



Australian Government

National Health and Medical Research Council

2019-20

ANNUAL REPORT 2019-20

BUILDING
A HEALTHY
AUSTRALIA

NHMRC

Figure 1: NHMRC funding snapshot, 2019–20



Figure 2: NHMRC staff snapshot, 2019–20



Figure 3: Research on major health issues funded by NHMRC, 2019-20

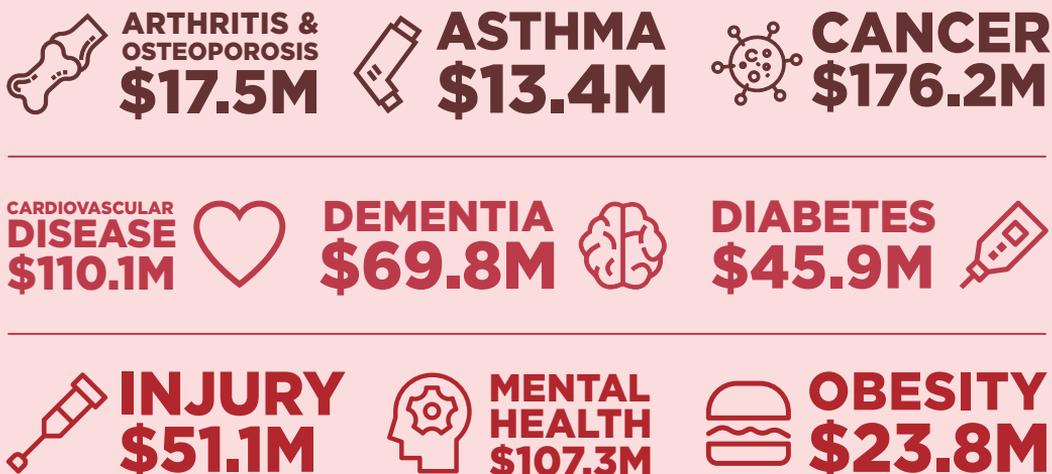


Figure 4: NHMRC Aboriginal and Torres Strait Islander health research funding, 2019-20



MREA refers to the Medical Research Endowment Account.



Figure 5: NHMRC applications for funding by gender, 2019-20



CIA refers to the Chief Investigator A.

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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 2019–20 financial year.

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* (NHMRC Act).

As demonstrated in this report, NHMRC has continued to achieve its purposes, which are 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.

Throughout 2019–20, NHMRC performed its functions under the NHMRC Act, the *Prohibition of Human Cloning for Reproduction Act 2002*, the *Research Involving Human Embryos Act 2002* and the *Medical Research Future Fund Act 2015*.

This report includes the annual report of the NHMRC Commissioner of Complaints, as required under section 68 of the NHMRC Act. It also includes a report on the activities of the Australian Research Integrity Committee.

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, investigation and reporting mechanisms
- I have taken all reasonable measures to deal appropriately with fraud relating to NHMRC.

Yours sincerely

Professor Anne Kelso AO
Chief Executive Officer

21 September 2020

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**BUILDING
A HEALTHY
AUSTRALIA**

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About the report

This annual report is a summary of the performance and financial position of the National Health and Medical Research Council (NHMRC) for the 12-month period to 30 June 2020.

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 that ended 30 June 2020, unless stated otherwise.

As a statutory authority in the Health portfolio, we manage our performance through the outcome and program structure set out in NHMRC’s chapter of the Health Portfolio Budget Statements (PBS).

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

Our corporate plan is available at www.nhmrc.gov.au/about-us/publications/nhmrc-corporate-plan-2019-20.

Our PBS is available on the Australian Government Department of Health website at www.health.gov.au/resources/publications/health-portfolio-budget-statements-2019-20.

Chief Executive Officer's review



As we prepare this Annual Report, the world is experiencing its most severe and wide-reaching pandemic in a century. While Australia has been spared the most acute impacts seen in some other countries, millions of Australians have suffered from the health, social and economic effects of COVID-19.

Since the great influenza pandemic of 1918–19, the world has been aware of the ever-present threat of a major global infectious disease outbreak, in principle at least. Now we know how important those pandemic plans were, how important it was to monitor the spread of infectious diseases, to share information openly between countries and with our communities, to build and maintain capacity in public health and primary and acute health care – and to invest in health and medical research.

Through research on the novel coronavirus – how it infects and interacts with its human host, how it spreads between individuals and through populations, how its spread can be interrupted, how and in whom it causes severe disease, whether it can be overcome by existing or new drugs, whether infected individuals become immune, and how to induce immunity with a vaccine – health and medical researchers are essential partners with governments, industry and the community in the response to COVID-19.

The importance of Australia's health and medical research sector in the management of the pandemic in this country to date has been widely recognised. NHMRC is proud to have contributed to our national resilience through long-term support for research on infectious diseases and many other relevant fields, as well as specific investments in pandemic research preparedness and response.

This was a year with distinct halves.

In the first half of the 2019–20 year, a major focus was the delivery of the inaugural round of NHMRC's **new grant program**. Four new grant schemes were rolled out, with outcomes announced between August and December: Investigator Grants, Ideas Grants, Synergy Grants, and Clinical Trials and Cohort Studies Grants. The 2019 round was quickly followed by the second cycle of Investigator Grants, announced in May 2020.

Together, the four new schemes accounted for about 80% of our commitments from the Medical Research Endowment Account in the 2019 calendar year. Importantly, they represent significant reforms to our grant program, designed to support a talented, innovative and diverse research sector to meet the health challenges of our times. Implementation of such big changes, particularly in the face of very high application numbers, was hard work for everyone involved. We are extremely grateful to the many researchers who contributed to the expert review of applications and provided feedback on the changes, and to research offices in universities, medical research institutes and other NHMRC-funded organisations for their continuing collaboration.

Another activity of particular importance in the first half of the year was NHMRC's expert scientific review and community consultation on the possible introduction of **mitochondrial donation** into Australian clinical practice. This in vitro fertilisation (IVF) technology has the potential to enable parents to avoid transmission of severe familial mitochondrial disease to future generations. As mitochondrial donation is prohibited in Australia, NHMRC was asked to provide advice on the scientific, social, ethical and legal issues arising from the technology. We thank the hundreds of people who contributed to NHMRC's community consultation on this complex topic and we acknowledge the exceptional work of the Mitochondrial Donation Expert Working Committee and the Citizens' Panel. The *Mitochondrial Donation Expert Working Committee Statement to the NHMRC CEO on the science of mitochondrial donation* and the *Report on NHMRC's public consultation on the social and ethical issues raised by mitochondrial donation* were released on NHMRC's website in June 2020. These reports will inform future discussion of the possible introduction of mitochondrial donation.

The second half of the year brought **COVID-19**.

As the outbreak progressed and its likely impact became apparent, NHMRC reorganised working arrangements and redefined priorities to ensure the safety of staff while continuing to meet our core obligations to the Government, the research sector and the wider community. For staff in our Canberra and Melbourne offices, the necessary transition to working from home and virtual meetings was well supported by our previous investments in ICT. Some staff members were redeployed to support essential services in other agencies. Staff had demonstrated their resilience during the long and difficult summer of bushfires. They again stepped up magnificently in the face of COVID-19 and have continued to work effectively and efficiently, despite the many challenges.

Of great long-term concern was the disruption of health and medical research by the pandemic. There were immediate impacts on clinical and public health researchers involved in the frontline response, on researchers with additional caring responsibilities as a result of social restrictions, on teaching and research academics moving to online teaching, and on a very wide range of research programs and clinical trials that were (and in many cases remain) interrupted. The disproportionate impact of these disruptions on some researchers, such as women with children at home and early- and mid-career researchers on short-term contracts, is a particular concern. As the months went by, the likely loss of national research capacity over the longer term emerged as a real risk.

NHMRC took a number of important decisions about the **2020 grant program** in response to these disruptions, drawing on the advice of Research Committee. These decisions included: cancelling one grant scheme; delaying application submission dates for other schemes; streamlining peer review processes; relaxing grant reporting requirements; and increasing flexibility to vary existing grants, for example, to extend end-dates or to pivot to research on COVID-19.

These changes were made to reduce the acute pressure of application timelines and peer review on the research sector, to recognise uncertainty about the duration and impacts of the pandemic on current research, and to support the desire of many investigators to contribute to the national research effort on COVID-19.

Although we cannot yet predict the timing and nature of future pandemics, we can be certain they will occur. NHMRC recognised this reality some years ago when it decided to invest in pandemic research preparedness. A call for a national collaborative network for this purpose led to the funding of the **Australian Partnership for Preparedness Research on Infectious Disease Emergencies** (APPRISE) from 2016. In early 2020, APPRISE rapidly activated and coordinated a range of COVID-19 studies and clinical trials that have made a crucial contribution to Australia's research response. Under the terms of the grant that established APPRISE, NHMRC provided supplementary funding for research to inform the public health and clinical responses to COVID-19.

Over the first months of the pandemic, the Medical Research Future Fund (MRFF) also offered a range of emergency grant opportunities for research on COVID-19. To complement this funding, NHMRC focused on providing future funding opportunities for research across the full breadth of health challenges that continue to face the Australian community.

Since April 2020, NHMRC has also supported the **National COVID-19 Health and Research Advisory Committee**. This committee of outstanding public health, clinical and biomedical researchers, and experts from the disability, mental health and other relevant sectors, was formed to provide rapid, evidence-based advice (or expert advice in the absence of evidence) on Australia's health response to the COVID-19 pandemic.

Despite the interruption of some NHMRC activities by COVID-19, progress was made on many others.

In 2019–20, NHMRC launched special initiatives to strengthen our response in two priority areas identified in our Corporate Plan. The first was the **National Network for Aboriginal and Torres Strait Islander Health Researchers**. This grant will support a single collaborative network to bring together Aboriginal and Torres Strait Islander health research groups and their support networks to build the capacity and capability of Indigenous health researchers. The second was the **Special Initiative in Mental Health**, intended to support a multidisciplinary, nationally focused team to establish a national centre for innovation in mental health care. Both grants will be announced in the 2020–21 year.

The **Medical Research Future Fund** has changed the Australian health and medical research landscape, providing substantial new funding for priority-driven research with a focus on translation and innovation. Since 2017-18, NHMRC has supported the government's delivery of the fund by managing many competitive MRFF grant schemes on behalf of the Department of Health. In 2019-20, NHMRC delivered 27 MRFF grant opportunities, including rapid calls in 2020 for research on the impact of bushfires and on COVID-19 vaccines, therapeutics and respiratory disease.

Great progress was made in developing and implementing NHMRC's new grants management solution, **Sapphire**. By mid-2020, applications to all NHMRC schemes, and all NHMRC-managed MRFF schemes, were being prepared in Sapphire and several other components of this modular system were being piloted or in use. Although significant work remains before the predecessor Research Grants Management System can be retired, the benefits of Sapphire for applicants, institutions and the Office of NHMRC are now being realised.

At NHMRC, we recognise the importance of **community and consumer involvement** at every stage on the research pathway and value the guidance provided by our Community and Consumer Advisory Group on many of our policies and practices. In early 2020, we were pleased to release a toolkit developed with this Group which we hope will be useful to researchers seeking practical advice on engaging with consumers to undertake high-quality, relevant research.

In December 2019, NHMRC released the draft revised *Australian guidelines to reduce the health risks from drinking alcohol* for public consultation. Evidence-based guidelines such as these are an important way to update the community and provide advice on how to lower health risks. It is expected that the final guidelines will be released in late 2020.

The **NHMRC National Institute for Dementia Research** (NNIDR) closed on 30 June 2020 after a successful 5 years supporting the Australian dementia research sector and assisting with the delivery of the Australian Government's \$200 million Boosting Dementia Research Initiative. NNIDR was operated in partnership with Dementia Australia and we acknowledge with gratitude the commitment and contributions of Dementia Australia, NNIDR staff, dementia researchers, consumers, carers, clinicians and those living with dementia to this transformative initiative.

In closing, I thank our Chair, Professor Bruce Robinson AC, and all the members of our Council, Principal Committees and many expert advisory committees for their advice and support – and on their behalf and ours in the Office of NHMRC, I thank the Australian health and medical research community for a year of exceptional, life-changing contribution to our national health and wellbeing.

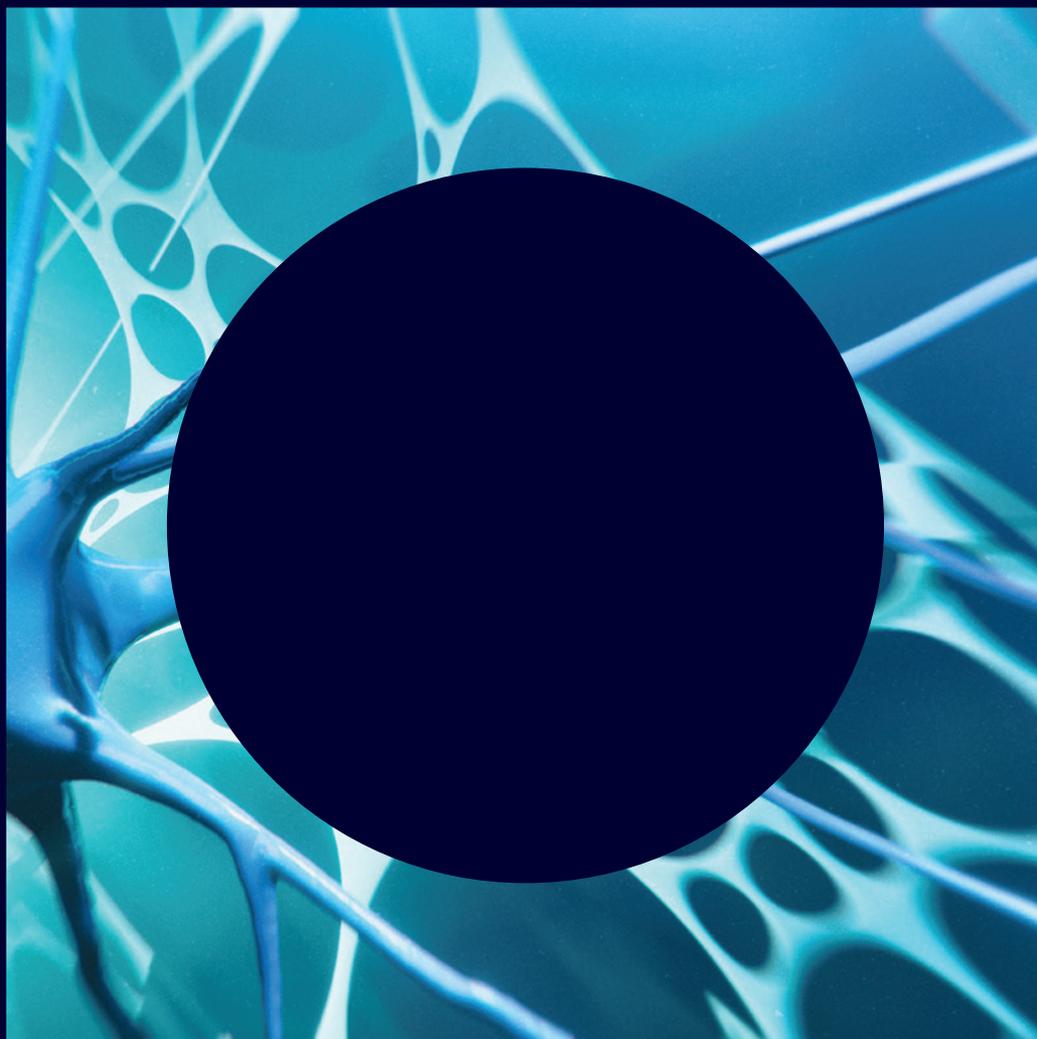


Professor Anne Kelso AO
Chief Executive Officer

Part 1

Overview

NHMRC has been supporting health and medical research and advancing health and medical knowledge to improve the health of all Australians since 1937. This section details NHMRC's role and organisational structure, introduces our senior executive, highlights our 2019-20 strategic priorities, and presents our strategy for investment in health and medical research.



Role and functions

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 pursue activities designed to:

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

Our functions under the NHMRC Act are to:

- issue guidelines and advise the community on matters related to
 - improving health
 - preventing, diagnosing and treating disease
 - provision of health care
 - public health research and medical research
 - ethical issues in health
- advise and make recommendations to the Australian Government (the Commonwealth), the states and the territories on the above matters
- 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 *Prohibition of Human Cloning for Reproduction Act 2002* and the *Research Involving Human Embryos Act 2002*, and exercise some statutory functions under the *Medical Research Future Fund Act 2015*.

We develop evidence-based health advice and translate research findings into evidence-based clinical practice guidelines 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.

Outcomes and programs

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 Health Portfolio Budget Statements (PBS). The 2019-20 PBS set out our intended outcomes, which are delivered through one program.

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.

Program 1.1 Health and Medical Research

The Australian Government, through NHMRC, will invest in health and medical research that:

- addresses national health priorities; and
- is undertaken within a framework that promotes research quality, integrity and ethics.

NHMRC will drive the translation of research outcomes into clinical practice, policies and health systems and the effective commercialisation of research discoveries, to improve health care and the health status of all Australians.

Purpose

We realise our mission of building a healthy Australia through the themes of **investment**, **translation** and **integrity**. Activities against these themes are detailed in our corporate plan, which also includes our strategic priorities and performance criteria and targets.

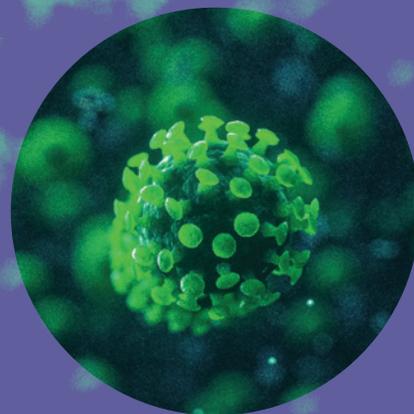
Under these themes, our purposes as outlined in the 2019-20 NHMRC corporate plan are to:

- fund high-quality health and medical research, and build research capability
- support the translation of health and medical research into better health outcomes
- promote the highest standards of ethics and integrity in health and medical research.

Additionally, in the corporate plan our Chief Executive Officer identifies the major national health issues that are likely to arise and sets out a national strategy for health and medical research for the forward period.

CASE STUDY

Australia's medical researchers prepared for decades and responded in days to the COVID-19 pandemic



Australia's response to COVID-19 has been fast, largely effective and evidence based. The initial infection curve was flattened and a potential crisis in our hospitals was averted. Despite the challenges of community spread in Melbourne, infection and death rates in Australia are well below those in America and Europe.

There are still many challenges to overcome. Until vaccines or effective treatments are available, the effect on our social, cultural and economic lives will continue. But, so far, Australia has done well.

State and federal chief medical officers have provided robust advice to government, informed by teams of experts working quickly to assimilate and interpret information from around the world. Backing them are teams of researchers investigating the biology of the virus, how COVID-19 spreads and how it kills.

Researchers are learning how to save lives in hospital, and how to reduce direct and indirect effects on all Australian communities. They are racing to develop and test potential treatments and vaccines.

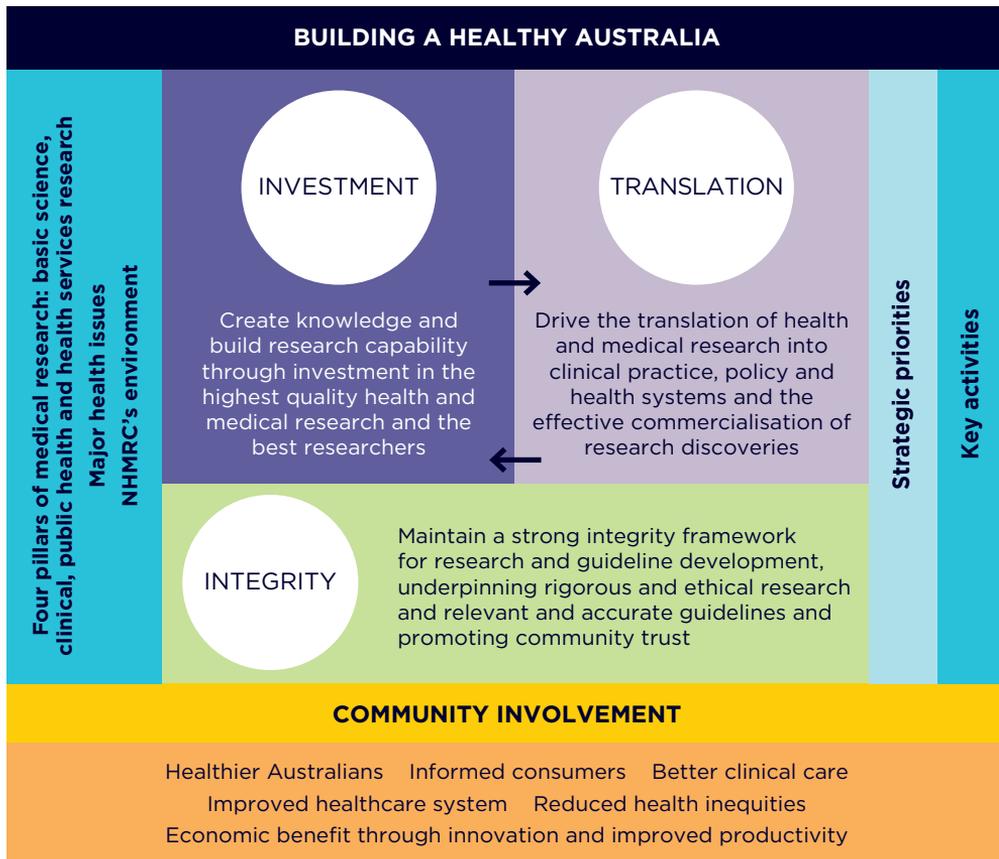
Australia's rapid response was due, in part, to years of preparation by public health and medical researchers backed by NHMRC. From January 2020, this preparation enabled a suite of projects to switch into 'pandemic mode' and respond to the rapidly changing needs of a nation facing its biggest infectious disease challenge in a century.

You can read more about NHMRC's response to COVID-19 at www.nhmrc.gov.au/research-policy/COVID-19-impacts.

Strategy for health and medical research

Our strategy for health and medical research, as illustrated in Figure 6, addresses major health issues and other functions conferred on us by the NHMRC Act.

Figure 6: NHMRC strategy for health and medical research



Research investment in major health issues

The National Health Priority Areas were designated by Australian governments as key investment targets because of their contribution to the overarching burden of disease in Australia. Although preventive health and primary care have shifted from a disease-specific approach to a more integrated approach, the nine priority areas are still useful for considering NHMRC investment in research and translation. Our peer review processes ensure that the most compelling and significant research proposals, as judged by independent experts, are funded in each area. Table 1 shows NHMRC expenditure on research in the nine major health areas over the past 5 years.

Table 1: Research on major health issues funded by NHMRC, 2015-16 to 2019-20¹

Health issue	2015-16	2016-17	2017-18	2018-19	2019-20	Total
Arthritis and osteoporosis	\$18,795,565	\$18,587,314	\$17,090,906	\$16,753,034	\$17,522,971	\$88,749,790
Asthma	\$17,823,657	\$14,090,531	\$14,630,187	\$14,799,985	\$13,409,583	\$74,753,943
Cancer	\$173,827,967	\$173,941,646	\$175,843,293	\$177,119,115	\$176,195,811	\$876,927,832
Cardiovascular disease	\$107,299,859	\$106,093,758	\$100,220,334	\$99,207,972	\$110,051,267	\$522,873,190
Dementia	\$41,431,454	\$47,506,067	\$55,949,202	\$67,923,621	\$69,771,215	\$282,581,559
Diabetes	\$64,282,295	\$60,758,105	\$52,898,334	\$46,026,444	\$45,874,167	\$269,839,345
Injury	\$52,659,185	\$47,067,086	\$46,986,732	\$50,745,510	\$51,116,530	\$248,575,043
Mental health ²	\$91,992,858	\$92,253,295	\$99,136,785	\$108,345,343	\$107,337,360	\$499,065,641
Obesity	\$30,993,234	\$27,565,388	\$24,578,731	\$22,770,158	\$23,826,669	\$105,907,511

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

¹ For reporting purposes, NHMRC classifies applications against disease, health and research topics based on information provided at the time of application including an application’s title, keywords, media summaries and other research classifications where appropriate. This process results in the classification of applications to more than one health issue and therefore the columns in this table cannot be totalled. NHMRC does not apportion funding when more than one topic is indicated and the full value of the grant is attributed.

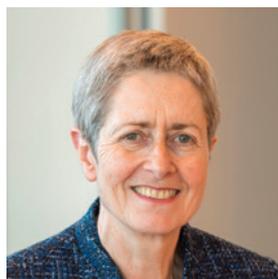
² Includes research into addiction and substance abuse.

NHMRC’s strategic priorities and major health issues identified in the 2019-20 NHMRC corporate plan 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.

Leadership

Our executive is responsible for the management of NHMRC.



Chief Executive Officer, Professor Anne Kelso AO

After completing 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 (QIMR). From 2000 to 2006, she was Director/CEO of the Cooperative Research Centre for Vaccine Technology based at QIMR. In 2007, she returned to Melbourne as Director of the World Health

Organization Collaborating Centre for Reference and Research on Influenza until taking up her role with NHMRC in April 2015. She was appointed Officer of the Order of Australia in 2007 for service to science and was elected to the fellowship of the Australian Academy of Science and the Australian Academy of Health and Medical Sciences in 2018.

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 Trustees of the international Human Frontier Science Program, and the Strategy Board of the Global Alliance for Chronic Diseases, of which she is currently Chair.



General Manager, Ms Clare McLaughlin

Ms McLaughlin is responsible for overseeing the operation of NHMRC, a role she has held since January 2019.

Immediately before this appointment, Ms McLaughlin was the General Manager, Science Agencies Governance Branch in the Australian Government Department of Industry, Innovation and Science. She served as Science Counsellor at the Australian Embassy and Mission to the European Union in Brussels from 2013 to 2016. Previously, she managed the National Collaborative Research Infrastructure Strategy, 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 Australian Government Department of Education.

Leadership team



Executive Director, Research Foundations, Dr Julie Glover

Dr Glover manages NHMRC's largest research funding schemes, leads strategic research activities, and manages NHMRC's grants and funding arrangements with research institutions.

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 to the Innovation division of the Australian Government Department of Industry and spent 4 years developing and delivering key innovation policies. Dr Glover joined NHMRC as a Director in 2011.



Executive Director, Corporate Operations and Information, Mr Tony Krizan FCPA

Mr Krizan is Executive Director, Corporate Operations and Information, Chief Financial Officer and Chief Information Officer of NHMRC. Tony has experience in a number of industries, as well as 28 years in the public sector working in a 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 centre on research translation, including public health and guidelines for clinical practice, the translation centre initiative, and translation-focused funding schemes for clinical trials, cohort studies and Centres of Research Excellence. He also leads NHMRC's activities to support Indigenous health research and researchers, and NHMRC's work on behalf of the Medical Research Future Fund. He is NHMRC's Indigenous Champion.

Mr Singh has held a range of senior management roles, mostly in health policy.



Executive Director, Research Quality and Priorities, Ms Prue Torrance

Ms Torrance's responsibilities centre on initiatives to ensure the quality, integrity and ethical standards in NHMRC-funded research and priority-driven funding schemes. She also works with international partners in health and medical research. Additionally, she is responsible for strategic planning and corporate governance for the agency.

In 2020, Ms Torrance's responsibilities include oversight of NHMRC's COVID-19 Advice Taskforce, which is supporting an expert advisory committee to inform the public health response to the pandemic.

Ms Torrance joined NHMRC in May 2019. Previously, she held a range of senior management roles, including in corporate governance and finance. Ms Torrance has worked in the Education and Training, and Industry, Innovation, Science and Research portfolios in policy roles for science and research. She holds a Master of Studies from the Australian National University, and a Bachelor of Arts (Hons) and Science.



Acting Executive Director, Corporate Operations, Mr Ivan Sharma CPA (1 July 2019 to 31 December 2019)

Mr Sharma's responsibilities include business services, human resources and finance functions. He acted as Chief Financial Officer in the latter half of 2019.

