

AUSTRALIAN RESEARCH COUNCIL

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AUSTRALIAN RESEARCH COUNCIL

Section 1: Overview

The Australian Research Council (ARC) was established under the *Australian Research Council Act 2001* on 1 July 2001.

The mission of the ARC is to:

“Advance Australia’s research excellence to be globally competitive and deliver benefits to the community”

The role of the ARC is to advise the Government on research funding and policy and, through its management of the National Competitive Grants Program, to promote the conduct of research and research training that is of the highest quality for the benefit of the Australian community.

The ARC has one outcome and one output group as indicated in Table 1.1 below.

Table 1.1: Agency outcomes and output groups

Outcome	Description	Output groups
Outcome 1 Australian research that advances the global knowledge and skills base leading to economic, social, cultural and environmental benefits for the Australian community.	The Australian Government’s investment in research and research training that is administered by the ARC supports the Government’s commitment to three key elements of the process of innovation: strengthening Australia’s ability to generate ideas and undertake research; accelerating the commercial application of these ideas; and developing and retaining Australian skills.	Output Group 1.1 Competitive research schemes

Section 2: Resources for 2006-07

2.1 APPROPRIATIONS AND OTHER RESOURCES

Table 2.1 shows the total resources from all origins for 2006-07, including appropriations. The table summarises how resources will be applied by outcome, administered and departmental classification. The table does not include resources received free of charge as identified in Table 2.3 as they are not cash receipts.

The total appropriations and other resources (receipts only) for the ARC in the 2006-07 Budget is \$585.224 million.

Table 2.1: Appropriations and other resources 2006-07¹ ('000)

Outcome	Appropriations			Receipts	Total
	Bill No. 1 \$'000	Bill No. 2 ² \$'000	Special ³ \$'000	(a)	\$'000
Outcome 1- Australian research that advances the global knowledge and skills base leading to economic, social, cultural and environmental benefits for the Australian community					
Administered	-	-	570,302	-	570,302
Departmental	14,922	-	-	-	14,922
Total Outcome 1	14,922	-	570,302	-	585,224
Total	14,922	-	570,302	-	585,224

¹ This table has been redesigned to correspond with Budget Paper No. 4 'Agency Resourcing'. It now includes (where appropriate) administered revenue from other sources.

² Under the appropriation structure, Bill No. 2 includes Specific Purpose Payments (SPPs), new agency Outcomes (NAOs), administered capital and departmental capital via departmental injections and loans.

³ The Special Appropriations figure in this table is slightly different from the Agency Resourcing Table in the 2006-07 Budget Paper No. 4 due to a timing difference between cash and accrual recognition. Estimated expenses from individual Special Appropriations are shown in Tables 2.5.

(a) Departmental and administered receipts from other sources (i.e. other than appropriation amounts) that are available to be used.

Note: Refer to Budgeted Income Statement for application of agency revenue.

2.2 2006-07 BUDGET MEASURES

Table 2.2 Agency measures

The ARC has no new Budget measures in the 2006-07 Budget therefore Table 2.2 is not presented.

2.3 OTHER RESOURCES AVAILABLE TO BE USED

Table 2.3 provides details of other resources obtained by the ARC for provision of goods or services. These resources are approved for use by the ARC but not included in Table 2.1 because resources received free of charge in Table 2.3 is on an accrual basis.

Table 2.3: Other resources available to be used

	Estimated Resources 2005-06 \$'000	Budget Estimate 2006-07 \$'000
Departmental other resources		
Resources received free of charge ¹	86	86
Other miscellaneous revenue (FMA Act s. 31)	10	0
Total departmental other resources available to be used	96	86

1. Resources received free of charge represent the costs incurred by the Australian National Audit Office in undertaking the annual audit of the ARC's Financial Statements.

