

AUSTRALIAN RESEARCH COUNCIL

ENTITY RESOURCES AND PLANNED PERFORMANCE

Australian Research Council

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Australian Research Council

Section 1: Entity 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), assessing the quality, engagement, and impact of research, overseeing the Australian research ethics and integrity framework, and providing advice and support on research matters.

Through the NCGP, the ARC supports excellent research and research training for the benefit of Australians, across all disciplines (excluding pre-clinical or clinical medical or health research), 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 collaboration and research infrastructure.

The ARC administers Excellence in Research for Australia (ERA), which evaluates the quality of research by discipline, against international benchmarks. ERA is an established evaluation framework that reflects the Government's commitment to a transparent and streamlined approach to research evaluation. In the 2022 Statement of expectations, the Minister for Education asked that the ARC discontinue preparations for the 2023 ERA round and commence work to develop a transition plan, in consultation with the sector and the Department of Education.

The ARC is also responsible for administering the Engagement and Impact (EI) assessment, which examines the translation of university research into appreciable outcomes beyond academia, determining what economic, social, environmental, and cultural benefits arise from Australian research.

The ARC is focused on driving world-class research and innovation for the advancement of Australian society. The ARC plays a critical role in providing ongoing investment in university research and encouraging the adoption and translation of that knowledge, to increase its impact and achieve greater national benefit for Australia.

Consistent with this, the ARC is delivering the new Industry Fellowships Program. The Program will create a pathway to support academic researchers in establishing careers in industry, and industry-based researchers to work in university settings, with the aim of increased two-way mobility and skill-building in research collaboration, translation, and commercialisation.

Through its new 2022–2025 Strategy, the ARC will deliver a refreshed approach to helping shape the Australian research system that delivers better outcomes for the research community and government. The ARC's strategic priorities: World Class Advice and Engagement; Research System Excellence; and Empowered People; are designed to build trust in its operations, advice, and people.

To support its programs and the implementation of the Strategy, the ARC's priorities for 2022–23 include:

- delivering the NCGP effectively and efficiently to support excellent research in the national interest
- completing the NCGP process review, and working with the research sector to design and implement enhanced processes and procedures
- collaborating with the research sector to strengthen understanding of the value and processes relating to the National Interest Test
- delivering the new Industry Fellowships Program
- providing high quality advice to the Minister, and engaging strategically across government, and with the research sector, including universities, researchers, industry, and other research users
- implementing outcomes of the review of ERA and EI by transitioning ERA to a more modern, data driven approach informed by expert review
- developing research engagement and impact indicators to inform the Engagement and Impact assessments
- ensuring ARC grant activities and research assessments, and data obtained from these activities, support the participation by all researchers, including First Nations researchers, women researchers, and early and mid-career researchers
- promoting the ARC's research grants administration expertise and services, including through the provision of Research Grant Services

- establishing a data strategy and service unit to identify, analyse and share the value from ARC and other data sets across government and with the research community
- continuing to work with universities and other stakeholders to safeguard the integrity and credibility of Australian research
- supporting the independent legislative review of the ARC.

1.2 Entity resource statement

Table 1.1 shows the total funding from all sources available to the ARC 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 ARC'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, whilst the 'Budgeted expenses by Outcome' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: Australian Research Council resource statement — Budget estimates for 2022–23 as at Budget October 2022

	2021-22 <i>Estimated actual</i> \$'000	2022-23 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services		
Prior year appropriations available	17,868	13,106
Departmental appropriation (a)	20,226	23,401
s74 External Revenue (b)	236	1,328
Departmental capital budget (c)	1,235	1,240
Total departmental annual appropriations	39,565	39,075
Total departmental resourcing	39,565	39,075
Administered		
Annual appropriations - ordinary annual services		
Prior year appropriations available	-	-
Outcome 1	5,896	9,185
Total administered annual appropriations	5,896	9,185
Special Appropriation (d)	803,695	831,594
Total administered special appropriations	803,695	831,594
Special accounts (e)		
Opening balance	2,426	2,253
Appropriation receipts	-	-
Total special account receipts	2,426	2,253
<i>less administered appropriations drawn from annual/special appropriations and credited to special accounts</i>	-	-
Total administered resourcing	812,017	843,032
Total resourcing for Australian Research Council	851,582	882,107
	2021-22	2022-23
Average staffing level (number)	127	140

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

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

(a) Appropriation Bill (No. 1) 2022-23, Supply Bill (No.3) 2022-23 and Supply Act (No.1) 2022-23.

