Strait Islander health through research*, we have again exceeded our target of awarding at least 5 per cent of research funding to Indigenous health and have focussed on building the Aboriginal and Torres Strait Islander health research workforce.

International funding alliances are a small but strategically important component of NHMRC's grant program, fostering collaboration between Australian and other researchers through various co-funding arrangements. Grants were awarded through bilateral and multilateral alliances during the year, with the European Union, United Kingdom's National Institute for Health Research, Vietnam's National Foundation for Science and Technology Development and the Global Alliance for Chronic Diseases (GACD). As CEO of NHMRC, I am honoured to be serving as a member of GACD's Board of Trustees and chair of its Strategy Board for 2019 and 2020.

The Medical Research Future Fund (MRFF) is fundamentally changing the Australian health and medical research landscape, presenting significant new funding opportunities across a range of missions and priority areas. This approach complements NHMRC's support for investigator-initiated research which forms the broad foundation of Australian capability in biomedical, clinical, public health and health services research. We have continued to work closely with the Department of Health to administer six MRFF programs this year, enabling the MRFF to draw on NHMRC's experience and systems for peer review and grants management.

Even before the advent of the MRFF, the Boosting Dementia Research Initiative was a magnificent commitment in the 2014-15 Australian Government Budget of \$200 million over five years to support research and build research capacity in this critical field. This was the final year of the initiative and it is clear that its impact will be felt far into the future—through the work of its researchers and the NHMRC National Institute for Dementia Research, which has effectively brought the sector together to take a strategic approach to the challenge of dementia. While NHMRC will continue to support dementia research through its standard grant schemes, the need for additional funding for dementia research has been recognised with the welcome announcement of the MRFF's Dementia, Ageing and Aged Care Mission.

## Chief Executive Officer's review

To complement NHMRC's continuing role in ensuring the integrity of the research it funds, we commenced a new project on research quality – specifically to enhance research rigour, reproducibility and reporting through our funding policies and other mechanisms. With the advice of the Research Quality Steering Committee, NHMRC released its first Research Quality Strategy and developed an action plan to guide its implementation. The national conversation on research quality was stimulated by NHMRC's 7<sup>th</sup> Annual Symposium on Research Translation in November 2018 on the theme 'Ensuring Value in Research', co-hosted with The REWARD Alliance and attended by 320 delegates.

The development and endorsement of high quality evidence-based health guidelines is a core legislated function of NHMRC. In 2018-19, NHMRC released updated *Australian Guidelines for the Prevention and Control of Infection in Healthcare* and developed guidance on per- and poly-fluoroalkylated substances (PFAS) in water, as well as approving four externally developed clinical practice guidelines that met NHMRC's standards.

This reporting period saw the beginning of the 2018-2021 triennium and the appointment of a new Council and Principal Committees. We welcome all new members and thank returning members. I would especially like to thank Professor Bruce Robinson AM for continuing in the role of Chair of the NHMRC Council, and the chairs of the Principal Committees: Professor Steve Wesselingh (Research Committee), Professor Ingrid Winship (Australian Health Ethics Committee), Professor Dianne Nicol (Embryo Research Licensing Committee), Professor Sharon Lewin AO (Health Translation Advisory Committee) and Dr Katherine Woodthorpe AO (Health Innovation Advisory Committee). Two other committees also warrant mention: the Principal Committee Indigenous Caucus and the Community and Consumer Advisory Group, chaired by Council members Professor Sandra Eades and The Hon. Judith Moylan, respectively. We are immensely grateful for the strong support and wise counsel we receive from the Council and all our advisory committees.

In closing, I would like to acknowledge Australia's outstanding health and medical research community which contributes so much to our understanding of health and disease and to the quality of our health care and public health policy. We are all inspired by their passion and commitment to the pursuit of knowledge and the improvement of the human condition.

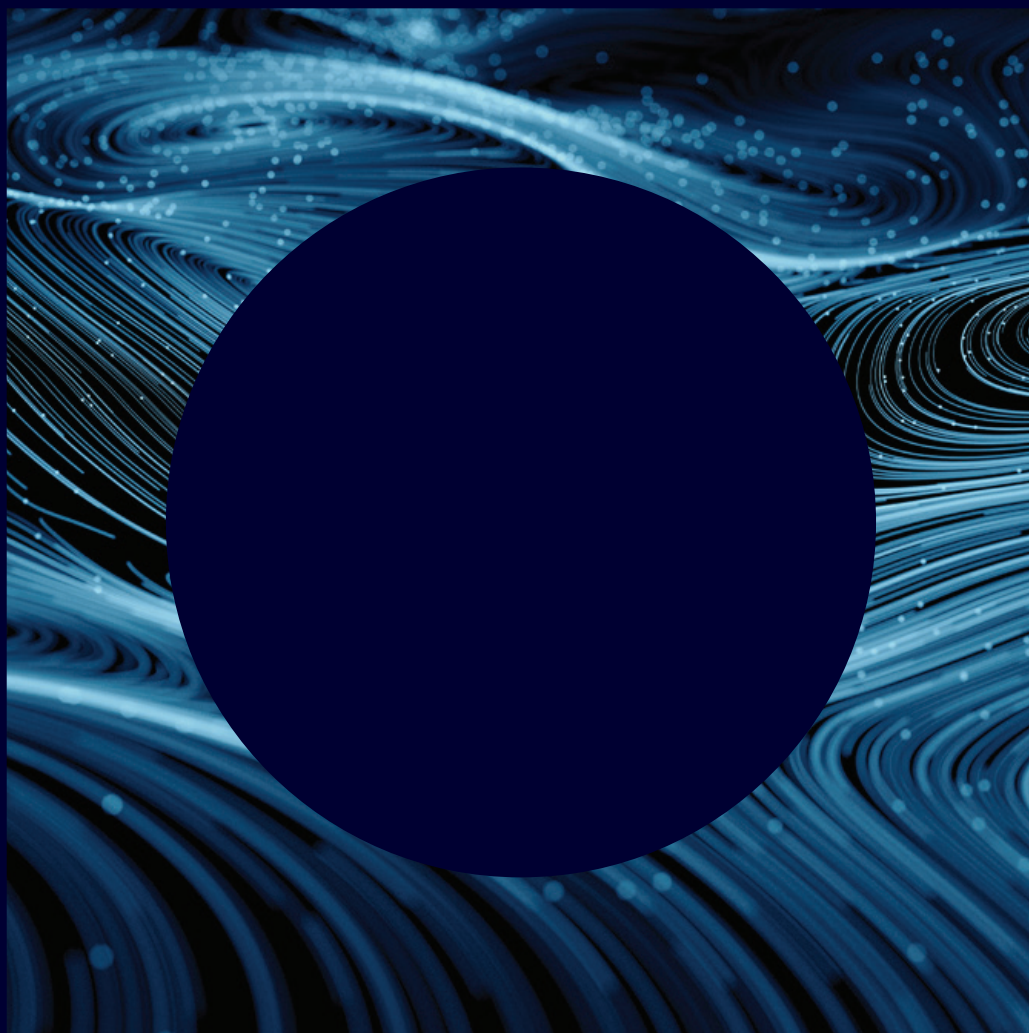


**Professor Anne Kelso AO**  
Chief Executive Officer

# Part 1

## Overview

Our broad strategic directions and priorities for 2018–19. Describes NHMRC's role and organisational structure, introduces the senior executive, notes key issues, and outlines the organisation's future directions.



NHMRC is the lead national agency for health and medical research, advancing health and medical knowledge to improve the health of all Australians.

We have been the Australian government body for supporting health and medical research since 1937.

## Our role

NHMRC is a statutory authority within the Australian Government Health portfolio. The *National Health and Medical Research Council Act 1992* (NHMRC Act) requires us to:

- raise the standard of individual and public health throughout Australia
- foster the development of consistent health standards between the various states and territories
- foster medical research and training and public health research and training throughout Australia
- foster consideration of ethical issues relating to health.

Our principal function is to foster improved health and medical knowledge through:

- funding research and translating research findings into evidence-based clinical practice
- administering legislation governing research
- issuing guidelines and advice for ethics in health
- promoting public health.

We develop evidence-based health advice for the Australian community, health professionals and governments, and provide advice on ethical practice in health care and the conduct of health and medical research.

Our key stakeholders include governments, researchers, research institutions, health consumers, health professionals and the Australian community.

## Our purposes and program

Outcomes are defined as the Australian Government's intended results, benefits or consequences for the Australian community. We use outcomes as a basis for budgeting, measuring performance and reporting. We are funded annually to achieve outcomes, and our funding allocation is published in the PBS.



The PBS 2018–19 sets out our intended outcomes, which are delivered through one program.<sup>1</sup>

### Outcome 1<sup>2</sup>

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.

#### Program 1.1 Health and Medical Research

The Australian Government, through NHMRC, will continue to invest in innovative health and medical research that is undertaken within a framework focused on promoting quality, integrity and ethics. The knowledge created will contribute to addressing national health priorities with the aim of improving health care and the health status of all Australians.

In 2018–19, NHMRC will begin the rollout of its new grant program to fund high quality research to achieve the best quality health outcomes, while reducing the burden on applicants and reviewers.

NHMRC's corporate plan 2018–19 outlines our purposes and targets for health and medical research for the period 2018–19 to 2021–22 and addresses capability, environment, and risk oversight and management as required by the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

The scope and reach of our activities are broad, spanning a wide range of health topics from funding research to guideline development and advice.

## Strategic overview

Our function is to foster improved health and medical knowledge, including through the funding of research, translating research findings into evidence-based clinical practice, administering legislation governing research, issuing guidelines and advice for ethics in health and promoting public health.

The themes of **investment**, **translation** and **integrity** represent our strategy for health and medical research 2018–19 to 2021–22.<sup>3</sup>

Under these themes, our purposes have been defined as follows:

- create knowledge and build research capability through investment in the highest quality health and medical research and the best researchers
- drive the translation of health and medical research into clinical practice, policy and health systems and the effective commercialisation of research discoveries, supporting the pursuit of an Australian health system that is research-led, evidence-based, efficient and sustainable

<sup>1</sup> p. 385–402, PBS 2018–19

<sup>2</sup> p. 393, PBS 2018–19

<sup>3</sup> [nhmrc.gov.au/about-us/publications/nhmrc-corporate-plan-2018-2019#toc\\_\\_32](http://nhmrc.gov.au/about-us/publications/nhmrc-corporate-plan-2018-2019#toc__32)

- maintain a strong integrity framework for research and guideline development, underpinning rigorous and ethical research and relevant and accurate guidelines, and promoting community trust.

Our Chief Executive Officer is required to identify the major national health issues that are likely to arise and to set out a national strategy for medical research and public health research for the period 2018-19 to 2021-22.

## Major health issues funded by NHMRC

The National Health Priority Areas (NHPAs) were designated by Australian governments as key targets because of their contribution to the burden of disease in Australia. While preventative health and primary care have shifted from disease-specific to a more integrated approach, the nine areas still provide a useful framework for the work undertaken by NHMRC, with funding for research and translation activities being provided across all areas, reflecting the strengths and interests of researchers. The major health issues for research funding are listed below with the amount spent on research per financial year.

Table 1: Research on major health issues funded by NHMRC, 2014-15 to 2018-19<sup>4</sup>

Health issue	2014-15	2015-16	2016-17	2017-18	2018-19
Arthritis and osteoporosis	\$22,805,602	\$18,795,565	\$18,587,314	\$17,090,906	\$16,753,034
Asthma	\$24,200,707	\$17,823,657	\$14,090,531	\$14,630,187	\$14,799,985
Cancer	\$194,856,055	\$173,827,967	\$173,941,646	\$175,843,293	\$177,119,115
Cardiovascular disease	\$129,258,827	\$107,299,859	\$106,093,758	\$100,220,334	\$99,207,972
Dementia	\$33,484,149	\$41,431,454	\$47,506,067	\$55,949,202	\$67,923,621
Diabetes	\$72,298,087	\$64,282,295	\$60,758,105	\$52,898,334	\$46,026,444
Injury	\$62,825,752	\$52,659,185	\$47,067,086	\$46,986,732	\$50,745,510
Mental health	\$91,323,923	\$75,194,010	\$70,229,980	\$69,445,289	\$72,605,803
Obesity	\$40,998,383	\$30,993,234	\$27,565,388	\$24,578,731	\$22,770,158

The major issues identified in our 2018-19 corporate plan<sup>5</sup> for the next four years are:

- improving the health of Aboriginal and Torres Strait Islander peoples, including through research that builds capacity in Aboriginal and Torres Strait Islander researchers and addresses health disparities
- resilience to environmental change, emerging health threats and emergencies
- issues related to the end of life and the delivery of palliative and supportive care
- integrated and coordinated approaches to chronic conditions
- harnessing the power of data and analytical technologies
- improving research quality to maximise the rigour, transparency and reproducibility of NHMRC-funded research.

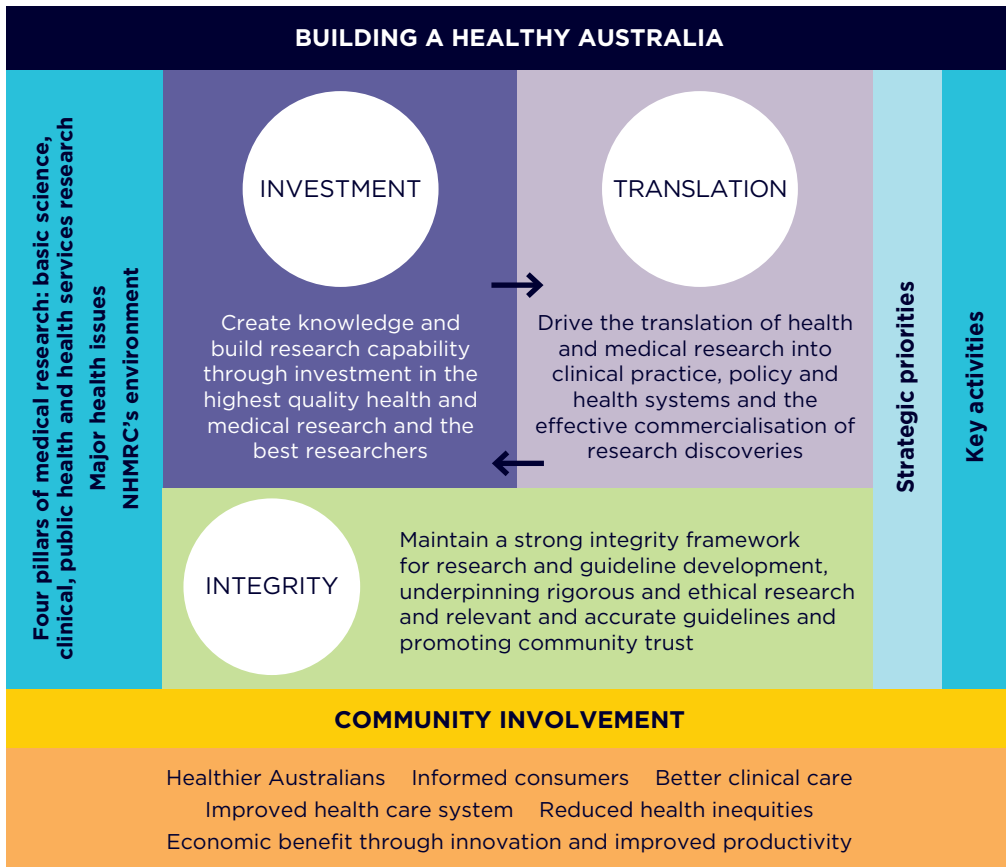
<sup>4</sup> Funding represents payments for active grants from the Medical Research Endowment Account (MREA), and excludes administered grant programs that were paid outside the MREA.

<sup>5</sup> NHMRC corporate plan 2018-19, p5

# Strategy for health and medical research

Our strategy for health and medical research addresses major health issues and other functions conferred on us by the NHMRC Act.

Figure 6: NHMRC strategy for health and medical research



# Organisation

Our executive are responsible for the high level management of NHMRC.



## **Chief Executive Officer, Professor Anne Kelso AO**

Following her PhD at the University of Melbourne, Professor Kelso undertook research in immunology at the Swiss Institute for Experimental Cancer Research, the Walter and Eliza Hall Institute of Medical Research and the Queensland Institute of Medical Research. From 2000 until 2006, she was also Director/CEO of the Cooperative Research Centre for Vaccine Technology. She then returned to Melbourne as Director of the World Health Organization

Collaborating Centre for Reference and Research on Influenza from 2007 until she took up her role with NHMRC in April 2015. She was appointed Officer in the Order of Australia in June 2007 for service to science.

Professor Kelso is a member of several Government and international committees, including the Australian Medical Research Advisory Board (advising the Minister for Health on the strategy and priorities for the Medical Research Future Fund), the Board of the Global Alliance for Chronic Diseases and the Board of Trustees of the International Human Frontier Science Program Organization.



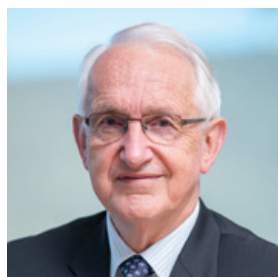
## **General Manager, Ms Clare McLaughlin (from January 2019)**

Ms McLaughlin is responsible for overseeing the operation of NHMRC.

Immediately before this appointment, Ms McLaughlin was the General Manager, Science Agencies Governance Branch in the Department of Industry, Innovation and Science. She served as Science Counsellor at Australia's Embassy and Mission to the EU in Brussels from 2013-16 and, before that, managed the

National Collaborative Research Infrastructure Strategy (NCRIS), Research Block Grant funding and astronomy policy.

Ms McLaughlin has previously worked in the Australian Taxation Office, the National Office for the Information Economy and the Department of Education.



## **General Manager, Mr Tony Kingdon (until January 2019)**

Mr Kingdon was responsible for overseeing the operation of NHMRC.

Mr Kingdon joined NHMRC in February 2011. Previously, he worked for many years with the Department of Health on a wide range of topics, including acute care, medical services, hearing services and international health.

Before joining NHMRC, Mr Kingdon was head of the then Acute Care Division, which was responsible for providing advice on hospital funding, private health, medical indemnity and dental services.

## Leadership Team



### **Executive Director, Research Foundations, Dr Julie Glover**

Dr Glover has responsibility for directing NHMRC's research support schemes, leading strategic research activities, managing NHMRC's grants, and leading the communications and media activities for the agency.

Dr Glover completed a PhD in the Faculty of Science at the Australian National University and held research positions until joining the Bureau of Rural Sciences in 2002. In 2007,

Dr Glover moved into the Innovation Division of the Department of Industry and spent the next four years developing and delivering key innovation policies. Dr Glover joined NHMRC as a Director in 2011.



### **Executive Director, Technology and Transformation, Mr Tony Krizan FCPA**

Mr Krizan is substantively Executive Director Corporate Operations and Information, Chief Finance Officer (CFO) and Chief Information Officer (CIO) of NHMRC.

Mr Krizan is temporarily leading the Technology and Transformation Branch as CIO during a period of intensive deployment of NHMRC's new grants management solution, Sapphire.

Mr Krizan has experience across a number of industries, including 28 years in the public sector across a broad range of policy, program and corporate roles in the Finance, Employment, Education and Training and Health and Ageing portfolios.



### **Executive Director, Research Translation, Mr Alan Singh**

Mr Singh's responsibilities include managing the Advanced Health Research and Translation Centres/Centres for Innovation in Regional Health, Indigenous health research and researchers, and administering the Centres of Research Excellence and Partnership Projects funding schemes.

He is also NHMRC's Indigenous Champion.

Mr Singh worked on issues in the Health portfolio for over 20 years, including three years at the Department of the Prime Minister and Cabinet.



### **Executive Director, Research Quality and Priorities (from May 2019), Ms Prue Torrance**

Ms Torrance has responsibility for research ethics, integrity, strategic projects, and targeted and priority-driven funding schemes, including working with international partners on specific funding priorities. Her branch is also responsible for strategic planning and corporate governance for the agency.

Ms Torrance joined NHMRC in May 2019. She has held a range of senior management roles in the Australian Public Service, including in corporate governance and finance roles. She has worked in the Education and Training and Industry,

Innovation, Science and Research portfolios in policy development and program management roles. Ms Torrance holds a Master of Studies from the Australian National University and undergraduate degrees in Arts and Science.



**Acting Executive Director, Corporate Operations,  
Mr Ivan Sharma CPA**

Mr Sharma’s responsibilities include business services, human resources and finance functions, including acting CFO.

Mr Sharma has tertiary qualifications in commerce and accounting, and is a member of CPA Australia.

He has over 20 years’ experience in the private and public sectors, including international tax and securities experience in the United Kingdom and Ireland.



**Executive Director, Research Quality and Priorities  
(until January 2019), Dr Tony Willis**

Dr Willis was the Executive Director, Research Quality and Priorities Branch, from June 2018 until January 2019.

Dr Willis completed a PhD in biology at the Australian National University in 1994, before moving to Imperial College, London, to continue research as a post-doctoral fellow.

On returning to Australia in 1997, he worked as a senior research scientist at the Commonwealth Scientific and Industrial Research Organisation before joining the Office of the Gene Technology Regulator. He later joined the Department of Foreign Affairs and Trade where he had policy responsibility for the Biological Weapons Convention and related bioterrorism issues as well as nuclear and chemical security policy. At the Department of the Prime Minister and Cabinet, he continued to develop and provide strategic policy advice on counter-terrorism, including chemical and biological security threats.

Dr Willis led the branch that managed the majority of our funding schemes for five years, Research Programs Branch, before heading the taskforce to implement NHMRC’s new grant program. He took over the Research Quality and Priorities Branch in June 2018.



**Acting Executive Director, Research Quality and Priorities  
(February to April 2019), Ms Marion Berry**

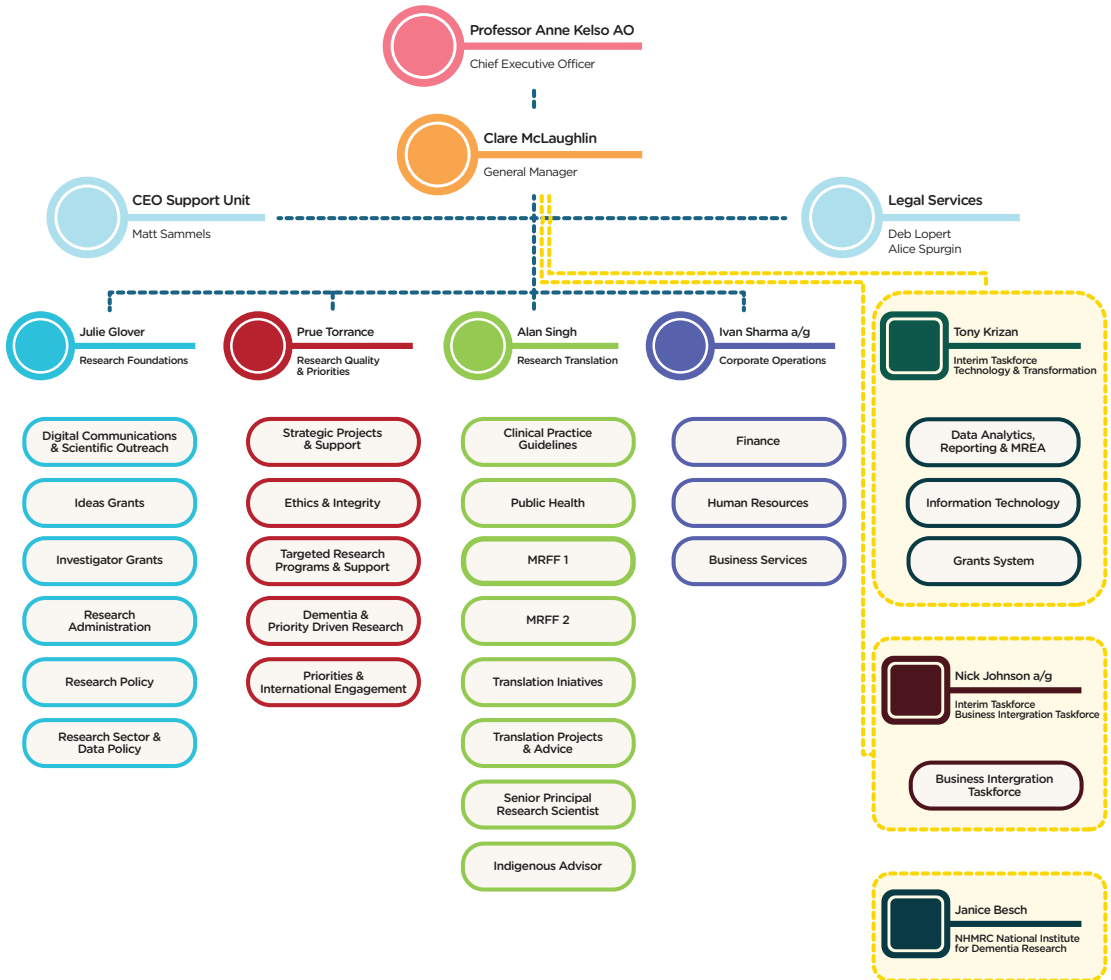
Ms Berry acted in the Executive Director role of the Research Quality and Priorities Branch from February until April 2019. She was responsible for a range of activities, including funding schemes to support strategic research priorities, NHMRC’s research ethics and integrity work, strategic planning and corporate governance, and supporting the Embryo Research Licensing Committee. Ms Berry has worked in various

policy, program and oversight roles in the public sector for over 15 years.

# Our structure

Our organisational structure at 30 June 2019 is shown in Figure 7.

Figure 7: NHMRC organisational structure as at 30 June 2019



# Research funding and expenditure

## Medical Research Endowment Account

Funding received for health and medical research from the Australian Government and other sources through the Medical Research Endowment Account (MREA) amounted to \$882.7 million<sup>6</sup> in 2018-19 while grant payments for health and medical research totalled \$889.3 million in the same year, reflecting a small draw down on the balance of the MREA.

New grants awarded through the MREA during 2018-19 amounted to \$763.4 million to be spent over a period of up to five calendar years. This is a decrease of \$179.4 million from \$942.8 million in 2017-18. This is largely because no program grants were awarded in 2018-19, which contributed \$102.8 million to the variance between 2017-18 and 2018-19. These funds were carried forward in the MREA and will be committed in 2019-20 when Program Grants are replaced by Synergy Grants.

This year also saw the completion of the Boosting Dementia Research Initiative, which invested an additional \$200 million over five years between 2014-15 and 2018-19. During 2017-18, \$73.1 million was committed from the Initiative compared to \$24.0 million in 2018-19. This contributed an additional \$49.1 million to the variance between 2017-18 and 2018-19.

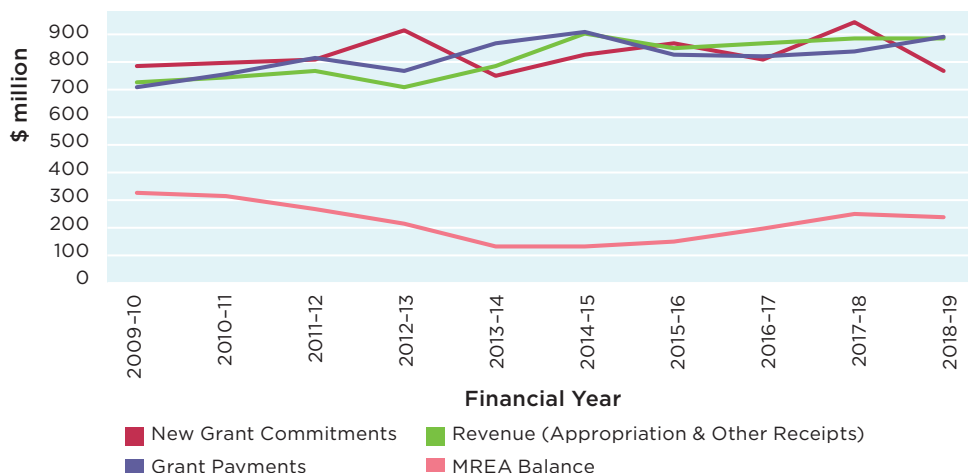
Further variation was caused by the timing of the Partnership Projects rounds with four rounds approved during 2017-18 compared to two rounds approved in 2018-19 and a Partnership Centre renewal in 2017-18 contributing a further \$37.9 million to the variance between 2017-18 and 2018-19.

These variances (a total of \$189.8 million) were partially offset by increases in other schemes compared to 2017-18 including Targeted Calls for Research (\$9.2 million), Development Grants (\$0.7 million) and International Collaborations (\$0.5 million).

The MREA balance at the end of 2018-19 was \$240.2 million.

Figure 8 provides a graphic representation of the MREA from 2009-10 to 2018-19.

Figure 8: Medical Research Endowment Account (MREA), 2009-10 to 2018-19



<sup>6</sup> Funding in 2018-19 includes Australian Government appropriations credited to the Medical Research Endowment Account (\$875.2 million) and other receipts and recoveries (\$7.5 million).



In 2018–19, NHMRC also administered \$7.6 million in grant programs outside of the MREA, including activities related to Boosting Dementia Research (\$2.1 million), Dementia Centres for Research Collaboration (\$3.0 million), anti-venom research (\$0.5 million), and provision of research evidence for clinical practice and policy through the Cochrane Collaboration (\$2.0 million).

