

AUSTRALIAN RESEARCH COUNCIL

ENTITY RESOURCES AND PLANNED PERFORMANCE

AUSTRALIAN RESEARCH COUNCIL

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AUSTRALIAN RESEARCH COUNCIL

Section 1: Overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Australian Research Council (ARC) is a non-corporate Commonwealth entity established under the *Australian Research Council Act 2001*. The ARC is responsible for administering the National Competitive Grants Program (NCGP), measuring research excellence through Excellence in Research for Australia (ERA) and providing advice on research matters.

Through the NCGP, the ARC supports excellent research and research training across all disciplines, awarding funding based on a competitive peer review process. The NCGP comprises two programs, Discovery and Linkage, which fund a range of complementary schemes that provide funding for basic and applied research, research training, research collaborations and infrastructure.

The ARC administers ERA, which assesses research quality by research discipline at eligible Australian higher education institutions. ERA is an established evaluation framework that reflects the Government's commitment to a transparent and streamlined approach to research evaluation. The ARC is also responsible for developing and implementing an Engagement and Impact assessment, announced by the Australian Government in December 2015 as part of the National Science and Innovation Agenda (NISA).

The ARC's priorities for 2017-18 include:

- delivering the NCGP effectively and efficiently
- completing preparations for and conducting the ERA 2018 evaluation
- continuing to support the Government's NISA by:
 - conducting a continuous application process under the Linkage Projects scheme
 - conducting a pilot of the Engagement and Impact assessment and preparing for and conducting the full Engagement and Impact assessment to be undertaken in 2018 as a companion to ERA 2018
 - contributing to other NISA initiatives as required
- continuing to provide high quality advice to the Minister on research matters including in areas of Government focus (for example, strengthening linkages between research and business)

- working with stakeholders in delivering program and policy responsibilities, including through consultations and in raising awareness
- continuing to monitor the performance of selected NCGP schemes through scheduled reviews and evaluations
- ensuring that the NCGP supports participation by all researchers, including Aboriginal and Torres Strait Islander researchers, women researchers and early and mid-career researchers
- maintaining a strong governance framework to support delivery against legislative requirements as well as the Government's expectations for the agency as articulated in the ARC outcome.

1.2 ENTITY RESOURCE STATEMENT

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

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

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

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

Table 1.1: ARC resource statement — Budget estimates for 2017–18 as at Budget May 2017

	2016–17 <i>Estimated actual</i> \$'000	2017–18 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available (b)	13,153	13,146
Departmental appropriation (c)	21,839	21,186
s74 retained revenue receipts (d)	7	-
Departmental capital budget (e)	1,251	1,235
Annual appropriations - other services - non-operating (f)		
Prior year appropriations available (b)	1,171	867
Equity injection	3,536	674
<i>Total departmental annual appropriations</i>	40,957	37,108
Total departmental resourcing	40,957	37,108
Administered		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available (b)	2,494	2,494
Outcome 1	6,915	5,511
<i>Total administered annual appropriations</i>	9,409	8,005
Special Appropriation - <i>Australian Research Council Act 2001 (g)</i>	744,363	758,055
<i>Total administered special appropriations</i>	744,363	758,055
Special accounts (h)		
Opening balance	-	-
Appropriation receipts (i)	9,000	-
<i>Total special account receipts</i>	9,000	-
<i>less administered appropriations drawn from special appropriations and credited to special accounts</i>	9,000	-
Total administered resourcing	753,772	766,060
Total resourcing for the ARC	794,729	803,168
	2016–17	2017–18
Average staffing level (number)	128	136

Prepared on a resourcing (i.e. appropriations available) basis.

Note: All figures shown above are GST exclusive - these may not match figures in the cash flow statement.