Departmental appropriation excludes departmental capital budgets (DCB), see also note (c). The 2022–23 figure includes \$0.499 million 2021–22 funding the ARC received from Investing in Australia's University Research Commercialisation measure during 2022-23 March budget.

(b) Estimated external revenue receipts under section 74 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

(c) Departmental capital budgets (DCBs) are not separately identified in *Appropriation Bill (No. 1) 2022-23*, *Supply Bill (No.3) 2022-23* and *Supply Act (No. 1) 2022-23* 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 'contribution by owner'.

(d) Special Appropriation funded under the *Australian Research Council Act 2001* (ARC Act).

(e) ARC Research Endowment Account - s80 of the PGPA Act (s62 of the ARC Act). Excludes trust moneys held in Services for Other Entities and Trust Moneys (SOETM) and other special accounts. For further information on special accounts, please refer to *Budget Paper No. 4 - Agency Resourcing*. Please also see Table 2.1 for further information on outcome and program expenses broken down by various funding sources, e.g. annual appropriations, special appropriations and special account.

1.3 Budget measures

Budget measures in Table 1.2 relating to the ARC are detailed in *October Budget Paper No. 2* and are summarised below.

Table 1.2: Australian Research Council October 2022–23

Part 1: Measures announced since the 2022–23 March Budget

	Program	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000
Savings from External Labour, and Savings from Advertising, Travel and Legal Expenses (a)	All					
Administered payment		-	-	-	-	-
Departmental payment		-	(195)	-	-	-
Total		-	(195)	-	-	-
An Ambitious and Enduring APS Reform Plan (b)	All					
Administered payment		-	-	-	-	-
Departmental payment		-	(8)	(22)	(27)	-
Total		-	(8)	(22)	(27)	-
Total payment measures						
Administered		-	-	-	-	-
Departmental		-	(203)	(22)	(27)	-
Total		-	(203)	(22)	(27)	-

Prepared on a Government Finance Statistics (Underlying Cash) basis. Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

(a) The full measure and description and package details appear in *Budget Paper No.2* under Cross Portfolio.

(b) The lead entity for this measure is the Department of the Prime Minister and Cabinet. The full measure description and package details appear in *Budget Paper No. 2* under the Prime Minister and Cabinet portfolio.

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 that 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 Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance measure described in ARC Portfolio Budget Statements will be read with broader information provided in ARC's corporate plans and annual performance statements – included in Annual Reports – to provide a complete picture of ARC's planned and actual performance.

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 ARC 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 ARC 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

Outcome 1: Growth of knowledge and innovation through managing research funding schemes, measuring research excellence and providing advice					
	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Program 1.1: Discovery - Research and Research Training					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	825	1,240	1,346	1,380	1,416
Special appropriations <i>Australian Research Council Act 2001</i>	506,735	511,074	551,867	596,388	622,986
Total expenses for program 1.1	507,560	512,314	553,213	597,768	624,402
Program 1.2: Linkage - Cross Sector Research Partnerships					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	1,010	1,847	2,010	2,060	2,114
Special appropriations <i>Australian Research Council Act 2001</i>	292,543	319,503	345,731	374,289	400,792
Special accounts ARC Research Endowment Account - s80 PGPA Act 2013 (s62 <i>Australian Research Council Act 2001</i>)	173	-	-	-	-
Total expenses for program 1.2	293,726	321,350	347,741	376,349	402,906
Program 1.3: Excellence in Research for Australia					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	785	6,098	7,382	3,986	3,732
Total expenses for program 1.3	785	6,098	7,382	3,986	3,732
ARC - Departmental					
Departmental expenses					
Departmental appropriation	23,353	21,938	22,665	22,916	21,800
s74 External Revenue (a)	409	1,328	600	336	29
Expenses not requiring appropriation in the Budget year (b)	4,356	4,548	1,822	1,860	1,848
Total expenses for Departmental	28,118	27,814	25,087	25,112	23,677

Table 2.1.1: Budgeted expenses for Outcome 1 (continued)

