

AUSTRALIAN RESEARCH COUNCIL

ENTITY RESOURCES AND PLANNED PERFORMANCE

AUSTRALIAN RESEARCH COUNCIL

SECTION 1: ENTITY OVERVIEW AND RESOURCES	141
1.1 Strategic direction statement.....	141
1.2 Entity resource statement.....	143
1.3 Budget measures	145
SECTION 2: OUTCOMES AND PLANNED PERFORMANCE	146
2.1 Budgeted expenses and performance for Outcome 1	147
SECTION 3: BUDGETED FINANCIAL STATEMENTS.....	155
3.1 Budgeted financial statements	155
3.2 Budgeted financial statements tables	156

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 on research matters.

Through the NCGP, the ARC supports excellent research and research training across all disciplines, awarding funding based on a competitive peer review process. The NCGP comprises two programs, Discovery and Linkage, which fund a range of complementary schemes that provide funding for basic and applied research, research training, research 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's priorities for 2020–21 include:

- delivering the NCGP effectively and efficiently, including responding to recommendations from the ANAO performance audit into the administration of the NCGP
- continuing to provide high quality advice to the Minister on research matters including in areas of Government focus (for example, strengthening linkages between research and business)
- analysing and disseminating data and insights arising from the ERA and EI exercises for the benefit of Government, universities, and other stakeholders
- reviewing the ERA and EI exercises
- working with stakeholders in delivering program and policy responsibilities, including through consultations and in raising awareness of research funded by the ARC

ARC Budget Statements

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

The ARC acknowledges the impact that COVID-19 has had on the university research sector. It will continue to monitor the ongoing impact of COVID-19 on researchers and institutions and make further modifications to its activities as needed.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to 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: ARC resource statement — Budget estimates for 2020–21 as at Budget October 2020

	2019–20 Estimated actual \$'000	2020–21 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available	20,912	19,448
Departmental appropriation (b)	21,226	21,309
s74 External Revenue (c)	2	-
Departmental capital budget (d)	1,438	1,234
Annual appropriations - other services - non-operating (e)		
Prior year appropriations available	56	-
Total departmental annual appropriations	<u>43,634</u>	<u>41,991</u>
Total departmental resourcing	43,634	41,991
Administered		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available (f)	1,302	3,579
Outcome 1	9,457	8,669
Total administered annual appropriations	<u>10,759</u>	<u>12,248</u>
Special Appropriation - <i>Australian Research Council Act 2001</i> (g)	<u>762,541</u>	<u>803,409</u>
Total administered special appropriations	<u>762,541</u>	<u>803,409</u>
Special accounts (h)		
Opening balance	1,807	1,031
Appropriation receipts (i)	3,684	2,791
Total special account receipts	<u>5,491</u>	<u>3,822</u>
<i>less administered appropriations drawn from annual/special appropriations and credited to special accounts</i>	<u>3,684</u>	<u>2,791</u>
Total administered resourcing	775,107	816,688
Total resourcing for Australian Research Council	818,740	858,679
	<u>2019–20</u>	<u>2020–21</u>
Average staffing level (number)	129	136

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) and Supply Bill (No. 1).
- (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 Supply 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) Appropriation Bill (No. 2).
- (f) Excludes \$1.446 million subject to administrative quarantine by Finance or withheld under section 51 of the PGPA Act. Note prior year Administered annual appropriations are only available to meet commitments entered into prior to 2020–21.
- (g) Special Appropriation funded under the *Australian Research Council Act 2001*. Note the figure shown is the appropriation applied in 2020–21. The appropriation available was \$786,212,000 less the funding reprofiled for the Special Research Initiative for Australian Society, History and Culture.
- (h) ARC Research Endowment Account - s80 PGPA Act 2013 [s62 *Australian Research Council Act 2001*]. 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.
- (i) Amounts credited to the special account(s) from entity Australian Research Council's annual and special appropriations.