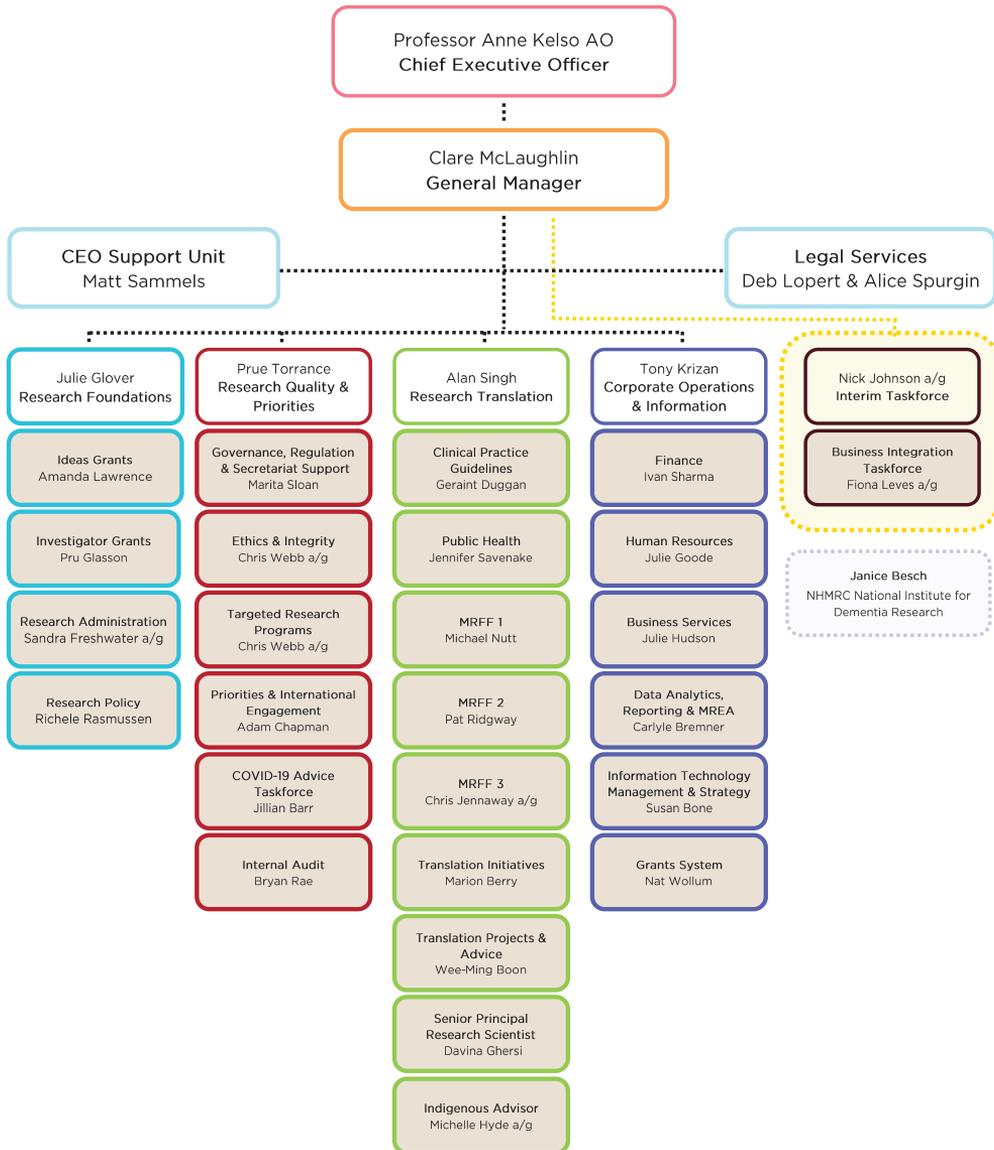
Mr Sharma has tertiary qualifications in commerce and accounting, and is a member of CPA Australia.

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

NHMRC structure

Figure 7 shows our organisational structure at 30 June 2020.

Figure 7: NHMRC organisational structure as at 30 June 2020



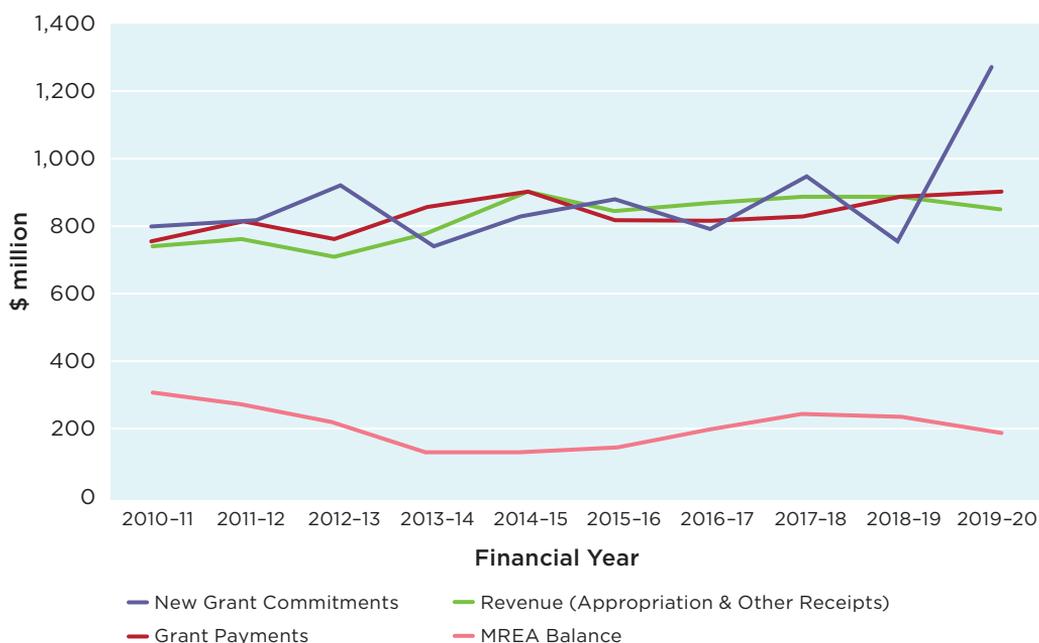
Research funding and expenditure

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 \$854.7 million in 2019–20. Grant payments for health and medical research totalled \$901.5 million in the same year, reflecting a draw-down on the balance of the MREA.

New grants awarded through the MREA during 2019–20 included the 2019 and 2020 application rounds of Investigator Grants due to the timing of those rounds (although the awarded grants commence 12 months apart in 2020 and 2021, respectively). This, combined with an overall increase in the level of commitments in the first year of the new grant program, led to a total of \$1259.6 million in new grants awarded during 2019–20, which was an increase of \$496.2 million from 2018–19 when \$763.4 million was committed. This increase in commitments was enabled because no program grants were awarded in 2018–19, and these funds were carried forward in the MREA and committed in 2019–20. Figure 8 depicts the MREA financial position from 2010–11 to 2019–20.

Figure 8: Medical Research Endowment Account (MREA), 2010–11 to 2019–20



In 2019–20, NHMRC also administered \$8.3 million in grant programs outside the MREA, including activities related to the Boosting Dementia Research Initiative (\$1.5 million), Dementia Centres for Research Collaboration (\$4.0 million), anti-venom research (\$0.5 million), and provision of research evidence for clinical practice and policy through the Cochrane Collaboration (\$2.3 million).

NHMRC funding summary

Table 2 summarises the new grants awarded by NHMRC in 2019-20. Information on grants awarded by NHMRC during 2019-20 is available at www.nhmrc.gov.au/funding/data-research/outcomes-funding-rounds.

Table 2: NHMRC funding summary, 2019-20

Funding initiative		New grants	Total commitments (\$)
Investigator Grants ¹ (2019 application round for funding to commence in 2020)		246	365,873,457
Investigator Grants (2020 application round for funding to commence in 2021)		237	367,475,145
Ideas Grants		294	241,744,094
Synergy Grants		10	50,000,000
Clinical Trials and Cohort Studies		31	74,534,045
Centres of Research Excellence ²		15	37,404,469
Development Grants		19	14,648,895
Postgraduate Scholarships		69	7,173,973
Research Fellowships – 6th year extensions ³		23	3,426,568
Subtotal		944	1,162,280,646
Partnership Projects	2018 Peer Review Cycle 3	18	19,175,941
	2019 Peer Review Cycle 1	6	5,668,011
	2019 Peer Review Cycle 2	6	4,829,281
	Partnership Projects total	30	29,673,233
Targeted Calls for Research	Targeted Call for Research: Frailty in Hospital Care	3	4,179,298
	Targeted Call for Research: Nutrition in Aboriginal and Torres Strait Islander Peoples	4	6,083,985
	Targeted Call for Research: Per- and Poly-Fluoroalkylated Substances (PFAS)	9	10,716,089
	Targeted Calls for Research total	16	20,979,372
	NHMRC-European Union (EU) Collaborative Research Grants	6	2,806,422
International collaborative schemes	NHMRC-National Institute for Health Research Collaborative Research Grants	1	1,218,120
	NHMRC e-ASIA Joint Research Program Grants	2	1,809,198
	NHMRC-EU Joint Programme on Neurodegenerative Disease Research (JPND) JPco-fuND-2 Grants	3	1,485,987
	UK Research and Innovation-NHMRC Built Environment Prevention Research Grants	5	3,647,039
	International collaborative schemes total	17	10,966,767
Infrastructure support	Equipment Grants	44	5,699,999
	Independent Research Institutes Infrastructure Support Scheme	23	29,999,999
	Infrastructure support total	67	35,699,998
Grand total	1074	1,259,600,016	

¹ Two rounds of Investigator Grants were approved in 2019-20 because of the timing of the first year of the new grant program.

² Excludes \$2 million in additional funding to the Australian Partnership for Preparedness Research on Infectious Disease Emergencies (APPRISE) Centre of Research Excellence for research to support the response to COVID-19.

³ These awards are not considered new grants as they are extensions of existing Research Fellowships.

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 a number of MRFF-funded programs that support a wide range of objectives, including:

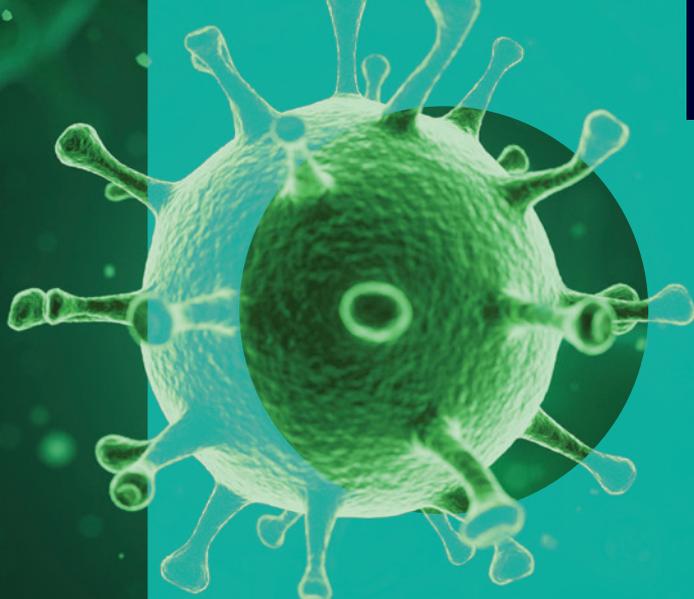
- clinical trials investigating rare cancers and diseases
- fellowships to ensure the supply of high-quality, next-generation research talent
- global health
- improved effectiveness of health services
- Indigenous health
- primary health care, preventive health and public health
- stem cell therapies for traumatic brain injury
- translating mental health research into better practice
- urgent research programs in response to bushfires and COVID-19.

As at 30 June 2020, NHMRC was administering 309 MRFF grants, awarded through 49 MRFF grant rounds.¹

¹ This includes MRFF Investigator Grants that commence funding in 2021.

CASE STUDY

NHMRC's response to COVID-19



As with the Australian community as a whole, the health and medical research sector has been profoundly affected by the COVID-19 pandemic. These effects have included interruptions to research activities, increased workloads for frontline healthcare and public health researchers, and increased caring responsibilities. Below is a brief summary of the actions taken by NHMRC in response to the pandemic across each of our purposes: investment, translation and integrity.

Investment

Throughout 2019–20, NHMRC has continued to fund health and medical research and build research capability by offering new grant opportunities and supporting existing NHMRC-funded researchers, while also making adjustments to our policies and programs in response to COVID-19.

On 19 March and 27 March 2020, the CEO issued communiqués to the health and medical research sector noting the issues facing the sector and advising of changes to NHMRC activities in response. These communiqués addressed issues such as:

- recognising the effects of the pandemic on the health and medical research sector, including on particular groups, and on the broader Australian community
- advising NHMRC-funded researchers that they were/are able to vary or delay their research activities to account for disruptions due to COVID-19 through NHMRC's standard grant variation processes
- announcing the extension of application deadlines for the Ideas Grant and Clinical Trials and Cohort Studies schemes for 2020, and cancellation of the 2020 Synergy Grants round
- suspending all face-to-face committee meetings, including grant review panel meetings.

On 13 May 2020, NHMRC announced that a streamlined peer review process, without grant review panels, would be used for the 2020 Ideas Grants round. This change was important to reduce the peer review burden on the sector and maximise the chance of announcing outcomes by the end of 2020.

In early June, NHMRC extended the closing date for the Ideas Grant scheme by another week to 17 June 2020 in response to concerns that the relatively late full return to face-to-face teaching in Victorian schools created inequities for some applicants.

Information was made available and regularly updated on NHMRC's website from March 2020, including a page of frequently asked questions on the effect of the COVID-19 outbreak on applications for NHMRC funding, peer review, grant management and other NHMRC processes.

Translation

Throughout 2019–20, NHMRC has supported the translation of health and medical research into better health outcomes, including supporting national and international efforts to address the COVID-19 pandemic and its consequences. For example, NHMRC-funded researchers have been provided with the flexibility to pivot their research focus to COVID-19, or to delay their planned research activities while they contributed to the clinical or public health response.

On 14 April 2020, the Minister for Health, the Hon Greg Hunt MP, announced an additional \$2 million in NHMRC funding for the Australian Partnership for Preparedness Research on Infectious Disease Emergencies (APPRISE) for research to respond to the COVID-19 outbreak. APPRISE is an NHMRC-funded Centre of Research Excellence (CRE) supported by a \$5 million grant over 5 years from 2016 to 2021. APPRISE has undertaken a range of activities since 2016 to establish research preparedness in infectious diseases and, from January 2020, has been contributing to the national COVID-19 response. The competitive funding call to establish this special CRE included a provision for NHMRC to request and fund the CRE to undertake rapid research responding to an infectious disease emergency.

Examples of the research that was enabled or enhanced through the emergency funding provided by NHMRC in April 2020 were:

- serosurveys of population immunity to the new coronavirus
- strengthened participation of Australian intensive care units in the international REMAP-CAP clinical trial to evaluate multiple interventions in critically ill COVID-19 patients
- studies to understand the impact of COVID-19 on Indigenous communities and people in aged care facilities.

Australian researchers have also been part of the international research effort to respond to COVID-19. NHMRC is a member of the Global Research Collaboration for Infectious Disease Preparedness (GloPID-R), an international network of major research funding organisations that invest in research capacity to support the rapid initiation of scientific research in an outbreak. NHMRC also supported the delivery of funding calls through the Medical Research Future Fund (MRFF), including for urgent research on COVID-19 vaccines, therapies and respiratory illness.

The Office of NHMRC has been supporting the work of the National COVID-19 Health and Research Advisory Committee since it was established in April 2020. The committee, which is co-chaired by Professor Sharon Lewin AO and Professor Michael Kidd AM, is providing evidence-based advice to the Chief Medical Officer to assist with Australia's health response to the COVID-19 pandemic. As of 30 June 2020, the committee has met on 16 occasions and provided advice on issues such as:

- accurately measuring antibody levels to better understand population and individual immunity
- the use of convalescent plasma for the prevention and treatment of COVID-19
- ethical issues arising from the COVID-19 pandemic in Australia
- mental health impacts of quarantine and self-isolation
- risks of resurgence of COVID-19 in Australia
- COVID-19 issues for urban Aboriginal and Torres Strait Islander communities.

Integrity

While recognising the urgency of research to address COVID-19, NHMRC has continued to promote the highest standards of ethics and integrity as paramount at all times, including during a pandemic.

In March 2020, NHMRC was involved in the provision of information and advice to institutions conducting or overseeing research, including Human Research Ethics Committees (HRECs), researchers and sponsors, in the context of the COVID-19 pandemic. The *COVID-19: Guidance on clinical trials for institutions, HRECs, researchers and sponsors* was released as a joint statement of all state and territory and the Commonwealth departments of health, the Therapeutic Goods Administration and NHMRC. The statement was first published on 24 March 2020 and last updated on 9 April 2020.

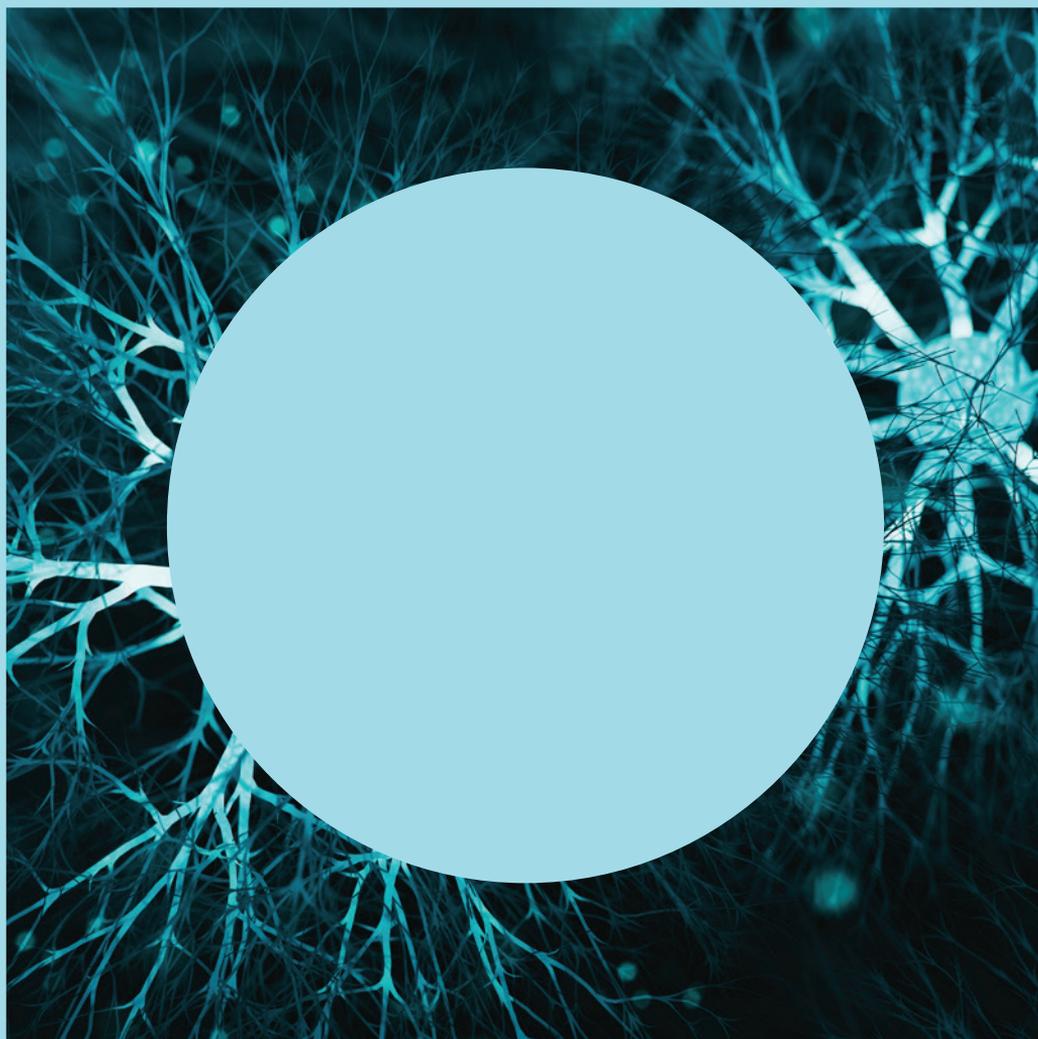
The statement represents current thinking and best practice at the government level and will be reviewed and updated regularly to reflect changes in government policy, public health advice, and the needs of those conducting and participating in clinical research in Australia. It includes guidance to support expedited ethics review processes, such as for urgent COVID-19 research, if considered necessary by those responsible for overseeing the research.

The COVID-19 pandemic may be affecting existing research projects that use animals or may generate new research proposals that involve the use of animals. NHMRC also issued guidance on its website in March 2020 reminding institutions, researchers and others of their responsibilities under the *Australian code for the care and use of animals for scientific purposes*.

Part 2

Promoting excellence through NHMRC awards

Outstanding Australian researchers and the extraordinary quality and promise of health and medical research are highlighted through our awards for excellence.



2020 Commonwealth Health Minister's Award for Excellence in Health and Medical Research



A/Prof Chow (on right) receiving his award from Prof Steve Wesselingh, Chair of NHMRC's Research Committee (on left).

This award recognises the outstanding achievement and potential of an Australian medical researcher who has completed a Doctor of Philosophy or Doctor of Medicine within the past 10 years.

Previously given to the highest-ranked recipient of the NHMRC Career Development Fellowship, under NHMRC's new grant program it is awarded to the highest-ranked applicant for an Emerging Leadership Level 2 (EL2) Investigator Grant.

Associate Professor Eric Chow from Monash University won this award in 2020. It recognises Associate Professor Chow's outstanding research achievements, as well as his vision for his research to improve treatment, prevention and control of sexually transmitted infections, especially gonorrhoea and human papillomavirus.

NHMRC Research Excellence Awards

On 11 March 2020, NHMRC recognised 13 outstanding researchers at its annual Research Excellence Awards dinner. These Awards are presented to the highest-ranked researchers and teams after peer review of applications for NHMRC's highly competitive grant schemes. The awardees listed below have all demonstrated exceptional achievement in their chosen research fields.

The 2019 awards recognise achievement in the first year of NHMRC's new grant program, which supports talented researchers at all career stages, encourages innovation and creativity, and fosters diverse multidisciplinary teams to improve health and wellbeing through research. In 2019-20, NHMRC introduced two new named awards: the NHMRC Fiona Stanley Synergy Grant Award and the NHMRC Sandra Eades Investigator Grant Award.

Investigator Grants

NHMRC Peter Doherty Investigator Grant Awards

These awards are named to honour the Australian Nobel Laureate Professor Peter Doherty AC, a researcher in viral immunology. Professor Doherty received the Albert Lasker Award for Basic Medical Research in 1995, and the Nobel Prize in Physiology or Medicine in 1996 with Rolf Zinkernagel for their discoveries about the specificity of cell-mediated immune defence. Professor Doherty was Australian of the Year in 1997.

From 2019, the Peter Doherty awards recognise the highest-ranked applications in the Leadership and Emerging Leadership categories of the Investigator Grant scheme.

2019 NHMRC Peter Doherty Investigator Grant Award (Leadership)



Professor Stuart Tangye

University of New South Wales

Professor Tangye heads the Immunity and Inflammation Research theme at the Garvan Institute of Medical Research. He researches the biology of the human immune system and how genetic defects cause the clinical features of immunodeficiencies.

By studying patients with immunodeficiencies, Professor Tangye aims to increase understanding of the requirements for generating an effective immune response and to translate these insights into better diagnoses, treatments and outcomes for patients with debilitating immune dysregulatory diseases.

2019 NHMRC Peter Doherty Investigator Grant Award (Emerging Leadership)



Associate Professor Eric Chow

Monash University

Associate Professor Chow is a sexual health epidemiologist and the Head of the Health Data Management and Biostatistics Unit at the Melbourne Sexual Health Centre, Alfred Health, and the Central Clinical School, Monash University. Associate Professor Chow completed his PhD in human immunodeficiency virus epidemiology in 2014 and progressed to sexual health research when supported by an NHMRC Early Career Fellowship.

Associate Professor Chow's research aims to improve the treatment, prevention and control of sexually transmitted infections, especially gonorrhoea and human papillomavirus. He is currently conducting clinical trials to examine whether antiseptic mouthwash can be used as a novel treatment and preventive strategy for gonorrhoea.

NHMRC Elizabeth Blackburn Investigator Grant Awards

These awards are named to honour the Australian Nobel Laureate Professor Elizabeth Blackburn AC, a molecular biologist who received the Nobel Prize in Physiology or Medicine in 2009 jointly with Jack Szostak and Carol Greider for the discovery of how chromosomes are protected by telomeres and the enzyme telomerase.

The awards were established to promote and foster the career development of female researchers. In 2019, they were awarded to the highest-ranked female applicants for research in Basic Science, Clinical Medicine and Science, Public Health, and Health Services in the Leadership category of the Investigator Grant scheme.

2019 NHMRC Elizabeth Blackburn Investigator Grant Award (Leadership in Basic Science Research)



Professor Naomi Wray

The University of Queensland

Professor Wray holds joint appointments at the Institute for Molecular Bioscience and the Queensland Brain Institute at the University of Queensland. She is a Fellow of the Australian Academy of Science, and her research interests bring together genetics, statistics, big data computational analysis and disorders of the brain.

Professor Wray's research will develop and apply new genomic methods to catalyse discoveries about the causes of common diseases, ultimately leading to improved prevention, diagnosis, treatment options and prognosis.

2019 NHMRC Elizabeth Blackburn Investigator Grant Award (Leadership in Clinical Medicine and Science Research)



Professor Glenda Halliday

The University of Sydney

Professor Halliday is renowned internationally for her research on neurodegeneration. After developing rigorous quantitative methods for evaluating pathology in patients with defined clinical symptoms, she revealed that neurodegeneration in Parkinson's disease and related syndromes was more extensive than previously thought. Her research has directly influenced clinical practice, and shaped current international diagnostic criteria and recommendations for patient identification and management.

Professor Halliday now aims to find preclinical biomarkers that identify under-recognised non-Alzheimer's diseases to target with disease-modifying strategies.

**2019 NHMRC Elizabeth Blackburn Investigator Grant Award
(Leadership in Public Health Research)**



Professor Jo Salmon

Deakin University

Alfred Deakin Professor Jo Salmon is Co-Director of the Institute for Physical Activity and Nutrition, Deakin University. She holds a PhD in behavioural epidemiology and has 20 years of experience developing effective, scalable programs to promote children's physical activity.

Professor Salmon's research program will address the current and future health of Australian children by ensuring that the latest evidence on how to move a sedentary generation is embedded in practice and policy, both in Australia and globally.

**2019 NHMRC Elizabeth Blackburn Investigator Grant Award
(Leadership in Health Services Research)**



Professor Johanna Westbrook

Macquarie University

Professor Westbrook is Director of the Centre for Health Systems and Safety Research at the Australian Institute of Health Innovation, Macquarie University. She is internationally recognised for her research evaluating the effects of information and communication technology in health care.

Professor Westbrook's research will investigate how to optimise current medication technologies and look to the future as medication treatment is increasingly personalised for patients. Her research will investigate the many variables at the interface between new technologies and the professionals who use them to develop systems that support clinicians' work, and substantially improve the delivery and outcomes of health services.

NHMRC Sandra Eades Investigator Grant Award

This award is named to honour Professor Sandra Eades, the first Aboriginal medical practitioner to be awarded a PhD. Professor Eades is a Noongar woman from Mount Barker, Western Australia. Through her research on the epidemiology of Aboriginal child health, she has made substantial contributions to the health of Aboriginal communities and provided national leadership in Indigenous health research. Professor Eades was recently appointed Dean of Medicine at Curtin University, the first Indigenous Australian dean of a medical school.

This award recognises the highest-ranked application by an Indigenous researcher in the Emerging Leadership category of the Investigator Grant scheme.

2019 NHMRC Sandra Eades Investigator Grant Award



Doctor Phillipa Taberlay

University of Tasmania

A descendent of Mannalargenna and proud Tasmanian Aboriginal woman, Dr Taberlay is based at the Tasmanian School of Medicine, College of Health and Medicine. Her research centres on understanding distal regulatory elements and three-dimensional aspects of gene control, and uses cutting-edge methods to delineate mechanisms of epigenetic reprogramming in development, cancer and neurodegenerative disorders.

Dr Taberlay aims to define the limits of epigenetic flexibility in healthy ageing and understand why the epigenome is reprogrammed, causing damage that leads to cancers and dementias.

NHMRC Frank Fenner Investigator Grant Award

This award is named to honour the achievements of Professor Frank Fenner AC. Professor Fenner was a distinguished virologist who oversaw the global eradication of smallpox and the introduction of the myxoma virus to control Australia's rabbit plague.

This award recognises the highest-ranked application in the Emerging Leadership (Level 1) category of the Investigator Grant scheme within the Basic Science or Public Health research areas. The grant recipient's research focus is international public health and best reflects the qualities exemplified by Professor Fenner's career.