2.4 MOVEMENT OF ADMINISTERED FUNDS FROM 2005-06 TO 2006-07

Table 2.4: Movement of administered funds from 2005-06 to 2006-07

The ARC did not apply for movement of administered funds from 2005-06 to 2006-07 therefore Table 2.4 is not presented. However, the ARC has rephased \$10.066 million of indexation funding from 2005-06 to 2006-07 due to delays in legislative amendments to the special appropriation in the ARC Act.

2.5 SPECIAL APPROPRIATIONS

Table 2.5: Estimates of expenses from special appropriations

	Outcome	Estimated Expenses 2005-06 \$'000	Budget Estimate 2006-07 \$'000
Estimated expenses			
Financial assistance for approved research Programs – s57 ARC Act 2001 (A)	1	581,856	571,983
Repayments required or permitted by law (where no other appropriation for repayment exists) – s28 (2) FMA Act 1997 (D)	1	0	0
Total estimated expenses		581,856	571,983

D = Departmental A = Administered

1. The 2005-06 estimated expense from special appropriations is higher than appropriation revenue due to the timing of the recognition of grant expenses and liabilities under the ARC's accounting policies. The accounting policy for grant expense and liability can be found in note 3 under section 5.

Acts Glossary:

ARC Act 2001 = *Australian Research Council Act 2001*

FMA Act 1997 = *Financial Management and Accountability Act 1997*

2.6 SPECIAL ACCOUNTS

Table 2.6 shows the expected additions (credits) and reductions (debits) for each special account used by the ARC for 2006-07.

Table 2.6: Estimates of special account flows and balances

	Opening Balance 2006-07 <i>2005-06</i> \$'000	Credits 2006-07 <i>2005-06</i> \$'000	Debits 2006-07 <i>2005-06</i> \$'000	Adjustment 2006-07 <i>2005-06</i> \$'000	Closing Balance 2006-07 <i>2005-06</i> \$'000
Outcome 1					
ARC Research Endowment Account – Australian Research Council Act 2001 s62 (A)	1,025 <i>1,374</i>	1,025 <i>1,025</i>	1,025 <i>1,374</i>	0 <i>0</i>	1,025 <i>1,025</i>
Total special accounts					
2006-07 Budget estimate	1,025	1,025	1,025	0	1,025
Total Special Accounts					
2005-06 estimate actual	<i>1,374</i>	<i>1,025</i>	<i>1,374</i>	<i>0</i>	<i>1,025</i>

A= Administered

2.7 ADMINISTERED CAPITAL AND DEPARTMENTAL EQUITY INJECTIONS AND LOANS

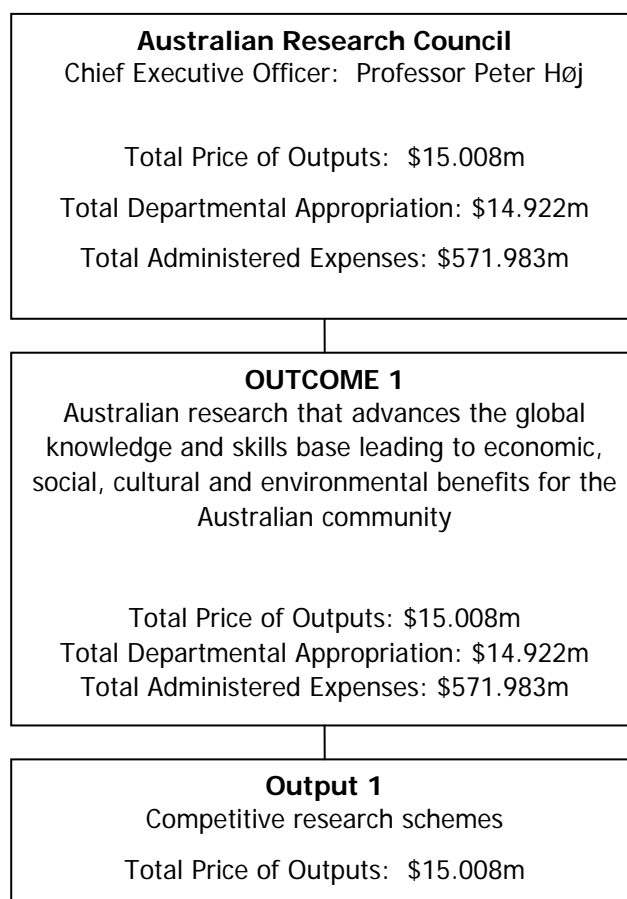
The ARC does not have administered capital and departmental equity injections and loans in 2006-07; therefore no information is provided.

