

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, 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, 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 infrastructure.

The ARC administers Excellence in Research for Australia (ERA), which assesses research quality by research discipline at eligible Australian higher education institutions. ERA is an established evaluation framework that reflects the Government's commitment to a transparent and streamlined approach to research evaluation. The ARC is also responsible for administering the Engagement and Impact (EI) assessment, 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 focused on driving the research contribution of universities to areas of national interest and to achieve improved economic and social outcomes. Central to this is undertaking action to strengthen the translation pipeline for Australian research, including encouraging greater collaboration with industry to stimulate research and development activity. This will be done by further aligning funding schemes with national priorities, ensuring funded research can demonstrate value, implementation of a more efficient and robust research quality and impact assessments, and enhancing the governance of the ARC.

Consistent with this, on 1 February 2022, the Prime Minister announced the University Research Commercialisation Action Plan which includes three new Industry Fellowship schemes to be delivered by the ARC. These schemes will support researchers to develop cutting edge innovations and apply their research to addressing industry challenges. The fellowships will provide industry with increased access to individuals with strong technical skills, knowledge, and research capacity.

The ARC's priorities for 2022-23 include:

- delivering the NCGP effectively and efficiently to support excellent research in the national interest
- enhancing the processes and procedures of the NCGP, including strengthening understanding of the value and processes relating to the National Interest Test
- commencing three new Industry Fellowship schemes
- providing high quality advice to the Minister on research matters including in areas of Government focus (for example, strengthening linkages between research and business to stimulate more research and development across the economy)
- fast-tracking implementation of outcomes of the review of ERA and EI including by adopting a new rating scale and benchmarks for ERA assessments, and developing robust quantitative metrics focused on the impact of research for the next EI assessment in 2024
- working with a designated ARC Advisory Committee to develop a three-year strategic plan for the ARC
- ensuring that the NCGP supports participation by all researchers, including Aboriginal and Torres Strait Islander researchers, women researchers and early and mid-career researchers
- providing specialist research-based grants administration services to other Australian Government agencies that is standardised, streamlined and supports Australian Government standards and requirements.

The ARC acknowledges the ongoing impact of COVID-19 on the research sector, and continues to monitor and adapt processes as necessary to best support the Australian research community through 2022-23.

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 1' 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 March 2022

	2021-22 <i>Estimated actual</i> \$'000	2022-23 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services		
Prior year appropriations available	17,868	15,488
Departmental appropriation (a)	21,326	22,504
s74 External Revenue (b)	343	333
Departmental capital budget (c)	1,235	1,240
Total departmental annual appropriations	<u>40,772</u>	<u>39,565</u>
Total departmental resourcing	40,772	39,565
Administered		
Annual appropriations - ordinary annual services		
Prior year appropriations available (d)	542	-
Outcome 1	5,896	8,641
Total administered annual appropriations	<u>6,438</u>	<u>8,641</u>
Special Appropriation (e)	815,271	852,911
Total administered special appropriations	<u>815,271</u>	<u>852,911</u>
Special accounts (f)		
Opening balance	2,426	2,291
Appropriation receipts	-	-
Total special account receipts	<u>2,426</u>	<u>2,291</u>
<i>less administered appropriations drawn from annual/special appropriations and credited to special accounts</i>	-	-
Total administered resourcing	824,135	863,843
Total resourcing for Australian Research Council	864,907	903,408
	<u>2021-22</u>	<u>2022-23</u>
Average staffing level (number)	138	140

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

Prepared on a resourcing (that is, appropriations available) basis.

- (a) Departmental appropriation excludes departmental capital budget (DCB), see also note (c). The 2021–22 figure excludes \$0.499 million which will be received through the 2022–23 Appropriation Bill (No.1).
- (b) Estimated external revenue receipts under section 74 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).
- (c) DCBs are not separately identified in Appropriation Bill (No.1) and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.
- (d) Prior year Administered annual appropriations are only available to meet commitments entered into in the prior financial year. For example, 2021–22 prior year appropriations are to meet commitments entered into in 2020-21. The 2021–22 figure excludes \$0.296 million that is subject to administrative quarantine by Finance or withheld under section 51 of the PGPA Act. The 2021–22 figure also excludes \$2.133 million which was reprofiled into 2023–24 and 2024–25 as agreed Movement of Funds during the 2021–22 Mid-Year Economic and Fiscal Outlook (MYEFO).
- (e) Special Appropriation funded under the *Australian Research Council Act 2001* (ARC Act).
- (f) ARC Research Endowment Account – section 80 of the PGPA Act (section 62 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 2.1.1 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 Budget Paper No. 2 and are summarised below.