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Outcome 1 Totals by appropriation type					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	2,620	9,185	10,738	7,426	7,262
Special appropriations	799,278	830,577	897,598	970,677	1,023,778
Special accounts	173	-	-	-	-
Administered total	802,071	839,762	908,336	978,103	1,031,040
Departmental expenses					
Departmental appropriation	23,353	21,938	22,665	22,916	21,800
s74 External Revenue (a)	409	1,328	600	336	29
Expenses not requiring appropriation in the Budget year (b)	4,356	4,548	1,822	1,860	1,848
Departmental total	28,118	27,814	25,087	25,112	23,677
Total expenses for Outcome 1	830,189	867,576	933,423	1,003,215	1,054,717
	2021-22	2022-23			
Average staffing level (number)	127	140			

(a) Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act.

(b) Expenses not requiring appropriation in the Budget Year are made up of depreciation/amortisation expenses excluding depreciation on ROU assets, make good expenses, and audit fees.

Performance measures for Outcome 1

This section details the performance measures for each program associated with Outcome 1. It also provides the related key activities as expressed in the current corporate plan where further detail is provided about the delivery of the activities related to the program, the context in which these activities are delivered and how the performance of these activities will be measured. Where relevant, details of 2022–23 Budget measures that have created new programs or materially changed existing programs are provided.

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		
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: supporting excellent, internationally competitive research; providing training and career opportunities for current and emerging researchers; fostering international engagement; and encouraging research that aligns with national priorities.		
Key Activities	Fund high quality and impactful research	
Year	Performance measures	Expected performance results
Prior year 2021–22	NCGP applications and assessment processes are conducted in a timely manner	Target: 100% of Discovery Program scheme rounds recommendations are made to the Minister within eight months of scheme round closing dates Actual performance: 75% – Not achieved
	ARC meets Commonwealth Grants Rules and Guidelines (CGRG) requirements to publish information about grant opportunities and grant awards	Target: 100% of Discovery Program grant opportunities and grant awards are published on GrantConnect Actual performance: 100% – Achieved
	ARC manages NCGP application and assessment processes fairly and in accordance with Grant Guidelines	Target: The percentage of upheld appeals against administrative processes related to Discovery Program applications is less than 1% of submitted applications Actual performance: 1.5% – Not achieved
	Proportion of ARC-funded research projects that involved international collaboration	Target: 70% of Discovery Program research projects involve international collaboration Actual performance: 83.4% – Achieved

Year	Performance measures	Expected performance results
	Proportion of ARC-funded research projects that indicate their research will involve research in one of the Australian Government's National Science and Research Priority areas	<p>Target: 60% of Discovery Program research projects contribute to the Australian Government's National Science and Research Priority areas</p> <p>Actual performance: 62.4% – Achieved</p>
Budget Year 2022–23	The percentage of ARC schemes completed in time to meet ARC published timeframes	Target: 100% of Discovery Program scheme rounds outcomes are announced within the published timeframes on the ARC website
	The percentage of appeals upheld against NCGP application assessment processes for all applications submitted	Target: The number of upheld appeals against administrative processes related to Linkage Program applications is less than 1% of all submitted applications
	The percentage of ARC funded research projects involving international collaboration for all ARC funded research projects	Target: More than 70% of Discovery Program research projects involve international collaboration
	The percentage of submitted progress, End of Year and final reports reviewed on time	Target: More than 90% of Discovery Program completed final grant reports and submitted End of Year Reports, Progress / Annual Reports are reviewed by the ARC within 90 days of submission
Forward Estimates 2023-26	As per 2022–23	As per 2022–23

