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# Section 1: Agency overview and resources

## Strategic direction

The Australian Research Council (ARC) is a statutory authority within the Australian Government's Innovation, Industry, Science and Research portfolio. Its mission is *to deliver policy and programs that advance Australian research and innovation globally and benefit the community*. The mission closely reflects the ARC’s Outcome statement which is growth of knowledge and innovation through providing policy advice, measuring research excellence and managing research funding schemes.

The ARC provides advice to the Government on research matters and manages the National Competitive Grants Program (NCGP), a significant component of Australia’s investment in research and development. Through the NCGP, the ARC supports the highest-quality fundamental and applied research and research training. Funding is allocated through national competition across all research disciplines.

The ARC is responsible for development and implementation of the Excellence in Research for Australia (ERA) initiative. Through the ERA initiative the ARC is tasked with identifying research excellence in Australian higher education institutions by comparing Australia’s research effort against international benchmarks. In the long term the initiative will drive improvements in the quality of Australian research and identify areas and opportunities for further development.

ERA will use bibliometrics and other indicators accompanied by peer review to evaluate the excellence of research within institutions. Institutions will be required to submit portfolios of information about the performance of their disciplines (e.g. in producing research outputs and obtaining research income) for each of eight broad discipline clusters. This information will be considered by Research Evaluation Committees (RECs) who will evaluate the excellence of the research and provide reports to Government. These reports will identify the strengths and weaknesses of research across the higher education institutions to inform future decisions by the Government on investment in universities.

A trial evaluation of two discipline clusters, Physical, Chemical and Earth Sciences and Humanities and Creative Arts, will be conducted in 2009. A full evaluation of all eight broad clusters of disciplines will be conducted in 2010.

The Government will provide $27.2 million over four years to run two rounds of three- year Super Science fellowships, to ensure our most promising young researchers

continue to have opportunities to work in scientific areas of national significance during the global recession.

Fellowships will be offered in three areas where there is capacity to build on Australia’s strengths in:

* Super Science – Space and Astronomy;
* Super Science – Marine and Climate; and
* Super Science – Future Industries.

The scheme will offer 100 fellowships in total (50 fellowships per round), each worth up to $72,500 per annum plus on costs. The first round of fellowships to commence funding in 2010, with applications called in the second half of 2009.

The new fellowships will be administered by the Australian Research Council under the existing Discovery program of the National Competitive Grants Program and will be available to researchers in universities and publicly funded research agencies within the targeted science fields.

In February 2009, the Government announced additional opportunities for Indigenous researchers under reforms made the *Discovery Indigenous Researchers Development* scheme for funding commencing in 2010. One of the major reforms is the introduction of a new fellowship for more senior Indigenous researchers – the Australian Research Fellowship Indigenous.

These new fellowship schemes are in addition to the *Australian Laureate Fellowships* scheme announced in September 2008 and the *Future Fellowship* scheme announced in last year’s budget. These new schemes in conjunction with the other existing research fellowships offered by the ARC under the National Competitive Grants Program form a comprehensive framework for Australia to participate effectively in the global competition for research talent and to attract and retain the world’s finest minds. Together these fellowships provide an attractive career path, allowing gifted researchers to tackle the big issues, building a stronger, more diverse research community and a robust national innovation system.

The Prime Minister’s 2020 Summit identified the bionic eye as a significant opportunity to improve the quality of life for the vision-impaired. The Government is committing $50 million over four years to the Special Research Initiatives Scheme of the Australian Research Council’s National Competitive Grants Program specifically for research grants in Bionic Vision Science and Technology. The grants will be awarded to the organisation(s) (and associated partners) best placed to develop a functional bionic eye in Australia in the long term.

An aspect of the development of the bionic eye is proving the efficacy and biostability of such implantable medical devices and developing appropriate mechanical and software control systems. This may lead to significant benefits in intellectual property

development, providing further commercial opportunities for Australia. The grants program has the potential to enhance Australia’s position as a leader in implantable bionics and its reputation as an innovator in a high technology field characterised by strong global competition.

### AGENCY RESOURCE STATEMENT

Table 1.1 shows the total resources from all origins. The table summarises how resources will be applied by outcome and by administered and departmental classification.

#### Table 1.1: ARC resource statement — Budget estimates for 2009-10 as at Budget May 2009

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Ordinary Annual Services1 Departmental appropriation**  Prior year departmental appropriation4  Departmental appropriation  S.31 Relevant agency receipts3  **Total**  **Administered expenses**  Outcome 1  **Total**  **Total ordinary annual services A Other services2**  **Departmental non-operating**  Equity injections  **Total**  **Total other services B Total Available Annual**  **Appropriations**  **Special appropriations**  **Special appropriations limited by amount**  *ARC Act 2001*  **Total special appropriations C**  **Total appropriations excluding Special Accounts** | Estimate  of prior +  year amounts available in 2009-10  $'000  5,423  -  -  **5,423**  -  -  **5,423**  -  -  -  **5,423**  -  **-**  **5,423** | Proposed  at Budget =  2009-10  $'000  - 20,266  -  **20,266**  5,417  **5,417**  **25,683**  4,548  **4,548**  **4,548**  **30,231**  652,831  **652,831**  **683,062** | Total | Actual |
| estimate | available |
|  | appropriation |
| 2009-10 | 2008-09 |
| $'000 | $'000 |
| 5,423 |  |
| 20,266 | 15,856 |
| - | - |
| **25,689** | **15,856** |
| 5,417 | 40 |
| **5,417** | **40** |
| **31,106** | **15,896** |
| 4,548 | - |
| **4,548** | **-** |
| **4,548** | **-** |
| **35,654** | **15,896** |
| 652,831 | 585,884 |
| **652,831** | **585,884** |
| **688,485** | **601,780** |