Table 1.2: Australian Research Council 2022–23 Budget measures announced since the 2021–22 Mid-Year Economic and Fiscal Outlook (MYEFO)

	Program	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000
Payment measures						
Investing in Australia's University Research Commercialisation (a)	1.2					
Administered payment		-	-	-	-	-
Departmental payment		-	-	-	-	-
Total		-	-	-	-	-
Administered		-	-	-	-	-
Departmental		-	-	-	-	-
Total		-	-	-	-	-

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) This measure consists of decision taken but not yet announced in the 2021-22 MYEFO with the following impact: 2021-22 \$0.5million, 2022-23 \$22.1 million, 2023-24 \$44.3 million, 2024-25 \$67.7 million, 2025-16 \$83.5 million. The lead entity for the Investing in Australia's University Research Commercialisation measure is the Department of Education, Skills and Employment with the full measure description and package details appearing in Budget Paper No. 2.

Section 2: Outcomes and planned performance

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

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

Note:

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

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

The most recent annual performance statement can be found in the 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)	1,195	1,240	1,270	1,302	1,333
Special appropriations <i>Australian Research Council Act 2001</i>	489,188	511,074	535,915	562,406	585,206
Total expenses for program 1.1	490,383	512,314	537,185	563,708	586,539
Program 1.2: Linkage - Cross Sector Research Partnerships					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	1,555	1,847	1,896	1,943	1,990
Special appropriations <i>Australian Research Council Act 2001</i>	325,454	340,820	357,704	375,595	390,950
Total expenses for program 1.2	327,009	342,667	359,600	377,538	392,940
Program 1.3: Excellence in Research for Australia					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	3,146	5,554	5,218	3,760	3,514
Total expenses for program 1.3	3,146	5,554	5,218	3,760	3,514
ARC - Departmental					
Departmental expenses					
Departmental appropriation	22,118	22,148	22,160	22,320	21,116
s74 External Revenue (a)	343	333	236	71	29
Expenses not requiring appropriation in the Budget year (b)	3,783	4,296	2,907	2,527	2,450
Total expenses for Departmental	26,244	26,777	25,303	24,918	23,595

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)	5,896	8,641	8,384	7,005	6,837
Special appropriations	814,642	851,894	893,619	938,001	976,156
Administered total	820,538	860,535	902,003	945,006	982,993
Departmental expenses					
Departmental appropriation	22,118	22,148	22,160	22,320	21,116
s74 External Revenue (a)	343	333	236	71	29
Expenses not requiring appropriation in the Budget year (b)	3,783	4,296	2,907	2,527	2,450
Departmental total	26,244	26,777	25,303	24,918	23,595
Total expenses for Outcome 1	846,782	887,312	927,306	969,924	1,006,588
Average staffing level (number)					
	2021-22 138	2022-23 140			

(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.

Table 2.1.2: Performance measures for Outcome 1

Table 2.1.2 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.		
<p>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.</p> <p>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.</p>		
Key activities	<ul style="list-style-type: none"> • Policy and Strategy • Program Implementation and Management • Assurance • Relationships, Networks and Engagement • Evaluation and Analysis 	
Year	Performance measures	Expected performance results
Current year 2021–22	NCGP applications and assessment processes are conducted in a timely manner.	Target: 100% of Discovery Program application recommendations are made to the Minister within 8 months of scheme round closing dates. Expected performance: Not on track to meet the target.
	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. Expected performance: On track to meet the target.
	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 <1% of submitted applications. Expected performance: On track to meet the target.
	Proportion of ARC-funded research projects that involved international collaboration.	Target: 70% of Discovery Program research projects involve international collaboration. Expected performance: On track to meet the target.

