

# **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 focused on driving world-class research and innovation for the advancement of Australian society. The agency plays a critical role in providing ongoing investment in university research and encouraging the adoption and translation of that knowledge, to increase its impact and for Australia's economic, social, environmental and cultural benefit.

The ARC is responsible for administering the National Competitive Grants Program (NCGP), evaluating the excellence, impact and depth of university research, co-oversight of a number of Frameworks and National Statements related to research ethics and integrity, promoting academic careers, and providing advice and support on research matters.

Through the NCGP, the ARC supports excellent research and research training for the benefit of Australians, across all disciplines (excluding clinical and other medical research), by awarding funding based on a competitive peer review process. The NCGP programs fund a range of complementary schemes that provide funding for the highest-quality, research training and infrastructure, and research collaboration with local, national and international partners.

In March 2024, the Australian Parliament passed the Australian Research Council Amendment (Review Response) Bill 2023. Under the new legislation, from 1 July 2024 a new ARC Board will commence as the accountable authority for the agency. The Board will be responsible for determining the priorities, strategies, and policies for the ARC and advising the Minister regarding these. The ARC Advisory Committee will provide the Board with advice to assist it to carry out its functions.

The new legislation also establishes an enhanced role for the ARC to shape and foster Australia's research landscape, confirming additional functions for the agency. The financial year 2024-25 will be an opportunity for the new Board to set the strategic direction for the ARC, consolidate the agency's role as a valued source of advice on Australia's research environment, and progress a number of key priorities.

These include:

- working with the Department of Education to conclude a policy review of the NCGP to ensure it is fit for purpose and maximises the impact of public investment in university research
- working with the Department of Education to implement the Government's response to the Australian Universities Accord
- advancing work already well-progressed under the *ARC strategy 2022-2025* to continuously improve the administration of the NCGP by leveraging best-practice and strong collaboration with the research sector to design and implement enhanced processes and procedures

- continuing to broaden and deepen the role of the ARC in strengthening relationships with the university research sector, industry, and government, and with international partners
- ensuring ARC activities support a diverse and inclusive research sector, including access for eligible under-represented researchers in NCGP schemes
- working with Indigenous researchers and communities to improve the capacity of the NCGP to promote, embed and support Indigenous research and knowledge systems in Australia’s research sector
- promoting and broadening the ARC’s research grants administration expertise and services, including through the provision of Research Grant Services
- continuing to work with the National Health and Medical Research Council, universities and other stakeholders to strengthen and safeguard the integrity and credibility of Australian research.

## 1.2 Entity resource statement

Table 1.1 shows the total resourcing 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 the *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis. Amounts presented below are consistent with amounts presented in the Appropriation Bills themselves.

**Table 1.1: ARC resource statement – Budget estimates for 2024-25 as at Budget May 2024**

	2023-24 Estimated actual \$'000	2024-25 Estimate \$'000
<b>Departmental</b>		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available	13,384	11,911
Departmental appropriation (b)	22,426	22,976
s74 External Revenue (c)	837	561
Departmental capital budget (d)	1,280	1,317
Total departmental annual appropriations	37,927	36,765
<b>Total departmental resourcing</b>	<b>37,927</b>	<b>36,765</b>
<b>Administered</b>		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available (b)	2,071	2,071
Outcome 1	10,831	1,031,328
Total administered annual appropriations	12,902	1,033,399
Special Appropriation (e)	851,414	-
Total administered special appropriations	851,414	-
Special accounts (f)		
Opening balance	2,120	2,120
Total special account receipts	2,120	2,120
<b>Total administered resourcing</b>	<b>866,436</b>	<b>1,035,519</b>
<b>Total resourcing for Australian Research Council</b>	<b>904,363</b>	<b>1,072,284</b>
	2023-24	2024-25
<b>Average staffing level (number)</b>	136	140

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

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

(a) Appropriation Bill (No. 1) 2024-25.

(b) Excludes departmental capital budget (DCB).

(c) Estimated External Revenue receipts under section 74 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

(d) Departmental capital budgets are not separately identified in Appropriation Bill (No.1) and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.

(e) Special Appropriation funded under the *Australian Research Council Act 2001* (ARC Act). New appropriation arrangements come in effect on 1 July 2024 as a result of the Australian Parliament passing the Australian Research Council Amendment (Review Response) Bill 2023, in March 2024. This resulted in the Special Appropriation transitioning to an Annual Administered Appropriation from 1 July 2024 onwards.

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

### 1.3 Budget measures

Budget measures in Part 1 relating to ARC are detailed in the *Budget Paper No. 2* and are summarised below.