- (a) Appropriation Bill (No. 1) 2017–18.
- (b) Estimated adjusted balance carried forward from previous year. Represents funding available to be drawn in the financial year but may be subject to administrative quarantine by Department of Finance or withheld under section 51 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).
- (c) Excludes departmental capital budget (DCB).
- (d) Estimated retained revenue receipts under section 74 of the PGPA Act 2013.
- (e) Departmental capital budgets are not separately identified in Appropriation Bill (No. 1) and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contributions by owner'.
- (f) Appropriation Bill (No. 2) 2017–18.
- (g) Excludes 'Special Public Money' held in accounts like Other Trust Monies accounts (OTM), Services for Other Government and Non-agency Bodies accounts (SOG) or Services for Other Entities and Trust Monies accounts (SOETM)). For further information on special appropriations and special accounts, please refer to Budget Paper No. 4 - Agency Resourcing. Please also see Table 2.1.1 for further information on outcome and program expenses broken down by various funding sources, e.g. annual appropriations, special appropriations and special accounts.
- (h) ARC Research Endowment Account - s80 PGPA Act 2013 [s62 *Australian Research Council Act 2001*].
- (i) Administered appropriations drawn from special appropriations *Australian Research Council Act 2001* and credited to special account.

Section 2: Outcomes and planned performance

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

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

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements—included in Annual Reports—to provide an entity's complete performance story.

The most recent corporate plan for ARC can be found at: www.arc.gov.au

The most recent annual performance statement can be found in the Annual Report at: www.arc.gov.au

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: Growth of knowledge and innovation through managing research funding schemes, measuring research excellence and providing advice.

Budgeted expenses for Outcome 1

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

Table 2.1.1: Budgeted expenses for Outcome 1

	2016–17 Estimated actual \$'000	2017–18 Budget \$'000	2018–19 Forward estimate \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000
Program 1.1: Discovery—research and research training					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	1,112	1,122	1,148	1,171	1,200
Special appropriations					
<i>Australian Research Council Act 2001</i>	481,390	492,736	493,708	511,540	522,537
Administered total	482,502	493,858	494,856	512,711	523,737
Total expenses for program 1.1	482,502	493,858	494,856	512,711	523,737
Program 1.2: Linkage—cross-sector research partnerships					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	1,455	1,449	1,491	1,524	1,561
Special appropriations					
<i>Australian Research Council Act 2001</i>	253,973	265,319	265,843	275,444	281,366
Special accounts					
<i>ARC Research Endowment Account - s80 PGPA Act 2013 [s62 Australian Research Council Act 2001]</i>	9,000	-	-	-	-
Administered total	264,428	266,768	267,334	276,968	282,927
Total expenses for program 1.2	264,428	266,768	267,334	276,968	282,927
Program 1.3: Excellence in Research for Australia					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	4,348	2,940	3,185	3,084	3,161
Administered total	4,348	2,940	3,185	3,084	3,161
Total expenses for program 1.3	4,348	2,940	3,185	3,084	3,161

Table 2.1.1: Budgeted expenses for Outcome 1 (continued)

	2016–17 Estimated actual \$'000	2017–18 Budget \$'000	2018–19 Forward estimate \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000
Program 1.4: ARC Departmental					
Departmental expenses					
Departmental appropriation	21,839	21,186	21,419	21,226	21,322
s74 retained revenue receipts (a)	7	-	-	-	-
Expenses not requiring appropriation in the Budget year (b)	4,416	4,125	3,494	3,253	2,984
Departmental total	26,262	25,311	24,913	24,479	24,306
Total expenses for program 1.4	26,262	25,311	24,913	24,479	24,306
Outcome 1 Totals by appropriation type					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	6,915	5,511	5,824	5,779	5,922
Special appropriations	735,363	758,055	759,551	786,984	803,903
Special accounts	9,000	-	-	-	-
Administered total	751,278	763,566	765,375	792,763	809,825
Departmental expenses					
Departmental appropriation	21,839	21,186	21,419	21,226	21,322
s74 retained revenue receipts (a)	7	-	-	-	-
Expenses not requiring appropriation in the Budget year (b)	4,416	4,125	3,494	3,253	2,984
Departmental total	26,262	25,311	24,913	24,479	24,306
Total expenses for Outcome 1	777,540	788,877	790,288	817,242	834,131
	2016–17	2017–18			
Average staffing level (number)	128	136			

- (a) Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act 2013.
- (b) Expenses not requiring appropriation in the Budget year are made up of depreciation and amortisation expenses, audit fees and gain from sale of fixed assets.
- (c) Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

Performance criteria for Outcome 1

This section details the performance criteria for each program associated with Outcome 1. It summarises how each program is delivered and where 2017–18 Budget measures have created new programs or materially changed existing programs.