2019 NHMRC Frank Fenner Investigator Grant Award



Doctor Adam Wheatley

The University of Melbourne

Dr Wheatley is based in the Department of Microbiology and Immunology, University of Melbourne. After undergraduate studies at the Australian National University and gaining his PhD at the University of Melbourne, he undertook postdoctoral training at the US National Institutes of Health Vaccine Research Center. There he focused on defining correlates of immune protection after clinical immunisation trials, and characterising humoral immunity elicited to experimental HIV and influenza vaccines. In 2015, Dr Wheatley returned to the University of Melbourne to continue work on B cell immunobiology in the context of infection and immunisation.

Dr Wheatley's research seeks to understand B cell trafficking, germinal centre and memory formation, the basis for cross-reactive antibody recognition of antigenically diverse pathogens, and the rational design and pre-clinical testing of novel influenza vaccine concepts.

Postgraduate Scholarships

NHMRC Gustav Nossal Postgraduate Scholarship Award

This award is named to honour Sir Gustav Nossal AC and his pioneering work in immunology. Sir Gustav is a distinguished research biologist noted for his contributions to the fields of antibody formation and immunological tolerance.

This award recognises the highest-ranked applicant for an NHMRC Postgraduate Scholarship in the Clinical Medicine and Science category.

2019 NHMRC Gustav Nossal Postgraduate Scholarship Award



Doctor Olivia Smibert

The University of Melbourne

Dr Smibert holds a Bachelor of Biomedical Science and a Bachelor of Medicine and Surgery from the University of Tasmania. After graduating on the Dean's Honour Roll with First Class Honours, she completed electives at the London School of Hygiene and Tropical Medicine, undertook a Diploma of Tropical Medicine and Hygiene at Liverpool University, studied bioethics at Queens University in Canada and, most recently, completed a fellowship at Massachusetts General Hospital, Harvard University.

Through her research, Dr Smibert hopes to increase understanding of the mucosa-associated microbiome, and the infectious and immunological outcomes after bone marrow and solid organ transplantation by defining the fungal and viral components of this microbial ecosystem longitudinally over the course of transplantation.

Ideas Grants

NHMRC Marshall and Warren Awards

These awards are named to honour Australian Nobel Laureates Professor Barry Marshall AC and Professor Robin Warren AC, who received 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.

The Marshall and Warren Awards recognise the highest-ranked application and the most highly innovative and potentially transformative application in the Ideas Grant scheme.

2019 NHMRC Marshall and Warren Ideas Grant Award



Professor Mark Willcox

University of New South Wales

Professor Willcox specialises in ocular and oral microbiology – in particular, understanding how bacteria adhere to surfaces and cause disease.

Professor Willcox has developed novel antimicrobial peptides, coatings and other strategies that can be applied to medical devices to reduce the morbidity and mortality associated with microbial colonisation.

Professor Willcox's research will use both his previous developments and new peptide mimics to provide antimicrobial coatings for medical devices, and will consider different ways of attaching the mimics and the mechanisms that provide antimicrobial functionality.

2019 NHMRC Marshall and Warren Innovation Award



Associate Professor James St John

Griffith University

Associate Professor St John is Head of the Clem Jones Centre for Neurobiology and Stem Cell Research at Griffith University.

He is a neuroscientist who uses multidisciplinary, innovative approaches to bioengineer cellular products for human therapies. Associate Professor St John's early career focused on discovery research to understand the development and regeneration of the nervous system. He now applies this knowledge to drive translational research to develop cell transplantation therapies to treat spinal cord injury and peripheral nerve injury.

Associate Professor St John's research seeks to determine the efficacy of cellular nerve bridges in repairing large-gap peripheral nerve injuries in animal models, with the aim of progressing to human clinical trials.

Synergy Grants

NHMRC Fiona Stanley Synergy Grant Award

This award is named to honour Professor Fiona Stanley AC, an epidemiologist known for her contributions to research on the causes of important childhood conditions such as birth defects, and for her work on Aboriginal child health and wellbeing. Professor Stanley was the founding Director of the Telethon Kids Institute and is now its Patron. She was Australian of the Year in 2003.

This award recognises the highest-ranked application in the Synergy Grant scheme.

2019 NHMRC Fiona Stanley Synergy Grant Award



Professor Erica Wood

Monash University

Professor Wood is head of the Transfusion Research Unit at Monash University and a consultant haematologist at Monash Health. She is president-elect of the International Society of Blood Transfusion and serves on the World Health Organization (WHO) Expert Advisory Panel on Transfusion Medicine and the WHO guideline development group for anaemia.

The team led by Professor Wood will use clinical registries and observational and interventional studies to describe how blood is used in Australia and how its use can be improved to achieve better outcomes for patients. Her focus is transfusion in major haemorrhage, blood cancers and critically ill patients, and the use of immunoglobulins.

Clinical Trials and Cohort Studies Grants

NHMRC Clinical Trials and Cohort Studies Award

This award recognises the highest-ranked application in the Clinical Trials and Cohort Studies Grant scheme.

2019 NHMRC Clinical Trials and Cohort Studies Award



Associate Professor Jaquelyne Hughes

Menzies School of Health Research

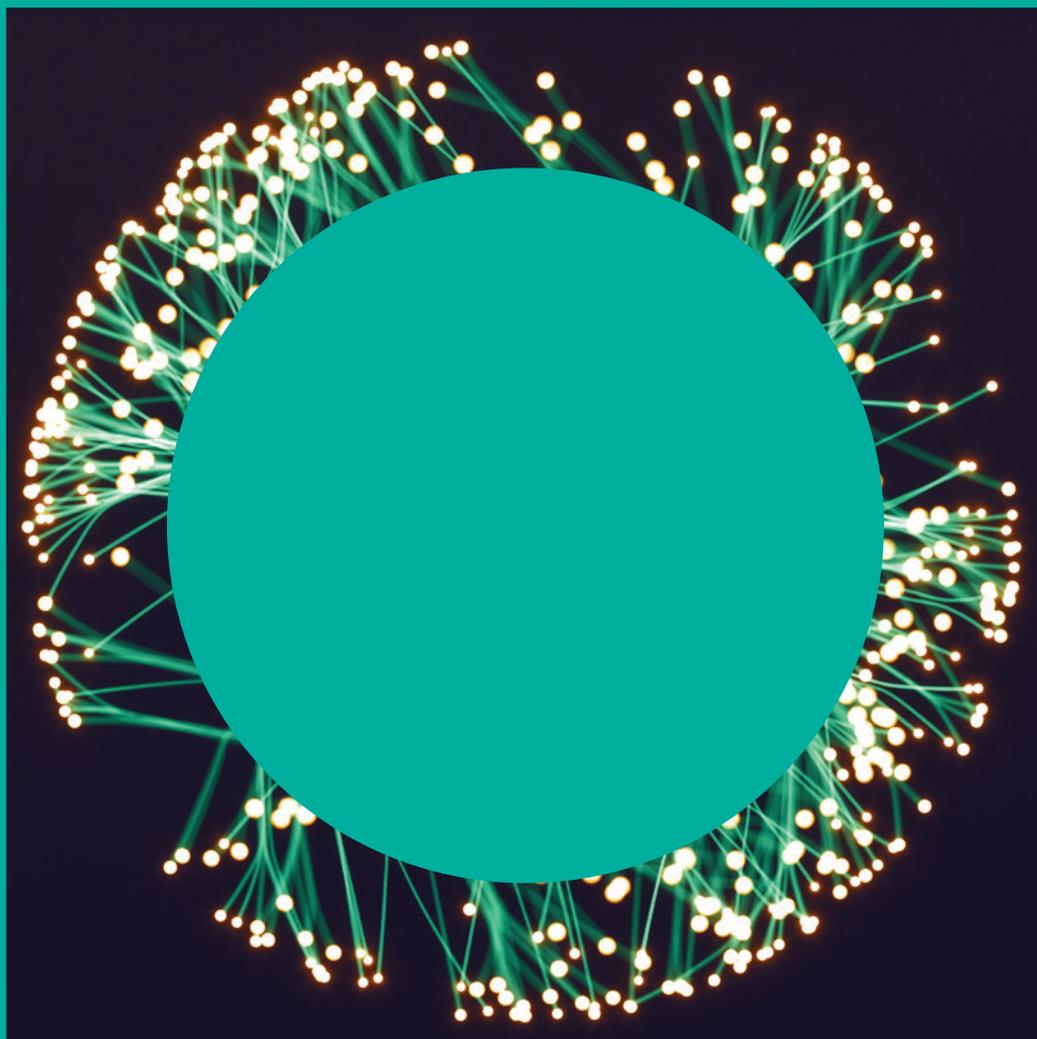
Associate Professor Hughes is a clinical researcher at the Menzies School of Health Research in Darwin where she leads a research team to strengthen health services and optimise patient-centred renal care aligned to the values of Aboriginal and Torres Strait Islander patients and the community.

Aboriginal and Torres Strait Islander people living in Australian regions have a higher prevalence of potentially preventable chronic kidney failure than other societal groups. This study with a cohort of Aboriginal and Torres Strait Islander adults builds on a strong 12-year partnership between Indigenous community members, partners in clinical health services and the research team to advance knowledge of kidney health and uncover the mechanisms of loss of kidney function.

Part 3

Annual performance statements

Our annual performance statements outline our activities and achievements against performance targets 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 2019–20 annual performance statements of NHMRC, as required under section 39(1)(a) of the *Public Governance, Performance and Accountability Act 2013* (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

21 September 2020

Purposes

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

These are our purposes, as set out in our corporate plan 2019–20:

- 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 standards of ethics and integrity in health and medical research

Summary of results

Table 3 summarises our performance against the targets outlined in our corporate plan and Portfolio Budget Statements (PBS) for 2019–20.

Table 3: Summary of results, 2019–20

INVESTMENT		RESULT
Fund high-quality health and medical research and build research capability		
Research grants in basic science, clinical medicine, public health and health services research meet the health needs of Australians, and include national, state and territory, and community priorities		
Target 1	Case studies demonstrating impacts of NHMRC-funded health and medical research	MET
Target 2	Key priority areas identified that would benefit from research grants	MET
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 3	>5% of annual budget expended on research that will provide better health outcomes for Aboriginal and Torres Strait Islander peoples	MET
Support Aboriginal and Torres Strait Islander researchers through building and strengthening capacity		
Target 4	Monitor the number of Aboriginal and Torres Strait Islander chief investigators	MET
Support research on dementia and its translation into policy and practice		
Target 5	Provide grants to support dementia research projects	MET
Target 6	Synthesise outcomes from dementia research to inform improved treatments and care for people with dementia	MET
Target 7	Report on outcomes from dementia research investments	MET
Effectively implement NHMRC's new grant program		
Target 8	Evaluation framework in place by 2020	MET
Target 9	First phases of evaluation have commenced	MET
Support the development of outstanding leadership in health and medical research through NHMRC funding		
Target 10	Researcher profiles demonstrating outstanding leadership	MET
Foster gender equality in research funding through NHMRC policies and processes		
NA	Establish the baseline for future targets by reporting the funded rates for women and men in NHMRC's new grant program	NA

TRANSLATION		RESULT
Support the translation of health and medical research into better health outcomes		
Support an Australian health system that is research led, evidence based, efficient and sustainable		
Target 11	Achievements in improving clinical care, health service delivery and clinical training by Advanced Health Research and Translation Centres (AHRTCs) and Centres for Innovation in Regional Health (CIRHs) highlighted on NHMRC's website	MET
Target 12	Announce newly accredited AHRTCs and CIRHs	MET
Target 13	Development and/or approval of public health, clinical and environmental health guidelines	MET
Target 14	Case studies demonstrate uptake of latest scientific evidence into health policy	MET
Improve the capability to report on the impact of the research funded by NHMRC		
Target 15	Develop a framework for a research impact accelerator that lists impact indicators linked to NHMRC funding	NOT MET
Target 16	Present 10 case studies that demonstrate the impact of health and medical research funding	MET
INTEGRITY		RESULT
Promote the highest standards of ethics and integrity in health and medical research		
Promote and monitor the implementation of the revised <i>Australian Code for the Responsible Conduct of Research, 2018 (the Code)</i> and supporting guides		
Target 17	Implementation of the Code reported by at least 80% of Administering Institutions	MET
Provide guidance to the research sector to support research quality		
Target 18	Gaps in advice identified	MET
Stakeholders demonstrate good understanding of the regulatory requirements under the <i>Research Involving Human Embryos Act 2002</i> and the <i>Prohibition of Human Cloning for Reproduction Act 2002</i>		
Target 19	Good understanding of regulatory requirements is demonstrated through outcomes from inspections and 6-monthly reports	SUBSTANTIALLY MET

Expenses and resources

Budgeted expenses for NHMRC

The 2019–20 agency PBS outline NHMRC’s budgeted expenses and resources (Table 4).

Table 4: Portfolio Budget Statements – NHMRC expenses and resources, 2019–20

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 2019–20 \$'000 (a)	Actual Expenses 2019–20 \$'000 (b)	Variation 2019–20 \$'000 (a) - (b)
Program 1.1: Health and medical research			
Administered expenses			
Ordinary annual services	854,712	854,712	
to the Medical Research Endowment Account (MREA)	(842,766)	(846,554)	3,788
Special accounts			
Medical Research Endowment Account (MREA)	868,575	901,447	(32,872)
Departmental expenses			
Departmental appropriation ¹	42,609	42,098	511
Expenses not requiring appropriation in the Budget year ²	2,508	5,542	(3,034)
Total for Program 1.1	925,638	957,245	(31,607)
Total expenses for Outcome 1	925,638	957,245	(31,607)
	2018–19	2019–20	
Average staffing level (number)	176	181	5

¹ 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*).

² Expenses not requiring appropriation in the Budget year comprise depreciation expenses, amortisation expenses and audit fees.

Expenditure by broad research area

Table 5: NHMRC expenditure by broad research area, 2015–16 to 2019–20

Broad research area	2015–16 (\$)	2016–17 (\$)	2017–18 (\$)	2018–19 (\$)	2019–20 (\$)
Basic science	339,711,638	326,513,258	332,233,704	358,472,639	363,312,278
Clinical medicine and science	284,280,055	293,765,578	295,388,527	309,399,525	307,393,276
Public health	110,969,617	114,773,175	117,670,602	126,384,582	130,206,801
Health services research	52,559,386	49,891,734	52,277,215	55,696,549	59,633,121
Other ¹	37,530,283	35,546,331	36,530,956	39,357,705	40,891,500
Total	825,050,979	820,490,076	834,101,004	889,311,000	901,436,976

¹ Equipment Grants and Independent Research Institutes Infrastructure Support Scheme (IRIIS) Grants

INVESTMENT: Fund high-quality health and medical research and build research capability

Activities | Investment

NHMRC's Corporate Plan 2019-20 outlines our key activities.

- 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.
- Provide strategic funding in areas of need, such as Aboriginal and Torres Strait Islander health research and researchers, grants led by female researchers, and health services research.
- Fund health research to improve health outcomes for Aboriginal and Torres Strait Islander peoples and to build and strengthen Aboriginal and Torres Strait Islander researcher 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 implementing *NHMRC's Gender Equality Strategy 2018-2021*.
- Enhance and coordinate research into dementia including through the NHMRC National Institute for Dementia Research and in responding to the evaluation of the Boosting Dementia Research Initiative.
- Respond to changing health needs and future threats, including working with others to address evidence gaps, evidence-practice gaps and evidence-policy gaps, and providing priority-driven and targeted research funding where warranted.
- Support collaborative approaches to health and medical research, domestically and internationally, including connecting, supporting and encouraging links with researchers in non-health 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 Medical Research Future Fund (MRFF) investments that leverage NHMRC's existing capability.

Analysis of performance | Investment

Research grants in basic science, clinical medicine, public health and health services research meet the health needs of Australians, and include national, state and territory, community priorities

Target 1: Case studies demonstrating impacts of NHMRC-funded health and medical research

Source: NHMRC Corporate Plan 2019–20 and PBS 2019–20

Methodology: Identify appropriate case studies for inclusion in NHMRC's annual report.

Result: **MET**

NHMRC-funded research creates new knowledge about the mechanisms underlying health and disease and develops better ways to prevent and treat ill health. The impact of NHMRC-funded research is wide-reaching, with numerous examples showcased on the NHMRC website and elsewhere.

NHMRC works with partners to illustrate the longer-term impacts of NHMRC-funded research in detailed impact case studies, which are published on NHMRC's website (www.nhmrc.gov.au/about-us/resources/impact-case-studies). Extracts of some of the impact case studies developed in 2019–20 are highlighted in this annual report (see pp. 49–50 and 68).

This annual report also includes a case study on the NHMRC-supported Australian Partnership for Preparedness Research on Infectious Disease Emergencies (APPRISE) Centre of Research Excellence, which to date has played a central role in Australia's response to the COVID-19 pandemic (see p. 40).

Target 2: Key priority areas identified that would benefit from research grants

Source: NHMRC Corporate Plan 2019–20 and PBS 2019–20

Methodology: Through a range of approaches, identify key priority areas that would benefit from research grants.

Result: **MET**

In 2019–20, approximately \$21 million was awarded through NHMRC's Targeted Calls for Research scheme for research that reflects national, local and community priorities, including:

- \$6.1 million for research into nutrition in Aboriginal and Torres Strait Islander peoples, a priority in *NHMRC's Road Map 3: a strategic framework for improving Aboriginal and Torres Strait Islander health through research*, the *National Aboriginal and Torres Strait Islander health plan (2013–2023)* and the *Implementation plan for the National Aboriginal and Torres Strait Islander health plan (2013–2023)*
- \$10.7 million for research into per- and poly-fluoroalkylated substances (PFAS), as part of the Australian Government's response to community concern about the potential health effects of PFAS contamination on or near Commonwealth sites
- \$4.2 million for research into frailty in hospital care, which was a priority identified by the Targeted Calls for Research Working Committee of the Australian Health Ministers' Advisory Council.

Part 3 Annual performance statements

In addition, these national priority-driven initiatives and Targeted Calls for Research were open for applications during 2019–20:

- National Network for Aboriginal and Torres Strait Islander Health Researchers
- NHMRC Special Initiative in Mental Health
- Targeted Call for Research into myalgic encephalomyelitis/chronic fatigue syndrome.

A further Targeted Call for Research into end-of-life care, which was due to open in 2019–20, was postponed to 2020–21 in response to the disruption caused by the COVID-19 pandemic.

In November 2019, NHMRC convened a workshop with researchers and experts as a first step in scoping the parameters for a forthcoming special initiative for research on health and environmental change. This initiative is one of NHMRC's actions to support its strategic priority of resilience to environmental change, emerging health threats and emergencies.

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 3: >5% of annual budget expended on research that will provide better health outcomes for Aboriginal and Torres Strait Islander peoples

Source: NHMRC Corporate Plan 2019–20 and PBS 2019–20

Methodology: Calculate based on expenditure. Funding is categorised as 'Indigenous health research' by reviewing each funded grant against a range of investigator-provided data classifications, including fields of research, keywords, grant titles and media summaries.

Result: **MET**

In 2019–20, this target was achieved, with 6.1% of Medical Research Endowment Account expenditure – approximately \$55.1 million – directed to Aboriginal and Torres Strait Islander health research through NHMRC funding schemes (Table 6).

Table 6: NHMRC expenditure on Aboriginal and Torres Strait Islander health research, 2015–16 to 2019–20

	2015–16	2016–17	2017–18	2018–19	2019–20
Aboriginal and Torres Strait Islander health research	\$52,300,848	\$52,807,350	\$49,601,395	\$52,522,761	\$55,095,357

Target 4: Monitor the number of Aboriginal and Torres Strait Islander chief investigators

Source: NHMRC Corporate Plan 2019–20

Methodology: Calculate based on the number of chief investigators across all NHMRC schemes who identify as being of Aboriginal and/or Torres Strait Islander descent.

Result: **MET**

The number of Aboriginal and Torres Strait Islander chief investigators on NHMRC grant applications was monitored and is reported in Table 7. NHMRC will continue to monitor and report this information, which will be used to inform future policy decisions.

Table 7: Number of Indigenous Chief Investigators (CIs) on NHMRC grant applications, 2017–18 to 2019–20

Quantitative measure	2017-18	2018-19	2019-20
Number of unique CIs who self-identified as Indigenous (all applications)	125	153	143
Number of unique CIs who self-identified as Indigenous (funded applications)	49	55	55
Percentage of unique CIs who self-identified as Indigenous awarded NHMRC funding in financial year	39.2%	35.9%	38.5%
Number of applications with at least one CI who self-identified as Indigenous (all applications)	135	149	126
Number of funded grants with at least one CI who self-identified as Indigenous (funded applications)	40	40	42
Funded rate of applications with at least one CI who self-identified as Indigenous that were awarded NHMRC funding in financial year	29.6%	26.8%	33.3%

Support research on dementia and its translation into policy and practice

Target 5: Provide grants to support dementia research projects

Source: NHMRC Corporate Plan 2019–20

Methodology: Support research on dementia.

Result: **MET**

In 2019–20, \$69.6 million was awarded for 50 new research projects about dementia across NHMRC's grant program. This funding included \$1.5 million for three collaborative research projects under the Call for Multinational Research Projects on Personalised Medicine for Neurodegenerative Diseases of the EU Joint Programme – Neurodegenerative Disease Research.

Target 6: Synthesise outcomes from dementia research to inform improved treatments and care for people with dementia

Source: NHMRC Corporate Plan 2019–20

Methodology: Support research with a translational focus, including the Dementia Centre for Research Collaboration.

Result: **MET**

In 2019–20, NHMRC supported translational dementia research activities, including:

- supporting the Dementia Centre for Research Collaboration, which is funded until 30 June 2021
- a 1-year extension (until 30 June 2020) of the NHMRC National Institute for Dementia Research (NNIDR) to synthesise and communicate the outcomes of the \$200 million Boosting Dementia Research Initiative (BDRI).

In June 2020, the NNIDR published *A snapshot of high potential impact research on dementia in Australia*, which provides an overview of the research advances since 2014 with high potential to improve treatments and care for people living with dementia.

The report is available on NHMRC's website: www.nhmrc.gov.au/research-policy/research-priorities/dementia/nnidr.

Target 7: Report on outcomes from dementia research investments

Source: NHMRC Corporate Plan 2019–20

Methodology: Continue to monitor research outcomes from the BDRI.

Result: **MET**

The NNIDR produced a report on the outcomes of the BDRI, which was published in February 2020. *The Boosting Dementia Research Initiative 2014–2019* report is available on NHMRC's website: www.nhmrc.gov.au/research-policy/research-priorities/dementia-research.

Effectively implement NHMRC's new grant program

Target 8: Evaluation framework in place by 2020

Source: NHMRC Corporate Plan 2019–20

Methodology: Establish an evaluation framework to assess the impacts of change in the program structure.

Result: **MET**

NHMRC's new grant program aims to:

- encourage greater creativity and innovation in research
- minimise the burden on researchers of application and peer review so that researchers can spend more time producing high-quality research
- provide opportunities for talented researchers at all career stages to contribute to improving human health.

In early 2019, NHMRC, through RAND Corporation Australia, established an evaluation framework that outlines options for measuring the objectives of the new grant program. The RAND evaluation framework for the NHMRC new grant program is available at www.rand.org/randeuropa/research/projects/NHMRC-evaluation-framework.html.

Target 9: First phases of evaluation have commenced

Source:	NHMRC Corporate Plan 2019–20
Methodology:	Assess impacts of the new grant program using the evaluation framework.
Result:	MET

Evaluation of program outcomes provides insights about how the new grant program is meeting its objectives. Some of these measures, such as funding support at different career stages and across broad research areas, is reported for the 2019 rounds in factsheets on NHMRC's website: www.nhmrc.gov.au/funding/data-research/outcomes-funding-rounds. This information provides important baseline data for ongoing program evaluation.

Support the development of outstanding leadership in health and medical research through NHMRC funding**Target 10: Researcher profiles demonstrating outstanding leadership**

Source:	NHMRC Corporate Plan 2019–20
Methodology:	Through a case study approach, demonstrate the success of NHMRC's grant schemes in building leadership.
Result:	MET

NHMRC's grant program supports the research programs of outstanding researchers at all career stages, providing support for early-career, mid-career and established researchers. The highest-ranked applicants in NHMRC's major funding schemes are recognised in the annual Research Excellence Awards. In March 2020, the first round of Research Excellence Awards under the new grant program were conferred. The awards recognise the extraordinary quality and promise of Australia's health and medical researchers who received NHMRC grants in 2019. The profiles of the 2019 awardees, including emerging and senior leaders, are published in Part 2 of this annual report, and on NHMRC's website: www.nhmrc.gov.au/about-us/nhmrc-awards/2019-research-excellence-awards.

NHMRC also promotes outstanding leadership by profiling leading health and medical research through the InFocus series on NHMRC's website (www.nhmrc.gov.au/about-us/infocus). NHMRC-funded research highlighted in 2019–20 includes:

- the NHMRC-supported clinical trial (REMAP-CAP) that is trialling more than 20 treatments for critically ill COVID-19 patients in 14 countries around the world
- a series featuring leading health and medical researchers at various career stages and their research programs supported by 2019 Investigator Grants.

Foster gender equality in research funding through NHMRC policies and processes**Funded rates for women and men in NHMRC's new grant program**

Source:	NHMRC Corporate Plan 2019–20
Methodology:	Collect baseline data on the funded rates for men and women in the Investigator Grant, Ideas Grant and Synergy Grant schemes. Compare funded rates by gender in subsequent years against these baseline data.
Result:	NA – no target for 2019–20

Part 3 Annual performance statements

The target for 2020–21 and beyond will be an increase in the funded rates of women in schemes where funded rates are statistically significantly lower than those for men.

Table 8 presents the baseline data on the funded rates for men and women during the first year of NHMRC's new grant program for comparison with rates in subsequent years.

NHMRC is committed to supporting gender equality in its research funding by implementing actions under NHMRC's Gender Equality Strategy 2018–2021. Success rates for women in many NHMRC schemes are historically lower than men's rates. The new grant program, which began in 2019, introduced new schemes and processes that may affect the funded rates for men and women. Hence, direct comparison with schemes in prior years is problematic.

In some grant schemes, NHMRC uses structural priority funding to top up the overall scheme allocation to award more grants to women and thus reduce the funding gap or equalise funded rates between women and men. In the 2019–20 funding rounds, structural priority funding was used to award more grants to women in the 2019 Investigator Grants, 2019 Ideas Grants, 2019 Clinical Trials and Cohort Studies Grants, 2019 Centres of Research Excellence, 2019 Targeted Calls for Research, and 2020 Investigator Grants.²

Table 8: Grants awarded by gender of Chief Investigator A (CIA), 2019–20

Round	Female CIA			Male CIA		
	No. applications	No. grants	Funded rate (%)	No. applications	No. grants	Funded rate (%)
2020 Investigator Grants	834	106	12.7	934	131	14.0
2019 Investigator Grants	856	97	11.3	991	148	14.9
2019 Ideas Grants	1108	123	11.1	1517	169	11.1
2019 Synergy Grants	29	6	20.7	35	4	11.4
2019 Clinical Trials and Cohort Studies	258	15	5.8	312	16	5.1
Centres of Research Excellence	36	6	16.7	49	9	18.4
Development Grants	21	4	19.0	73	15	20.5
Postgraduate Scholarships	127	45	35.4	78	21	26.9
Partnership Projects	43	19	44.2	25	11	44.0
Targeted Calls for Research	40	8	20.0	41	8	19.5
International collaborative schemes	42	10	23.8	25	7	28.0
Total 2019–20 commitments	3394	439	12.9	4080	539	13.2

Note: Excludes applications in which the gender of the CIA was unspecified, and non-competitive rounds (IRIIS, Equipment Grants, 6th-year Research Fellowship extensions, and APPRISE CRE extension).

² Structural priority funding was also used for reasons other than gender equality, such as Indigenous research, Indigenous researchers, or health services research. These results include all structural priority funding awarded to grants with a female CIA, even if gender equality was not the reason that structural priority funding was awarded.

CASE STUDY

Twenty years of preparation

Over the past 20 years, NHMRC has invested more than \$23 million in 37 projects on pandemic preparedness.

Some projects looked to the lessons of history:

- applying modern mathematics, epidemiology and modelling to what we know about the 1918–19 influenza pandemic, which killed more than 50 million people, including about 15,000 Australians³
- analysing 20 years of notification data on infectious diseases to improve future detection of outbreaks
- reviewing the impact and cost-effectiveness of HIV (human immunodeficiency virus) control measures in 15 countries
- learning from the 2014 Ebola epidemic, AIDS (acquired immunodeficiency syndrome) and other emerging diseases.