Section 3: Outcomes

3.1 SUMMARY OF OUTCOMES AND CONTRIBUTION TO OUTCOMES

The ARC works to achieve one outcome specified by Government. Figure 1 below shows the relationship between the outcome and the contributing output of the ARC.

Figure 1: Contributions to outcomes



Output Cost Attribution

The ARC has one output group. All costs are attributed to this output.

Changes to Outcome and Output Groups

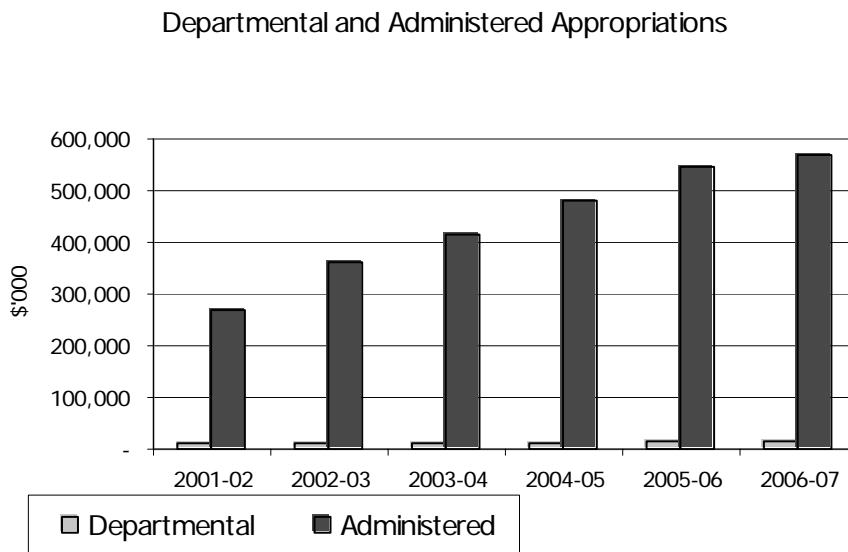
There have been no changes to the number, wording or structure of the ARC's outcome and output from the 2005-06 Portfolio Budget Statements.

3.2 OUTCOMES — DEPARTMENTAL AND ADMINISTERED

Trends in Resourcing

Figure 2 shows the trend in resourcing the ARC's outcome since 2001-02 when the ARC was established as a Statutory Authority.

Figure 2: Trends in Departmental and Administered Appropriations for Outcome 1



The increase of administered funding across the years is due to the additional funding for the NCGP provided through the *Backing Australia's Ability* initiative introduced in 2001-02, which saw the level of funding for NCGP double by 2005-06.

The decrease in departmental funding in 2003-04 is due to the whole-of-Government decision to abolish the former capital use charge arrangements. The increase in funding from 2005-06 is to support management of additional research funding from Government under the *Backing Australia's Ability* initiative.

3.3 OUTCOMES AND PERFORMANCE

Outcome 1: Australian research that advances the global knowledge and skills base leading to economic, social, cultural and environmental benefits for the Australian community.

Description

The Australian Government's investment in research and research training that is administered by the ARC supports the Government's commitment to three key elements of the process of innovation, as identified in the Government's *Backing Australia's Ability* statements – *Backing Australia's Ability: An Innovation Action Plan for the Future* (released in January 2001), and *Backing Australia's Ability: Building our future through science and innovation* (released in May 2004). The three elements are:

- strengthening Australia's ability to generate ideas and undertake research;
- accelerating the commercial application of these ideas; and
- developing and retaining Australian skills.