Program 1.2 – Linkage – Cross sector research partnerships		
<p><i>Through the Linkage Program, the ARC aims to build Australia's research and innovation capacity by supporting excellent, internationally competitive research projects, infrastructure, and centres of excellence that involve collaboration among researchers within and beyond the research sector.</i></p> <p><i>This contributes to Outcome 1 by: supporting excellent collaborative research; 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 national priority.</i></p>		
Key Activities	Fund high quality and impactful research	
Year	Performance measures	Expected performance results
Prior year 2021–22	NCGP applications and assessment processes are conducted in a timely manner	<p>Target: 100% of Linkage Projects application recommendations are made to the Minister within six months of scheme round closing dates</p> <p>Actual performance: 33.3% – Not achieved</p>
	ARC meets Commonwealth Grants Rules and Guidelines (CGRG) requirements to publish information about grant opportunities and grant awards	<p>Target: 100% of Linkage Program grant opportunities and grant awards are published on GrantConnect</p> <p>Actual performance: 100% – Achieved</p>
	ARC manages NCGP application and assessment processes fairly and in accordance with Grant Guidelines	<p>Target: The number of upheld appeals against administrative processes related to Linkage Program applications is less than 1% of submitted applications</p> <p>Actual performance: 1.3% – Not achieved</p>
	Proportion of Linkage Program funding to support industrial research training under the Industrial Transformation Training Centres (ITTC) scheme	As per the ARC Corporate Plan 2021–22, this is no longer a performance measure and will be reported as a Key Performance Indicator in the Annual Performance Statement
	Proportion of ARC-funded research projects that involved international collaboration	<p>Target: 70% of Linkage Program research projects involve international collaboration</p> <p>Actual performance: 66.5% – Substantially achieved</p>
	Proportion of co-funding from partner organisations involved in ARC-funded research for every \$1 of ARC's funding. (<i>Linkage Projects</i> scheme)	<p>Target: Partner Organisations contribute \$1 or more to ARC Linkage Projects for every ARC dollar awarded</p> <p>Actual performance: \$1.59 – Achieved</p>

Year	Performance measures	Expected performance results
	Proportion of participating organisations satisfied with the research partnership supported through the Linkage Program (<i>Linkage Projects</i> scheme)	Target: 90% of partner organisations who participate on an ARC Linkage Project report satisfaction with the research partnership supported by the grant Actual performance: 96.6% – Achieved
	Proportion of ARC-funded research projects that indicate their research will involve research in one of the Australian Government's National Science and Research Priority areas	Target: 60% of Linkage Program research contribute to the Australian Government's National Science and Research Priority areas Actual performance: 82.4% – Achieved
Budget Year 2022–23	The percentage of ARC schemes completed in time to meet ARC published timeframes	Target: 100% of Linkage Program scheme rounds outcomes are announced within the published timeframes on the ARC website
	The percentage of appeals upheld against NCGP application assessment processes for all applications submitted	Target: The number of upheld appeals against administrative processes related to Linkage Program applications is less than 1% of all submitted applications
	The percentage of ARC funded research projects involving international collaboration for all ARC funded research projects	Target: More than 70% of Linkage Program research projects involve international collaboration.
	The percentage of submitted progress, End of Year and final reports reviewed on time	Target: More than 90% of Linkage Program completed final grant reports and submitted End of Year Reports, Progress / Annual Reports are reviewed by the ARC within 90 days of submission
	The total contribution from partner organisations for all research projects funded under the Linkage Projects scheme	Target: Average dollar contribution is more than or equal to the previous year.
Forward Estimates 2023-26	As per 2022–23	As per 2022–23

Program 1.3 – Excellence in Research Australia		
<p><i>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 evaluation framework, Excellence in Research for Australia, and the Engagement and Impact (EI) assessment framework, which assesses the engagement of researchers with end-users, and shows how universities are translating their research into economic, social, environmental, cultural, and other impacts. The ARC is working to implement the outcomes of the review of ERA and EI by transitioning ERA to a more modern, data driven approach informed by expert review. 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.</i></p>		
Key Activities	Assess research quality, engagement, and impact	
Year	Performance measures	Expected performance results
Prior year 2021–22	Use of ERA program data to assist in the development of Australian Government policies	<p>Target: ERA program reports and activities inform Australian Government policy</p> <p>Actual performance: Achieved</p>
	Use of ERA program data to inform the strategic planning of Australian universities	<p>Target: ERA program reports and activities inform strategic planning at eligible Australian universities</p> <p>Actual performance: Achieved</p>
	Review outcomes are implemented through revised ERA methodology, where required	<p>Target: Publication of ERA 2023 submission and assessment documentation</p> <p>Actual performance: Substantially achieved</p>
Budget Year 2022–23	Use of ERA program data to inform and support the needs of Australian universities and the Australian Government	<p>Target: ERA program reports and activities assist in the development of Australian Government policies and the strategic planning of Australian universities</p>
	Use of EI program data to inform and support the needs of Australian universities and the Australian Government	<p>Target: EI program reports and activities assist in the development of Australian Government policies and the strategic planning of Australian universities</p>
Forward Estimates 2023-26	As per 2022–23	As per 2022–23

Please note performance measures have been updated to reflect the 2022–23 ARC Corporate Plan.