#### Table 1.1: ARC resource statement — Budget

#### estimates for 2009-10 as at Budget May 2009 (continued)



|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Estimate | Proposed | Total | Actual |
|  | of prior + | at Budget = | estimate | available |
|  | year amounts |  |  | appropriation |
|  | available in |  |  |  |
|  | 2009-10 | 2009-10 | 2009-10 | 2008-09 |
|  | $'000 | $'000 | $'000 | $'000 |
| **Special Accounts** |  |  |  |  |
| Opening balance5 | 2,161 | - | 2,161 |  |
| Appropriation receipts6 | - | - | - | - |
| Appropriation receipts |  |  |  |  |
| - other agencies7 | - | 1,000 | 1,000 | 1,925 |
| Non-appropriation receipts to |  |  |  |  |
| Special Accounts | - | - | - | - |
| **Total Special Account D** | **2,161** | **1,000** | **3,161** | **1,925** |
| **Total resourcing** |  |  |  |  |
| A+B+C+D | 7,584 | 684,062 | 691,646 | 603,705 |
| Less appropriations draw n from |  |  |  |  |
| annual or special appropriations above |  |  |  |  |
| and credited to special accounts | - | - | - | - |
| **Total net resourcing for ARC** | **7,584** | **684,062** | **691,646** | **603,705** |

1 Appropriation Bill (No.1) 2009-10



2 Appropriation Bill (No.2) 2009-10

³ s31 Relevant Agency receipts – estimate

4 Estimated adjusted balance carried from previous year for Annual Appropriations

5 Estimated opening balance for special accounts. For further information on special accounts see Table 3.1.3.

6 Appropriation receipts from ARC annual and special appropriations for 2008-09 included above

7 Appropriation receipts from other agencies credited to ARC's special accounts Reader note: All figures are GST exclusive.

## Budget measures

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

#### Table 1.2: Agency 2009-10 Budget measures

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Program | | 2008-09  $'000 | 2009-10  $'000 | 2010-11  $'000 | 2011-12  $'000 | 2012-13  $'000 |
| **Expense measures** | |  |  |  |  |  |
| Development of innovative health | |  |  |  |  |  |
| technologies - bionic eye | 1.2 |  |  |  |  |  |
| Administered expenses | | - | 10,000 | 10,000 | 15,000 | 15,000 |
| **Total** | | **-** | **10,000** | **10,000** | **15,000** | **15,000** |
| National ICT Australia - funding extension¹ | |  |  |  |  |  |
| 1.2 | |  |  |  |  |  |
| Administered expenses | | - | - | - | 25,000 | 23,750 |
| **Total** | | **-** | **-** | **-** | **25,000** | **23,750** |
| An Innovation and Higher Education System | |  |  |  |  |  |
| for the 21st Century | 1.3 |  |  |  |  |  |
| - Excellence in Research for Australia | |  |  |  |  |  |
| Administered expenses | | - | 5,377 | 3,189 | 1,316 | 1,668 |
| Departmental expenses | | - | 4,227 | 4,098 | 3,027 | 3,056 |
| **Total** | | **-** | **9,604** | **7,287** | **4,343** | **4,724** |
| - Super Science Fellow ships Program | 1.1 |  |  |  |  |  |
| Administered expenses | | - | 2,320 | 7,092 | 9,635 | 7,364 |
| Departmental expenses | | - | 267 | 212 | 117 | 180 |
| **Total** | | **-** | **2,587** | **7,304** | **9,752** | **7,544** |
| **Total expense measures** | |  |  |  |  |  |
| Administered | | - | 17,697 | 20,281 | 50,951 | 47,782 |
| Departmental | | - | 4,494 | 4,310 | 3,144 | 3,236 |
| **Total** | | **-** | **22,191** | **24,591** | **54,095** | **51,018** |
| **Capital measures** | |  |  |  |  |  |
| An Innovation and Higher Education System | |  |  |  |  |  |
| for the 21st Century - Excellence in | |  |  |  |  |  |
| Research for Australia | 1.3 |  |  |  |  |  |
| Departmental capital | | - | 4,548 | 2,574 | 1,380 | 1,389 |
| **Total** | | **-** | **4,548** | **2,574** | **1,380** | **1,389** |
| **Total capital measures** | |  |  |  |  |  |
| Departmental | | - | 4,548 | 2,574 | 1,380 | 1,389 |
| **Total** | | **-** | **4,548** | **2,574** | **1,380** | **1,389** |

Prepared on a Government Financial Statistics (fiscal) basis.

1. The lead agency for the NICTA measure is the Department of Broadband, Communications and the Digital Economy. The full measure description and package details appear in Budget Paper 2 under the Broadband, Communications and the Digital Economy portfolio.

## Transition from outcomes and outputs to outcomes and programs

From the 2009-10 Budget, all General Government Sector (GGS) entities will be reporting on a program basis. The table below outlines the transition from the 2008-09 Budget year (as at Additional Estimates) which was presented in administered items, outputs and output groups to the program reporting framework used for the 2009-10 Budget. The table also captures revisions made to GGS outcome statements under the Operation Sunlight Outcome Statements Review.

#### Figure 2: Transition table

**2008-09 Budget year 2009-10 Budget year**

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

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

|  |  |
| --- | --- |
| Output Group 1.1: Competitive  research schemes | |
| Administered Items: |  |
| *Discovery* | P 1.1 |
| *Linkage* | P 1.2 |
| Departmental Outputs: |  |
| *Program Management* |  |

OG1.1

Administered Items:

*Linkage funding schemes*

Program Support

Program 1.2: Linkage – cross sector research partnerships

OG1.1

Administered Items:

*Discovery funding schemes*

Program Support

Program 1.1: Discovery – research and research training

Administered Items:

*Excellence in research for Australia*

Program Support

Program 1.3: Excellence in research for Australia

# Section 2: Outcomes and planned performance

## Outcomes and performance information

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Agencies deliver programs which are the Government actions taken to deliver the stated outcomes. Agencies 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, specifying the performance indicators and targets used to assess and monitor the performance of the Australian Research Council in achieving government outcomes.

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

#### Outcome 1 Strategy

The ARC will pursue the results outlined in its Outcome (that is growth of knowledge and innovation in Australia) by:

* + - supporting excellence in the research and building Australia’s research capacity; through administration of the National Competitive Grants Program;
    - providing policy advice to government; and
    - conducting research evaluation.