Table 2: NHMRC funding summary, 2018–19

Funding Initiative <sup>7</sup>		New Grants	Total Commitments
Project Grants		510	\$469,028,006
Partnership Projects <sup>8</sup>		16	\$12,140,979
Centres of Research Excellence		16	\$39,927,225
Development Grants		20	\$14,490,799
Research Fellowships		78	\$58,739,610
Research Fellowship 6th Year Extensions <sup>9</sup>		23	\$3,351,434
Early Career Fellowships		115	\$37,723,386
Career Development Fellowships		55	\$24,371,140
Practitioner Fellowships		14	\$7,428,099
Postgraduate Scholarships		78	\$7,090,796
Translating Research into Practice Fellowships		13	\$2,353,858
<b>Total</b>		<b>938</b>	<b>\$676,645,333</b>
<b>Targeted Calls for Research</b>	Debilitating Symptom Complexes Attributed to Ticks	2	\$2,990,553
	Healthy Ageing of Aboriginal and Torres Strait Islander Peoples	6	\$5,676,130
	Social and Emotional Wellbeing and Mental Health for Aboriginal and Torres Strait Islander Peoples from Early Life to Young Adults	5	\$5,521,141
	<b>Total</b>	<b>13</b>	<b>\$14,187,824</b>
	<b>International Collaborations</b>		
Global Alliance for Chronic Diseases: Scale Up Hypertension	5	\$4,912,524	
NHMRC-European Union Collaborative Research Grants	4	\$1,907,723	
NHMRC-NAFOSTED Joint Call for Collaborative Research Projects	7	\$3,133,556	
NHMRC-NIHR Collaborative Research Grants	1	\$557,029	
<b>Total</b>	<b>17</b>	<b>\$10,510,833</b>	
<b>Infrastructure Support</b>	Equipment Grants	42	\$5,700,000
	Independent Research Institutes Infrastructure Support Scheme	23	\$32,411,515
	<b>Total</b>	<b>65</b>	<b>\$38,111,515</b>

7 No round of Program Grants was held in 2018–19. Program Grants will be replaced by Synergy Grants in 2019–20.

8 Includes 2018 Peer Review Cycle 1 and 2018 Peer Review Cycle 2.

9 These awards are not considered new grants as they are extensions of existing Research Fellowships.

Funding Initiative		New Grants	Total Commitments
<b>Boosting Dementia Research<sup>10</sup></b>	Priority Round 4: JPco-fuND Neurodegenerative Disease Research	4	\$2,920,891
	Priority Round 5: Implementing Dementia Risk Reduction and Prevention Research	11	\$18,262,517
	Priority Round 6: Improving Dementia Data and Methods	2	\$2,771,432
<b>Total</b>		<b>17</b>	<b>\$23,954,839</b>
<b>Total</b>		<b>1050</b>	<b>\$763,410,343</b>

## Medical Research Future Fund

NHMRC is assisting the Australian Government Department of Health to implement the Medical Research Future Fund (MRFF). NHMRC is currently administering six MRFF-funded programs that support a wide range of objectives including:

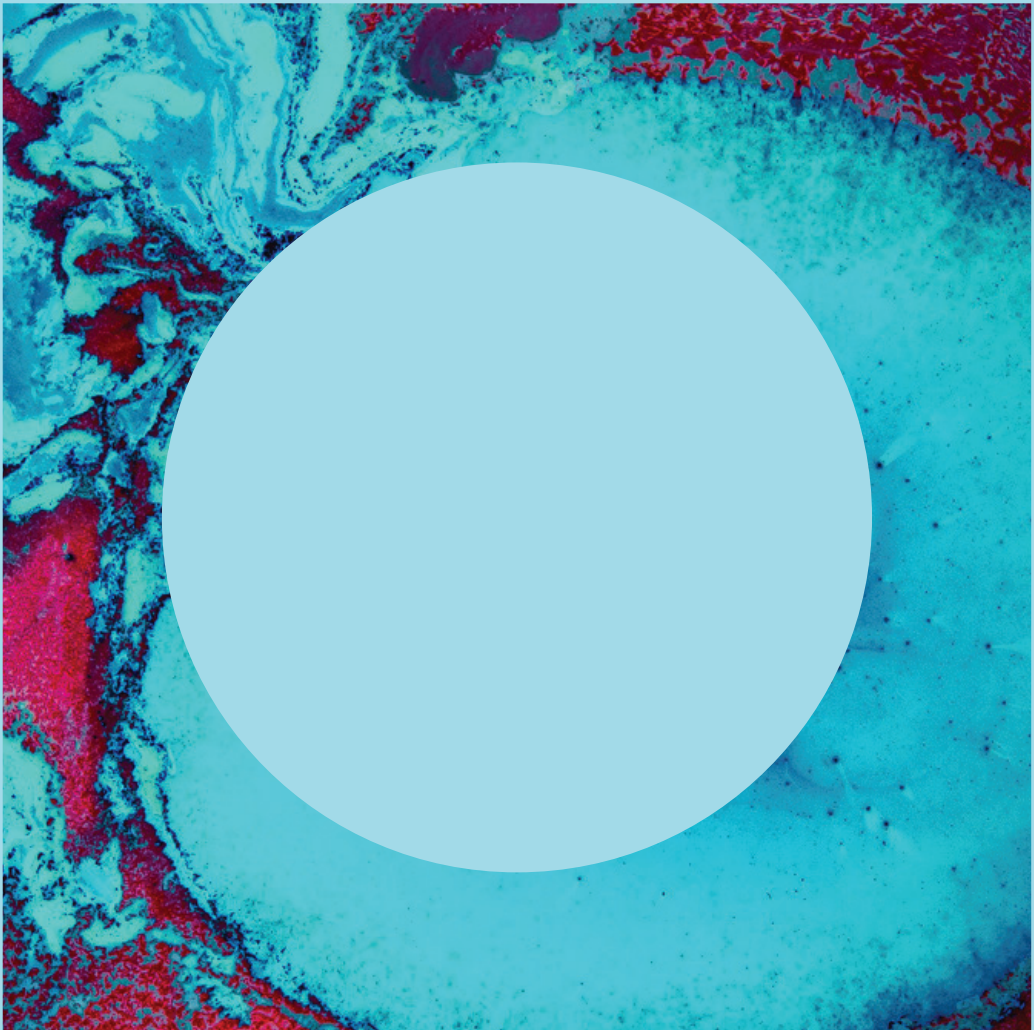
- clinical trials investigating rare cancer and disease
- fellowships to ensure the supply of high quality next generation research talent
- the translation of mental health research into better practice
- improvements to the effectiveness of health services
- support for NHMRC-accredited Advanced Health Research and Translation Centres (AHRTCs) and Centres for Innovation in Regional Health (CIRHs) to conduct transformative translational research.

<sup>10</sup> The Australian Government’s Boosting Dementia Research Initiative invested \$200 million over five years between 2014-15 and 2018-19 to accelerate research, enhance collaboration and create change in dementia research and treatment.

# Part 2

## Promoting excellence through NHMRC Awards

Outstanding Australian researchers are highlighted through our awards for excellence.



## 2019 Commonwealth Health Minister's Award for Excellence in Health and Medical Research



This award is given to the top-ranked NHMRC Career Development Fellowship awardee.

The award was won by Dr Si Ming Man recognising his outstanding research achievements as well as his vision for his research on immune defence against infectious disease.

Dr Man's research aims to understand how to harness the anti-microbial functions of a class of disease-fighting proteins in the treatment of infections.

## 2018 Biennial Awards

The Biennial Awards are given by NHMRC every two years in the areas of outstanding contribution, ethics, consumer engagement and science to art.

### Biennial Awards—Outstanding Contribution Award

The Outstanding Contribution Award recognises outstanding long-term contribution, individual commitment and support to NHMRC.



#### **Professor Kathryn North AC** Murdoch Children's Research Institute

Professor North is Director of the Murdoch Children's Research Institute and the David Danks Professor of Child Health Research at the University of Melbourne. Professor North trained as a paediatric physician, neurologist and clinical geneticist and was awarded a doctorate for research in neurogenetics. Professor North completed a postdoctoral fellowship in the Harvard Genetics Program. She is a translational scientist and

internationally recognised for her research in neuromuscular disorders, cognitive deficits in neurofibromatosis, and the study of genes that influence athletic performance. In 2014, Professor North was appointed as a Foundation Fellow of the Australian Academy of Health and Medical Sciences and in 2019 she was awarded a Companion (AC) of the Order of Australia in recognition of her eminent service to genomic medicine and medical research. Professor North was also a member of NHMRC's Council and Chair of its Research Committee for the 2012–15 and 2015–18 triennia.

## Biennial Awards—Ethics Award

The Ethics Award recognises outstanding Australians for their contributions to high ethical standards in health and medical research. Nominees are judged on the significance of their contribution to supporting high ethical standards in Australia in health and/or health and medical research, including innovation in ethical policy formulation, leadership in the formulation of ethical standards and/or services above and beyond the normal requirement of Human Research Ethics Committee or Committee membership.



**Professor Wendy Rogers**  
Macquarie University

After initially training in medicine and general practice, Professor Rogers undertook her PhD in medical ethics at Flinders University. An NHMRC Sidney Sax Fellowship supported her early research into the ethics of evidence-based medicine. In 2009, she moved from Flinders University to take up the position of Professor of Clinical Ethics at Macquarie University, where she was awarded an Australian Research Council (ARC) Future

Fellowship for research into the philosophical and ethical issues raised by over-diagnosis. Professor Rogers has made major contributions in the analysis of and responses to ethical issues in evidence-based medicine, public health, organ donation, biomedical research, surgical innovation, and over-diagnosis.

## Biennial Awards—Consumer Engagement Award

The inaugural NHMRC Consumer Engagement Award recognises long-term contribution, individual commitment and support of consumers and community views in health and medical research.



**Dr Michelle Banfield**  
Australian National University

Dr Banfield is a mental health consumer researcher and head of Lived Experience Research at the Australian National University Centre for Mental Health Research. She leads a high quality program of health systems research for effective mental health services, focusing on the expertise that mental health consumers contribute to research and reform. Dr Banfield and her team openly identify as mental health consumers in their research and

dissemination activities, tackling stigma and challenging the researcher versus consumer dichotomy. Dr Banfield has a strong national reputation in consumer engagement and has authored influential works that are shaping inclusive research and practice.

## Biennial Awards—Science to Art Award

The Science to Art Award recognises outstanding examples of the art that has arisen from research funded by NHMRC.



**Mr Jianqun Gao**  
University of Sydney

Mr Gao, a neurologist from Shanghai, started his PhD at the Central Clinical School, University of Sydney. Mr. Gao is researching the mechanisms of alpha-synuclein pathogenesis in Parkinson's disease. He is particularly interested in visualising pathologies in human neurons using confocal microscopy. In 2018, his photographs featured in 'Top 100 winning images' in the Nikon Small World Competition. Mr Gao hopes that the results of his project might provide potential

therapeutic options for preventing alpha-synuclein accumulation in Parkinson's disease.

Mr Gao's *Eddy of Neurons* appears on the front cover of this annual report.

# NHMRC Research Excellence Awards

Outstanding Australian researchers whose proposals were rated highest through our peer review process.

## Project Grants

### Highest Ranked

The objective of the Project Grant scheme is to support the creation of new knowledge by funding the best investigator-initiated research project plan of five years or less, in any area relevant to human health. The award is given to the highest ranked applicant in the scheme.

#### Grant Title

*Identifying genetic and environmental factors that cause NAD deficiency and disrupt embryogenesis*



**Professor Sally Dunwoodie**  
**Victor Chang Cardiac Research Institute**

Professor Dunwoodie gained a PhD researching muscle development at the Children's Medical Research Institute. Professor Dunwoodie undertook her postdoctoral training in embryology at the National Institute for Medical Research in London, where she identified genes required for mouse embryogenesis. Professor Dunwoodie joined the Victor Chang Cardiac Research Institute in 2000 and currently leads the Embryology Laboratory, the Chain

Reaction Program in Congenital Heart Disease Research, and directs the Cardiovascular Innovation Centre. Her team is revealing the impact that environmental factors and gene-environment interaction have on mammalian embryogenesis. Recently they discovered a new cause of human birth defects (NAD deficiency) that might be prevented with vitamin B3.

## The Marshall and Warren Award

This award recognises the most innovative and potentially transformative grant from among all the applications nominated for this award in each year's Project Grant scheme. The award is named after Australian Nobel Laureates Professors Barry Marshall and Robin Warren, who were awarded the 2005 Nobel Prize in Physiology or Medicine for their discovery of the bacterium *Helicobacter pylori* and its role in gastritis and peptic ulcer disease.

### Grant Title

*New synthetic conduits for arterial revascularisation*



**Dr Steven Wise**  
**University of Sydney**

Dr Wise is a bioengineer at the Heart Research Institute (HRI) and Conjoint Clinical Senior Lecturer at the Central Clinical School of the University of Sydney. Originally trained as a chemist, Dr Wise has spent a decade working in multi-disciplinary research developing improved implantable vascular devices and tissue mimicking biomaterials, specialising in their engineering, blood compatibility and interactions with endothelial and smooth

muscle cells. He has established himself as an independent researcher, becoming leader of the Applied Materials Group at HRI in 2015. Dr Wise's innovative approach aims to provide a cell-free, off-the-shelf synthetic graft that is effective, to dramatically improve outcomes for patients with coronary or peripheral artery disease.



## Development Grants

### Highest Ranked

The Development Grant scheme supports the commercial development of a product, process, procedure or service that, if applied, would result in improved health care, disease prevention or health cost savings. This year, this award was given to the two highest ranked applicants in the scheme.

#### Grant Title

*Development of a rapid, point-of-care test with high sensitivity for the diagnosis of sepsis based on detection of CD64*



#### Associate Professor David Anderson Burnet Institute

Associate Professor Anderson is Deputy Director of the Burnet Institute and co-head of the Global Health Diagnostics Laboratory. His research has a strong translational focus in biomarker discovery and subsequent development of novel, point-of-care (POC) tests in areas of unmet medical need. His team will pave the way for similar tests, which could revolutionise the early detection and treatment of severe infectious diseases that affect

resource-poor communities worldwide. Associate Professor Anderson's laboratory has developed a number of POC tests and devices in areas including viral hepatitis and liver disease, HIV and syphilis. He is the founder and CEO of Nanjing BioPoint Diagnostics, a Burnet spinoff established in China to commercialise POC tests.

#### Grant Title

*Deploying next-generation adjuvants to enhance protection of a group A streptococcal vaccine candidate*



#### Professor Mark Walker University of Queensland

Professor Walker is the Director of the Australian Infectious Diseases Research Centre. His research focuses on the mechanism by which group A streptococcus (GAS) causes invasive disease, with the aim of developing GAS vaccines. Diseases range from mild skin infections to more severe diseases such as scarlet fever, septicaemia, and toxic shock syndrome. GAS is one of the five most frequent causes of infectious disease deaths worldwide. Professor Walker and

his team have developed an animal model of GAS pharyngitis. They will test the efficacy of GAS vaccines, in combination with experimental adjuvants, to prevent disease.

## Postgraduate Scholarships

### The Gustav Nossal Award

This award is named in honour of Sir Gustav Nossal and his pioneering work in the field of immunology. It is awarded to the highest ranked applicant for an NHMRC Postgraduate Scholarship in the field of medical and dental research.

#### Grant Title

*Infectious complications following kidney transplantation*



**Dr Samuel Chan**  
**University of Queensland**

Dr Chan is currently a full-time PhD student with the Australasian Kidney Trials Network at the Princess Alexandra Hospital/University of Queensland. Dr Chan is a Nephrology Staff Specialist at the Metro South and Ipswich Nephrology and Transplant Services, as well as a Senior Lecturer at the University of Queensland. Dr Chan's clinical research interests focus on clinical epidemiology and population health. He is currently studying the epidemiology, predictors, outcomes and prevention of infectious complications of kidney transplantation. Dr Chan's thesis will explore the predictors and pathogenesis of infectious complications following kidney transplantation, and examine the feasibility, safety and efficacy of innovative approaches to mitigate this burden.

## Fellowships

### Early Career Fellowships

#### The Rising Star Award

This award is given to the top-ranked application by an Indigenous researcher in the Early Career Fellowship scheme.

#### Grant Title

*Aboriginal and Torres Strait Islander mental health and social and emotional wellbeing assessment tools, and prevention and recovery strategies that address complex trauma across the lifespan*



**Dr Graham Gee**  
**Murdoch Children's Research Institute**

Dr Gee is both an Indigenous and Celtic Australian. His PhD on rehabilitation from trauma among Indigenous help-seeking clients included development of the Aboriginal Resilience and Recovery Questionnaire. This measure is now being used both in research and service delivery to help evaluate community-designed programs. Dr Gee is a founding board member of the

Aboriginal and Torres Strait Islander Healing Foundation and sits on the Commonwealth Million Minds Mission Advisory Panel. Dr Gee hopes to create a greater knowledge base about safe, effective strategies and therapeutic practices that build resilience and enable healing and recovery from complex trauma.

### The Frank Fenner Early Career Fellowship

This award honours the achievements of Professor Frank Fenner. The fellowship is awarded to the highest ranked applicant from the Biomedical or Public Health Early Career Fellowship category whose research focus is in an area of international public health application and best reflects the qualities exemplified in Professor Fenner's career.

#### Grant Title

*Maximising impact: scaling up new diagnostics for STI control*



**Dr Louise Causer**  
University of New South Wales

Dr Causer is a medical epidemiologist with a long-standing interest in infectious diseases. She has international clinical and field experience, gained through work with the World Health Organization and the United States Centers for Disease Control and Prevention on a range of infectious diseases including polio and malaria.

Her academic career began when she joined the Kirby Institute, with her research focusing on HIV and sexually transmissible infections, in particular evaluations of new point-of-care diagnostics. Dr Causer hopes that her future research will continue to explore the role of novel diagnostics to improve the control of infectious diseases, with the goal of informing their sustainable scale-up to maximise their impact in Australia and the Asia Pacific region.

## Career Development Fellowships

The purpose of the Career Development Fellowships (CDF) scheme is to develop Australian health and medical early to mid-career researchers. It aims to enable investigators to establish themselves as independent, self-directed researchers, expand capacity for biomedical, clinical, public health and health service delivery research, and for evidence-based policy development in Australian health systems. It encourages the translation of research outcomes into practice while closing the gap between research and industry. The award is given to the highest ranked applicant in each of the biomedical, clinical, industry and population health pillars of the scheme.

### Clinical—Level 1

#### Grant Title

*Clinical, genetic and psychosocial care of families with inherited heart diseases*



#### Associate Professor Jodie Ingles

##### Centenary Institute of Cancer Medicine and Cell Biology

Associate Professor Ingles is the Head of the Clinical Cardiac Genetics Group in the Agnes Ginges Centre for Molecular Cardiology at the Centenary Institute, University of Sydney, and Cardiac Genetic Counsellor, Department of Cardiology, Royal Prince Alfred Hospital. Associate Professor Ingles has more than 15 years' experience working with families with inherited heart diseases. She co-established and oversees the Australian

Genetic Heart Disease Registry. The focus of her research is to make a positive impact on the management of patients and their families with inherited heart diseases by better understanding the clinical, genetic and psychosocial aspects of disease.

### Clinical—Level 2

#### Grant Title

*Strengthening the evidence base for the management of common severe infectious diseases*



#### Professor Joshua Davis

##### Menzies School of Health Research

Professor Davis is an infectious diseases physician at John Hunter Hospital in Newcastle and a Senior Principal Research Fellow at the Menzies School of Health Research in Darwin. His key area of research interest is severe bacterial infections, with a focus on investigator-initiated clinical trials. Professor Davis' research aims to address the many evidence gaps in clinical management of *Staphylococcus aureus* blood stream infection, bone and

joint infections, and severe sepsis. Professor Davis is the current president of the Australasian Society for Infectious Diseases.

## Population Health—Level 1

### Grant Title

*Inequalities in child health and development*



**Dr Sally Brinkman**  
**University of Western Australia**

Dr Brinkman is a paediatric epidemiologist and Director of the Fraser Mustard Centre, an innovative initiative of the Telethon Kids Institute in partnership with the Department for Education in South Australia to enhance research translation into policy and practice. Internationally, Dr Brinkman works with various governments and donor organisations to monitor and evaluate policy and programs to enhance child health and development. She has a

commitment to practical, pragmatic and translatable research. Her primary research is on society's impact on child development, with particular focus on those living in highly disadvantaged communities.

## Population Health—Level 2

### Grant Title

*Improving the assessment of environmental health risks with new technology and novel approaches*



**Associate Professor Yuming Guo**  
**Monash University**

Associate Professor Guo has considerable research expertise and experience in assessment of environmental health issues. He is particularly renowned in the areas of extreme weathers, air pollution and human health using novel applications of advanced statistical models. Associate Professor Guo is on the Editorial Board for *Environmental Health Perspectives*, *Environment International*, and *PeerJ*. His research focuses on advancing our understanding of

environmental impacts on health, and will provide strategies and supportive evidence for policy decisions on mitigating the health impacts of extreme weathers and air pollution.

## Industry—Level 2

### Grant Title

*Increasing accessibility of regenerative medicine through innovative solutions*



**Associate Professor Rebecca Lim**  
**Monash University**

As a research group head at the Hudson Institute, Associate Professor Lim's research focuses on translating regenerative medicine and cell therapy discoveries to clinical outcomes. Much of her research has been on understanding the potential for amniotic stem cells as cellular therapy for urgent unmet medical needs. Her vision is to increase patient access to regenerative medicine by working with industry and clinical collaborators to

introduce innovative technologies that will expedite regulatory approval of regenerative medicines in a safe and efficacious manner.

## R.D. Wright Biomedical—Level 1

### Grant Title

*Molecular mechanisms of inflammasome activation*



**Dr Si Ming Man**  
**Australian National University**

Dr Man was awarded the 2019 Commonwealth Health Minister's Award for Excellence in Health and Medical Research.

Dr Man received his PhD from the University of Cambridge, United Kingdom, for his work on the immune system in the host defence against salmonella infection. He obtained his postdoctoral training at St. Jude Children's Research Hospital, USA. Currently, he is a group leader at the John

Curtin School of Medical Research, Australian National University. Dr Man's research will explore ways of harnessing the activity of killer proteins to enhance immunity to deadly bacterial infections. Understanding how these anti-microbial proteins work could reveal new ways to fight infectious diseases.

## R.D. Wright Biomedical—Level 2

### Grant Title

*Setting a new paradigm for diagnosis and therapeutic triage in ALL using functional genomics*



### Professor Deborah White South Australian Health and Medical Research Institute (SAHMRI)

Professor White is the director of the Cancer Program at SAHMRI and Professor in Medicine, Paediatrics and Sciences at the University of Adelaide. Her current research focus is precision medicine in Acute Lymphoblastic Leukaemia (ALL). Her research integrates genomics, metagenomics, bioinformatics and functional analyses, to provide readily accessible diagnostic screening and therapeutic triage paradigms that will transform treatment and outcomes for our most vulnerable ALL patients. She has held numerous international, national and local peer reviewed grants, authored more than 95 scientific publications, and is an inventor on several patents. Professor White is the ALL Flagship Lead for Australian Genomics and the South Australia Scientific lead for Zero Children's Cancer. In 2014, Professor White received the Australian Society for Medical Research (ASMR) Leading Light award and in 2016, she was awarded the University of Adelaide James McWha medal.

## Practitioner Fellowships

The Practitioner Fellowship scheme aims to support research which results in the translation of new evidence into improved clinical practice and health policy, delivering improvements in health and healthcare to Australians. The award is given to the highest ranked applicant in the scheme.

### Grant Title

*Treating end stage osteoarthritis—system redesign targeting appropriateness, cost-effectiveness, safety and efficiency*



### Professor Peter Choong University of Melbourne

Professor Choong is the Sir Hugh Devine Chair of Surgery, and head of the Department of Surgery at the University of Melbourne. He is also the Director of Orthopaedics, Chair of the Bone and Soft Tissue Sarcoma Service at the Peter MacCallum Cancer Centre, and the recent past president of the Australian Orthopaedic Association. Professor Choong's research focuses on optimising care of end stage osteoarthritis, the largest contributor to musculoskeletal disorders and a leading cause of disability in Australia. The main targets of his research are to optimise patient selection, understand and improve patient and surgeon decision making, establish evidence-based alternatives to surgery, and improve the efficiency and cost-effectiveness of surgery.

## Research Fellowship

The Research Fellowship scheme fosters an intellectual environment that supports and builds the capacity of Australian research for the future and creates knowledge through investment in research to improve health and contribute to Australia's prosperity. The award is given to the highest ranked applicant in the scheme.

### Grant Title

*Transdiagnostic models of classification, intervention and neurobiological research*



**Professor Patrick McGorry AO**  
**University of Melbourne**

Professor McGorry is a world leader in the development of safe, effective treatments and transformational reform of mental health services for young people. He is the key architect of the headspace model and its national and international expansion. From 1992, Professor McGorry led the design and global scaling up of early intervention for psychosis programs. Professor McGorry is a Fellow of the Australian Academy of Science, the Academy of the Social

Sciences in Australia, and the Australian Academy of Health and Medical Sciences and was also the 2010 Australian of the Year. His research has created new models of care and populated them with more evidence-based treatments which are producing better outcomes for those with mental illness.

## Elizabeth Blackburn Fellowships

The Elizabeth Blackburn Fellowships recognise Australian Nobel Laureate, Professor Elizabeth Blackburn. The fellowships were established to promote and foster the career development of female researchers and are awarded annually to the highest ranked female applicant in each of the biomedical, clinical and public health pillars of the Research Fellowship scheme.

### Biomedical

#### Grant Title

*Molecular and structural mechanisms of malaria parasite invasion and immune evasion*



**Dr Wai-Hong Tham**  
**The Walter and Eliza Hall Institute of Medical Research (WEHI)**

Dr Tham studied molecular biology at UC Berkeley and received her PhD from Princeton University. She is currently a Howard Hughes-Wellcome Trust International Research Scholar and Joint Division Head of Infection and Immunity at WEHI. Her team's research focuses on better understanding host-pathogen interactions that lead to



malaria infection with the overarching aim to design new inhibitors that stop the malaria infection. For her work on malaria parasite invasion, Dr Tham has been awarded the 2011 Eureka Prize for Infectious Diseases Research (team prize), the 2017 David Syme Research Prize and the 2018 Burnet Prize.

## Clinical

### Grant Title

*Respiratory motor impairment in health and disease*



**Professor Jane Butler**  
**University of New South Wales**

Professor Butler is an NHMRC senior research fellow and Senior Principal Research Scientist at Neuroscience Research Australia. She is internationally known for her work on the neural control of human respiratory muscles in health and disease. Her research aims to improve respiratory health in the critically ill and those with tetraplegia through the completion of novel clinical trials to improve respiratory muscle function. After her PhD,

Professor Butler was awarded an NHMRC Early Career Fellowship and worked at The Miami Project to Cure Paralysis, University of Miami. Professor Butler returned to Australia where she established her own respiratory and spinal cord injury laboratory.

## Public Health

### Grant Title

*Landmark population trials in suicide prevention*



**Scientia Professor Helen Christensen AO**  
**University of New South Wales**

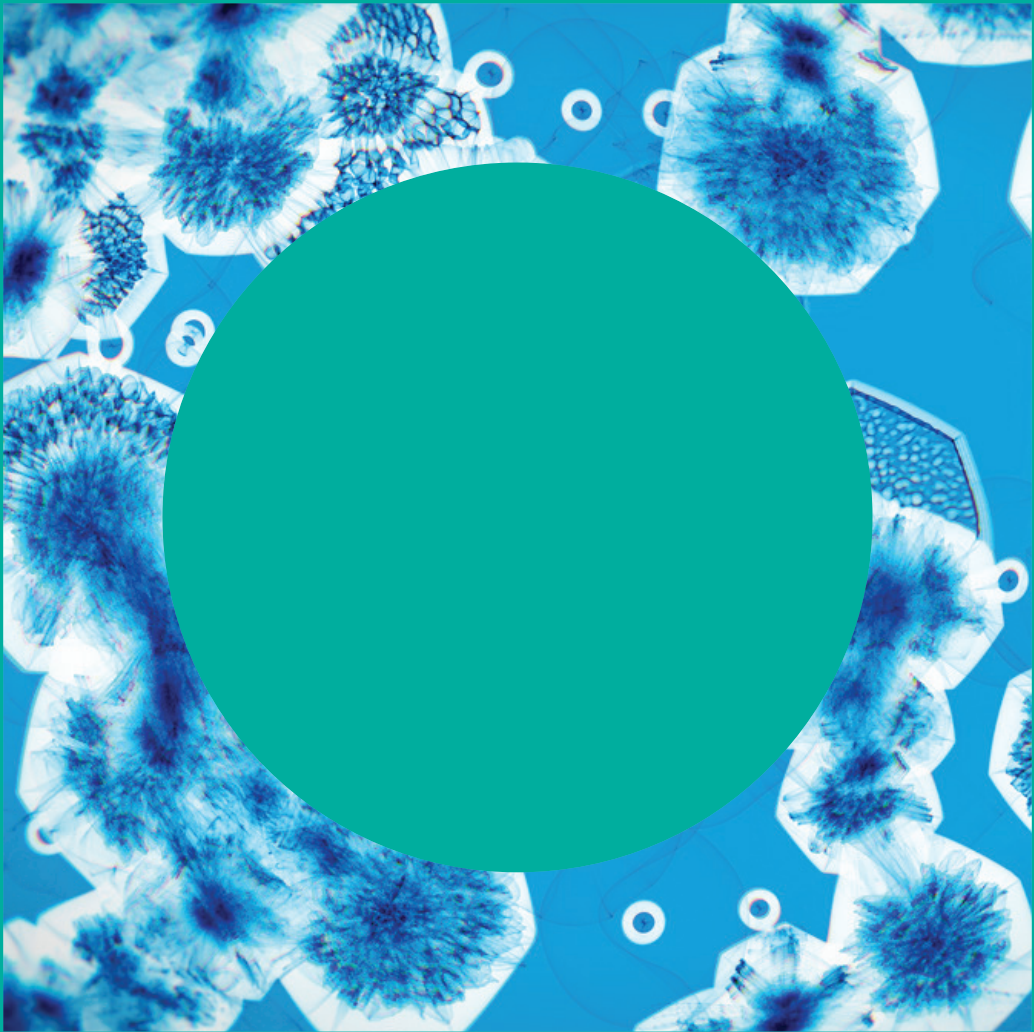
Scientia Professor Christensen graduated in Psychology from the University of Sydney in 1977, and worked in clinical practice, hospitals and educational settings while completing Clinical Psychology in 1982, and a PhD at UNSW in 1989. Her post-doctoral research was conducted at St Thomas's Hospital in London, followed by 22 years at the Australian National University. In 2012, Scientia Professor Christensen took up the role of Chief

Scientist at the Black Dog Institute. She is a Fellow of the Academy of the Social Sciences in Australia, a founding Fellow of the Australian Academy of Health and Medical Sciences and the recipient of numerous awards. Scientia Professor Christensen's research will evaluate the effectiveness of an integrated approach to suicide prevention using app and online interventions.

# Part 3

## Annual performance statements

Our performance against the program of work under the portfolio budget statements (PBS) and corporate plan. Outlines achievements, including major projects under the themes of investment, translation and integrity.



# Statement by the accountable authority

I, as the accountable authority of the National Health and Medical Research Council (NHMRC), present the 2018–19 annual performance statements of NHMRC, as required under section 39(1)(a) of the PGPA Act. In my opinion, these annual performance statements are based on properly maintained records, accurately reflect the performance of NHMRC, and comply with section 39(2) of the PGPA Act.