Some projects tackled vector-borne diseases such as dengue and Zika virus, while others investigated how society would need to respond to a pandemic:

- assessing how social distancing, school closures, quarantine and other measures would affect the spread of influenza
- refining business planning and continuity—experience with severe acute respiratory syndrome (SARS) showed that health officials were overwhelmed with businesses seeking information on how they could operate safely. Researchers worked with owners to discover what would enable them to undertake their own planning.
- evaluating fever screening at airports
- planning the role and likely responses of paramedics and other emergency workers in a mass-outbreak scenario.

When a novel H1N1 influenza spread around the world in 2009, NHMRC initiated a suite of rapid response projects, including research on early warning systems, mapping, sharing data, and managing the disease in prisons.

The search also started for novel leaps forward that might transform our response to future pandemics:

- investigating the performance of anti-influenza drugs and drug resistance
- applying molecular clamp technology to generate candidate vaccines for Ebola, Middle East respiratory syndrome (MERS), Nipah virus and Lassa fever
- using genomics to detect outbreaks and track transmission of diseases, including whooping cough and foodborne infections.

The leaders of these projects include people who have become household names in recent months, such as Edward Holmes, Paul Kelly, Sharon Lewin, Raina MacIntyre and Paul Young.

³ <https://pubmed.ncbi.nlm.nih.gov/17136138/>

CASE STUDY

APPRISE

APPRISE is the Australian Partnership for Preparedness Research on Infectious Disease Emergencies. It was established in 2016 with an investment of \$5 million funded by NHMRC.

History tells us that new infectious diseases will continue to emerge, but we cannot predict when, where or how. The purpose of this significant NHMRC grant was to establish national capability to respond rapidly when such threats emerge by undertaking the research needed to inform the public health response during the outbreak.

APPRISE is a Centre of Research Excellence undertaking research and producing evidence to inform Australia's capacity to prepare, respond and recover from infectious disease outbreaks. It is a partnership of 13 organisations, including 8 universities.

On 13 January 2020, APPRISE initiated its response to COVID-19 by activating SETREP-ID, a pre-planned research platform to rapidly identify and investigate an emerging disease threat. Twelve days later, Australia's first COVID-19 case was reported. On 29 January 2020, scientists at the Peter Doherty Institute for Infection and Immunity reported that they had successfully grown the virus from a patient sample, the first successful attempt outside China. The virus was quickly supplied to Australian public health laboratories to make sure that their tests worked and to trusted research laboratories, kick-starting investigation into the biology of the virus.

Six months on, it is clear that APPRISE has played a critical role in Australia's COVID-19 response so far, including leading research on:

- better tests for surveillance and point-of-care testing, monitoring how the virus is changing, and understanding how it causes serious lung disease
- potential treatments using a novel and innovative adaptive trial design (REMAP-CAP)
- protection of First Nations communities and healthcare workers, and studying how the virus spreads in aged care facilities
- understanding some of the key clinical, epidemiological and virological characteristics of the first confirmed cases and their household contacts to inform public health policy (the 'First Few X' research project)
- serosurveys to assess population immunity
- COVID-19 in general practice
- the social and ethical issues arising from quarantine, self-isolation and communication in a pandemic.

During the 2009 influenza pandemic, researchers and NHMRC had to scramble to initiate, fund, and secure ethics approval for urgent projects.

This year, we saw the value of research preparedness and the ability of a trusted network such as APPRISE to attract additional funds. With the support of NHMRC, the Medical Research Future Fund, philanthropy (including the Paul Ramsay Foundation and the Snow Medical Research Foundation) and other funders, APPRISE and its network of collaborators quickly activated and scaled up critical research on COVID-19.

CASE STUDY

REMAP-CAP: which treatments will save lives in intensive care?



More than 240 intensive care units in 14 countries are trialling more than 20 pneumonia treatments to save the lives of critically ill COVID-19 patients.

The trial, REMAP-CAP, is an adaptive clinical trial built to deliver fast results in a pandemic and is one of three key national trials identified by the United Kingdom government.

REMAP-CAP grew from the experience of a group of intensive care clinician researchers who were trying to save lives during the H1N1 influenza pandemic in 2009. The trial started recruitment in 2018 and switched to pandemic mode in February 2020.

The trial is working to identify interventions that can reduce both mortality and length of stay in intensive care.

A clinician can enrol a patient in under 5 minutes and they can choose from a range of treatment options customised for their intensive care unit.

The complexity is hidden 'under the bonnet', with Bayesian statistics driving the simultaneous trial of multiple interventions.

NHMRC supported the development of REMAP-CAP with initial funding of \$4.4 million in 2015 (as OPTIMISE-CAP) and has provided additional COVID-related support of \$25,000 via APPRISE.

Read more about REMAP-CAP at www.nhmrc.gov.au/about-us/news-centre/which-treatments-will-save-lives-icu.

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

Activities | Translation

NHMRC's Corporate Plan 2019–20 outlines our key activities.

- 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.
- Share information on how NHMRC Advanced Health Research and Translation Centres (AHRTCs) and Centres for Innovation in Regional Health (CIRHs) are working to integrate their research findings into innovative and evidence-based health care for their communities.
- 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.
- Promote best practice guideline development 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.

Analysis of performance | Translation

Support an Australian health system that is research led, evidence based, efficient and sustainable

Target 11: Achievements in improving clinical care, health service delivery and clinical training by AHRTCs and CIRHs highlighted on NHMRC's website

Source: NHMRC Corporate Plan 2019–20 and PBS 2019–20

Methodology: Identify appropriate achievements for highlighting on the website.

Result: **MET**

In 2019–20, NHMRC published four videos on NHMRC's website explaining how the AHRTCs and CIRHs (collectively referred to as the Translation Centres) are working to provide evidence-based health care to improve the health of the patients and populations they serve. These videos were promoted to the research community through NHMRC's

social media channels and *Tracker* newsletter. NHMRC also published reports from the nine accredited Translation Centres. These reports outlined the centres' progress and achievements in continuing to operate as foremost centres of collaboration that are excelling in leadership and provision of evidence-based health care and training.

The videos and reports are available on NHMRC's website: www.nhmrc.gov.au/about-us/resources/what-are-translation-centres-doing-and-why.

Target 12: Announce newly accredited AHRTCs and CIRHs

Source: NHMRC Corporate Plan 2019–20

Methodology: Undertake accreditation and re-accreditation of centres that excel in the provision of evidence-based health care and training by conducting a call for recognition of AHRTCs and CIRHs.

Result: **MET**

In late 2018, NHMRC announced a call for submissions from groups seeking NHMRC accreditation as an AHRTC or a CIRH. In 2019–20, an international review panel was established and assessed six submissions. As a result, the Tropical Australian Academic Health Centre in North Queensland was accredited by NHMRC as the third Centre for Innovation in Regional Health. The Minister for Health, the Hon Greg Hunt MP, announced the accreditation on 6 March 2020.

There are now 10 Translation Centres: seven AHRTCs and three CIRHs.

Target 13: Development and/or approval of public health, clinical and environmental health guidelines

Source: NHMRC Corporate Plan 2019–20 and PBS 2019–20

Methodology: Monitor the number of guidelines being developed or approved.

Result: **MET**

Evidence-based guidelines and advice support the prevention, detection and treatment of illness, and support the application of consistent standards in public and environmental health and clinical practice in Australia. NHMRC has a developmental role for public health and environmental health guidelines, and a quality-certification role for clinical guidelines in Australia.

Public health guidelines

In 2019–20, NHMRC worked with states and territories to release updates to the following public health and environmental health guidelines:

- *Guidelines for managing risks in recreational water* (2008): an addendum to guidance on per- and poly-fluoroalkyl substances (PFAS) in recreational water (www.nhmrc.gov.au/about-us/publications/guidelines-managing-risks-recreational-water)
- *Australian drinking water guidelines* (2011): an updated chapter on short-term exposure values (www.nhmrc.gov.au/about-us/publications/australian-drinking-water-guidelines).

Additionally, during 2019–20, NHMRC completed public consultation on an update to the *Australian guidelines to reduce health risks from drinking alcohol* (2009). An independent expert review of the guidelines is anticipated in the first quarter of 2020–21.

Part 3 Annual performance statements

In 2019–20, NHMRC also undertook extensive preparatory work for a review to identify and evaluate the evidence for the clinical effectiveness of the 16 natural therapies that were excluded from private health insurance rebates on 1 April 2019. This work for the Department of Health included establishing 16 unique review protocols to guide the review.

Clinical practice guidelines

In 2019–20, NHMRC reviewed and approved the quality of the evidence-based processes underpinning four guidelines developed by third parties:

- *Clinical practice guidelines for keratinocyte cancer* (Cancer Council Australia)
- *Australian guidelines for the prevention and treatment of acute stress disorder, posttraumatic stress disorder (PTSD) and complex PTSD* (Phoenix Australia)
- *Clinical guidelines for stroke management (Updates)* (Stroke Foundation)
- *Australian Immunisation Handbook (Updates)* (Australian Government Department of Health).

Target 14: Case studies demonstrate uptake of latest scientific evidence into health policy

Source: NHMRC Corporate Plan 2019–20

Methodology: Develop case studies to demonstrate that NHMRC-funded research has been integrated into health policy to improve consistency in health standards.

Result: **MET**

In 2019–20, two case studies that illustrate the uptake of the latest scientific evidence into health policy and practice were published.

The *SMARThealth* case study published in July 2019 is about a low-cost digital platform developed by the George Institute for Global Health that supports clinical decision making and improves the screening, detection and management of adults with chronic disease. The *SMARThealth* system uses guideline- and evidence-based algorithms from more than 15 years of research and development and can be adapted for low- and middle-income countries.

The fetal alcohol spectrum disorder (FASD) case study published in February 2020 features work done by the Telethon Kids Institute, the University of Sydney and others that established FASD as a significant public health issue. The results of this research led to funding for a Centre of Research Excellence, which has contributed to capacity building, best practice in diagnosis and management, and public health initiatives in education and prevention.

For more information, visit www.nhmrc.gov.au/about-us/resources/impact-case-studies.

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

Target 15: Develop a framework for a research impact accelerator that lists impact indicators linked to NHMRC funding

Source:	NHMRC Corporate Plan 2019–20
Methodology:	Use metrics from a range of sources to demonstrate the impact of NHMRC-funded research.
Result:	NOT MET

Work planned to refine the outcome-reporting accelerator tool was delayed because the development of the Sapphire application form was prioritised in 2019–20.

Target 16: Present 10 case studies that demonstrate the impact of health and medical research funding

Source:	NHMRC Corporate Plan 2019–20
Methodology:	Use case studies to illustrate the impact of NHMRC-funded research.
Result:	MET

Demonstrating the impact of NHMRC investment in Australian health and medical research not only supports a shared understanding of the community benefits but also provides accountability for the significant public investment in research. Health benefits for the community can take many years to be realised and often involve the combined work of many researchers and organisations.

In 2019–20, NHMRC continued to support community understanding of the impact of research funding, publishing seven new case studies on the website (www.nhmrc.gov.au/about-us/resources/impact-case-studies). As at 30 June 2020, there were 11 case studies on the website.

INTEGRITY: Promote the highest standards of ethics and integrity in health and medical research

Activities | Integrity

NHMRC's Corporate Plan 2019–20 outlines our key activities.

- Promote the highest standards of research quality and integrity, develop national guidance to ensure 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 Certification of Institutional Ethics Review Processes Scheme and the Human Research Ethics Application.
- Administer the *Research Involving Human Embryos Act 2002* (RIHE Act) and *Prohibition of Human Cloning for Reproduction Act 2002* (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, including mitochondrial donation, and working with the Australian Health Ethics Committee, the Embryo Research Licensing Committee, and the Mitochondrial Donation Expert Advisory Committee.

Analysis of performance | Integrity

Promote and monitor the implementation of the revised *Australian Code for the Responsible Conduct of Research, 2018* (the Code) and supporting guides

Target 17: Implementation of the Code reported by at least 80% of Administering Institutions

Source: NHMRC Corporate Plan 2019–20 and PBS 2019–20

Methodology: Use NHMRC's existing Institutional Annual Compliance Report to survey Administering Institutions on implementation of the new Code and guides.

Result: **MET**

The 2018 Code is co-authored by NHMRC, the Australian Research Council and Universities Australia. The 2018 Code is supported by guidance on specific topics to aid its implementation, including the *Guide to managing and investigating potential breaches of the Australian Code for the Responsible Conduct of Research, 2018*. In 2019–20, additional guides were released on topics such as peer review, disclosure of interests and management of conflicts of interest, supervision, and collaborative research.

Promoting uptake of the 2018 Code and monitoring implementation help ensure the highest standards of research quality and promote community trust. Implementation is assessed annually through the Institutional Annual Compliance Report (IACR).

Results of the 2019 IACR demonstrated that more than 90% of institutions that administered NHMRC funds during the 2019 calendar year had implemented the 2018 Code, a significant increase on the previous reporting period (75%) and well above the 80% target for 2019–20.

Provide guidance to the research sector to support research quality

Target 18: Gaps in advice identified

Source: NHMRC Corporate Plan 2019–20

Methodology: Examine current practice and identify gaps.

Result: MET

The NHMRC Research Quality Strategy and associated action plan guide NHMRC activities that support rigour, transparency and reproducibility in research. During 2019–20, NHMRC:

- held a workshop with representatives of the research sector to discuss the strategy and its implementation
- conducted a survey on research culture in NHMRC-funded institutions.

These initiatives identified and supported the need to develop guidance to promote research quality in the following areas:

- registering and reporting NHMRC-funded research to expedite rigour, transparency and reproducibility
- educating and training researchers in good research practices
- training for peer reviewers
- promoting institutional practices to ensure research quality (*Good institutional practice guide*)
- recognising excellence in research quality.

The Research Quality Action Plan was reviewed by NHMRC's Research Quality Steering Committee in April 2020. Progression of activities has been delayed because the COVID-19 pandemic has affected NHMRC's priorities and workforce capabilities.

Stakeholders demonstrate good understanding of the regulatory requirements under the *Research Involving Human Embryos Act 2002* (RIHE Act) and the *Prohibition of Human Cloning for Reproduction Act 2002* (PHCR Act)

Target 19: Good understanding of regulatory requirements is demonstrated through outcomes from inspections and 6-monthly reports

Source: NHMRC Corporate Plan 2019–20 and PBS 2019–20

Methodology: Undertake licence inspections, which include assessing the licence holder’s processes for activity under each licence and whether these processes meet legislative and licence requirements.

Result: **SUBSTANTIALLY MET**

The NHMRC Embryo Research Licensing Committee (ERLC) oversees the RIHE Act and the PHCR Act, which includes issuing licences for research activities that involve the use of human embryos, and monitoring and ensuring compliance with the legislation of licensed activities.

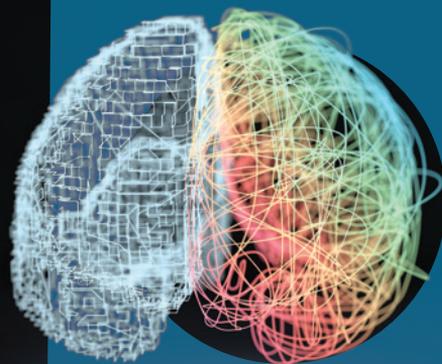
Based on the reporting and inspection activity undertaken in 2019–20, licence holders under the RIHE Act are generally cognisant of and compliant with licence conditions. However, there were two licence breaches identified in 2019–20. One breach was for late notification of the absence of key personnel, noting that no licensed activity was undertaken during the period of absence. The other breach was for late submission of a required report.

ERLC formally notified each licence holder of their failure to comply with the licence conditions. NHMRC inspectors worked with the licence holders to increase their understanding of the regulatory requirements to avoid future issues.

More information about the operation of the RIHE Act and the licences issued under the Act in 2019–20 is available in the ERLC’s biannual reports to the Parliament of Australia on NHMRC’s website: www.nhmrc.gov.au/research-policy/embryo-research-licensing/embryo-research-licensing-committee-reports-parliament.

CASE STUDY

Neurodegenerative disease and metals



The formation of abnormal proteins in the brain has long been suspected to contribute to the development of Alzheimer's disease and other neurodegenerative diseases. Yet many individuals with abnormal protein formations do not go on to develop such diseases.

World-leading NHMRC-supported research is pioneering the development of screening tests for Alzheimer's disease and actively testing new drug approaches in proof-of-principle clinical trials based on an understanding of the interaction between neurodegenerative disease and metals.

Professor Ashley Bush discovered that the major forms of protein found in Alzheimer's disease are influenced by interactions with metal ions such as iron, copper and zinc. Professor Bush, whose doctoral research had been supported by NHMRC years earlier, subsequently received three NHMRC Research Fellowships and an Australia Fellowship to support further development of this work.

In the mid-2000s, Associate Professor Anthony White and his colleagues demonstrated that certain organic molecules had the potential to redistribute copper within the brain. Professor White, Associate Professor Kevin Barnham and Associate Professor Peter Crouch, among others, collaborated to investigate the therapeutic potential of this approach for treating neurodegenerative diseases. Each of these researchers has received support from NHMRC over their careers.

Based on this research, Professor Bush co-founded a company that continues to develop first-in-class therapies to treat neurodegenerative diseases. Barnham, Donnelly and White patented the use of CuATSM, a synthetic molecule containing copper that has shown promise as the first disease-modifying treatment for motor neurone disease and Parkinson's disease. This patent was licensed in 2013 by a privately held United States-Australian biopharmaceutical company.

Application of these research findings could improve the quality of life of Australians with Alzheimer's disease, motor neurone disease, Parkinson's disease and other neurological disorders, and relieve the substantial personal and economic costs of these diseases.

The full impact case study is available at www.nhmrc.gov.au/about-us/resources/impact-case-studies.

'It has always been a mystery with Alzheimer's as to why everyone with the disease has got amyloid in the brain but not everyone with amyloid has Alzheimer's disease.'

- Professor Ashley Bush

CASE STUDY

Treatment for severe asthma



Severe asthma is a life-threatening global health problem that affects about 30 million people. In Australia, 10% of people with asthma have severe symptoms and account for nearly 60% of Australia's total healthcare spend on asthma. Conventional inhaled therapies often do not help these patients, which has led to the search for alternatives, including by NHMRC-funded researchers.

In the late 1980s and early 1990s, researchers found that eosinophils (a type of white blood cell) were elevated in people with severe asthma. In 1996, a group led by Laureate Professor Paul Foster and Professor Ian G Young at the Australian National University discovered that an increase in the number of eosinophils could be prevented by blocking a cell protein called interleukin 5 (IL-5).

In the United Kingdom in the 1990s, pharmaceutical firm GlaxoSmithKline (GSK) commercially developed an antibody called mepolizumab to block IL-5. GSK conducted early trials of mepolizumab with a cohort of general asthma patients but suspended trials because of poor results.

Independently, Professors Peter Gibson (Hunter Medical Research Institute) and Freddy Hargreave (McMaster University, Ontario) began working with asthma subtypes. In collaboration with Professor Ian Pavord (University of Leicester), they developed more precise sorting criteria for people in clinical trials. They subsequently showed exceptional results for treating people with severe asthma with mepolizumab.

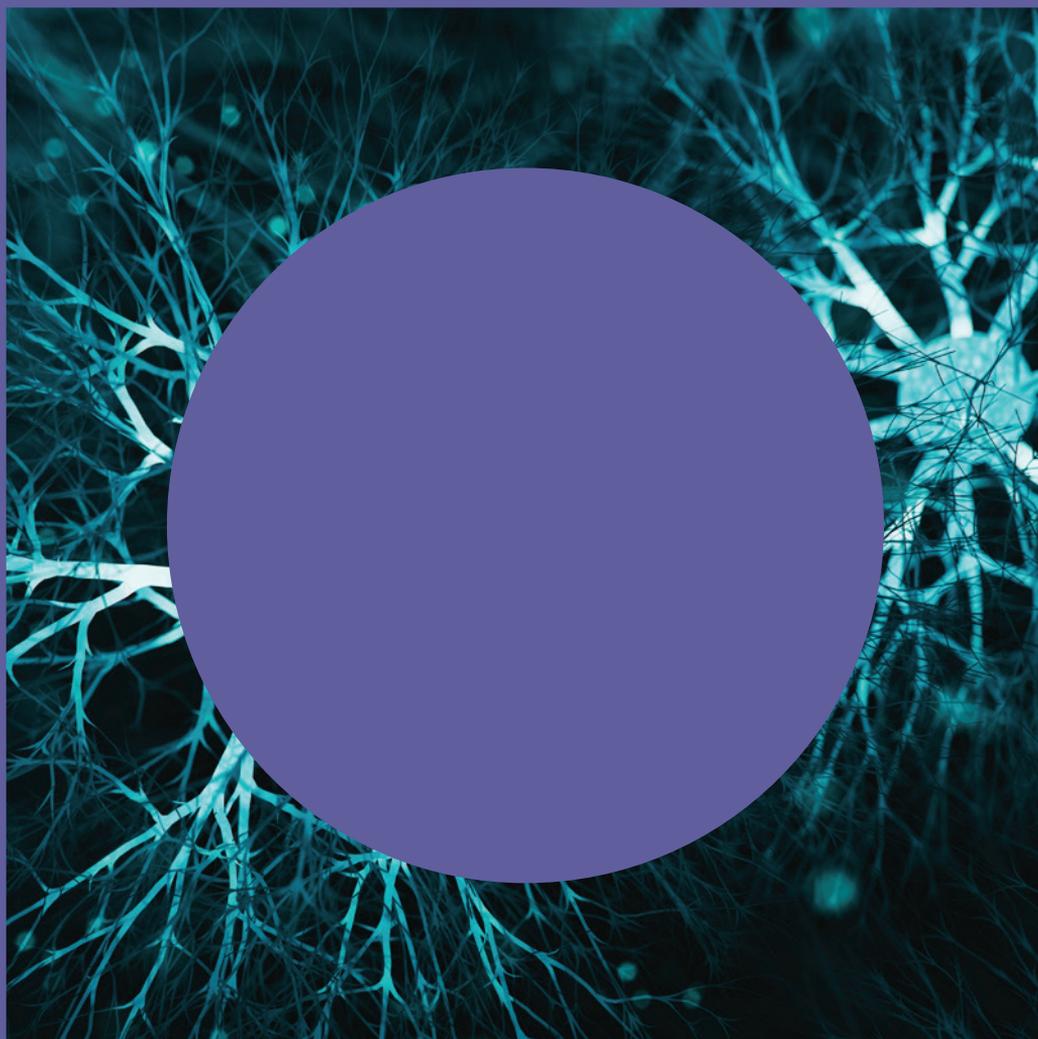
From 2009, phase II studies of mepolizumab focused on the precise selection of people with severe asthma who were suitable for treatment. The trials found that more than 50% of these people responded positively. Mepolizumab is now a life-changing medicine for many of the estimated 250,000 Australians with severe asthma. The direct healthcare cost savings from better targeted treatment for asthma in Australia could be up to \$1.3 billion per year.

The full impact case study is available at www.nhmrc.gov.au/about-us/resources/impact-case-studies.

Part 4

Operating environment

Our legislative, governance, compliance and assurance arrangements are outlined, and information is provided to satisfy Australian Government reporting requirements.



Legislative framework

NHMRC is an independent statutory authority established under the *National Health and Medical Research Council Act 1992* (NHMRC Act). The Act defines NHMRC as comprising the Chief Executive Officer (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 of this report.

NHMRC operates on a triennial basis, with the Council and Principal Committees reappointed every 3 years. The current triennium runs from 1 July 2018 to 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* and the *Public Governance, Performance and Accountability Act 2013* (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.

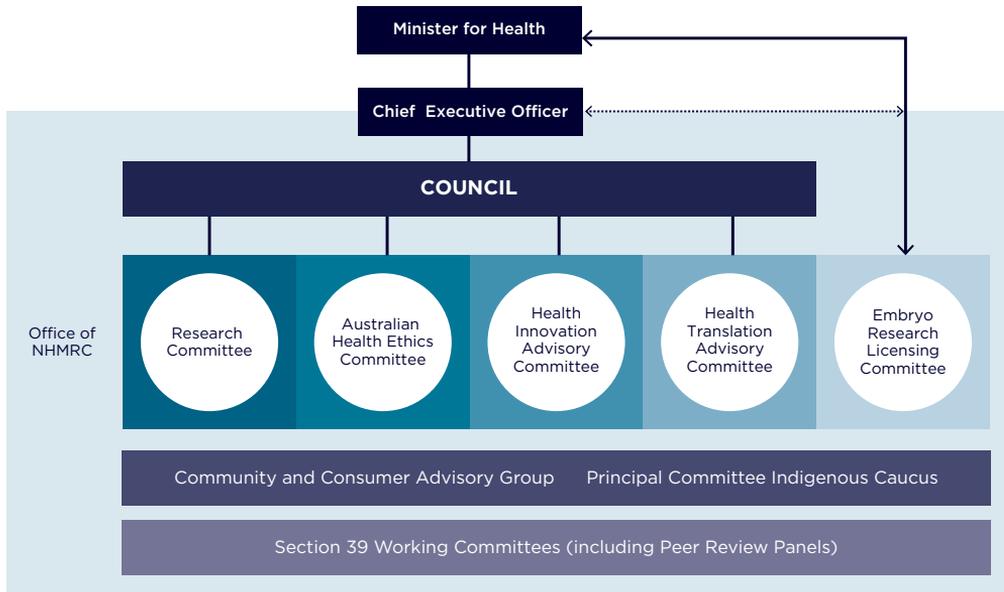
NHMRC also administers, and has statutory obligations under, the *Prohibition of Human Cloning for Reproduction Act 2002* (PHCR Act) and the *Research Involving Human Embryos Act 2002* (RIHE Act). Additionally, NHMRC exercises some statutory functions under the *Medical Research Future Fund Act 2015*.

Governance

NHMRC's strategy to meet its legislated and social obligations is guided by advice from its Council and Principal Committees and other committees and expert working groups. Collectively, many hundreds of researchers, healthcare professionals and consumer representatives contribute to the work of NHMRC, providing a bridge to the community and the research and health sectors and ensuring that our strategic priorities are realised.

NHMRC’s key governance and advisory bodies, as shown in Figure 9, include Council, the Principal Committees and select working committees.

Figure 9: NHMRC governance structure



Corporate governance

In addition to these key governance and advisory bodies, NHMRC has a robust internal governance structure and compliance framework, which supports transparent, ethical and accountable decision making, and helps us manage risk and stakeholder relations.

In August 2019, NHMRC established an Executive Board, comprising the CEO, General Manager, Executive Directors and the Head of the Business Integration Taskforce. Through the Executive Board, the senior leadership team works collaboratively and provides strategic leadership to ensure the agency is effective and cohesive, including by promoting cooperation within NHMRC and with other agencies to build a healthy Australia.

The Executive Board is responsible for leadership and oversight of organisational performance and managing risks and issues. The Executive Board has decision-making authority.

Key internal committees and working groups report to the Executive Board, including the Sapphire Steering Committee, which oversees the implementation of NHMRC’s new grants management solution, Sapphire, and the Program Coordination Committee, which supports the coordination of grant administration across the agency.

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 and its 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 2019–20. It considered research funding recommendations from the Research Committee and received activity updates from Principal Committees. Key matters discussed are outlined below.

At its 218th session in October 2019, the Council considered a range of topics, including:

- guides supporting the *Australian Code for the Responsible Conduct of Research, 2018*
- revisions to the NHMRC's stem cell treatments fact sheets
- revision of the *Australian guidelines to reduce health risks from drinking alcohol*
- clinical guidelines for stroke management
- clinical practice guidelines for keratinocyte cancer.

At its 219th session in March 2020, the Council considered a range of topics, including:

- special initiative on Human Health and Environmental Change Research
- publication of guidance on short-term exposure values in *Australian Drinking Water Guidelines*
- updated radiological water quality advice in *Australian Drinking Water Guidelines*
- use of animals for cosmetic testing.

At its 220th session in June 2020, the Council considered a range of topics, including:

- funding and scope of future targeted calls for research
- NHMRC support for dementia research
- update of the *Australian Guidelines for the Prevention and Treatment of Acute Stress Disorder, Posttraumatic Stress Disorder (PTSD) and Complex PTSD*
- chapter updates to the *National Statement on Ethical Conduct in Human Research*.

Membership

Council members are appointed under section 41(1) of the NHMRC Act for 3 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 2018–2021⁴

Professor Bruce Robinson AC

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 that either predispose to, 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 practise. Professor Robinson was the Dean of Sydney Medical School from 2007 to 2016. Since 2001, he has been Chair of the 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 NSW and Deputy Director-General, Population and Public Health, NSW Health. She was previously 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 NSW public health units since 1991. She has a particular interest in bloodborne virus infections, communicable disease prevention and control, and Indigenous health.