Current year 2021–22 (continued)	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 Discovery Program research projects contribute to the Australian Government's National Science and Research Priority areas. Expected performance: On track to meet the target.
Year	Performance measures	Planned performance results
Budget Year 2022–23	NCGP applications and assessment processes are conducted in a timely manner.	Target: 100% of Discovery Program application recommendations are made to the Minister within 8 months of scheme round closing dates.
	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 <1% of submitted applications.
	Proportion of ARC-funded research projects that involved international collaboration.	Target: 70% of Discovery Program research projects involve international collaboration.
	Proportion of ARC-funded research projects that indicate their research will involve research in one of the Australian Government priority areas.	Target: 60% of Discovery Program research projects contribute to the Australian Government's priority areas.
Forward Estimates 2023–24	As per 2022–23	As per 2022–23

Outcome 1 – Growth of knowledge and innovation through managing research funding schemes, measuring research excellence and providing advice.		
<p>Program 1.2- Linkage – Cross sector research partnerships</p> <p>Through the Linkage Program, the ARC aims to build Australia’s research and innovation capacity by supporting excellent, internationally competitive research projects, infrastructure, hubs and centres that involve collaboration among researchers within and beyond the research sector.</p> <p>This contributes to Outcome 1 by: 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.</p>		
Key activities	<ul style="list-style-type: none"> • Policy and Strategy • Program Implementation and Management • Assurance • Relationships, Networks and Engagement • Evaluation and Analysis 	
Year	Performance measures	Expected performance results
Current 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 6 months of scheme round closing dates.</p> <p>Expected performance: Not on track to meet the target.</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>Expected performance: On track to meet the target.</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 <1% of submitted applications.</p> <p>Expected performance: Not on track to meet the target.</p>
	Proportion of Linkage Program funding to support industrial research training under the Industrial Transformation Training Centres (ITTC) scheme.	As per the <i>ARC Corporate Plan 2021–22</i> , this is no longer a performance measure and will be reported as a Key Performance Indicator in the Annual Performance Statement.

Year	Performance measures	Expected performance results
	Proportion of ARC-funded research projects that involved international collaboration.	<p>Target: 70% of Linkage Program research projects involve international collaboration.</p> <p>Expected performance: On track to meet the target.</p>
	Maintain or increase the level of co-funding from partner organisations involved in ARC funded research (<i>Linkage Projects scheme</i>).	<p>Target: Partner Organisations contribute ≥ \$1 to ARC Linkage Projects for every ARC dollar awarded.</p> <p>Expected performance: On track to meet the target.</p>
	Proportion of participating organisations satisfied with the research partnership supported through the Linkage Program (<i>Linkage Projects scheme</i>).	<p>Target: 90% of partner organisations who participate on an ARC Linkage Project report satisfaction with the research partnership supported by the grant.</p> <p>Expected performance: On track to meet the target.</p>
	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 Linkage Program research contribute to the Australian Government's National Science and Research Priority areas.</p> <p>Expected performance: On track to meet the target.</p>

Year	Performance measures	Planned performance results
Budget Year 2022–23	NCGP applications and assessment processes are conducted in a timely manner.	Target: 100% of Linkage Projects application recommendations are made to the Minister within 6 months of scheme round closing dates.
	ARC manages NCGP application and assessment processes fairly and in accordance with Grant Guidelines.	Target: The number of upheld appeals against administrative processes related to Linkage Program applications is <1% of submitted applications.
	Proportion of ARC-funded research projects that involved international collaboration.	Target: 70% of Linkage Program research projects involve international collaboration.
	Proportion of participating organisations satisfied with the research partnership supported through the Linkage Program (<i>Linkage Projects</i> scheme).	Target: 90% of partner organisations acknowledge (on an ARC Linkage Project report) the research partnership experience as beneficial or very beneficial.
	Proportion of projects recommended for funding that align with one of the Australian Government's National Manufacturing Priorities.	Target: At least 70% of Linkage Program projects recommended for funding align with the NMPs.
Forward Estimates 2023–24	As per 2022–23	As per 2022–23
Material changes to Program 1.5 resulting from 2022–23 Budget Measures:		
<ul style="list-style-type: none"> Investing in Australia's University Research Commercialisation 		