**Table 1.2: ARC 2024-25 Budget measures**

**Part 1: Measures announced since the 2023-24 Mid-Year Economic and Fiscal Outlook (MYEFO)**

Program	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000	2027-28 \$'000
<b>Payment measures</b>					
Savings from External Labour - extension (a)					
Administered payment	-	-	-	-	-
Departmental payment	-	(17)	(31)	(40)	(287)
<b>Total</b>	-	<b>(17)</b>	<b>(31)</b>	<b>(40)</b>	<b>(287)</b>
<b>Total payment measures</b>					
Administered	-	-	-	-	-
Departmental	-	(17)	(31)	(40)	(287)
<b>Total</b>	-	<b>(17)</b>	<b>(31)</b>	<b>(40)</b>	<b>(287)</b>

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

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

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

The most recent corporate plan for the ARC can be found at: [www.arc.gov.au](http://www.arc.gov.au).

The most recent annual performance statement can be found at: [www.arc.gov.au](http://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**

<b>Outcome 1: Growth of knowledge and innovation through managing research funding schemes, measuring research excellence and providing advice.</b>					
	2023-24 Estimated actual \$'000	2024-25 Budget \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000	2027-28 Forward estimate \$'000
<b>Program 1.1: Discovery - Research and Research Training</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill No.1)	1,358	629,744	630,410	648,369	665,549
Special appropriations (a) <i>Australian Research Council Act 2001</i>	523,526	-	-	-	-
<b>Total expenses for Program 1.1</b>	<b>524,884</b>	<b>629,744</b>	<b>630,410</b>	<b>648,369</b>	<b>665,549</b>
<b>Program 1.2: Linkage - Cross Sector Research Partnerships</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill No.1)	2,027	397,556	406,789	435,368	446,903
Special appropriations (a) <i>Australian Research Council Act 2001</i>	326,818	-	-	-	-
<b>Total expenses for Program 1.2</b>	<b>328,845</b>	<b>397,556</b>	<b>406,789</b>	<b>435,368</b>	<b>446,903</b>
<b>Program 1.3: Excellence in Research for Australia</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill No.1)	7,446	4,028	3,786	3,873	3,970
<b>Total expenses for Program 1.3</b>	<b>7,446</b>	<b>4,028</b>	<b>3,786</b>	<b>3,873</b>	<b>3,970</b>

**Table 2.1.1: Budgeted expenses for Outcome 1 (continued)**

	2023-24 Estimated actual \$'000	2024-25 Budget \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000	2027-28 Forward estimate \$'000
<b>ARC - Departmental</b>					
Departmental expenses					
Departmental appropriation	22,426	22,976	23,319	23,798	23,911
s74 External Revenue (b)	837	561	12	7	-
Expenses not requiring appropriation in the Budget year (c)	2,012	1,930	2,382	2,082	1,843
<b>Total expenses for Departmental</b>	<b>25,275</b>	<b>25,467</b>	<b>25,713</b>	<b>25,887</b>	<b>25,754</b>
<b>Outcome 1 Totals by appropriation type</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill No.1)	10,831	1,031,328	1,040,985	1,087,610	1,116,422
Special appropriations (a)	850,344	-	-	-	-
Special accounts	-	-	-	-	-
<b>Administered total</b>	<b>861,175</b>	<b>1,031,328</b>	<b>1,040,985</b>	<b>1,087,610</b>	<b>1,116,422</b>
Departmental expenses					
Departmental appropriation	22,426	22,976	23,319	23,798	23,911
s74 External Revenue (b)	837	561	12	7	-
Expenses not requiring appropriation in the Budget year (c)	2,012	1,930	2,382	2,082	1,843
<b>Departmental total</b>	<b>25,275</b>	<b>25,467</b>	<b>25,713</b>	<b>25,887</b>	<b>25,754</b>
<b>Total expenses for Outcome 1</b>	<b>886,450</b>	<b>1,056,795</b>	<b>1,066,698</b>	<b>1,113,497</b>	<b>1,142,176</b>

	2023-24	2024-25
<b>Average staffing level (number)</b>	136	140

(a) Special Appropriation funded under the *Australian Research Council Act 2001* (ARC Act). New appropriation arrangements come in effect on 1 July 2024 as a result of the Australian Parliament passing the Australian Research Council Amendment (Review Response) Bill 2023, in March 2024. This resulted in the Special Appropriation transitioning to an Annual Administered Appropriation from 1 July 2024 onwards.

(b) Estimated expenses incurred in relation to receipts retained under section 74 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

(c) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses excluding depreciation on RoU assets, make good expenses and audit fees.

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.

## Performance measure for Outcome 1

This section details the performance measures for each program associated with Outcome 1. It is used by entities to describe the results they plan to achieve and the related key activities, as detailed in the current corporate plan, the context in which these activities are delivered, and how the performance of these activities will be measured. Where relevant, details of the 2024-25 Budget measures that have created new programs or materially changed existing programs are provided.