1.3 BUDGET MEASURES

Table 1.2: Department of Education, Skills and Employment 2020–21 Budget measures

Part 1: Measures announced after the Economic and Fiscal Update July 2020

ARC have no measures announced in the Budget therefore this table is not presented.

Part 2: Other measures not previously reported in a portfolio statement

	2020–21	2021–22	2022–23	2023–24
Program	\$'000	\$'000	\$'000	\$'000
Payment measures				
Higher Education Reform - more job ready graduates (a)	1.2			
Administered expenses	3,044	4,131	4,226	1,070
Departmental expenses	-	-	-	-
Total	3,044	4,131	4,226	1,070
Total expense measures				
Administered	3,044	4,131	4,226	1,070
Departmental	-	-	-	-
Total	3,044	4,131	4,226	1,070

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 decision was made following 2019–20 Portfolio Additional Estimates and as such has not been reported in a portfolio statement. This measure was published in the *Economic and Fiscal Update July 2020*, pages 123-124, relating to the Special Research Initiative for Australian Society, History and Culture.

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 2.2.1: Budgeted expenses for Outcome 1

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
Program 1.1: Discovery - Research and Research Training					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	970	1,190	1,198	1,214	1,235
Special appropriations					
<i>Australian Research Council Act 2001</i>	485,754	483,272	487,016	487,860	490,610
Total expenses for program 1.1	486,724	484,462	488,214	489,074	491,845
Program 1.2: Linkage - Cross Sector Research Partnerships					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	1,486	1,551	1,560	1,579	1,608
Special appropriations					
<i>Australian Research Council Act 2001</i>	289,102	322,181	323,871	325,240	327,074
Special accounts					
ARC Research Endowment Account - s80 PGPA Act 2013 (s62 <i>Australian Research Council Act 2001</i>)	4,461	2,791	807	-	-
Total expenses for program 1.2	295,049	326,523	326,238	326,819	328,682
Program 1.3: Excellence in Research in Australia					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	1,104	3,137	3,155	5,441	3,254
Total expenses for program 1.3	1,104	3,137	3,155	5,441	3,254
ARC - Departmental					
Departmental expenses					
Departmental appropriation	20,195	21,309	21,264	21,278	21,362
s74 External Revenue (a)	2	-	-	-	-
Expenses not requiring appropriation in the Budget year (b)	4,561	3,028	2,902	2,663	2,291
Total expenses for Departmental	24,758	24,337	24,166	23,941	23,653

Table 2.2.1: Budgeted expenses for Outcome 1 (continued)

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
Outcome 1 Totals by appropriation type					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	3,560	5,878	5,913	8,234	6,097
Special appropriations	774,856	805,453	810,887	813,100	817,684
Special accounts	4,461	2,791	807	-	-
Administered total	782,877	814,122	817,607	821,334	823,781
Departmental expenses					
Departmental appropriation	20,195	21,309	21,264	21,278	21,362
s74 External Revenue (a)	2	-	-	-	-
Expenses not requiring appropriation in the Budget year (b)	4,561	3,028	2,902	2,663	2,291
Departmental total	24,758	24,337	24,166	23,941	23,653
Total expenses for Outcome 1	807,635	838,459	841,773	845,275	847,434
Movement of administered funds between years (c)					
	2019–20 Estimated	2020–21 Budget	2021–22 Forward	2022–23 Forward	2023–24 Forward
Outcome 1:					
Program 1.3:Discovery - Excellence in Research in Australia	(2,301)	-	-	2,301	-
Total movement of administered funds	(2,301)	-	-	2,301	-
Average staffing level (number)					
	2019–20	2020–21			
	129	136			

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

Performance criteria for Outcome 1

This section details the performance criteria for each program associated with Outcome 1. It summarises how each program is delivered and where 2020–21 Budget measures have created new programs or materially changed existing programs.