<p>Outcome 1 – Growth of knowledge and innovation through managing research funding schemes, measuring research excellence and providing advice.</p>		
<p>Program 1.3- Excellence in Research Australia</p> <p>Through the Excellence in Research for Australia (ERA) program the ARC aims to improve Australia’s research capacity by evaluating research at eligible Australian higher education institutions against international benchmarks and identifying excellence across the full spectrum of research activities. The program includes both the research quality 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.</p> <p>This contributes to Outcome 1 by: providing a unique, evidence-based resource to inform Australian government research policy and the strategic direction of higher education institutions; and encouraging researchers to produce high-quality and impactful research with real world benefits.</p>		
<p>Key activities</p>	<ul style="list-style-type: none"> • Policy and Strategy • Program Implementation and Management • Assurance • Relationships, Networks and Engagement • Evaluation and Analysis 	
<p>Year</p>	<p>Performance measures</p>	<p>Expected performance results</p>
<p>Current year 2021–22</p>	<p>Use of ERA program data to assist in the development of Australian Government policies.</p>	<p>Target: ERA program reports and activities inform Australian Government policy. Expected performance: On track to meet the target.</p>
	<p>Use of ERA program data to inform the strategic planning of Australian universities.</p>	<p>Target: ERA program reports and activities inform strategic planning at eligible Australian universities. Expected performance: On track to meet the target.</p>
	<p>Review outcomes are implemented through revised ERA methodology, where required.</p>	<p>Target: Publication of ERA 2023 submission and assessment documentation. Expected performance: On track to meet the target.</p>

Year	Performance measures	Planned performance results
Budget Year 2022–23	Use of ERA program data to assist in the development of Australian Government policies.	Target: ERA program reports and activities inform Australian Government policy.
	Use of ERA program data to inform the strategic planning of Australian universities.	Target: ERA program reports and activities inform strategic planning at eligible Australian universities.
	ERA review outcomes are implemented through revised methodology, where required.	Target: Publication of the ERA 2023 submission and assessment documentation.
	EI review outcomes are implemented through revised methodology, where required.	Target: Publication of the EI 2024 submission and assessment documentation.
Forward Estimates 2023–24	Use of ERA program data to assist in the development of Australian Government policies.	Target: ERA program reports and activities inform Australian Government policy.
	Use of ERA program data to inform the strategic planning of Australian universities.	Target: ERA program reports and activities inform strategic planning at eligible Australian universities.
	Research quality of participating universities is assessed and reported on.	Target: 100% of eligible submissions are assessed in accordance with relevant criteria and results are published.

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

3.1.1 Differences between entity resourcing and financial statements

The major change to the ARC's budget estimates from the 2021–22 Additional Estimates is additional funding the ARC received from the Investing in Australia's University Research Commercialisation measure, refer to Table 1.2.

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.

Budgeted departmental balance sheet

The budgeted net asset position of \$15.6 million for 2022–23 represents a decrease of \$3.1 million from 2021–22 and 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	17,543	18,130	18,133	18,137	18,140
Suppliers	2,733	2,270	2,253	2,318	2,454
Depreciation and amortisation (a)	5,715	6,189	4,799	4,415	2,988
Finance costs	253	188	118	48	13
Total expenses	26,244	26,777	25,303	24,918	23,595
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	343	333	236	71	29
Other	62	62	62	62	62
Total own-source revenue	405	395	298	133	91
Total own-source income	405	395	298	133	91
Net (cost of)/contribution by services	(25,839)	(26,382)	(25,005)	(24,785)	(23,504)
Revenue from Government	21,825	22,005	22,135	22,299	22,445
Surplus/(deficit) attributable to the Australian Government	(4,014)	(4,377)	(2,870)	(2,486)	(1,059)
Total comprehensive income/(loss) attributable to the Australian Government	(4,014)	(4,377)	(2,870)	(2,486)	(1,059)
Total comprehensive income/(loss) - as per statement of Comprehensive Income	(4,014)	(4,377)	(2,870)	(2,486)	(1,059)
plus: depreciation/amortisation of assets funded through appropriations (departmental capital budget funding and/or equity injections) (a)	3,721	4,235	2,846	2,465	2,388
plus: depreciation/amortisation expenses for ROU assets (b)	1,994	1,954	1,953	1,950	600
less: lease principal repayments (b)	1,982	2,092	2,247	2,411	600
Net Cash Operating Surplus/ (Deficit)	(281)	(280)	(318)	(482)	1,329

Prepared on Australian Accounting Standards basis.