Professor Anne Kelso AO  
Chief Executive Officer  
National Health and Medical Research Council

16 September 2019

## Purposes

Our activities cover a wide range of health-related areas, from funding research to guideline development and advice.

Our overall purposes, as set out in our corporate plan 2018–19, can be summarised as follows:

- **Investment**—fund high quality health and medical research and build research capability.
- **Translation**—support the translation of health and medical research into better health outcomes.
- **Integrity**—promote the highest ethical standards in health and medical research.

## Summary of results

Table 3 summarises our performance against the targets outlined in our corporate plan and PBS for 2018–19.

Table 3: Summary of results, 2018–19

INVESTMENT		RESULT
Fund high quality health and medical research and build research capability		
<b>Support research that will provide better health outcomes for Aboriginal and Torres Strait Islander peoples, through percentage of annual research budget expenditure on Indigenous health research.</b>		
Target 1	>5%	<b>MET</b>
<b>Support Aboriginal and Torres Strait Islander researchers through building and strengthening capacity.</b>		
Target 2	An increase in the number of Aboriginal and Torres Strait Islander chief investigators	<b>MET</b>
<b>Increase research on dementia and its translation into policy and practice.</b>		
Target 3	Undertake two grant rounds to support priority research projects	<b>MET</b>
Target 4	Synthesise outcomes from dementia research to inform improved treatments and care for people with dementia	<b>MET</b>
Target 5	Evaluation outcomes inform future policy and practice	<b>MET</b>
<b>Effectively implement NHMRC's new grant program.</b>		
Target 6	Evaluation framework in place by 2020	<b>MET</b>
Target 7	Grant guidelines published by September 2018	<b>MET</b>
Target 8	Investigator, Synergy, Ideas, and Clinical Trials and Cohort Studies Grant schemes open late 2018—early 2019	<b>MET</b>
Target 9	Include the track record assessment framework in the 2019 Investigator and Synergy Grant guidelines	<b>MET</b>
<b>Support the development of outstanding leadership in health and medical research through NHMRC funding.</b>		
Target 10	Researcher profiles demonstrating outstanding leadership	<b>SUBSTANTIALLY MET</b>
<b>Foster gender equality in research funding through NHMRC policies and processes.</b>		
Target 11	An increase in the success rates of women in schemes, in particular Project Grants (for 2018–19), where they are statistically significantly lower, and in the new grant program's Ideas Grant scheme (for 2018–20 and beyond)	<b>MET</b>

<b>TRANSLATION</b>		<b>RESULT</b>
<b>Support the translation of health and medical research into better health outcomes</b>		
<b>Support consistent standards in public and environmental health and clinical practice through guidelines and advice issued and/or approved by NHMRC.</b>		
Target 12	Case studies demonstrate uptake of latest scientific evidence into health policy	<b>MET</b>
<b>Recognise and promote leading collaborations between health care organisations, academia and research institutions.</b>		
Target 13	Conduct call for recognition of AHRTCs and CIRHs	<b>MET</b>
Target 14	Highlight achievements on the NHMRC website	<b>MET</b>
<b>Improve the capability to report on the impact of the research funded by NHMRC.</b>		
Target 15	Develop a research impact app that lists and verifies all patents linked to NHMRC funding	<b>NOT MET</b>
Target 16	Present ten case studies that demonstrate the commercialisation impact of health and medical research funding via the linking, verification and analysis of intellectual property commercialisation	<b>MET</b>
Target 17	Present five case studies that demonstrate the economic benefits of the introduction of new clinical practice guidelines (funded by NHMRC)	<b>NOT MET</b>
<b>INTEGRITY</b>		<b>RESULT</b>
<b>Promote the highest standards of ethics and integrity in health and medical research</b>		
<b>Promote uptake of the revised Australian Code for the Responsible Conduct of Research, 2018 (the Code) and monitor implementation.</b>		
Target 18	Use a range of approaches to support Administering Institutions to implement the Code	<b>MET</b>
<b>Provide guidance to the research sector to support research quality.</b>		
Target 19	Gaps in advice identified	<b>MET</b>
<b>Stakeholders demonstrate good understanding of the regulatory requirements under the <i>Research Involving Human Embryos Act 2002 (RIHE Act)</i> and <i>Prohibition of Human Cloning for Reproduction Act 2002 (PHCR Act)</i>.</b>		
Target 20	Good understanding of regulatory requirements is demonstrated through outcomes from inspections and six-monthly reports	<b>MET</b>

# Expenses and resources

## Budgeted expenses for NHMRC

The 2018–19 agency PBS outline NHMRC's budgeted expenses and resources as shown in the table below.

Table 4: Portfolio Budget Statements—NHMRC expenses and resources, 2018–19

Expenses for Outcome 1			
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.	Budget 2018–19 \$'000 (a)	Actual Expenses 2018–19 \$'000 (b)	Variation 2018–19 \$'000 (a) – (b)
<b>Program 1.1: Health and medical research</b>			
Administered expenses			
Ordinary Annual Services	882,753	882,753	-
to the Medical Research Endowment Account (MREA)	(829,324)	(875,202)	45,878
Special Accounts			
Medical Research Endowment Account (MREA)	844,199	889,311	(45,112)
Departmental expenses			
Departmental appropriation <sup>11</sup>	44,437	44,995	(558)
Expenses not requiring appropriation in the Budget year <sup>12</sup>	2,708	2,568	140
Total for Program 1.1	944,773	944,425	348
Total expenses for Outcome 1	944,773	944,425	348
	<b>2017–18</b>	<b>2018–19</b>	
Average staffing level (number)	175	176	1

## Analysis of performance

Table 5: NHMRC expenditure by broad research area, 2014–15 to 2018–19

Expenditure by broad research area					
Broad Research Area	2014–15	2015–16	2016–17	2017–18	2018–19
Basic Science	\$381,307,663	\$339,711,638	\$326,513,258	\$332,233,704	\$358,472,639
Clinical Medicine and Science	\$303,681,801	\$284,280,055	\$293,765,578	\$295,388,527	\$309,399,525
Public Health	\$125,365,335	\$110,969,617	\$114,773,175	\$117,670,602	\$126,384,582
Health Services Research	\$53,733,167	\$52,559,386	\$49,891,734	\$52,277,215	\$55,696,549
Other <sup>13</sup>	\$39,927,311	\$37,530,283	\$35,546,331	\$36,530,956	\$39,357,705

11 Departmental appropriation combines Ordinary annual services (Appropriation Act No. 1) and Revenue from independent sources (section 74 of the *Public Governance, Performance and Accountability Act 2013*).

12 Expenses not requiring appropriation in the Budget year are made up of depreciation expense, amortisation expense and audit fees.

13 Equipment Grants and Independent Research Institute Infrastructure Support Scheme (IRIISS) Grants

# Investment, translation and integrity

NHMRC's Corporate Plan outlines our key activities. They fall into three categories: Investment, Translation and Integrity.

## INVESTMENT | Funding high quality health and medical research

- Support, via appropriate funding, excellence in research that meets the health needs of Australians, from basic science through to clinical, public health and health services research and research that reflects national, state and territory and community priorities.
- Fund health research to improve health outcomes for Aboriginal and Torres Strait Islander peoples and build Aboriginal and Torres Strait Islander research capacity.
- Continually optimise the grant application and peer review process, including through the implementation and evaluation of the new grant program.
- Work with others to drive innovation in health and medical research and support integration with the broader Australian Government innovation agenda via a range of mechanisms, including through the Health Innovation Advisory Committee and the introduction of the Ideas Grant scheme.
- Work with partners to support the research workforce and build researcher capacity in fields relevant to health and medical research, including through implementing NHMRC's Gender Equality Strategy and Action Plan (2018).
- Enhance and coordinate research into dementia, including through the NHMRC National Institute for Dementia Research and through supporting the effective translation of dementia research and evaluation of the Boosting Dementia Research measure.
- Support research and work with other funders to address evidence gaps, evidence-practice gaps and evidence-policy gaps in areas such as mental health, Aboriginal and Torres Strait Islander health and rare diseases.
- Support collaborative approaches to health and medical research, domestically and internationally, including connecting, supporting and encouraging links with researchers in non-health related disciplines, and consider ways to strengthen relationships across the system, including with non-government organisations, philanthropic organisations and other government agencies.
- Work closely with the Department of Health to provide effective and efficient support for relevant MRFF investments that leverage NHMRC's existing capability.

## Analysis of performance | Investment

**Measure: Support research that will provide better health outcomes for Aboriginal and Torres Strait Islander peoples, through percentage of annual research budget expenditure on Indigenous health research**

**Target 1 : >5%** (NHMRC corporate plan 2018-19 p. 10, PBS 2018-19 p. 394)

### MET

NHMRC is committed to improving the health of Aboriginal and Torres Strait Islander peoples, spending at least 5 per cent of funding under the MREA on Aboriginal and Torres Strait Islander health research each year.

In 2018-19, this target was achieved, with 5.9 per cent of MREA expenditure—approximately \$52.5 million—directed to Aboriginal and Torres Strait Islander health research.

Table 6: NHMRC expenditure on Aboriginal and Torres Strait Islander health research, 2014-15 to 2018-19

	2014-15	2015-16	2016-17	2017-18	2018-19
Aboriginal and Torres Strait Islander health research	\$54,706,548	\$52,300,848	\$52,807,350	\$49,601,395	\$52,522,761

**Measure: Support Aboriginal and Torres Strait Islander researchers through building and strengthening capacity**

**Target 2: An increase in the number of Aboriginal and Torres Strait Islander chief investigators** (NHMRC corporate plan 2018-19 p. 10)

### MET

There has been an increase of 12 per cent in the number of Aboriginal and Torres Strait Islander chief investigators, from 49 unique CIs in 2017-18 to 55 in 2018-19.

**Measure: Increase research on dementia and its translation into policy and practice**

**Target 3: Undertake two grant rounds to support priority research projects** (NHMRC corporate plan 2018-19 p. 11, PBS 2018-19 p. 394)

### MET

The 2014-15 Australian Government Budget allocated \$200 million in additional funding over five years to boost dementia research, comprising \$150 million to urgently scale up dementia research and \$50 million to target, coordinate and translate the national research effort through the NHMRC National Institute for Dementia Research (NNIDR). In 2018-19, grants were awarded under Round 3 and Round 4 and the final two grant rounds under the Budget measure were opened.

- Boosting Dementia Research Grants Priority Round 3: National Dementia Network
- Boosting Dementia Research Grants Priority Round 4: European Union Joint Program on Neurodegenerative Disease Research (JPND) Call for Multinational Projects on Health and Social Care for Neurodegenerative Diseases



- Boosting Dementia Research Grants Priority Round 5: Implementing Dementia Risk Reduction and Prevention Research
- Boosting Dementia Research Grants Priority Round 6: Improving Dementia Data and Methods.

**Target 4: Synthesise outcomes from dementia research to inform improved treatments and care for people with dementia**

(NHMRC corporate plan 2018–19 p. 11, PBS 2018–19 p. 394)

**MET**

Synthesising information provided from current research and developing strong links with community groups, practitioners and other service providers to rapidly and flexibly translate research outcomes is a key objective of NNIDR.

In 2018–19, on the advice of NNIDR and its Expert Advisory Panel, NHMRC opened Priority Round Five of the Boosting Dementia Research Grants scheme, which resulted in 11 grants being funded totalling over \$18 million to translate dementia risk reduction and prevention research into practice in the health system and public health messages.

NNIDR has continued its focus on building a coordinated approach to effective translation of research into practice through contributing to the development of tools for knowledge translation.

**Target 5: Evaluation outcomes inform future policy and practice**

(NHMRC corporate plan 2018–19 p. 11, PBS 2018–19 p. 394)

**MET**

In the second half of 2018, NHMRC commissioned an independent evaluation of the Boosting Dementia Research Initiative (BDRI), which assessed performance to date by examining a cross-section of BDRI activities that commenced between 2014 and 2018. The evaluation also proposed a framework for monitoring BDRI outcomes over the longer term. NHMRC is working with key stakeholders, including NNIDR, to consider how best to capitalise on the opportunities identified in the report.

**Measure: Effectively implement NHMRC's new grant program**

NHMRC's new grant program presents a significant shift for the health and medical research sector in Australia. The inaugural rounds of the four new schemes, Investigator Grants, Ideas Grants, Synergy Grants, and Clinical Trials and Cohort Studies (CTCS) Grants, were opened in 2018–19.

Application numbers to the first rounds of the four new schemes were high; in total, 21.7 per cent more applications were received in 2019 than for similar schemes in 2018. This reflects the vitality of the health and medical research sector in Australia and the high interest in the enhanced support offered to researchers of all career stages through the new schemes. It is anticipated that applications will drop in future years due to capping arrangements and sustained support provided to researchers who are successful through the new schemes.

**Target 6: Evaluation framework in place by 2020** (NHMRC corporate plan 2018–19 p. 11)

**MET**

The new grant program aims to encourage innovation and creativity, provide opportunities for talented researchers at all career stages and minimise application and peer review burden on researchers while retaining our core focus on improving human health. NHMRC commissioned RAND Corporation Australia to develop a framework to assist in the evaluation of the new program against these objectives. *Design and development of an evaluation framework for NHMRC* by RAND Australia was completed in June 2019 and is published on NHMRC’s website. The evaluation framework is informed by a review of international practice and NHMRC’s data capabilities. A range of potential metrics have been identified that can assist in monitoring the grant program through all stages of the grants process. Implementation of the framework including analyses of short, medium and long-term metrics will be ongoing.

**Target 7: Grant guidelines published by September 2018**

(NHMRC corporate plan 2018–19 p. 11)

**MET**

Grant guidelines for Investigator, Ideas, Synergy and CTCS Grants were published in July 2018 through Forecast Opportunities on *GrantConnect*, and *Grant Opportunities* when the schemes opened for applications.

**Target 8: Investigator, Synergy, Ideas, and Clinical Trials and Cohort Studies Grant schemes open late 2018—early 2019** (NHMRC corporate plan 2018–19 p. 11)

**MET**

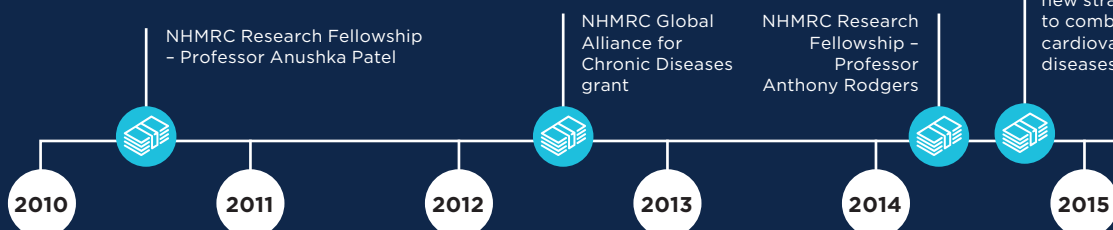
Investigator Grants opened for applications in December 2018 and closed on 6 February 2019. We received 1,857 applications.

Assessment of Investigator Grant applications commenced on 25 March 2019 and continued throughout May, including videoconference panel meetings. The Investigator Grant peer review process, modelled on processes used previously for early and mid-career fellowship schemes, involved each application being independently assessed by four to five peers. Panels were assembled to minimise conflict of interests and maximise peer reviewer suitability to assess applications, based on advice from peer reviewers.

## The TRIUMPH hypertension study: Case Study

Globally, more than one billion people suffer from high blood pressure. The George Institute for Global Health (TGI) has trialled a new low-dose pill for hypertension that combines three medications in one (Triple Pill), which could change the way high blood pressure is treated around the world.

Program grant for the discovery and translation of evidence for new strategies to combat cardiovascular diseases



Synergy Grant, Ideas Grant and CTCS Grant applications all opened on 6 March 2019. A total 64 applications were submitted for Synergy Grants at the close of round on 1 May 2019. Ideas Grants and CTCS Grants both closed on 8 May 2019. A total of 2,739 applications were submitted for Ideas Grants, and 571 applications were submitted for CTCS Grants.

**Target 9: Include the track record assessment framework in the 2019 Investigator and Synergy Grant guidelines** (NHMRC corporate plan 2018-19 p. 11)

**MET**

NHMRC, on the advice of expert committees, is changing the way it assesses researchers' track record of achievements. The new track record assessment framework, comprised of publications, research impact and leadership, was used for the first time in the Investigator and Synergy Grant schemes. An Introductory Briefing Webinar produced for Investigator Grants provided an overview of the peer review process, including advice on the Track Record Assessment Framework. The video is available on the NHMRC website. Synergy Grant peer reviewers and Chairs were briefed on the peer review process, including the Track Record Assessment Framework via videoconference.

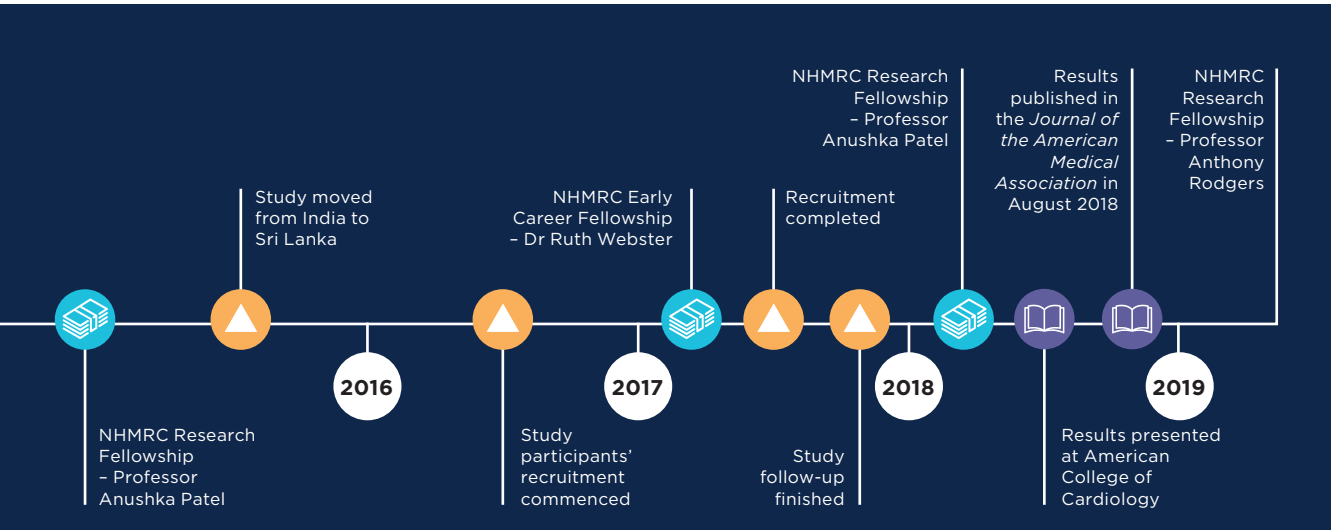
**Measure: Support the development of outstanding leadership in health and medical research through NHMRC funding**

**Target 10: Researcher profiles demonstrating outstanding leadership** (NHMRC corporate plan 2018-19 p. 12)

**SUBSTANTIALLY MET**

Video stories of researchers who demonstrate outstanding leadership are included on our new website, including 13 recipients of People Support grants.

In addition, four case studies illustrating the pipeline to research impact have been published on the website. People Support grant recipients have been included in these case studies (refer the TRIUMPH hypertension study below).



Measure: Foster gender equality in research funding through NHMRC policies and processes

**Target 11: An increase in the success rates of women in schemes, in particular Project Grants (for 2018-19), where they are statistically significantly lower, and in the new grant program’s Ideas Grant scheme (for 2018-20 and beyond)**

(NHMRC corporate plan 2018-19 p. 12)

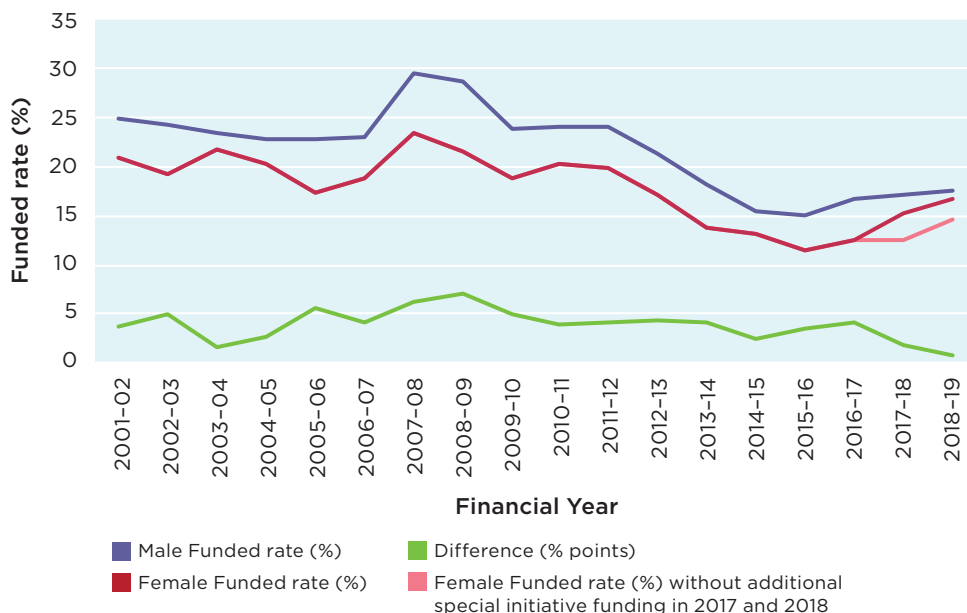
**MET**

There have been long-standing differences in funded rates for male and female lead investigators (chief investigators A) in NHMRC’s Project Grant scheme. In 2017, NHMRC introduced a special initiative to support additional Project Grants led by women. In 2018, we again used strategic funds to support an additional 31 Project Grants led by women. This increased the female success rate in 2018 to 16.7 per cent, narrowing the gap in success rates for men and women to approximately one per cent, a further improvement on 2017 outcomes.

Figure 9 shows funded rates by gender of lead investigators for the Project Grant scheme from 2001 to 2018. The red solid line indicates the actual female funded rate and the pink line indicates what the funded rate for 2017 and 2018 would have been without the additional strategic funding.

Funding will commence in 2020 for new grant program schemes, and application numbers and funded rates will be analysed by gender.

Figure 9: NHMRC percentage funded rate by gender from 2001



## TRANSLATION | Support the translation of health and medical research into better health outcomes

- Drive translation of evidence from health and medical research into public, environmental and clinical health policy and practice so that all Australians benefit from the results of high quality health and medical research, including through funding schemes that focus on research translation and through the work of the Health Translation Advisory Committee.
- Maintain a leadership role in the development of public and environmental health and clinical advice designed to prevent illness, improve health, enhance clinical care and support the states and territories in achieving consistent standards.
- Recognise and promote centres of excellence and collaboration in the provision of research-based health care and training in Australia through NHMRC Advanced Health Research and Translation Centres (AHRTCs) and Centres for Innovation in Regional Health (CIRHs).
- Encourage engagement with industry to leverage skills, networks and resources to enhance research and boost commercialisation of research outcomes to benefit health, strengthen researcher collaboration with industry and promote mobility between the sectors.
- Foster sharing of publications and data resulting from NHMRC-funded research and researchers as soon as practicable.
- Develop a new model for guideline development and approval by providing up-to-date standards and supporting their implementation and promoting collaboration tools to foster high quality, rigorously developed, current and relevant guidelines in Australia.
- Raise awareness of the role and value of high quality clinical trials and cohort studies, ultimately boosting recruitment into trials.

### Analysis of performance | Translation

**Measure: Support consistent standards in public and environmental health and clinical practice through guidelines and advice issued and/or approved by NHMRC**

**Target 12: Case studies demonstrate uptake of latest scientific evidence into health policy** (NHMRC corporate plan 2018-19 p. 13)

#### MET

NHMRC helps achieve the best health outcomes for Australians by disseminating evidence-based health advice to the community, via all levels of government and health professionals. In 2018-19 the following guidelines and health advice were published.

#### *Infection Control Guidelines*

NHMRC released the updated *Australian Guidelines for the Prevention and Control of Infection in Healthcare* (2019) on 30 May 2019. The guidelines are presented in a new 'living' format, via an online information technology platform called MAGICapp. This new approach represents an innovation in developing recommendations following comprehensive evidence synthesis advised by NHMRC expert committees.

## Part 3 Annual performance statements

The guidelines provide a nationally accepted approach to infection prevention and control, focusing on core principles and priority areas for action. They provide a basis for healthcare workers and healthcare facilities to develop detailed protocols and processes for infection prevention and control specific to local settings, and are integrated into the *National Safety and Quality Health Service Standards* (Preventing and controlling healthcare associated infection standard).

### *Myalgic Encephalomyelitis/Chronic Fatigue Syndrome (ME/CFS)*

NHMRC established the ME/CFS Advisory Committee to advise the NHMRC CEO on the research and clinical guidance needs on ME/CFS for Australia. The Committee finalised its report for the NHMRC CEO in late April 2019, and it was published 28 June 2019.

### *Guidance on per- and poly-fluoroalkylated substances (PFAS) in drinking and recreational water*

The Australian Government is working closely with communities to provide advice and assistance to those potentially affected by per- and poly-fluoroalkyl substances (PFAS) contamination. NHMRC has developed guidance on PFAS in drinking water and recreational water that will be used by local authorities which are responsible for managing the safety and quality of water.

In August 2018, NHMRC published a fact sheet with information and a health based guideline value for PFAS for inclusion in the *Australian Drinking Water Guidelines*.

### *Externally developed guidelines*

All clinical practice guidelines developed by third parties met the 2016 NHMRC Standards for Guidelines and the NHMRC procedures and requirements for meeting the NHMRC standard for clinical practice guidelines. Four guidelines were approved by NHMRC:

- Clinical guideline for the diagnosis and management of work-related mental health conditions in general practice (Monash University)
- Clinical practice guidelines for surveillance colonoscopy (Cancer Council Australia)
- Updates to the Pregnancy care guidelines (Department of Health)
- Updates to the Australian Immunisation Handbook (Australian Technical Advisory Group on Immunisation).

NHMRC is developing the Guidelines for Guidelines Handbook that is designed to help guideline developers produce high quality guidelines that meet the 2016 NHMRC Standards for Guidelines. In November 2018, nine modules were published:

- Independent review
- Public consultation
- Identifying and managing conflicts of interest
- Engaging stakeholders
- Consumer involvement
- Scoping the guideline
- Adopt, adapt or start from scratch
- Implementability
- Equity

**Measure: Recognise and promote leading collaborations between health care organisations, academia and research institutions**

**Target 13: Conduct call for recognition of AHRTCs and CIRHs**

(NHMRC corporate plan 2018–19 p. 13)

**MET**

NHMRC opened a call for submissions from groups seeking NHMRC accreditation as an AHRTC or CIRH on 31 October 2018. This call closed on 18 March 2019 and six submissions were received.

An international review panel has been established to assess the submissions. The two-stage assessment process is anticipated to be finalised in the first quarter of 2019–20.

**Target 14: Highlight achievements on the NHMRC website**

(NHMRC corporate plan 2018–19 p. 13)

**MET**

We continued to highlight the achievements of the NHMRC-accredited Translation Centres, so that others can learn from these leaders in research translation. In November 2018, a session at the Annual NHMRC Symposium on Research Translation was dedicated to the work of the Translation Centres. We shared information about this session on our website.

NHMRC also worked with the Translation Centres to develop video clips explaining how the centres are collaborating to provide evidence-based health care aimed at improving the health of the populations they serve. Videos will be published in 2019 on NHMRC's website about the Translation Centre initiative, including how the centres are working to improve clinical trials and involve end-users in research design and implementation.

**Measure: Improve the capability to report on the impact of the research funded by NHMRC**

**Target 15: Develop a research impact app that lists and verifies all patents linked to NHMRC funding** (NHMRC corporate plan 2018–19 p. 14)

**NOT MET**

*Outcome Reporting Accelerator (ORA)*

The ORA is being developed to use structured data linkages to draw together information about research outputs from a number of key partner organisations (for example the Australian National Library and Internet Protocol data from international and national sources).

ORA uses information and communication technologies to source partner organisations' data and identify grant outcomes such as publications or patents associated with NHMRC Grants. ORA will assist in identifying data that can be used to demonstrate the return on investment from government and other investment in health and medical research grants. Pilot data obtained from ORA capabilities have been verified with researchers, Participating Institutions and Administering Institutions and used to improve data collection processes and to construct and publish four NHMRC case studies that demonstrate impact from NHMRC and other investment.

**Target 16: Present ten case studies that demonstrate the commercialisation impact of health and medical research funding via the linking, verification and analysis of intellectual property commercialisation** (NHMRC corporate plan 2018–19 p. 14)

### **MET**

Four case studies have been published on the NHMRC website that report on commercialisation and discuss the outcomes and impact from NHMRC and other government grants in the medium to long term.

Six other case studies are under development to be published in future years, which seek to demonstrate a range of outcomes and impact from grant investment.

**Target 17: Present five case studies that demonstrate the economic benefits of the introduction of new clinical practice guidelines (funded by NHMRC)**

(NHMRC corporate plan 2018–19 p. 14)

### **NOT MET**

Under the NHMRC Act, the CEO has the authority to approve guidelines developed by a third party. Clinical practice guidelines approved by NHMRC represent a significant investment of public funds and there is growing awareness of the importance of demonstrating their value. On the advice of the Health Translation Advisory Committee (HTAC), we have begun developing a framework to examine the benefits of new clinical practice guidelines. This work includes a systematic literature review on impact measurement for clinical practice guidelines. Methodology for demonstrating economic benefits will be explored as part of this review.

## **INTEGRITY | Promote the highest standards of ethics and integrity in health and medical research**

- Promote the highest standards of research quality and integrity, develop national guidance on ensuring rigour, transparency and reproducibility in health and medical research and strengthen the management of research integrity matters.
- Lead ongoing revision of key statements, codes and guidelines and develop new guidelines and information papers.
- Continue to support streamlined research governance and ethics review processes, including through the administration of the National Certification Scheme for Institutional Ethics Review Processes and the Human Research Ethics Application (HREA).
- Administer the RIHE Act and PHCR Act, including continually improving the efficiency of processes relating to the Embryo Research Licensing Committee's administration of this legislation by increasing stakeholder understanding of legislative requirements.
- Identify and explore ethical issues arising from new technologies and scientific advances, working with the Australian Health Ethics Committee and the Embryo Research Licensing Committee.