Outcome 1: Growth of knowledge and innovation through managing research funding schemes, measuring research excellence and providing advice.

Program 1.1: Discovery—Research and Research Training

Objective	Through the Discovery program, the ARC aims to build Australia's research capacity by supporting excellent, internationally competitive research projects, fellowships and awards. This contributes to Outcome 1 by: providing training and career opportunities for current and emerging researchers; fostering international engagement; and encouraging research that will strengthen Australia's capacity in areas of priority.
Delivery	The Discovery program is delivered through the following activities: <ul style="list-style-type: none"> administering the Discovery funding schemes—Australian Laureate Fellowships, Discovery Early Career Researcher Award, Discovery Indigenous, Discovery Projects and Future Fellowships—which provide funding to eligible administering organisations for excellent, internationally competitive research projects, fellowships and awards informing policy on research and research training.
Purposes ³⁸	The ARC's purpose is to grow knowledge and innovation for the benefit of the Australian community through funding the highest quality research, assessing the quality, engagement and impact of research and providing advice on research matters.

Performance information 1.1 Discovery—Research and Research Training

Year	Performance criteria	Targets
2016–17	The Discovery program contributes to the growth of knowledge and innovation in Australia by funding excellent, internationally competitive research projects, fellowships and awards that: <ul style="list-style-type: none"> are relevant to Australia's needs and expectations build Australia's research capacity and ability to respond to emerging priorities enhance international engagement produce outcomes that improve our understanding of the world and/or provide economic, environmental, social, health and/or cultural benefits to Australia. 	Final data for targets will be available at the end of 2016–17 and compared against baseline data in the ARC annual report. To date: <ul style="list-style-type: none"> 60% of Discovery research projects, fellowships and awards commencing in 2016–17 address a Science and Research priority area 93% of Discovery projects commencing in 2016–17 support research training and/or early career researchers 77% of Discovery projects commencing in 2016–17 involve international collaboration. <p>Case studies demonstrating the benefits arising from Discovery research will be provided in the ARC annual report.</p>

³⁸ Refers to updated ARC purpose that will be reflected in the 2017–18 Corporate Plan.

ARC Budget Statements

Year	Performance criteria	Targets
2017–18	<p>The Discovery program contributes to the growth of knowledge and innovation in Australia by funding:</p> <ul style="list-style-type: none"> • excellent research and researchers • research training and career development • international collaboration • research in areas of priority. <p>The Discovery program produces outcomes that improve our fundamental understanding of the world and/or provide economic, environmental, social, health and/or cultural benefits to Australia.</p>	<p>Target: Maintain proportion of Discovery program funding allocated to support early career researchers under the Discovery Early Career Researcher Award scheme.</p> <p>Target: Maintain or increase the proportion of Discovery research projects, fellowships and awards that support international collaboration.</p> <p>Target: Maintain the proportion of Discovery research projects, fellowships and awards that involve research in one of the Australian Government's Science and Research Priority areas.</p> <p>Target: Evidence of outcomes arising from Discovery research projects, fellowships and awards improving our fundamental understanding of the world and/or providing economic, environmental, social, health and/or cultural benefits to Australia.</p>
2018–19 and beyond	As per 2017–18	As per 2017–18