(a) From 2010–11, the Government introduced net cash appropriation arrangements. This involved 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 appropriations. For information regarding DCBs, please refer to Table 3.5 Departmental Capital Budget Statement.

(b) Applies to leases under AASB16 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	176	675	675	675	675
Trade and other receivables	16,399	15,295	14,977	14,576	15,986
Other financial assets	499	-	-	-	-
Total financial assets	17,074	15,970	15,652	15,251	16,661
Non-financial assets					
Land and buildings	7,183	5,046	2,909	765	113
Property, plant and equipment	907	686	984	1,173	749
Intangibles	7,686	6,000	4,288	3,086	2,439
Other non-financial assets	213	213	213	213	213
Total non-financial assets	15,989	11,945	8,394	5,237	3,514
Total assets	33,063	27,915	24,046	20,488	20,175
LIABILITIES					
Payables					
Suppliers	499	499	499	499	499
Other payables	406	487	487	568	649
Total payables	905	986	986	1,067	1,148
Interest bearing liabilities					
Leases	7,350	5,258	3,011	600	-
Total interest bearing liabilities	7,350	5,258	3,011	600	-
Provisions					
Employee provisions	5,530	5,530	5,530	5,530	5,530
Other provisions	559	559	559	559	559
Total provisions	6,089	6,089	6,089	6,089	6,089
Total liabilities	14,344	12,333	10,086	7,756	7,237
Net assets	18,719	15,582	13,960	12,732	12,938
EQUITY*					
Parent entity interest					
Contributed equity	41,209	42,449	43,697	44,955	46,220
Reserves	16	16	16	16	16
Retained surplus (accumulated deficit)	(22,506)	(26,883)	(29,753)	(32,239)	(33,298)
Total parent entity interest	18,719	15,582	13,960	12,732	12,938
Total equity	18,719	15,582	13,960	12,732	12,938

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	(22,506)	16	41,209	18,719
Adjusted opening balance	(22,506)	16	41,209	18,719
Comprehensive income				
Surplus/(deficit) for the period	(4,377)	-	-	(4,377)
Total comprehensive income	(4,377)	-	-	(4,377)
of which:				
Attributable to the Australian Government	(26,883)	-	-	(26,883)
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	(26,883)	16	42,449	15,582
Closing balance attributable to the Australian Government	(26,883)	16	42,449	15,582

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	23,042	23,608	22,453	22,700	21,035
Sale of goods and rendering of services	343	333	236	71	29
Net GST received	593	581	570	570	570
Total cash received	23,978	24,522	23,259	23,341	21,634
Cash used					
Employees	17,378	18,049	18,133	18,056	18,059
Suppliers	2,671	2,208	2,191	2,256	2,392
Net GST paid	593	581	570	570	570
Interest payments on lease liability	253	188	118	48	13
Total cash used	20,895	21,026	21,012	20,930	21,034
Net cash from/(used by) operating activities	3,083	3,496	2,247	2,411	600
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	2,835	2,145	1,248	1,258	1,265
Total cash used	2,835	2,145	1,248	1,258	1,265
Net cash from/(used by) investing activities	(2,835)	(2,145)	(1,248)	(1,258)	(1,265)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	1,235	1,240	1,248	1,258	1,265
Total cash received	1,235	1,240	1,248	1,258	1,265
Cash used					
Principal payments on lease liability	1,982	2,092	2,247	2,411	600
Total cash used	1,982	2,092	2,247	2,411	600
Net cash from/(used by) financing activities	(747)	(852)	(999)	(1,153)	665
Net increase/(decrease) in cash held	(499)	499	-	-	-
Cash and cash equivalents at the beginning of the reporting period	675	176	675	675	675
Cash and cash equivalents at the end of the reporting period	176	675	675	675	675

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	1,248	1,258	1,265
Total new capital appropriations	1,235	1,240	1,248	1,258	1,265
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	1,235	1,240	1,248	1,258	1,265
Total items	1,235	1,240	1,248	1,258	1,265
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation - DCB (a)	1,235	1,240	1,248	1,258	1,265
Funded internally from departmental resources (b)	1,600	905	-	-	-
TOTAL	2,835	2,145	1,248	1,258	1,265
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	2,835	2,145	1,248	1,258	1,265
Total cash used to acquire assets	2,835	2,145	1,248	1,258	1,265