## Analysis of performance | Integrity

**Measure: Promote uptake of the revised Australian Code for the Responsible Conduct of Research, 2018 (the Code) and monitor implementation**

**Target 18: Use a range of approaches to support Administering Institutions (AIs) to implement the Code** (NHMRC corporate plan 2018–19 p. 15, PBS 2018–19 p. 394)

### MET

The Code is co-authored by NHMRC, the Australian Research Council and Universities Australia. The revised Code, along with the new *Guide to Managing and Investigating Potential Breaches of the Code*, 2018, was released in 2018. The Code will be supported by guides on specific topics to encourage responsible research conduct. These guides are currently being finalised.

NHMRC has successfully conducted a wide range of activities to support implementation of the Code. These include:

- providing advice on the NHMRC website and responding to queries
- conducting workshops and speaking at key national and international conferences (including the Australasian Research Management Society Conference 2018, the 2018 Australasian Ethics Network and the 6th World Conference on Research Integrity)
- participating in webinars
- presenting at targeted stakeholder meetings, such the Group of Eight and Deputy Vice Chancellors–Research meetings
- encouraging implementation via the Institutional Annual Compliance Report (IACR), which is a survey that all NHMRC AIs are required to complete. The report included questions about difficulties with implementation that will be used to inform any future advice developed by NHMRC.

Around 75 per cent of AIs that have completed the 2018 IACR have indicated that they have taken steps to implement the Code, which takes effect for 1 July 2019.

**Measure: Provide guidance to the research sector to support research quality**

**Target 19: Gaps in advice identified** (NHMRC corporate plan 2018–19 p. 15)

### MET

NHMRC's Research Quality Strategy was released on 31 May 2019. The strategy was developed with the advice from NHMRC's Research Quality Steering Committee (RQSC).

The RQSC has also developed an internal Research Quality Action Plan, which will guide implementation activities.

**Measure: Stakeholders demonstrate good understanding of the regulatory requirements under the RIHE Act and PHCR Act**

**Target 20: Good understanding of regulatory requirements is demonstrated through outcomes from inspections and six-monthly reports** (NHMRC corporate plan 2018–19 p. 15)

### MET

A review of the licence holder six-monthly reports received in September 2018 and March 2019 indicated that licence holders are aware of, and abiding by, the regulatory requirements under the RIHE Act and the PHCR Act. Augmenting this review, in 2018–19, NHMRC Inspectors conducted monitoring inspections of all active licences issued under the RIHE Act. No contraventions of the RIHE Act were found.



5.9%

## Aboriginal and Torres Strait Islander health research

NHMRC is committed to a minimum 5 per cent spend of the Medical Research Endowment Account on Aboriginal and Torres Strait Islander health and medical research

## Fifty-seven per cent of expenditure in Aboriginal and Torres Strait Islander research

Spent on public health and health services research



57%

## NHMRC updated its Road map 3:

A strategic framework for improving Aboriginal and Torres Strait Islander health through research

## Boosting Dementia Research Initiative

- One of the world's greatest health challenges and Australia's second leading cause of death
- Without a medical breakthrough, 1.1 million Australians will be living with dementia by 2056
- Representing more than a million hours in new dementia research, the Australian Government's \$200 million Boosting Dementia Research Initiative (BDRI) has significantly strengthened the capacity of the dementia research sector. It has led to the development of promising new technologies as well as health sector guidance that will lead to improvements in the treatment and care of those living with dementia.



### Five priority research areas



The NHMRC National Institute for Dementia Research is a key element of this initiative—focusing and coordinating dementia research collaboration, while drawing on the expertise of consumers, health professionals, industry and policy makers to translate research findings into policy and practice.

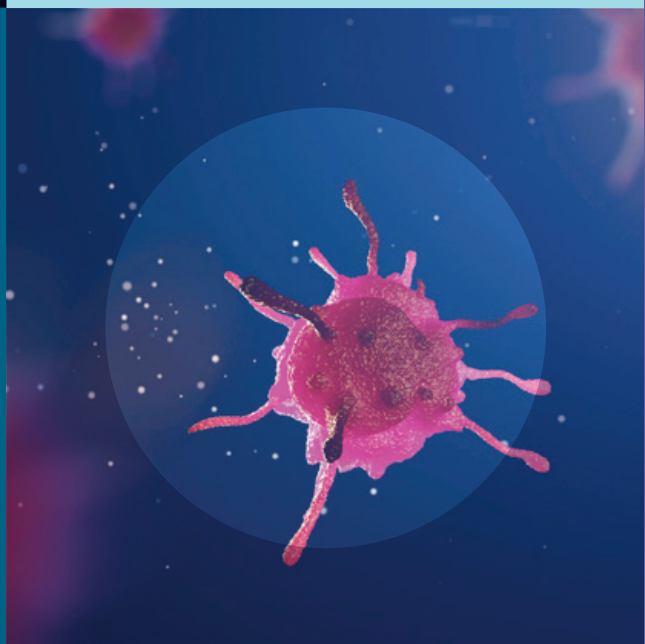


## International Engagement

NHMRC continued its regular partnerships with the EU Horizon 2020 and the United Kingdom's National Institute for Health Research health technology assessment programs.

NHMRC participated in the Global Alliance for Chronic Diseases call for scaling up evidence-based interventions at the population level for the prevention or management of hypertension and/or diabetes. Proposals were reviewed by a joint international peer review panel in Buenos Aires during January 2019. NHMRC is funding five projects from this call.

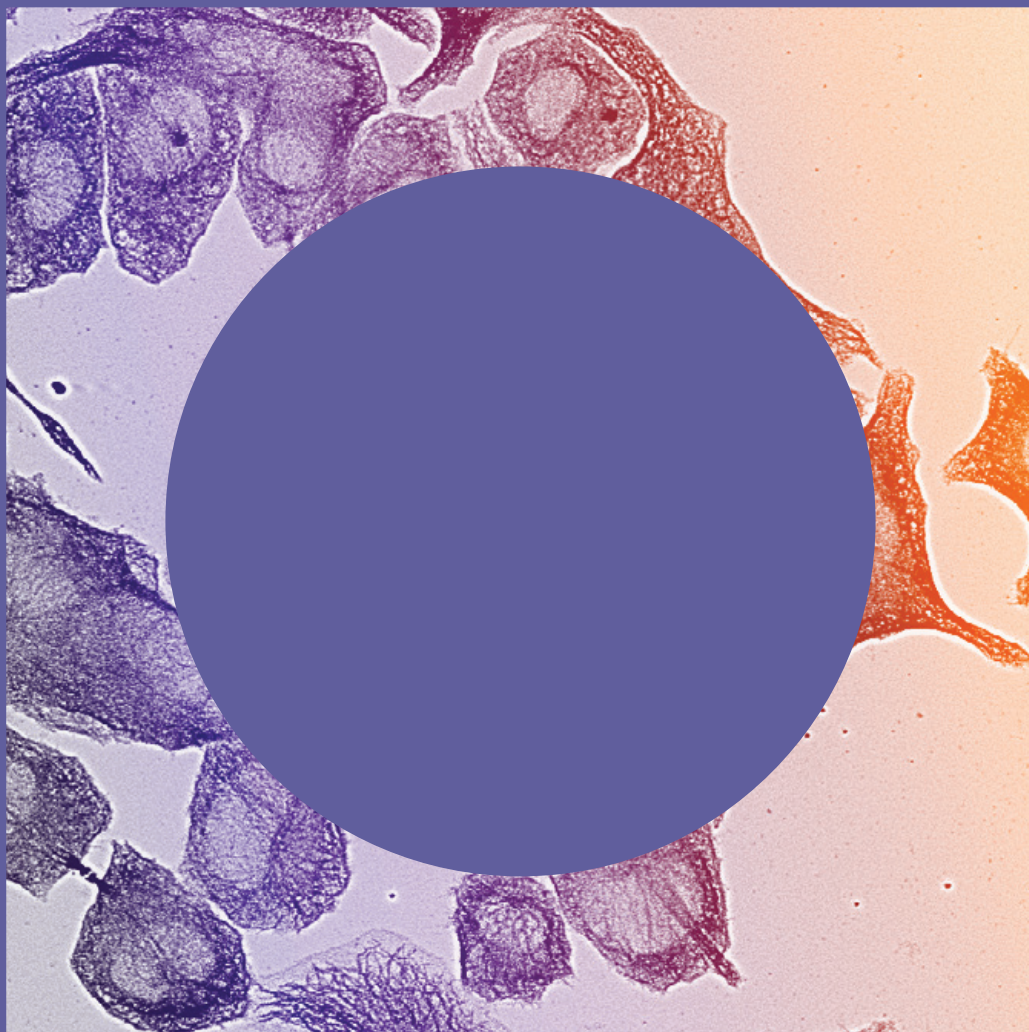
- NHMRC and the Japan Agency for Medical Research and Development (AMED) signed a memorandum of cooperation on 17 October 2018 that facilitates and supports collaboration through the Japanese-led multilateral e-ASIA Joint Research Program (e-ASIA JRP) and areas of bilateral interest.
- NHMRC and AMED, with the assistance of New Zealand's Health Research Council and the United States National Institute of Allergy and Infectious Diseases, co-hosted a medical research workshop in the fields of infectious diseases, antimicrobial and multidrug resistance and cancer in Singapore on 4 and 5 March 2019. The workshop coincided with NHMRC participation in the current e-ASIA JRP health-related call into these research areas for which submissions opened in January 2019 and closed in May 2019.
- On 22 October 2018, NHMRC entered into an Implementing Arrangement with the European Research Council (ERC) to facilitate exchanges between ERC-funded research teams and NHMRC-funded researchers.



# Part 4

## Operating environment

Our legislative, governance, compliance and assurance arrangements. Provides information to meet Australian Government reporting requirements, including freedom of information and ecologically sustainable development.



## Legislative framework

NHMRC is an independent statutory authority, established under the NHMRC Act. The Act defines NHMRC as comprising the CEO, the Council of NHMRC and committees, and NHMRC staff.

The CEO, Council and Principal Committees (committees established under section 35 of the Act) are appointed by the responsible Minister, who also provides guidance on NHMRC's strategic priorities.

The Minister for Health, the Hon Greg Hunt MP, was the Minister responsible for NHMRC over the period. In the federal election held on 18 May 2019, the government was returned and Mr Hunt was reappointed to the position of Minister for Health.

NHMRC operates on a triennium basis, with the Council and Principal Committees reappointed every three years. The current triennium runs from 1 July 2018 until 30 June 2021.

The CEO is appointed by the Minister under the Act, has powers and functions under the Act, and works within the framework of the *Public Service Act 1999* (PS Act), and the PGPA Act. The CEO's functions as prescribed by section 7 of the NHMRC Act are to:

- inquire into, issue guidelines on, and advise the community on matters relating to:
  - the improvement of health
  - the prevention, diagnosis and treatment of disease
  - the provision of health care
  - public health research and medical research
  - ethical issues relating to health
- advise and make recommendations to the Australian Government (the Commonwealth), the states and the territories on the matters referred to above
- make recommendations to the Minister about expenditure on public health research and training, and medical research and training.

We also administer, and have statutory obligations under the PHCR Act and the RIHE Act. We also exercise some statutory functions under the *Medical Research Future Fund Act 2015*.

## Corporate governance

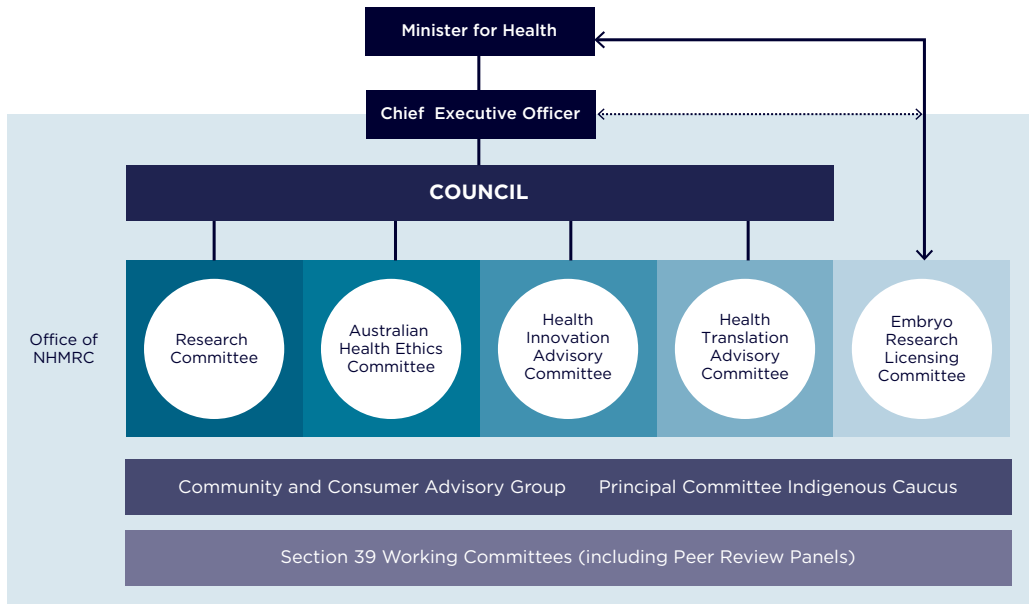
Our corporate governance and compliance framework applies rigour and discipline to the way in which we deliver our work. The framework ensures transparent, ethical and accountable decision-making, and helps NHMRC manage risk and stakeholder relations.

Governance bodies form a key part of our assurance processes. These include the Council and the following Principal Committees:

- Research Committee
- Australian Health Ethics Committee
- Health Innovation Advisory Committee
- Health Translation Advisory Committee
- Embryo Research Licensing Committee

These committees enable NHMRC to work collaboratively with the research community to ensure strategic priorities are realised.

Figure 10: NHMRC governance structure



## Council

The Council of NHMRC is established under section 20 of the NHMRC Act. Its functions are to:

- provide advice to the CEO in relation to the performance of his or her function
- perform any other function conferred on the Council in writing by the Minister after consulting with the CEO
- perform any other function conferred on the Council by the NHMRC Act, the regulations or any other law.

The Council advises the CEO on a wide range of matters relating to public health research and medical research, public health and clinical practice, ethics in health and in research involving humans and animals, research integrity, and workforce training and development.

### Meetings

The Council held three sessions in 2018–19. It considered research funding recommendations from the Research Committee and received activity updates from Principal Committees, and a briefing on NHMRC quality improvement activities and initiatives. Key matters discussed are outlined below.

At its 215th session in November 2018, the Council considered a range of topics, including:

- NHMRC strategic priorities for the 2018–2021 triennium and how they may be realised
- *Clinical practice guidelines for surveillance colonoscopy*
- *Clinical guideline for the diagnosis and management of work-related mental health conditions in general practice*
- consideration of emerging technologies in light of the PHCR Act and RIHE Act.

At its 216th session in March 2019, the Council considered a range of topics, including:

- strategic issues impacting on health and medical research into the next decade
- NHMRC Research Quality Strategy
- guidance on Per-fluoroalkyl and Poly-fluoroalkyl Substances (PFAS) in Recreational Water
- *Myalgic Encephalomyelitis/Chronic Fatigue Syndrome Advisory Committee Report* to the NHMRC Chief Executive Officer
- *Clinical Practice Guidelines: Pregnancy Care*
- *Australian Immunisation Handbook*
- *Australian Guidelines for the Prevention and Control of Infection in Healthcare.*

At its 217th session in June 2019, the Council considered a range of topics, including:

- impact of NHMRC projects and investment in research funding
- ethical behaviour in animal research
- mitochondrial donation and associated activities
- dementia research and associated activities
- the interrelationship and complementarity of NHMRC and other medical and health research funding.

### Membership

Council members are appointed under section 41 (1) of the NHMRC Act for three years.

The Council consists of:

- the Chair
- the Chairs of the Principal Committees
- the Chief Medical Officer for the Australian Government
- the Chief Medical Officer or Chief Health Officer for each state and territory
- an expert in Aboriginal and Torres Strait Islander health needs
- a person with expertise in consumer issues
- at least six, but no more than 11, members with relevant expertise as outlined in the NHMRC Act.



## National Health and Medical Research Council members 2018–21

### **Professor Bruce Robinson AM (Chair)**

Professor Bruce Robinson is an endocrinologist. He was appointed as Chair of the Council of NHMRC in 2015 and is also Chair of the Australian Government's Taskforce of expert clinicians charged with reviewing the Medicare Benefits Schedule.

Professor Robinson's research has focused on identifying genetic changes, which either predispose or directly cause endocrine tumours. Other career highlights include the formation of an international consortium of families from around the world to study medullary thyroid carcinoma and pheochromocytoma.

He has been Head of the Cancer Genetics Unit at the Kolling Institute of Medical Research, Royal North Shore Hospital, since 1989, where he continues to practice. Professor Robinson was the Dean of Sydney Medical School from 2007 until 2016. Since 2001, he has been Chairman of Hoc Mai Foundation, a major program in medical and health education and exchange with Vietnam.

Professor Robinson has supervised 37 PhD students and has more than 300 research publications.

### **Dr Kerry Chant PSM**

#### **Chief Health Officer, New South Wales**

Dr Kerry Chant is a public health physician, Chief Health Officer for New South Wales (NSW) and Deputy Director-General, Population and Public Health, NSW Health. Prior to this she was Director, Health Protection and Deputy Chief Health Officer, NSW Health.

Dr Chant has extensive public health experience, having held a range of senior positions in New South Wales public health units since 1991. She has a particular interest in blood-borne virus infections, communicable disease prevention and control, and Indigenous health.

### **Professor Brendan Crabb AC**

#### **Expertise in Medical Research Issues**

Since 2008, Professor Brendan Crabb AC PhD FAHMS FASM has been the Director and CEO of Burnet Institute, a research organisation focused on the health of especially vulnerable populations. He is the past President of the Association of Australian Medical Research Institutes (AAMRI), the peak body for independent medical research institutes in Australia.

Professor Crabb is a molecular biologist with a particular interest in infectious diseases and health issues of the developing world more generally. His personal research is the development of a malaria vaccine and the identification of new treatments for this disease.

He is a Fellow of the Australian Academy of Health and Medical Sciences and of the Australian Society for Microbiology.

He also serves on the International Advisory Boards of the Sanger Institute (UK) and on the WHO Malaria Vaccine Advisory Committee in Geneva. Professor Crabb was the Co-Founder of the 1st Malaria World Congress and of the Molecular Approaches to Malaria Conferences. In his home state of Victoria, he is President of the Victorian Chapter of AAMRI.

## Part 4 Operating environment

Professor Crabb was awarded a Companion of the Order of Australia in 2015 for eminent service to medical science as a prominent researcher of infectious diseases, particularly malaria, and their impact on population health in developing nations, as an advocate, mentor and administrator, and through fostering medical research nationally and internationally.

### **Professor Sandra Eades**

#### **Chair of the Principal Committee Indigenous Caucus**

#### **Expertise in the health needs of Aboriginal and Torres Strait Islander peoples**

Professor Sandra Eades is Associate Dean (Indigenous), Faculty of Medicine, Dentistry and Health Sciences, at University of Melbourne. Sandra is a Noongar woman from Mount Barker, Western Australia, and is Australia's first Aboriginal medical doctor to be awarded a Doctorate of Philosophy (2003).

Professor Eades is Fellow of the Australian Academy of Health and Medical Sciences. Her research career has focussed on the epidemiology of Indigenous child health in Australia. Over the past 20 years, Professor Eades has made substantial contributions to the area of Aboriginal health and has provided leadership at a national level in Aboriginal research.

### **Professor Ian Frazer AC**

#### **Expertise in Medical Research**

Professor Ian Frazer is a clinician scientist, trained as a clinical immunologist in Scotland. At the University of Queensland, he leads a research group working at the Translational Research Institute in Brisbane on the immunobiology of epithelial cancers. He is recognised as co-inventor of the technology enabling the human papillomavirus (HPV) vaccines, currently used worldwide to help prevent cervical cancer.

He heads a biotechnology company, Admedus Vaccines, working on new vaccine technologies, and is a board member of several companies and not-for-profit organisations. He is the current president of the Australian Academy of Health and Medical Sciences, a member of the National Science and Technology Council and Chair of the Australian Medical Research Advisory Board advising the Minister for Health on disbursement of the Medical Research Future Fund.

Professor Frazer was recognised as Australian of the Year in 2006. He was recipient of the Prime Minister's Prize for Science, and of the Balzan Prize, in 2008, and was elected Fellow of the Royal Society of London in 2012. Professor Frazer was appointed a Companion of the Order of Australia in 2013.

### **Dr Michael Gannon**

#### **Professional medical standards**

Dr Michael Gannon is Head of Department, Obstetrics and Gynaecology at St John of God Subiaco Hospital in Perth. He is an obstetrician and gynaecologist specialising in medical problems in pregnancy. He works in the Perinatal Loss Service at King Edward Memorial Hospital (KEMH) and sits on the WA Perinatal and Infant Mortality Committee.

He graduated from the University of Western Australia, before training at Royal Perth Hospital, KEMH, the Rotunda Hospital Dublin and St Mary's Hospital London.

Dr Gannon was President of the Australian Medical Association (AMA) from 2016 to 2018. Between 2014 and 2016, he was President of AMA (WA) and Chair of the Federal AMA Ethics & Medicolegal Committee. Dr Gannon is a Graduate of the Australian Institute of Company Directors, and a Board Member of MDA National Insurance.

**Dr Hugh Heggie**  
**Chief Health Officer, Northern Territory**

Dr Hugh Heggie currently is the Chief Health Officer and Executive Director of Public Health and Clinical Excellence for the Northern Territory (NT) Department of Health.

Having been a pharmacologist previously, Dr Heggie has been a rural generalist practitioner, with advanced skills in obstetrics and emergency medicine, since 1980 and has worked in remote settings in the Northern Territory as a resident Rural Medical Practitioner since 2002, in both Central Australia and the Top End, joining the NT Department of Health Remote Health branch in 2009 in the Chronic Disease portfolio. He has held a number of leadership positions over the last 10 years, participates in a wide variety of local forums, including the Clinical Senate and has led public health reforms across the NT.

Dr Heggie represents the Northern Territory at a number of national committees and advisory groups including the Australian Health Protection Principal Committee, the Clinical Principal Committee, the Council of the Australian Radiation Protection and Nuclear Safety Agency and the Digital Health Agency.

**Professor Caroline Homer AO**  
**Expertise in the nursing and midwifery professions**

Professor Caroline Homer is Co-Program Director of Women and Children's Health at the Burnet Institute in Melbourne and Visiting Distinguished Professor of Midwifery at the University of Technology Sydney. She is the immediate Past President of the Australian College of Midwives.

She has more than 25 years of experience as a midwife in clinical practice, research, education and international development. She has been involved in the development and evaluation of maternity services in Australia and other countries, including Papua New Guinea, Samoa, Cambodia and Timor Leste. She has held grants from the National Health and Medical Research Council, Australian Research Council, and the Wellcome Trust (UK). She has more than 220 publications in peer reviewed journals and has supervised to completion more than 40 PhD, Masters by Research and Honours students.

Professor Homer has previously been a member of NHMRC's Research Committee and has chaired more than 20 grant review panels for NHMRC. She is a member of the Women and Health Science Committee and was a member of NHMRC's Track Record Working Group.

**Dr Paul Kelly**  
**Chief Health Officer, Australian Capital Territory**

Dr Paul Kelly is a public health physician, Chief Health Officer for the Australian Capital Territory (ACT) and Executive Director of Population Health, ACT Government Health Directorate. He is an adjunct professor at the Australian National University and at the University of Canberra. He has worked in government and academic public health in four Australian jurisdictions and in several other countries. He is a member of two World Health Organization committees.

Dr Kelly has a particular research interest and expertise in respiratory infectious diseases, including tuberculosis and influenza, health services research and systems approaches to chronic disease prevention.

Dr Kelly stepped down from Council in March 2019 when he ceased his role as the Chief Health Officer of the ACT.

### **Professor Anthony Lawler Chief Medical Officer, Tasmania**

Professor Anthony Lawler is the Chief Medical Officer with the Tasmanian Department of Health. He is also Professor in Health Services at the University of Tasmania and a member of the Australian Medical Council's Special Education Accreditation Committee. He was previously the Medical Advisor to the Minister for Health, Deputy Head of the Tasmanian School of Medicine, Tasmanian Branch President of the Australian Medical Association and Director of HealthDirect Australia

Professor Lawler is a Specialist Emergency Physician and is a Board Member and Immediate Past President of the Australasian College for Emergency Medicine. He is a Director of the Postgraduate Medical Education Council of Tasmania.

### **Professor Sharon Lewin AO Chair of the Health Translation Advisory Committee**

Professor Sharon Lewin is the inaugural director of the Peter Doherty Institute for Infection and Immunity, a joint venture between the University of Melbourne and Royal Melbourne Hospital; consultant infectious diseases physician, Alfred Hospital, Melbourne, Australia; and an NHMRC Practitioner Fellow. She is an infectious diseases physician and basic scientist. She leads a large multi-disciplinary research team that focuses on understanding why HIV persists on treatment and developing clinical trials aimed at ultimately finding a cure for HIV infection.

Professor Lewin has published over 250 papers and given over 100 major international invited talks on the topic of HIV cure. She is an elected member of the Governing Council of the International AIDS Society (IAS), and represents the Asia Pacific region. She is co-chair of the IAS's Strategy Towards an HIV Cure, which advocates globally for increased investment from the public and private sector in HIV cure research. In 2014, she was co-chair of the 20th International AIDS Conference—the largest health conference ever held in Australia with over 14,000 participants.

In 2014, Professor Lewin was named Melbournian of the Year, an annual award from the City of Melbourne to an inspirational role model who has made an outstanding contribution to the city in their chosen field. She received the Peter Wills Medal from Research Australia in 2015.

### **The Hon Judith Moylan AO Chair – Community and Consumer Advisory Group Expertise in Consumer Issues**

The Hon Judith Moylan was elected as the federal Member for Pearce in 1993 and served until her retirement from politics in 2013. Her Ministerial portfolios included Family Services and the Office of the Status of Women.

In 2013, she was appointed Independent President and Chair of the Board of Diabetes Australia, retiring from that position in December 2018. Mrs Moylan is now the Government Affairs Adviser to Diabetes Australia.

With a long involvement in health advocacy, especially in diabetes, from 2013–15 Mrs Moylan was co-chair of the National Diabetes Strategy Advisory Group (NDSAG) and is currently co-chair of the Implementation Reference Group of NDSAG.

In January 2018, Mrs Moylan was appointed to the Advisory Board of Access Care Network Australia (ACNA), a subsidiary company of the Silver Chain Group. Mrs Moylan is a Graduate of the Australian Institute of Company Directors.

Her awards include: an Order of Australia (AO) in 2016, the Sir Kempson Maddox award, Diabetes Australia Outstanding Services award, the Alan Missen Medal for “serving democracy with integrity” 2013, and lifetime achievement awards from Juvenile Diabetes Research Foundation and Novo Nordisk.

**Professor Brendan Murphy**  
**Commonwealth Chief Medical Officer**

Professor Brendan Murphy is the Chief Medical Officer for the Australian Government and is the principal medical adviser to the Minister and the Department of Health. He also holds direct responsibility for the Department of Health’s Office of Health Protection and the Health Workforce Division. In addition to the many committees he chairs, co-chairs and participates in, he is the Australian Member on the International Agency for Research on Cancer (IARC) Governing Committee and represents Australia at the World Health Assembly. Prior to his appointment Professor Murphy was the Chief Executive Officer of Austin Health in Victoria.

**Professor Paddy Phillips PSM**  
**Chief Medical Officer, South Australia**

Professor Paddy Phillips is Chief Medical Officer and Chief Public Health Officer, as well as State Emergency Controller (Health) for South Australia (SA). He has responsibility for clinical advice to the SA Minister for Health and Wellbeing and the offices of public health services, communicable diseases control, emergency management, research, epidemiology and medical education and training.

Professor Phillips oversees the public presentation of medical advice, resolution of technical medical issues and the development of a medical profession within South Australia. He is the main media spokesperson for SA Health on public health and clinical issues.

Previously, Professor Phillips was Professor and Head of Medicine, Flinders University, Flinders Medical Centre and Repatriation General Hospital in Adelaide. He has also held senior clinical academic posts at the University of Melbourne followed by Oxford University and is Adjunct Professor of Medicine at Duke University, USA.

In 2016, Professor Phillips was awarded a Public Service Medal for outstanding public service in the area of health services.

Professor Phillips stepped down from Council in May 2019 when he ceased his role as Chief Medical Officer for South Australia.

**Professor Carol Pollock**  
**Expertise in medical profession and postgraduate medical training**

Professor Carol Pollock is an academic nephrologist with over 330 publications in basic research and clinical medicine. She is an inaugural Fellow of the Australian Academy of Health and Medical Sciences (2015), was conferred a Vice Chancellors Award for Excellence in Research Supervision (2012) and recognised as a ‘Distinguished Professor’ by the University of Sydney (2012).

## Part 4 Operating environment

Professor Pollock was the 2014 recipient of the Ministerial Award for Excellence in Cardiovascular Research. She was Scientific Chairman of the 2013 World Congress of Nephrology, held in Hong Kong. She is Chair of Kidney Health Australia, Deputy Chair of the Board of the Australian Organ, Tissue and Transplant Authority; Chair of the NSW Cardiovascular Research Network and inaugural Chair and then co-chair of the Research Advisory Committee of the Australian and New Zealand Society of Nephrology in 2017-18.

Health leadership roles include inaugural Chair of the NSW Agency for Clinical Innovation, immediate past Chair of the NSW Clinical Excellence Commission, remaining as a director of both organisations till April 2016. She was Chair of the Northern Sydney Local Health District Board since its inception in 2011 till Dec 2016, was appointed to the Board of the NSW Bureau of Health Information in April 2016 and assumed Chairmanship of the Bureau in November 2016.

She is the current Convenor of the NSW Council of Board Chairs of Local Health Districts and Specialty Networks. She is on the scientific advisory committee of Australian Biotech Company Pharmaxis Pty Ltd, is a Director of Certa Therapeutics and a clinical advisor to Quantum Health. In November 2018 she was made an Ambassador of Business Events Sydney.