Program 1.2: Linkage—Cross Sector Research Partnerships

Objective	<p>Through the Linkage program, the ARC aims to build Australia’s research and innovation capacity by supporting excellent, internationally competitive research projects, infrastructure, hubs and centres that involve collaboration among researchers within and beyond the research sector.</p> <p>This contributes to Outcome 1 by: providing training and career opportunities for current and emerging researchers; fostering industry and other end-user engagement; supporting international collaboration; and encouraging research that will strengthen Australia’s capacity in areas of priority.</p>
Delivery	<p>The Linkage program is delivered through the following activities:</p> <ul style="list-style-type: none"> • Administering the Linkage funding schemes—ARC Centres of Excellence, Industrial Transformation Research Hubs, Industrial Transformation Training Centres, Linkage Infrastructure, Equipment and Facilities, Linkage Learned Academies Special Projects, Linkage Projects and Special Research Initiatives—which provide funding to eligible administering organisations for excellent, internationally competitive research projects, infrastructure, hubs and centres • informing policy on cross sector research partnerships.
Purposes ³⁹	<p>The ARC’s purpose is to grow knowledge and innovation for the benefit of the Australian community through funding the highest quality research, assessing the quality, engagement and impact of research and providing advice on research matters.</p>

Performance information 1.2 Linkage—Cross Sector Research Partnerships

Year	Performance criteria	Targets
2016–17	<p>The Linkage program contributes to the growth of knowledge and innovation in Australia by funding excellent, internationally competitive research projects, infrastructure, hubs and centres that:</p> <ul style="list-style-type: none"> • are relevant to Australia’s needs and expectations • build Australia’s research capacity and ability to respond to emerging priorities • encourage collaboration among researchers within and beyond the research sector (particularly industry) • enhance international engagement • produce outcomes that improve our understanding of the world and/or provide economic, environmental, social, health and/or cultural benefits to Australia. 	<p>Final reporting data for targets will be available at the end of 2016–17 and compared against baseline data in the ARC annual report. To date:</p> <ul style="list-style-type: none"> • 84% of Linkage research projects, infrastructure, hubs and centres commencing in 2016–17 address a Science and Research priority area • 64% of Linkage projects commencing in 2016–17 support research training and early career researchers • 288 Linkage projects commencing in 2016–17 involve 769 end-user partner organisations (an average of 2.7 organisations per project) • 53% of Linkage projects commencing in 2016–17 support international collaboration • results indicate the Linkage Projects scheme is on track to maintain level of stakeholder satisfaction with the research partnerships supported through the Linkage program.

³⁹ Refers to updated ARC purpose that will be reflected in the 2017–18 Corporate Plan.

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Year	Performance criteria	Targets
		Case studies demonstrating the benefits arising from Linkage research will be provided in the ARC annual report.
2017–18	<p>The Linkage program contributes to the growth of knowledge and innovation in Australia by funding:</p> <ul style="list-style-type: none"> • excellent collaborative research and researchers • industrial research training and career development • partnerships between universities and research end-users • research in areas of priority. 	<p>Target: Maintain proportion of Linkage Program funding to support industrial research training under the Industrial Transformation Training Centres scheme.</p> <p>Target: Maintain or increase the level of co-funding from partner organisations under the Linkage Projects scheme [\geq\$1 for every ARC dollar].</p> <p>Target: Maintain stakeholder satisfaction with the research partnerships supported through Linkage research projects, infrastructure, hubs and centres [with baseline based on 4 year rolling average].</p> <p>Target: Maintain or increase the proportion of Linkage research projects, infrastructure, hubs and centres that involve research in one of the Australian Government's Science and Research Priority areas.</p> <p>Target: Linkage Projects scheme is delivered efficiently [100% of announcements are made within six months of submission].</p>
	The Linkage program produces outcomes that provide economic, environmental, social, health and/or cultural benefits to Australia.	Target: Evidence of outcomes arising from Linkage research projects, infrastructure, hubs and centres providing economic, environmental, social, health and/or cultural benefits to Australia.
2018–19 and beyond	As per 2017–18	As per 2017–18