The National Competitive Grants Program (NCGP) supports two main streams of research funding – Discovery and Linkage (Program 1.1 and Program 1.2). Through Discovery funding is available for investigator-initiated research and research fellowships. Through Linkage, funding is available for research projects, infrastructure, fellowships, centres and networks in partnership with organisations in the private sector, government or the community. Together the ARC funding schemes support the generation of new ideas, knowledge and breakthrough discoveries; provide incentives for researchers to partner with business, the public sector and community organisations; build the scale and focus of research in areas of national priority and support the development of highly trained personnel.

The ARC will implement a new framework for the evaluation of the excellence of research undertaken in Australia’s universities. It will evaluate research quality using a combination of indicators and expert review by committees comprising experienced, internationally-recognised experts. The new framework *– Excellence in Research for Australia* (ERA) – aims to identify excellence across the full spectrum of research activities and compare Australia’s university research effort against international benchmarks.

#### Outcome 1 Budgeted Expenses and Resources

Table 2.1 provides an overview of the total expenses for outcome 1 by program.

#### Table 2.1: Budgeted Expenses and Resources for Outcome 1

|  |  |  |
| --- | --- | --- |
| **Outcome 1: Growth of knowledge and innovation through managing** | 2008-09 | 2009-10 |
| **research funding schemes, measuring research excellence and** | Estimated | Estimated |
| **providing advice** | actual | expenses |
|  | expenses |  |
| **Program 1.1: Discovery - Research and Research Training** | $'000 | $'000 |
| Administered expenses |  |  |
| Ordinary Annual Services (Appropriation Bill No. 1) | 40 | 40 |
| Special appropriations | 322,276 | 372,406 |
| Departmental expenses |  |  |
| Ordinary annual services (Appropriation Bill No. 1) | 6,568 | 6,643 |
| Expenses not requiring appropriation in the Budget year | 43 | 43 |
| **Total for Program 1.1** | 328,927 | 379,132 |
| **Program 1.2: Linkage - Cross Sector Research Partnerships** |  |  |
| Administered expenses |  |  |
| Special appropriations | 263,608 | 280,425 |
| Special Accounts | 1,925 | 1,000 |
| Departmental expenses |  |  |
| Ordinary annual services (Appropriation Bill No. 1) | 9,288 | 9,396 |
| Expenses not requiring appropriation in the Budget year | 43 | 43 |
| **Total for Program 1.2** | 274,864 | 290,864 |
| **Program 1.3: Excellence in Research for Australia** |  |  |
| Administered expenses |  |  |
| Ordinary annual services (Appropriation Bill No. 1) | 0 | 5,377 |
| Departmental expenses |  |  |
| Ordinary annual services (Appropriation Bill No. 1) | 0 | 4,227 |
| Expenses not requiring appropriation in the Budget year | 4,500 | 0 |
| **Total for Program 1.3** | 4,500 | 9,604 |
| **Outcome 1 Totals by appropriation type** |  |  |
| Administered Expenses |  |  |
| Ordinary annual services (Appropriation Bill No. 1) | 40 | 5,417 |
| Special Appropriations | 585,884 | 652,831 |
| Special Accounts | 1,925 | 1,000 |
| Departmental expenses |  |  |
| Ordinary annual services (Appropriation Bill No. 1) | 15,856 | 20,266 |
| Expenses not requiring appropriation in the Budget year | 4,586 | 86 |
| **Total expenses for Outcome 1** | 608,291 | 679,600 |

|  |  |  |
| --- | --- | --- |
| **Average Staffing Level (number)** | 2008-09 | 2009-10 |
| 97 | 107 |

Note: Departmental Appropriation splits and totals are indicative estimates based on an attribution model maintained by the ARC and may change in the course of the budget year as government priorities change.

**Contributions to Outcome 1**

**Program 1.1: Discovery – research and research training**

**Program objective**

The Discovery Program is aimed at supporting the growth of Australia’s research capacity, resulting in the development of new technologies, products and ideas; the creation of jobs; economic growth and an enhanced quality of life in Australia. Specifically the Discovery Program aims to:

* support excellent fundamental research by individuals and teams
* support the development of young researchers as well as the ongoing careers of individuals and research teams
* provide incentives for researchers to build the scale of their work, develop teams and support the growth of networks of research (both nationally and internationally)
* enhance the scale and focus of research in areas of national priority.

The main schemes of the Discovery Program are: *Discovery Projects*, *ARC Future Fellowships*, *Australian Laureate Fellowships* and *Discovery Indigenous Researchers Development*.

The success of the Program will be evident by research outputs that indicate how ARC- funded researchers perform in comparison to other researchers in Australia and internationally; by the quantity of research students and early-career researchers supported and mentored through the Program; by the quantity of outstanding researchers attracted to Australia to take up ARC Fellowships; and by the level of international collaboration taking place on research supported through the Program.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Program expenses**   * Administered and departmental funding for the Discovery program increases over the forward estimates due to the implementation of the Future Fellowship scheme announced in the 2008-09 Budget and the commencement of the new Super Science fellowships in 2009-10. | | | | | |
|  | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|  | Revised | Budget | Forward | Forward | Forward |
| ('000) | budget |  | year 1 | year 2 | year 3 |
| Annual Administered Expenses: |  |  |  |  |  |
| Administered Item | 40 | 40 | 40 | 40 |  |
| Special Appropriations: |  |  |  |  |  |
| *Australian Research Council Act 2001*  Special Account Expenses: | 322,276 | 372,406 | 422,811 | 478,352 | 526,742 |
| *ARC Research Endowment Account*  Program Support  Expenses not requiring Appropriation in the Budget year | 6,568  43 | 6,643  43 | 6,775  44 | 6,771  44 | 6,793  44 |
| **Total Program Expenses** | **328,927** | **379,132** | **429,670** | **485,207** | **533,579** |

Note: Departmental Appropriation splits and totals are indicative estimates based on an attribution model maintained by the ARC and may change in the course of the budget year as government priorities change.

**Program 1.1 Deliverables**

Through the Discovery program, the ARC delivers funding to individual research projects and research fellowships through the following schemes – *Discovery Projects, Discovery Indigenous Researchers Development, Future Fellowships and Australian Laureate Fellowships*. Funding is awarded to administering organisations on the basis of a competitive peer review process involving Australian and international experts.