⁴ Members as at 30 June 2020.

Dr Kerryn Coleman **Chief Health Officer, Australian Capital Territory**

Dr Coleman has been ACT Chief Health Officer since March 2019. From 2017 until taking up this role, she worked as a public health physician at the Health Protection Service.

Before joining ACT Health, Dr Coleman led a regional public health unit with responsibilities covering a large area in central Queensland and contributed at the national level for almost 6 years in a variety of public health roles with the Department of Health.

Professor Brendan Crabb AC **Expertise in medical research**

Since 2008, Professor Brendan Crabb AC has been the Director and CEO of the 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 research focuses on 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 (AAHMS) and of the Australian Society for Microbiology.

Professor Crabb also serves on the Institute Scientific Advisory Board of the Wellcome Sanger Institute (UK) and the WHO Malaria Vaccine Advisory Committee in Geneva. He was co-founder of the 1st Malaria World Congress and the Molecular Approaches to Malaria conferences. In his home state of Victoria, he is president of the Victorian Chapter of AAMRI, Chair of the Pacific Friends of Global Health and a member of the National COVID-19 Health and Research Advisory Committee.

Professor Crabb was awarded the 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. The award also recognised his role as an advocate, mentor and administrator, along with his fostering of 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 the Dean of Medicine at Curtin University and former Associate Dean (Indigenous) at the University of Melbourne's Faculty of Medicine, Dentistry and Health Sciences.

Professor Eades, whose family are Noongar from the Minang, Goreng and Kaniyang clans in south-west WA, has made outstanding contributions to the epidemiology of Indigenous child health in Australia and exercised national leadership in Indigenous health research.

In 2003, Professor Eades became Australia's first Aboriginal medical doctor to be awarded a PhD, which she completed at the Telethon Institute for Child Health Research in Perth. That same year, she was recognised as NSW Woman of the Year for her work in paediatric and perinatal epidemiology, identifying links between infant health and social factors such as housing.

Professor Eades leads an NHMRC Centre of Research Excellence focused on Aboriginal child and adolescent health, and is a Fellow of AAHMS. She also leads a Million Minds Mental Health Research Mission program of the Medical Research Future Fund (MRFF), focusing on improving access to mental health care for young Aboriginal people.

Professor Ian Frazer AC

Expertise in medical research

Professor Ian Frazer is a clinician scientist who 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 the co-inventor of the technology behind the human papillomavirus (HPV) vaccine currently used worldwide to help prevent cervical cancer.

Professor Frazer heads a biotechnology company, Jingang Medicine Pty Ltd, which is working on new vaccine technologies. He is a board member of several companies and not-for-profit organisations. Professor Frazer is past president and board member of the AAHMS and Chair of the Australian Medical Research Advisory Board, advising the Minister for Health on prioritising spending from the MRFF.

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

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. Dr Gannon works in the Perinatal Loss Service at King Edward Memorial Hospital (KEMH), and is Deputy Chair of 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 the AMA (WA) and Chair of the AMA Ethics and Medico-Legal Committee. Dr Gannon is a graduate of the Australian Institute of Company Directors and Chair of Finance at MDA National Insurance.

Dr Hugh Heggie

Chief Health Officer, Northern Territory

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

Formerly a pharmacologist, Dr Heggie has been a rural generalist practitioner, with advanced skills in obstetrics and emergency medicine, since 1980. He 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 past 10 years and participates in a wide variety of local forums, including the Clinical Senate. Dr Heggie has led public health reforms across the Northern Territory.

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

Professor Caroline Homer AO

Expertise in the nursing and midwifery professions

Professor Caroline Homer is Co-Program Director of Maternal, Child and Adolescent 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.

Professor Homer has more than 30 years 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. Professor Homer has held grants from NHMRC, the Australian Research Council and the Wellcome Trust (UK). She has more than 250 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 she has chaired more than 20 grant review panels for NHMRC and MRFF. She is a member of NHMRC's Women in Health Science Committee and was a member of NHMRC's Track Record Working Group.

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 Specialist Education Accreditation Committee. He was previously 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.

Professor Lawler is a specialist emergency physician and is a 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. She is also a consultant infectious diseases physician at the Alfred Hospital, Melbourne, and an NHMRC Practitioner Fellow. Professor Lewin is an infectious diseases physician and basic scientist. She leads a large multidisciplinary 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 more than 250 papers and given more than 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 Towards an HIV Cure Initiative, which advocates globally for increased investment by the public and private sectors 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 more than 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 of the 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 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 to 2015 Mrs Moylan was co-chair of the National Diabetes Strategy Advisory Group and is currently co-chair of the advisory group's Implementation Reference Group.

In January 2018, Mrs Moylan was appointed to the Advisory Board of Access Care Network Australia, a subsidiary company of the Silver Chain Group, and on 2 April 2020 she was appointed Deputy Chair of Vision TBI (Traumatic Brain Injury). She is a graduate of the Australian Institute of Company Directors.

Mrs Moylan's awards include Officer of the Order of Australia awarded in 2016, the Sir Kempson Maddox award, Diabetes Australia Outstanding Services award, the Alan Missen Medal in 2013 for 'serving democracy with integrity', and lifetime achievement awards from the 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. Before his appointment, Professor Murphy was the Chief Executive Officer of Austin Health in Victoria.

Professor Carol Pollock Expertise in medical profession and postgraduate medical training

Professor Carol Pollock is an academic nephrologist with more than 360 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 Chancellor's Award for Excellence in Research Supervision (2012) and was recognised as a 'Distinguished Professor' by the University of Sydney (2012).

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 Government Organ and Tissue 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.

Professor Pollock's health leadership roles include having been inaugural Chair of the NSW Agency for Clinical Innovation and immediate past Chair of the NSW Clinical Excellence Commission; she remained a director of both organisations until April 2016. She was Chair of the Northern Sydney Local Health District board from its inception in 2011 to December 2016 and was appointed to the board of the NSW Bureau of Health Information in April 2016, becoming Chair of the Bureau in November 2016.

Professor Pollock 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 adviser to Linéaire Projects. In November 2018, she was made an Ambassador of Business Events Sydney.

Professor Ingrid Scheffer AO Medical research and other appropriate expertise

Laureate Professor Ingrid Scheffer is a physician-scientist whose work as a paediatric neurologist and epileptologist at the University of Melbourne and Austin Health has led the field of epilepsy genetics for more than 25 years, in collaboration with Professor Samuel Berkovic and molecular geneticists. This work resulted in the identification of the first epilepsy gene and many more genes subsequently. Professor Scheffer has described many novel epilepsy syndromes and refined the genotype-phenotype correlation of many genetic diseases.

Her major interests are in the genetics of the epilepsies, epilepsy syndromology and classification, and translational research. She collaborates on research focused on the genetics of speech and language disorders, autism spectrum disorders, cortical malformations and intellectual disability. In 2017, Professor Scheffer led the first major reclassification of the epilepsies in three decades for the International League Against Epilepsy (ILAE).

She has received many awards, including the 2007 American Epilepsy Society Clinical Research Recognition Award, the L'Oréal-UNESCO for Women in Science Laureate for the Asia Pacific region for 2012 and the ILAE Ambassador for Epilepsy Award. In 2014, Professor Scheffer was elected a Fellow of the Australian Academy of Science, and was appointed vice-president and Foundation Fellow of Australian Academy of Health and Medical Sciences (AAHMS). She was a co-recipient of the 2014 Australian Prime Minister's Prize for Science and was appointed Officer of the Order of Australia in 2014. In 2018, Professor Scheffer was elected a Fellow of the Royal Society. In 2020, she became the second president of AAHMS.

**Associate Professor Nicola Spurrier
Chief Public Health Officer, South Australia**

Professor Nicola Spurrier is the Chief Public Health Officer for the South Australian Department for Health and Wellbeing, having been appointed in 2019. The Chief Public Health Officer is responsible for public health and communicable disease issues. Professor Spurrier's role also includes advising the Minister and the Chief Executive of SA Health about proposed legislative or administrative changes in relation to public health.

Professor Spurrier is a qualified medical specialist, and a public health physician and paediatrician. She has 30 years experience within SA Health, including 10 years in the Department for Health and Wellbeing.

Professor Spurrier has specialised in developing and implementing policies and programs across child health, obesity prevention and Aboriginal health. She also has extensive experience in health protection and promotion, public health partnership and health diplomacy activities.

**Professor Brett Sutton
Chief Health Officer, Victoria**

Professor 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 worked in complex humanitarian environments, including Afghanistan, Ethiopia, Kenya and Timor-Leste.

As Chief Health Officer, Professor Sutton has unique statutory functions under legislation on health, food and emergencies. 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 2 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 Research Fellow at the University of Sydney.

Part 4 Operating environment

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 innovative 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.

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 laboratory to policy has seen her take on a number of leadership roles, identifying multidisciplinary approaches to solving complex problems.

Professor Venn's current research interest lies in the causes, prevention and management of chronic disease. Her particular focus is 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 she 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. From 2007 to 2011, he was Dean of the Faculty of Medicine, Nursing and Health Sciences at Monash University. Before assuming 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 healthcare delivery, leading to improved health outcomes for Australia and the poorly resourced countries of the region.

Dr James Williamson **Assistant Director General, WA Health**

Dr James Williamson is Assistant Director General and leads the Clinical Excellence Division of the Western Australian Department of Health. After completing a PhD at the Walter and Eliza Hall Institute, he continued specialty training and postdoctoral research in Edinburgh and Sydney, where he was the head of a laboratory. He moved to Sir Charles Gairdner Hospital in Perth, taking on the role of Medical Co-Director. He also set up the Department of Medicine at Joondalup Health Campus.

Dr Williamson established the Western Australia 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 AO
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 Melbourne Health's Executive Director of Research, and during her 12-year tenure she launched the Melbourne Health Clinical Trials Centre. She is Director of Genomic Medicine at Melbourne Health.

Professor Winship is currently a Director of the Boards of the Australian Genome Research Facility and Global Variome (Human Variome) Project. She was appointed Officer of the Order of Australia in 2020 for distinguished service to medicine, particularly to clinical genetics and research, to cancer prevention, and as a role model and mentor.

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. Before assuming this role, she served as Chief Executive of the Australian Private Equity and Venture Capital Association Ltd for 7 years, having previously held a broad range of management and board positions, both in Australia and overseas.

Dr Woodthorpe has a wealth of demonstrated experience in a breadth of technology-orientated sectors, including the energy sector, emergency management and health care. She has considerable experience and expertise, and a long track record, in public affairs, including government relations. Dr Woodthorpe also has thorough grounding in commercialisation, and research and development.

Dr Woodthorpe was awarded a BSc (1st Class Hons) from Manchester University and a PhD in Chemistry. She is a Fellow of the Australian Institute of Company Directors and sits on its NSW Council; she is also a 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 the Deputy Director-General for the Prevention Division of Queensland Health. She previously 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

The Principal Committees of NHMRC are established under section 35 of the NHMRC Act. In 2019–20, 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.

Additionally, the Embryo Research Licensing Committee is a Principal Committee of NHMRC but is established under the RIHE Act and operates under different arrangements from those governing 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 provided 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 Medical Research Endowment Account (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.

In 2019–20, the Research Committee met on six occasions. Its major activities included providing advice on:

- MREA budget and expenditure
- funding recommendations for various schemes
- the implementation of schemes in the new grant program
- the review of the Postgraduate Scholarships scheme
- ways to address NHMRC's strategic priorities
- various NHMRC communication activities
- the impact of the COVID-19 pandemic on the health and medical research sector, and implications for NHMRC's grant program.

Members

Professor Steve Wesselingh (Chair)	Professor Jayashri Kulkarni AM
Professor Emily Banks	Professor Peter Leedman
Professor James Bourne	Professor James McCluskey AO
Professor Jeffrey Braithwaite	Professor Anushka Patel
Ms Christine Gunson	Associate Professor Yvette Roe
Professor Doug Hilton AO	Laureate Professor Nicholas Talley AC
Dr Daniel Johnstone	Professor Rosalie Viney
Professor Maria Kavallaris AM	Professor Patsy Yates AM

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 with the CEO
- any other functions conferred on the committee by the NHMRC Act, the regulations or any other law.

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

In 2019–20, AHEC met four times. Its major activities included providing advice on:

- the review of Sections 4 and 5 of the *National statement on Ethical Conduct in Human Research, 2007*
- ethical implications of emerging technologies, environmental change, and harm minimisation
- NHMRC's report from the public consultation on the social and ethical issues associated with mitochondrial donation
- ethical issues arising in the context of the COVID-19 pandemic.

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 AO (Chair)	Ms Ainslie Cahill AM
Associate Professor Stephen Adelstein	Professor Angus Dawson
Professor James Bourne	Professor Clara Gaff
Professor Yvonne Cadet-James	Professor Louisa Jorm

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Rabbi Dr Aviva Kipen
Associate Professor Karen Liu
Reverend Kevin McGovern
Professor Peter O’Leary

Professor John Prins
Associate Professor Bernadette Richards
Associate Professor 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 commercial and the health and medical research sectors
- creating a culture of commercialisation for the translation of research into health outcomes
- any other matter referred by the CEO.

In 2019–20, HIAC met three times. Its major activities included providing advice on:

- the impact of new technologies on health care in Australia, including through artificial intelligence, machine learning and data science
- a review of the Development Grant scheme
- online platforms to promote innovation and technology specialisation
- NHMRC’s commercialisation-focused webpages
- product development within Impact Case Studies
- research commercialisation in the light of the COVID-19 pandemic.

Members

Members of HIAC have demonstrated knowledge and expertise in areas such as emerging technologies, commercialisation, and intellectual property development and protection. On 5 February 2020, Minister Hunt appointed Professor Juli Coffin as the Aboriginal and Torres Strait Islander representative on HIAC, replacing Ms Laura Thompson who had resigned.

Dr Katherine Woodthorpe AO (Chair)
Professor Ashley Bush
Professor Juli Coffin
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

Health Translation Advisory Committee

The advice given by the Health Translation Advisory Committee (HTAC) has been important in helping NHMRC to support research translation and implementation more effectively 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.

In 2019–20, HTAC met three times. Its major activities included providing advice on:

- career pathways currently available to clinician researchers in Australia
- the impact and outcome of NHMRC-funded health and medical research
- the role and value of high-quality clinical trials and cohort studies, with a view to boosting recruitment into trials
- the revision of the translation centre initiative, which comprises the Advanced Health Research and Translation Centres (AHRTCs) and Centres for Innovation in Regional Health (CIRHs)
- a Targeted Call for Research on End of Life Care
- evidence gaps in the relationship between social isolation and chronic health conditions.

Members

Members of the HTAC 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

Professor Clara Gaff

Ms Philippa Kirkpatrick

Associate Professor Daniel McAullay

Professor Sandy Middleton

Professor Michael Nilsson

Professor James Vickers

Adjunct Professor Kylie Ward

CASE STUDY

History of tuberculosis control in Australia



Mycobacterium tuberculosis, the bacterium that causes TB. Credit: National Institute of Allergy and Infectious Disease

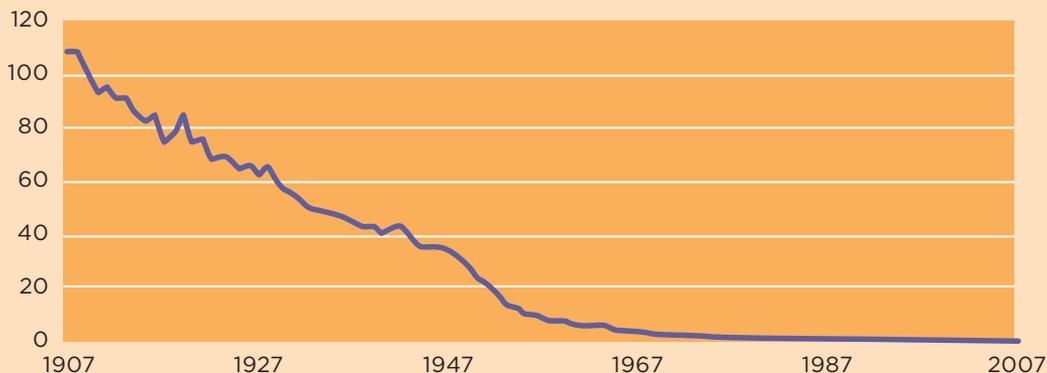
Tuberculosis (TB) is a contagious bacterial disease that generally affects the lungs, but can also affect other parts of the body. The classic symptoms of active TB are a chronic cough, fever and weight loss due to the destruction of tissue. At the beginning of the 20th century, TB was the leading cause of death in Australia for women and the second-leading cause for men.

In 1937, NHMRC began the first effective and nationally coordinated effort to map the incidence of TB in Australia. NHMRC also began directly funding research into TB. In 1945, Dr Nancy Atkinson, an NHMRC-funded bacteriologist in Adelaide, produced the first Australian-made vaccine against TB.

Informed by NHMRC-funded research and NHMRC's recommendations, a 1943 conference of health ministers agreed that a national campaign against TB should be planned. The Australian Parliament passed the *Tuberculosis Act 1945*, creating the first comprehensive national health campaign to eradicate TB. The campaign ran from 1948 to 1976, providing citizens with free diagnostic chest X-rays, medical care and a Tuberculosis Allowance while being treated.

In part due to NHMRC's efforts, the death rate from TB in Australia dropped dramatically during the 20th century, from 108.5 per 100,000 people in 1907 to 0.3 per 100,000 people in 2000. In 2007, the prevalence of TB in Australia was 5.4 cases per 100,000, one of the lowest rates in the world.

Age-standardised death rate from tuberculosis (per 100,000 persons)



Source: Australian Bureau of Statistics General Record of Incidence of Mortality (GRIM) book Version 9, 2008

Dr Nancy Atkinson OBE



Credit: en.wikipedia.org/wiki/Nancy_Atkinson

Dr Nancy Atkinson (1910–1999), an Australian bacteriologist, was the first person to produce penicillin in Australia. As a scientist at the Institute of Medical and Veterinary Science and the University of Adelaide, she undertook research on antibiotics, *Salmonella* and other types of bacteria, and vaccines for TB and typhoid fever. In 1951, she was appointed an Officer of the Order of the British Empire (OBE) and recognised as one of the world’s leading authorities on bacteriology.

During her long career, Dr Atkinson’s principal research was on *Salmonella*; her discoveries gained her the moniker “*Salmonella* Queen”.⁵

The full impact case study is available at www.nhmrc.gov.au/about-us/resources/impact-case-studies.



Credit: www.adelaide.edu.au/library/special/mss/atkinson_n/



⁵ www.publish.csiro.au/MA/pdf/MA09S18

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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 the use of such embryos in research. 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 ERLC.

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

In 2019–20, ERLC met three times. It considered and approved one new licence and 15 applications to vary existing licences.

The RIHE Act requires 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 2019 to 31 August 2019 was tabled on 17 December 2019. The report for 1 September 2019 to 29 February 2020 was tabled on 18 June 2020. All reports are available on the NHMRC website.

The Chair of ERLC appoints licence inspectors, who conduct a range of monitoring and compliance activities. While no onsite inspections occurred in 2019–20, inspectors continued to monitor licence holders' 6-monthly reports closely. In 2019–20, there were two instances of breaches of licence conditions by licence holders, both administrative in nature, and inspectors worked with relevant licence holders to address concerns expeditiously.

Members

The composition of 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 them. Several key section 39 committees are highlighted below. More information on these and other committees established under this section of the Act can be found on NHMRC's website www.nhmrc.gov.au/about-us/leadership-and-governance/committees.

Principal Committee Indigenous Caucus

The Principal Committee Indigenous Caucus provides advice to the Indigenous representative on Council and to the CEO on issues relating to Indigenous health research. The committee comprises Aboriginal and Torres Strait Islander representatives currently on Council and Principal Committees, as well as early-career researchers.

Major activities in 2019-20:

- Monitored progress against *Road Map 3: A Strategic framework for improving Aboriginal and Torres Strait Islander health through research* through the associated Action Plan.
- Monitored implementation of the new grant program to identify beneficial outcomes and any unintended detrimental effects on Indigenous health and medical research, and Indigenous researchers.
- Advised on the establishment of a national network of Aboriginal and Torres Strait Islander health researchers.
- Advised AHEC on the alignment of the *National Statement on Ethical Conduct in Human Research, 2007* (updated 2018) with the *Ethical conduct in research with Aboriginal and Torres Strait Islander Peoples and communities: guidelines for researchers and stakeholders* (2018).
- Reviewed the NHMRC Indigenous Research Excellence Criteria.

Members

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

Community and Consumer Advisory Group

The Community and Consumer Advisory Group provides advice to the CEO on health matters and on health and medical research matters from a consumer and community perspective. The committee comprises the community and consumer representatives on the NHMRC Council and its Principal Committees, along with other consumer and community leaders who represent community and health consumers' perspectives in their advice.

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Major activities in 2019–20:

- Finalised a Toolkit for Consumer and Community Involvement in Health and Medical Research.
- Provided advice on a range of topics, including the ethical conduct of research, consumer information on stem cell treatments, NHMRC’s strategy for scientific outreach, dementia research and consumer involvement in peer review.
- Provided advice on publications, such as the *Australian Code for the Responsible Conduct of Research 2018*, the *Australian guidelines to reduce health risks from drinking alcohol* and the *NHMRC Corporate Plan*.

Members

The Hon Judith Moylan AO (Chair)

Ms Ainslie Cahill AM

Ms Rebecca Davies AO

Ms Christine Gunson

Mr Todd Harper

Ms Philippa Kirkpatrick

Mr Demos Krouskos (resigned October 2019)

Associate Professor Daniel McAullay

Ms Anne McKenzie AM

Ms Jennifer Morris

Mr Glenn Rees AM

Mr John Stubbs

Women in Health Science Committee

The Women in Health Science (WiHS) Committee 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. WiHS provides advice to the CEO on strategies to address issues and overcome barriers.

Major activities in 2019–20:

- Reviewed application and funding rates in new grant program schemes by gender to inform advice about improving gender equality in these schemes.
- Advised on the introduction of unconscious bias training for NHMRC peer reviewers.
- Provided advice on methods of anonymised peer review, including the promotion of gender-neutral language in grant applications and assessment.
- Reviewed implementation of the gender equality requirements for Administering Institutions, which are designed to support research environments that are free from bias, discrimination and sexual or other harassment.
- Commenced discussions on the next NHMRC 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

Professor Robert Williamson AO

Professor Tania Winzenberg

Research Quality Steering Committee

The Research Quality Steering Committee provides advice to the CEO on mechanisms for improving the quality of NHMRC-funded research.

Major activities in 2019–20:

- Developed an action plan to implement NHMRC’s Research Quality Strategy.
- Designed and analysed the results of a survey on research culture in NHMRC-funded institutions.
- Developed a draft discussion paper on registration and reporting of pre-clinical NHMRC-funded research to promote rigour, transparency and reproducibility.

Members

Professor Paul Glasziou (Chair)

Professor Edna Hardeman

Professor Virginia Barbour

Professor David Howells

Dr C Glenn Begley

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)
- Review of the 2015 Science and Research Priorities Expert Panel (Minister for Education).

The CEO also represented NHMRC on the Excellence in Research and Engagement and Impact Review Advisory Committee, established by the Australian Research Council.

In 2019–20, the CEO was appointed by the Minister for Health to the National COVID-19 Health and Research Advisory Committee, which is advising the Commonwealth Chief Medical Officer on the public health response to the COVID-19 pandemic.

External scrutiny

In addition to our accountability obligations under the PGPA Act and the NHMRC Act, we are accountable to other 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, the Australian Human Rights Commission and the Australian National Audit Office (ANAO).

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

The Office of the Australian Information Commissioner notified NHMRC in April 2019 that it had a matter for review relating to a previous freedom of information decision. The applicant withdrew their application, and the matter was closed in September 2019. No matters relating to NHMRC went before the Administrative Appeals Tribunal in 2019–20.

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 was still underway on 30 June 2020.

Reports by the Auditor-General

ANAO conducts performance audits of the efficiency and effectiveness of NHMRC's operations, and financial audits of its financial statements.

In 2019–20, NHMRC was a designated entity in the ANAO's performance audit: *Implementation of ANAO and Parliamentary Committee Recommendations – Education and Health Portfolios*, which was published on 25 June 2020. The objective of this audit was to examine whether selected entities had implemented agreed recommendations from ANAO performance audits and from Joint Committee of Public Accounts and Audit and other parliamentary committees.

ANAO found that NHMRC has effective governance arrangements in place to monitor the implementation of ANAO performance audits, including regular reporting to NHMRC's Audit Committee. These arrangements will be extended to ensure that NHMRC also has in place a formalised governance system to monitor and implement parliamentary committee inquiry recommendations, as recommended by ANAO.

ANAO found that the parliamentary committee recommendations identified for review had been implemented effectively by NHMRC.

Reportable matters under section 83

Section 83 of the NHMRC Act requires NHMRC to report on certain matters referred to the agency by the Minister, and guidelines and recommendations made by the CEO, during the reporting period. In the following, matters are addressed that are identified in this section and not addressed elsewhere in this report.

In 2019–20, following the tabling of the report completed by the References Committee of the Senate Standing Committee on Community Affairs on the science of mitochondrial donation and related matters, the Minister for Health made a referral to the CEO under section 5D of the NHMRC Act, tasking NHMRC with the establishment of a panel of experts to provide advice to the government 'on the legal, regulatory, scientific and ethical issues identified in the report'. The reports from this work were provided to the Minister in March 2020 and released on the NHMRC website in June 2020.

No matters were referred by the Minister to the CEO, the Council or a Principal Committee under section 5E of the NHMRC Act in 2019–20.

Further, the CEO made no regulatory recommendations under section 9 of the NHMRC Act and no interim regulatory recommendations under section 14 of the NHMRC Act, in 2019–20.

Reports by parliamentary committees

No parliamentary committee reported on NHMRC in 2019–20.

The report of the House of Representatives Standing Committee on Health, Aged Care and Sport on the Inquiry into Biotxin-related Illnesses in Australia includes a recommendation for NHMRC. The Australian Government response, released on 10 March 2020, confirms that NHMRC will engage relevant experts and patient support groups to discuss the research gaps identified by the inquiry to define the scope of a Targeted Call for Research set to open in 2020–21.

NHMRC made six submissions to parliamentary inquiries and reviews in 2019–20:

- Senate Committee on Current barriers to patient access to medicinal cannabis in Australia
- Senate Committee on Effective approaches to prevention, diagnosis and support for fetal alcohol spectrum disorder
- Senate Committee Inquiry into the Australian Institute of Health and Welfare Amendment (Assisted Reproductive Treatment Statistics) Bill 2019
- Royal Commission into National Natural Disaster Arrangements
- PFAS Subcommittee – Joint Committee on Foreign Affairs, Defence and Trade – Remediation of PFAS-related impacts ongoing scrutiny and review
- Senate Community Affairs References Committee inquiry into Investigations into a possible cancer cluster on the Bellarine Peninsula, Victoria.

NHMRC officers also appeared at the House of Representatives Inquiry into 5G in Australia on 6 December 2019 in Canberra.

Compliance and assurance

Audit

The NHMRC Audit Committee, established in accordance with the PGPA Act, 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 is accessible on the NHMRC website⁶ and specifies that the committee will review, monitor and advise the CEO on risk management.

⁶ www.nhmrc.gov.au/about-us/leadership-and-governance/committees/nhmrc-audit-committee

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Section 17AG of the Public Governance, Performance and Accountability Rule 2014 (PGPA Rule) requires NHMRC to advise of any significant issues reported to the Minister in relation to noncompliance with the finance law. There were no significant instances of noncompliance with the finance law in the 2019–20 reporting year.

Table 9 contains details of the NHMRC Audit Committee members, together with their qualification, knowledge, skills or experience, meeting attendance and remuneration in 2019–20.

Table 9: NHMRC Audit Committee, 2019–20

Member	Qualification, knowledge, skills or experience	Attendance/ Number of meetings	Total annual remuneration (\$)
Ms Gayle Ginnane (Independent Chair)	30 years experience in public sector	4/4	7,869
Mr Geoff Knuckey	Chartered accountant	4/4	6,732
Professor Matthew Gillespie AM	Member with relevant knowledge of the health and medical research sector	4/4	6,732
Dr Jeannette Young PSM	Council member	2/4	0
Ms Clare McLaughlin	General Manager, NHMRC	4/4	0

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

In 2019–20, the Audit Committee oversaw internal audits that provided assurance on the implementation of previous audit recommendations and implementation of the revised Protective Security Policy Framework. A third audit on NHMRC's implementation of support for the MRFF was placed on hold in response to the COVID-19 pandemic.