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	876	1,238	21,182	23,296
Gross book value - ROU assets	13,813	20	-	13,833
Accumulated depreciation/ amortisation and impairment	(144)	(343)	(13,496)	(13,983)
Accumulated depreciation/amortisation and impairment - ROU assets	(7,362)	(8)	-	(7,370)
Opening net book balance	7,183	907	7,686	15,776
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation ordinary annual services (a)	-	145	2,000	2,145
Total additions	-	145	2,000	2,145
Other movements				
Depreciation/amortisation expense	(187)	(362)	(3,686)	(4,235)
Depreciation/amortisation on ROU assets	(1,950)	(4)	-	(1,954)
Total other movements	(2,137)	(366)	(3,686)	(6,189)
As at 30 June 2023				
Gross book value	876	1,383	23,182	25,441
Gross book value - ROU assets	13,813	20	-	13,833
Accumulated depreciation/amortisation and impairment	(331)	(705)	(17,182)	(18,218)
Accumulated depreciation/amortisation and impairment - ROU assets	(9,312)	(12)	-	(9,324)
Closing net book balance	5,046	686	6,000	11,732

Prepared on Australian Accounting Standards basis.

(a) 'Appropriation ordinary annual services' refers to funding provided through 2022–23 Appropriation Bill (No.1) 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	5,896	8,641	8,384	7,005	6,837
Grants	814,642	851,894	893,619	938,001	976,156
Total expenses administered on behalf of Government	820,538	860,535	902,003	945,006	982,993
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Non-taxation revenue					
Other revenue	9,721	9,721	9,721	9,721	9,721
Total non-taxation revenue	9,721	9,721	9,721	9,721	9,721
Total own-source revenue administered on behalf of Government	9,721	9,721	9,721	9,721	9,721
Total own-sourced income administered on behalf of Government	9,721	9,721	9,721	9,721	9,721
Net (cost of)/contribution by services	810,817	850,814	892,282	935,285	973,272
Surplus/(deficit) before income tax	(810,817)	(850,814)	(892,282)	(935,285)	(973,272)
Surplus/(deficit) after income tax	(810,817)	(850,814)	(892,282)	(935,285)	(973,272)
Total comprehensive income/(loss)	(810,817)	(850,814)	(892,282)	(935,285)	(973,272)

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	2,291	2,291	2,291	2,291	2,291
Trade and other receivables	225	225	225	225	225
Total financial assets	2,516	2,516	2,516	2,516	2,516
Non-financial assets					
Other non-financial assets	115	115	115	115	115
Total non-financial assets	115	115	115	115	115
Total assets administered on behalf of Government	2,631	2,631	2,631	2,631	2,631
LIABILITIES					
Payables					
Suppliers	531	531	531	531	531
Grants	247,154	246,137	245,067	245,067	245,067
Total payables	247,685	246,668	245,598	245,598	245,598
Total liabilities administered on behalf of Government	247,685	246,668	245,598	245,598	245,598
Net assets/(liabilities)	(245,054)	(244,037)	(242,967)	(242,967)	(242,967)

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	1,882	1,924	1,956	1,956	1,956
Other	9,721	9,721	9,721	9,721	9,721
Total cash received	11,603	11,645	11,677	11,677	11,677
Cash used					
Grant	814,734	852,911	894,689	938,001	976,156
Suppliers	5,896	8,641	8,384	7,005	6,837
Net GST paid	1,882	1,924	1,956	1,956	1,956
Total cash used	822,512	863,476	905,029	946,962	984,949
Net cash from/(used by) operating activities	(810,909)	(851,831)	(893,352)	(935,285)	(973,272)
Net increase/(decrease) in cash held	(810,909)	(851,831)	(893,352)	(935,285)	(973,272)
Cash and cash equivalents at beginning of reporting period	2,426	2,291	2,291	2,291	2,291
Cash from Official Public Account for: - Appropriations	823,049	863,476	905,029	946,962	984,949
Total cash from Official Public Account	823,049	863,476	905,029	946,962	984,949
Cash to Official Public Account for: - Appropriations	12,275	11,645	11,677	11,677	11,677
Total cash to Official Public Account	12,275	11,645	11,677	11,677	11,677
Cash and cash equivalents at end of reporting period	2,291	2,291	2,291	2,291	2,291

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 present