An increase in the targets for 2009–10 and subsequent years is the result of new fellowship schemes, *Future Fellowships and Super Science Fellowships*, which will commence funding in 2009–10.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Deliverables | 2008-09  Revised budget | 2009-10  Budget | 2010-11  Forw ard year 1 | 2011-12  Forw ard year 2 | 2012-13  Forw ard year 3 |
| Number of grants aw arded 1 | 868 | 1120 | 1120 | 1070 | 1070 |
| Number of administering organisations | 54 | 75 | 75 | 75 | 75 |
| Amounts aw arded to administering |  |  |  |  |  |
| organisations ($'000) 2 | $ 312,948 | $ 510,457 | $ 520,360 | $ 516,004 | $ 526,306 |

1. Grants commencing in calendar year
2. Funding allocation over the lives of the projects for funding commencing in calendar year



**Program 1.1 Key Performance Indicators**

There are limitations to which the effectiveness of the Discovery Program in meeting its objectives can be measured as the contribution of excellent research to growth and innovation can only be measured in the long term. The key performance indicators chosen for the Discovery Program fall within the following categories:

* Research careers (including the number of early-career researchers participating in ARC funded research). These indicators reflect the contribution of ARC-funded research to the development of Australia’s ongoing research capacity.
* Collaboration (including instances of international research collaboration and the proportion of projects involving teams of researchers from different institutions) which reflects the performance of the Discovery schemes in supporting links between researchers and with research centres overseas.
* Areas of national priority (including the proportion of projects involving research in areas of national priority). This indicator reflects the potential contribution of ARC- funded research to the knowledge base in particular areas of endeavour considered to be important to Australia’s future.

|  |  |  |
| --- | --- | --- |
| 2008-09  Key Perf ormance Revised  Indicators budget | 2009-10  Budget Target | 2010-11 2011-12 2012-13  Forw ard Forw ard Forw ard year 1 year 2 year 3 |
| Research careers 1 | | |
| Early-career researchers as % of total researchers supported under  Discovery projects 2 16.8% | 17.8% | 17.8% 17.8% 17.8% |
| Collaboration | | |
| Projects involving International collaboration as % of total  Discovery projects 58.9% | 59.8% | 60.0% 60.0% 60.0% |
| Projects involving CIs from different organisations as % of total  Discovery projects 19.9% | 20.5% | 20.0% 20.0% 20.0% |
| Areas of national priority | | |
| Projects involving research in areas of national priority as % of total  Discovery projects 86.2% | 89.9% | 89.0% 89.0% 89.0% |

1. Early career researchers are defined as researchers within 5 years of completing their PHDs
2. Chief Investigators only

**Program 1.2: Linkage – cross sector research partnerships**

**Program objective**

The Linkage Program is aimed at improving research outcomes and the use of research outcomes by strengthening links within Australia’s innovation system (between researchers and end-users of research) and with innovation systems internationally. Specifically the Linkage Program aims to:

* encourage end-user organisations (including business, industry, community organisations and other publicly funded research agencies) to partner with university- based researchers.
* foster opportunities for postgraduate and postdoctoral researchers to pursue research in collaboration with organisations outside the higher education sector.
* support investment in strategic national research infrastructure and access to major international research facilities.
* through funding for Research Centres encourage the growth of clusters of research and research training as platforms for innovation.

By supporting the development of partnerships, the Linkage Program encourages the transfer of skills, knowledge and ideas as a basis for securing commercial and other benefits of research.

The main schemes of the Linkage Program are: *Linkage Projects*; *Linkage Infrastructure*, *Equipment and Facilities*; *ARC Centres of Excellence*; co-funded Centres of Excellence and *Special Research Initiatives.*

The success of the Program will be evident through the level of financial contributions and incidences of repeat business from partner organisations, academic outputs, quantity of research students and early-career researchers supported through the scheme and level of international collaboration.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Program expenses**   * Increased funding for the Linkage program over the forward estimates is due to additional funding for new research grants in bionic vision science and technology and an extension of funding for the National Information and Communication Technology Centre of Excellence. | | | | | |
| 2008-09 | | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
| Revised | | Budget | Forward | Forward | Forward |
| ('000) budget | |  | year 1 | year 2 | year 3 |
| Annual Administered Expenses: |  |  |  |  |  |
| Special Appropriations: |  |  |  |  |  |
| *Australian Research Council Act 2001* | 263,608 | 280,425 | 284,529 | 323,344 | 328,329 |
| Special Account Expenses: |  |  |  |  |  |
| *ARC Research Endowment Account* | 1,925 | 1,000 | 1,000 | 0 | 0 |
| Program Support | 9,288 | 9,396 | 9,365 | 9,438 | 9,608 |
| Expenses not requiring Appropriation in the Budget year | 43 | 43 | 44 | 44 | 44 |
| **Total Program Expenses** | **274,864** | **290,864** | **294,938** | **332,826** | **337,981** |

Note: Departmental Appropriation splits and totals are indicative estimates based on an attribution model maintained by the ARC and may change in the course of the budget year as government priorities change.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Program 1.2 Deliverables**  Through the Linkage Program, the ARC delivers funding for individual research projects, research fellowships, postgraduate awards and research centres via a range of schemes (listed under Program objective above). Funding is awarded to administering organisations on the basis of a competitive peer review process involving Australian and international experts. | | | | |
| 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
| Revised | Budget | Forward | Forward | Forward |
| Deliverables budget |  | year 1 | year 2 | year 3 |
| 1  Number of grants awarded 493 | 506 | 505 | 505 | 505 |
| Number of administering organisations 47 | 50 | 50 | 50 | 50 |
| Amounts awarded to administering |  |  |  |  |
| organisations ($'000) 2 $ 167,103 | $ 156,819 | $ 159,915 | $ 162,368 | $ 165,615 |

1. Grants commencing in calendar year
2. Funding allocation for Linkage Projects and Linkage Infrastructure, Equipment and Facilities projects over the lives of the projects for funding commencing in calendar year

**Program 1.2 Key Performance Indicators**

As noted under the Discovery Program, there are limitations to which the effectiveness of the Linkage Program in meeting its objectives can be measured as the contribution of excellent research to growth and innovation can only be measured in the long term. The key performance indicators chosen for the Linkage Program fall within the following categories:

* Collaboration (including number of partner organisations and incidences of repeat business). This indicator reflects the program’s success in facilitating partnerships across the innovation system. The financial contributions of partner organisations are an indication of their commitment to the research partnerships and interest in the projects results.
* Research careers (including number of APDIs and APAIs). These indicators reflect the program’s success in facilitating the transfer of skills between different sectors of the national innovation system.
* Infrastructure (including proportion of infrastructure projects involving collaboration). This indicator reflects the contribution of the Linkage Program to shared acquisition of research infrastructure avoiding duplication of investment and strengthening opportunities for collaborative research.