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

Program 1.1: Discovery – Research and Research Training

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

Performance information 1.1 Discovery – Research and Research Training

Year	Performance criteria	2019–20 Actual Achievement/Targets
2019–20	<p>The Discovery Program contributes to the growth of knowledge and innovation in Australia by funding:</p> <ul style="list-style-type: none"> excellent research and researchers research training and career development international collaboration research in areas of priority. <p>The Discovery Program produces outcomes that improve our fundamental understanding of the world and/or provide economic, environmental, social, health and/or cultural benefits for Australia.</p>	<p>Final reporting data for 2019-20</p> <ul style="list-style-type: none"> 16.1% of Discovery Program funding allocated to support early career researchers under the DECRA scheme 82.6% of Discovery Program research projects commencing in 2019–20 involve international collaboration 61.2% of Discovery Program research projects commencing in 2019–20 address an Australian Government National Science and Research Priority. <p>Case studies demonstrating the benefits arising from Discovery Program research will be provided in the ARC annual report for 2019-20.</p>

ARC Budget Statements

Year	Performance criteria	2019–20 Actual Achievement/Targets
2020–21	<p>The Discovery Program contributes to the growth of knowledge and innovation in Australia by funding:</p> <ul style="list-style-type: none"> • excellent research and researchers • research training and career development • international collaboration • research in areas of priority. <p>The Discovery program produces outcomes that improve our fundamental understanding of the world and/or provide economic, environmental, social, health and/or cultural benefits for Australia.</p>	<ul style="list-style-type: none"> • Target: ARC manages NCGP application and assessment processes fairly and in accordance with Grant Guidelines • Target: 70% of ARC-funded research projects involve international collaboration • Target: 55% of ARC-Discovery Programs indicate research will be in one of the Australian Government's National Science and Research Priority areas.
2021–22 and beyond	As per 2020–21	<ul style="list-style-type: none"> • Target: ARC manages NCGP application and assessment processes fairly and in accordance with Grant Guidelines • Target: 70% of ARC-funded research projects involve international collaboration • Target: 55% of ARC-Discovery Program indicate research will be in one of the Australian Government's National Science and Research Priority areas.

Program 1.2: Linkage – Cross Sector Research Partnerships

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

Performance information 1.2 Linkage – Cross Sector Research Partnerships

Year	Performance criteria	2019–20 Actual Achievement/Targets
2019–20	<p>The Linkage Program contributes to the growth of knowledge and innovation in Australia by funding:</p> <ul style="list-style-type: none"> • excellent collaborative research and researchers • industrial research training and career development • partnerships between universities and research end-users • research in areas of priority. 	<p>Final reporting data for 2019–20:</p> <ul style="list-style-type: none"> • partner organisations involved in Linkage Projects have pledged \$1.64 for every dollar awarded by the ARC • 94.8% of Linkage Projects Partner Organisations were satisfied with research partnerships supported through the scheme • 77.8% of Linkage Program research projects commencing in 2019–20 address an Australian Government Science and Research Priority area • 100% of recommendations to the Minister under the Linkage Projects scheme have been made within six months of submission • 58.3% of Linkage Program research projects commencing in 2019–20 involve international collaboration • 11.2% of Linkage Program funding allocated to support industrial research training under the <i>Industrial Transformation Training Centres scheme</i>. <p>Case studies demonstrating the benefits arising from Linkage Program research will be provided in the ARC annual report for 2019-20</p>

