

# **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 as an independent body under the *Australian Research Council Act 2001* (ARC Act).

The ARC's outcome is the growth of knowledge and innovation through managing research funding schemes, measuring research excellence and providing research policy advice.

The ARC makes a distinctive contribution to Australia's research capability by shaping a research system that delivers fundamental knowledge for the social, environmental, cultural, and economic benefits of all Australians. The ARC's strategic goals centre on collaborative and influential leadership, championing the value of research, and empowering a diverse and talented research workforce. Through targeted and strategic delivery of the National Competitive Grants Program (NCGP), the ARC supports excellent early-stage<sup>34</sup> (non-medical) research that creates high-impact outcomes. The ARC's capability to provide expert advice and evaluation remains central to its purpose, supporting Australian governments, businesses, and communities with evidence-based insights to inform policy development and decision making on research matters.

Guided by a new ARC Strategy during 2026–27, the ARC Board will continue to shape the way the ARC supports research excellence; to strengthen Australia's capacity to respond to national challenges; and to nurture the next generation of researchers.

ARC key priorities for the year:

- Following agreement from government, implement improvements to the design and settings of the NCGP to ensure it is strategic, targeted, well designed, aligned to government priorities, and able to deliver visible returns on public investment.
- Strengthen safeguards relating to research security. The ARC will continue to work with universities, the Department of Education, national security agencies and other stakeholders to address the threat of foreign interference to Australia's research sector.
- Build trust in Australian research by delivering effective research integrity frameworks, in partnership with the National Health and Medical Research Council, universities, and other stakeholders, to uphold high standards of research conduct. This includes ensuring all applicants understand their obligations under Australian law, specifically relevant hate speech and anti-discrimination law.

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<sup>34</sup> The term 'early-stage research' refers to pure basic research, strategic basic research and applied research.

- Develop a new approach to evaluating the excellence, impact and depth of Australian university research. The Research Insights Capability will be data driven and offer greater insights to the research sector, Government and the Australian community. This new approach will replace the discontinued Excellence in Research for Australia and Engagement and Impact.
- Lead efforts to support First Nations researchers by enabling research across all disciplines, advancing First Nations leadership, and strengthening engagement with Aboriginal and Torres Strait Islander communities and organisations through the ARC's grants program.
- Support the effective and efficient operation of the ARC by enhancing the equity, fairness, and transparency of grant processes, while reducing administrative burden for both the sector and the agency.
- Work across government to improve the visibility and connection of research funding opportunities throughout the sector, contributing to nationally coordinated approaches, and continuing to partner with other Commonwealth entities to support the delivery of their research grants.
- Enhance Australia's international research reputation and maintain regular dialogue and collaboration with key international partners.
- Leverage data, analytics and communication capabilities to offer greater insight into the Australian research landscape and champion the value and impact of ARC-funded research.
- Capitalise on opportunities to strengthen the Research Management System (RMS) application's capability, scalability, and cyber security posture. Enhancing the RMS platform will continue to support efficient and effective research management while safeguarding the interests of the ARC's stakeholders.

## 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 2026-27 as at Budget May 2026**

	2025-26 Estimated actual \$'000	2026-27 Estimate \$'000
<b>Departmental</b>		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available	8,312	8,387
Departmental appropriation (b)	23,009	23,636
s74 External Revenue (c)	255	595
Departmental capital budget (d)	1,333	1,358
Total departmental annual appropriations	<u>32,909</u>	<u>33,976</u>
<b>Total departmental resourcing</b>	<b>32,909</b>	<b>33,976</b>
<b>Administered</b>		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available (b)	10,137	10,138
Outcome 1	1,040,015	1,088,766
Total administered annual appropriations	<u>1,050,152</u>	<u>1,098,904</u>
<b>Total administered resourcing</b>	<b>1,050,152</b>	<b>1,098,904</b>
<b>Total resourcing for Australian Research Council</b>	<b>1,083,061</b>	<b>1,132,880</b>
	<u>2025-26</u>	<u>2026-27</u>
<b>Average staffing level (number)</b>	<b>140</b>	<b>140</b>

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

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

(a) Appropriation Bill (No. 1) 2026-2027.

(b) Excludes departmental capital budget (DCB). The Annual Appropriation amounts appearing for '2025-26 Expected actual' do not include the Appropriation Bill 2025-26 (No.5) as this Bill has not been enacted at the time of publication. A reclassification of Departmental Capital Budget (DCB) to departmental operating expenditure of \$1.0 million is expected. This change is neutral on the entity's total resourcing as the DCB is simultaneously reduced by an equivalent amount. The 2025-26 Portfolio Supplementary Additional Estimates Statements provides detail on this amount.