<b>Outcome 1 – Growth of knowledge and innovation through managing research funding schemes, measuring research excellence and providing advice.</b>		
<b>Program 1.1 – Discovery – Research and Research Training</b>		
Through the Discovery Program, the ARC aims to build Australia's research capacity by supporting excellent, internationally competitive research projects, fellowships, and awards. This contributes to Outcome 1 by: supporting excellent, internationally competitive research; providing training and career opportunities for current and emerging researchers; fostering international engagement; and encouraging research that aligns with national priorities.		
<b>Key Activities</b>	Fund high-quality and impactful research	
<b>Year</b>	<b>Performance measures</b>	<b>Expected Performance Results</b>
Current Year 2023-24	The percentage of ARC schemes completed in time to meet ARC published timeframes	Target: 100% of Discovery Program scheme rounds outcomes are announced within the published timeframes on the ARC website  On track
	The percentage of appeals upheld against NCGP application assessment processes for all applications submitted	Target: The number of upheld appeals against administrative processes related to Discovery Program applications is less than 1% of all submitted applications  On track
	The percentage of ARC funded research projects involving international collaboration for all ARC funded research projects	Target: More than 70% of Discovery Program research projects involve international collaboration  On track
	The percentage of submitted progress, End of Year and final reports reviewed on time	Target: More than 90% of Discovery Program completed final grant reports and submitted End of Year Reports, Progress / Annual Reports are reviewed by the ARC within 90 days of submission  Data not yet available

Year	Performance measures	Expected Performance Results
Current Year 2023-24 (continued)	The average number of days to action research integrity investigation outcomes reported to the ARC <sup>24</sup>	Target: Investigations reported to the ARC Research Integrity Office are considered and actioned by the ARC in less than or equal to 30 working days  On track
	The number of funded Chief Investigators who identify as an Aboriginal and/or Torres Strait Islander researcher <sup>24</sup>	Target: The number of Chief Investigators who identify as an Aboriginal and/or Torres Strait Islander researcher on funded applications is higher than or equal to the previous reporting period  Data not yet available
Year	Performance measures	Expected Performance Results
Budget Year 2024-25	The percentage of ARC schemes completed in time to meet ARC published timeframes	Target: 100% of Discovery Program scheme rounds outcomes are announced within the published timeframes on the ARC website
	The percentage of appeals upheld against NCGP application assessment processes for all applications submitted	Target: The number of upheld appeals against administrative processes related to Discovery Program applications is less than 1% of all submitted applications
	The percentage of ARC funded research projects involving international collaboration for all ARC funded research projects	Target: More than 70% of Discovery Program research projects involve international collaboration
	The percentage of submitted progress, End of Year and final reports reviewed on time	Target: More than 90% of Discovery Program completed final grant reports and submitted End of Year Reports, Progress / Annual Reports are reviewed by the ARC within 90 days of submission
	The average number of days to action research integrity investigation outcomes reported to the ARC	Target: Investigations reported to the ARC Research Integrity Office are considered and actioned by the ARC in less than or equal to 30 working days
	The number of funded Chief Investigators who identify as an Aboriginal and/or Torres Strait Islander researcher	Target: The average number of Chief Investigators who identify as an Aboriginal and/or Torres Strait Islander researcher on funded applications is higher than or equal to the previous reporting period

<sup>24</sup> This performance measure was not included in Education's 2023-24 PBS. The measure was introduced in the 2023-24 ARC Corporate Plan.

<b>Year</b>	<b>Performance measures</b>	<b>Expected Performance Results</b>
Budget Year 2024-25 (continued)	The percentage of approved projects where the Administering Organisation is notified within 21 days of approval <sup>25</sup>	Target: Administering Organisations are notified within 21 days for all (100%) of approved projects
	The ARC peer review process identifies research excellence <sup>25</sup>	Target: The ARC achieves this measure by using a robust peer review process to make funding recommendations based on expertise representing the breadth of research fields funded by the ARC, and through close engagement with the research sector.
	The ARC provides expert advice on research across government <sup>25</sup>	Target: The ARC achieves this measure by providing timely and expert advice on research across government
Forward Estimates 2025-28	As per 2024-25	As per 2024-25
Material changes to Program 1.1 resulting from 2024-25 Budget measures: Nil		

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<sup>25</sup> This is a new performance measure in 2024-25 reflecting amendments to the *Australian Research Council Act 2001* made by the *Australian Research Council Amendment (Response Review) Bill 2023*.

<p><b>Program 1.2 – Linkage – Cross sector research partnerships</b></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, and centres of excellence that involve collaboration among researchers within and beyond the research sector. 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>		
<b>Key Activities</b>	Fund high-quality and impactful research	
<b>Year</b>	<b>Performance measures</b>	<b>Expected Performance Results</b>
Current Year 2023-24	The percentage of ARC schemes completed in time to meet ARC published timeframes	Target: 100% of Linkage Program scheme rounds outcomes are announced within the published timeframes on the ARC website  On track
	The percentage of appeals upheld against NCGP application assessment processes for all applications submitted	Target: The number of upheld appeals against administrative processes related to Linkage Program applications is less than 1% of all submitted applications  On track
	The percentage of ARC funded research projects involving international collaboration for all ARC funded research projects	Target: More than 70% of Linkage Program research projects involve international collaboration  Data not yet available
	The percentage of submitted progress, End of Year and final reports reviewed on time	Target: More than 90% of Linkage Program completed final grant reports and submitted End of Year Reports, Progress / Annual Reports are reviewed by the ARC within 90 days of submission  Data not yet available
	The total contribution from partner organisations for all research projects funded under the Linkage Projects scheme	Target: Average dollar contribution is more than or equal to the previous year  Data not yet available