ARC Budget Statements

Year	Performance criteria	2019–20 Actual Achievement/Targets
2020–21	<p>The Linkage Program contributes to the growth of knowledge and innovation in Australia by funding:</p> <ul style="list-style-type: none"> • excellent collaborative research and researchers • industrial research training and career development • partnerships between universities and research end-users • research in areas of priority. 	<ul style="list-style-type: none"> • Target: ARC manages NCGP application and assessment processes fairly and in accordance with Grant Guidelines • Target: 70% of ARC-funded research projects involve international collaboration • Target: Maintain or increase (\geq \$1 for every ARC dollar) the level of co-funding from partner organisations involved in ARC funded research (Linkage Projects scheme) • Target: 70% of ARC-Linkage Program research projects indicate research will be in one of the Australian Government's National Science and Research Priority areas.
2021–22 and beyond	As per 2020–21	<ul style="list-style-type: none"> • Target: ARC manages NCGP application and assessment processes fairly and in accordance with Grant Guidelines • Target: 70% of ARC-funded research projects involve international collaboration • Target: Maintain or increase (\geq \$1 for every ARC dollar) the level of co-funding from partner organisations involved in ARC funded research (Linkage Projects scheme) • Target: 70% of ARC-Linkage Program research projects indicate research will be in one of the Australian Government's National Science and Research Priority areas.

Program 1.3: Excellence in Research for Australia

Objective	<p>Through the Excellence in Research for Australia (ERA) program the ARC aims to improve Australia's research capacity by evaluating research at eligible Australian higher education institutions against international benchmarks and identifying excellence across the full spectrum of research activities. The program includes both the research quality 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>
Delivery	<p>The program is delivered through the following activities:</p> <ul style="list-style-type: none"> • administering an evaluation framework to measure and report on the quality of research conducted at Australia's higher education institutions • administering a framework to assess engagement and show how universities are translating their research into economic, social, environmental, cultural and other impacts • informing strategic policy advice on research quality, engagement and impact.
Purposes	<p>The ARC's purpose is to grow knowledge and innovation for the benefit of the Australian community by funding the highest quality research, assessing the quality, engagement and impact of research and providing advice on research matters.</p>

Performance information 1.3 Excellence in Research for Australia

Year	Performance criteria	2019–20 Actual Achievement/Targets
2019–20	<p>The ERA program, including the research quality evaluation framework and EI assessment framework, contributes to the growth of knowledge and innovation in Australia by:</p> <ul style="list-style-type: none"> • providing assurance of the quality of research in Australia • encouraging excellent, internationally competitive research • encouraging impactful engagement within and beyond the research sector 	<ul style="list-style-type: none"> • ERA program reports and activities inform Australian Government policy. • ERA program reports and activities inform strategic planning at eligible Australian higher education institutions.
2020–21	<p>The ERA program, including the research quality evaluation framework and EI assessment framework, contributes to the growth of knowledge and innovation in Australia by:</p> <ul style="list-style-type: none"> • providing assurance of the quality of research in Australia • encouraging excellent, internationally competitive research • encouraging impactful engagement within and beyond the research sector 	<ul style="list-style-type: none"> • Target: ERA and EI methodology is reviewed • Target: Use of ERA program data to assist in the development of Australian Government policies • Target: Use of ERA program data to inform the strategic planning of Australian universities.

ARC Budget Statements

Year	Performance criteria	2019–20 Actual Achievement/Targets
2021–22 and beyond	As per 2020–21	<ul style="list-style-type: none">• Target: Use of ERA program data to assist in the development of Australian Government policies• Target: Use of ERA program data to inform the strategic planning of Australian universities• Target: 2023–24 — Research quality of participating universities is assessed and reported on.

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of ARC's finances for the 2020–21 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

There are no material variances between the entity resources table and the budgeted financial statements. There is a minor variance between resourcing and expenses, which reflects the administered annual appropriation being credited to the ARC Research Endowment Special Account.

3.1.2 Explanatory notes and analysis of budgeted financial statements

The ARC has had measures announced since the 2019–20 Portfolio Additional Estimates, Special Research Initiative for Australian Society, History and Culture, was outlined as part of the *Higher Education Reform – more job ready graduates* measure published in the Economic and Fiscal Update July 2020.

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. The depreciation and amortisation expenses have increased since the 2019–20 Budget due to the adoption of the new accounting standard relating to leases, AASB16. Total expenses for 2020–21 are estimated to be \$24.3 million.