The Australian Government's investment in research supports the generation of new knowledge and skills that are necessary to sustain innovation and the development of new businesses and jobs on which Australia's prosperity and living standards depend. It contributes to maintaining and improving the quality of Australian life through advances in the social and cultural spheres and environmental sustainability.

The Australian Government's investment in research also encourages researchers to interact with businesses, industry and public sector and community organisations, facilitating the flow of people, knowledge and expertise, both locally and internationally.

The Australian Government's specific investment in research training supports the development of highly trained personnel who are necessary for Australia's research system to operate at a competitive level globally and for the ongoing renewal of that system.

Key objectives

The ARC pursues the following seven key objectives to deliver the ARC's outcome:

1. Discovery: Develop and maintain a broad foundation of high-quality world-class research across a wide range of disciplines;

2. Linkage: Encourage and extend cooperative approaches to research and improve utilisation of research outcomes by strengthening links within Australia's innovation system and with innovation systems internationally;
3. Research training and careers: Contribute to high-quality research training and foster career opportunities for Australia's best and brightest researchers;
4. Research infrastructure: Facilitate access for Australian researchers to state-of-the-art facilities and equipment and provide incentives for the cooperative development of research infrastructure;
5. Research priorities: Encourage excellent research and research training across the broad range of national research priorities and ARC's structural priorities;
6. Public engagement: Increase awareness, understanding and support among stakeholders and the community of the outcomes and benefits of Australian research; and
7. Effective organisation: Implement a governance and organisation structure, together with management processes, to enable the ARC to achieve its objectives within a framework of transparency and accountability.

Further information about these key objectives can be found in the ARC's Strategic Plan.

Competitive Research Schemes

The ARC's Administered Items consist of a number of competitive funding schemes for research and research training (principally in universities). Together, these schemes constitute the ARC's National Competitive Grants Program (NCGP).

The Discovery element of the NCGP provides Australia's best and most promising researchers with open and transparent access to funding support, and offers incentives for researchers to build the scale of their work, develop teams and support the growth of networks of research excellence. It supports the development of young researchers and the testing of new, innovative ideas and research techniques.

The Linkage element of the NCGP encourages collaborative research, both nationally and internationally, between universities, businesses, industry and Government and community organisations. It also funds investment in strategic national research infrastructure and access to major international research facilities.

The Centres and Networks elements of the NCGP support research requiring significant national and international collaboration. They encourage the growth of clusters and networks of research and research training as platforms for innovation.

Outcome 1 resourcing

Table 3.1 shows how the 2006-07 Budget appropriations translate to total resourcing for Outcome 1, including administered appropriations, revenue from government (appropriation), revenue from other sources, and the total price of outputs including resources received free of charge.

Table 3.1: Total resources for Outcome 1 (\$'000)

	Estimated Actual 2005-06 \$'000	Budget Estimate 2006-07 \$'000
Administered appropriations		
Special appropriation under the <i>Australian Research Council Act 2001</i>	546,151	570,302
Total administered appropriations	546,151	570,302
Departmental appropriations		
Output Group 1.1	14,846	14,922
Total revenue from government (appropriations) contributing to price of departmental outputs	14,846	14,922
Other resources available to be used		
Resources received free of charge	86	86
Other miscellaneous revenue	10	0
Total revenue from other sources	96	86
Total resources (Total revenue from government and from other sources)	14,942	15,008
Total estimated resourcing for Outcome 1 (Total price of outputs and administered appropriations)	561,093	585,310
	2005-06	2006-07
Average staffing level (number)	70	75

Measures affecting Outcome 1

The ARC has no new measures for Outcome 1 in the 2006-07 Budget.

Performance information for Outcome 1

Performance information for administered items, individual outputs and output groups relating to the ARC are summarised in Table 3.2.