### **Professor Ingrid Scheffer AO**

#### **Medical research & other appropriate expertise**

Professor Ingrid Scheffer is a paediatric neurologist and laureate professor at The University of Melbourne, Director of Paediatrics at Austin Health, and a paediatric neurologist at the Royal Children's Hospital. She is an Honorary Fellow at the Florey Institute of Neuroscience and Mental Health, and the Murdoch Children's Research Institute.

Professor Scheffer's research has focused on the genetics of the epilepsies and epilepsy classification; her work has helped to transform the diagnosis and treatment of epilepsy. In 2014, she was elected to the Australian Academy of Science and as a founding fellow of the Australian Academy of Health and Medical Sciences; she is currently its President-Elect.

Among her many awards, Professor Scheffer received the Prime Minister's Prize for Science in 2014 with her collaborator Professor Sam Berkovic AC for their work on the genetics of epilepsy. She was also appointed as an Officer in the Order of Australia in 2014. In 2018, she was elected as a Fellow of the Royal Society.

### **Dr Brett Sutton**

#### **Chief Health Officer, Victoria**

Dr Brett Sutton is Victoria's Chief Health Officer. He is a medical graduate from the University of Melbourne with extensive experience in tropical medicine and infectious diseases as well as emergency medicine. He has also worked in complex humanitarian environments including Afghanistan, Ethiopia, Kenya and Timor-Leste.

As Chief Health Officer, Dr Sutton has unique statutory functions under health, food and emergency-related legislation. He is responsible for developing and implementing strategies to promote and protect public health; providing advice to the Minister and the Secretary; publishing a comprehensive report on public health and wellbeing in Victoria every two years; and performing the functions or powers specified in the *Public Health and Wellbeing Act 2008*.

**Professor Maree Teesson AC****Other appropriate expertise—mental health**

Professor Maree Teesson is Professor and Director of The Matilda Centre for Research in Mental Health and Substance Use, Director of the NHMRC Centre of Research Excellence in Prevention and Early Intervention in Mental Illness and Substance Use (PREMISE) and an NHMRC Principal Research Fellow at The University of Sydney.

Her vision is to build the world's leading dedicated translational research program for the prevention and treatment of comorbid mental health and substance abuse.

In 2018, Professor Teesson was awarded a Companion of the Order of Australia for eminent service to medicine, particularly to the prevention and treatment of substance use disorders, as a researcher and author, to innovate mental health policy development, to education and as a role model for young researchers. She is also a Fellow of the Australian Academy of Health and Medical Sciences and the Academy of the Social Sciences in Australia, and a National Mental Health Commissioner. She is also a founding member of TheMHS Management Committee since 1991.

**Professor Alison Venn****Expertise in Public Health**

Professor Alison Venn is the Director of the Menzies Institute for Medical Research, University of Tasmania, and a Professor of Epidemiology. She has a diverse background including immunology and epidemiology. Her breadth of experience from lab to policy has seen her take on a number of leadership roles, identifying multidisciplinary approaches to solving complex problems.

Professor Venn's current research interests are in the causes, prevention and management of chronic disease. She has a particular focus on the factors in childhood that lead to the development of cardiovascular disease and diabetes later in life.

Professor Venn holds positions on a number of committees and is Director of the Tasmanian Data Linkage Unit and the Tasmanian Cancer Registry, both based at the Menzies Institute for Medical Research.

**Professor Steve Wesselingh****Chair of the Research Committee**

Professor Steve Wesselingh is the inaugural Executive Director of the South Australian Health and Medical Research Institute (SAHMRI). Prior to that appointment, he was Dean of the Faculty of Medicine, Nursing and Health Sciences at Monash University, from 2007-2011. Prior to taking up the Deanship, he was Director of the Burnet Institute.

He is an Infectious Diseases Physician and researcher in HIV, vaccine development and the impact of the microbiome on human health.

Professor Wesselingh has consistently worked towards the integration of high quality medical research with health-care delivery, leading to improved health outcomes for Australia and the poorly resourced countries of the region.

**Dr James Williamson****Assistant Director General, Western Australia**

Dr James Williamson is Assistant Director General in Western Australia (WA) leading the Clinical Excellence Division of the Department of Health. After completing a PhD at the Walter and Eliza Hall Institute, he continued specialty training and post-doctoral research in Edinburgh and Sydney, where he was a Laboratory Head. He moved to Sir Charles

## Part 4 Operating environment

Gairdner Hospital in Perth where he became Medical Co-Director and also set up the Department of Medicine at Joondalup Health Campus.

Dr Williamson established the WA Drug Evaluation Panel and was appointed Clinical Lead for the State eHealth Program and the Musculoskeletal Health Network. He has served the Royal Australasian College of Physicians as Chair of the Specialist Advisory Committee in General Medicine and as a member of the Committee for Physician Training.

### **Professor Ingrid Winship**

#### **Chair of the Australian Health Ethics Committee**

Professor Ingrid Winship is a clinician scientist in Clinical Genetics, Cancer Genetics and Dermatology. In 2006, she became the Inaugural Chair of Adult Clinical Genetics at the University of Melbourne and the Royal Melbourne Hospital. She was also at this time appointed as Melbourne Health's Executive Director of Research and during her 12-year tenure launched the Melbourne Health Clinical Trials Research Centre. She is Director of Genomic Medicine at Melbourne Health.

Professor Winship is currently a member of the Victorian Cancer Agency Reference Group and a Director of the Boards of the Australasian College of Dermatologists, the Australian Genome Research Facility and Global Variome. She is a member of the Health Research Strategy External Advisory Group for New Zealand.

### **Dr Katherine Woodthorpe AO**

#### **Chair of the Health Innovation Advisory Committee**

Dr Katherine Woodthorpe is a professional company director on a number of government, corporate and not-for-profit boards. Prior to this she was the Chief Executive of AVCAL, the Australian Private Equity and Venture Capital Association for seven years. Prior to AVCAL, she held a broad range of management and board positions, both in Australia and overseas.

She has deep knowledge of the private equity industry and the superannuation industry in the financial sector and a strong track record in a broad range of technology-orientated industries including mining and healthcare. Dr Woodthorpe has considerable experience, expertise and a long track record in public affairs including government relations. She has deep knowledge of the private equity and superannuation industries in the financial sector and a strong track record in a broad range of technology orientated industries including mining and healthcare. Dr Woodthorpe has a strong background in commercialisation and R&D.

Dr Woodthorpe has a BSc (1st Class Hons) from Manchester University and PhD in Chemistry. She is a Fellow of the Australian Institute of Company Directors and sits on its NSW Council, Fellow of the Australian Academy of Technology and Engineering and was awarded an honorary doctorate from the University of Technology Sydney.

### **Dr Jeannette Young PSM**

#### **Chief Health Officer, Queensland**

Dr Jeannette Young has been the Chief Health Officer for Queensland since 2005 and is also the Deputy Director-General for the Prevention Division in Queensland Health. Prior to this she held the position of Executive Director of Medical Services at the Princess Alexandra Hospital in Brisbane and has worked in a range of positions in Queensland and Sydney.



Dr Young has specialist qualifications as a Fellow by Distinction of the Faculty of Public Health of the Royal Colleges of Physicians of the United Kingdom and is a Fellow of the Royal Australasian College of Medical Administrators. She is an adjunct professor at Queensland University of Technology, Griffith University and the University of Queensland.

Dr Young is a member of numerous state and national committees and boards, including the Council of the QIMR Berghofer Medical Research Institute, the Australian Health Protection Principal Committee and the Queensland Clinical Senate.

## Principal Committees

Our Principal Committees are established under section 35 of the NHMRC Act. In 2018–19, NHMRC had the following Principal Committees, which report to the Council:

- Research Committee (required under the NHMRC Act)
- Australian Health Ethics Committee (required under the NHMRC Act)
- Health Innovation Advisory Committee.
- Health Translation Advisory Committee

The Minister for Health gazetted the terms of reference for these Principal Committees on 7 July 2018.

Additionally, the Embryo Research Licensing Committee is a Principal Committee of NHMRC, but is established under the RIHE Act and operates under different arrangements to the other Principal Committees.

## Research Committee

The Research Committee oversees the full spectrum of health and medical research, including public health. It recommends the awarding of grants on the basis of scientific quality as judged by peer review across health, medical and public health research. It also advises on research support through a variety of mechanisms, including support for individual research projects, broad programs of research, training awards and fellowships, and special research units.

The functions of the Research Committee, as set out in section 35(2) of the NHMRC Act, are:

- to advise and make recommendations to the Council on the application of the MREA
- to monitor the use of assistance from the MREA
- to advise the Council on matters about medical research and public health research, including the quality and scope of such research in Australia
- such other functions as the minister from time to time determines in writing after consulting with the CEO
- any other functions conferred on the committee by the NHMRC Act, the regulations or any other law.

## Part 4 Operating environment

During 2018–19, the Research Committee met three times. Its major activities included providing advice on:

- the Medical Research Endowment Account
- funding recommendations for various schemes
- the new grant program
- the Postgraduate Scholarships scheme review
- research quality.

### Members

Professor Steve Wesselingh (Chair)

Professor Emily Banks

Professor Jeffrey Braithwaite

Professor James Bourne

Ms Christine Gunson

Professor Doug Hilton AO

Dr Daniel Johnstone

Professor Maria Kavallaris AM

Professor Jayashri Kulkarni AM

Professor Peter Leedman

Professor James McCluskey AO

Professor Anushka Patel

Associate Professor Yvette Roe

Laureate Professor Nicholas Talley AC

Professor Rosalie Viney

Professor Patsy Yates

## Australian Health Ethics Committee

The functions of the Australian Health Ethics Committee (AHEC), as set out in section 35(3) of the NHMRC Act, are:

- to advise the Council on the ethical issues relating to health
- to develop and give the Council human research guidelines under subsection 10(2) of the NHMRC Act
- any other functions conferred on the committee in writing by the minister after consulting the CEO
- any other functions conferred on the committee by the NHMRC Act, the regulations or any other law.

AHEC consults extensively with individuals, community organisations, health professionals and governments, and undertakes formal public consultation when developing guidelines. AHEC may also provide advice on international developments in health ethics issues.

During 2018–19, AHEC met three times. Its major activities included advising on:

- activities for the 2018–2021 AHEC work plan
- the approach for the review of NHMRC’s ethical guidance on organ and tissue donation and transplantation
- development of the *Payment of participants in research: information for researchers, HRECs and other ethics review bodies* document
- development of the *Management of Data and Information in Research Guide*, which supports the *Australian Code for the Responsible Conduct of Research, 2018*
- development of the draft NHMRC Research Quality Strategy.

### Members

The composition of AHEC is specified in the NHMRC Act. Members draw on expertise in philosophy, the ethics of medical research, public health and social science research, clinical medical practice and nursing, disability, law, religion and health consumer issues. Under section 36(2) of the NHMRC Act, AHEC’s membership must include individuals who, collectively, have membership of all the other Principal Committees.

Professor Ingrid Winship (Chair)

Associate Professor Stephen Adelstein

Professor James Bourne

Professor Yvonne Cadet-James

Ms Ainslie Cahill

Professor Angus Dawson

Associate Professor Clara Gaff

Professor Louisa Jorm

Rabbi Dr Aviva Kipen

Associate Professor Karen Liu

Reverend Kevin McGovern

Professor Peter O’Leary

Professor John Prins

Associate Professor Bernadette Richards

Dr Sarah Winch

## Health Innovation Advisory Committee

The Health Innovation Advisory Committee (HIAC) advises the CEO and the Council on current and emerging issues related to the development, commercialisation and uptake of innovative technologies and practices arising from health and medical research.

The functions of HIAC, as gazetted by the minister, are to advise the CEO and the Council on:

- strategies to foster the development and uptake of innovative technologies and practices to improve human health, including the health of Aboriginal and Torres Strait Islander peoples
- strategies to promote collaboration between the health and medical research and commercial sectors

## Part 4 Operating environment

- creating a culture of commercialisation for the translation of research into health outcomes
- any other matter referred by the CEO.

During 2018-19, HIAC met once. Its major activities included setting up its work plan for the new triennium, discussing priorities and activities to achieve its functions.

### Members

Members of HIAC have demonstrated knowledge and expertise in areas such as emerging technologies, commercialisation and intellectual property development and protection.

Dr Katherine Woodthorpe AO (Chair)

Professor Ashley Bush

Professor Matthew Cooper

Ms Rebecca Davies AO

Ms Jennifer Herz

Dr Anna Lavelle

Dr Dean Moss

Professor Robyn O’Hehir AO

Ms Julie Phillips

Professor John Prins

Associate Professor Ruth Stewart

Ms Laura Thompson

## Health Translation Advisory Committee

The Health Translation Advisory Committee’s (HTAC) advice has been important in helping NHMRC to more effectively support research translation and implementation across the health and medical research sector.

The functions of HTAC, as gazetted by the Minister, are to advise the CEO and the Council on:

- major challenges, current issues and trends in health and health care, including those specific to Aboriginal and Torres Strait Islander peoples
- priorities and strategies to address the major challenges
- strategies to promote the translation of research into practice and policy
- dissemination and implementation of research findings and NHMRC-issued guidelines
- any other matter referred to it by the CEO.

During 2018-19, HTAC met once. Its major activities included:

- investigating the career pathways currently available to clinician researchers in Australia
- reporting the impact and outcome of NHMRC-funded health and medical research.

## Members

Members of the Health Translation Advisory Committee have clinical or research expertise and experience in areas such as clinical practice, health services research, and new technologies, including genomics, public health, health economics, evidence evaluation and Indigenous health.

Professor Sharon Lewin AO (Chair)

Professor Fran Baum AO

Associate Professor Melissa Baysari

Professor Helen Christensen AO

Professor Jonathan Craig

Associate Professor Clara Gaff

Ms Philippa Kirkpatrick

Associate Professor Dan McAullay

Professor Sandy Middleton

Professor Michael Nilsson

Ms Annette Panzera

Professor James Vickers

Adjunct Professor Kylie Ward

## Embryo Research Licensing Committee

The Embryo Research Licensing Committee (ERLC) administers the PHCR Act and the RIHE Act.

These Acts prohibit certain practices, including human cloning for reproduction. They also regulate the use of excess human embryos created through assisted reproductive technology, the creation of embryos by other means and use of such embryos for research purposes. It is an offence to use an excess assisted reproductive technology embryo unless the use is an exempt use or is authorised by a licence issued by the ERLC.

The ERLC assesses applications for licences to conduct research involving human embryos. Licences can be issued only if the proposed research complies with the legislation. The ERLC is also responsible for monitoring compliance with the legislation and licence conditions. If necessary, the committee can take enforcement action, including cancelling or suspending licences. There are strong penalties for non-compliance.

During 2018-19, ERLC met three times. It considered and approved one new licence and 19 applications to vary existing licences.

The RIHE Act requires the ERLC to table regular reports to Parliament describing its activities. The reports include information about licences issued under the RIHE Act. The report for 1 March 2018 to 31 August 2018 was tabled on 12 December 2018. The report for 1 September 2018 to 28 February 2019 was tabled the week commencing 24 June 2019. All reports are available on our website.

## Part 4 Operating environment

We are committed to ensuring that individuals and licence-holder organisations comply with the PHCR Act and RIHE Act. Under the legislation, the Chair of ERLC appoints inspectors who conduct a range of monitoring and compliance activities. During 2018–19, the inspectors conducted six monitoring inspections. No contraventions of the RIHE Act were found.

### Members

The composition of the ERLC is specified in the RIHE Act. Committee members must include a member of AHEC and people with expertise in specified areas, such as research ethics, assisted reproductive technology, related research, law, embryology, and consumer health issues.

Professor Dianne Nicol (Chair)

Professor Sheryl de Lacey

Ms Louise Johnson

Mrs Kay Oke OAM

Mrs Dianne Petrie OAM

Associate Professor Bernadette Richards

Professor Steve Robson

Professor Justin St John

Professor Patrick Tam

## Working committees

Under section 39 of the NHMRC Act, the CEO may establish working committees to assist in carrying out the functions of the CEO, the Council or a Principal Committee. The CEO determines the functions of the committees, and appoints members to the committees.

### Principal Committee Indigenous Caucus

The Principal Committee Indigenous Caucus (PCIC) was established under Section 39 of the NHMRC Act. Its role is to provide advice to the Council and the CEO on issues relating to Indigenous health research.

The committee comprises Aboriginal and Torres Strait Islander representatives currently on NHMRC Council and Principal Committees, as well as early career researchers.

In 2018–19, PCIC's major activities included:

- advising on and launching *Road Map 3: A Strategic framework for improving Aboriginal and Torres Strait Islander health through research* and *Road Map 3 Action Plan*
- advising on Targeted Calls for Research—Healthy Ageing and Nutrition
- advising on and participating in a December 2018 workshop, to develop the concept of a national network for Aboriginal and Torres Strait Islander health researchers
- continuing to advise on the profiling of Aboriginal and Torres Strait Islander researchers on the NHMRC website.

### **Members**

Professor Sandra Eades (Chair)  
Professor Yvonne Cadet-James  
Associate Professor John Gilroy  
Associate Professor Daniel McAullay  
Dr Odette Pearson  
Associate Professor Yvette Roe  
Dr Sean Taylor  
Ms Laura Thompson

## **Community and Consumer Advisory Group**

The Community and Consumer Advisory Group (CCAG) provides advice to the CEO on significant issues of relevance to the Australian community and consumers of health care or medical research. Membership comprises consumer and community leaders in Australia who represent the perspectives of the community and health consumers in their provision of advice.

CCAG was established in February 2019 and met once during 2018–19. The primary activity of this meeting was to develop a work plan for the new triennium, including the importance of demonstrating the impact of consumer involvement in health and medical research and consumer involvement in peer review.

### **Members**

The Hon Judith Moylan AO (Chair)  
Ms Ainslie Cahill  
Ms Rebecca Davies AO  
Ms Christine Gunson  
Dr Todd Harper  
Ms Philippa Kirkpatrick  
Mr Demos Krousos  
Associate Professor Dan McAullay  
Ms Anne McKenzie AM  
Mr Glenn Rees AM  
Mr John Stubbs

## Women in Health Science Committee

The Women in Health Science Committee (WiHSC) was established to gain a better understanding of the issues that female researchers face in health and medical research and barriers to their career progression. The WiHSC provides advice directly to NHMRC's CEO on strategies to address issues and overcome barriers.

In 2018–19, the WiHSC met on two occasions. The WiHSC's major activities included the release of *NHMRC's Gender Equality Strategy 2018–2021* and providing advice on:

- a survey of Administering Institutions about their adherence to NHMRC's gender equality requirements
- application and peer review processes for the new grant program
- development of the WiHSC work plan for 2018–2021, which will support implementation of the actions in the *Gender Equality Strategy*.

### Members

Professor Rosalie Viney (Chair)

Associate Professor Nikola Bowden

Professor Geoffrey Faulkner

Professor Dawn Freshwater

Professor Caroline Homer AO

Dr Sandip Kamath

Professor Peter Koopman

Associate Professor Suzanne Miller

Mr David Rae

Professor Deborah White

## Research Quality Steering Committee

The Research Quality Steering Committee (RQSC) is an expert working committee established to provide advice to NHMRC on mechanisms for enhancing the quality of NHMRC-funded research.

During 2018–19, there were seven meetings of the RQSC. Activities included the development of the draft *NHMRC's Research Quality Strategy* and the draft *NHMRC's Research Quality Action Plan*. Following consideration by NHMRC's Research Committee and Council, *NHMRC's Research Quality Strategy* was released on 31 May 2019.

RQSC subgroups have considered early initiatives under the Strategy, including identification of drivers, enablers and barriers, recognition of excellence in research quality, education and training of researchers about good research practices, and institutional support to ensure research quality.

Early actions of the Committee include the development of a survey to assess research culture in NHMRC-funded institutions, to be conducted in the latter half of 2019, and the development of a framework for future Awards for Excellence in Research Quality.



**Members**

Professor Paul Glasziou (Chair)  
 Professor Virginia Barbour  
 Dr C. Glenn Begley  
 Professor Edna Hardeman  
 Professor David Howells  
 Professor Dianne O'Connell

## Ministerial advisory committees

The CEO represented NHMRC on the following ministerial advisory committees:

- Australian Medical Research Advisory Board (Minister for Health)
- Engagement and Impact of University Research Steering Committee (Minister for Education)
- Review of the 2015 Science and Research Priorities Expert Panel (Minister for Education)

## External scrutiny

In addition to our accountability obligations under the PGPA Act and the NHMRC Act, we are accountable to Australian Government bodies such as the Commonwealth Ombudsman, the Australian Public Service Commission, the Office of the Australian Information Commissioner, the Australian Commission for Law Enforcement Integrity, and the Australian National Audit Office.

## Judicial decisions and decisions of the Administrative Appeals Tribunal and the Australian Information Commissioner

The Office of the Australian Information Commissioner notified NHMRC in June 2016 that it had two matters for review relating to a previous freedom of information decision. There had been no outcome by the end of this reporting period. No matters relating to NHMRC went before the Administrative Appeals Tribunal in 2018-19.

## Reports by parliamentary committees

No parliamentary committee reported on NHMRC in 2018-19. NHMRC provided two submissions to parliamentary inquiries and reviews in 2018-19.

Table 7: NHMRC submissions to parliamentary inquiries and reviews, 2018-19

Committee details	Submission Closing Date	Appearance Date
Senate Committee into the Obesity Epidemic in Australia	06-July-18	04-Sep-18
House of Representatives Inquiry into Biotxin-related Illnesses in Australia	2-Aug-18	12-Sep-18

## Reports by the Commonwealth Ombudsman

In September 2017, the Commonwealth Ombudsman commenced an investigation into a Public Interest Disclosure concerning the Homeopathy Review conducted by NHMRC in 2015. This investigation is still underway and is now being carried out under the *Ombudsman Act 1976*.

## Reports by the Auditor-General

The Australian National Audit Office conducts performance audits of the efficiency and effectiveness of NHMRC's operations and financial audits of its financial statements. No audits were conducted in 2018-19 by the designated entity.

## Reportable matters under section 83

Section 83 of the NHMRC Act requires us to report on certain matters referred to the organisation by the Minister, and guidelines and recommendations made by the CEO, during the reporting period.

No matters were referred by the Minister to the CEO under section 5D of the NHMRC Act in 2018-19.

No matters were referred by the Minister to the CEO, the Council or a Principal Committee under section 5E of the NHMRC Act in 2018-19.

In addition, the CEO made no regulatory recommendations under Section 9 of the NHMRC Act, or interim regulatory recommendations under section 14 of the NHMRC Act in 2018-19.

# Compliance and assurance

## Audit

The NHMRC Audit Committee is established in accordance with the PGPA Act.

The Audit Committee provides independent assurance and advice to the CEO on our risk, control and compliance framework and on our external accountability responsibilities. The Audit Committee charter specifies that the committee will review, monitor and advise the CEO on risk management. This is included in the committee's annual work plan.

Section 17AG of the *Public Governance, Performance and Accountability Rule 2014* (PGPA Rule) requires that we advise of any significant issues reported to the Minister in relation to non-compliance with the finance law. There were no significant instances of non-compliance with the finance law in the 2018-19 reporting year.

The Audit Committee comprises an independent Chair, a Chartered Accountant, a member of the Council or Principal Committee, a member with relevant knowledge of the health and medical research sector, and the General Manager of the Office of NHMRC.

The Audit Committee met on four occasions in 2018–19. The committee members are:

Ms Gayle Ginnane (Independent Chair)

Professor Matthew Gillespie (Member with relevant knowledge of the health and medical research sector)

Mr Tony Kingdon (General Manager) June to December 2018

Mr Geoff Knuckey (Chartered Accountant)

Ms Clare McLaughlin (General Manager) from January 2019

Dr Jeannette Young PSM (Council Member)

Participating observers include representatives from the Australian National Audit Office and the internal audit staff, including contractors (Deloitte and McGrathNicol), as well as the Chief Financial Officer and the Executive Director, Research Quality and Priorities Branch.

The 2018–19 Annual Internal Audit Work Plan agreed to by the Audit Committee, and approved by the CEO, focused on providing assurance on the development of NHMRC's new grants management system (Sapphire) to support the implementation of NHMRC's new grant program.

## Risk management

In support of NHMRC's mission and strategic objectives, we are committed to strategically and systematically managing risks. In the period covered by this report, the NHMRC Risk Management Policy and Framework (the Risk Framework) provided the foundation and detailed organisational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management behaviours in NHMRC. The Risk Framework was reviewed in the period to ensure it accords with the international standard on risk management AS/NZ/ISO 31000:2018 Risk Management—Guidelines, and is consistent with the requirements of the PGPA Act.

In accordance with the Risk Framework:

- the CEO, General Manager and Executive Directors are accountable for the effective implementation of risk management and responsible for fostering a culture of positive engagement with risk across the agency
- all Directors are required to integrate risk management into activities for which they are accountable
- all employees are required to maintain awareness of the risks that relate to their work and to support and contribute actively to the management of those risks
- the Audit Committee is to advise the CEO on risk management and all matters that could present an unacceptable risk for the agency.

NHMRC maintains a Strategic Risk Register that identifies the risks facing the agency that, if realised, may potentially prevent us from achieving our strategic objectives. For each identified risk, the register details the potential sources of the risk, the current controls mitigating the risk and the residual severity of the risk given the controls. It also identifies further mitigation strategies to implement if the current controls become ineffective and the severity of the risk increases. During 2018–19, the General Manager and Executive Directors monitored and discussed the Register each month.

## Part 4 Operating environment

In 2019, we participated in Comcover's annual risk management benchmarking survey. This annual practice provides us with an opportunity to review and benchmark our risk related practices and processes against those of comparable agencies. We set our target risk maturity at 'integrated', which was achieved.

### Fraud prevention

NHMRC has a commitment to high ethical, moral and legal standards. Officers act with integrity and fairness and uphold the values of the Australian Public Service in all matters. *The NHMRC Fraud Control Framework 2017-2019* and associated plan were developed in accordance with the Commonwealth Fraud Control Framework and the Australian Standard on Fraud and Corruption Control AS 8001:2008. We have a range of processes in place to help detect fraud, including post-award compliance monitoring, data-mining analysis, post-transaction reviews, and internal and external audits.

These tools satisfy the CEO's non-delegable duty under section 16 of the PGPA Act to establish and maintain systems relating to risk and control.

To assist the CEO to meet these obligations, a senior executive officer has been appointed as NHMRC's Fraud Control Officer. The Fraud Control Officer is a referral point for all allegations of fraud, and is responsible for maintaining a fraud incident register and undertaking a preliminary assessment to determine whether reported behaviour is potentially fraudulent in nature.

Through its funding agreements with administering institutions, NHMRC requires compliance with the *Australian Code for the Responsible Conduct of Research*, which supports and encourages reporting allegations of research misconduct across the Australian health and medical research sector.

NHMRC systematically reviews its internal processes and control systems to identify gaps and strengthen internal controls.

In October 2018, in accordance with section 10 of the PGPA Rule, the Commonwealth Fraud Control Policy, and the Department of Finance Resource Management Guide No. 201, we reported fraud data to the Australian Institute of Criminology for 2017-18. For the relevant period, NHMRC reported no new instances of fraud and that three cases on hand were finalised.

### Privacy

All documents held by NHMRC containing personal information are handled in accordance with the standards for the collection, storage, use and disclosure of, and access to and correction of, personal information set by the *Privacy Act 1988* and the Australian Government Agencies Privacy Code 2017.

In 2018-19, NHMRC developed and implemented a Privacy Management Plan that detailed privacy-related quality improvement activities. This ensured that the environment in which personal information is handled continues to be managed securely and efficiently.

In 2018–19, no reports were served on NHMRC by the Office of the Australian Information Commissioner (OAIC) under section 30 of the *Privacy Act 1988*. Similarly, no determinations were served on NHMRC by the OAIC under section 52 of the *Privacy Act 1988*.

Additionally, NHMRC had no eligible data breaches under the Notifiable Data Breaches scheme.

## Freedom of information

Agencies subject to the *Freedom of Information Act 1982* (FOI Act) are required to publish information as part of the Information Publication Scheme (IPS). The NHMRC website contains our IPS Plan that details the type of information we publish and has replaced the former requirement to publish a Section 8 statement in agency annual reports.

We also publish a list of documents to which access has been granted under the FOI Act in our Freedom of Information Disclosure Log, which is accessible on our website.

Table 8: NHMRC freedom of information requests, 2018–19

<b>Access Applications</b>	
Requests active at start of Financial Year	2
Requests received in period	21
Requests finalised or withdrawn	21
Requests active at 30 June 2019	2
<b>Internal Reviews of NHMRC FOI decisions</b>	
Received	1
Finalised	1
<b>Office of Australian Information Commissioner Reviews</b>	
Matters on hand at start of period	0
Requests received	2
Requests finalised	0
On hand as at 30 June 2019	2
<b>FOI Administrative Appeals Tribunal matters</b>	<b>0</b>

## Disability reporting

The *National Disability Strategy 2010–2020* sets out a 10-year national policy framework to improve the lives of people with disability, promote participation and create a more inclusive society. A high level, two-yearly report will track progress against each of the six outcome areas of the strategy and present a picture of how people with disability are faring.

The first of these progress reports was published in 2014 and is available on the Department of Social Services website.

# Research integrity

## Notifications of research misconduct matters

In line with NHMRC policy, institutions must notify NHMRC of any research misconduct findings or breaches of the *Australian Code for the Responsible Conduct of Research* related to NHMRC funding.

It is the responsibility of the relevant institution to investigate allegations of research misconduct, consistent with the code. In response to findings of research misconduct, NHMRC may take action in relation to the institution or the researcher. Actions may include, for example, recovery of research funding from an institution or restrictions on a researcher's applications for funding for a period of time.

## Annual Report of the Australian Research Integrity Committee

This is the 2018–19 annual report of the Australian Research Integrity Committee (ARIC) to the CEO of NHMRC.

ARIC was established jointly by NHMRC and the Australian Research Council (ARC) in 2011 and reports to both agencies. As a result of the joint NHMRC and ARC appointment, ARIC reports separately to the ARC on cases that arise in the jurisdiction created under the ARC's legislation. Information on those activities can be found in the ARC's Annual Report.

ARIC reviews the processes by which an institution has managed and/or investigated a potential breach of the *Australian Code for the Responsible Conduct of Research* (the Code). At the conclusion of an ARIC review, ARIC provides recommendations to the CEO of NHMRC.