Program 1.3: Excellence in Research for Australia

Objective	<p>Through the Excellence in Research for Australia (ERA) program the ARC aims to improve Australia's research capacity by evaluating research at eligible Australian higher education institutions against international benchmarks and identifying excellence across the full spectrum of research activities. The program includes both the research quality assessment framework, ERA, and an engagement and impact assessment framework, which will assess the engagement of researchers with end-users, and show how universities are translating their research into economic, social, environmental and other impacts.</p> <p>This contributes to Outcome 1 by: providing a unique, evidence-based resource to inform Australian government research policy and the strategic direction of higher education institutions; and encouraging researchers to produce high-quality and impactful research with real world benefits.</p>
Delivery	<p>The program is delivered through the following activities:</p> <ul style="list-style-type: none"> • administering an evaluation framework to measure and report on the quality of research conducted at Australia's higher education institutions • developing a framework to assess engagement and show how universities are translating their research into economic, social environmental and other impacts • informing strategic policy advice on research quality, engagement and impact.
Purposes ⁴⁰	<p>The ARC's purpose is to grow knowledge and innovation for the benefit of the Australian community through funding the highest quality research, assessing the quality, engagement and impact of research and providing advice on research matters.</p>

Performance information 1.3 Excellence in Research for Australia

Year	Performance criteria	Targets
2016–17	<p>The ERA program, including the research quality assessment framework and development of the engagement and impact assessment framework, contributes to the growth of knowledge and innovation in Australia by:</p> <ul style="list-style-type: none"> • providing assurance of the quality of research in Australia • encouraging excellent, internationally competitive research • encouraging impactful engagement within and beyond the research sector. 	<p>Final reporting information for the following targets will be reported in the ARC annual report:</p> <ul style="list-style-type: none"> • ERA reports and activities inform Australian Government policy • ERA reports and activities inform strategic planning at eligible Australian higher education institutions. <p>The target of improvements to the research performance of Australian higher education institutions will not be measured in 2016–17. The next ERA evaluation will be conducted in 2018.</p>
2017–18	<p>The ERA program, including the research quality assessment framework and the engagement and impact assessment framework, contributes to the growth of knowledge and innovation in Australia by:</p> <ul style="list-style-type: none"> • providing assurance of the quality of research in Australia 	<p>Target: The ERA program delivers reports and activities that inform Australian Government policy.</p> <p>Target: The ERA program delivers reports and activities that inform strategic planning at</p>

⁴⁰ Refers to updated ARC purpose that will be reflected in the 2017–18 Corporate Plan.

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Year	Performance criteria	Targets
	<ul style="list-style-type: none"> • encouraging excellent, internationally competitive research • encouraging impactful engagement within and beyond the research sector. 	<p>eligible Australian higher education institutions.</p> <p>Target: Engagement within and beyond the research sector is benchmarked.</p> <p>Target: Impact studies submitted for the Engagement and Impact assessment publicly demonstrate how universities are translating their research into economic, social, environmental and other impacts.</p>
2018–19 and beyond	As per 2017–18	<p>As per 2017–18 and:</p> <p>Target: Research performance of Australian higher education institutions improves.</p>

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2017–18 Budget year, including the impact of Budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

There are no material variances between the entity resources table and the budgeted financial statements.

3.1.2 Explanatory notes and analysis of budgeted financial statements

The budgeted financial statements have been updated to reflect changes and other variations since the 2016–17 Portfolio Budget Statements (PBS). No major changes to the ARC's funding has occurred since the 2016–17 PBS.

Budgeted departmental comprehensive income statement

The department's income statement reflects a deficit across the forward estimates. These deficits are solely attributable to the depreciation expense for the year. Expenses for 2017–18 are estimated to be \$25.3 million.

Budgeted departmental balance sheet

The budgeted net asset position of \$20.1 million for 2017–18 represents a decrease of \$2.1 million. This is mainly attributable to the estimated decrease in non-financial assets resulting from the estimated depreciation applied to the assets for the financial year.

Schedule of budgeted income and expenses administered on behalf of Government

The schedule of budgeted income and expenses reflects the revenues and expense relating to programs administered by the ARC on behalf of Government.

The majority of the expenditure is on Grants as provided under the National Competitive Grants Scheme. Expenditure on Grants is estimated to increase steadily over the forward estimates.