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of ARC's finances for the 2022–23 Budget Year, including the impact of budget measures and resourcing on financial statements.

3.1 Budgeted financial statements tables 3.1.1 Differences between entity resourcing and financial statements

The major change to the ARC's budget estimates from the March 2022-23 Budget Estimates is Research Commercialisation Package re-profiling.

There are minor variances between resourcing and expenses, which reflects timing differences between expenses and cash expenditure relating to the NCGP.

3.1.2 Explanatory notes and analysis of budgeted financial statements

Budgeted departmental comprehensive income statement

The ARC's income statement reflects a deficit across the forward estimates. These deficits are predominantly attributable to the depreciation and amortisation expense for the year. In 2022–23, Appropriation Bill (No.1) includes a reclassification of \$1.1 million 2021–22 DCB to *Appropriation Act (No. 1) - Operating*.

Budgeted departmental balance sheet

The budgeted net asset position of \$14.1 million for 2022–23 represents a decrease of \$1.2 million from 2021–22, the majority of which relates to a reduction in non-financial assets and leases liabilities.

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 NCGP.

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 estimated 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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
EXPENSES					
Employee benefits	17,131	18,146	18,504	18,868	19,240
Suppliers	4,397	3,046	2,761	2,454	2,032
Depreciation and amortisation (a)	6,136	6,434	3,704	3,742	2,392
Finance costs	287	188	118	48	13
Write-down and impairment of assets	167	-	-	-	-
Total expenses	28,118	27,814	25,087	25,112	23,677
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	410	1,328	600	336	29
Other	64	62	62	62	62
Gains					
Gains from sale of assets	1	-	-	-	-
Total own-source revenue	475	1,390	662	398	91
Total own-source income	475	1,390	662	398	91
Net (cost of)/contribution by services	(27,643)	(26,424)	(24,425)	(24,714)	(23,586)
Revenue from Government	20,226	22,902	22,650	22,901	23,123
Surplus/(deficit) attributable to the Australian Government	(7,417)	(3,522)	(1,775)	(1,813)	(463)
Total comprehensive income/(loss) attributable to the Australian Government	(7,417)	(3,522)	(1,775)	(1,813)	(463)

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

Note: Impact of net cash appropriation arrangements

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Total comprehensive income/(loss)					
- as per statement of Comprehensive Income	(7,417)	(3,522)	(1,775)	(1,813)	(463)
plus: depreciation/amortisation of assets funded through appropriations (departmental capital budget funding and/or equity injections) (a)	4,142	4,486	1,760	1,798	1,786
plus: depreciation/amortisation expenses for ROU assets (b)	1,994	1,948	1,944	1,944	606
less: lease principal repayments (b)	1,706	2,092	2,247	2,411	600
Net Cash Operating Surplus/ (Deficit)	(2,987)	820	(318)	(482)	1,329

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.

(b) Applies to leases under AASB 16 Leases.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	323	822	822	822	822
Trade and other receivables	14,800	14,910	14,663	14,189	15,593
Total financial assets	15,123	15,732	15,485	15,011	16,415
Non-financial assets					
Land and buildings	6,920	4,829	2,737	646	11
Property, plant and equipment	828	969	1,285	1,496	1,041
Intangibles	6,937	4,914	4,265	3,697	3,699
Prepayments	158	158	158	158	158
Total non-financial assets	14,843	10,870	8,445	5,997	4,909
Total assets	29,966	26,602	23,930	21,008	21,324
LIABILITIES					
Payables					
Suppliers	757	757	757	757	757
Other payables	393	301	372	380	455
Total payables	1,150	1,058	1,129	1,137	1,212
Interest bearing liabilities					
Leases	7,342	5,250	3,003	592	(8)
Total interest bearing liabilities	7,342	5,250	3,003	592	(8)
Provisions					
Employee provisions	5,449	5,449	5,449	5,449	5,449
Other provisions	709	710	710	710	710
Total provisions	6,158	6,159	6,159	6,159	6,159
Total liabilities	14,650	12,467	10,291	7,888	7,363
Net assets	15,316	14,135	13,639	13,120	13,961
EQUITY*					
Parent entity interest					
Contributed equity	41,208	42,448	43,727	45,021	46,325
Reserves	17	17	17	17	17
Retained surplus (accumulated deficit)	(25,909)	(29,431)	(31,205)	(33,018)	(33,481)
Total parent entity interest	15,316	13,034	12,539	12,020	12,861
Total equity	15,316	13,034	12,539	12,020	12,861