Budgeted departmental balance sheet

The budgeted net asset position of \$21.7 million for 2020–21 represents a decrease of \$1.7 million from 2019–20 the majority of which relates to a reduction in receivables.

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
EXPENSES					
Employee benefits	16,961	16,694	17,019	17,349	17,366
Suppliers	2,828	2,766	2,351	1,989	2,009
Depreciation and amortisation (a)	4,494	4,563	4,543	4,415	4,160
Finance costs	459	314	253	188	118
Losses from asset sales	15	-	-	-	-
Total expenses	24,757	24,337	24,166	23,941	23,653
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Other	61	60	60	60	60
Total own-source revenue	61	60	60	60	60
Total own-source income	61	60	60	60	60
Net (cost of)/contribution by services	(24,696)	(24,277)	(24,106)	(23,881)	(23,593)
Revenue from Government	21,226	21,309	21,264	21,278	21,362
Surplus/(deficit) attributable to the Australian Government	(3,470)	(2,968)	(2,842)	(2,603)	(2,231)
Total comprehensive income/(loss) attributable to the Australian Government	(3,470)	(2,968)	(2,842)	(2,603)	(2,231)
Note: Impact of net cash appropriation arrangements					
Total comprehensive income/(loss) excluding depreciation/ amortisation expenses previously funded through revenue appropriations, depreciation on ROU, principal repayments on leased assets	(823)	-	-	-	-
less: Depreciation/amortisation expenses previously funded through revenue appropriations (a)	2,405	2,787	2,767	2,639	2,384
less: depreciation/amortisation expenses for ROU assets (b)	2,089	1,776	1,776	1,776	1,776
add: Principal repayments on leased assets (b)	1,847	1,595	1,701	1,812	1,929
Total comprehensive income/(loss) - as per the statement of comprehensive income	(3,470)	(2,968)	(2,842)	(2,603)	(2,231)

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 equity appropriations. For information regarding DCBs, please refer to Table 3.5 Departmental Capital Budget Statement.
- (b) Applies leases under AASB 16 Leases.

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	811	811	811	811	811
Trade and other receivables	20,746	19,235	19,250	18,658	18,658
Total financial assets	21,557	20,046	20,061	19,469	19,469
Non-financial assets					
Land and buildings	10,513	9,027	7,271	5,515	3,759
Property, plant and equipment	546	406	258	1,185	1,751
Intangibles	8,709	8,268	6,649	4,594	2,862
Other non-financial assets	209	209	209	209	209
Total non-financial assets	19,977	17,910	14,387	11,503	8,581
Total assets	41,534	37,956	34,448	30,972	28,050
LIABILITIES					
Payables					
Suppliers	543	543	543	543	543
Other payables	266	330	397	397	397
Total payables	809	873	940	940	940
Interest bearing liabilities					
Leases	11,266	9,358	7,393	5,287	3,358
Total interest bearing liabilities	11,266	9,358	7,393	5,287	3,358
Provisions					
Employee provisions	5,605	5,605	5,605	5,605	5,605
Other provisions	387	387	387	387	387
Total provisions	5,992	5,992	5,992	5,992	5,992
Total liabilities	18,067	16,223	14,325	12,219	10,290
Net assets	23,467	21,733	20,123	18,753	17,760
EQUITY*					
Parent entity interest					
Contributed equity	38,740	39,974	41,206	42,439	43,677
Reserves	75	75	75	75	75
Retained surplus (accumulated deficit)	(15,348)	(18,316)	(21,158)	(23,761)	(25,992)
Total parent entity interest	23,467	21,733	20,123	18,753	17,760
Attributed to non-controlling interest					
Contributed equity	-	-	-	-	-
Total non-controlling interest	-	-	-	-	-
Total equity	23,467	21,733	20,123	18,753	17,760