Schedules of budgeted assets and liabilities administered on behalf of government

The ARC recognises grant liabilities to the extent that the grant eligibility criteria or reporting requirements have been satisfied. The closing liability reflects the remaining commitment, as at 30 June, for the relevant calendar year.

3.2 BUDGETED FINANCIAL STATEMENTS TABLES

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	2016–17 Estimated actual \$'000	2017–18 Budget \$'000	2018–19 Forward estimate \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000
EXPENSES					
Employee benefits	15,454	16,573	16,900	17,221	17,557
Suppliers	6,196	4,417	4,346	3,883	3,671
Depreciation and amortisation	4,319	4,057	3,426	3,185	2,916
Finance costs	293	264	241	190	162
Total expenses	26,262	25,311	24,913	24,479	24,306
LESS:					
OWN-SOURCE INCOME					
Sale of goods and rendering of services	7	-	-	-	-
Total own-source revenue	7	-	-	-	-
Gains					
Sale of assets	29	-	-	-	-
Other	68	68	68	68	68
Total gains	97	68	68	68	68
Total own-source income	104	68	68	68	68
Net (cost of)/contribution by services	(26,158)	(25,243)	(24,845)	(24,411)	(24,238)
Revenue from Government	21,839	21,186	21,419	21,226	21,322
Surplus/(deficit) attributable to the Australian Government	(4,319)	(4,057)	(3,426)	(3,185)	(2,916)
Total comprehensive income/(loss)	(4,319)	(4,057)	(3,426)	(3,185)	(2,916)
Total comprehensive income/(loss) attributable to the Australian Government	(4,319)	(4,057)	(3,426)	(3,185)	(2,916)

Note: Impact of net cash appropriation arrangements

	2016–17 \$'000	2017–18 \$'000	2018–19 \$'000	2019–20 \$'000	2020–21 \$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	-	-	-	-	-
less depreciation/amortisation expenses previously funded through revenue appropriations (a)	4,319	4,057	3,426	3,185	2,916
Total comprehensive income/(loss) - as per the statement of comprehensive income	(4,319)	(4,057)	(3,426)	(3,185)	(2,916)

Prepared on Australian Accounting Standards basis.

- (a) From 2010–11, the Government introduced net cash appropriation arrangements where Bill 1 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill 1 equity appropriations. For information regarding DCBs, please refer to Table 3.5 Departmental Capital Budget Statement.

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

	2016–17 Estimated actual \$'000	2017–18 Budget \$'000	2018–19 Forward estimate \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	305	305	305	305	305
Trade and other receivables	14,111	14,157	14,204	14,299	14,351
Total financial assets	14,416	14,462	14,509	14,604	14,656
Non-financial assets					
Land and buildings	1,695	1,560	1,417	1,265	1,110
Property, plant and equipment	853	629	355	190	112
Intangibles	12,865	11,076	9,294	7,654	6,205
Other non-financial assets	275	275	275	275	275
Total non-financial assets	15,688	13,540	11,341	9,384	7,702
Total assets	30,104	28,002	25,850	23,988	22,358
LIABILITIES					
Payables					
Suppliers	415	415	415	415	415
Total payables	415	415	415	415	415
Interest bearing liabilities					
Leases	3,026	3,026	3,026	3,026	3,026
Total interest bearing liabilities	3,026	3,026	3,026	3,026	3,026
Provisions					
Employee provisions	4,080	4,126	4,173	4,268	4,320
Other provisions	334	334	334	334	334
Total provisions	4,414	4,460	4,507	4,602	4,654
Total liabilities	7,855	7,901	7,948	8,043	8,095
Net assets	22,249	20,101	17,902	15,945	14,263
EQUITY*					
Parent entity interest					
Contributed equity	34,374	36,283	37,510	38,738	39,972
Reserves	43	43	43	43	43
Retained surplus (accumulated deficit)	(12,168)	(16,225)	(19,651)	(22,836)	(25,752)
Total parent entity interest	22,249	20,101	17,902	15,945	14,263
Total equity	22,249	20,101	17,902	15,945	14,263

Prepared on Australian Accounting Standards basis.