<b>Year</b>	<b>Performance measures</b>	<b>Expected Performance Results</b>
Current Year 2023-24 (continued)	The average number of days to action research integrity investigation outcomes reported to the ARC <sup>26</sup>	Target: Investigations reported to the ARC Research Integrity Office are considered and actioned by the ARC in less than or equal to 30 working days  On track
	The number of funded Chief Investigators who identify as an Aboriginal and/or Torres Strait Islander researcher <sup>26</sup>	Target: The average number of Chief Investigators who identify as an Aboriginal and/or Torres Strait Islander researcher on funded applications is higher than or equal to the previous reporting period  Data not yet available
<b>Year</b>	<b>Performance measures</b>	<b>Expected Performance Results</b>
Budget Year 2024-25	The percentage of ARC schemes completed in time to meet ARC published timeframes	Target: 100% of Linkage Program scheme rounds outcomes are announced within the published timeframes on the ARC website
	The percentage of appeals upheld against NCGP application assessment processes for all applications submitted	Target: The number of upheld appeals against administrative processes related to Linkage Program applications is less than 1% of all submitted applications
	The percentage of ARC funded research projects involving international collaboration for all ARC funded research projects	Target: More than 70% of Linkage Program research projects involve international collaboration
	The percentage of submitted progress, End of Year and final reports reviewed on time	Target: More than 90% of Linkage Program completed final grant reports and submitted End of Year Reports, Progress / Annual Reports are reviewed by the ARC within 90 days of submission
	The total contribution from partner organisations for all research projects funded under the Linkage Projects scheme	Target: Average dollar contribution is more than or equal to the previous year

<sup>26</sup> This performance measure was not included in Education's 2023-24 PBS. The measure was introduced in the 2023-24 ARC Corporate Plan.

Year	Performance measures	Expected Performance Results
Budget Year 2024-25 (continued)	The average number of days to action research integrity investigation outcomes reported to the ARC	Target: Investigations reported to the ARC Research Integrity office are considered and actioned by the ARC in less than or equal to 30 working days
	The number of funded Chief Investigators who identify as an Aboriginal and/or Torres Strait Islander researcher	Target: The average number of Chief Investigators who identify as an Aboriginal and/or Torres Strait Islander researcher on funded application is higher than or equal to the previous reporting period
	The percentage of approved projects where the Administering Organisation is notified within 21 days of approval <sup>27</sup>	Target: Administering Organisations are notified within 21 days for all (100%) of approved projects
	The ARC peer review process identifies research excellence <sup>27</sup>	Target: The ARC achieves this measure by using a robust peer review process to make funding recommendations based on expertise representing the breadth of research fields funded by the ARC, and through close engagement with the research sector
	The ARC provides expert advice on research across government <sup>27</sup>	Target: The ARC achieves this measure by providing timely and expert advice on research across government
Forward Estimates 2025-28	As per 2024-25	As per 2024-25
Material changes to Program 1.2 resulting from 2024-25 Budget Measures: Nil		

<sup>27</sup> This is a new performance measure in 2024-25 reflecting amendments to the *Australian Research Council Act 2001* made by the *Australian Research Council Amendment (Response Review) Bill 2023*.

<b>Program 1.3 – Excellence in Research for Australia<sup>28</sup></b>		
<p>Through the Excellence in Research for Australia (ERA) program the ARC aimed 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 included, Excellence in Research for Australia, which assessed research quality, and Engagement and Impact (EI), which assessed the engagement of researchers with end-users, and how universities translated their research into economic, social, environmental, cultural, and other impacts. ERA and EI have been discontinued by the Minister for Education and the ARC is working to transition the evaluation of university research to a more modern, data driven approach informed by expert review. This program contributes to Outcome 1 by: providing a unique, evidence-based resource to inform Australia 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>		
<b>Key Activities</b>	Assess research quality, engagement, and impact	
<b>Year</b>	<b>Performance measures<sup>29</sup></b>	<b>Expected Performance Results</b>
Current Year 2023-24	Pilot a new research evaluation framework <sup>30</sup>	<p>Target: The ARC commences a trial research evaluation framework which informs the replacement ERA and EI assessment processes</p> <p>On track</p> <p>Work is progressing, noting that a new research evaluation framework is subject to the Government's response to the Universities Accord report.</p>
<b>Year</b>	<b>Performance measures</b>	<b>Expected Performance Results</b>
Budget Year 2024-25	Pilot a new research evaluation framework	Target: the ARC commences a trial research evaluation framework which informs the replacement ERA and EI assessment processes
	The ARC provides expert advice on research across government <sup>31</sup>	Target: The ARC achieves this measure by providing timely and expert advice on research across government
Forward Estimates 2025-28	As per 2024-25	As per 2024-25
Material changes to Program 1.3 resulting from 2024-25 Budget Measures: Nil		

<sup>28</sup> The 2023 Excellence in Research for Australia (ERA) round was discontinued, and the Australian Universities Accord has made recommendations in regard to a future National Research Evaluation and Impact Framework. The Government is currently considering the recommendations made in the Australian Universities Accord report.