Key Performance Indicators Collaboration

Number of partner organisations (LP)

2008-09 2009-10 2010-11 2011-12 2012-13

Revised Budget Forw ard Forw ard Forw ard budget Target year 1 year 2 year 3

858

850

850

850

850

Financial contributions of partner organisations (LP) ($'000)

Projects involving International collaboration as % of total Linkage projects

Research careers

$244,013

$ 240,000 $240,000 $240,000 $240,000

32.7%

30.0%

30.0%

30.0%

30.0%

Number of Australian Postdoctoral

Fellow ships Industry aw arded

26

30

30

30

30

Number of Australian Postgraduate Aw ards Industry aw arded

Infrastructure

Infrastructure projects involving collaboration betw een institutions as

% of total projects

321

320

320

320

320

86.3%

85.0%

85.0%

85.0%

85.0%

**Program 1.3: Excellence in Research for Australia**

**Program objective**

* Establish an evaluation framework that gives Government, industry, business and the wider community assurance of the excellence of research conducted in Australia’s higher education institutions.
* Provide a national overview of areas of research strength and areas where there may be opportunity for development.
* Allow for comparisons of Australia’s research nationally and internationally for all disciplines offered in Australian higher education institutions.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Program expenses**   * Administered and departmental expenses reflect the funding provided in this budget to develop and implement the Excellence in Research for Australia initiative. | | | | | |
| 2008-09 | | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
| Revised | | Budget | Forward | Forward | Forward |
| ('000) budget | |  | year 1 | year 2 | year 3 |
| Annual Administered Expenses: |  |  |  |  |  |
| Administered Item | 0 | 5,377 | 3,189 | 1,316 | 1,668 |
| Program Support |  | 4,227 | 6,078 | 5,006 | 5,030 |
| Expenses not requiring Appropriation in the | 4,500 |  |  |  |  |
| Budget year |  |  |  |  |  |
| **Total Program Expenses** | **4,500** | **9,604** | **9,267** | **6,322** | **6,698** |

Note: Departmental Appropriation splits and totals are indicative estimates based on an attribution model maintained by the ARC and may change in the course of the budget year as government priorities change.

**Program 1.3 Deliverables**

* A trial evaluation of two discipline clusters, Physical, Chemical and Earth Sciences and Humanities and Creative Arts, across 41 Australian higher education institutions will be conducted in 2009. Outcomes will be reported at the conclusion of the evaluation process.
* A full evaluation of all eight discipline clusters will be conducted in 2010 with outcomes reported at the conclusion of the evaluation process.

**Program 1.3 Key Performance Indicators**

* Successful implementation of the 2009 ERA trial evaluation of two clusters, Physical, Chemical and Earth Sciences and Humanities and Creative Arts.
* Successful implementation of the 2010 ERA evaluation of all eight discipline clusters.

# Section 3: Explanatory tables and budgeted financial statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the budget year 2009-10. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and program expenses, movements in administered funds, special accounts and government indigenous expenditure.

## Explanatory tables

* + 1. **Movement of administered funds between years**

The ARC did not apply for movement of annual administered funds from 2008-09 to 2009-10 therefore Table 3.1.1 is not presented. However, the ARC has re-profiled special appropriation funding under the *Australian Research Council Act 2001* to reflect the funding profile required for the Future Fellowships commencing in July 2009.

* + 1. **Special Accounts**

Special accounts provide a means to set aside and record amounts used for specified purposes. Special Accounts can be created by a Finance Minister’s Determination under the *Financial Management and Accountability Act 1997* or under separate enabling legislation. Table 3.1.2 shows the expected additions (receipts) and reductions (payments) for each account used by the ARC.

#### Table 3.1.2: Estimates of Special Account cash flows and balances

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | Opening |  |  |  | Closing |
|  |  | balance | Receipts | Payments | Adjustments | balance |
|  |  | **2009-10** | **2009-10** | **2009-10** | **2009-10** | **2009-10** |
|  |  | *2008-09* | *2008-09* | *2008-09* | *2008-09* | *2008-09* |
|  | Outcome | $'000 | $'000 | $'000 | $'000 | $'000 |
| ARC Research Endowment |  |  |  |  |  |  |
| Account - *Australian Research Council Act 2001 s62* (A) | 1 | **2,161** | **1,000** | **1,925** | **-** | **1,236** |
|  |  | *2,161* | *1,925* | *1,925* | *-* | *2,161* |
| **Total Special Accounts** |  |  |  |  |  |  |
| **2009-10 Budget estimate** |  | **2,161** | **1,000** | **1,925** | **-** | **1,236** |
| *Total Special Accounts* |  |  |  |  |  |  |
| *2008-09 estimate actual* |  | *2,161* | *1,925* | *1,925* | *-* | *2,161* |

(A) = Administered

(D) = Departmental

* + 1. **Australian Government Indigenous Expenditure**

#### Table 3.1.3: Australian Government Indigenous Expenditure

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Appropriations |  |  | Other | Total | Program |
| Bill Bill Special  No. 1 No. 2 approp | Total  approp |  |  |  |  |
| $'000 $'000 $'000 | $'000 |  | $'000 | $'000 |  |
| **ARC** |  |  |  |  |  |  |
| **Outcome 1** |  |  |  |  |  |  |
| **Growth of knowledge and innovation through managing research funding schemes, measuring research excellence and providing advice** |  |  |  |  |  |  |
| Administered 2009-10 | - - 901 | 901 |  | - | 901 | 1.1 |
| *Administered 2008-09* | *- - 951* | *951* |  | *-* | *951* | *1* |
| Total Outcome 2009-10 | - - 901 | 901 |  | - | 901 |  |
| *Total Outcome 2008-09* | *- - 951* | *951* |  | *-* | *901* |  |
|  |  |  |  |  |  |  |
| **Total AGIE 2009-10** | - - 901 | 901 |  | - | 901 |  |
| *Total AGIE 2008-09* | *- - 951* | *951* |  | *-* | *901* |  |

### BUDGETED FINANCIAL STATEMENTS

* + 1. **Differences in agency resourcing and financial statements**

The estimated administered grant expenses are higher than the special appropriation figures in Table 1.1 due to the timing of the recognition of grant expenses and liabilities under the ARC’s accounting policies. The accounting policy for grant expenses and liability can be found in note 3 under section 3.2.4.