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

(d) Departmental Capital budgets and Administered payments to other jurisdictions 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, capital budget appropriations have been designated as a 'contribution by owner'.

### 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 2026-27 Budget measures**  
**Part 1: Measures announced since the 2025-26 Mid-Year Economic and Fiscal Outlook (MYEFO)**

	Program	2025-26 \$'000	2026-27 \$'000	2027-28 \$'000	2028-29 \$'000	2029-30 \$'000
<b>Payment measures</b>						
Reducing Spending on Consultants, Contractors and Labour Hire, and Non-wage Expenses – one year extension (a)	1					
Administered payment		-	-	-	-	-
Departmental payments		-	-	-	-	(428)
<b>Total</b>		-	-	-	-	<b>(428)</b>
<b>Total payment measures</b>						
Administered		-	-	-	-	-
Departmental		-	-	-	-	<b>(428)</b>
<b>Total</b>		-	-	-	-	<b>(428)</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 description and package details appear in 2026-27 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**

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

	2025-26 Estimated actual \$'000	2026-27 Budget \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000	2029-30 Forward estimate \$'000
<b>Program 1.1: Discovery - Research and Research Training</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill (No.1))	629,808	649,020	671,399	690,863	708,134
<b>Total expenses for Program 1.1</b>	<b>629,808</b>	<b>649,020</b>	<b>671,399</b>	<b>690,863</b>	<b>708,134</b>
<b>Program 1.2: Linkage - Cross Sector Research Partnerships</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill (No.1))	406,406	435,820	450,836	463,902	475,500
ARC Research Endowment Account - s80 PGPA Act 2013 (s62 <i>Australian Research Council Act 2001</i> )	-	-	-	-	-
<b>Total expenses for Program 1.2</b>	<b>406,406</b>	<b>435,820</b>	<b>450,836</b>	<b>463,902</b>	<b>475,500</b>
<b>Program 1.3: Excellence in Research for Australia</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill (No.1))	3,801	3,926	4,024	4,125	4,228
<b>Total expenses for Program 1.3</b>	<b>3,801</b>	<b>3,926</b>	<b>4,024</b>	<b>4,125</b>	<b>4,228</b>

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

	2025-26 Estimated actual \$'000	2026-27 Budget \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000	2029-30 Forward estimate \$'000
<b>ARC - Departmental</b>					
Departmental expenses					
Departmental appropriation	24,009	23,636	23,826	24,160	24,538
s74 External Revenue (a)	255	595	68	51	14
Expenses not requiring appropriation in the Budget year (b)	2,667	2,401	1,770	1,331	821
<b>Total expenses for Departmental</b>	<b>26,931</b>	<b>26,632</b>	<b>25,664</b>	<b>25,542</b>	<b>25,373</b>
<b>Outcome 1 Totals by appropriation type</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill (No.1))	1,040,015	1,088,766	1,126,259	1,158,890	1,187,862
Special accounts	-	-	-	-	-
<b>Administered total</b>	<b>1,040,015</b>	<b>1,088,766</b>	<b>1,126,259</b>	<b>1,158,890</b>	<b>1,187,862</b>
Departmental expenses					
Departmental appropriation	24,009	23,636	23,826	24,160	24,538
s74 External Revenue (a)	255	595	68	51	14
Expenses not requiring appropriation in the Budget year (b)	2,667	2,401	1,770	1,331	821
<b>Departmental total</b>	<b>26,931</b>	<b>26,632</b>	<b>25,664</b>	<b>25,542</b>	<b>25,373</b>
<b>Total expenses for Outcome 1</b>	<b>1,066,946</b>	<b>1,115,398</b>	<b>1,151,923</b>	<b>1,184,432</b>	<b>1,213,235</b>

	2025-26	2026-27
<b>Average staffing level (number)</b>	140	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 expenses, amortisation expenses and resources received free of charge.