<sup>29</sup> From 2023-24, performance measures Use of ERA program data to inform and support the needs of Australian universities and the Australian Government and Use of EI program data to inform and support the needs of Australian universities and the Australian Government were removed because of the Minister via Government's Response to the ARC Review discontinuation of ERA and EI.

<sup>30</sup> This measure was introduced in the 2023-24 ARC Corporate Plan to inform the development of a new research evaluation framework and to replace the previous ERA and EI measures which have been discontinued.

<sup>31</sup> This is a new performance measure in 2024-25 reflecting amendments to the *Australian Research Council Act 2001* made by the *Australian Research Council Amendment (Response Review) Bill 2023*.

## Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of ARC's finances for the 2024-25 Budget year, including the impact of budget measures and resourcing on financial statements.

### 3.1 Budgeted financial statements

#### 3.1.1 Differences between entity resourcing and financial statements

There are minor variances between resourcing and expenses in 2024-25, 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 attributable to the depreciation and amortisation expenses for the year. Total revenue from Government increases slightly across the forward estimates due to indexation adjustments.

##### **Budgeted departmental balance sheet**

The budgeted net asset position decreases across the forward estimates due to a reduction in non-financial assets because of depreciation and amortisation offset by a reduction in 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**

	2023-24 Estimated actual \$'000	2024-25 Budget \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000	2027-28 Forward estimate \$'000
<b>EXPENSES</b>					
Employee benefits	18,212	18,165	18,086	18,052	18,536
Suppliers	2,750	2,977	4,704	5,817	5,439
Depreciation and amortisation (a)	4,195	4,277	2,910	2,018	1,779
Finance costs	118	48	13	-	-
<b>Total expenses</b>	<b>25,275</b>	<b>25,467</b>	<b>25,713</b>	<b>25,887</b>	<b>25,754</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Sale of goods and rendering of services	837	561	12	7	-
Other	64	64	64	64	64
<b>Total own-source revenue</b>	<b>901</b>	<b>625</b>	<b>76</b>	<b>71</b>	<b>64</b>
<b>Total own-source income</b>	<b>901</b>	<b>625</b>	<b>76</b>	<b>71</b>	<b>64</b>
<b>Net (cost of)/contribution by services</b>	<b>(24,374)</b>	<b>(24,842)</b>	<b>(25,637)</b>	<b>(25,816)</b>	<b>(25,690)</b>
Revenue from Government	22,426	22,976	23,319	23,798	23,911
<b>Surplus/(deficit) attributable to the Australian Government</b>	<b>(1,948)</b>	<b>(1,866)</b>	<b>(2,318)</b>	<b>(2,018)</b>	<b>(1,779)</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
<b>Total comprehensive income/(loss)</b>	<b>(1,948)</b>	<b>(1,866)</b>	<b>(2,318)</b>	<b>(2,018)</b>	<b>(1,779)</b>
<b>Total comprehensive income/(loss) attributable to the Australian Government</b>	<b>(1,948)</b>	<b>(1,866)</b>	<b>(2,318)</b>	<b>(2,018)</b>	<b>(1,779)</b>

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

**Note: Impact of net cash appropriation arrangements**

	2023-24 Estimated actual \$'000	2024-25 Budget \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000	2027-28 Forward estimate \$'000
<b>Total comprehensive income/(loss)</b>					
<b>- as per statement of Comprehensive Income</b>	<b>(1,948)</b>	<b>(1,866)</b>	<b>(2,318)</b>	<b>(2,018)</b>	<b>(1,779)</b>
plus: depreciation/amortisation of assets funded through appropriations (departmental capital budget funding and/or equity injections) (a)	2,251	2,333	2,304	2,018	1,779
plus: depreciation/amortisation expenses for ROU assets (b)	1,944	1,944	606	-	-
less: lease principal repayments (b)	2,247	2,411	592	-	-
<b>Net Cash Operating Surplus/ (Deficit)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Prepared on Australian Accounting Standards basis.

a) From 2010-11, The Government introduced net cash appropriation arrangements that provided non-corporate Commonwealth entities with a separate Departmental Capital Budget (DCB) under Appropriation Bill (No.1). This replaced revenue appropriations provided under Appropriation Bill (No.1) used for the depreciation/amortisation expenses. For information regarding DCBs, please refer to Table 3.5 Departmental Capital Budget Statement.

b) Applies to leases under AASB 16 Leases.