Under the *Australian Research Council Act 2001* (ARC Act), the ARC's strategic plan must include indicators for assessing the ARC's performance. The indicators identified in the ARC's Strategic Plan are outlined below. In accordance with the ARC Act, the ARC will report against these indicators in its annual report.

Effectiveness (Achievement of Outcome)

The ARC's effectiveness in achieving its outcome and mission will be demonstrated by evidence of:

- Australia's achieving high levels of research excellence and building world-class research capability in a range of research areas; and
- The benefits (economic, social, cultural and environmental) that are delivered to the community through the adoption of the outcomes of ARC-funded research.

Table 3.2: Performance information for Outcome 1

Key Performance Indicators	
KPI.1	Research funded through the National Competitive Grants Program produces high-quality outputs and outcomes in public and private enterprises
KPI.2	Development, attraction and retention of high-quality researchers across disciplines, able to pursue careers within universities, industry, government and other sectors of the economy
KPI.3	A high incidence of collaboration between ARC-funded researchers and those within other sectors of the national and international innovation system including innovative companies
KPI.4	Increase in the scale of research activities supported through the National Competitive Grants Program
KPI.5	Contribution of ARC-funded research to the development of research strengths and applications in areas of national need
KPI.6	Appropriate level of access for Australian researchers (including those in higher education institutions, government research organisations and industry) to high-quality facilities and equipment (including major research facilities located overseas)

Table 3.2: Performance information for Outcome 1 (cont)

Key Performance Indicators	
KPI.7	Transfer of knowledge to users as shown by trends in knowledge transfer, utilisation and intellectual property measures
KPI.8	Enhanced stakeholder awareness of and satisfaction with the outcomes of ARC-funded research
KPI.9	Stakeholder satisfaction with the flexibility and responsiveness of the National Competitive Grants Program and with ARC processes for administering grants and applications
KPI.10	Ministerial and Parliamentary satisfaction with the performance of the ARC against its accountability and governance requirements.

Evaluations for Outcome 1

The ARC's ongoing program of evaluation includes:

- the monitoring and reporting of performance against the performance indicators identified in the strategic plan;
- monitoring the progress and research outcomes of individual research projects based on reports provided by the researchers involved (to ensure research is high-quality and has maximum impact)
- monitoring and review of business assurance activities; and
- an annual cycle of staff performance planning and evaluation.

In addition, the individual schemes of the NCGP are periodically reviewed to gauge the extent to which they are meeting stakeholder needs.

Reporting of the ARC's performance against the performance indicators identified in the strategic plan also involves, as appropriate, specific-purpose studies aimed at measuring performance in various areas. The ARC is finalising a stakeholder satisfaction survey conducted in 2005-06 aimed at evaluating stakeholder satisfaction with aspects of the ARC's NCGP and community awareness of the ARC more broadly.

Section 4: Other reporting requirements

4.1 PURCHASER-PROVIDER ARRANGEMENTS

The ARC is not involved in any purchaser-provider arrangements where the outputs of one agency are purchased by another to contribute to the former's specified outcomes.

4.2 COST RECOVERY ARRANGEMENTS

The ARC does not have any cost recovery arrangements.

4.3 AUSTRALIAN GOVERNMENT INDIGENOUS EXPENDITURE (AGIE)

Table 4.1: Australian Government Indigenous Expenditure

Outcome	Appropriations				Other	Total
	Bill	Bill	Special	Total		
	No. 1	No. 2	Approp	Approp		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Outcome 1						
Australian research that advances the global knowledge and skills base leading to economic, social, cultural and environmental benefits for the Australian community						
Administered 2006-07			400	400		400
<i>Administered 2005-06</i>			<i>402</i>	<i>402</i>		<i>402</i>
Total Outcome 2006-07			400	400		400
<i>Total Outcome 2005-06</i>			<i>402</i>	<i>402</i>		<i>402</i>
Total AGIE 2006-07			400	400		400
<i>Total AGIE 2005-06</i>			<i>402</i>	<i>402</i>		<i>402</i>

Note: The AGIE figures above represent funding for the Indigenous Reserachers' Development Scheme only and do not include expenditure for indigenous research projects in other funding schemes.