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 2022–23)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/capital \$'000	Total equity \$'000
Opening balance as at 1 July 2022				
Balance carried forward from previous period	(25,909)	17	41,208	15,316
Adjusted opening balance	(25,909)	17	41,208	15,316
Comprehensive income				
Surplus/(deficit) for the period	(3,522)	-	-	(3,522)
Total comprehensive income	(3,522)	-	-	(3,522)
of which:				
Attributable to the Australian Government	(29,431)	17	41,208	11,794
Transactions with owners				
Contributions by owners				
Departmental Capital Budget (DCB)	-	-	1,240	1,240
Sub-total transactions with owners	-	-	1,240	1,240
Estimated closing balance as at 30 June 2023	(29,431)	17	42,448	13,034
Closing balance attributable to the Australian Government	(29,431)	17	42,448	13,034

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	24,045	25,219	23,497	23,711	21,748
Sale of goods and rendering of services	236	1,328	600	336	29
Net GST received	717	581	570	570	570
Other	221	-	-	-	-
Total cash received	25,219	27,128	24,667	24,617	22,347
Cash used					
Employees	17,337	18,236	18,433	18,860	19,165
Suppliers	4,009	2,984	2,699	2,392	1,970
Net GST paid	764	581	570	570	570
Interest payments on lease liability	284	188	118	48	13
s74 External Revenue transferred to the OPA	236	1,328	600	336	29
Total cash used	22,630	23,317	22,420	22,206	21,747
Net cash from/(used by) operating activities	2,589	3,811	2,247	2,411	600
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	1	-	-	-	-
Total cash received	1	-	-	-	-
Cash used					
Purchase of property, plant and equipment and intangibles	2,187	2,460	1,279	1,294	1,304
Total cash used	2,187	2,460	1,279	1,294	1,304
Net cash from/(used by) investing activities	(2,186)	(2,460)	(1,279)	(1,294)	(1,304)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	1,235	1,240	1,279	1,294	1,304
Total cash received	1,235	1,240	1,279	1,294	1,304
Cash used					
Principal payments on lease liability	1,990	2,092	2,247	2,411	600
Total cash used	1,990	2,092	2,247	2,411	600
Net cash from/(used by) financing activities	(755)	(852)	(968)	(1,117)	704
Net increase/(decrease) in cash held	(352)	499	-	-	-
Cash and cash equivalents at the beginning of the reporting period	675	323	822	822	822
Cash and cash equivalents at the end of the reporting period	323	822	822	822	822

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	1,235	1,240	1,279	1,294	1,304
Total new capital appropriations	1,235	1,240	1,279	1,294	1,304
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	1,235	1,240	1,279	1,294	1,304
Total items	1,235	1,240	1,279	1,294	1,304
ASSETS					
Funded by capital appropriation - DCB (a)	1,235	1,240	1,279	1,294	1,304
Funded internally from departmental resources (b)	1,600	1,220	-	-	-
TOTAL	2,835	2,460	1,279	1,294	1,304
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	2,835	2,460	1,279	1,294	1,304
Total cash used to acquire assets	2,835	2,460	1,279	1,294	1,304

Prepared on Australian Accounting Standards basis.

(a) Includes purchases from current and previous years' DCBs.

(b) Includes the following sources of funding:

- internally developed assets; and
- s74 external receipts – proceeds from the sale of goods and rendering of services.

Table 3.6: Statement of departmental asset movements (Budget Year 2022–23)

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2022				
Gross book value	614	1,125	20,906	22,645
Gross book value - ROU assets	13,752	20	-	13,772
Accumulated depreciation/ amortisation and impairment	(131)	(304)	(13,970)	(14,405)
Accumulated depreciation/amortisation and impairment - ROU assets	(7,314)	(12)	-	(7,326)
Opening net book balance	6,921	829	6,936	14,686
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation ordinary annual services (a)	-	440	2,020	2,460
Total additions	-	440	2,020	2,460
Other movements				
Depreciation/amortisation expense	(148)	(296)	(4,042)	(4,486)
Depreciation/amortisation on ROU assets	(1,944)	(4)	-	(1,948)
Total other movements	(2,092)	(300)	(4,042)	(6,434)
As at 30 June 2023				
Gross book value	614	1,565	22,926	25,105
Gross book value - ROU assets	13,752	20	-	13,772
Accumulated depreciation/amortisation and impairment	(279)	(600)	(18,012)	(18,891)
Accumulated depreciation/amortisation and impairment - ROU assets	(9,258)	(16)	-	(9,274)
Closing net book balance	4,829	969	4,914	10,712

Prepared on Australian Accounting Standards basis.