* Equity is the residual interest in assets after the deduction of liabilities.

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2017–18)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2017					
Balance carried forward from previous period	(12,168)	43	-	34,374	22,249
Comprehensive income					
Surplus/(deficit) for the period	(4,057)	-	-	-	(4,057)
Total comprehensive income	(4,057)	-	-	-	(4,057)
of which:					
Attributable to the Australian Government	(4,057)	-	-	-	(4,057)
Transactions with owners					
Contributions by owners					
Equity injection - Appropriation	-	-	-	674	674
Departmental capital budget (DCB)	-	-	-	1,235	1,235
Sub-total transactions with owners	-	-	-	1,909	1,909
Estimated closing balance as at 30 June 2018	(16,225)	43	-	36,283	20,101
Closing balance attributable to the Australian Government	(16,225)	43	-	36,283	20,101

Prepared on Australian Accounting Standards basis.

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2016–17 Estimated actual \$'000	2017–18 Budget \$'000	2018–19 Forward estimate \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	22,101	21,140	21,372	21,131	21,270
Sale of goods and rendering of services	7	-	-	-	-
Net GST received	550	550	550	550	550
Total cash received	22,658	21,690	21,922	21,681	21,820
Cash used					
Employees	15,412	16,200	16,336	16,498	17,271
Suppliers	6,128	4,676	4,795	4,443	3,837
Net GST paid	550	550	550	550	550
Other	293	264	241	190	162
Total cash used	22,383	21,690	21,922	21,681	21,820
Net cash from/(used by) operating activities	275	-	-	-	-
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	29	-	-	-	-
Total cash received	29	-	-	-	-
Cash used					
Purchase of property, plant and equipment and intangibles	5,091	1,909	1,227	1,228	1,234
Total cash used	5,091	1,909	1,227	1,228	1,234
Net cash from/(used by) investing activities	(5,062)	(1,909)	(1,227)	(1,228)	(1,234)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	4,787	1,909	1,227	1,228	1,234
Total cash received	4,787	1,909	1,227	1,228	1,234
Net cash from/(used by) financing activities	4,787	1,909	1,227	1,228	1,234
Net increase/(decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	305	305	305	305	305
Cash and cash equivalents at the end of the reporting period	305	305	305	305	305

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement (for the period ended 30 June)

	2016–17 Estimated actual \$'000	2017–18 Budget \$'000	2018–19 Forward estimate \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	1,251	1,235	1,227	1,228	1,234
Equity injections - Bill 2	3,536	674	-	-	-
Total new capital appropriations	4,787	1,909	1,227	1,228	1,234
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	<i>4,787</i>	<i>1,909</i>	<i>1,227</i>	<i>1,228</i>	<i>1,234</i>
Total items	4,787	1,909	1,227	1,228	1,234
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations (a)	3,536	674	-	-	-
Funded Internally by departmental resources	304	-	-	-	-
Funded by capital appropriation - DCB (b)	1,251	1,235	1,227	1,228	1,234
TOTAL	5,091	1,909	1,227	1,228	1,234
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	5,091	1,909	1,227	1,228	1,234
Total cash used to acquire assets	5,091	1,909	1,227	1,228	1,234

Prepared on Australian Accounting Standards basis.

(a) Includes both current Bill 2 and prior Act 2/4/6 appropriations and special capital appropriations.

(b) Includes purchases from current and previous years' Departmental Capital Budgets (DCBs).