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

**Table 2.1.2 Performance measure for Outcome 1**

Table 2.1.2 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 2026–27 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> <sup>35</sup>	<ul style="list-style-type: none"> <li>• Fund high-quality and impactful research</li> <li>• Safeguard research integrity and security</li> <li>• Provide research policy advice</li> </ul>	
<b>Year</b>	<b>Performance measures</b>	<b>Expected performance results</b>
Current Year 2025–26	The percentage of ARC schemes completed in time to meet ARC published timeframes	Target: 100% of scheme round outcomes are announced within the timeframes published on the ARC website  On track
	The proportion of appeals received for NCGP applications	Target: The percentage of appeals received for all NCGP applications is less than 1%  On track
	The percentage of ARC-funded research projects involving international collaboration for all ARC-funded research projects	Target: More than 70% of research projects involve international collaboration  On track
	The percentage of submitted final reports reviewed on time	Target: More than 90% of completed final reports submitted are reviewed by the ARC within 90 days of submission  On track

<sup>35</sup> Key activities reflect the ARC 2025–26 Corporate Plan.

Year	Performance measures	Expected performance results
Current Year 2025–26 (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 on average  Not on track – interim results indicate that investigations are actioned within 33.5 working days on average
	The proportion of funded Chief Investigators who identify as an Aboriginal and/or Torres Strait Islander researcher	Target: The percentage of Chief Investigators who identify as an Aboriginal and/or Torres Strait Islander researcher on funded applications is higher than the previous reporting period  On track (2024–25 result: 2.01%)
	The percentage of approved projects where the Administering Organisation is notified within 21 days of approval	Target: Administering Organisations are notified within 21 days for all (100%) approved projects  On track
	The ARC peer review process identifies research excellence	Target: The ARC uses 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  On track
	The ARC provides expert advice on research across government	Target: Providing timely and expert advice on research across government  On track
Year	Performance measures	Planned performance results
Budget Year 2026–27	The percentage of ARC schemes completed in time to meet ARC published timeframes	Target: 100% of scheme round outcomes are announced within the timeframes published on the ARC website
	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 on average
	The proportion of funded Chief Investigators who are Aboriginal and/or Torres Strait Islander researchers	Target: The percentage of Chief Investigators who identify as an Aboriginal and/or Torres Strait Islander researcher on funded applications is higher than the previous reporting period

<b>Year</b>	<b>Performance measures</b>	<b>Planned performance results</b>
Budget Year 2026–27 (continued)	The ARC peer review process supports the identification of research excellence	Target: The ARC uses 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 advice on research across government	Target: Providing timely advice on research across government
Forward Estimates 2027–30	As per 2026–27	As per 2026–27
Material changes to Program 1.1 resulting from 2026–27 Budget measures: Nil		

<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>		
<p><b>Key Activities</b><sup>36</sup></p> <ul style="list-style-type: none"> <li>• Fund high-quality and impactful research</li> <li>• Safeguard research integrity and security</li> <li>• Provide research policy advice</li> </ul>		
<b>Year</b>	<b>Performance measures</b>	<b>Expected performance results</b>
Current Year 2025–26	The percentage of ARC schemes completed in time to meet ARC published timeframes	Target: 100% of scheme round outcomes are announced within the published timeframes on the ARC website  On track
	The proportion of appeals received for NCGP applications	Target: The percentage of appeals received for all NCGP applications is less than 1%  On track
	The percentage of ARC-funded research projects involving international collaboration for all ARC-funded research projects	Target: More than 70% of research projects involve international collaboration  On track
	The percentage of submitted final reports reviewed on time	Target: More than 90% of completed final reports submitted are reviewed by the ARC within 90 days of submission  On track
	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  On track (2024–25 result: \$1.48)
	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 on average  Not on track – interim results indicate that investigations are actioned within 33.5 working days on average

<sup>36</sup> Key activities reflect the ARC 2025–26 Corporate Plan.

Year	Performance measures	Expected performance results
Current Year 2025–26 (continued)	The proportion of funded Chief Investigators who identify as an Aboriginal and/or Torres Strait Islander researcher	Target: The percentage of Chief Investigators who identify as an Aboriginal and/or Torres Strait Islander researcher on funded applications is higher than the previous reporting period  On track (2024–25 result: 2.01%)
	The percentage of approved projects where the Administering Organisation is notified within 21 days of approval	Target: Administering Organisations are notified within 21 days for all (100%) approved projects  On track
	The ARC peer review process identifies research excellence	Target: The ARC uses 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  On track
	The ARC provides expert advice on research across government	Target: Providing timely and expert advice on research across government  On track
Year	Performance measures	Planned performance results
Budget Year 2026–27	The percentage of ARC schemes completed in time to meet ARC published timeframes	Target: 100% of scheme round outcomes are announced within the timeframes published on the ARC website
	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 on average
	The proportion of funded Chief Investigators who are Aboriginal and/or Torres Strait Islander researchers	Target: The percentage of Chief Investigators who identify as an Aboriginal and/or Torres Strait Islander researcher on funded applications is higher than the previous reporting period
	The ARC peer review process supports the identification of research excellence	Target: The ARC uses 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 advice on research across government	Target: Providing timely advice on research across government
Forward Estimates 2027–30	As per 2026–27	As per 2026–27
Material changes to Program 1.2 resulting from 2026–27 Budget Measures: Nil		