(a) 'Appropriation ordinary annual services' refers to funding provided through *Appropriation Bill (No. 1) 2022–23* 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)

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
EXPENSES					
Suppliers	2,620	9,185	10,738	7,426	7,262
Grants	799,451	830,577	897,598	970,677	1,023,778
Total expenses administered on behalf of Government	802,071	839,762	908,336	978,103	1,031,040
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Non-taxation revenue					
Other revenue	14,761	9,721	9,721	9,721	9,721
Total non-taxation revenue	14,761	9,721	9,721	9,721	9,721
Total own-source revenue administered on behalf of Government	14,761	9,721	9,721	9,721	9,721
Total own-sourced income administered on behalf of Government	14,761	9,721	9,721	9,721	9,721
Net (cost of)/contribution by services	787,310	830,041	898,615	968,382	1,021,319
Surplus/(deficit) before income tax	(787,310)	(830,041)	(898,615)	(968,382)	(1,021,319)
Surplus/(deficit) after income tax	(787,310)	(830,041)	(898,615)	(968,382)	(1,021,319)
Total comprehensive income/(loss)	(787,310)	(830,041)	(898,615)	(968,382)	(1,021,319)

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	2,253	2,253	2,253	2,253	2,253
Trade and other receivables	69	69	69	69	69
Total financial assets	2,322	2,322	2,322	2,322	2,322
Non-financial assets					
Other non-financial assets	185	185	185	185	185
Total non-financial assets	185	185	185	185	185
Total assets administered on behalf of Government	2,507	2,507	2,507	2,507	2,507
LIABILITIES					
Payables					
Suppliers	577	574	574	574	574
Grants	242,830	241,813	240,743	240,743	240,743
Total payables	243,407	242,387	241,317	241,317	241,317
Total liabilities administered on behalf of Government	243,407	242,387	241,317	241,317	241,317
Net assets/(liabilities)	(240,900)	(239,880)	(238,810)	(238,810)	(238,810)

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Net GST received	577	1,924	1,956	1,956	1,956
Other	14,890	9,721	9,721	9,721	9,721
Total cash received	15,467	11,645	11,677	11,677	11,677
Cash used					
Grant	803,868	831,594	898,668	970,677	1,023,778
Suppliers	2,644	9,185	10,738	7,426	7,262
Net GST paid	550	1,924	1,956	1,956	1,956
Total cash used	807,062	842,703	911,362	980,059	1,032,996
Net cash from/(used by) operating activities	(791,595)	(831,058)	(899,685)	(968,382)	(1,021,319)
Net increase/(decrease) in cash held					
	(791,595)	(831,058)	(899,685)	(968,382)	(1,021,319)
Cash and cash equivalents at beginning of reporting period	2,426	2,253	2,253	2,253	2,253
Cash from Official Public Account for:					
- Appropriations	806,889	842,703	911,362	980,059	1,032,996
<i>Total cash from Official Public Account</i>	<i>806,889</i>	<i>842,703</i>	<i>911,362</i>	<i>980,059</i>	<i>1,032,996</i>
Cash to Official Public Account for:					
- Appropriations	15,467	11,645	11,677	11,677	11,677
<i>Total cash to Official Public Account</i>	<i>15,467</i>	<i>11,645</i>	<i>11,677</i>	<i>11,677</i>	<i>11,677</i>
Cash and cash equivalents at end of reporting period	2,253	2,253	2,253	2,253	2,253

Prepared on Australian Accounting Standards basis.

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

ARC has no administered capital budget therefore Table 3.10 is not presented.

Table 3.11: Statement of administered asset movements (Budget Year 2022–23)

ARC has no administered assets therefore Table 3.11 is not presented.