Risk management

We are committed to the strategic and systematic management of risks. The NHMRC Risk Management Policy and Framework (the Risk Framework) provided the foundation and detailed organisational arrangements for our integrated approach to designing, implementing, monitoring, reviewing and continually improving risk management behaviours in NHMRC. The currency of the Risk Framework is regularly reviewed 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.

In 2019–20, NHMRC commenced a process of reviewing its strategic and enterprise risks to ensure that appropriate control measures are in place. This process has increased routine identification of cross-cutting and systemic risks within NHMRC, and has strengthened the agency's focus on risk detection, control and mitigation.

Fraud prevention

Officers of NHMRC act with integrity and fairness, and uphold the values of the Australian Public Service in all matters. The NHMRC Fraud Control Framework 2020–2022 and associated fraud control plans have been developed in accordance with the Commonwealth Fraud Control Framework 2017 and the Australian Standard AS 8001:2008 Fraud and Corruption Control.

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

Additionally, through its funding agreements with Administering Institutions, NHMRC requires compliance with the Australian Code for the Responsible Conduct of Research, which fosters integrity in research and requires reporting and investigation into allegations of research misconduct across the Australian health and medical research sector.

To assist the CEO to meet her obligations in relation to fraud control, she has appointed an Executive Director as NHMRC's Fraud Control Officer. The Fraud Control Officer is a referral point for all allegations of fraud, is responsible for maintaining a fraud incident register and undertakes a preliminary assessment to determine whether reported behaviour is potentially fraudulent in nature.

In the 2019–20 reporting period, only one allegation of fraud was made to NHMRC, which was found to be unsubstantiated. In accordance with section 10 of the PGPA Rule, NHMRC will report fraud data for 2019–20 to the Australian Institute of Criminology.

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.

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In 2019–20, NHMRC reviewed and updated its Privacy Management Plan. The plan details privacy-related quality improvement activities that serve to maintain an environment in which personal information is handled appropriately and continues to be managed securely and efficiently.

In 2019–20, 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*.

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 website⁷ 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.

The Freedom of Information Disclosure log⁸ lists the documents to which access has been granted under the FOI Act.

Table 10: NHMRC freedom of information requests, 2019–20

Access applications	
Requests active as at 1 July 2019	2
Requests received	20
Requests finalised or withdrawn	19
Requests transferred in whole to another agency	2
Requests active as at 30 June 2020	1
Internal reviews of NHMRC FOI decisions	
Requests received	2
Requests finalised	2
Office of Australian Information Commissioner reviews	
Matters on hand as at 1 July 2019	2
Requests received	0
Requests finalised	1
Matters on hand as at 30 June 2020	1
FOI Administrative Appeals Tribunal matters	
Matters on hand as at 30 June 2020	0

⁷ www.nhmrc.gov.au/about-us/accountability-and-reporting/information-publication-scheme

⁸ www.nhmrc.gov.au/about-us/freedom-of-information/foi-disclosure-log

Research integrity

Notification of research integrity matters

In line with NHMRC policy, Administering Institutions must notify NHMRC of investigations into allegations of breaches of the Australian Code for the Responsible Conduct of Research (the Code), and findings of research misconduct or breaches of the Code, where the investigations or findings are related to NHMRC funding.

Consistent with the Code, it is the responsibility of the relevant institution to investigate concerns and complaints about research integrity. In response to findings of a serious breach of the Code, including a finding of research misconduct, NHMRC may take action in relation to the Administering Institution or the researcher. Actions may include the recovery of research funding from an institution or restrictions on a researcher's ability to apply for NHMRC funding for a period of time.

Australian Research Integrity Committee

The Australian Research Integrity Committee (ARIC) was established jointly by NHMRC and the Australian Research Council (ARC) in 2011 as a review mechanism for institutional research integrity processes. The information below relates to matters dealt with by ARIC on behalf of NHMRC. 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. At the conclusion of an NHMRC ARIC review, ARIC provides recommendations to the CEO of NHMRC, who may adopt some or all of ARIC's advice and communicates it to relevant parties. In this way, ARIC contributes to public confidence in the integrity of Australia's research effort.

Members

Ms Patricia Kelly PSM (Chair)

Ms Julie Hamblin (Deputy Chair)

Mr Michael Chilcott

Emeritus Professor John Finlay-Jones

Emeritus Professor Alan Lawson

Professor Margaret Otlowski

Emeritus Professor Janice Reid AC

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The founding Chair, Mr Ron Brent, and founding members Dr Kerry Breen and Emeritus Professor Sheila Shaver, departed from ARIC at the expiry of their terms on 30 March 2020. NHMRC thanks the departing members and expresses appreciation for their dedication to maintaining and promoting integrity in Australian research.

Ms Patricia Kelly PSM commenced as the Chair and Emeritus Professor John Finlay-Jones as a new member on 1 April 2020. All current members are appointed until 31 March 2023.

Activities

During the 2019–20 reporting period, ARIC was asked to review six new matters. Of these, four requests were accepted, and two requests were not accepted because they were outside ARIC's remit.

Two reviews that commenced in 2018–19 were finalised in 2019–20, and ARIC reported to the NHMRC CEO on areas for improvement in the relevant institutions' investigative processes. A common issue in both cases was institutions not providing sufficient information to the complainant during, and/or at the conclusion of, an investigation. The NHMRC CEO subsequently communicated with the institutions on these matters.

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 for consistency with the CPRs and the Commonwealth Procurement Framework.

Additionally, NHMRC undertakes, wherever possible, cooperative procurement practices by accessing other entities' established standing offer arrangements, enabling an efficient and value-for-money approach to procuring goods and services. In the whole-of-government context, NHMRC will continue to comply with coordinated procurement initiatives, which reduce tendering costs and increase 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 expected to be undertaken in the year ahead in our annual procurement plan, which is available on the Australian Government's procurement information system, AusTender. Details of all NHMRC contracts and consultancies valued at \$10,000 and over are available on the AusTender website.

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 the 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.

In 2019–20, NHMRC entered into two new consultancy contracts involving total actual expenditure of \$68,356.54. In addition, six ongoing consultancy contracts were active in 2019–20, involving total actual expenditure of \$132,038.57. The total expenditure in 2019–20 was \$200,395.11 (Table 11). Consultancy services of \$10,000 or more are shown in Table 12.

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

Table 11: NHMRC consultancy contract expenditure, 2015–16 to 2019–20

	2015–16	2016–17	2017–18	2018–19	2019–20
Expenditure against contracts awarded (\$)	575,021	289,230	282,674	368,003	200,395

Table 12: NHMRC consultancy services of \$10,000 or more, 2019–20

Consultant name	Description	Contract price (\$)	Selection process ¹	Justification ²
Ginnane Consulting	NHMRC Audit Committee Chair	27,000.00	Limited tender	B
McGrathNicol Advisory Partnership	Provision of internal audit services	86,348.00	Open tender	B

¹ Explanation of selection process terms from the Commonwealth Procurement Rules: Open tender involves publishing an approach to the market and inviting submissions, or by accessing a standing offer arrangement that was established through an open tender process; Limited tender involves approaching one or more potential suppliers to make submissions, where the process does not meet the rules for open tender.

² Justifications for decision to use consultancy are (A) skills currently unavailable within agency, (B) need for specialised or professional skills, or (C) need for independent research or assessment.

Australian National Audit Office access clauses

All contracts entered into by NHMRC in 2019–20 provided for the Auditor-General to have access to the contractor's premises.

Exempt contracts

NHMRC had no contracts or standing offers that were exempted from publication on AusTender in 2019–20.

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 website.

NHMRC recognises the importance of ensuring that small businesses are paid on time. NHMRC achieved an on-time average of 91% of all payments to small businesses or individuals in 2019–20.

NHMRC employs the following initiatives or practices to support SMEs:

- using the Commonwealth Contracting Suite for low-risk procurements valued at 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 the contract to that business first.

Asset management

Asset management is not a significant part of NHMRC's business. The agency's assets include office fit-out, 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 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. There was no reportable expenditure in this period.

Complaints

NHMRC has a complaints process for people who are dissatisfied with its 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 23 March 2020, the Minister for Health reappointed Mr Chris Reid as Commissioner of Complaints for an additional 3-year term to 31 March 2023. Mr Reid has held this role since 2017. A solicitor of more than 30 years standing, Mr Reid brings considerable experience and expertise in investigation and administrative law.

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 2019 to 30 June 2020.

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 their 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.

In 2019–20, no complaints were referred to me for investigation. There were also no complaints from the previous reporting period that required finalisation.



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. The agency is committed to:

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

NHMRC incorporates environmental considerations such as energy and water conservation, and waste and resource management into business activities in the context of achieving corporate business outcomes. As part of this commitment, NHMRC implemented an organic waste management 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 (EEGO) 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 13 outlines energy consumption for the Canberra and Melbourne offices in 2019–20.

Table 13: Tenant light and power, 2019–20

Tenancy	Energy (GJ)	Area (m ²)	MJ/m ²	People	MJ/person
Canberra (16 Marcus Clarke St)	927	4,020	231	195	4,754
Melbourne (414 La Trobe St)	211	462	457	13	16,231

NHMRC is required to meet the target of no more than 7500 MJ per person, per annum, for office tenant light and power under the EEGO Policy. In 2019–20, NHMRC met this target, using 6051 MJ per person per annum.

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 2019–20, NHMRC held a 5-star NABERS energy tenancy rating for the Canberra office. An energy tenancy rating for the Melbourne office, which was due to be completed during 2019–20 but was delayed due to extenuating circumstances, is proposed for completion in 2020–21.

Part 5

People management

This section presents our people management information, including workforce demographics.



Overview

NHMRC depends on its highly skilled and dedicated people to achieve its purposes. We are committed to the ongoing professional development of our staff. Our agile teams comprise both Australian Public Service (APS) and labour-hire staff, ensuring both continuity and flexibility to meet changing demands.

In 2019–20, our people management focus was on strengthening and consolidating the capabilities of our workforce and embedding a culture of inclusivity and respect. Our culture and systems provided a sound basis upon which to support our staff, first through the challenges presented by the bushfires and smoke of the summer and then as the work environment changed in response to the COVID-19 pandemic. From mid-March 2020, most of our staff began work-from-home arrangements that were still in place at the end of the financial year.

Effectiveness

We provide a workplace that offers fulfilling and challenging work in a friendly and supportive environment. Workplace performance is enhanced by access to professional development opportunities, including coaching, secondments and participation in taskforces, and a strong commitment to communicating effectively and maintaining a safe and productive workplace where all employees are valued. Our workplace culture is supported by effective communication, including through whole of agency, branch and section meetings, complemented by ‘all staff’ emails from senior leaders, regular corporate newsletters, dynamic intranet content and an active Staff Consultative Forum.

The effectiveness of our workplace performance and culture is confirmed by the results of the 2019 APS Employee Census,⁹ which highlighted that our staff value the organisation and take pride in the work we do. Employee engagement continues to improve: it is currently 77%, 2 percentage points above the previous year’s result. This result is also higher than that of similar-sized agencies, specialist agencies and the overall APS (on this indicator, NHMRC is ranked 20th of the 97 APS agencies that participated in the census).

NHMRC results for wellbeing are 9 percentage points above the APS figure, and NHMRC ranked 13th of 97 agencies overall. Of staff who responded, 74% think the agency cares about their health and wellbeing (APS average just less than 60%), and 85% indicated that their supervisor is committed to supporting their health and wellbeing.

The strong commitment of our staff to quality and innovative outputs is evidenced by 90% stating that they suggest ways to improve process, and 93% indicating they are willing to ‘go the extra mile’ at work when required. Our focus on inclusivity saw 84% of respondents agreeing that the organisation is committed to an inclusive culture and that this is actively supported by supervisors and the agency (both 89% agreement). Our overall Innovation Index score is 69%, which is an improvement of 4 percentage points on the previous year’s result, with some room for further improvement.

⁹ 73% of our total workforce participated in the survey, of whom 88% were APS employees and 12% were contractors.

NHMRC received a wellbeing index score of 76%, 6 percentage points above the previous year's result and placing the organisation 13th of all 2019 census respondents. Results indicate that the policies and practices that support wellbeing are well regarded by staff (79% satisfaction) and that these policies are well communicated (79% agreement).

Our leadership team members are well regarded and are considered effective communicators (71% agreement) who ensure that work effort contributes to the strategic direction of NHMRC (75% agreement). Satisfaction with immediate supervisors is also high (86% or above) on measures of respect, communication, empowerment and resilience.

Staffing

At 30 June 2020, we employed 208 APS staff in our Canberra and Melbourne locations. A significant proportion of our workforce (44%) has carer responsibilities, and 16.8% worked part-time in 2019–20, compared with 16.1% the previous year. The staff turnover rate in 2019–20 was 21%, compared with 10% in 2018–19, which in part reflects the reduction in our average staffing level (ASL) cap and opportunities available elsewhere in the APS. Table 14 summarises the workforce demographics from 2016–17 to 2019–20.

Table 14: NHMRC workforce at 30 June, 2016–17 to 2019–20

	2016–17	2017–18	2018–19	2019–20
Staff employed on an ongoing basis	196	186	205	189
Staff employed on a non-ongoing basis	12	5	17	18
Staff employed on a casual basis	1	1	1	1
Staff employed full-time	177	165	187	172
Staff employed part-time	32	27	36	35
Staff based in Canberra office	194	177	205	195
Staff based in Melbourne office	16	15	18	13
Women	146	138	160	144
Men	64	54	62	64
Other genders (indeterminate/intersex/unspecified)	2	1	1	0
Staff who identify as Aboriginal or Torres Strait Islander	3	2	7	5
People from diverse linguistic backgrounds	42	58	45	42
People with carer responsibilities	27	86	82	92
People with disability	9	8	9	8

Workforce planning

Our Strategic Workforce Plan ensures 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 prompt consultation on issues such as workplace change, employment and accommodation.

In 2019–20, the forum met to discuss organisation-wide matters, including:

- opportunities for staff to work on cross-agency projects
- the new grant program
- development and implementation of the new grants management system
- proposed changes to a number of human resources policies
- enterprise bargaining vs section 24(1) determination
- changes to workplace arrangements in response to COVID-19.

Workplace agreements

The NHMRC Enterprise Agreement 2016–2019 was nominally scheduled to expire on 9 February 2020. After extensive staff consultation and a well-subscribed staff opinion survey that indicated majority staff support, NHMRC implemented a determination under subsection 24(1) of the *Public Service Act 1999*. The determination provides non-SES (senior executive service) APS staff with an annual 2% salary increase payable under the enterprise agreement. This 3-year determination took effect in February 2020 and covers all non-SES APS staff at NHMRC.

On 9 April 2020, the Australian Government announced that, due to the COVID-19 pandemic, wage increases across the APS will be paused for 12 months. For NHMRC staff, this means the section 24(1) determination pay rise scheduled for 10 February 2021 will be delayed until 10 August 2021.

Remuneration

Executive remuneration

Introduction

The officials covered by these disclosures are the Chief Executive Officer (CEO) and the five SES officers who meet the definition of key management personnel.

Remuneration policies and practices

The Remuneration Tribunal (Remuneration and Allowances for Holders of Full-time Public Office) Determination 2019, subsections 7(3) and 7(4) of the *Remuneration Tribunal Act 1973*, sets the remuneration arrangements for the CEO (Table 15).

The CEO determines remuneration and conditions for the agency's SES officers through a common law contract considering the:

- APS Executive Remuneration Management Policy
- Australian 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 SES officers is aligned with the annual remuneration survey conducted by the Australian Public Service Commission (APSC). At 30 June 2020, five SES employment agreements (common law contracts) were in place.

Salary incremental bands act as a guide in setting SES officers' base salaries (Table 16). SES officers are eligible for an annual salary review on 1 August, subject to holding the position for 6 months or more.

SES salaries (Table 16) are set and adjusted according to the CEO's or delegate's assessment of the:

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

On 26 March 2020, the Australian Government suspended increases to remuneration, entitlements and allowances for all SES officers until the resolution of the challenges arising from the COVID-19 pandemic. This includes freezing the application of general 2% wage increases and any remuneration increases through performance progression mechanisms within existing salary structures.

No bonuses were paid to any NHMRC SES officers.

Table 15: Key management personnel, 2019–20

Name	Position title	Short-term benefits (\$)		Post-employment benefits (\$)		Other long-term benefits (\$)		Termination benefits (\$)	Total remuneration ^e (\$)
		Base salary ^a	Bonuses	Other benefits and allowances ^b	Superannuation and contributions ^c	Long-service leave ^d	Other long-term benefits		
Professor Anne Kelso AO	Chief Executive Officer	485,367	-	6,361	57,212	13,484	-	-	562,424
Clare McLaughlin	General Manager	278,127	-	31,168	45,431	8,102	-	-	362,828
Dr Julie Glover	Executive Director	187,245	-	29,175	35,533	5,844	-	-	257,797
Tony Krizan	Executive Director	218,786	-	29,175	40,208	5,248	-	-	293,417
Alan Singh	Executive Director	226,418	-	29,175	40,208	5,309	-	-	301,110
Prue Torrance	Executive Director	180,143	-	29,175	24,798	4,300	-	-	238,416
Total		1,576,086	-	154,229	243,390	42,287	-	-	2,015,992

(a) Base salary includes salary paid and accrued, salary paid while on annual leave, salary paid while on personal leave, annual leave accrued and higher duties allowances.

(b) Other benefits and allowances include monetary benefits such as car allowances and non-monetary benefits such as provision of a car park.

(c) For individuals in a defined contribution scheme, superannuation includes superannuation contribution amounts. For individuals in a defined benefit scheme, superannuation includes the relevant Notional Employer Contribution Rate and Employer Productivity Superannuation Contribution.

(d) Long-service leave comprises the amount of leave accrued and taken for the period.

(e) Total remuneration is calculated on an accrual basis in accordance with Australian Accounting Standards Board 119 Employee Benefits.

Table 16: NHMRC salary ranges, 30 June 2020

Classification	Minimum salary (\$)	Maximum salary (\$)
SES 2	222,854	275,914
SES 1	171,916	212,242
EL 2	121,003	143,261
EL 1	101,711	115,712
APS 6	82,531	93,107
APS 5	74,814	78,962
APS 4	68,784	72,676
APS 3	60,711	67,292
APS 2	52,535	57,329
APS 1	44,949	50,481

Non-salary benefits

Non-salary benefits available to NHMRC staff in 2019–20 included:

- learning and development opportunities
- professional coaching and mentoring
- health and wellbeing programs
- study assistance (study leave and financial assistance)
- options for flexible hours and time off in lieu
- individual flexibility agreements
- 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 in annual remuneration for non-SES employees within the pay-point increments set out in the enterprise agreement.

Work health and safety

NHMRC is committed to the health, safety and wellbeing of our people, our visitors, and others who work for us and with us. This is a collective responsibility. During 2019–20, we continued to strengthen our work health and safety (WHS) management system and explore strategies to assist staff to improve their health and wellbeing, with an emphasis on prevention and early intervention.

In 2019–20 NHMRC:

- held meetings of the Workplace Health and Safety Committee, which includes the agency's health and safety representatives
- consulted with staff via health and safety representatives on matters related to WHS policy

Part 5 People management

- conducted regular hazard and risk identification assessments, and associated item removal and risk mitigation activities
- reviewed and updated policies, guides and fact sheets about WHS
- conducted workstation assessments (office and home) to promote good ergonomic practices and prevent stress injuries
- provided access to confidential counselling through the employee assistance program and access to case-management services for early intervention and rehabilitation
- provided training on WHS responsibilities (due diligence) and on mental health first aid
- conducted mental health awareness activities, including suicide awareness, in National Safe Work Month and Mental Health Awareness Week
- disseminated information to all staff on WHS updates via email and the intranet
- surveyed staff to assess their understanding of their WHS responsibilities and the effect of WHS requirements on business
- promoted a healthy lifestyle via free staff health checks, influenza vaccinations, flexible working arrangements, and financial reimbursements for quitting smoking and eyesight testing
- achieved reaccreditation by the Australian Breastfeeding Association as a Breastfeeding Friendly Workplace.

Response to the COVID-19 pandemic

In the second half of the 2019–20 financial year, like so many organisations in Australia and around the world, NHMRC and its workforce have faced unprecedented challenges. For NHMRC, this started with major bushfires, smoke and severe storms that affected our staff, particularly in the Canberra region. The bushfires were followed by the global COVID-19 pandemic, which has significantly affected staff in both of our offices, particularly our Melbourne-based staff.

With the onset of the pandemic in Australia, most of NHMRC's work moved off-site from March 2020. NHMRC staff engaged externally via virtual platforms such as videoconferencing, which NHMRC has been using for some years for meetings with stakeholders around the country and internationally. Similarly, NHMRC's previous investment in networked laptops for all staff facilitated the move to working from home. The Continuity Management Team was convened on 13 March 2020 and on 30 March 2020 the General Manager activated the NHMRC Business Continuity Plan, which remained active at 30 June 2020.

Additionally, to limit the spread of COVID-19 and keep our staff and workplace safe, we have:

- reviewed our policies and measures for infection control, including providing staff with educational resources
- kept our employees apprised of control measures, including hand and respiratory hygiene, physical distancing and self-isolation requirements issued by governments in the jurisdictions in which we operate
- provided a suite of resources and protocols to manage suspected and confirmed cases of COVID-19 in the workplace, including working arrangements

- regularly communicated any changes to staff via corporate news, all staff email updates and information on the intranet
- encouraged all staff able to work from home to do so, and provided guidance to help make working remotely a productive and safe experience
- encouraged staff who may be vulnerable and those at greater risk from exposure to COVID-19 to continue working from home until they can safely return to the office
- engaged additional office cleaning support and implemented distancing measures to ensure that our workplaces are safe for those working in the office
- implemented a transition plan to facilitate the gradual shift to more staff in the workplace, which will be activated as restrictions are lifted in relevant jurisdictions
- engaged two psychologists to provide support to staff, in addition to providing access to confidential counselling through the employee assistance program
- continued to review work practices according to advice from Safe Work Australia, Comcare and the Department of Health.

Work health and safety incident reporting

Under section 38 of the *Work Health and Safety Act 2011* (WHS Act), we are required to notify Comcare of any deaths, serious injury or illness, or dangerous incidents arising from our work. No notifiable incidents were reported to Comcare in 2019-20.

Under Schedule 2, Part 3 of the WHS Act, we are required to report on any investigations undertaken by Comcare or any notices we received under Part 10 of the WHS Act. There were no investigations conducted or notices received in 2019-20.

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 compensatable and non-compensatable injuries). Our workers compensation premium for 2019-20 was 0.92% of payroll costs (Table 17). This performance compares favourably with that of other similar-sized agencies.

Table 17: NHMRC premium rate (%) compared with the Commonwealth scheme average

	2017-18	2018-19	2019-20
NHMRC	1.06	0.70	0.92
Commonwealth Scheme Average	1.23	1.06	1.00

Learning and development

During this reporting period, we have continued to implement our Learning and Development Strategy and Plan, which underpins our commitment to the ongoing professional development of our staff. Strengthening the capability of our workforce helps us achieve our mission and purposes.

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

- on-the-job learning
- online learning through the Australian Government's Learnhub platform

- APS forums and training, such as the APS Core Skills program
- external training and conferences
- access to study assistance
- support for membership of professional development associations
- secondment opportunities, including placements in Indigenous organisations through the Jawun APS Secondment Program and in several APS agencies.

We value the professional capability of staff. Results of the 2019 APS employee census showed that more than two-thirds of NHMRC respondents possessed a Bachelor degree or higher qualification. Qualifications in medicine and health sciences, held by more than 30% of respondents, continue to be the most common.

Workplace diversity

We continue to build and sustain a culture of inclusion and diversity. We maintain a workplace diversity program aimed at ensuring that we:

- recognise, foster and make best use of the diversity of our employees
- help employees to balance their work, family and other caring responsibilities
- comply with all relevant anti-discrimination laws.

Staff are encouraged to participate in events that acknowledge significant milestones of inclusion and diversity, to share their stories and to celebrate the diversity that we bring to the workplace.

The Reconciliation Action Plan Working Group is developing a new INNOVATE Reconciliation Action Plan that sets out the agency's strategy to achieve NHMRC's vision for reconciliation. During 2019–20 we continued to focus on:

- building and reflecting on the importance of authentic and respectful relationships
- strengthening our working partnerships and relationships with Aboriginal and Torres Strait Islander peoples, communities and businesses
- ensuring that the agency fosters a culturally safe working environment
- consolidating NHMRC's Indigenous Internship Program.

In 2019–20, NHMRC also became a member of the APSC's Indigenous Employment Strategy, which provides access to a range of employment programs aimed at increasing the representation of Indigenous Australians.

We also acknowledged significant workforce diversity dates:

- the anniversary of the National Apology
- International Women's Day
- Harmony Day
- International Day Against Homophobia, Transphobia and Biphobia
- National Sorry Day
- National Reconciliation Week
- NAIDOC Week
- Wear it Purple Day
- International Day of People with Disability.

Our memberships of key diversity organisations, including the Australian Network on Disability and the Diversity Council Australia, were renewed.

Table 18 shows how diverse groups have been represented in NHMRC's workforce since 2016.

Table 18: Representation of key groups (%) in NHMRC workforce, 2016-17 to 2019-20

Group	2016-17	2017-18	2018-19	2019-20
Women	70	72	72	69
People with disability	4	4	4	4
Aboriginal and Torres Strait Islander people	1	1	3	2
People from diverse linguistic backgrounds	20	30	20	20
People with carer responsibilities	13	45	37	44
Part-time workers	15	14	16	17

Disability reporting

Disability reporting is included in the APSC's *State of the Service* reports and the *APS Statistical Bulletin*. These reports are available at www.apsc.gov.au.

Performance management framework

NHMRC's performance management framework, Workplace Conversations, was implemented last year and provides a simple, more streamlined approach to performance management. It emphasises the importance of regular, forward-looking, formal and informal performance conversations in the workplace. The framework applies equally to all staff, contractors and SES officers. Through the framework, each staff member agrees with their manager on their goals for the year. Formal performance discussions and assessments between managers and staff occur at least twice per year, with regular informal discussions strongly encouraged to provide ongoing feedback, direction and supported development. Staff and their managers discuss individual development plans to ensure that staff have the capability to meet their agreed goals.

We also recognise the need to manage underperformance, whether it relates to an employee's skills and capabilities or their behaviour and conduct. Where performance concerns are identified, managers and staff are supported to consider job fit, ensure that expectations are clearly articulated, address any capability gaps, and provide regular actionable feedback with the goal of closing any performance gap. When this is not successful, the agency may initiate its formal underperformance process.

CASE STUDY

Mothers' and their Children's Health (MatCH)



MatCH - one of five cohort studies embedded in the Australian Longitudinal Study on Women's Health (ALSWH) - is investigating the extent to which the history of maternal health and wellbeing, along with characteristics of the family environment, leads to disparities in child health, development and use of health services.

The Department of Health has funded ALSWH since 1996; NHMRC funded the MatCH project in 2014. Data collected through MatCH provide an opportunity to investigate pre-conception and life-course determinants of child health outcomes, and can be linked with maternal data from women in ALSWH, representing more than 20 years of data available on the participants.

A total of 3048 mothers responded to the MatCH survey (2016-17). They provided data about 5799 children (52% were boys). Moderate to severe longstanding health conditions were reported for 4.6% of children. However, moderate to severe longstanding symptoms of illness were reported for 22% of children. Overall, 17% had sleep problems and 16% were overweight or obese.

MatCH has delivered key advice for clinicians about pre-pregnancy health screening for women of child-bearing age:

- Maternal weight trajectories affect child growth and development; maintaining a healthy pre-conception body weight not only reduces the risk of obesity for the child but is also important for child physical and cognitive development.
- Pre-conception depression affects post-birth mental health and parenting; maternal depression should be treated pre-conception for optimal child psychosocial development.



In addition, MatCH has delivered important messages for the community on children's screen time and physical activity:

- Media coverage after publication of findings on excessive screen time among young children helped inform parents about current national guidelines for screen time and the importance of play and movement for development.
- Children (5–12 years) who have access to fixed play equipment such as swings and slides, and who have fewer electronic devices, were more likely to meet national guidelines for physical activity.



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MatCH study children exceeding screen time guideline

Age	National guideline	Proportion (%) exceeding guideline	
		Weekdays	Weekends
<1 year	Nil exposure	66	65
<2 years	Nil exposure	46	78
<3 years	Maximum 1 hour per day	53	72
<4 years	Maximum 1 hour per day	50	72

The full impact case study is available at www.nhmrc.gov.au/about-us/resources/impact-case-studies.