<p><b>Program 1.3 – Excellence in Research for Australia<sup>37</sup></b>                  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 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><b>Key Activities<sup>38</sup></b></p> <ul style="list-style-type: none"> <li>• Assess research quality, engagement, and impact</li> <li>• Provide research policy advice</li> </ul>		
<b>Year</b>	<b>Performance measures</b>	<b>Expected performance results</b>
Current Year 2025–26	Design a new approach for evaluating the excellence, impact and depth of Australian university research	Target: The ARC develops a new research evaluation framework to evaluate research excellence, impact and depth in Australia  On track
	The ARC provides expert advice on research across government	Target: The ARC uses 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  On track
<b>Year</b>	<b>Performance measures</b>	<b>Planned performance results</b>
Budget Year 2026–27	The ARC provides advice on research across government	Target: Providing timely advice on research across government
Forward Estimates 2027–30	As per 2026–27	As per 2026–27
Material changes to Program 1.3 resulting from 2026–27 Budget Measures: Nil		

<sup>37</sup> The 2023 Excellence in Research for Australia (ERA) round was discontinued, and the Australian Universities Accord has made recommendations regarding a future National Research Evaluation and Impact Framework. The Government is currently considering the recommendations made in the Australian Universities Accord Final Report.

<sup>38</sup> Key activities reflect the ARC 2025–26 Corporate Plan.

## **Section 3: Budgeted financial statements**

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of ARC's finances for the 2026-27 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 variances between the entity resources table and the budgeted financial statements.

#### **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**

	2025-26 Estimated actual \$'000	2026-27 Budget \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000	2029-30 Forward estimate \$'000
<b>EXPENSES</b>					
Employee benefits	20,073	20,649	20,579	21,208	21,606
Suppliers	2,828	2,559	2,258	1,909	1,831
Depreciation and amortisation (a)	3,770	3,164	2,606	2,244	1,831
Finance costs	260	260	221	181	105
<b>Total expenses</b>	<b>26,931</b>	<b>26,632</b>	<b>25,664</b>	<b>25,542</b>	<b>25,373</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Sale of goods and rendering of services	255	595	68	51	14
Other	64	64	64	64	64
<b>Total own-source revenue</b>	<b>319</b>	<b>659</b>	<b>132</b>	<b>115</b>	<b>78</b>
<b>Total own-source income</b>	<b>319</b>	<b>659</b>	<b>132</b>	<b>115</b>	<b>78</b>
<b>Net (cost of)/contribution by services</b>	<b>(26,612)</b>	<b>(25,973)</b>	<b>(25,532)</b>	<b>(25,427)</b>	<b>(25,295)</b>
Revenue from Government	24,009	23,636	23,826	24,160	24,538
<b>Surplus/(deficit) attributable to the Australian Government</b>	<b>(2,603)</b>	<b>(2,337)</b>	<b>(1,706)</b>	<b>(1,267)</b>	<b>(757)</b>
<b>Total comprehensive income/(loss)</b>	<b>(2,603)</b>	<b>(2,337)</b>	<b>(1,706)</b>	<b>(1,267)</b>	<b>(757)</b>
<b>Total comprehensive income/(loss) attributable to the Australian Government</b>	<b>(2,603)</b>	<b>(2,337)</b>	<b>(1,706)</b>	<b>(1,267)</b>	<b>(757)</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**

	2025-26 Estimated actual \$'000	2026-27 Budget \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000	2029-30 Forward estimate \$'000
<b>Total comprehensive income/(loss) - as per statement of Comprehensive Income</b>	<b>(2,603)</b>	<b>(2,337)</b>	<b>(1,706)</b>	<b>(1,267)</b>	<b>(757)</b>
plus: depreciation/amortisation of assets funded through appropriations (departmental capital budget funding and/or equity injections) (a)	2,389	2,159	1,601	1,239	757
plus: depreciation/amortisation expenses for ROU assets (b)	1,381	1,005	1,005	1,005	1,074
less: lease principal repayments (b)	(1,167)	(827)	(900)	(977)	(1,074)
<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 leases under AASB 16 Leases.