* + 1. **Analysis of budgeted financial statements**

#### Budgeted Departmental Income Statement

Total expenses in 2009-10 are estimated to be $20.352 million, down slightly from

$20.442 million in 2008-09. While expenses are at similar levels, revenue was $4.410 million lower resulting in the ARC running an operating loss of $4.5 million in 2008-09. This is due to the development of the Excellence in Research for Australia initiative in 2008-09 which was funded from unspent appropriation funding carried over from 2007-08.

#### Budgeted Departmental Balance Sheet

The ARC’s budgeted net asset position is estimated to be $17.332 million in 2009-10 increasing to $22.675 million across the forward estimates. The increase is due to an equity injection of $9.891 million to fund the development of an IT system to support the implementation of the Excellence in Research for Australia.

The ARC’s major assets in 2009-10 are: $13.913 million in intangibles mainly representing new grant management and evaluation systems; and $6.525 million in financial assets indicating the estimated appropriation receivable and cash balance.

The ARC’s primary liability continues to be accrued employee entitlements which are estimated to increase to $2.959 million over the forward estimates. Other payables include mainly lease incentive liabilities and make-good provisions.

#### Budgeted Departmental Statement of Cash Flows

Forecast cash flows for the budget and forward estimates relate to the operating activities to implement new budget measures and investing activities to fund internally developed software projects to build new grant management and evaluation systems.

#### Departmental Statement of Changes in Equity

The ARC’s increased equity position of $17.332 million in 2009-10 is due to the equity injection of $4.548 million relating to the capital budget measure to fund to IT system to support the development of the Excellence in Research for Australia initiative.

#### Departmental capital budget statement

The capital budget for the ARC principally relates to two internally developed software projects to build new grant management and evaluation systems.

#### Schedule of Budgeted Revenues and Expenses Administered on behalf of Government

In 2009-10 the ARC will manage $678.306 million in grant expenses on behalf of the Government, representing new and ongoing research funding agreements awarded under the National Competitive Grants Program. Administered funding for the National Competitive Grants Program increases over the forward estimates due to the implementation of the Future Fellowship scheme announced in the 2008-09 Budget, the commencement of new Budget initiatives as outlined in Table 1.2.

Administered supplier expenses mainly reflect the funding provided in this budget to develop and implement the Excellence in Research for Australia initiative.

#### Schedule of Budgeted Assets and Liabilities Administered on behalf of Government

Total administered assets are estimated to be $2.998 million in 2009-10, representing the balance of the ARC Research Endowment Account held for jointly funded projects with other research funding bodies and estimated GST receivable at year end.

The estimated liability balance of $269.621 million in 2009-10 represents the balance of payments under research funding agreements for new and ongoing research projects for calendar year 2010.

* + 1. **Budgeted financial statements tables**

#### Table 3.2.1: Budgeted departmental comprehensive income statement (for the period ended 30 June)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Estimated | Budget | Forward | Forward | Forward |
|  | actual | estimate | estimate | estimate | estimate |
|  | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|  | $'000 | $'000 | $'000 | $'000 | $'000 |
| **EXPENSES** |  |  |  |  |  |
| Employee benefits | 10,059 | **11,963** | **12,125** | **11,575** | **11,958** |
| Supplier | 9,491 | **7,475** | **7,224** | **6,744** | **6,563** |
| Depreciation and amortisation | 892 | **914** | **2,957** | **2,983** | **2,998** |
| **Total expenses** | 20,442 | **20,352** | **22,306** | **21,302** | **21,519** |
| **LESS:** |  |  |  |  |  |
| **OWN-SOURCE INCOME** |  |  |  |  |  |
| **Revenue** |  |  |  |  |  |
| Other revenue | 86 | **86** | **88** | **88** | **88** |
| **Total revenue** | 86 | **86** | **88** | **88** | **88** |
| **Total own-source income** | 86 | **86** | **88** | **88** | **88** |
| **Net cost of** |  |  |  |  |  |
| **services** | 20,356 | **20,266** | **22,218** | **21,214** | **21,431** |
| Appropriation revenue | 15,856 | **20,266** | **22,218** | **21,214** | **21,431** |
| **Surplus (Deficit)** | (4,500) | **-** | **-** | **-** | **-** |
| **Surplus (Deficit) attributable to** |  |  |  |  |  |
| **the Australian Government** | (4,500) | **-** | **-** | **-** | **-** |

Prepared on Australian Accounting Standards basis.