Australia Day awards

We recognise and celebrate high-performing staff according to our reward and recognition policy. We seek to acknowledge the achievements of both teams and individuals, and to support ongoing, informal recognition among colleagues.

On Australia Day 2020, we awarded Australia Day Achievement medallions to the following staff in recognition of outstanding performance on special projects or in their core duties:

- Nick Anderson, Mary Bate, Dr Erica Crone, Christopher Jennaway, Deborah Lopert, Lachlan McLennan, Dr Devbarna Sinha and Alice Spurgin.

Certificates of Achievement were also awarded to the following staff members:

- Mitochondrial Donation Consultation Taskforce – Dr Belinda Westman, Emma Anderson, Reem Cracknell, Dr Ben Doolan and Dr Michelle Edmonds
- Public Health team – Bethany Corr, Melanie Grimmond, Breona Humphry, Dr Kristal Jackson, Catherine King, Melissa Lawrance, Yvette Long, Rebecca Rees, Kellie Stephenson and Cathy Connor
- Research Grants Management System team – Gerry Doherty, Richard Bosci, Lee Clayton and Tavis Hamer.

Financial performance – Departmental

NHMRC’s Departmental financial performance for 2019–20 is summarised in Table 19 below.

Table 19: NHMRC departmental financial performance, 2019–20

	30 June 2019 (\$'000)	30 June 2020 (\$'000)
Operating expenses	47,563	47,640
Own-source income	(8,869)	(15,204)
Gains	(108)	(108)
Net cost of services	38,586	32,328
Revenue from government	(37,591)	(37,485)
Total operating surplus / (deficit)	(995)	5,157

NHMRC’s operating result for 2019–20 was a surplus of \$5.157 million. This was in excess of the approved Department of Finance loss of \$2.4 million for non-appropriated expenses for depreciation and amortisation.

Financial performance – Administered

NHMRC administered \$909.9 million in expenses on behalf of Government during 2019–20. Funding through NHMRC’s Medical Research Endowment Account (MREA) amounted to \$901.6 million. The remaining \$8.3 million funded a range of activities related to dementia research, anti-venom research, streamlining health and medical research initiatives, and research evidence for clinical practice and policy through the Cochrane Collaboration.

The increase in Administered expenses from last year (\$15.2 million) largely reflects increasing commitments due to the transition to NHMRC’s new grant program, additional Targeted Calls for Research and the completion of the Boosting Dementia Research Initiative.

The balance of the MREA was \$197.7 million at 30 June 2020.

Agency Resource Statement

Table 20: NHMRC Agency Resource Statement

	Actual available appropriation for 2019-20 \$'000	Payments made 2019-20 \$'000	Balance remaining 2019-20 \$'000
	(a)	(b)	(a) - (b)
Ordinary annual services¹			
Departmental appropriation	59,712	47,313	12,399
Total	59,712	47,313	12,399
Administered expenses			
Outcome 1	882,688	925,170	
Total	882,688	925,170	
Total ordinary annual services	A 942,400	972,483	
Other services			
Departmental non-operating			
Equity injections	421	5,028	(4,607)
Total	421	5,028	(4,607)
Total other services	B 421	5,028	(4,607)
Total available annual appropriations and payments	942,821	977,511	
Special accounts			
Opening balance	240,221		
Appropriation receipts ²	846,554		
Non-appropriation receipts to special accounts	12,417		
Payments made		901,447	
Total special accounts	C 1,099,192	901,447	197,745
Total resourcing and payments A+B+C	2,042,013	1,878,958	
Less appropriations drawn from annual or special appropriations above and credited to special accounts and/or payments to corporate entities through annual appropriations	(846,554)	(901,447)	
Total net resourcing and payments for NHMRC	1,195,459	977,511	

¹ Appropriation Act (No.1) 2019-20 and Appropriation Act (No.3) 2019-20. This may also include prior year departmental appropriation and section 74 retained receipts.

² Appropriation receipts for 2019-20 included above.

National Health and Medical Research Council

Financial Statements

for the period ended 30 June 2020

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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 2020:

- (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 2020 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 as at 30 June 2020 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 (including Independence Standards)* (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

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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
26 August 2020

**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 2020 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 FAA
Chief Executive Officer
Accountable Authority
National Health and Medical Research Council

26 August 2020

Signed 

Tony Krizan FCPA
Chief Financial Officer
National Health and Medical Research Council

26 August 2020

National Health and Medical Research Council
Statement of Comprehensive Income
for the year ended 30 June 2020

	Notes	2020 \$'000	2019 \$'000	Original Budget \$'000
NET COST OF SERVICES				
Expenses				
Employee benefits ¹	1.1A	24,757	22,987	22,523
Suppliers ²	1.1B	17,193	21,974	20,194
Depreciation and amortisation ³	3.2A	5,434	2,460	2,400
Finance costs		256	-	-
Write-down and impairment of other assets		-	142	-
Total expenses		47,640	47,563	45,117
Own-Source Income				
Own-source revenue				
Revenue from contracts with customers ⁴	1.2A	15,193	-	5,124
Rendering of services	1.2B	-	8,869	-
Other revenue		11	-	-
Total own-source revenue		15,204	8,869	5,124
Gains				
Resources received free of charge - ANAO audit fee		108	108	108
Total gains		108	108	108
Total own-source income		15,312	8,977	5,232
Net cost of services		(32,328)	(38,586)	(39,885)
Revenue from Government		37,485	37,591	37,485
Total Revenue from Government		37,485	37,591	37,485
Surplus/(Deficit) attributable to the Australian Government		5,157	(995)	(2,400)
Total comprehensive income/(loss)		5,157	(995)	(2,400)

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

Budget Variance Commentary

- Higher levels of ASL than budgeted, mainly attributable to conversion of labour hire contractors to APS employees.
- Deceased supplier expenses primarily due to the adoption of AASB 16 resulting in a reclassification of operating lease expenditure and lagging project related activity due to the COVID-19 pandemic.
- Increased amortisation expense due to the adoption of AASB 16 recognising depreciation on right of use assets and the part capitalisation of Sapphire functionality earlier than anticipated.
- 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 2020

	Notes	2020 \$'000	2019 \$'000	Original Budget \$'000
ASSETS				
Financial Assets				
Cash and cash equivalents		612	694	814
Trade and other receivables ¹	3.1A	9,308	3,756	4,393
Total financial assets		9,920	4,450	5,207
Non-Financial Assets^A				
Buildings ²	3.2A	20,810	-	-
Plant and equipment	3.2A	3,675	3,624	2,503
Intangibles - internally developed ³	3.2A	18,694	15,953	16,500
Inventories		97	189	186
Prepayments ⁴		3,173	3,192	395
Total non-financial assets		46,449	22,958	19,584
Total assets		56,369	27,408	24,791
LIABILITIES				
Payables				
Trade creditors and accruals		1,606	3,431	3,575
Operating lease rentals		-	513	-
Other	3.3A	4,710	3,312	4,891
Total payables		6,316	7,256	8,466
Interest bearing liabilities				
Leases	3.4A	21,670	-	-
Total interest bearing liabilities		21,670	-	-
Provisions				
Employee provisions ⁵	6.1A	7,310	6,429	5,986
Total provisions		7,310	6,429	5,986
Total liabilities		35,296	13,685	14,452
Net assets		21,073	13,723	10,339
EQUITY				
Contributed equity		16,667	16,246	16,667
Retained earnings		4,406	(2,523)	(6,328)
Total equity		21,073	13,723	10,339

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

(A) Right-of-use assets are included in the following line items – Buildings and Plant and Equipment.

Budget Variance Commentary

1. Lower level of project related expenditure has resulted in an increase in appropriations receivable.
2. AASB 16 *Leases* required the recognition of Right of Use (ROU) assets for Buildings and a corresponding lease liability from 1 July 2019. These effects of AASB 16 were not budgeted.
3. Increased level of expenditure on intangible assets, mainly attributable to Sapphire.
4. Software licence purchases for Sapphire are over a five year period, longer than initially budgeted.
5. 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 in Equity
for the year ended 30 June 2020

	2020 \$'000	2019 \$'000	Original Budget \$'000
CONTRIBUTED EQUITY			
Opening balance			
Balance carried forward from previous period	16,246	15,825	16,246
Transactions with owners			
Contributions by owners			
Departmental capital budget	171	171	171
Equity injection	250	250	250
Total transactions with owners	421	421	421
Closing balance as at 30 June	16,667	16,246	16,667
RETAINED EARNINGS			
Opening balance			
Balance carried forward from previous period	(2,523)	(1,528)	(3,928)
Adjustment on initial application of AASB 16	1,352	-	-
Adjustment on initial application of AASB 15/1058	420	-	-
Comprehensive income			
Surplus/(Deficit) for the period	5,157	(995)	(2,400)
Total comprehensive income	5,157	(995)	(2,400)
Closing balance as at 30 June	4,406	(2,523)	(6,328)
TOTAL EQUITY			
Opening balance			
Balance carried forward from previous period	13,723	14,297	12,318
Adjustment on initial application of AASB 16	1,352	-	-
Adjustment on initial application of AASB 15/1058	420	-	-
Comprehensive income			
Surplus/(Deficit) for the period	5,157	(995)	(2,400)
Total comprehensive income	5,157	(995)	(2,400)
Transactions with owners			
Contributions by owners			
Departmental capital budget	171	171	171
Equity injection	250	250	250
Total transactions with owners	421	421	421
Closing balance as at 30 June	21,073	13,723	10,339

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 2020

	Notes	2020 \$'000	2019 \$'000	Original Budget \$'000
OPERATING ACTIVITIES				
Cash received				
Rendering of services ¹		18,488	7,462	5,124
Appropriations ²		50,132	47,387	39,485
GST received		2,039	2,812	2,000
Total cash received		70,659	57,661	46,609
Cash used				
Employees		(23,685)	(22,574)	(22,523)
Suppliers		(21,035)	(27,090)	(22,086)
Interest payments on lease liabilities		(256)	-	-
Section 74 receipts transferred to OPA ³		(18,821)	(2,224)	-
Total cash used		(63,797)	(51,888)	(44,609)
Net cash from operating activities		6,862	5,773	2,000
INVESTING ACTIVITIES				
Cash used				
Purchase of plant and equipment ²	3.2A	(498)	(562)	(2,421)
Purchase of intangibles ²	3.2A	(4,530)	(6,586)	-
Total cash used		(5,028)	(7,148)	(2,421)
Net cash used by investing activities		(5,028)	(7,148)	(2,421)
FINANCING ACTIVITIES				
Cash received				
Contributed equity		421	1,255	421
Total cash received		421	1,255	421
Cash used				
Principal payments of lease liabilities		(2,337)	-	-
Total cash used		(2,337)	-	-
Net cash from financing activities		(1,916)	1,255	421
Net increase in cash held		(82)	(120)	-
Cash and cash equivalents at the beginning of the reporting period		694	814	814
Cash and cash equivalents at the end of the reporting period		612	694	814

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

Budget Variance Commentary

- Variance due to an increase in MRFF funds received from Department of Health.
- Prior year appropriation reserves utilised for capital purchases.
- 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 2020

	Notes	2020 \$'000	2019 \$'000	Original Budget \$'000
NET COST OF SERVICES				
Expenses				
Grants - Medical Research (MREA)	2.1A	865,102	852,055	868,575
Grants - Boosting Dementia Research ¹	2.1B	36,472	35,062	-
Other expenses incurred in the provision of grants ²	2.1C	8,293	7,556	11,946
Total expenses		909,867	894,673	880,521
Income				
Revenue				
Non-taxation revenue				
Revenue from contract with customers ³		-	-	6,000
Other revenue	2.2A	5,747	7,795	5,000
Total non-taxation revenue		5,747	7,795	11,000
Total revenue		5,747	7,795	11,000
Total income		5,747	7,795	11,000
Net cost of services		(904,120)	(886,878)	(869,521)

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

Budget Variance Commentary

1. The variance relates to spending on grants awarded from the Boosting Dementia Research budget measure, for which an appropriation of \$200 million was received between 2014-15 and 2018-19. These funds were committed and transferred from Administered funds into the Medical Research Endowment Account (special account) for grants to be paid over a five year period.
2. The variance is largely due to funds received for Dementia related activities (non-Boosting Dementia) that were not paid during 2019-20. 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 2019-20. The budget was estimated using historical trends for revenue received from Department of Health for Partnership Projects, which was not received during 2019-20.

**National Health and Medical Research Council
Administered Schedule of Assets and Liabilities
as at 30 June 2020**

	Notes	2020 \$'000	2019 \$'000	Original Budget \$'000
ASSETS				
Financial Assets				
Cash and cash equivalents ¹		197,745	240,227	226,227
Trade and other receivables		1,145	2,807	2,426
Total financial assets		198,890	243,034	228,653
Total assets administered on behalf of Government		198,890	243,034	228,653
LIABILITIES				
Payables				
Grants Payable - Medical Research (MREA) ²	4.1A	2,039	1,903	4,079
GST payable ³		3,426	3,450	3,904
Other payables ⁴		5,609	457	-
Total payables		11,074	5,810	7,983
Total liabilities administered on behalf of government		11,074	5,810	7,983
Net assets		187,816	237,224	220,670

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

Budget Variance Commentary

1. Cash balance has reduced due the increase in grant commitments resulting from the transition to the NHMRC's new grant program and payments made for grants awarded from the Boosting Dementia Research budget measure.
2. Budget overstated due to being based on historical data/trends. Current actuals are less than anticipated.
3. GST drawdowns 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 from Department of Health for a Targeted Call for Research (TCR) into Participation in Cancer Screening

National Health and Medical Research Council
Administered Reconciliation Schedule
for the year ended 30 June 2020

	2020 \$'000	2019 \$'000
Opening assets less liabilities as at 1 July	237,224	241,349
Adjustment on initial application of AASB 15/1058	-	-
Net contribution by services		
Income	5,747	7,795
Expenses		
Payments to Corporate Commonwealth entities	(14,216)	(12,106)
Payments to entities other than Corporate Commonwealth entities	(895,651)	(882,567)
Transfers from the Australian Government		
Appropriation transfers from Official Public Account		
Annual appropriations		
Payments to entities other than Corporate Commonwealth entities	854,712	882,753
Closing assets less liabilities as at 30 June	187,816	237,224

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 2020**

	2020 \$'000	2019 \$'000
OPERATING ACTIVITIES		
Cash received		
Other revenue	12,700	7,763
GST received	15,276	15,528
Total cash received	27,976	23,291
Cash used		
Grants - Medical Research (MREA)	864,980	854,164
Grants - Boosting Dementia Research	36,472	35,131
Other expenses incurred in the provision of grants	8,148	7,606
GST paid	15,570	15,822
Total cash used	925,170	912,723
Net cash used by operating activities	(897,194)	(889,432)
Cash and cash equivalents at the beginning of the reporting period	240,227	246,906
Cash from Official Public Account		
Appropriations	854,712	882,753
Total cash from official public account	854,712	882,753
Cash and cash equivalents at the end of the reporting period	197,745	240,227

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 an instrument 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

Standard/ Interpretation	Nature of change in accounting policy, transitional provisions, and adjustment to financial statements
AASB 15 <i>Revenue from Contracts with Customers</i> / AASB 2016-8 <i>Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities</i> and AASB 1058 <i>Income of Not-For-Profit Entities</i>	<p>AASB 15, AASB 2016-8 and AASB 1058 became effective 1 July 2019.</p> <p>AASB 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including AASB 118 <i>Revenue</i>, AASB 111 <i>Construction Contracts</i> and Interpretation 13 <i>Customer Loyalty Programmes</i>. The core principle of AASB 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.</p> <p>AASB 1058 is relevant in circumstances where AASB 15 does not apply. AASB 1058 replaces most of the not-for-profit (NFP) provisions of AASB 1004 <i>Contributions</i> and applies to transactions where the consideration to acquire an asset is significantly less than fair value principally to enable the entity to further its objectives, and where volunteer services are received.</p> <p>The details of the changes in accounting policies, transitional provisions and adjustments are disclosed below and in the relevant notes to the financial statements.</p>

Part 6 Financial performance

Standard/ Interpretation	Nature of change in accounting policy, transitional provisions, and adjustment to financial statements
AASB 16 <i>Leases</i>	<p>AASB 16 became effective on 1 July 2019.</p> <p>This new standard has replaced AASB 117 <i>Leases</i>, Interpretation 4 <i>Determining whether an Arrangement contains a Lease</i>, Interpretation 115 <i>Operating Leases—Incentives</i> and Interpretation 127 <i>Evaluating the Substance of Transactions Involving the Legal Form of a Lease</i>.</p> <p>AASB 16 provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, together with options to exclude leases where the lease term is 12 months or less, or where the underlying asset is of low value. AASB 16 substantially carries forward the lessor accounting in AASB 117, with the distinction between operating leases and finance leases being retained. The details of the changes in accounting policies, transitional provisions and adjustments are disclosed below and in the relevant notes to the financial statements.</p>

Application of AASB 15 Revenue from Contracts with Customers / AASB 1058 Income of Not-For-Profit Entities

NHMRC adopted AASB 15 and AASB 1058 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 July 2019. Accordingly, the comparative information presented for 2019 is not restated, that is, it is presented as previously reported under the various applicable AASBs and related interpretations.

Under the new income recognition model, NHMRC shall first determine whether an enforceable agreement exists and whether the promises to transfer goods or services to the customer are 'sufficiently specific'. If an enforceable agreement exists and the promises are 'sufficiently specific' (to a transaction or part of a transaction), NHMRC applies the general AASB 15 principles to determine the appropriate revenue recognition. If these criteria are not met, the NHMRC shall consider whether AASB 1058 applies.

In relation to AASB 15, NHMRC elected to apply the new standard to all new and uncompleted contracts from the date of initial application. NHMRC is required to aggregate the effect of all of the contract modifications that occur before the date of initial application.

In terms of AASB 1058, NHMRC is required to recognise volunteer services at fair value if those services would have been purchased and not provided voluntarily, and the fair value of those services can be measured reliably.

Impact on Transition of AASB 15

Departmental	1 July 2019 \$'000
Assets	
Trade and other receivables	-
Total assets	-
Liabilities	
Prepayments received/unearned income	(420)
Total liabilities	(420)
Total adjustment recognised in retained earnings	420

Set out below are the amounts by which each financial statement line item is affected as at and for the year ended 30 June 2020 as a result of the adoption of AASB 15 and AASB 1058. The first column shows amounts prepared under AASB 15 and AASB 1058 and the second column shows what the amounts would have been had AASB 15 and AASB 1058 not been adopted:

Transitional Disclosure

	AASB 15 / AASB 1058 \$'000	Previous \$'000	Increase / (decrease) \$'000
Revenue			
Revenue from contracts with customers	15,193	-	15,193
Rendering of services	-	15,613	(15,613)
Total Revenue	15,193	15,613	(420)
Net (cost of)/contribution by services	15,193	15,613	(420)
Liabilities			
Contract liabilities	4,057	-	4,057
Prepayments received/unearned revenue	-	4,477	(4,477)
Total Liabilities	4,057	4,477	(420)
Retained earnings	(4,057)	(4,477)	420

Application of AASB 16 Leases

NHMRC adopted AASB 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 July 2019. Accordingly, the comparative information presented for 2019 is not restated, that is, it is presented as previously reported under AASB 117 and related interpretations.

NHMRC elected to apply the practical expedient to not reassess whether a contract is, or contains a lease at the date of initial application. Contracts entered into before the transition date that were not identified as leases under AASB 117 were not reassessed. The definition of a lease under AASB 16 was applied only to contracts entered into or changed on or after 1 July 2019.

AASB 16 provides for certain optional practical expedients, including those related to the initial adoption of the standard. NHMRC applied the following practical expedients when applying AASB 16 to leases previously classified as operating leases under AASB 117:

- Apply a single discount rate to a portfolio of leases with reasonably similar characteristics;
- Exclude initial direct costs from the measurement of right-of-use assets at the date of initial application for leases where the right-of-use asset was determined as if AASB 16 had been applied since the commencement date;
- Reliance on previous assessments on whether leases are onerous as opposed to preparing an impairment review under AASB 136 *Impairment of Assets* as at the date of initial application; and
- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term remaining as of the date of initial application.

As a lessee, NHMRC previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under AASB 16, NHMRC recognises right-of-use assets and lease liabilities for most leases. However, NHMRC has elected not to recognise right-of-use assets and lease liabilities for some leases of low value assets based on the value of the underlying asset when new or for short-term leases with a lease term of 12 months or less.

On adoption of AASB 16, NHMRC recognised right-of-use assets and lease liabilities in relation to leases of office space and plant and equipment, which had previously been classified as operating leases.

The lease liabilities were measured at the present value of the remaining lease payments, discounted using NHMRC's incremental borrowing rate as at 1 July 2019. NHMRC's incremental borrowing rate is the rate at which a similar borrowing could be obtained from an independent creditor under comparable terms and conditions. The weighted-average rate applied was 1.13%.

Part 6 Financial performance

The right-of-use assets were measured as follows:

- a) Office space: measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.
- b) All other leases: the carrying value that would have resulted from AASB 16 being applied from the commencement date of the leases, subject to the practical expedients noted above.

Impact on transition

On transition to AASB 16, NHMRC recognised additional right-of-use assets and additional lease liabilities, recognising the difference in retained earnings. The impact on transition is summarised below:

Departmental	1 July 2019 \$'000
Right-of-use assets - buildings and property, plant and equipment	24,008
Lease liabilities	24,008
Operating lease rentals liability	(513)
Lease incentive liability	(839)
Retained earnings	1,352

The following table reconciles the Departmental minimum lease commitments disclosed in NHMRC's 30 June 2019 annual financial statements to the amount of lease liabilities recognised on 1 July 2019:

Minimum operating lease commitment at 30 June 2019	25,688
Adjustment to minimum lease commitment at 30 June 2019	(330)
Less: low value leases not recognised under AASB 16	(34)
Undiscounted lease payments	25,324
Less: effect of discounting using the incremental borrowing rate as at the date of initial application	(1,316)
Lease liabilities recognised at 1 July 2019	24,008

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.

COVID -19

The spread of novel coronavirus (COVID-19) was declared a public health emergency by the World Health Organisation on 31 January 2020 and upgraded to a global pandemic on 11 March 2020. The rapid rise of the virus has seen an unprecedented global response by governments, regulators and numerous industry sectors. The Australian Federal Government enacted its emergency plan on 29 February 2020. This has led to the closure of Australian borders from 20 March, an increasing level of restrictions on corporate Australia's ability to operate, significant volatility and instability in financial markets and the release of a number of government stimulus packages to support individuals and businesses as the Australian and global economies face significant slowdown and uncertainties.

NHMRC continues to monitor developments in the COVID-19 pandemic and the measures being implemented on the economy to control and slow the outbreak. At 30 June 2020 the impact of COVID-19 on NHMRC's financial performance has been immaterial. Key areas that have been considered include recoverability of receivables, property lease terms and conditions and other contractual arrangements.

No material uncertainty exists about NHMRC's ability to continue as a going concern.

1. Departmental Financial Performance

1.1 Expenses

	2020	2019
	\$'000	\$'000
Note 1.1A: Employee Benefits		
Wages and salaries	17,377	15,954
Superannuation		
Defined contribution plans	2,214	2,011
Defined benefit plans	1,218	1,166
Leave and other entitlements	3,916	3,856
Separation and redundancies	32	-
Total employee benefits	24,757	22,987

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	162	21
Insurance	70	75
Committees	3,304	3,815
Conference fees	14	37
Consultants	326	478
Contractors	4,638	7,942
IT services	6,803	4,741
Office equipment	57	402
Services	1,149	1,308
Travel	209	367
Other	249	251
Total goods and services supplied or rendered	16,981	19,437

Goods supplied	329	446
Services rendered	16,652	18,991
Total goods and services supplied or rendered	16,981	19,437

Other suppliers

Operating lease rentals ¹	5	2,418
Workers compensation expenses	207	119
Total other suppliers	212	2,537
Total suppliers	17,193	21,974

1. NHMRC has applied AASB 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under AASB 117.

The above lease disclosures should be read in conjunction with the accompanying notes 3.2A and 3.4A.

Accounting Policy

Short-term leases and leases of low-value assets

NHMRC has elected not to recognise right-of-use assets and lease liabilities for short-term leases of assets that have a lease term of 12 months or less and leases of low-value assets (less than \$10,000). NHMRC recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

1.2 Own-Source Revenue		
	2020	2019
	\$'000	\$'000

Note 1.2A: Revenue from contracts with customers

Revenue from contracts with customers	15,193	-
Total revenue from contracts with customers	15,193	-

Disaggregation of revenue from contracts with customers

Major product / service line:

Type of customer:

Australian Government entities (related parties)	14,861	-
Non-government entities	332	-
	15,193	-

Note 1.2B: Rendering of services

Rendering of services	-	8,869
Total Rendering of services	-	8,869

Note 1.2C: Unsatisfied obligations

NHMRC expects to recognise as income any liability for unsatisfied obligations within the following periods:

Within 1 year	1,816
Between 1 to 2 years	813
More than 2 years	1,428
	4,057

Accounting Policy**Own-Source Revenue****Revenue from contract with customers**

To determine whether to recognise revenue, NHMRC follows a 5-step process outlined in AASB 15:

1. Identifying the contract with a customer which is enforceable through legal or equivalent means;
2. Identifying the performance obligations and whether these are sufficiently specific to determine when these have been satisfied;
3. Determining the transaction price;
4. Allocating the transaction price to the performance obligations; and
5. Recognising revenue when/as performance obligations are satisfied.

Where a transaction gives rise to performance obligations which are not sufficiently specific or enforceable then AASB 1058 is applied and revenue is recognised immediately.

NHMRC generates its revenue by administering programs for the Medical Research Future Fund (MRFF) on behalf of the Department of Health and the provision of grant administration services and corporate services to third parties. NHMRC satisfies performance obligations under these contracts over time and recognises revenue as the performance obligations are satisfied.

Amounts unbilled at the end of the reporting period are presented in the statement of financial position as accounts receivable as only the passage of time is required before payment of these amounts is due.

Consideration received in respect of unsatisfied performance obligations at the end of the reporting period is reported in the statement of financial position as contract liabilities

The transaction price is the total amount of consideration to which NHMRC expects to be entitled in exchange for transferring promised goods or services to a customer. The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

Gains

Resources 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

	2020	2019
	\$'000	\$'000
Note 2.1A: Grants - Medical Research (MREA)		
Public sector		
Australian Government Entities	13,968	11,807
State and Territory Governments	697,635	686,387
Private sector		
Medical Research Institutes	149,572	150,607
Private Universities	3,927	3,254
Total grants - Medical Research (MREA)	865,102	852,055
Note 2.1B: Grants - Boosting Dementia Research		
Public sector		
Australian Government Entities	248	299
State and Territory Governments	32,714	30,365
Private sector		
Medical Research Institutes	3,510	4,398
Total grants - Boosting Dementia Research	36,472	35,062
Note 2.1C: Other Expenses Incurred in the Provision of Grants		
Goods and services supplied or rendered		
Funding agreements	6,185	6,245
Subscriptions	602	579
Contractors	1,472	728
Other	34	4
Total goods and services supplied or rendered	8,293	7,556

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 4.1A: Grants Payable - Medical Research (MREA).

2.2 Administered – Revenue		
	2020	2019
	\$'000	\$'000
Note 2.2A: Other Revenue		
Grant recoveries	<u>5,747</u>	7,795
Total other revenue	<u>5,747</u>	<u>7,795</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. 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**

	2020	2019
	\$'000	\$'000
Note 3.1A: Trade and Other Receivables		
Receivables from contracts from customers	151	-
Goods and services - related entities	-	828
Appropriations receivable - existing programs	8,886	2,712
GST receivable from the Australian Taxation Office	229	183
Other	42	33
Total trade and other receivables	9,308	3,756

The opening balance of receivables from contracts from customers at 1 July 2019 was \$138,000.

No indicators of impairment were found for trade and other receivables in 2020 (2019: Nil).