Section 5: Budgeted financial statements

ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

Budgeted Departmental Statement of Financial Performance

The ARC is budgeting for a break-even operating result for 2006-07.

Total revenue in 2006-07 is estimated to be \$15.008 million, representing an increase of \$0.066 million from the 2005-06 estimated actual.

Budgeted Departmental Statement of Financial Position

The ARC's budgeted net asset position of \$7.605 million is unchanged from the 2005-06 estimated actual.

The ARC's major assets in 2006-07 are: \$1.679 million in land and buildings representing the fitout of new office accommodation in 2005-06; \$3.220 million in intangibles reflecting the development of new grant management software; and \$4.437 million in financial assets indicating the estimated appropriation receivable and cash balance.

The ARC's primary liability continues to be accrued employee entitlements which as a result of staff increases and accruing leave entitlements are estimated to increase in 2006-07 to \$1.901 million.

Budgeted Departmental Statement of Cash Flows

The higher appropriations drawdown in 2005-06 and 2006-07 reflects the one-off additional cash requirements for the leasehold improvement and replacement grant management software capital projects.

Departmental Statement of Changes in Equity

The ARC's budgeted equity position of \$7.605 million is unchanged from the 2005-06 estimated actual.

Departmental Capital Budget Statement

The estimates in this table represent the ARC's capital expenditure program in relation to new office accommodation requirements and replacement of software assets.

Departmental Non-Financial Assets – Summary of Movement

The purchases of non-financial assets reflect the capital expenditure program as mentioned above.

Schedule of Budgeted Revenues and Expenses Administered on behalf of Government

The ARC will manage \$571.983 million in grant expenses on behalf of the Government, representing new and ongoing research funding agreements awarded under the National Competitive Grants Program. Administered expenses are different from appropriation revenue due to the timing of recognition of grant expenses and liabilities under the ARC's accounting policies.

Schedule of Budgeted Assets and Liabilities Administered on behalf of Government

Total administered assets are estimated to be \$2.834 million in 2006-07, made up of \$1.809 million in GST input tax credits to be claimed back from the Australian Taxation Office and \$1.025 million in cash held in the ARC research endowment account for jointly funded projects with other research funding bodies.

Total liabilities are expected to increase by \$1.681 million from the 2005-06 estimated actual to \$239.482 million in 2006-07.

BUDGETED FINANCIAL STATEMENTS TABLES

**Table 5.1: Budgeted departmental income statement
for the period ended 30 June**

	Estimated Actual 2005-06 \$'000	Budget Estimate 2006-07 \$'000	Forward Estimate 2007-08 \$'000	Forward Estimate 2008-09 \$'000	Forward Estimate 2009-10 \$'000
INCOME					
Revenue					
Revenues from Government	14,846	14,922	15,209	15,331	15,467
Other non-taxation revenues	10	0	0	0	0
Total Revenue	14,856	14,922	15,209	15,331	15,467
Gains					
Other	86	86	86	86	86
Total gains	86	86	86	86	86
Total income	14,942	15,008	15,295	15,417	15,553
EXPENSE					
Employees	7,196	7,608	8,002	8,368	8,698
Suppliers	6,713	6,654	6,405	6,138	5,907
Depreciation & amortisation	533	746	888	911	948
Total expenses	14,442	15,008	15,295	15,417	15,553
Net surplus or (deficit) attributable to the Australian Government	500	0	0	0	0