#### Table 3.2.2: Budgeted departmental balance sheet (as at 30 June)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Estimated | Budget | Forward | Forward | Forward |
|  | actual | estimate | estimate | estimate | estimate |
|  | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|  | $'000 | $'000 | $'000 | $'000 | $'000 |
| **ASSETS** |  |  |  |  |  |
| **Financial assets** |  |  |  |  |  |
| Cash and equivalents | 181 | 181 | 181 | 181 | 181 |
| Trade and other Receivables | 5,515 | 6,344 | 9,214 | 12,110 | 15,027 |
| ***Total financial assets*** | 5,696 | 6,525 | 9,395 | 12,291 | 15,208 |
| **Non-financial assets** |  |  |  |  |  |
| Land and buildings | 2,659 | 2,415 | 2,161 | 1,904 | 1,647 |
| Infrastructure, plant and equipment | 355 | 290 | 224 | 155 | 71 |
| Intangibles | 9,709 | 13,913 | 14,111 | 13,095 | 12,088 |
| Other | 17 | 17 | 17 | 17 | 17 |
| ***Total non-financial assets*** | 12,740 | 16,635 | 16,513 | 15,171 | 13,823 |
| **Total assets** | 18,436 | 23,160 | 25,908 | 27,462 | 29,031 |
| **LIABILITIES** |  |  |  |  |  |
| **Provisions** |  |  |  |  |  |
| Employees | 2,255 | 2,431 | 2,605 | 2,779 | 2,959 |
| Other | 368 | 368 | 368 | 368 | 368 |
| ***Total provisions*** | 2,623 | 2,799 | 2,973 | 3,147 | 3,327 |
| **Payables** |  |  |  |  |  |
| Suppliers | 586 | 586 | 586 | 586 | 586 |
| Other | 2,443 | 2,443 | 2,443 | 2,443 | 2,443 |
| ***Total payables*** | 3,029 | 3,029 | 3,029 | 3,029 | 3,029 |
| **Total liabilities** | 5,652 | 5,828 | 6,002 | 6,176 | 6,356 |
| **Net assets** | 12,784 | 17,332 | 19,906 | 21,286 | 22,675 |
| **EQUITY\*** |  |  |  |  |  |
| **Parent entity interest** |  |  |  |  |  |
| Contributed equity | 9,914 | 14,462 | 17,036 | 18,416 | 19,805 |
| Reserves | 130 | 130 | 130 | 130 | 130 |
| Retained surpluses or |  |  |  |  |  |
| accumulated deficits | 2,740 | 2,740 | 2,740 | 2,740 | 2,740 |
| ***Total parent entity interest*** | 12,784 | 17,332 | 19,906 | 21,286 | 22,675 |
| **Total equity** | 12,784 | 17,332 | 19,906 | 21,286 | 22,675 |
| **Current assets** | 5,713 | 6,542 | 9,412 | 12,308 | 15,225 |
| **Non-current assets** | 12,723 | 16,618 | 16,496 | 15,154 | 13,806 |
| **Current liabilities** | 2,132 | 2,185 | 2,239 | 2,292 | 2,346 |
| **Non-current liabilities** | 3,520 | 3,643 | 3,763 | 3,884 | 4,010 |

Prepared on Australian Accounting Standards basis.

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

#### Table 3.2.3: Budgeted departmental statement of cash flows (for the period ended 30 June)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Estimated | Budget | Forward | Forward | Forward |
|  | actual | estimate | estimate | estimate | estimate |
|  | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|  | $'000 | $'000 | $'000 | $'000 | $'000 |
| **OPERATING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Appropriations | 25,452 | 19,437 | 19,348 | 18,318 | 18,514 |
| Other | 607 | 583 | 558 | 550 | 550 |
| ***Total cash received*** | 26,059 | 20,020 | 19,906 | 18,868 | 19,064 |
| **Cash used** |  |  |  |  |  |
| Employees | 9,846 | 11,785 | 11,951 | 11,401 | 11,778 |
| Suppliers | 10,012 | 7,974 | 7,694 | 7,206 | 7,025 |
| ***Total cash used*** | 19,858 | 19,759 | 19,645 | 18,607 | 18,803 |
| **Net cash from or (used by)** |  |  |  |  |  |
| **operating activities** | 6,201 | 261 | 261 | 261 | 261 |
| **INVESTING ACTIVITIES** |  |  |  |  |  |
| **Cash used** |  |  |  |  |  |
| Purchase of property, plant |  |  |  |  |  |
| equipment and intangibles | 6,201 | 4,809 | 2,835 | 1,641 | 1,650 |
| ***Total cash used*** | 6,201 | 4,809 | 2,835 | 1,641 | 1,650 |
| **Net cash from or (used by)** |  |  |  |  |  |
| **investing activities** | (6,201) | (4,809) | (2,835) | (1,641) | (1,650) |
| **FINANCING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Appropriations - contributed equity | - | 4,548 | 2,574 | 1,380 | 1,389 |
| ***Total cash received*** | - | 4,548 | 2,574 | 1,380 | 1,389 |
| **Net cash from or (used by)** |  |  |  | | |
| **financing activities** | - | 4,548 | 2,574 | 1,380 | 1,389 |
| **Net increase or (decrease)** |  |  |  | | |
| **in cash held** | - | - | - | - | - |
| Cash at the beginning of |  |  |  |  |  |
| the reporting period |  |  |  |  |  |
| **Cash at the end of the** | 181 | 181 | 181 | 181 | 181 |
| **reporting period** | 181 | 181 | 181 | 181 | 181 |

Prepared on Australian Accounting Standards basis.

#### Table 3.2.4: Departmental statement of changes in equity — summary of movement (Budget year 2009-10)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Retained earnings | Asset revaluation  reserve | Other reserves | Contributed  equity/ capital | Total equity |
|  | $'000 | $'000 | $'000 | $'000 | $'000 |
| **Opening balance as at 1 July 2009**  Balance carried forward from | 2,740 | 130 | - | 9,914 | 12,784 |
| previous period Adjustment for changes in |  |  |  |  |  |
| accounting policies | - | - | - - | | - |
| ***Adjusted opening balance*** | 2,740 | 130 | - 9,914 | | 12,784 |
| **Transactions with owners**  *Contribution by owners* |  |  |  | |  |
| Appropriation (equity injection) | - | - | - | 4,548 | 4,548 |
| Other:  Restructuring | - | - | - | - | - |
| ***Sub-total transactions with owners*** | - | - | - | 4,548 | 4,548 |
| **Estimated closing balance as at 30 June 2010** | 2,740 | 130 | - | 14,462 | 17,332 |

Prepared on Australian Accounting Standards basis.

#### Table 3.2.5: Departmental capital budget statement

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **CAPITAL APPROPRIATIONS**  Total equity injections  **Total capital appropriations**  **Represented by:**  Purchase of non-financial assets  **Total represented by**  **ACQUISITION OF NON-FINANCIAL ASSETS**  Funded by capital appropriations Funded internally from  departmental resources1  **TOTAL** | Estimated | Budget | Forward estimate 2010-11  $'000 | Forward estimate 2011-12  $'000 | Forward estimate 2012-13  $'000 |
| actual | estimate |
| 2008-09 | 2009-10 |
| $'000 | $'000 |
| - | 4,548 | 2,574 | 1,380 | 1,389 |
| - | 4,548 | 2,574 | 1,380 | 1,389 |
| - | 4,548 | 2,574 | 1,380 | 1,389 |
| - | 4,548 | 2,574 | 1,380 | 1,389 |
| - | 4,548 | 2,574 | 1,380 | 1,389 |
| 6,201 | 261 | 261 | 261 | 261 |
| 6,201 | **4,809** | 2,835 | 1,641 | 1,650 |

Prepared on Australian Accounting Standards basis.