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

	2023-24 Estimated actual \$'000	2024-25 Budget \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000	2027-28 Forward estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	300	300	300	300	300
Trade and other receivables	12,051	12,059	12,134	12,134	12,134
<b>Total financial assets</b>	<b>12,351</b>	<b>12,359</b>	<b>12,434</b>	<b>12,434</b>	<b>12,434</b>
<b>Non-financial assets</b>					
Land and buildings	2,776	685	55	55	55
Property, plant and equipment	1,326	1,465	940	395	521
Intangibles	8,011	7,003	6,583	6,463	5,926
Other non-financial assets	157	157	157	157	157
<b>Total non-financial assets</b>	<b>12,270</b>	<b>9,310</b>	<b>7,735</b>	<b>7,070</b>	<b>6,659</b>
Assets held for sale					
<b>Total assets</b>	<b>24,621</b>	<b>21,669</b>	<b>20,169</b>	<b>19,504</b>	<b>19,093</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	336	336	336	336	336
Other payables	1,007	1,015	1,090	1,090	1,090
<b>Total payables</b>	<b>1,343</b>	<b>1,351</b>	<b>1,426</b>	<b>1,426</b>	<b>1,426</b>
<b>Interest bearing liabilities</b>					
Leases	3,024	613	21	21	21
<b>Total interest bearing liabilities</b>	<b>3,024</b>	<b>613</b>	<b>21</b>	<b>21</b>	<b>21</b>
<b>Provisions</b>					
Employee provisions	6,542	6,542	6,542	6,542	6,542
Other provisions	778	778	778	778	778
<b>Total provisions</b>	<b>7,320</b>	<b>7,320</b>	<b>7,320</b>	<b>7,320</b>	<b>7,320</b>
<b>Total liabilities</b>	<b>11,687</b>	<b>9,284</b>	<b>8,767</b>	<b>8,767</b>	<b>8,767</b>
<b>Net assets</b>	<b>12,934</b>	<b>12,385</b>	<b>11,402</b>	<b>10,737</b>	<b>10,326</b>
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed equity	43,728	45,045	46,380	47,733	49,101
Reserves	17	17	17	17	17
Retained surplus (accumulated deficit)	(30,811)	(32,677)	(34,995)	(37,013)	(38,792)
<b>Total parent entity interest</b>	<b>12,934</b>	<b>12,385</b>	<b>11,402</b>	<b>10,737</b>	<b>10,326</b>
<b>Total equity</b>	<b>12,934</b>	<b>12,385</b>	<b>11,402</b>	<b>10,737</b>	<b>10,326</b>

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 2024-25)**

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance as at 1 July 2024</b>					
Balance carried forward from previous period	(30,811)	17	-	43,728	12,934
<b>Adjusted opening balance</b>	<b>(30,811)</b>	<b>17</b>	<b>-</b>	<b>43,728</b>	<b>12,934</b>
<b>Comprehensive income</b>					
Surplus/(deficit) for the period	(1,866)	-	-	-	(1,866)
<b>Total comprehensive income</b>	<b>(1,866)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,866)</b>
of which:					
Attributable to the Australian Government	(32,677)	17	-	43,728	11,068
<b>Transactions with owners</b>					
<b>Contributions by owners</b>					
Departmental Capital Budget (DCB)	-	-	-	1,317	1,317
<b>Sub-total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,317</b>	<b>1,317</b>
<b>Estimated closing balance as at 30 June 2025</b>	<b>(32,677)</b>	<b>17</b>	<b>-</b>	<b>45,045</b>	<b>12,385</b>
Less: non-controlling interests*	-	-	-	-	-
<b>Closing balance attributable to the Australian Government</b>	<b>(32,677)</b>	<b>17</b>	<b>-</b>	<b>45,045</b>	<b>12,385</b>

Prepared on Australian Accounting Standards basis.

\* The non-controlling interest disclosure is not required if an entity does not have non-controlling interests.

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

	2023-24 Estimated actual \$'000	2024-25 Budget \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000	2027-28 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	23,925	22,968	23,244	23,798	23,911
Sale of goods and rendering of services	837	561	12	7	-
Net GST received	546	568	577	604	604
<b>Total cash received</b>	<b>25,308</b>	<b>24,097</b>	<b>23,833</b>	<b>24,409</b>	<b>24,515</b>
<b>Cash used</b>					
Employees	17,685	18,157	18,011	18,052	18,536
Suppliers	2,686	2,913	4,640	5,753	5,375
Net GST paid	546	568	577	604	604
Interest payments on lease liability	118	48	13	-	-
<b>Total cash used</b>	<b>21,035</b>	<b>21,686</b>	<b>23,241</b>	<b>24,409</b>	<b>24,515</b>
<b>Net cash from/(used by) operating activities</b>	<b>4,273</b>	<b>2,411</b>	<b>592</b>	<b>-</b>	<b>-</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment and intangibles	3,280	1,317	1,335	1,353	1,368
<b>Total cash used</b>	<b>3,280</b>	<b>1,317</b>	<b>1,335</b>	<b>1,353</b>	<b>1,368</b>
<b>Net cash from/(used by) investing activities</b>	<b>(3,280)</b>	<b>(1,317)</b>	<b>(1,335)</b>	<b>(1,353)</b>	<b>(1,368)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Contributed equity	1,280	1,317	1,335	1,353	1,368
<b>Total cash received</b>	<b>1,280</b>	<b>1,317</b>	<b>1,335</b>	<b>1,353</b>	<b>1,368</b>
<b>Cash used</b>					
Principal payments on lease liability	2,247	2,411	592	-	-
<b>Total cash used</b>	<b>2,247</b>	<b>2,411</b>	<b>592</b>	<b>-</b>	<b>-</b>
<b>Net cash from/(used by) financing activities</b>	<b>(967)</b>	<b>(1,094)</b>	<b>743</b>	<b>1,353</b>	<b>1,368</b>
<b>Net increase/(decrease) in cash held</b>	<b>26</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	274	300	300	300	300
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>300</b>	<b>300</b>