Accounting PolicyFinancial assets

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

	Buildings \$'000	Plant and Equipment \$'000	Computer software internally developed ¹ \$'000	Computer software purchased \$'000	Total \$'000
As at 1 July 2019					
Gross book value	-	7,994	25,884	771	34,649
Accumulated depreciation, amortisation and impairment	-	(4,370)	(9,931)	(771)	(15,072)
Total as at 1 July 2019	-	3,624	15,953	-	19,577
Recognition of right of use asset on initial application of AASB 16	23,437	571	-	-	24,008
Adjusted total as at 1 July 2019	23,437	4,195	15,953	-	43,585
Additions					
Purchase of plant and equipment	-	498	-	-	498
Purchased or internally developed - Intangibles	-	-	4,530	-	4,530
Purchase or internally developed	-	498	4,530	-	5,028
Depreciation and amortisation	-	(833)	(1,789)	-	(2,622)
Depreciation on right-of-use assets	(2,627)	(185)	-	-	(2,812)
Total as at 30 June 2020	20,810	3,675	18,694	-	43,179
Total as at 30 June 2020 represented by					
Gross book value	23,437	9,063	30,414	771	63,685
Accumulated depreciation, impairment, and amortisation	(2,627)	(5,388)	(11,720)	(771)	(20,506)
Total as at 30 June 2020	20,810	3,675	18,694	-	43,179
Carrying amount of right-of-use assets	20,810	386	-	-	21,196

1. The carrying amount of computer software internally developed includes \$3.8 million in Work in Progress (WIP). (2019: \$12.9 million).

An assessment of impairment on WIP assets was conducted as at 30 June 2020. No WIP assets were impaired in 2020. In 2019 WIP assets of \$0.1 million relating to Data Architecture and Intranet Infrastructure projects were impaired.

Revaluations of non-financial assets

There were no revaluations of plant and equipment conducted in 2019-20 (2018-19: Nil).

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

	2020 \$'000	2019 \$'000
Contractual commitments for the acquisition of plant and equipment and intangible assets are payable as follows:		
Within 1 year	<u>2,399</u>	<u>2,090</u>
Total plant and equipment and intangible assets commitments	<u>2,399</u>	<u>2,090</u>

NHMRC has commitments in place for the purchase of Sapphire.

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.

Lease Right of Use (ROU) Assets

Leased ROU assets are capitalised at the commencement date of the lease and comprise of the initial lease liability amount, initial direct costs incurred when entering into the lease less any lease incentives received. These assets are accounted for by Commonwealth lessees as separate asset classes to corresponding assets owned outright, but included in the same column as where the corresponding underlying assets would be presented if they were owned.

On initial adoption of AASB 16 NHMRC has adjusted the ROU assets at the date of initial application by the amount of any provision for onerous leases recognised immediately before the date of initial application. Following initial application, an impairment review is undertaken for any right of use lease asset that shows indicators of impairment and an impairment loss is recognised against any right of use lease asset that is impaired. Lease ROU assets continue to be measured at cost after initial recognition in Commonwealth agency, GGS and Whole of Government financial statements.

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 fit-out. 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.

Assets Sub-Class	Fair value measured at
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.

Part 6 Financial performance

Depreciation rates applying to each sub-class of depreciable asset are based on the following useful lives:

Assets Sub-Class	2020	2019
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 2020. 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 (2019: 2 to 7 years).

All software assets were assessed for indicators of impairment as at 30 June 2020.

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

	2020	2019
	\$'000	\$'000
Note 3.3A: Other Payables		
Salaries and wages	432	254
Superannuation	52	27
Lease incentive ¹	-	839
Contract liabilities	4,057	-
Prepayments received/uneared income	-	1,973
Other	169	219
Total other payables	4,710	3,312

The opening balance of contract liabilities from contracts with customers at 1 July 2019 was \$1,553,000.

1. NHMRC has applied AASB 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under AASB 117.

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'.

3.4 Leases

	2020	2019
	\$'000	\$'000
Note 3.4A: Leases		
Lease Liabilities		
Buildings	21,279	-
Plant and equipment	391	-
Total leases	21,670	-

1. NHMRC has applied AASB 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under AASB 117.

Total cash outflow for leases for the year ended 30 June 2020 was \$2,593,000.

4. Assets and Liabilities Administered on Behalf of Government**4.1 Administered – Payables**

	2020	2019
	\$'000	\$'000
Note 4.1A: Grants Payable - Medical Research (MREA)		
Public sector		
Australian Government Entities	7	-
State and Territory Governments	1,957	1,860
Private Sector		
Medical Research Institutes	75	43
Total grants payable - Medical Research (MREA)	2,039	1,903

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 2020

	Annual Appropriation ¹ \$'000	Adjustments to appropriation ² \$'000	Total appropriation \$'000	Appropriation applied in 2020 (current and prior years) \$'000	Variance ³ \$'000
Departmental					
Ordinary annual services	37,485	18,821	56,306	(44,376)	11,330
Capital Budget ⁴	171	-	171	(4,778)	(4,607)
Equity injection	250	-	250	(250)	-
Total departmental	37,906	18,821	56,727	(50,004)	6,723
Administered					
Ordinary annual services	854,712	-	854,712	(854,712)	-
Administered items	854,712	-	854,712	(854,712)	-
Total administered					

1. In 2019-20, no amounts of appropriation were withheld or quarantined.

2. PGPA Act Section 74 receipts.

3. In 2019-20, variances largely relate to investment in Sapphire.

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 2019

	Annual Appropriation ¹ \$'000	Adjustments to appropriation ² \$'000	Total appropriation \$'000	Appropriation applied in 2019 (current and prior years) \$'000	Variance ³ \$'000
Departmental					
Ordinary annual services	37,591	2,224	39,815	(44,318)	(4,503)
Capital Budget ⁴	171	-	171	(6,064)	(5,893)
Equity injection	250	-	250	(1,084)	(834)
Total departmental	38,012	2,224	40,236	(51,466)	(11,230)
Administered					
Ordinary annual services	882,753	-	882,753	(882,753)	-
Administered items	882,753	-	882,753	(882,753)	-
Total administered					

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 Sapphire.

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')**

	2020 \$'000	2019 \$'000
Departmental		
Appropriation Act (No. 1) 2019-20 ¹	9,498	-
Appropriation Act (No. 1) 2018-19 ¹	-	3,406
Total departmental	<u>9,498</u>	<u>3,406</u>

1. Includes cash at bank and appropriation receivable.

5.2 Special Accounts**Note 5.2A: Special Accounts ('Recoverable GST exclusive')**

	Medical Research Endowment Account ¹	
	2020 \$'000	2019 \$'000
Balance brought forward from previous period	240,221	246,844
Increases:		
Appropriation credited to special account	846,554	875,202
Costs recovered	4,524	4,101
Other receipts	7,893	3,385
Total increases	858,971	882,688
Available for payments	1,099,192	1,129,532
Decreases		
Administered		
Payments made for medical research	864,975	854,249
Payments made for boosting dementia research	36,472	35,062
Total administered	901,447	889,311
Total decreases	901,447	889,311
Total balance carried to the next period	197,745	240,221
Balance represented by:		
Cash held in entity bank accounts	-	-
Cash held in the Official Public Account	197,745	240,221
Total balance carried to the next period	197,745	240,221

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

	2020	2019
	\$'000	\$'000
Note 6.1A: Employee Provisions		
Leave	7,310	6,429
Total employee provisions	7,310	6,429

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 2020. 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:

	2020	2019
	\$'000	\$'000
Short-term employee benefits	1,730	1,983
Post-employment benefits	243	300
Other long-term employee benefits	42	159
Total key management personnel remuneration expenses¹	<u>2,015</u>	<u>2,442</u>

The total number of key management personnel that is included in the above table is six (2019: eight).

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.

No transactions with related parties occurred during the financial year:

In 2019 the NHMRC employed a close family member of a staff member who acted in a Key Management Personnel role. Employee expenses for the close family member in 2019 were \$53,092. The recruitment process was an arm's length process, and the close family member was paid in accordance with the NHMRC's enterprise agreement. The NHMRC employed 176 staff in 2019 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 2020 the NHMRC has no contingent assets (2019: Nil).

As at 30 June 2020 the NHMRC has the following contingent liabilities:

The NHMRC has access to 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 2019.

Unquantifiable Contingencies

At 30 June 2020, the NHMRC had no unquantifiable contingencies (2019: Nil).

Administered – Contingent Assets and Liabilities

Quantifiable Administered Contingencies

As at 30 June 2020, the NHMRC did not have any quantifiable administered contingent assets (2019: Nil).

As at 30 June 2020, the NHMRC did not have any quantifiable administered contingent liabilities (2019: Nil).

Unquantifiable Administered Contingencies

At 30 June 2020, the NHMRC had no unquantifiable administered contingencies (2019: 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

	2020	2019
	\$'000	\$'000
Note 7.2A: Categories of Financial Instruments		
Financial Assets		
Financial assets at amortised cost		
Cash and cash equivalents	612	694
Trade receivables	151	828
Total financial assets at amortised cost	763	1,522
Total financial assets	763	1,522
Financial Liabilities		
Financial liabilities measured at amortised cost		
Accruals	1,606	3,431
Total financial liabilities measured at amortised cost	1,606	3,431
Total financial liabilities	1,606	3,431

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 2020 (2019: Nil).

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

	2020	2019
	\$'000	\$'000
Note 7.3A: Categories of Financial Instruments		
Financial Assets		
Financial assets at amortised cost		
Cash and cash equivalents	197,745	240,227
Goods and services receivable	1,145	2,807
Total financial assets at amortised cost	198,890	243,034
Total financial assets	198,890	243,034
Financial Liabilities		
Financial liabilities measured at amortised cost		
Grants payable	2,039	1,903
Total financial liabilities measured at amortised cost	2,039	1,903
Total financial liabilities	2,039	1,903

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 2020 (2019: Nil).

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	
	2020 \$'000	2019 \$'000
Non-financial assets		
Plant and equipment ¹	3,675	3,624
Total non-financial assets	3,675	3,624
Total fair value measurements of assets in the statement of financial position	3,675	3,624

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.

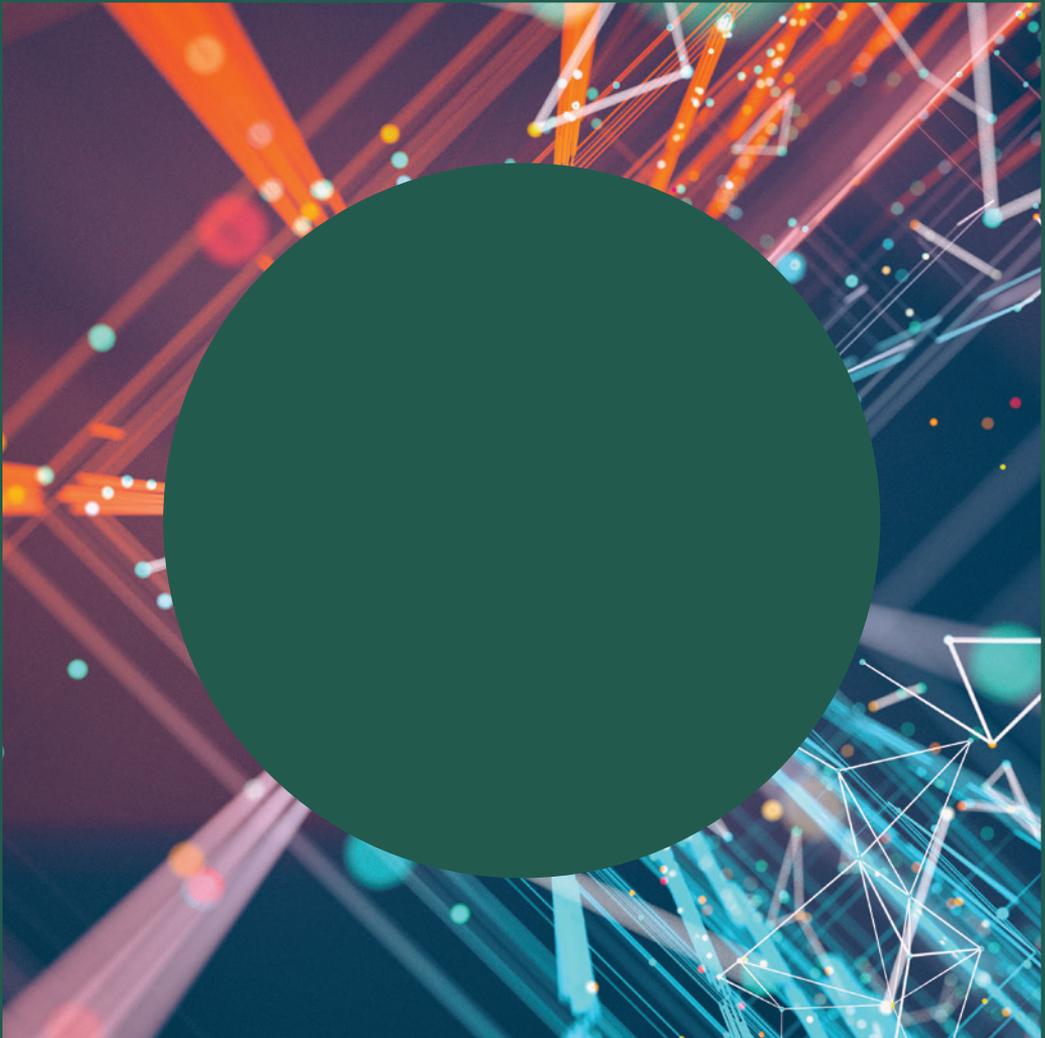
Physical depreciation and obsolescence has been determined based on professional judgement regarding physical, economic and external obsolescence factors relevant to the asset under consideration. For all leasehold improvement assets, the consumed economic benefit/asset obsolescence deduction is determined based on the term of the associated lease.

8. Other Information**8.1 Aggregate Assets and Liabilities**

	2020	2019
	\$'000	\$'000
<u>Note 8.1A: Aggregate Assets and Liabilities</u>		
Assets expected to be recovered in:		
No more than 12 months	11,292	5,996
More than 12 months	45,077	21,412
Total assets	56,369	27,408
Liabilities expected to be settled in:		
No more than 12 months	10,411	9,605
More than 12 months	24,885	4,080
Total liabilities	35,296	13,685

	2020	2019
	\$'000	\$'000
<u>Note 8.1B: Administered - Aggregate Assets and Liabilities</u>		
Assets expected to be recovered in:		
No more than 12 months	198,890	243,034
More than 12 months	-	-
Total assets	198,890	243,034
Liabilities expected to be settled in:		
No more than 12 months	11,074	5,810
More than 12 months	-	-
Total liabilities	11,074	5,810

Appendices



Appendix 1: Public consultations

Public consultation	Closing date
(Draft) Guidance on short-term exposure values - opened 21 August 2019	Closed 7 October 2019
Mitochondrial donation: ethical and social issues for community consultation - opened 23 September 2019	Closed 29 November 2019
Guidelines for guideline modules:	
<ul style="list-style-type: none"> • Training • Engaging Aboriginal and Torres Strait Islander people in guideline development 	Closed 20 February 2020
<i>Australian guidelines to reduce health risks from drinking alcohol</i> - opened 16 December 2019	Closed 24 February 2020
Updated guidance that provides advice on the radiological quality of drinking water - opened 29 June 2020	Closed 12 August 2020

Appendix 2: List of requirements

PGPA Rule Reference	Part of Report	Description	Requirement	Location/ Page No.
17AD(g)	Letter of transmittal			
17AI	Letter of transmittal	A copy of the letter of transmittal signed and dated by accountable authority on date final text approved, with statement that the report has been prepared in accordance with section 46 of the Act and any enabling legislation that specifies additional requirements in relation to the annual report.	Mandatory	v
17AD(h)	Aids to access			
17AJ(a)	Contents	Table of contents.	Mandatory	vi-ix
17AJ(b)	Appendices	Alphabetical index.	Mandatory	151-6
17AJ(c)	Appendices	Glossary of abbreviations and acronyms.	Mandatory	148-9
17AJ(d)	Appendices	List of requirements.	Mandatory	142-7
17AJ(e)	Publication details	Details of contact officer.	Mandatory	iv
17AJ(f)	Cover	Entity's website address.	Mandatory	Back cover
17AJ(g)	Publication details	Electronic address of report.	Mandatory	iv
17AD(a)	Review by accountable authority			
17AD(a)	Chief Executive Officer's review	A review by the accountable authority of the entity.	Mandatory	xi-xiv
17AD(b)	Overview of the entity			
17AE(1)(a)(i)	Part 1	A description of the role and functions of the entity.	Mandatory	2
17AE(1)(a)(ii)	Part 1	A description of the organisational structure of the entity.	Mandatory	9
17AE(1)(a)(iii)	Part 1	A description of the outcomes and programs administered by the entity.	Mandatory	3
17AE(1)(a)(iv)	Part 1	A description of the purposes of the entity as included in corporate plan.	Mandatory	3
17AE(1)(aa)(i)	Part 1	Name of the accountable authority	Mandatory	v, xiv, 6
17AE(1)(aa)(ii)	Part 1	Position title of the accountable authority	Mandatory	v, xiv, 6
17AE(1)(aa)(iii)	Part 1	Period as the accountable authority within the reporting period	Mandatory	v, xiv, 6
17AE(1)(b)	NA	An outline of the structure of the portfolio of the entity.	Portfolio departments mandatory	NA
17AE(2)	NA	Where the outcomes and programs administered by the entity differ from any Portfolio Budget Statement, Portfolio Additional Estimates Statement or other portfolio estimates statement that was prepared for the entity for the period, include details of variation and reasons for change.	If applicable, Mandatory	NA

PGPA Rule Reference	Part of Report	Description	Requirement	Location/ Page No.
17AD(c)	Report on the performance of the entity			
Annual performance statements				
17AD(c)(i); 16F	Part 3	Annual performance statement in accordance with paragraph 39(1)(b) of the Act and section 16F of the Rule.	Mandatory	27-50
17AD(c)(ii)	Report on financial performance			
17AF(1)(a)	Part 6	A discussion and analysis of the entity's financial performance.	Mandatory	100
17AF(1)(b)	Part 6	A table summarising the total resources and total payments of the entity.	Mandatory	101
17AF(2)	NA	If there may be significant changes in the financial results during or after the previous or current reporting period, information on those changes, including: the cause of any operating loss of the entity; how the entity has responded to the loss and the actions that have been taken in relation to the loss; and any matter or circumstances that it can reasonably be anticipated will have a significant impact on the entity's future operation or financial results.	If applicable, Mandatory.	NA
17AD(d)	Management and accountability			
Corporate governance				
17AG(2)(a)	Part 4	Information on compliance with section 10 (fraud systems)	Mandatory	77
17AG(2)(b)(i)	Letter of transmittal	A certification by accountable authority that fraud risk assessments and fraud control plans have been prepared.	Mandatory	v
17AG(2)(b)(ii)	Letter of transmittal	A certification by accountable authority that appropriate mechanisms for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud that meet the specific needs of the entity are in place.	Mandatory	v
17AG(2)(b)(iii)	Letter of transmittal	A certification by accountable authority that all reasonable measures have been taken to deal appropriately with fraud relating to the entity.	Mandatory	v
17AG(2)(c)	Part 4	An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance.	Mandatory	52-3
17AG(2)(d) - (e)	NA	A statement of significant issues reported to Minister under paragraph 19(1)(e) of the Act that relates to noncompliance with Finance law and action taken to remedy noncompliance.	If applicable, Mandatory	NA
Audit Committee				
17AG(2A)(a)	Part 4	A direct electronic address of the charter determining the functions of the entity's audit committee.	Mandatory	75

PGPA Rule Reference	Part of Report	Description	Requirement	Location/ Page No.
17AG(2A)(b)	Part 4	The name of each member of the entity's audit committee.	Mandatory	76
17AG(2A)(c)	Part 4	The qualifications, knowledge, skills or experience of each member of the entity's audit committee.	Mandatory	76
17AG(2A)(d)	Part 4	Information about the attendance of each member of the entity's audit committee at committee meetings.	Mandatory	76
17AG(2A)(e)	Part 4	The remuneration of each member of the entity's audit committee.	Mandatory	76
External scrutiny				
17AG(3)	Part 4	Information on the most significant developments in external scrutiny and the entity's response to the scrutiny.	Mandatory	73-5
17AG(3)(a)	Part 4	Information on judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner that may have a significant effect on the operations of the entity.	If applicable, Mandatory	74
17AG(3)(b)	Part 4	Information on any reports on operations of the entity by the Auditor-General (other than report under section 43 of the Act), a Parliamentary Committee, or the Commonwealth Ombudsman.	If applicable, Mandatory	74
17AG(3)(c)	NA	Information on any capability reviews on the entity that were released during the period.	If applicable, Mandatory	NA
Management of human resources				
17AG(4)(a)	Part 5	An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives.	Mandatory	86-7
17AG(4)(aa)	Part 5	Statistics on the entity's employees on an ongoing and non-ongoing basis, including the following: (a) statistics on full-time employees; (b) statistics on part-time employees; (c) statistics on gender (d) statistics on staff location.	Mandatory	87
17AG(4)(b)	Part 5	Statistics on the entity's APS employees on an ongoing and non-ongoing basis; including the following: • Statistics on staffing classification level; • Statistics on full-time employees; • Statistics on part-time employees; • Statistics on gender; • Statistics on staff location; • Statistics on employees who identify as Indigenous.	Mandatory	87

PGPA Rule Reference	Part of Report	Description	Requirement	Location/ Page No.
17AG(4)(c)	Part 5	Information on any enterprise agreements, individual flexibility arrangements, Australian workplace agreements, common law contracts and determinations under subsection 24(1) of the <i>Public Service Act 1999</i> .	Mandatory	88-9
17AG(4)(c)(i)	Part 5	Information on the number of SES and non-SES employees covered by agreements etc identified in paragraph 17AG(4)(c).	Mandatory	89
17AG(4)(c)(ii)	Part 5	The salary ranges available for APS employees by classification level.	Mandatory	91
17AG(4)(c)(iii)	Part 5	A description of nonsalary benefits provided to employees.	Mandatory	91
17AG(4)(d)(i)	Part 5	Information on the number of employees at each classification level who received performance pay.	If applicable, Mandatory	91
Assets management				
17AG(5)	Part 4	An assessment of effectiveness of assets management where asset management is a significant part of the entity's activities.	If applicable, mandatory	82
Purchasing				
17AG(6)	Part 4	An assessment of entity performance against the <i>Commonwealth Procurement Rules</i> .	Mandatory	80
Consultants				
17AG(7)(a)	Part 4	A summary statement detailing the number of new contracts engaging consultants entered into during the period; the total actual expenditure on all new consultancy contracts entered into during the period (inclusive of GST); the number of ongoing consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting year on the ongoing consultancy contracts (inclusive of GST).	Mandatory	81
17AG(7)(b)	Part 4	A statement that " <i>During [reporting period], [specified number] new consultancy contracts were entered into involving total actual expenditure of \$[specified million]. In addition, [specified number] ongoing consultancy contracts were active during the period, involving total actual expenditure of \$[specified million]</i> ".	Mandatory	81
17AG(7)(c)	Part 4	A summary of the policies and procedures for selecting and engaging consultants and the main categories of purposes for which consultants were selected and engaged.	Mandatory	81

PGPA Rule Reference	Part of Report	Description	Requirement	Location/ Page No.
17AG(7)(d)	Part 4	A statement that “ <i>Annual reports contain information about actual expenditure on contracts for consultancies. Information on the value of contracts and consultancies is available on the AusTender website.</i> ”	Mandatory	81
Australian National Audit Office access clauses				
17AG(8)	Part 4	If an entity entered into a contract with a value of more than \$100 000 (inclusive of GST) and the contract did not provide the Auditor-General with access to the contractor’s premises, the report must include the name of the contractor, purpose and value of the contract, and the reason why a clause allowing access was not included in the contract.	If applicable, Mandatory	81
Exempt contracts				
17AG(9)	Part 4	If an entity entered into a contract or there is a standing offer with a value greater than \$10 000 (inclusive of GST) which has been exempted from being published in AusTender because it would disclose exempt matters under the FOI Act, the annual report must include a statement that the contract or standing offer has been exempted, and the value of the contract or standing offer, to the extent that doing so does not disclose the exempt matters.	If applicable, Mandatory	82
Small business				
17AG(10)(a)	Part 4	A statement that “[<i>Name of entity</i>] supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises (SME) and Small Enterprise participation statistics are available on the Department of Finance’s website.”	Mandatory	82
17AG(10)(b)	Part 4	An outline of the ways in which the procurement practices of the entity support small and medium enterprises.	Mandatory	82
17AG(10)(c)	Part 4	If the entity is considered by the Department administered by the Finance Minister as material in nature—a statement that “[<i>Name of entity</i>] 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.”	If applicable, Mandatory	82
Financial statements				
17AD(e)	Part 6	Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act.	Mandatory	102–39

PGPA Rule Reference	Part of Report	Description	Requirement	Location/ Page No.
Executive remuneration				
17AD(da)	Part 5	Information about executive remuneration in accordance with Subdivision C of Division 3A of Part 23 of the Rule.	Mandatory	90
Other mandatory information				
17AD(f)				
17AH(1)(b)	Part 1	A statement that " <i>Information on grants awarded by [name of entity] during [reporting period] is available at [address of entity's website].</i> "	If applicable, Mandatory	11
17AH(1)(c)	Part 5	Outline of mechanisms of disability reporting, including reference to website for further information.	Mandatory	95
17AH(1)(d)	Part 4	Website reference to where the entity's Information Publication Scheme statement pursuant to Part II of FOI Act can be found.	Mandatory	78
17AH(1)(e)	NA	Correction of material errors in previous annual report	If applicable, mandatory	NA
17AH(2)	Part 4	Information required by other legislation. For more information refer to the <i>National Health and Medical Research Act 1992</i> , Section 83.	Mandatory	43-4, 55-64, 64-70, 74, 83

Appendix 3: Abbreviations and Acronyms

AAHMS	Australian Academy of Health and Medical Sciences
AASB	Australian Accounting Standards Board
AAMRI	Association of Australian Medical Research Institutes
AC	Companion of the Order of Australia
ACT	Australian Capital Territory
AHEC	Australian Health Ethics Committee
AHMAC	Australian Health Ministers' Advisory Council
AHRTC	Advanced Health Research and Translation Centre
AIDS	acquired immune deficiency syndrome
ALSWH	Australian Longitudinal Study on Women's Health
AM	Member of the Order of Australia
AMA	Australian Medical Association
ANAO	Australian National Audit Office
AO	Officer of the Order of Australia
APPRISE	Australian Partnership for Preparedness Research on Infectious Disease Emergencies
APS	Australian Public Service
APSC	Australian Public Service Commission
ARC	Australian Research Council
ARIC	Australian Research Integrity Committee
ASL	average staffing level
BDRI	Boosting Dementia Research Initiative
CEO	Chief Executive Officer
CI	Chief Investigator
CIRH	Centre for Innovation in Regional Health
CPA	Certified Practising Accountant
CPRs	Commonwealth Procurement Rules
CRE	Centre of Research Excellence
e-ASIA	East Asia Science and Innovation Area
EEGO	Energy Efficiency in Government Operations
EL	Executive Level
ERLC	Embryo Research Licensing Committee
FASD	fetal alcohol spectrum disorder
FCPA	Fellow of CPA Australia
FOI, FOI Act	freedom of information, <i>Freedom of Information Act 1982</i>
HIAC	Health Innovation Advisory Committee

HIV	human immunodeficiency virus
HTAC	Health Translation Advisory Committee
IACR	Institutional Annual Compliance Report
IAS	International AIDS Society
IL-5	interleukin 5
ILAE	International League Against Epilepsy
IPS	Information Publication Scheme
IRIISS	Independent Research Institutes Infrastructure Support Scheme
ISSN	International Standard Serial Number
JPND	EU Joint Programme - Neurodegenerative Disease Research
KEMH	King Edward Memorial Hospital
KMP	key management personnel
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
NHMRC	National Health and Medical Research Council
NHMRC Act	<i>National Health and Medical Research Council Act 1992</i>
NNIDR	NHMRC National Institute for Dementia Research
NSW	New South Wales
OAIC	Office of the Australian Information Commissioner
PBS	Portfolio Budget Statements
PFAS	Per- and Poly-fluoroalkylated Substances
PGPA Act	<i>Public Governance, Performance and Accountability Act 2013</i>
PGPA Rule	Public Governance, Performance and Accountability Rule 2014
PHCR Act	<i>Prohibition of Human Cloning for Reproduction Act 2002</i>
PhD	Doctor of Philosophy
PSM	Public Service Medal
RGMS	Research Grants Management System
RIHE Act	<i>Research Involving Human Embryos Act 2002</i>
SA	South Australia
SES	Senior Executive Service
SME	small and medium enterprise
TB	tuberculosis
UK	United Kingdom
WA	Western Australia
WHO	World Health Organization
WHS, WHS Act	Work Health and Safety, <i>Work Health and Safety Act 2011</i>
WiHS	Women in Health Science

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