The framework under which ARIC operates applies to both NHMRC and ARC matters and is designed to contribute to public confidence in the integrity of Australia's research effort.

### Members

Mr Ron Brent (Chair)

Dr Kerry Breen AM

Mr Michael Chilcott

Ms Julie Hamblin

Emeritus Professor Alan Lawson

Professor Margaret Otlowski

Professor Janice Reid AC

Emeritus Professor Sheila Shaver

All members are appointed until 31 December 2019.

During the 2018-19 reporting period, ARIC was requested to review five new matters. Two matters remaining from 2017-18 were finalised and ARIC reported to the NHMRC CEO on several weaknesses in the relevant institutions' investigative processes.

Of the five new matters received in 2018-19:

- three matters are being reviewed by ARIC
- two matters were not accepted as they were outside ARIC's remit.

Over the last year, the main issues that ARIC has reported to the CEO include:

- institutions not providing sufficient information to both parties (usually the complainant) during, and at the conclusion of, an investigation
- institutions not addressing all issues raised from the original complaint
- institutions not managing perceived or actual conflicts of interest.

The NHMRC CEO subsequently communicated with the institutions on these matters.

In general, I am aware that matters reviewed by ARIC are a very small proportion of all matters, and that the overwhelming majority of cases are resolved within institutions through their own processes. For most matters, ARIC has provided recommendations to institutions for improvements in handling matters. For matters where ARIC has had concerns, it is clear to ARIC that institutions have taken claims of breaches of research integrity seriously and sought to handle them thoroughly.

I am looking forward to implementing the revised ARIC Framework that has been aligned with the 2018 Code and coincides with the release of a new ARIC Request for Review form.



**Ron Brent**

Chair, Australian Research Integrity Committee

# Accountability

## Purchasing and procurement

NHMRC performed its procurement activities in accordance with the Commonwealth Financial Framework, specifically the Commonwealth Procurement Rules (CPRs).

NHMRC's Accountable Authority Instructions, as well as related policy and procedural manuals, support the CPRs and are periodically reviewed (last review 2018) for consistency with the CPRs and the Commonwealth Procurement Framework.

Additionally, NHMRC worked closely with other agencies undertaking cooperative procurement and contracting activities. In the whole-of-government context, NHMRC will continue to comply with coordinated procurement initiatives, which reduce tendering costs and deliver savings through economies of scale.

NHMRC builds capacity within the agency by providing procurement and contract management training and circulating procurement and whole-of-government advice from the Department of Finance.

NHMRC publishes information on significant procurement activity we expect to undertake in the year ahead in our annual procurement plan, which is available on the Australian Government's procurement information system, AusTender. Details of significant NHMRC contracts and consultancies are available publicly on AusTender.

## Contracts and consultancy services

NHMRC uses guidance published by the Department of Finance to distinguish between consultancy and non-consultancy contracts for annual reporting purposes.

NHMRC engages consultants where it lacks specialist expertise or when independent research, review or assessment is required. Consultants are typically engaged to investigate or diagnose a defined issue or problem, carry out defined reviews or evaluations or provide independent advice, information or creative solutions to assist in the agency's decision-making, including development of information and communications technology.

Before engaging consultants, NHMRC takes into account the skills and resources required for the task, the skills available internally and the cost-effectiveness of engaging external expertise. The decision to engage a consultant is made in accordance with the PGPA Act and related regulations, including the CPRs and relevant internal policies.

During 2018-19, 14 new consultancy contracts were entered into involving total actual expenditure of \$338,107. In addition, four ongoing consultancy contracts were active during 2018-19, involving total actual expenditure of \$29,896. The total expenditure during 2018-19 was \$368,003 as shown in Table 9. Consultancy services of \$10,000 or more are provided in Table 10.

Information on the value of contracts and consultancies is available on the AusTender website.



Table 9: NHMRC consultancy contract expenditure, 2014-15 to 2018-19

	2014-15	2015-16	2016-17	2017-18	2018-19
Expenditure against contracts awarded in previous years	\$1,375,019	\$575,021	\$289,230	\$282,674	\$368,003

Table 10: NHMRC consultancy services of \$10,000 or more, 2018-19

Consultant name	Description	Contract price (\$)	Selection process <sup>14</sup>	Justification <sup>15</sup>
ToxConsult Pty Ltd	Methodology for chemical fact sheet review	59,675.00	Limited tender	C
Greg Seberry & Associates Pty Ltd	WHS Audit Implementation	19,000.00	Limited tender	A
Knuckey Family Trust	Provision of internal audit services	25,245.00	Limited tender	B
Matthew Todd Gillespie	Provision of internal audit services	20,196.00	Limited tender	B
Australian Government Solicitor	Legal advice— Human Resources	15,000.00	Limited tender	B
Maddocks	Legal Services	40,000.00	Limited tender	B
Crafted Solutions Pty Ltd	Risk management consultation services	15,104.00	Limited tender	B
Proximity Advisory Services Pty Ltd	Privacy Impact Assessment on Sapphire	50,000.00	Limited tender	B
King & Wood Mallesons	Legal Services	248,230.00	Prequalified tender	B
Maddocks	Legal Services	55,100.00	Prequalified tender	B
Workforce Strategies	Internal governance systems consultancy review	12,000.00	Limited tender	B
McGrathNicol Advisory Partnership	Provision of internal audit services	97,127.20	Open tender	B
Australian Government Solicitor	Legal advice— Human Resources	11,000.00	Limited tender	B
Synergy Group Australia Pty Ltd	Benefits Realisation Services	74,800.00	Open tender	B

14 *Explanation of selection process terms from the Commonwealth Procurement Rules*

Open tender: involves publishing an approach to the market and inviting submissions.

Prequalified tender: involves publishing an approach to the market inviting submissions from all potential suppliers on:

- a shortlist of potential suppliers that responded to an initial open approach to the market; or
- a list of potential suppliers selected from a multi-use list established through an open approach to the market; or
- a list of all potential suppliers that have been granted a specific licence or comply with a legal requirement, where the licence or compliance with the legal requirement is essential to the conduct of the procurement.

Limited tender: involves approaching one or more potential suppliers to make submissions, where the process does not meet the rules for open tender or prequalified tender.

15 Justification for decision to use consultancy:

- A. Skills currently unavailable within agency
- B. Need for specialised or professional skills
- C. Need for independent research or assessment.

## Australian National Audit Office access clauses

All contracts entered into by NHMRC in 2018–19 provided for the Auditor-General to have access to the contractor's premises. NHMRC's contract templates include standard clauses providing the Auditor-General with appropriate access to a contractor's premises.

## Exempt contracts

NHMRC had no contracts or standing offers that were exempted from publication on AusTender in 2018–19.

## Procurement initiatives to support small businesses

NHMRC supports small business participation in the Commonwealth Government procurement market. Small and medium enterprise (SME) and small enterprise participation statistics are available on the Department of Finance's website.

NHMRC recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury's website. NHMRC achieved an on-time average of 97 per cent of all payments to small businesses or individuals in 2018–19.

NHMRC employs the following initiatives or practices to support SMEs:

- using the Commonwealth Contracting Suite for low-risk procurements valued under \$200,000
- following the Small Business Engagement Principles, such as communicating in clear, simple language and presenting information in an accessible format
- using electronic systems or other processes that facilitate on-time payment performance, including the use of payment cards.

NHMRC supports the Indigenous Procurement Policy; if there is an Indigenous business that can deliver any new domestic contract between \$80,000 and \$200,000, on a value-for-money basis, NHMRC must offer it to that business first.

## Asset management

Asset management is not a significant aspect of the strategic business of NHMRC. The agency's assets include office fitout, computer equipment, IT systems, telephony, furniture and equipment held in Canberra and Melbourne.

NHMRC's strategy for asset management emphasises a whole-of-life approach to the use of assets and commits the agency to responsible and cost-effective management. An annual review process minimises holdings of surpluses and underperforming assets.

## Advertising and market research

Under section 311A of the *Commonwealth Electoral Act 1918*, NHMRC is required to disclose payments of \$13,000 or more (inclusive of GST) for advertising and market research. These are set out in Table 11.

During 2018–19, NHMRC total expenditure for advertising and market research over the reporting threshold was \$437,056.

Table 11: NHMRC expenditure on advertising and market research, 2018–19

Organisation	Purpose	Expenditure (inc GST)
Think HQ Pty Ltd	Public Relations services	\$65,769
One Small Step Collective Pty Ltd	Advertising agency services	\$47,365
Dentsu X Australia	Media placement	\$125,365
Universal McCann	Advertising	\$198,557
<b>TOTAL</b>		<b>\$437,056</b>

In 2018–19, a total of \$437,056 was spent to continue implementation of the Australian Clinical Trials Campaign to raise awareness of the role and value of clinical trials in Australia and boost patient recruitment.

The campaign was developed under the *Expediting Clinical Trials Reforms in Australia* 2013 Budget measure, which implemented recommendations from the *2011 Clinical Trial Action Group Report*. The Budget measure enabled NHMRC and the Department of Industry, Innovation and Science, among other activities, to improve awareness of clinical trials within the community.

Further information can be found on the Australian Clinical Trials website at [www.AustralianClinicalTrials.gov.au](http://www.AustralianClinicalTrials.gov.au).

Advertising undertaken for this activity was consistent with the Australian Government Guidelines on Information and Advertising Campaigns by non-corporate Commonwealth entities.

## Complaints

We have a complaints process for people who are dissatisfied with our decisions or actions. Generally, complaints are resolved within the area responsible for the decision or action, with an independent complaints team providing an oversight and escalation role.

On 9 February 2017, the Minister for Health appointed Mr Chris Reid as Commissioner of Complaints for a three-year term to 31 December 2019.

Mr Reid's biography is in Appendix 1.

# Annual Report from the Commissioner of Complaints

This report is provided pursuant to section 68 of the NHMRC Act. It covers 12 months from 1 July 2018 to 30 June 2019.

During this time I finalised eight complaints: three accepted in 2017-18 and five accepted in this reporting period. I also received two additional complaints, but was unable to accept them, as they did not fall within my legislated mandate.

As Commissioner, my role is to investigate complaints relating to reviewable actions, as described in section 58 of the NHMRC Act. A reviewable action is an action taken by the CEO or her delegate relating to recommendations to the Minister regarding expenditure on public health and medical research and training, or an action taken by the Research Committee in relation to an application for funding made on, or after, 24 June 1993. I am required to investigate the processes that have taken place in relation to each complaint to ensure that administrative law principles such as natural justice, fairness, good faith and taking into account only proper purposes, have been followed by NHMRC in reaching a decision. I am not empowered to examine the merits of a decision or recommendation of the CEO, their delegate, or the Research Committee.

After finalising the investigation of a complaint, if I conclude that an action was affected by one or more of the grounds of complaint listed in section 58, I report my findings to the CEO, under section 66 of the Act. Under section 67 of the Act, I also have the discretion to make recommendations in relation to my findings. This may include recommendations that the CEO reconsider actions; rectify, mitigate or alter the effects of an action; or revoke or vary a decision.

Of the eight complaint investigations completed in this period:

Three related to funding applications that had been deemed ineligible under the relevant NHMRC funding scheme rules. In investigating these complaints, I conducted a review of the processes followed in reaching the decision of ineligibility. I considered all documents provided by the complainant, the requirements of the applicable NHMRC scheme and funding rules and policy. In each case, I concluded that the eligibility considerations had been applied correctly and proper processes followed by NHMRC.

Four related to perceived bias and/or a perceived unresolved conflict of interest of a member of a Peer Review Panel. I conducted a review of policy and procedures applied by NHMRC to this assessment for natural justice, fairness and absence of bias. I concluded that the applications had been afforded natural justice and that NHMRC had acted in a procedurally fair way, without bias and had properly discharged its duties and responsibilities according to the applicable NHMRC policy.

After further examination, I declined to review one matter as I had no jurisdiction to consider the complaint.

In reporting my findings to the CEO on three matters, I made recommendations to improve processes in future years, which have been adopted by NHMRC.



**Mr Chris Reid**  
Commissioner of Complaints

## Environmental management

### Commitment

NHMRC minimises its impact on the environment through the responsible and efficient consumption, use and disposal of resources. NHMRC is committed to:

- building a strong environmental ethos by increasing awareness of and commitment by employees and key stakeholders
- integrating environmentally sustainable practices into day-to-day activities performed by employees.

NHMRC incorporates environmental considerations, such as energy and water conservation, waste and resource management, into business activities in the context of achieving corporate business outcomes. As part of this commitment, NHMRC will be implementing an organic waste process in 2019–20.

### Environmental Management Policy

The NHMRC *Environmental Management Policy* outlines the agency's adherence to the Australian Government Energy Efficiency in Government Operations Policy.

The Canberra and Melbourne leasing agreements contain appropriate Green Lease Schedules under the National Green Leasing Policy. Obligations under these schedules are monitored by NHMRC.

### Energy consumption

Table 12 outlines energy consumption for the Canberra and Melbourne offices for 2018–19.

Table 12: Tenant light and power, 2018–19

Tenancy	Energy (GJ)	Area (m <sup>2</sup> )	Energy consumed per m <sup>2</sup> (MJ/m <sup>2</sup> )	People	MJ/person
Canberra 16 Marcus Clarke St	966	4,020	240	205	4,712
Melbourne 414 La Trobe St	213	462	461	18	11,833

### NABERS energy rating

The National Australian Built Environment Rating System (NABERS) is a national rating system that measures the environmental performance of Australian buildings, tenancies and homes. NABERS measures the energy efficiency, water usage, waste management and indoor environment quality of a building or tenancy and its impact on the environment.

In 2018–19, NHMRC held a 5.5 star NABERS energy tenancy rating for the Canberra office. An energy tenancy rating for the Melbourne office is proposed to be completed in 2019–20.

# Part 5

# People management

Our people management, including workforce demographics.



## Breastfeeding accreditation

- NHMRC proudly achieved accreditation as an Australian Breastfeeding Association Breastfeeding Friendly Workplace in February 2019.
- NHMRC sought accreditation to support the large number of its employees who were expecting children.
- In addition, NHMRC is responsible for the national Infant Feedings Guidelines. The Infant Feeding Guidelines provide clear evidence-based guidance on infant feeding to assist health workers in providing consistent advice on breastfeeding and infant feeding.



Using the Australian Breastfeeding Association Breastfeeding Friendly Workplace accreditation toolkit, NHMRC enhanced its policies and facilities, to consider all elements of a breastfeeding friendly workplace and provide more guidance to employees about what support is available to them.

People are at the core of everything NHMRC does. We understand the importance of our people working to achieve a shared vision and strive to create an inclusive workplace in which diversity is valued and all employees are supported.

Guidance and support are provided to managers and employees to ensure our workforce is fully capable of supporting government, the Minister and the health and medical research sector. Our leaders and employees uphold and promote the Australian Public Service (APS) values and demonstrate leadership, integrity and responsiveness.

In 2018–19, our primary areas of focus included strengthening the capabilities of our workforce and a renewed emphasis on inclusivity that reflects the importance that we place on our people, and creating a workplace culture within which every staff member is valued and respected for their contribution.

## Effectiveness

We are committed to communicating effectively to meet business needs while maintaining a safe and productive workplace where all employees are valued.

Effective communication is delivered through the following:

- staff meetings, including branch and section meetings and meetings for all staff
- regular email messages from the Executive
- emails and corporate newsletters
- the intranet
- the Staff Consultative Forum.

The 2018 APS employee census results continue to show high engagement levels (based on the *say, stay and strive* model) between staff, supervisors and the agency, with an overall employee engagement score of 75 per cent. Across engagement, NHMRC has improved four percentage points compared to the APS overall. There are 10 agencies with a 75 per cent engagement score. NHMRC is five percentage points above the APS average for engagement and is ranked 29th out of 101 agencies overall.

Perceptions of immediate supervisors continue to be extremely positive. All results for NHMRC are above the APS sector average results. For example, 93 per cent of NHMRC staff agreed that their immediate supervisors treat them with respect, up six percentage points from 2017 and five percentage points above that of the APS overall and smaller agencies.

The most notable positive differences between NHMRC and the APS overall are in supervisor resilience when facing failure and supervisors challenging staff to consider new ways of doing things.



# Staffing

At 30 June 2019, we employed 223 staff, 16 per cent on a part-time basis, compared with 14 per cent at 30 June 2018. Of the total employees, 92 per cent were ongoing and 37 per cent had carer responsibilities as shown in Table 13.

Table 13: NHMRC workforce at 30 June, 2016-17 to 2018-19

	2016-17	2017-18	2018-19
Staff employed on an ongoing basis	196	186	205
Staff employed on a non-ongoing basis	12	5	17
Staff employed on a casual basis	1	1	1
Staff employed full-time	177	165	187
Staff employed part-time	32	27	36
Staff based in Canberra office	194	177	205
Staff based in Melbourne office	16	15	18
Female	146	138	160
Male	64	54	62
Gender 'X' (indeterminate/intersex/unspecified)	2	1	1
Staff who have identified as Aboriginal or Torres Strait Islander	3	2	7
People from diverse linguistic backgrounds	42	58	45
People with carer responsibilities	27	86	82
People with a disability	9	8	9

# Workforce planning

Our Workforce Plan 2016-19 focuses on ensuring that the agency has the necessary workforce capability to deliver outcomes for the Australian Government now and in the future.

Staff consultation is also an integral component of workforce planning. Our Staff Consultative Forum, consisting of staff, union and management representatives, enables consultation to take place promptly on issues such as workplace change, employment and accommodation.

The forum met in 2018-19 to discuss organisation-wide matters such as:

- opportunities for staff to work on cross agency projects
- implementation of a new organisational restructure and support to be provided to staff over the transitional period
- the new grant program and development of the new grants management system
- rollout of an online recording of timesheets system (Timekeeper) linked to our Human Resource Information Management System to improve workflow
- upcoming bulk recruitment rounds.

The staff turnover rate in 2018-19 was 10 per cent compared to 13 per cent in 2017-18.

# Workplace agreements

The *NHMRC Enterprise Agreement 2016–2019* took effect on 9 February 2016. It replaced the terms and conditions of the *NHMRC Enterprise Agreement 2011–2014*. The nominal expiry date is 2 February 2020.

Remuneration and employment conditions for Senior Executive Service (SES) officers are determined under section 24(1) of the PS Act. At 30 June 2018, five SES employment agreements (common law contracts) were in place.

No determinations were made under section 24(1) of the PS Act in the 2018–19 reporting period.

## Remuneration

### Executive remuneration

#### Introduction

The officials covered by these disclosures are the Chief Executive Officer and the seven SES Officers who meet the definition of key management personnel (KMP).

#### Remuneration policies and practices

The Remuneration Tribunal (Remuneration and Allowances for Holders of Full-time Public Office) Determination 2019, subsections 7(3) and (4) of the *Remuneration Tribunal Act 1973* sets the remuneration arrangements for the Chief Executive Officer.

The Chief Executive Officer determines remuneration and conditions for the agency's KMP through a common law contract having regard to the:

- *APS Executive Remuneration Management Policy*
- *Government's Workplace Relations Bargaining Policy 2018*
- *Public Service Act 1999*
- Australian Public Service Award 1998 (the APS Award).

To maintain relativity with other APS entities, remuneration for KMP is aligned with the annual remuneration survey conducted by the Australian Public Service Commission.

Salary incremental bands act as a guide in determining KMP base salary settings. KMP are eligible to be considered for an annual salary review on 1 August each year subject to holding the position for six months or more.

KMP salaries are set and adjusted according to the Chief Executive Officer or delegate's assessment of:

- APS Workplace Bargaining Policy
- performance and conduct of the employee
- SES Work Level Standards
- SES Integrated Leadership Systems
- the complexity, responsibility and nature of the employee's role
- the agency's capacity to pay.

No bonuses were paid to any NHMRC KMP.

Table 14: Key Management Personnel, 2018-19

Name	Position title	Term	Short-term benefits (\$)			Post-employment benefits (\$)		Other long-term benefits (\$)		Termination benefits (\$)	Total remuneration (\$)
			Base salary	Bonuses	Other benefits and allowances	Superannuation contributions	Long service leave	Other long-term benefits			
Professor Anne Kelso AO	Chief Executive Officer	Full year	446,844	-	5,716	54,581	10,747	-	-	517,888	
Tony Kingdon	General Manager	Seven months	187,783	-	2,712	31,520	92,686	-	-	314,701	
Clare McLaughlin	General Manager	Five months	123,742	-	13,910	21,367	11,356	-	-	170,375	
Dr Tony Willis	Executive Director, Research Quality & Priorities	Seven months	128,388	-	18,292	23,822	4,942	-	-	175,444	
Prue Torrance	Executive Director, Research Quality & Priorities	Two months	32,731	-	4,512	3,660	7,385	-	-	48,288	
Dr Julie Glover	Executive Director, Research Foundations	Full year	185,256	-	28,990	38,373	7,559	-	-	260,178	
Alan Singh	Executive Director, Research Translation	Full year	192,531	-	28,990	38,475	9,083	-	-	269,079	
Tony Krizan	Executive Director, Technology and Transformation	Full year	217,331	-	28,990	40,769	7,992	-	-	295,082	
<b>Total</b>			<b>1,514,606</b>	<b>-</b>	<b>132,112</b>	<b>252,567</b>	<b>151,750</b>	<b>-</b>	<b>-</b>	<b>2,051,035</b>	

The variance of total remuneration for KMP in the above table and in Note 6.2 Key Management Personnel in the financial statements is \$391,000. This relates to officers who served in acting KMP roles during the year.

Table 15: NHMRC salary ranges at 30 June 2019

Classification	Salary range
SESB2	\$222,854-\$275,914
SESB1	\$171,916-\$212,242
EL2	\$118,630-\$140,452
EL1	\$99,717-\$113,443
APS6	\$80,913-\$91,281
APS5	\$73,347-\$77,414
APS4	\$67,435-\$71,251
APS3	\$59,521-\$65,973
APS2	\$51,505-\$56,205
APS1	\$44,068-\$49,491

APS = Australian Public Service, EL = Executive Level, SESB = Senior Executive Service Band

## Non-salary benefits

Non-salary benefits available to NHMRC staff in 2018-19 included:

- individual flexibility agreements
- health and wellbeing programs
- coaching and mentoring
- learning and development opportunities
- studies assistance (study leave and financial assistance)
- options for flexible hours and time off in lieu
- flexible working conditions, such as part-time employment, job sharing and working from home.

## Performance pay

NHMRC employees, including SES officers, do not receive performance bonuses or performance pay. Annual performance ratings determine the increase of annual remuneration for non-SES employees within the pay point increments of the enterprise agreement.

## Work health and safety

We are committed to maintaining the health, safety and wellbeing of our workforce. We take seriously our obligation to provide a safe working environment and to eliminate or minimise work health safety risks.

Strengthening our work health and safety management systems remains a key focus for us. In 2018–19, we delivered a number of work health and safety (WHS) initiatives. For example, we:

- provided work health and safety training and information to all staff
- installed sit to stand desks for all staff
  - provided training in the use of sit to stand desks
  - engaged an occupational therapist to assess ergonomic needs
- conducted hazard inspections
- promoted a healthy lifestyle via free annual health checks and influenza vaccinations. Staff also had access to financial reimbursement options for quit smoking and eyesight testing solutions
- launched our health and wellbeing page on NHMRC’s intranet, designed to provide employees with a one-stop destination for information on healthy living and wellbeing and employee assistance program resources
- conducted mental health awareness activities, such as presentations from “R U OK?”, aligned with National Safe Work Month and Mental Health Awareness Week and provided mental health first aid training for employees
- strengthened our work health and safety governance arrangements with a recalibration of work groups and associated Health and Safety Representatives and revised terms of reference for NHMRC’s Health and Safety Committee
- continued to provide a confidential counselling service through the employee assistance program
- proudly achieved accreditation as an Australian Breastfeeding Association Breastfeeding Friendly Workplace
- commenced working towards becoming an Accredited White Ribbon Workplace to support staff impacted by family and domestic violence.

No investigations were conducted and no notices were issued under Part 10 of the *Work Health and Safety Act 2011*.

We minimised premium increases by implementing effective WHS and employee rehabilitation measures. We are dedicated to implementing early intervention strategies for injured employees (for both compensable and non-compensable injuries). Our workers’ compensation premium for 2018–19 was 0.7 per cent of payroll costs (refer Table 16). This performance compares favourably to other similar sized agencies.

Table 16: NHMRC premium rate (%) compared to the Commonwealth Scheme Average

	2017-18	2018-19
<b>NHMRC</b>	1.06	0.70
<b>Commonwealth Scheme Average</b>	1.23	1.06

## Learning and development

During this reporting period we have continued to implement our Learning and Development Strategy and Plan, demonstrating our commitment to the ongoing learning needs of our staff and helping us achieve our strategic goals and objectives.

Based on the 70:20:10 model of learning, which presumes that individuals gain 70 per cent of their learning through work experience, 20 per cent from interactions with others, and 10 per cent from formal training, we made training opportunities available through:

- on-the-job learning
- external training and conferences
- online learning through the Australian Government Learnhub
- APS forums and training, such as the *APS Core Skills Program* study assistance
- support for membership of professional development associations
- secondment opportunities, including placements in Indigenous organisations through the Jawun APS Secondment Program, and APS agencies.

Results of the 2018 APS employee census showed that our staff are more highly educated than staff across the APS as a whole; over two-thirds of NHMRC respondents had attained a bachelor's degree or higher qualification compared to just over half of APS respondents overall. Qualifications in the fields of medicine and health sciences continue to be the most common among our staff, held by over 30 per cent of NHMRC respondents.

## Workplace diversity

Our Diversity Action Plan (the Plan) aims to create a more inclusive, productive, innovative and creative workplace. It commits us to improving employment outcomes for Aboriginal and Torres Strait Islander people, for people with a disability, and people from culturally and linguistically diverse backgrounds while also acknowledging the need to accommodate other areas of diversity such as gender and age.

The plan recognises and celebrates key dates during the year, such as Harmony Day, National Reconciliation Week, NAIDOC Week, Wear it Purple Day, White Ribbon Day, International Day of People with Disability and World AIDS Day.

In 2018-19, we:

- continued to access the Australian Network on Disability and the government's RecruitAbility program
- regularly met with other APS agencies and key disability stakeholders to ensure that we stay informed regarding best practice initiatives, programs and strategies
- signed up for access to TIS National—the government's telephone interpreter service
- celebrated International Day of People with a Disability and invited Mr Huy Nguyen, CEO of Enabler Interactive to speak to all staff about people with a disability, and introduced his interactive online training module for disability awareness, which was made available to all staff after his presentation

- launched NHMRC’s Gender Equity Speaker Series
- hosted a Women’s Wellbeing event in conjunction with the Commonwealth Superannuation Corporation.

In 2018–19, we made steady progress towards the final year of our 2016–2018 INNOVATE Reconciliation Action Plan (RAP). Highlights include:

- successful completion by three interns of our Indigenous Internship program (since the commencement of the program in 2016, eight interns have completed the program)
- supporting two staff members to undertake professional placements in the remote and regional Indigenous communities of Cape York, as part of the Jawun secondment program
- acknowledging of the importance of Sorry Day for Aboriginal and Torres Strait Islander peoples by joining in the National Sorry Day bridge walk
- continuation of our successful Indigenous Speaker Series. Speakers include: Dr Peter Malouf, Professor Yvonne Cadet-James, Associate Professor Ray Lovett and Dr Sean Taylor
- holding a Men’s Business Indigenous cultural activity where 20 non-Indigenous male staff members joined Richie Allan, from the Ngunnawal Traditional Aboriginal Owners Corporation at Jerrabomberra Wetlands for an afternoon of cultural activities
- Samantha Faulkner, our Aboriginal and Torres Strait Islander Advisor participated in a six-month secondment to the Centre for Aboriginal Economic Policy Research at the Australian National University as part of an APS Indigenous Research Secondment Pilot (the pilot provided an insight into the unique barriers to career advancement for Aboriginal and Torres Strait Islander employees in the Australian Public Service)
- renaming the CEO Meeting room to Nummerak, a Ngunnawal word that represents plants used for feeding, healing and living—Silver Wattle, Hickory Wattle, Black Wattle and Blackwood
- participation in the Australian Public Service Indigenous Pathway Graduate Program to recruit Aboriginal and Torres Strait Islander employees.

Table 17 shows how diverse groups are represented in NHMRC’s workforce in recent years.

Table 17: Trends in representation of key groups in NHMRC workforce, 2016–17 to 2018–19

Group	2016–17	2017–18	2018–19
Women	70%	72%	72%
People with a disability	4%	4%	4%
Aboriginal and Torres Strait Islander people	1%	1%	3%
People from diverse linguistic backgrounds	20%	30%	20%
People with carer responsibilities	13%	45%	37%
Part-time workers	15%	14%	16%

## Performance management framework

A revised Performance Management Framework (Workplace Conversations) was implemented to provide a simpler, more streamlined approach to performance management. Its emphasis is on the importance of having regular, forward-looking, formal and informal workplace performance conversations. The new framework equally applies to our SES officers.

### Australia Day awards

We are committed to motivating and rewarding high performance. Our reward and recognition policy aims to recognise the achievements of teams and individuals, and support ongoing, informal recognition among colleagues.

On Australia Day 2019, we awarded Achievement medallions to the following seven staff members in recognition of outstanding performance in special projects or core duties:

- Dr Wee-Ming Boon
- Lee Clayton
- Dr Alison Mackerras
- Luke Williams
- Dr Julia Tresidder
- Amanda Lawrence
- Dr Nick Johnson

Certificates of Achievement were also awarded to the following members of the Research Strategy and Implementation Taskforce:

- Dr Tony Willis
- Dr Richele Rasmussen
- Dr Fiona Leves
- Dr Rob Rigby
- Dr Chendur Palaniappan



L-R Dr Rob Rigby, Dr Chendur Palaniappan, Dr Alison Mackerras, Dr Julia Tresidder, Dr Richele Rasmussen, Dr Fiona Leves, Luke Williams, Amanda Lawrence



# Part 6

## Financial performance



## Financial performance summary

This section highlights NHMRC's financial performance during 2018–19 for both Departmental and Administered activities.

### Financial performance—Departmental

NHMRC's Departmental financial performance for 2018–19 is summarised in Table 18 below.