Prepared on Australian Accounting Standards basis.

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

	2023-24 Estimated actual \$'000	2024-25 Budget \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000	2027-28 Forward estimate \$'000
<b>NEW CAPITAL APPROPRIATIONS</b>					
Capital budget - Bill 1 (DCB)	1,280	1,317	1,335	1,353	1,368
<b>Total new capital appropriations</b>	<b>1,280</b>	<b>1,317</b>	<b>1,335</b>	<b>1,353</b>	<b>1,368</b>
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	1,280	1,317	1,335	1,353	1,368
<b>Total items</b>	<b>1,280</b>	<b>1,317</b>	<b>1,335</b>	<b>1,353</b>	<b>1,368</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations (a)	1,280	1,317	1,335	1,353	1,368
Funded internally from departmental resources (b)	2,000	-	-	-	-
<b>TOTAL</b>	<b>3,280</b>	<b>1,317</b>	<b>1,335</b>	<b>1,353</b>	<b>1,368</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	3,280	1,317	1,335	1,353	1,368
<b>Total cash used to acquire assets</b>	<b>3,280</b>	<b>1,317</b>	<b>1,335</b>	<b>1,353</b>	<b>1,368</b>

Prepared on Australian Accounting Standards basis.

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

(b) Includes the following s74 external receipts:

- sponsorship, subsidy, gifts or similar contribution;
- internally developed assets; and
- proceeds from the sale of assets.

**Table 3.6: Statement of departmental asset movements (Budget year 2024-25)**

	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2024</b>				
Gross book value	655	2,379	25,670	28,704
Gross book value - ROU assets	13,751	55	-	13,806
Accumulated depreciation/ amortisation and impairment	(428)	(1,094)	(17,659)	(19,181)
Accumulated depreciation/amortisation and impairment - ROU assets	(11,202)	(14)	-	(11,216)
<b>Opening net book balance</b>	<b>2,776</b>	<b>1,326</b>	<b>8,011</b>	<b>12,113</b>
<b>Capital asset additions</b>				
<b>Estimated expenditure on new or replacement assets</b>				
By purchase – appropriation ordinary annual services (a)	-	580	737	1,317
<b>Total additions</b>	<b>-</b>	<b>580</b>	<b>737</b>	<b>1,317</b>
<b>Other movements</b>				
Depreciation/amortisation expense	(147)	(441)	(1,745)	(2,333)
Depreciation/amortisation on ROU assets	(1,944)	-	-	(1,944)
<b>Total other movements</b>	<b>(2,091)</b>	<b>(441)</b>	<b>(1,745)</b>	<b>(4,277)</b>
<b>As at 30 June 2025</b>				
Gross book value	655	2,959	26,407	30,021
Gross book value - ROU assets	13,751	55	-	13,806
Accumulated depreciation/ amortisation and impairment	(575)	(1,535)	(19,404)	(21,514)
Accumulated depreciation/amortisation and impairment - ROU assets	(13,146)	(14)	-	(13,160)
<b>Closing net book balance</b>	<b>685</b>	<b>1,465</b>	<b>7,003</b>	<b>9,153</b>

Prepared on Australian Accounting Standards basis.

(a) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No.2) 2024-25 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)**