**Table 5.2: Budgeted departmental balance sheet
as at 30 June**

	Estimated Actual 2005-06 \$'000	Budget Estimate 2006-07 \$'000	Forward Estimate 2007-08 \$'000	Forward Estimate 2008-09 \$'000	Forward Estimate 2009-10 \$'000
ASSETS					
Financial assets					
Cash	234	234	234	234	234
Receivables	4,648	4,203	5,012	5,829	6,687
Total financial assets	4,882	4,437	5,246	6,063	6,921
Non-financial assets					
Land and buildings	1,842	1,679	1,513	1,344	1,172
Infrastructure, plant and equipment	771	694	614	545	472
Intangibles	2,391	3,220	2,849	2,447	2,014
Other	5	5	5	5	5
Total non-financial assets	5,009	5,598	4,981	4,341	3,663
Total assets	9,891	10,035	10,227	10,404	10,584
LIABILITIES					
Provisions					
Employees	1,746	1,901	2,078	2,255	2,435
Total provisions	1,746	1,901	2,078	2,255	2,435
Payables					
Suppliers	57	46	61	61	61
Other	483	483	483	483	483
Total payables	540	529	544	544	544
Total liabilities	2,286	2,430	2,622	2,799	2,979
Net Assets	7,605	7,605	7,605	7,605	7,605
EQUITY*					
Contributed equity	4,686	4,686	4,686	4,686	4,686
Reserves	6	6	6	6	6
Retained surpluses	2,913	2,913	2,913	2,913	2,913
Total equity	7,605	7,605	7,605	7,605	7,605
Current assets	4,887	4,442	5,251	6,068	6,926
Non-current assets	5,004	5,593	4,976	4,336	3,658
Current liabilities	1,254	1,294	1,362	1,400	1,440
Non-current liabilities	1,032	1,136	1,260	1,399	1,539

*Note: 'equity' is the residual interest in assets after deduction of liabilities.

Table 5.3: Budgeted departmental statement of cash flows for the period ended 30 June

	Estimated Actual 2005-06 \$'000	Budget Estimate 2006-07 \$'000	Forward Estimate 2007-08 \$'000	Forward Estimate 2008-09 \$'000	Forward Estimate 2009-10 \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	18,758	15,367	14,400	14,514	14,609
GST Input Tax Credit Receipts	711	661	639	607	583
Other	10				
Total cash received	19,479	16,028	15,039	15,121	15,192
Cash used					
Employees	7,046	7,453	7,825	8,191	8,516
Suppliers	7,335	7,240	6,943	6,659	6,406
Total cash used	14,381	14,693	14,768	14,850	14,922
Net cash from operating activities	5,098	1,335	271	271	270
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	5,098	1,335	271	271	270
Total cash used	5,098	1,335	271	271	270
Net cash from or (used by) investing activities	(5,098)	(1,335)	(271)	(271)	(270)
Net increase in cash held	0	0	0	0	0
Cash at the beginning of the reporting period	234	234	234	234	234
Cash at the end of the reporting period	234	234	234	234	234

Table 5.4: Departmental statement of changes in equity — summary of movement (Budget 2006-07)

	Accumulated results \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2006					
Balance carried forward from previous period	2,913	6	0	4,686	7,605
<i>Adjusted opening balance</i>	2,913	6	0	4,686	7,605
Estimated closing balance as at 30 June 2007	2,913	6	0	4,686	7,605

Table 5.5: Departmental capital budget statement

	Estimated Actual 2005-06 \$'000	Budget Estimate 2006-07 \$'000	Forward Estimate 2007-08 \$'000	Forward Estimate 2008-09 \$'000	Forward Estimate 2009-10 \$'000
PURCHASE OF NON-FINANCIAL ASSETS					
Funded internally by					
Departmental resources	5,098	1,335	271	271	270
Total	5,098	1,335	271	271	270