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 2020–21)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2020					
Balance carried forward from previous period	(15,348)	75	-	38,740	23,467
Adjustment for changes in accounting policies	-	-	-	-	-
Adjusted opening balance	(15,348)	75	-	38,740	23,467
Comprehensive income					
Surplus/(deficit) for the period	(2,968)	-	-	-	(2,968)
Total comprehensive income	(2,968)	-	-	-	(2,968)
Transactions with owners					
Contributions by owners					
Departmental Capital Budget (DCB)	-	-	-	1,234	1,234
Sub-total transactions with owners	-	-	-	1,234	1,234
Transfers between equity components	-	-	-	-	-
Estimated closing balance as at 30 June 2021	-	-	-	1,234	1,234
Less: non-controlling interests*	-	-	-	-	-
Closing balance attributable to the Australian Government	(18,316)	75	-	39,974	21,733

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)

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	21,793	22,820	21,249	21,870	21,362
Net GST received	547	652	593	581	570
Other	78	-	-	-	-
Total cash received	22,418	23,472	21,842	22,451	21,932
Cash used					
Employees	16,184	16,630	16,952	17,349	17,366
Suppliers	2,800	2,706	2,291	1,929	1,949
Net GST paid	684	652	593	581	570
Interest payments on lease liability	454	314	253	188	118
Total cash used	20,122	20,302	20,089	20,047	20,003
Net cash from/(used by) operating activities	2,296	3,170	1,753	2,404	1,929
INVESTING ACTIVITIES					
Cash received					
Other	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Purchase of property, plant and equipment and intangibles	2,391	2,496	1,020	1,531	1,238
Total cash used	2,391	2,496	1,020	1,531	1,238
Net cash from/(used by) investing activities	(2,391)	(2,496)	(1,020)	(1,531)	(1,238)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	2,391	1,234	1,232	1,233	1,238
Total cash received	2,391	1,234	1,232	1,233	1,238
Cash used					
Principal payments on lease liability	1,847	1,908	1,965	2,106	1,929
Total cash used	1,847	1,908	1,965	2,106	1,929
Net cash from/(used by) financing activities	544	(674)	(733)	(873)	(691)
Net increase/(decrease) in cash held	449	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	362	811	811	811	811
Cash and cash equivalents at the end of the reporting period	811	811	811	811	811

Prepared on Australian Accounting Standards basis.

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	1,438	1,234	1,232	1,233	1,238
Total new capital appropriations	1,438	1,234	1,232	1,233	1,238
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	1,438	1,234	1,232	1,233	1,238
Total items	1,438	1,234	1,232	1,233	1,238
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation - DCB (a)	1,438	1,234	1,020	1,233	1,238
Funded internally from departmental resources (b)	1,047	1,262	-	298	-
TOTAL	2,485	2,496	1,020	1,531	1,238
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	2,391	2,496	1,020	1,531	1,238
Total cash used to acquire assets	2,391	2,496	1,020	1,531	1,238

Prepared on Australian Accounting Standards basis.

- (a) Does not include annual finance lease costs. Includes purchases from current and previous years' Departmental Capital Budgets (DCBs).
- (b) Includes the following sources of funding:
- current Bill 1 and prior year Act 1/3/5 appropriations (excluding amounts from the DCB)
 - donations and contributions
 - gifts
 - internally developed assets
 - s74 External Revenue
 - proceeds from the sale of assets.

Table 3.6: Statement of asset movements (Budget year 2020–21)

	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2020				
Gross book value	277	1,507	16,340	18,124
Gross book value - ROU assets	13,819	434	-	14,253
Accumulated depreciation/ amortisation and impairment	(156)	(977)	(7,631)	(8,764)
Accumulated depreciation/amortisation and impairment - ROU assets	(3,427)	(418)	-	(3,845)
Opening net book balance	10,513	546	8,709	19,768
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation ordinary annual services (a)	290	146	2,060	2,496
Total additions	290	146	2,060	2,496
Other movements				
Depreciation/amortisation expense	-	(286)	(2,501)	(2,787)
Depreciation/amortisation on ROU assets	(1,776)	-	-	(1,776)
Total other movements	(1,776)	(286)	(2,501)	(4,563)
As at 30 June 2021				
Gross book value	567	1,653	18,400	20,620
Gross book value - ROU assets	13,819	434	-	14,253
Accumulated depreciation/ amortisation and impairment	(156)	(1,263)	(10,132)	(11,551)
Accumulated depreciation/amortisation and impairment - ROU assets	(5,203)	(418)	-	(5,621)
Closing net book balance	9,027	406	8,268	17,701