	2023-24 Estimated actual \$'000	2024-25 Budget \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000	2027-28 Forward estimate \$'000
<b>EXPENSES</b>					
Suppliers	10,831	7,505	7,367	7,539	7,728
Grants	850,344	1,023,823	1,033,618	1,080,071	1,108,694
<b>Total expenses administered on behalf of Government</b>	<b>861,175</b>	<b>1,031,328</b>	<b>1,040,985</b>	<b>1,087,610</b>	<b>1,116,422</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
<b>Non-taxation revenue</b>					
Other revenue	9,721	9,721	9,721	9,721	9,721
<b>Total non-taxation revenue</b>	<b>9,721</b>	<b>9,721</b>	<b>9,721</b>	<b>9,721</b>	<b>9,721</b>
<b>Total own-source revenue administered on behalf of Government</b>	<b>9,721</b>	<b>9,721</b>	<b>9,721</b>	<b>9,721</b>	<b>9,721</b>
<b>Total own-sourced income administered on behalf of Government</b>	<b>9,721</b>	<b>9,721</b>	<b>9,721</b>	<b>9,721</b>	<b>9,721</b>
<b>Net (cost of)/contribution by services</b>	<b>(851,454)</b>	<b>(1,021,607)</b>	<b>(1,031,264)</b>	<b>(1,077,889)</b>	<b>(1,106,701)</b>
<b>Surplus/(deficit) before income tax</b>	<b>(851,454)</b>	<b>(1,021,607)</b>	<b>(1,031,264)</b>	<b>(1,077,889)</b>	<b>(1,106,701)</b>
<b>Surplus/(deficit) after income tax</b>	<b>(851,454)</b>	<b>(1,021,607)</b>	<b>(1,031,264)</b>	<b>(1,077,889)</b>	<b>(1,106,701)</b>
<b>Total comprehensive income/(loss)</b>	<b>(851,454)</b>	<b>(1,021,607)</b>	<b>(1,031,264)</b>	<b>(1,077,889)</b>	<b>(1,106,701)</b>

Prepared on Australian Accounting Standards basis.

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

	2023-24 Estimated actual \$'000	2024-25 Budget \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000	2027-28 Forward estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	2,120	2,120	2,120	2,120	2,120
Trade and other receivables	122	122	122	122	122
<b>Total financial assets</b>	<b>2,242</b>	<b>2,242</b>	<b>2,242</b>	<b>2,242</b>	<b>2,242</b>
<b>Non-financial assets</b>					
Other non-financial assets	255	255	255	255	255
<b>Total non-financial assets</b>	<b>255</b>	<b>255</b>	<b>255</b>	<b>255</b>	<b>255</b>
<b>Total assets administered on behalf of Government</b>	<b>2,497</b>	<b>2,497</b>	<b>2,497</b>	<b>2,497</b>	<b>2,497</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	500	500	500	500	500
Grants	255,369	255,369	255,369	255,369	255,369
<b>Total payables</b>	<b>255,869</b>	<b>255,869</b>	<b>255,869</b>	<b>255,869</b>	<b>255,869</b>
<b>Total liabilities administered on behalf of Government</b>	<b>255,869</b>	<b>255,869</b>	<b>255,869</b>	<b>255,869</b>	<b>255,869</b>
<b>Net assets/(liabilities)</b>	<b>(253,372)</b>	<b>(253,372)</b>	<b>(253,372)</b>	<b>(253,372)</b>	<b>(253,372)</b>

Prepared on Australian Accounting Standards basis.

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

	2023-24 Estimated actual \$'000	2024-25 Budget \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000	2027-28 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Net GST received	1,956	1,956	1,956	1,956	1,956
Other	9,721	9,721	9,721	9,721	9,721
<b>Total cash received</b>	<b>11,677</b>	<b>11,677</b>	<b>11,677</b>	<b>11,677</b>	<b>11,677</b>
<b>Cash used</b>					
Grant	851,414	1,023,823	1,033,618	1,080,071	1,108,694
Suppliers	10,831	7,505	7,367	7,539	7,728
Net GST paid	1,956	1,956	1,956	1,956	1,956
<b>Total cash used</b>	<b>864,201</b>	<b>1,033,284</b>	<b>1,042,941</b>	<b>1,089,566</b>	<b>1,118,378</b>
<b>Net cash from/(used by) operating activities</b>	<b>(852,524)</b>	<b>(1,021,607)</b>	<b>(1,031,264)</b>	<b>(1,077,889)</b>	<b>(1,106,701)</b>
<b>Net increase/(decrease) in cash held</b>	<b>(852,524)</b>	<b>(1,021,607)</b>	<b>(1,031,264)</b>	<b>(1,077,889)</b>	<b>(1,106,701)</b>
Cash and cash equivalents at beginning of reporting period	2,120	2,120	2,120	2,120	2,120
Cash from Official Public Account for:					
- Appropriations	864,201	1,033,284	1,042,941	1,087,610	1,116,422
<b>Total cash from Official Public Account</b>	<b>864,201</b>	<b>1,033,284</b>	<b>1,042,941</b>	<b>1,087,610</b>	<b>1,116,422</b>
Cash to Official Public Account for:					
- Appropriations	11,677	11,677	11,677	9,721	9,721
<b>Total cash to Official Public Account</b>	<b>11,645</b>	<b>11,677</b>	<b>11,677</b>	<b>9,721</b>	<b>9,721</b>
<b>Cash and cash equivalents at end of reporting period</b>	<b>2,120</b>	<b>2,120</b>	<b>2,120</b>	<b>2,120</b>	<b>2,120</b>

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 2024-25)**

ARC has no administered asset movements, therefore Table 3.11 is not presented.