Table 3.6: Statement of asset movements (Budget year 2017–18)

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2017				
Gross book value	2,925	1,669	37,548	42,142
Accumulated depreciation/amortisation and impairment	(1,230)	(816)	(24,683)	(26,729)
Opening net book balance	1,695	853	12,865	15,413
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity (a)	-	-	674	674
By purchase - appropriation ordinary annual services (b)	100	150	985	1,235
Total additions	100	150	1,659	1,909
Other movements				
Depreciation/amortisation expense	(235)	(374)	(3,448)	(4,057)
Total other movements	(235)	(374)	(3,448)	(4,057)
As at 30 June 2018				
Gross book value	3,025	1,819	39,207	44,051
Accumulated depreciation/ amortisation and impairment	(1,465)	(1,190)	(28,131)	(30,786)
Closing net book balance	1,560	629	11,076	13,265

Prepared on Australian Accounting Standards basis.

- (a) 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2017–18, including CDABs.
- (b) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2017–18 for depreciation/amortisation expenses, DCBs or other operational expenses.

Table 3.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)

	2016–17 Estimated actual \$'000	2017–18 Budget \$'000	2018–19 Forward estimate \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000
EXPENSES					
Suppliers	15,915	5,511	5,824	5,779	5,922
Grants	735,363	758,055	759,551	786,984	803,903
Total expenses administered on behalf of Government	751,278	763,566	765,375	792,763	809,825
LESS:					
OWN-SOURCE INCOME					
Non-taxation revenue					
Recovery of prior year grant payments (a)	7,000	7,000	7,000	7,000	7,000
Total non-taxation revenue	7,000	7,000	7,000	7,000	7,000
Total own-sourced income administered on behalf of Government	7,000	7,000	7,000	7,000	7,000
Total comprehensive income/(loss)	(744,278)	(756,566)	(758,375)	(785,763)	(802,825)

Prepared on Australian Accounting Standards basis.

- (a) Under the *Australian Research Council Act 2001*, grant recipients are required to return unspent grant money to the ARC unless otherwise approved. ARC then returns the funding relating to prior financial years back to the OPA.

Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)

	2016–17 Estimated actual \$'000	2017–18 Budget \$'000	2018–19 Forward estimate \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000
ASSETS					
Financial assets					
Taxation receivables	485	485	485	485	485
Total financial assets	485	485	485	485	485
Non-financial assets					
Other non-financial assets	12	12	12	12	12
Total non-financial assets	12	12	12	12	12
Total assets administered on behalf of Government	497	497	497	497	497
LIABILITIES					
Payables					
Suppliers	88	88	88	88	88
Grants	296,908	296,908	296,908	296,908	296,908
Total payables	296,996	296,996	296,996	296,996	296,996
Total liabilities administered on behalf of Government	296,996	296,996	296,996	296,996	296,996
Net assets/(liabilities)	(296,499)	(296,499)	(296,499)	(296,499)	(296,499)

Prepared on Australian Accounting Standards basis.

Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June)

	2016–17 Estimated actual \$'000	2017–18 Budget \$'000	2018–19 Forward estimate \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Other	7,000	7,000	7,000	7,000	7,000
Total cash received	7,000	7,000	7,000	7,000	7,000
Cash used					
Grant	735,363	758,055	759,551	786,984	803,903
Suppliers	15,915	5,511	5,824	5,779	5,923
Cash to the Official Public Account	12,300	12,300	12,300	12,300	12,300
Total cash used	763,578	775,866	777,675	805,063	822,126
Net cash from/(used by) operating activities	(756,578)	(768,866)	(770,675)	(798,063)	(815,126)
Net increase/(decrease) in cash held	(756,578)	(768,866)	(770,675)	(798,063)	(815,126)
Cash and cash equivalents at beginning of reporting period	-	-	-	-	-
Cash from Official Public Account for:					
- Appropriations	751,278	763,566	765,375	792,763	809,826
- GST Increase to Appropriations	5,300	5,300	5,300	5,300	5,300
Total cash from Official Public Account	756,578	768,866	770,675	798,063	815,126
Cash and cash equivalents at end of reporting period	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

Table 3.10: Administered capital budget statement (for the period ended 30 June)

ARC does not have any administered capital budget, therefore table 3.10 is not presented.

Table 3.11: Statement of administered asset movements (Budget year 2017–18)

ARC does not have any administered assets, therefore table 3.11 is not presented.