**Table 5.6: Departmental property, plant, equipment and intangibles - summary of movement
(Budget year 2006-07)**

	Buildings \$'000	Other infrastructure plant and equipment \$'000	Computer software \$'000	Total \$'000
As at 1 July 2006				
Gross book value	1,988	880	4,559	7,427
Accumulated depreciation	146	109	2,168	2,423
Opening net book value	1,842	771	2,391	5,004
Additions:				
by purchase	30	40		70
Internally developed			1,265	1,265
Depreciation/amortisation expense	193	117	436	746
Disposals:				
Other disposals (cost)			1,962	1,962
Other disposals accumulated depreciation			(1,962)	(1,962)
As at 30 June 2007				
Gross book value	2,018	920	3,862	6,800
Accumulated depreciation	339	226	642	1,207
Estimated closing net book value	1,679	694	3,220	5,593

Table 5.7: Schedule of budgeted income and expenses administered on behalf of government for the period ended 30 June

	Estimated Actual 2005-06 \$'000	Budget Estimate 2006-07 \$'000	Forward Estimate 2007-08 \$'000	Forward Estimate 2008-09 \$'000	Forward Estimate 2009-10 \$'000
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Total income administered on behalf of Government	0	0	0	0	0
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Grants	581,856	571,983	576,608	591,731	604,739
Total expenses administered on behalf of Government	581,856	571,983	576,608	591,731	604,739

Note: For budgeted administered appropriations, please refer to Table 5.9.

Table 5.8: Schedule of budgeted assets and liabilities administered on behalf of government as at 30 June

	Estimated Actual 2005-06 \$'000	Budget Estimate 2006-07 \$'000	Forward Estimate 2007-08 \$'000	Forward Estimate 2008-09 \$'000	Forward Estimate 2009-10 \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash	1,025	1,025	925	925	0
Receivables	1,809	1,809	1,809	1,809	1,809
Total financial assets	2,834	2,834	2,734	2,734	1,809
Total assets administered on behalf of Government	2,834	2,834	2,734	2,734	1,809
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Payables					
Grants	237,801	239,482	245,170	252,738	258,288
Total liabilities administered on behalf of Government	237,801	239,482	245,170	252,738	258,288

Table 5.9: Schedule of budgeted administered cash flows for the period ended 30 June

	Estimated Actual 2005-06 \$'000	Budget Estimate 2006-07 \$'000	Forward Estimate 2007-08 \$'000	Forward Estimate 2008-09 \$'000	Forward Estimate 2009-10 \$'000
OPERATING ACTIVITIES					
Cash received					
Other GST input credits	3,350	3,350	3,350	3,350	3,350
Total cash received	3,350	3,350	3,350	3,350	3,350
Cash used					
Grant payments	565,970	570,302	570,920	584,163	599,189
Other – GST payment to suppliers	3,350	3,350	3,350	3,350	3,350
Total cash used	569,320	573,652	574,270	587,513	602,539
Net cash from (or used by) operating activities	(565,970)	(570,302)	(570,920)	(584,163)	(599,189)
Net increase or decrease in cash held	(565,970)	(570,302)	(570,920)	(584,163)	(599,189)
Cash at beginning of reporting period	20,844	1,025	1,025	925	925
Cash from Official Public Account for: - appropriations	546,151	570,302	570,820	584,163	598,264
Cash at end of reporting period	1,025	1,025	925	925	0

Table 5.10: Schedule of administered capital budget

The ARC has no administered capital therefore Table 5.10 is not presented.

Table 5.11: Schedule of administered property, plant, equipment and intangibles — summary of movement (Budget year 2006-07)

The ARC has no administered property, plant, equipment and intangibles therefore Table 5.11 is not presented.

NOTES TO THE FINANCIAL STATEMENTS

Note 1: Intangibles

The ARC's intangibles comprise purchased and internally developed software for internal use. These assets are carried at cost.

Note 2: Employee entitlements

The liability for employee entitlements includes provision for annual leave and long service leave.

Note 3: Grants

The ARC administers a number of grant schemes on behalf of the Government.

Grant liabilities are recognised to the extent that the grant eligibility criteria or reporting requirements have been satisfied. A commitment is recorded when the Government enters into an agreement to make these grants but services have not been performed or criteria satisfied.

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