Table 18: NHMRC departmental financial performance, 2018–19

	30 June 2019 (\$'000)	30 June 2018 (\$'000)
Operating expenses	47,563	45,978
Own-source income	(8,869)	(4,072)
Gains	(108)	(1,502)
Net cost of services	38,586	40,404
Revenue from government	(37,591)	(39,005)
Total Operating (deficit) / surplus	(995)	(1,399)

NHMRC's operating result for 2018–19 was a deficit of \$0.995 million. This was below the approved Department of Finance loss of \$2.6 million for non-appropriated expenses for depreciation and amortisation.

### Financial performance—Administered

NHMRC administered \$894.7 million in expenses on behalf of Government during 2018–19. Funding through NHMRC's MREA amounted to \$887.1 million. The remaining \$7.6 million funded a range of activities related to dementia research, anti-venom research, and research evidence for clinical practice and policy through the Cochrane Collaboration.

The increase in Administered expenses from last year (\$46.0 million) largely reflects increasing commitments from additional Partnership Projects rounds, Targeted Calls for Research schemes, and the completion of the Boosting Dementia Research Initiative.

The balance of the MREA was \$240.2 million at 30 June 2019.

Table 19: NHMRC agency resource statement

	Actual available appropriation for 2018-19 \$'000	Payments made 2018-19 \$'000	Balance remaining 2018-19 \$'000
	(a)	(b)	(a) - (b)
<b>Ordinary Annual Services<sup>1</sup></b>			
Departmental appropriation	56,149	51,888	4,261
<b>Total</b>	<b>56,149</b>	<b>51,888</b>	<b>4,261</b>
<b>Administered expenses</b>			
Outcome 1	906,044	912,723	
<b>Total</b>	<b>906,044</b>	<b>912,723</b>	
<b>Total ordinary annual services</b>	<b>A 962,193</b>	<b>964,611</b>	
<b>Other services</b>			
<b>Departmental non-operating</b>			
Equity injections	1,255	7,148	(5,893)
<b>Total</b>	<b>1,255</b>	<b>7,148</b>	<b>(5,893)</b>
<b>Total other services</b>	<b>B 1,255</b>	<b>7,148</b>	<b>(5,893)</b>
<b>Total Available Annual Appropriations and payments</b>	<b>963,448</b>	<b>971,759</b>	
<b>Special Accounts</b>			
Opening balance	246,844		
Appropriation receipts <sup>2</sup>	875,202		
Non-appropriation receipts to Special Accounts	7,486		
Payments made		889,311	
<b>Total Special Account</b>	<b>C 1,129,532</b>	<b>889,311</b>	<b>240,221</b>
<b>Total resourcing and payments</b>	<b>A+B+C 2,092,980</b>	<b>1,861,070</b>	
Less appropriations drawn from annual or special appropriations above and credited to special accounts and/or payments to corporate entities through annual appropriations	(875,202)	(889,311)	
<b>Total net resourcing and payments for NHMRC</b>	<b>1,217,778</b>	<b>971,759</b>	

<sup>1</sup> Appropriation Act (No.1) 2018-19 and Appropriation Act (No.3) 2018-19. This may also include prior year departmental appropriation and section 74 retained revenue receipts.

<sup>2</sup> Appropriation receipts for 2018-19 included above.

# National Health and Medical Research Council

## Financial Statements

*for the period ended 30 June 2019*

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### INDEPENDENT AUDITOR'S REPORT

#### To the Minister for Health

#### Opinion

In my opinion, the financial statements of the National Health and Medical Research Council ('the Entity') for the year ended 30 June 2019:

- (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Entity as at 30 June 2019 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following statements as at 30 June 2019 and for the year then ended:

- Statement by the Accountable Authority and Chief Finance Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement;
- Administered Schedule of Comprehensive Income;
- Administered Schedule of Assets and Liabilities;
- Administered Reconciliation Schedule;
- Administered Cash Flow Statement; and
- Notes to the financial statements, comprising a Summary of Significant Accounting Policies and other explanatory information.

#### Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Accountable Authority's responsibility for the financial statements

As the Accountable Authority of the Entity, the Chief Executive Officer is responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act) for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Reduced Disclosure Requirements and the rules made under the Act. The Chief Executive Officer is also responsible for such internal control as the Chief Executive Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Executive Officer is responsible for assessing the ability of the Entity to continue as a going concern, taking into account whether the Entity's operations will cease as a result

of an administrative restructure or for any other reason. The Chief Executive Officer is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

**Auditor's responsibilities for the audit of the financial statements**

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Australian National Audit Office




Sean Benfield  
Executive Director  
Delegate of the Auditor-General

Canberra  
5 September 2019

**National Health and Medical Research Council  
STATEMENT BY THE ACCOUNTABLE AUTHORITY AND CHIEF FINANCIAL OFFICER**

In our opinion, the attached financial statements for the year ended 30 June 2019 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the National Health and Medical Research Council will be able to pay its debts as and when they fall due.

Signed.....

Professor Anne Kelso AO  
Chief Executive Officer  
Accountable Authority  
National Health and Medical Research Council

04 September 2019

Signed.....

Ivan Sharma CPA  
A/g Chief Financial Officer  
National Health and Medical Research Council

04 September 2019



**National Health and Medical Research Council**  
**Statement of Comprehensive Income**  
*for the year ended 30 June 2019*

	Notes	2019 \$'000	2018 \$'000	Original Budget \$'000
<b>NET COST OF SERVICES</b>				
<b>Expenses</b>				
Employee benefits	1.1A	22,987	21,919	22,400
Suppliers	1.1B	21,974	20,339	22,145
Depreciation and amortisation	3.2A	2,460	2,555	2,600
Finance costs - unwinding of discount		-	14	-
Write-down and impairment of other assets		142	1,151	-
<b>Total expenses</b>		<b>47,563</b>	<b>45,978</b>	<b>47,145</b>
<b>Own-Source Income</b>				
<b>Own-source revenue</b>				
Rendering of services <sup>1</sup>	1.2A	8,869	4,072	6,846
<b>Total own-source revenue</b>		<b>8,869</b>	<b>4,072</b>	<b>6,846</b>
<b>Gains</b>				
Resources received free of charge - ANAO audit fee		108	108	108
Other gains		-	1,394	-
<b>Total gains</b>		<b>108</b>	<b>1,502</b>	<b>108</b>
<b>Total own-source income</b>		<b>8,977</b>	<b>5,574</b>	<b>6,954</b>
<b>Net cost of services</b>		<b>(38,586)</b>	<b>(40,404)</b>	<b>(40,191)</b>
Revenue from Government		37,591	39,005	37,591
<b>Total Revenue from Government</b>		<b>37,591</b>	<b>39,005</b>	<b>37,591</b>
<b>(Deficit) attributable to the Australian Government</b>		<b>(995)</b>	<b>(1,399)</b>	<b>(2,600)</b>
<b>Total comprehensive (loss)</b>		<b>(995)</b>	<b>(1,399)</b>	<b>(2,600)</b>

The above statement should be read in conjunction with the accompanying notes.

**Budget Variance Commentary**

1. Higher than budget due to increased revenue associated with Medical Research Future Fund (MRFF) activities for Department of Health.

## National Health and Medical Research Council Statement of Financial Position as at 30 June 2019

	Notes	2019 \$'000	2018 \$'000	Original Budget \$'000
<b>ASSETS</b>				
<b>Financial Assets</b>				
Cash and cash equivalents		694	814	524
Trade and other receivables <sup>1</sup>	3.1A	3,756	12,452	7,089
<b>Total financial assets</b>		<b>4,450</b>	<b>13,266</b>	<b>7,613</b>
<b>Non-Financial Assets</b>				
Plant and equipment <sup>2</sup>	3.2A	3,624	4,161	2,783
Intangibles - internally developed <sup>3</sup>	3.2A	15,953	10,841	9,388
Intangibles - purchased software	3.2A	-	29	-
Inventories		189	186	193
Prepayments <sup>4</sup>		3,192	395	1,157
<b>Total non-financial assets</b>		<b>22,958</b>	<b>15,612</b>	<b>13,521</b>
<b>Total assets</b>		<b>27,408</b>	<b>28,878</b>	<b>21,134</b>
<b>LIABILITIES</b>				
<b>Payables</b>				
Trade creditors and accruals		3,431	3,423	1,828
Operating lease rentals		513	162	-
Other <sup>5</sup>	3.3A	3,312	4,916	2,271
<b>Total payables</b>		<b>7,256</b>	<b>8,501</b>	<b>4,099</b>
<b>Provisions</b>				
Employee provisions <sup>6</sup>	6.1A	6,429	6,080	5,918
<b>Total provisions</b>		<b>6,429</b>	<b>6,080</b>	<b>5,918</b>
<b>Total liabilities</b>		<b>13,685</b>	<b>14,581</b>	<b>10,017</b>
<b>Net assets</b>		<b>13,723</b>	<b>14,297</b>	<b>11,117</b>
<b>EQUITY</b>				
Contributed equity		16,246	15,825	16,246
Retained earnings		(2,523)	(1,528)	(5,129)
<b>Total equity</b>		<b>13,723</b>	<b>14,297</b>	<b>11,117</b>

The above statement should be read in conjunction with the accompanying notes.

### Budget Variance Commentary

- Higher levels of prior year appropriation than anticipated has been used to fund capital expenditure on a new Grants Management System.
- Increased level of expenditure on plant and equipment compared to budget, mainly attributable to the purchase of IT equipment including new laptops.
- Increased level of expenditure on intangible assets, mainly attributable to a new Grants Management System.
- Software licence purchases for new Grants Management System were paid for a five year period, longer than budgeted.
- Higher than budgeted level of unearned revenue, primarily due to the receipt of MRFF funds from the Department of Health.
- Employee provisions include a number of assumptions including discount rates based on the 10 year Commonwealth Government bond rate. The 10 year bond rate is significantly lower than budgeted and has resulted in larger employee provisions being recognised.

**National Health and Medical Research Council**  
**Statement of Changes to Equity**  
*for the year ended 30 June 2019*

	2019 \$'000	2018 \$'000	Original Budget \$'000
<b>CONTRIBUTED EQUITY</b>			
<b>Opening balance</b>			
Balance carried forward from previous period	15,825	11,775	15,825
<b>Transactions with owners</b>			
<b>Contributions by owners</b>			
Departmental capital budget	171	171	171
Equity injection	250	3,879	250
<b>Total transactions with owners</b>	<b>421</b>	<b>4,050</b>	<b>421</b>
<b>Closing balance as at 30 June</b>	<b>16,246</b>	<b>15,825</b>	<b>16,246</b>
<b>RETAINED EARNINGS</b>			
<b>Opening balance</b>			
Balance carried forward from previous period	(1,528)	(129)	(2,529)
<b>Comprehensive income</b>			
Deficit for the period	(995)	(1,399)	(2,600)
<b>Total comprehensive income</b>	<b>(995)</b>	<b>(1,399)</b>	<b>(2,600)</b>
<b>Closing balance as at 30 June</b>	<b>(2,523)</b>	<b>(1,528)</b>	<b>(5,129)</b>
<b>TOTAL EQUITY</b>			
<b>Opening balance</b>			
Balance carried forward from previous period	14,297	11,646	13,296
<b>Comprehensive income</b>			
Deficit for the period	(995)	(1,399)	(2,600)
<b>Total comprehensive income</b>	<b>(995)</b>	<b>(1,399)</b>	<b>(2,600)</b>
<b>Transactions with owners</b>			
<b>Contributions by owners</b>			
Departmental capital budget	171	171	171
Equity injection	250	3,879	250
<b>Total transactions with owners</b>	<b>421</b>	<b>4,050</b>	<b>421</b>
<b>Closing balance as at 30 June</b>	<b>13,723</b>	<b>14,297</b>	<b>11,117</b>

The above statement should be read in conjunction with the accompanying notes.

**National Health and Medical Research Council**  
**Cash Flow Statement**  
*for the year ended 30 June 2019*

	Notes	2019 \$'000	2018 \$'000	Original Budget \$'000
<b>OPERATING ACTIVITIES</b>				
<b>Cash received</b>				
Rendering of services <sup>1</sup>		7,462	7,371	6,846
Appropriations <sup>2</sup>		47,387	43,961	38,650
GST received		2,812	1,999	1,500
<b>Total cash received</b>		<b>57,661</b>	<b>53,331</b>	<b>46,996</b>
<b>Cash used</b>				
Employees		(22,574)	(21,703)	(22,519)
Suppliers <sup>3</sup>		(27,090)	(20,386)	(23,547)
Section 74 receipts transferred to OPA <sup>4</sup>		(2,224)	(5,915)	-
<b>Total cash used</b>		<b>(51,888)</b>	<b>(48,004)</b>	<b>(46,066)</b>
<b>Net cash from operating activities</b>		<b>5,773</b>	<b>5,327</b>	<b>930</b>
<b>INVESTING ACTIVITIES</b>				
<b>Cash used</b>				
Purchase of plant and equipment <sup>2</sup>	3.2A	(562)	(2,129)	(1,351)
Purchase of intangibles <sup>2</sup>	3.2A	(6,586)	(8,267)	-
<b>Total cash used</b>		<b>(7,148)</b>	<b>(10,396)</b>	<b>(1,351)</b>
<b>Net cash used by investing activities</b>		<b>(7,148)</b>	<b>(10,396)</b>	<b>(1,351)</b>
<b>FINANCING ACTIVITIES</b>				
<b>Cash received</b>				
Contributed equity <sup>2</sup>		1,255	5,359	421
<b>Total cash received</b>		<b>1,255</b>	<b>5,359</b>	<b>421</b>
<b>Net cash from financing activities</b>		<b>1,255</b>	<b>5,359</b>	<b>421</b>
<b>Net increase in cash held</b>		<b>(120)</b>	<b>290</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period		814	524	524
<b>Cash and cash equivalents at the end of the reporting period</b>		<b>694</b>	<b>814</b>	<b>524</b>

The above statement should be read in conjunction with the accompanying notes.

**Budget Variance Commentary**

1. Variance due to an increase in MRFF funds received from Department of Health.
2. Prior year appropriation reserves and current year equity injections utilised for capital purchases.
3. Increase in contractor costs associated with the MRFF revenue stream projects.
4. Section 74 receipts relating mainly to MRFF funding, the level of which was not known at the time of the original budget.

**National Health and Medical Research Council**  
**Administered Schedule of Comprehensive Income**  
*for the year ended 30 June 2019*

	Notes	2019 \$'000	2018 \$'000	Original Budget \$'000
<b>NET COST OF SERVICES</b>				
<b>Expenses</b>				
Grants - Medical Research (MREA)	2.1A	852,055	811,862	844,199
Grants - Boosting Dementia Research <sup>1</sup>	2.1B	35,062	30,075	40,000
Other expenses incurred in the provision of grants <sup>2</sup>	2.1C	7,556	6,740	13,429
<b>Total expenses</b>		<b>894,673</b>	<b>848,677</b>	<b>897,628</b>
<b>Income</b>				
<b>Revenue</b>				
<b>Non-taxation revenue</b>				
Rendering of services <sup>3</sup>		-	-	6,000
Other revenue <sup>4</sup>	2.2A	7,795	9,238	5,000
<b>Total non-taxation revenue</b>		<b>7,795</b>	<b>9,238</b>	<b>11,000</b>
<b>Total revenue</b>		<b>7,795</b>	<b>9,238</b>	<b>11,000</b>
<b>Total income</b>		<b>7,795</b>	<b>9,238</b>	<b>11,000</b>
<b>Net cost of services</b>		<b>(886,878)</b>	<b>(839,439)</b>	<b>(886,628)</b>

The above schedule should be read in conjunction with the accompanying notes.

**Budget Variance Commentary**

1. The variance is due to an underspend relating to the Boosting Dementia budget measure, caused by delays in establishing funding rounds. The funds have since been committed and transferred from Administered Funds into the Medical Research Endowment Account (special account) for grants to be paid over the next five years.
2. The variance is largely due to funds received for Dementia related activities (non-Boosting Dementia) that were not committed or paid during 2018-19. These funds have since been committed as grants and transferred to the Medical Research Endowment Account (special account) for grants to be paid over a five year period.
3. NHMRC did not receive any Administered revenue for rendering of services during 2018-19. The budget was estimated using historical trends for revenue received from Department of Health for Partnership Projects, which was not received during 2018-19.
4. Variance is largely due to higher than anticipated grant recoveries, due to grant acquittals and relinquishments from Administering Institutions.

**National Health and Medical Research Council  
Administered Schedule of Assets and Liabilities  
as at 30 June 2019**

	Notes	2019 \$'000	2018 \$'000	Original Budget \$'000
<b>ASSETS</b>				
<b>Financial Assets</b>				
Cash and cash equivalents <sup>1</sup>		240,227	246,906	181,617
Trade and other receivables		2,807	2,426	1,883
<b>Total financial assets</b>		<b>243,034</b>	<b>249,332</b>	<b>183,500</b>
<b>Total assets administered on behalf of Government</b>		<b>243,034</b>	<b>249,332</b>	<b>183,500</b>
<b>LIABILITIES</b>				
<b>Payables</b>				
Grants Payable - Medical Research (MREA) <sup>2</sup>	4.1A	1,903	4,010	2,949
Grants Payable - Boosting Dementia Research	4.1B	-	69	-
GST payable <sup>3</sup>		3,450	3,469	238
Other payables <sup>4</sup>		457	435	-
<b>Total payables</b>		<b>5,810</b>	<b>7,983</b>	<b>3,187</b>
<b>Total liabilities administered on behalf of government</b>		<b>5,810</b>	<b>7,983</b>	<b>3,187</b>
<b>Net assets</b>		<b>237,224</b>	<b>241,349</b>	<b>180,313</b>

The above schedule should be read in conjunction with the accompanying notes.

**Budget Variance Commentary**

1. Grant payments are made over multiple years, the timing of actual payments occurred later than initial budget assumptions. As a result, cash balances are higher than budget.
2. Budget overstated due to being based on historical data/trends. Current actuals are less than anticipated.
3. GST relating to grant payments are yet to be returned to Department of Finance.
4. Higher than budgeted level of unearned revenue associated with funds received in relation to co-funding a Centre of Research Excellence.

**National Health and Medical Research Council**  
**Administered Reconciliation Schedule**  
*for the year ended 30 June 2019*

	2019 \$'000	2018 \$'000
<b>Opening assets less liabilities as at 1 July</b>	<b>241,349</b>	197,156
<b>Net contribution by services</b>		
Income	7,795	9,238
Expenses		
Payments to Corporate Commonwealth entities	(12,106)	(13,750)
Payments to entities other than Corporate Commonwealth entities	(882,567)	(834,927)
<b>Transfers from the Australian Government</b>		
Appropriation transfers from Official Public Account		
Annual appropriations		
Payments to entities other than Corporate Commonwealth entities	882,753	883,632
<b>Closing assets less liabilities as at 30 June</b>	<b>237,224</b>	241,349

The above schedule should be read in conjunction with the accompanying notes.

**Administered Cash Transfers to and from the Official Public Account**

Revenue collected by the NHMRC for use by the Government rather than the agency is administered revenue. Collections are transferred to the OPA maintained by the Department of Finance. Conversely, cash is drawn from the OPA to make payments under Parliamentary appropriation on behalf of Government. These transfers to and from the OPA are adjustments to the administered cash held by the NHMRC on behalf of the Government and reported as such in the statement of cash flows in the schedule of administered items.

**National Health and Medical Research Council  
Administered Cash Flow Statement**  
*for the year ended 30 June 2019*

	2019 \$'000	2018 \$'000
<b>OPERATING ACTIVITIES</b>		
<b>Cash received</b>		
Other revenue	7,763	9,522
GST received	<u>15,528</u>	<u>24,461</u>
<b>Total cash received</b>	<u><b>23,291</b></u>	<u><b>33,983</b></u>
<b>Cash used</b>		
Grants - Medical Research (MREA)	854,164	807,530
Grants - Boosting Dementia Research	35,131	30,006
Other expenses incurred in the provision of grants	7,606	6,732
GST paid	<u>15,822</u>	<u>24,901</u>
<b>Total cash used</b>	<u><b>912,723</b></u>	<u><b>869,169</b></u>
<b>Net cash used by operating activities</b>	<u><b>(889,432)</b></u>	<u><b>(835,186)</b></u>
Cash and cash equivalents at the beginning of the reporting period	<b>246,906</b>	198,460
<b>Cash from Official Public Account</b>		
Appropriations	<u>882,753</u>	<u>883,632</u>
<b>Total cash from official public account</b>	<u><b>882,753</b></u>	<u><b>883,632</b></u>
<b>Cash and cash equivalents at the end of the reporting period</b>	<u><b>240,227</b></u>	<u><b>246,906</b></u>
The above statement should be read in conjunction with the accompanying notes.		



## Overview

### Objectives of the National Health and Medical Research Council

The National Health and Medical Research Council (NHMRC) is an Australian Government controlled entity. It is a not-for-profit entity. The NHMRC is Australia's peak body for supporting health and medical research. The aims of the NHMRC are to:

- raise the standard of individual and public health care throughout Australia;
- foster development of consistent health standards between the states and territories;
- foster medical research and training and public health research and training throughout Australia; and
- foster consideration of ethical issues relating to health.

NHMRC's Medical Research Endowment Account (MREA) is a special account established under the *National Health and Medical Research Council Act 1992*. It is the mechanism through which Australian Government funding for health and medical research is managed.

The continued existence of NHMRC in its present form, and with its present programs, is dependent on Government policy and on continuing funding by Parliament for the NHMRC's administration and programs.

### The Basis of Preparation

The financial statements are general purpose financial statements and are required by section 42 of the *Public Governance, Performance and Accountability Act 2013*.

The financial statements have been prepared in accordance with:

- a) Public Governance, Performance and Accountability (Financial Reporting) Rule 2015; and
- b) Australian Accounting Standards and Interpretations - Reduced Disclosure Requirements issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

Where changes are made to the presentation or classification of items in the financial statements, the comparative amounts have been reclassified for consistency and comparability between financial years.

### New Accounting Standards

All new standards, amendments to standards and interpretations that were issued prior to the sign-off date and are applicable to the current reporting period did not have a material effect on the NHMRC's financial statements.

### Taxation

The NHMRC is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

### Reporting of administered activities

Administered revenues, expenses, assets, liabilities and cash flows are disclosed in the schedule of administered schedules and related notes.

Except where otherwise stated, administered items are accounted for on the same basis and using the same policies as for departmental items, including the application of Australian Accounting Standards.

### Events After the Reporting Period

#### Departmental

No relevant events have occurred after the reporting period date that have the potential to significantly affect the ongoing structure and financial activities of the NHMRC.

#### Administered

No relevant events have occurred after the reporting period date that have the potential to significantly affect the ongoing structure and financial activities of the NHMRC.

## 1. Departmental Financial Performance

### 1.1 Expenses

	2019 \$'000	2018 \$'000
<b>Note 1.1A: Employee Benefits</b>		
Wages and salaries	15,954	15,347
Superannuation		
Defined contribution plans	2,011	1,865
Defined benefit plans	1,166	1,324
Leave and other entitlements	3,856	3,269
Separation and redundancies	-	114
<b>Total employee benefits</b>	<b>22,987</b>	<b>21,919</b>

#### Accounting Policy

Accounting policies for employee related expenses is contained in the People and Relationships section.

### Note 1.1B: Suppliers

#### Goods and services supplied or rendered

Agency placement costs	21	10
Insurance	75	66
Committees	3,815	3,602
Conference fees	37	53
Consultants	478	371
Contractors	7,942	5,403
IT services	4,741	5,176
Office equipment	402	273
Services	1,308	1,677
Travel	367	419
Other	251	278
<b>Total goods and services supplied or rendered</b>	<b>19,437</b>	<b>17,328</b>

Goods supplied	446	404
Services rendered	18,991	16,924
<b>Total goods and services supplied or rendered</b>	<b>19,437</b>	<b>17,328</b>

#### Other suppliers

Operating lease rentals	2,418	2,577
Workers compensation expenses	119	434
<b>Total other suppliers</b>	<b>2,537</b>	<b>3,011</b>
<b>Total suppliers</b>	<b>21,974</b>	<b>20,339</b>

#### Leasing commitments

The NHMRC in its capacity as lessee holds leases on its Canberra and Melbourne accommodation. The Canberra lease was renegotiated during 2017-18 for a further 10 year lease, with an option for a further 5 years. Lease payments increase by 3.50% each year. The Melbourne lease commenced during 2017-18 and is for a four year period. Lease payments on this lease increase by 3.75% each year.

#### Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

Within 1 year	2,644	2,203
Between 1 to 5 years	10,574	10,080
More than 5 years	12,470	15,042
<b>Total operating lease commitments</b>	<b>25,688</b>	<b>27,325</b>

The comparative disclosure for 2018 shows a reclassification of \$2,572,000 commitments from "Between 1 to 5 years" to "More than 5 years" to more accurately reflect the timing of these commitments.

#### Accounting Policy

A distinction is made between finance leases and operating leases. In operating leases, the lessor effectively retains substantially all such risks and benefits. NHMRC does not have any finance leases as at 30 June 2019 (2018: Nil).

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

**1.2 Own-Source Revenue**

	2019 \$'000	2018 \$'000
<b>Note 1.2A: Rendering of Services</b>		
Rendering of services	8,869	4,072
<b>Total rendering of services</b>	<b>8,869</b>	<b>4,072</b>

**Accounting Policy****Own-Source Revenue**Rendering of Services

Revenue from rendering of services is recognised by reference to the stage of completion of contracts at the reporting date. The revenue is recognised when:

- a) the amount of revenue, stage of completion and transaction costs incurred can be reliably measured; and
- b) the probable economic benefits associated with the transaction have flowed to the NHMRC.

The stage of completion of contracts at the reporting date is determined by reference to the proportion that costs incurred to date bear to the estimated total costs of the transaction.

GainsResources Received Free of Charge

Resources received free of charge are recognised as revenue when, and only when, a fair value can be reliably determined and the service would have been purchased if they had not been donated. Use of those resources is recognised as an expense. Resources received free of charge are recorded as either revenue or gains depending on their nature.

Resources received free of charge consists of Australian National Audit Office (ANAO) audit fee and the ANAO does not provide services other than financial statement audit.

Revenue from Government

Amounts appropriated for departmental output appropriations for the year (adjusted for any formal additions and reductions) are recognised as Revenue from Government when the NHMRC gains control of the appropriations; except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned. Appropriations receivable are recognised at their nominal amounts.

**2. Income and Expenses Administered on Behalf of Government****2.1 Administered – Expenses**

	2019 \$'000	2018 \$'000
<b><u>Note 2.1A: Grants - Medical Research (MREA)</u></b>		
Public sector		
Australian Government Entities	11,807	13,394
State and Territory Governments	686,387	654,189
Private sector		
Medical Research Institutes	150,607	141,191
Private Universities	3,254	3,088
<b>Total grants - Medical Research (MREA)</b>	<b>852,055</b>	<b>811,862</b>
<b><u>Note 2.1B: Grants - Boosting Dementia Research</u></b>		
Public sector		
Australian Government Entities	299	356
State and Territory Governments	30,365	23,294
Private sector		
Medical Research Institutes	4,398	6,425
<b>Total grants - Boosting Dementia Research</b>	<b>35,062</b>	<b>30,075</b>
<b><u>Note 2.1C: Other Expenses Incurred in the Provision of Grants</u></b>		
<b>Goods and services supplied or rendered</b>		
Funding agreements	6,245	5,508
Subscriptions	579	557
Consultants	-	33
Contractors	728	642
Other	4	-
<b>Total goods and services supplied or rendered</b>	<b>7,556</b>	<b>6,740</b>

The comparative disclosure for 2018 shows a reclassification of \$47,000 expenditure from Note 2.1C "Other Expenses Incurred in the Provision of Grants - Other" to Note 2.1A "Grants – Medical Research (MREA) - Australian Government Entities" to more accurately reflect the nature of this expenditure.

**Accounting Policy**

NHMRC administers a number of grant schemes on behalf of the Government. Grant liabilities are recognised to the extent that (i) the services required to be performed by the grantee have been performed or (ii) the grant eligibility criteria have been satisfied, but payments due have not been made. Payables to grantees are disclosed in Note 4.1.

**2.2 Administered – Revenue**

	2019	2018
	\$'000	\$'000
<b>Note 2.2A: Other Revenue</b>		
Grant recoveries	<u>7,795</u>	<u>9,238</u>
<b>Total other revenue</b>	<u>7,795</u>	<u>9,238</u>

**Accounting Policy**

All administered revenues are revenues relating to ordinary activities performed by NHMRC on behalf of the Australian Government. As such, administered appropriations are not revenues of the NHMRC that oversees distribution or expenditure of funds as directed.

Grant recoveries

The recovery of unspent grant money is a type of contribution because NHMRC receives cash (an asset), including the right to receive it, without directly giving approximately equal value to the party, i.e. a non-reciprocal transfer (AASB 1004.13). These recoveries satisfy the definition of income in the Framework, and the recognition criteria for income when NHMRC raises a debtor invoice for these recoveries.

**3. Departmental Financial Position**  
**3.1 Financial Assets**

	<b>2019</b>	2018
	<b>\$'000</b>	\$'000
<b>Note 3.1A: Trade and Other Receivables</b>		
Goods and services receivable	<b>828</b>	956
Appropriations receivable - existing programs	<b>2,712</b>	11,116
GST receivable from the Australian Taxation Office	<b>183</b>	342
Other	<b>33</b>	38
<b>Total trade and other receivables</b>	<b>3,756</b>	12,452

No indicators of impairment were found for trade and other receivables in 2019 (2018: Nil).

<b>Accounting Policy</b>
<u>Financial assets</u>
Trade receivables, loans and other receivables that are held for the purpose of collecting the contractual cash flows where the cash flows are solely payments of principal and interest, that are not provided at below-market interest rates, are subsequently measured at amortised cost using the effective interest method adjusted for any loss allowance.
Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance amount.