1Includes the following sources of funding: annual and prior year appropriations; donations and contributions; gifts; finance leases; internally developed assets; s31 relevant agency receipts; and proceeds from the sale of assets

#### Table 3.2.6: Statement of Asset Movements – Departmental

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | Other  Infrastructure, |  | Other | |  |
| Buildings | Plant & Equipment | Intangibles | Non-financial  Assets | | Total |
| $'000 | $'000 | $'000 | $'000 | | $'000 |
| **as at 1 July 2009** |  |  |  |  | |  |
| Gross book value | 3,513 | 1,000 | 12,622 | 17 | | 17,152 |
| Accumulated depreciation/ amortisation | 854 | 645 | 2,913 | - | | 4,412 |
| **Opening net book balance** | **2,659** | **355** | **9,709** | **17** | | **12,740** |
| **CAPITAL ASSET ADDITIONS** |  |  |  |  | |  |
| **Estimated expenditure on new or replacement assets** |  |  |  |  | |  |
| by purchase or internally developed | 30 | 31 | 4,748 | - | | 4,809 |
| **Acquisition of entities or operations (including restructuring)** | - | - | - | - | | - |
| **Sub-total** | **30** | **31** | **4,748** | **-** |  | **4,809** |
| **Other Movements** |  |  |  |  |  |  |
| Assets held for sale or in a disposal group held for sale |  |  |  |  |  |  |
| Depreciation/amortisation expense | 274 | 96 | 544 | - |  | 914 |
| Other |  |  |  |  |  | - |
| **as at 30 June 2010** |  |  |  |  |  |  |
| Gross book value | 3,543 | 1,031 | 17,370 |  | 17 | 21,961 |
| Accumulated depreciation/ amortisation | 1,128 | 741 | 3,457 | - |  | 5,326 |
| **Closing net book balance** | **2,415** | **290** | **13,913** |  | **17** | **16,635** |

Prepared on Australian Accounting Standards basis.

#### Table 3.2.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Estimated | Budget | Forward | Forward | Forward |
|  | actual | estimate | estimate | estimate | estimate |
|  | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|  | $'000 | $'000 | $'000 | $'000 | $'000 |
| **EXPENSES ADMINISTERED ON** |  |  |  |  |  |
| **BEHALF OF GOVERNMENT** |  |  |  |  |  |
| Grants | 593,452 | 678,306 | 731,723 | 820,697 | 855,031 |
| Suppliers | 40 | 5,417 | 3,228 | 1,355 | 1,708 |
| **Total expenses administered** |  |  |  |  |  |
| **on behalf of Government** | 593,492 | 683,723 | 734,951 | 822,052 | 856,739 |

Prepared on Australian Accounting Standards basis.

#### Table 3.2.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Estimated | Budget | Forward | Forward | Forward |
|  | actual | estimate | estimate | estimate | estimate |
|  | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|  | $'000 | $'000 | $'000 | $'000 | $'000 |
| **ASSETS ADMINISTERED ON** |  |  |  |  |  |
| **BEHALF OF GOVERNMENT** |  |  |  |  |  |
| **Financial assets** |  |  |  |  |  |
| Cash and cash equivalents | 2,161 | 1,236 | 1,236 | 236 | 236 |
| Receivables | 1,762 | 1,762 | 1,762 | 1,762 | 1,762 |
| ***Total financial assets*** | 3,923 | 2,998 | 2,998 | 1,998 | 1,998 |
|  |  |  | | |
| **Total assets administered** |  |  |  |  |  |
| **on behalf of Government** | 3,923 | 2,998 | 2,998 | 1,998 | 1,998 |
| **LIABILITIES ADMINISTERED ON** |  |  |  |  |  |
| **BEHALF OF GOVERNMENT** |  |  |  |  |  |
| **Payables** |  |  |  |  |  |
| Grants | 245,071 | 269,621 | 294,003 | 312,003 | 312,003 |
| ***Total payables*** | 245,071 | 269,621 | 294,003 | 312,003 | 312,003 |
| **Total liabilities administered** |  |  |  | | |
| **on behalf of Government** | 245,071 | 269,621 | 294,003 | 312,003 | 312,003 |

Prepared on Australian Accounting Standards basis.

#### Table 3.2.9: Schedule of budgeted administered cash flows (for the period ended 30 June)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Estimated | Budget | Forward | Forward | Forward |
|  | actual | estimate | estimate | estimate | estimate |
|  | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|  | $'000 | $'000 | $'000 | $'000 | $'000 |
| **OPERATING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Net GST received | 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 | 587,809 | 654,756 | 708,341 | 802,697 | 855,031 |
| Suppliers | 40 | 5,417 | 3,228 | 1,355 | 1,708 |
| Net GST paid | 3,350 | 3,350 | 3,350 | 3,350 | 3,350 |
| ***Total cash used*** | 591,199 | 663,523 | 714,919 | 807,402 | 860,089 |
| **Net cash from or (used by)** |  |  |  | | |
| **operating activities** | (587,849) | (660,173) | (711,569) | (804,052) | (856,739) |
| ***Net increase or (decrease) in*** |  |  |  | | |
| ***cash held*** | (587,849) | (660,173) | (711,569) | (804,052) | (856,739) |
| Cash at beginning of reporting period | 1,136 | 2,161 | 1,236 | 1,236 | 236 |
| Cash from Official Public Account for: |  |  |  |  |  |
| - appropriations | 585,924 | 658,248 | 710,569 | 803,052 | 856,739 |
| - Special Accounts | 2,950 | 1,000 | 1,000 | - | - |
| **Cash at end of reporting period** | 2,161 | 1,236 | 1,236 | 236 | 236 |

Prepared on Australian Accounting Standards basis.

* + 1. **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.