Prepared on Australian Accounting Standards basis.

- (a) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2020–21 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)

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
EXPENSES					
Suppliers	3,559	5,878	5,913	8,234	6,097
Grants	779,317	808,244	811,694	813,100	817,684
Total expenses administered on behalf of Government	782,876	814,122	817,607	821,334	823,781
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Non-taxation revenue					
Other revenue	10,066	9,500	9,500	9,500	9,500
Total non-taxation revenue	10,066	9,500	9,500	9,500	9,500
Total own-source revenue administered on behalf of Government	10,066	9,500	9,500	9,500	9,500
Total own-sourced income administered on behalf of Government	10,066	9,500	9,500	9,500	9,500
Net (cost of)/contribution by services	772,810	804,622	808,107	811,834	814,281
Surplus/(deficit) before income tax	772,810	804,622	808,107	811,834	814,281
Surplus/(deficit) after income tax	772,810	804,622	808,107	811,834	814,281
Total comprehensive income/(loss)	772,810	804,622	808,107	811,834	814,281

Prepared on Australian Accounting Standards basis.

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	1,031	1,031	224	224	224
Trade and other receivables	278	278	278	278	278
Total financial assets	1,309	1,309	502	502	502
Non-financial assets					
Other non-financial assets	118	118	118	118	118
Total non-financial assets	118	118	118	118	118
Total assets administered on behalf of Government	1,427	1,427	620	620	620
LIABILITIES					
Payables					
Suppliers	153	153	153	153	153
Grants	194,023	196,067	195,303	194,286	193,216
Total payables	194,176	196,220	195,456	194,439	193,369
Total liabilities administered on behalf of Government	194,176	196,220	195,456	194,439	193,369
Net assets/(liabilities)	(192,749)	(194,793)	(194,836)	(193,819)	(192,749)

Prepared on Australian Accounting Standards basis.

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

	2019–20 Estimated actual \$'000	2020–21 Budget \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000	2023–24 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Net GST received	786	1,846	1,882	1,924	1,956
Other	10,255	9,500	9,500	9,500	9,500
Total cash received	11,041	11,346	11,382	11,424	11,456
Cash used					
Grant	767,002	806,200	812,458	814,117	818,754
Suppliers	3,496	5,878	5,913	8,234	6,097
Net GST paid	649	1,846	1,882	1,924	1,956
Total cash used	771,147	813,924	820,253	824,275	826,807
Net cash from/(used by) operating activities	(760,106)	(802,578)	(808,871)	(812,851)	(815,351)
Net increase/(decrease) in cash held	(760,106)	(802,578)	(808,871)	(812,851)	(815,351)
Cash and cash equivalents at beginning of reporting period	1,807	1,031	1,031	224	224
Cash from Official Public Account for:					
- Appropriations	765,909	811,133	818,639	824,275	836,302
- Special accounts	4,460	2,791	807	-	-
Total cash from Official Public Account	770,369	813,924	819,446	824,275	836,302
Cash to Official Public Account for:					
- Appropriations	(7,355)	(8,555)	(11,382)	(11,424)	(20,951)
- Special accounts	(3,684)	(2,791)	-	-	-
Total cash to Official Public Account	(11,039)	(11,346)	(11,382)	(11,424)	(20,951)
Cash and cash equivalents at end of reporting period	1,031	1,031	224	224	224

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 2020–21)

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