### 3.2 Non-Financial Assets

#### Note 3.2A: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment and Intangibles

	Plant and Equipment \$'000	Computer software internally developed <sup>1</sup> \$'000	Computer software purchased \$'000	Total \$'000
<b>As at 1 July 2018</b>				
Gross book value	7,917	19,388	771	28,076
Accumulated depreciation, amortisation and impairment	(3,756)	(8,547)	(742)	(13,045)
<b>Total as at 1 July 2018</b>	<b>4,161</b>	<b>10,841</b>	<b>29</b>	<b>15,031</b>
<b>Additions</b>				
Purchase of plant and equipment	562	-	-	562
Purchased or internally developed - Intangibles	-	6,586	-	6,586
<b>Purchase or internally developed</b>	<b>562</b>	<b>6,586</b>	<b>-</b>	<b>7,148</b>
Depreciation and amortisation	(1,047)	(1,384)	(29)	(2,460)
Impairment	(52)	(90)	-	(142)
<b>Total as at 30 June 2019</b>	<b>3,624</b>	<b>15,953</b>	<b>-</b>	<b>19,577</b>
<b>Total as at 30 June 2019 represented by</b>				
Gross book value	7,994	25,884	771	34,649
Accumulated depreciation, impairment, and amortisation	(4,370)	(9,931)	(771)	(15,072)
<b>Total as at 30 June 2019</b>	<b>3,624</b>	<b>15,953</b>	<b>-</b>	<b>19,577</b>

1. The carrying amount of computer software internally developed includes \$12.9 million in Work in Progress (WIP). (2018: \$7.6 million).

An assessment of impairment on Work in Progress (WIP) assets was conducted as at 30 June 2019. WIP assets of \$0.1 million relating to Data Architecture and Intranet Infrastructure projects were impaired. (\$2018: \$1.2 million).

#### **Revaluations of non-financial assets**

There were no revaluations of plant and equipment conducted in 2018-19 (2017-18: Nil).

On 31 March 2016, an independent valuer conducted the revaluations of plant and equipment. The next valuation will occur during 2020-21.

	2019 \$'000	2018 \$'000
<b>Contractual commitments for the acquisition of plant and equipment and intangible assets are payable as follows:</b>		
Within 1 year	2,090	1,518
<b>Total plant and equipment and intangible assets commitments</b>	<b>2,090</b>	<b>1,518</b>

NHMRC has commitments in place for the purchase of a new Grants Management System.

## Part 6 Financial performance

### Accounting Policy

Assets are initially recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor's accounts immediately prior to the restructuring.

#### Asset recognition threshold

Purchases of plant and equipment are recognised initially at fair value of the assets transferred in exchange and the liabilities undertaken in the statement of financial position, except for information technology equipment purchases less than \$500, leasehold improvements less than \$50,000, and all other purchases less than \$2,000. Purchases below these thresholds are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to 'make good' provisions previously taken up by the NHMRC where there exists an obligation to restore premises to condition prior to fitout. These costs are included in the value of the make good asset with a corresponding provision for the 'make good' recognised. The make good provision in relation to the Canberra lease was reversed during 2017-18 on signing new lease agreement, which removed the requirement for NHMRC to make good.

#### Revaluations

Fair values of each sub-class of assets are determined as shown below.

<b>Assets Sub-Class</b>	<b>Fair value measured at</b>
Office Equipment	Depreciated replacement cost
Furniture and fitting	Depreciated replacement cost
Computer equipment	Market selling price
Leasehold improvement	Depreciated replacement cost

Following initial recognition at cost plant and equipment are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not materially differ from the assets' fair values as at the reporting date. The regularity of independent valuations depended upon the volatility of movements in market values for the relevant assets.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve, except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised through the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the surplus/deficit except to the extent that they reverse a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

#### Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the NHMRC using, in all cases, the straight-line method of depreciation.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each sub-class of depreciable asset are based on the following useful lives:

<b>Assets Sub-Class</b>	<b>2019</b>	<b>2018</b>
Office Equipment	3 to 5 years	3 to 5 years
Furniture and Fitting	10 years	10 years
Computer Equipment	3 to 5 years	3 to 5 years
Leasehold Improvement	Lease term	Lease term

#### Impairment

All non-financial assets including work in progress (WIP) were assessed for impairment at 30 June 2019. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.



The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the entity were deprived of the asset, its value in use is taken to be its depreciated value.

### De-recognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

### Intangibles

Intangible assets comprise internally developed software for internal use and purchased software. These assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of the NHMRC's software are 2 to 7 years (2018: 2 to 7 years).

All software assets were assessed for indicators of impairment as at 30 June 2019.

### ***Significant Accounting Judgements and Estimates***

In the process of applying the accounting policies listed in this note, the NHMRC has made the following judgements that have the most significant impact on the amounts recorded in the financial statements. When estimating the fair value of property plant and equipment and work-in-progress (WIP) intangibles, judgements were made about the expected useful life of the assets.

**3.3 Payables**

	<b>2019</b>	2018
	<b>\$'000</b>	\$'000
<b><u>Note 3.3A: Other Payables</u></b>		
Salaries and wages	<b>254</b>	257
Superannuation	<b>27</b>	24
Lease incentive	<b>839</b>	767
Prepayments received/unearned income	<b>1,973</b>	3,800
Other	<b>219</b>	68
<b>Total other payables</b>	<b>3,312</b>	4,916

**Accounting Policy**

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or 'other financial liabilities'. Financial liabilities are recognised and derecognised upon 'trade date'.

**4. Assets and Liabilities Administered on Behalf of Government****4.1 Administered – Payables**

	2019	2018
	\$'000	\$'000
<b>Note 4.1A: Grants Payable - Medical Research (MREA)</b>		
Public sector		
Australian Government Entities	-	42
State and Territory Governments	1,860	2,251
Private Sector		
Medical Research Institutes	43	1,717
<b>Total grants payable - Medical Research (MREA)</b>	<b>1,903</b>	<b>4,010</b>
<b>Note 4.1B: Grants Payable - Boosting Dementia Research</b>		
Public sector		
State and Territory Governments	-	51
Private Sector		
Medical Research Institutes	-	18
<b>Total grants payable - Boosting Dementia Research</b>	<b>-</b>	<b>69</b>

Settlement is made according to the terms and conditions of each grant. This was usually within 30 days of grant recipients meeting their performance or eligibility criteria.

## 5. Funding

### 5.1 Appropriations

#### Note 5.1A: Annual Appropriations ('Recoverable GST exclusive')

##### Annual appropriations for 2019

	Annual Appropriation <sup>1</sup> \$'000	Adjustments to appropriation <sup>2</sup> \$'000	Total appropriation \$'000	Appropriation applied in 2019 (current and prior years) \$'000	Variance <sup>3</sup> \$'000
<b>Departmental</b>					
Ordinary annual services	37,591	2,224	39,815	(44,318)	(4,503)
Capital Budget <sup>4</sup>	171	-	171	(6,064)	(5,893)
Equity injection	250	-	250	(1,084)	(834)
<b>Total departmental</b>	<b>38,012</b>	<b>2,224</b>	<b>40,236</b>	<b>(51,466)</b>	<b>(11,230)</b>
<b>Administered</b>					
Ordinary annual services	882,753	-	882,753	(882,753)	-
Administered items	882,753	-	882,753	(882,753)	-
<b>Total administered</b>					

1. In 2018-19, no amounts of appropriation were withheld or quarantined.

2. PGPA Act Section 74 receipts.

3. In 2018-19, variances largely relate to investment in a new Grants Management System.

4. Departmental Capital Budgets are appropriated through Appropriations Acts (No.1.3.5). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts.

##### Annual appropriations for 2018

	Annual Appropriation <sup>1</sup> \$'000	Adjustments to appropriation <sup>2</sup> \$'000	Total appropriation \$'000	Appropriation applied in 2018 (current and prior years) \$'000	Variance <sup>3</sup> \$'000
<b>Departmental</b>					
Ordinary annual services	39,005	5,915	44,920	(42,089)	2,831
Capital Budget <sup>4</sup>	171	-	171	(7,351)	(7,180)
Equity injection	3,879	-	3,879	(3,045)	834
<b>Total departmental</b>	<b>43,055</b>	<b>5,915</b>	<b>48,970</b>	<b>(52,485)</b>	<b>(3,515)</b>
<b>Administered</b>					
Ordinary annual services	883,632	-	883,632	(883,632)	-
Administered items	883,632	-	883,632	(883,632)	-
<b>Total administered</b>					

1. In 2017-18, no amounts of appropriation were withheld or quarantined.

2. PGPA Act Section 74 receipts.

3. In 2017-18, variances largely relate to progressing capital projects that had lagged in previous financial years

4. Departmental Capital Budgets are appropriated through Appropriations Acts (No.1.3.5). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts.

#### Accounting Policy

Amounts appropriated which are designated as 'equity injections' for a year (less any formal reductions) and Departmental Capital Budgets (DCBs) are recognised directly in contributed equity in that year.

**5.1 Appropriations (continued)****Note 5.1B: Unspent Annual Appropriations ('Recoverable GST exclusive')**

	2019 \$'000	2018 \$'000
<b>Departmental</b>		
Appropriation Act (No. 1) 2018-19 <sup>1</sup>	3,406	-
Appropriation Act (No. 1) 2017-18 <sup>1</sup>	-	11,096
Appropriation Act (No. 2) 2017-18 - Equity Injections	-	834
<b>Total departmental</b>	<b>3,406</b>	<b>11,930</b>

1. Includes cash at bank and appropriation receivable.

**5.2 Special Accounts****Note 5.2A: Special Accounts ('Recoverable GST exclusive')**

	<b>Medical Research Endowment Account<sup>1</sup></b>	
	2019 \$'000	2018 \$'000
<b>Balance brought forward from previous period</b>	<b>246,844</b>	198,458
<b>Increases:</b>		
Appropriation credited to special account	875,202	873,626
Costs recovered	4,101	5,370
Other receipts	3,385	6,688
<b>Total increases</b>	<b>882,688</b>	885,684
<b>Available for payments</b>	<b>1,129,532</b>	1,084,142
<b>Decreases</b>		
<b>Administered</b>		
Payments made for medical research	854,249	810,734
Payments made for boosting dementia research	35,062	26,564
<b>Total administered</b>	<b>889,311</b>	837,298
<b>Total decreases</b>	<b>889,311</b>	837,298
<b>Total balance carried to the next period</b>	<b>240,221</b>	246,844
<b>Balance represented by:</b>		
Cash held in entity bank accounts	-	4
Cash held in the Official Public Account	240,221	246,840
<b>Total balance carried to the next period</b>	<b>240,221</b>	246,844

1. Appropriation: *Public Governance, Performance and Accountability Act 2013*; section 80

Establishing Instrument: *National Health and Medical Research Council Act 1992*; section 49

Purpose: to provide assistance (subject to the *National Health and Medical Research Council Act 1992*):

- to Departments of the Commonwealth, or of a State or Territory, engaged in medical research;
- to universities for the purpose of medical research;
- to institutions and persons engaged in medical research; and
- in the training of persons in medical research.

## 6. People and Relationships

### 6.1 Employee Provisions

	2019	2018
	\$'000	\$'000
<b>Note 6.1A: Employee Provisions</b>		
Leave	6,429	6,080
<b>Total employee provisions</b>	<b>6,429</b>	<b>6,080</b>

#### Accounting Policy

##### Employee benefits

Liabilities for 'short-term employee benefits' and termination benefits expected within twelve months of the end of the reporting period are measured at their nominal amounts

##### Leave

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of the NHMRC is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including the NHMRC's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for long service leave is recognised and measured at the present value of the estimated future cash flow to be made in respect of all employees at 30 June 2019. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

##### Superannuation

The NHMRC's staff are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS) or the PSS accumulation plan (PSSap), or other superannuation funds held outside the Australian Government.

The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap is a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported in the Department of Finance's administered schedules and notes.

The NHMRC makes employer contributions to the employee's defined benefit superannuation scheme at rates determined by an actuary to be sufficient to meet the current cost to the Government. The NHMRC accounts for the contributions as if they were contributions to defined contribution plans.

The liability for superannuation recognised as at 30 June represents outstanding contributions.

#### Significant Accounting Judgements and Estimates

In the process of applying the accounting policies listed in this note, the NHMRC has made the following judgements that have the most significant impact on the amounts recorded in the financial statements. The estimated leave provisions involve assumptions based on the expected tenure of existing staff, patterns of leave claims and payouts, future salary movements and discount rates.

## 6.2 Key Management Personnel Remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the NHMRC, directly or indirectly, including any director (whether executive or otherwise) of the NHMRC. The NHMRC has determined the key management personnel to be the Portfolio Minister, Chief Executive Officer, General Manager, and Executive Directors.

Key management personnel remuneration is reported in the table below:

	2019 \$'000	2018 \$'000
Short-term employee benefits	1,983	2,000
Post-employment benefits	300	276
Other long-term employee benefits	159	64
<b>Total key management personnel remuneration expenses<sup>1</sup></b>	<b>2,442</b>	<b>2,340</b>

The total number of key management personnel that are included in the above table are eight (2018: seven).

The comparative disclosure for 2018 shows a reclassification of \$151,000 expenditure from “Other long-term employee benefits” to “Short-term employee benefits” to more accurately reflect the nature of this expenditure. It also includes an additional \$5,000 in parking related remuneration disclosed as “Short-term employee benefits”.

1. The above key management personnel remuneration excludes the remuneration and other benefits of the Portfolio Minister. The Portfolio Minister’s remuneration and other benefits are set by the Remuneration Tribunal and are not paid by the NHMRC.

## 6.3 Related Party Disclosures

### Related party relationships

NHMRC is an Australian Government controlled entity. Related parties to the NHMRC are Key Management Personnel, including the Portfolio Minister, Chief Executive Officer, General Manager, Executive Directors, and other Australian Government entities.

### Transactions with related parties

Given the breadth of government activities, related parties may transact with the government sector in the same capacity as ordinary citizens. Such transactions include the payment or refund of taxes, receipt of a Medicare rebate or higher education loans. These transactions have not been separately disclosed in this note.

The following transactions with related parties occurred during the financial year:

The NHMRC employs a close family member of a staff member who was acting in a Key Management Personnel role. Employee expenses for the close family member were \$53,092 (2018: \$45,491). The recruitment process was an arm’s length process, and the close family member is paid in accordance with the NHMRC’s enterprise agreement. The NHMRC employs 176 (2018: 175) staff of which there was only one close family member of a Key Management Personnel.

Significant transactions with related parties can include:

- the payments of grants or loans;
- purchases of goods and services;
- asset purchases, sales transfers or leases;
- debts forgiven; and
- guarantees.

Giving consideration to relationships with related entities, and transactions entered into during the reporting period by the NHMRC, it has been determined that there are no other related party transactions to be separately disclosed.

## 7. Managing Uncertainties

### 7.1 Contingent Assets and Liabilities

#### Quantifiable Contingencies

As at 30 June 2019 the NHMRC has no contingent assets (2018: Nil).

As at 30 June 2019 the NHMRC has the following contingent liabilities:

The NHMRC has a panel of investigators to provide investigation services if serious breaches of the *Research Involving Human Embryos Act 2002* or the *Prohibition of Human Cloning for Reproduction Act 2002* are identified.

The consequence of the contingency being triggered is estimated to be a cost of approximately \$150,000.

This quantifiable contingent liability was in place as at 30 June 2018.

#### Unquantifiable Contingencies

At 30 June 2019, the NHMRC had no unquantifiable contingencies (2018: Nil).

#### **Administered – Contingent Assets and Liabilities**

##### Quantifiable Administered Contingencies

As at 30 June 2019, the NHMRC did not have any quantifiable administered contingent assets (2018: Nil).

As at 30 June 2019, the NHMRC did not have any quantifiable administered contingent liabilities (2018: Nil).

##### Unquantifiable Administered Contingencies

At 30 June 2019, the NHMRC had no unquantifiable administered contingencies (2018: Nil).

#### **Accounting Policy**

Contingent liabilities and contingent assets are not recognised in the statement of financial position but are reported in the notes. They may arise from uncertainty as to the existence of a liability or asset, or represent a liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.



## 7.2 Financial Instruments

	2019 \$'000	2018 \$'000
<b>Note 7.2A: Categories of Financial Instruments</b>		
<b>Financial Assets under AASB 139</b>		
<b>Loans and receivables</b>		
Cash and cash equivalents		814
Trade receivables		994
<b>Total loans and receivables</b>		<u>1,808</u>
<b>Financial Assets under AASB 9</b>		
<b>Financial assets at amortised cost</b>		
Cash and cash equivalents	694	
Trade receivables	<u>861</u>	
<b>Total financial assets at amortised cost</b>	<u>1,555</u>	
<b>Total financial assets</b>	<u>1,555</u>	<u>1,808</u>
<b>Financial Liabilities</b>		
<b>Financial liabilities measured at amortised cost</b>		
Accruals	<u>3,431</u>	3,423
<b>Total financial liabilities measured at amortised cost</b>	<u>3,431</u>	<u>3,423</u>
<b>Total financial liabilities</b>	<u>3,431</u>	<u>3,423</u>

The NHMRC did not receive any income or incur any expense related to financial assets or financial liabilities disclosed above for the period ended 30 June 2019 (2018: Nil).

### Classification of financial assets on the date of initial application of AASB 9

Financial assets class	Note	AASB 139 original classification	AASB 9 new classification	AASB 139 carrying amount at 1 July 2018 \$'000	AASB 9 carrying amount at 1 July 2018 \$'000
Cash and cash equivalents		Loans and receivables	Amortised Cost	814	814
Trade and other receivables	3.1A	Loans and receivables	Amortised Cost	994	994
<b>Total financial assets</b>				<u>1,808</u>	<u>1,808</u>

### Reconciliation of carrying amounts of financial assets on the date of initial application of AASB 9

	AASB 139 carrying amount at 1 July 2018 \$'000	Reclassification \$'000	Re- measurement \$'000	AASB 9 carrying amount at 1 July 2018 \$'000
<b>Financial assets at amortised cost</b>				
<b>Loans and receivables</b>				
Cash and cash equivalents	814	-	-	814
Trade and other receivables	994	-	-	994
<b>Total amortised cost</b>	<u>1,808</u>	<u>-</u>	<u>-</u>	<u>1,808</u>

### **Accounting Policy**

#### Financial assets

With the implementation of AASB 9 Financial Instruments for the first time in 2019, the entity classifies its financial assets in the following categories:

- a) financial assets at fair value through profit or loss;
- b) financial assets at fair value through other comprehensive income; and
- c) financial assets measured at amortised cost.

The classification depends on both the entity's business model for managing the financial assets and contractual cash flow characteristics at the time of initial recognition. Financial assets are recognised when the entity becomes a party to the contract and, as a consequence, has a legal right to receive or a legal obligation to pay cash and derecognised when the contractual rights to the cash flows from the financial asset expire or are transferred upon trade date.

Comparatives have not been restated on initial application.

#### Financial Assets at Amortised Cost

Financial assets included in this category need to meet two criteria:

1. the financial asset is held in order to collect the contractual cash flows; and
2. the cash flows are solely payments of principal and interest (SPPI) on the principal outstanding amount.

Amortised cost is determined using the effective interest method.

#### Effective Interest Method

Income is recognised on an effective interest rate basis for financial assets that are recognised at amortised cost.

#### Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI)

Financial assets measured at fair value through other comprehensive income are held with the objective of both collecting contractual cash flows and selling the financial assets and the cash flows meet the SPPI test.

Any gains or losses as a result of fair value measurement or the recognition of an impairment loss allowance is recognised in other comprehensive income.

#### Financial Assets at Fair Value Through Profit or Loss (FVTPL)

Financial assets are classified as financial assets at fair value through profit or loss where the financial assets either doesn't meet the criteria of financial assets held at amortised cost or at FVOCI (i.e. mandatorily held at FVTPL) or may be designated.

Financial assets at FVTPL are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest earned on the financial asset.

#### Impairment of Financial Assets

Financial assets are assessed for impairment at the end of each reporting period based on Expected Credit Losses, using the general approach which measures the loss allowance based on an amount equal to lifetime expected credit losses where risk has significantly increased, or an amount equal to 12-month expected credit losses if risk has not increased.

The simplified approach for trade, contract and lease receivables is used. This approach always measures the loss allowance as the amount equal to the lifetime expected credit losses.

A write-off constitutes a derecognition event where the write-off directly reduces the gross carrying amount of the financial asset.

#### Financial Liabilities

Financial liabilities are classified as either financial liabilities at 'fair value through profit or loss' or other financial liabilities.

Financial liabilities are recognised and derecognised upon 'trade date'.

#### Financial Liabilities at Fair Value Through Profit or Loss

Financial liabilities at fair value through profit or loss are initially measured at fair value. Subsequent fair value adjustments are recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

#### Financial Liabilities at Amortised Cost

Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective interest basis.

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

All payables are expected to be settled within 12 months except where indicated.

Loans and Receivables

The NHMRC classifies its financial assets in the following category: loans and receivables.

Trade receivables, loans and other receivables that have fixed or determinable payments and that are not quoted in an active market. Loans and receivables are measured at amortised cost using the effective interest method less impairment.

Financial Liabilities

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

**7.3 Administered – Financial Instruments**

	2019 \$'000	2018 \$'000
<b>Note 7.3A: Categories of Financial Instruments</b>		
<b>Financial Assets under AASB 139</b>		
<b>Loans and receivables</b>		
Cash and cash equivalents		246,906
Goods and services receivable		2,426
<b>Total loans and receivables</b>		<b>249,332</b>
<b>Financial Assets under AASB 9</b>		
<b>Financial assets at amortised cost</b>		
Cash and cash equivalents	240,227	
Goods and services receivable	2,807	
<b>Total financial assets at amortised cost</b>	<b>243,034</b>	
<b>Total financial assets</b>	<b>243,034</b>	249,332
<b>Financial Liabilities</b>		
<b>Financial liabilities measured at amortised cost</b>		
Grants payable	1,903	4,079
<b>Total financial liabilities measured at amortised cost</b>	<b>1,903</b>	<b>4,079</b>
<b>Total financial liabilities</b>	<b>1,903</b>	<b>4,079</b>

The NHMRC did not receive any income or incur any expense related to financial assets or financial liabilities disclosed above for the period 30 June 2019 (2018: Nil).

<b>Classification of financial assets on the date of initial application of AASB 9</b>					
<b>Financial assets class</b>	<b>Note</b>	<b>AASB 139 original classification</b>	<b>AASB 9 new classification</b>	<b>AASB 139 carrying amount at 1 July 2018 \$'000</b>	<b>AASB 9 carrying amount at 1 July 2018 \$'000</b>
Cash and cash equivalents		Loans and receivables	Amortised Cost	246,906	246,906
Trade and other receivables		Loans and receivables	Amortised Cost	2,426	2,426
<b>Total financial assets</b>				<b>249,332</b>	<b>249,332</b>
<b>Reconciliation of carrying amounts of financial assets on the date of initial application of AASB 9</b>					
		<b>AASB 139 carrying amount at 1 July 2018 \$'000</b>	<b>Reclassification \$'000</b>	<b>Re-measurement \$'000</b>	<b>AASB 9 carrying amount at 1 July 2018 \$'000</b>
<b>Financial assets at amortised cost</b>					
<b>Loans and receivables</b>					
Cash and cash equivalents		246,906	-	-	246,906
Trade and other receivables		2,426	-	-	2,426
<b>Total amortised cost</b>		<b>249,332</b>	<b>-</b>	<b>-</b>	<b>249,332</b>

## 7.4 Fair Value Measurement

The following table provides an analysis of assets that are measured at fair value.

### Note 7.4A: Fair Value Measurement

	Fair value measurements at the end of the reporting period	
	2019 \$'000	2018 \$'000
<b>Non-financial assets</b>		
Plant and equipment <sup>1</sup>	3,624	4,161
<b>Total non-financial assets</b>	<b>3,624</b>	<b>4,161</b>
<b>Total fair value measurements of assets in the statement of financial position</b>	<b>3,624</b>	<b>4,161</b>

1. These gains/(losses) are presented in the Statement of Comprehensive Income under Write Down and Impairment of Assets and other changes in Asset Revaluation Reserve.

#### **Accounting Policy**

NHMRC engaged the service of Australian Valuation Solutions (AVS) to conduct desktop revaluation of all Plant and Equipment (P&E) assets at 31 March 2016 and has relied upon those outcomes to establish carrying amounts. An annual assessment is undertaken to determine whether the carrying amount of the assets is materially different from the fair value. Comprehensive valuations are carried out at least once every five years. AVS has provided written assurance to NHMRC that the models developed are in compliance with AASB 13.

The methods utilised to determine and substantiate the unobservable inputs are derived and evaluated as follows:

Physical depreciation and obsolescence - assets that do not transact with enough frequency or transparency to develop objective opinions of value from observable market evidence have been measured utilising the depreciated replacement cost approach. Under the depreciated replacement cost approach the estimated cost to replace the asset is calculated and then adjusted to take into account physical depreciation and obsolescence.

Physical depreciation and obsolescence has been determined based on professional judgement regarding physical, economic and external obsolescence factors relevant to the asset under consideration. For all leasehold improvement assets, the consumed economic benefit/asset obsolescence deduction is determined based on the term of the associated lease.

## 8. Other Information

### 8.1 Aggregate Assets and Liabilities

	2019 \$'000	2018 \$'000
<b><u>Note 8.1A: Aggregate Assets and Liabilities</u></b>		
<b>Assets expected to be recovered in:</b>		
No more than 12 months	5,996	13,847
More than 12 months	21,412	15,031
<b>Total assets</b>	<b>27,408</b>	<b>28,878</b>
<b>Liabilities expected to be settled in:</b>		
No more than 12 months	9,605	10,466
More than 12 months	4,080	4,115
<b>Total liabilities</b>	<b>13,685</b>	<b>14,581</b>

	2019 \$'000	2018 \$'000
<b><u>Note 8.1B: Administered - Aggregate Assets and Liabilities</u></b>		
<b>Assets expected to be recovered in:</b>		
No more than 12 months	243,034	249,332
More than 12 months	-	-
<b>Total assets</b>	<b>243,034</b>	<b>249,332</b>
<b>Liabilities expected to be settled in:</b>		
No more than 12 months	5,810	7,983
More than 12 months	-	-
<b>Total liabilities</b>	<b>5,810</b>	<b>7,983</b>

# Appendices



## Appendix 1: Commissioner of Complaints 2017–2019, Mr Chris Reid

Mr Chris Reid has had a longstanding career as a solicitor and government lawyer and brings considerable experience and expertise in investigation and administrative law to the role of Commissioner.

A solicitor of more than 30 years standing, Mr Reid has been involved in administrative law work and litigation since 1988, including cases in the Administrative Appeals Tribunal, Federal Court and High Court.

Mr Reid advised on governance and conflict of interest issues many times during his career as a government lawyer. He also worked with investigators and conducted investigations across a number of Australian Government departments. Through his former position as General Counsel at the Department of Health he gained familiarity with the Health portfolio.

Mr Reid holds degrees of Bachelor of Laws, Bachelor of Arts and Master of Public Administration. He has been employed by Maddocks as a special counsel since 2016.

## Appendix 2: Public consultations

Public consultation	Closing date
Consultation on draft modules for 'Guidelines for Guidelines'	13 March 2019
Consultation on the Myalgic encephalomyelitis and Chronic fatigue syndrome Advisory Committee Report to the NHMRC Chief Executive Officer	18 February 2019
Draft Guidance on Per fluoroalkyl and Poly fluoroalkyl substances (PFAS) in Recreational Water	27 September 2018
Consultation on draft modules for 'Guidelines for Guidelines'	18 July 2018



## Appendix 3: List of requirements

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	Review by departmental secretary	iv
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	Overview of department's performance and financial results	6–9
	Outlook for following year	1–4
	Significant issues and developments—portfolio	1–4
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	Role and functions	ii–iii, 1–4
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		x
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<b>Assessment of effectiveness of assets management</b>		
Purchasing	Assessment of purchasing against core policies and principles	78
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Part of Report	Description	Page
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<b>Other Mandatory Information</b>		
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## Appendix 4: Acronyms

AC	Companion of the Order of Australia
AHEC	Australian Health Ethics Committee
AHRTCs	Advanced Health Research and Translation Centres
AI	Administering Institution
AIDS	Acquired Immune Deficiency Syndrome
ALL	Acute Lymphoblastic Leukaemia
AM	Member of the Order of Australia
AMA	Australian Medical Association
ANAO	Australian National Audit Office
AO	Officer of the Order of Australia
APS	Australian Public Service
ARC	Australian Research Council
ARIC	Australian Research Integrity Committee
BDRI	Boosting Dementia Research Initiative
CCAG	Community and Consumer Advisory Group
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIO	Chief Information Officer
CIRHs	Centres for Innovation in Regional Health
CPA	Certified Practising Accountant
CPR	Commonwealth Procurement Rules
CTCS	Clinical Trials and Cohort Studies
ERLC	Embryo Research Licensing Committee
FOI, FOI Act	Freedom of Information, <i>Freedom of Information Act 1982</i>
GAS	Group A Streptococcus
HIAC	Health Innovation Advisory Committee
HIV	Human Immunodeficiency Virus
HREA	Human Research Ethics Application
HRECs	Human Research Ethics Committees
HRI	Heart Research Institute
HTAC	Health Translation Advisory Committee
IACR	Institutional Annual Compliance Report
IAS	International AIDS Society
IPS	Information Publication Scheme

IRIISS	Independent Research Institute Infrastructure Support Scheme
ISSN	International Standard Serial Number
JPND	European Union Joint Program on Neurodegenerative Disease
ME/CFS	Myalgic Encephalomyelitis/Chronic Fatigue Syndrome
MP	Member of Parliament
MREA	Medical Research Endowment Account
MRFF	Medical Research Future Fund
NABERS	National Australian Built Environment Rating System
NAD	Nicotinamide adenine dinucleotide
NHMRC	National Health and Medical Research Council
NHMRC Act	<i>National Health and Medical Research Council Act 1992</i>
NHPAs	National Health Priority Areas
NNIDR	NHMRC National Institute for Dementia Research
OAIC	Office of the Australian Information Commissioner
ORA	Outcome Reporting Application
PBS	Portfolio budget statements
PCIC	Principal Committee Indigenous Caucus
PFAS	Per- and Poly-fluoroalkylated Substances
PGPA Act	<i>Public Governance, Performance and Accountability Act 2013</i>
PGPA Rule	<i>Public Governance, Performance and Accountability Rule 2014</i>
PhD	Doctor of Philosophy
PHCR Act	<i>Prohibition of Human Cloning for Reproduction Act 2002</i>
PS Act	<i>Public Service Act 1999</i>
PSM	Public Service Medal
RGMS	Research Grants Management System
RIHE Act	<i>Research Involving Human Embryos Act 2002</i>
RQSC	Research Quality Steering Committee
SES	Senior Executive Service
SME	Small and Medium Enterprises
STI	Sexually transmitted infections
TIS National	Translating and Interpreting Service
WHS	Work Health and Safety
WiHSC	Women in Health Science Committee

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