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

	2025-26 Estimated actual \$'000	2026-27 Budget \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000	2029-30 Forward estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	295	295	295	295	295
Trade and other receivables	8,281	8,281	8,281	8,281	8,281
<b>Total financial assets</b>	<b>8,576</b>	<b>8,576</b>	<b>8,576</b>	<b>8,576</b>	<b>8,576</b>
<b>Non-financial assets</b>					
Land and buildings	6,310	5,305	4,300	3,295	2,221
Property, plant and equipment	744	751	1,638	2,596	3,737
Intangibles	3,210	2,402	1,291	487	-
Other non-financial assets	659	659	659	659	659
<b>Total non-financial assets</b>	<b>10,923</b>	<b>9,117</b>	<b>7,888</b>	<b>7,037</b>	<b>6,617</b>
<b>Total assets</b>	<b>19,499</b>	<b>17,693</b>	<b>16,464</b>	<b>15,613</b>	<b>15,193</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	198	198	198	198	198
Other payables	847	847	847	847	847
<b>Total payables</b>	<b>1,045</b>	<b>1,045</b>	<b>1,045</b>	<b>1,045</b>	<b>1,045</b>
<b>Interest bearing liabilities</b>					
Leases	6,440	5,613	4,713	3,736	2,662
<b>Total interest bearing liabilities</b>	<b>6,440</b>	<b>5,613</b>	<b>4,713</b>	<b>3,736</b>	<b>2,662</b>
<b>Provisions</b>					
Employee provisions	5,193	5,193	5,193	5,193	5,193
Other provisions	1,036	1,036	1,036	1,036	1,036
<b>Total provisions</b>	<b>6,229</b>	<b>6,229</b>	<b>6,229</b>	<b>6,229</b>	<b>6,229</b>
<b>Total liabilities</b>	<b>13,714</b>	<b>12,887</b>	<b>11,987</b>	<b>11,010</b>	<b>9,936</b>
<b>Net assets</b>	<b>5,785</b>	<b>4,806</b>	<b>4,477</b>	<b>4,603</b>	<b>5,257</b>
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed equity	45,378	46,736	48,113	49,506	50,917
Asset revaluation reserve	29	29	29	29	29
Retained surplus (accumulated deficit)	(39,622)	(41,959)	(43,665)	(44,932)	(45,689)
<b>Total parent entity interest</b>	<b>5,785</b>	<b>4,806</b>	<b>4,477</b>	<b>4,603</b>	<b>5,257</b>
<b>Total equity</b>	<b>5,785</b>	<b>4,806</b>	<b>4,477</b>	<b>4,603</b>	<b>5,257</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 2026-27)**

	Retained earnings	Asset revaluation reserve	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000
<b>Opening balance as at 1 July 2026</b>				
Balance carried forward from previous period	(39,622)	29	45,378	5,785
<b>Adjusted opening balance</b>	<b>(39,622)</b>	<b>29</b>	<b>45,378</b>	<b>5,785</b>
<b>Comprehensive income</b>				
Surplus/(deficit) for the period	(2,337)	-	-	(2,337)
<b>Total comprehensive income</b>	<b>(2,337)</b>	<b>-</b>	<b>-</b>	<b>(2,337)</b>
of which:				
Attributable to the Australian Government	(2,337)	-	-	(2,337)
<b>Transactions with owners</b>				
<b>Contributions by owners</b>				
Departmental Capital Budget (DCB)	-	-	1,358	1,358
<b>Sub-total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>1,358</b>	<b>1,358</b>
<b>Estimated closing balance as at 30 June 2027</b>	<b>(41,959)</b>	<b>29</b>	<b>46,736</b>	<b>4,806</b>
<b>Closing balance attributable to the Australian Government</b>	<b>(41,959)</b>	<b>29</b>	<b>46,736</b>	<b>4,806</b>

Prepared on Australian Accounting Standards basis.

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

	2025-26 Estimated actual \$'000	2026-27 Budget \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000	2029-30 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	23,934	23,636	23,826	24,160	24,538
Sale of goods and rendering of services	255	595	68	51	14
Net GST received	452	492	463	464	570
<b>Total cash received</b>	<b>24,641</b>	<b>24,723</b>	<b>24,357</b>	<b>24,675</b>	<b>25,122</b>
<b>Cash used</b>					
Employees	19,998	20,649	20,579	21,208	21,606
Suppliers	2,764	2,495	2,194	1,845	1,767
Net GST paid	452	492	463	464	570
Interest payments on lease liability	260	260	221	181	105
<b>Total cash used</b>	<b>23,474</b>	<b>23,896</b>	<b>23,457</b>	<b>23,698</b>	<b>24,048</b>
<b>Net cash from/(used by) operating activities</b>	<b>1,167</b>	<b>827</b>	<b>900</b>	<b>977</b>	<b>1,074</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment and intangibles	333	1,358	1,377	1,393	1,411
<b>Total cash used</b>	<b>333</b>	<b>1,358</b>	<b>1,377</b>	<b>1,393</b>	<b>1,411</b>
<b>Net cash from/(used by) investing activities</b>	<b>(333)</b>	<b>(1,358)</b>	<b>(1,377)</b>	<b>(1,393)</b>	<b>(1,411)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Contributed equity	333	1,358	1,377	1,393	1,411
<b>Total cash received</b>	<b>333</b>	<b>1,358</b>	<b>1,377</b>	<b>1,393</b>	<b>1,411</b>
<b>Cash used</b>					
Principal payments on lease liability	1,167	827	900	977	1,074
<b>Total cash used</b>	<b>1,167</b>	<b>827</b>	<b>900</b>	<b>977</b>	<b>1,074</b>
<b>Net cash from/(used by) financing activities</b>	<b>(834)</b>	<b>531</b>	<b>477</b>	<b>416</b>	<b>337</b>
<b>Net increase/(decrease) in cash held</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	295	295	295	295	295
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>295</b>	<b>295</b>	<b>295</b>	<b>295</b>	<b>295</b>

Prepared on Australian Accounting Standards basis.

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

	2025-26 Estimated actual \$'000	2026-27 Budget \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000	2029-30 Forward estimate \$'000
<b>NEW CAPITAL APPROPRIATIONS</b>					
Capital budget - Bill 1 (DCB)	1,333	1,358	1,377	1,393	1,411
<b>Total new capital appropriations</b>	<b>1,333</b>	<b>1,358</b>	<b>1,377</b>	<b>1,393</b>	<b>1,411</b>
<i>Provided for:</i>					
Purchase of non-financial assets	1,333	1,358	1,377	1,393	1,411
<b>Total items</b>	<b>1,333</b>	<b>1,358</b>	<b>1,377</b>	<b>1,393</b>	<b>1,411</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations - DCB (a)	1,333	1,358	1,377	1,393	1,411
<b>TOTAL</b>	<b>1,333</b>	<b>1,358</b>	<b>1,377</b>	<b>1,393</b>	<b>1,411</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	1,333	1,358	1,377	1,393	1,411
<b>Total cash used to acquire assets</b>	<b>1,333</b>	<b>1,358</b>	<b>1,377</b>	<b>1,393</b>	<b>1,411</b>

Prepared on Australian Accounting Standards basis.

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

**Table 3.6: Statement of departmental asset movements (Budget year 2026-27)**

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
<b>As at 1 July 2026</b>				
Gross book value	-	2,269	25,256	27,525
Gross book value - ROU assets	7,038	-	-	7,038
Accumulated depreciation/ amortisation and impairment	-	(1,525)	(22,046)	(23,571)
Accumulated depreciation/amortisation and impairment - ROU assets	(728)	-	-	(728)
<b>Opening net book balance</b>	<b>6,310</b>	<b>744</b>	<b>3,210</b>	<b>10,264</b>
<b>Capital asset additions</b>				
<b>Estimated expenditure on new or replacement assets</b>				
By purchase - appropriation equity	-	552	806	1,358
<b>Total additions</b>	<b>-</b>	<b>552</b>	<b>806</b>	<b>1,358</b>
<b>Other movements</b>				
Depreciation/amortisation expense	-	(545)	(1,614)	(2,159)
Depreciation/amortisation on ROU assets	(1,005)	-	-	(1,005)
<b>Total other movements</b>	<b>(1,005)</b>	<b>(545)</b>	<b>(1,614)</b>	<b>(3,164)</b>
<b>As at 30 June 2027</b>				
Gross book value	-	2,821	26,062	28,883
Gross book value - ROU assets	7,038	-	-	7,038
Accumulated depreciation/ amortisation and impairment	-	(2,070)	(23,660)	(25,730)
Accumulated depreciation/amortisation and impairment - ROU assets	(1,733)	-	-	(1,733)
<b>Closing net book balance</b>	<b>5,305</b>	<b>751</b>	<b>2,402</b>	<b>8,458</b>

Prepared on Australian Accounting Standards basis.

**Table 3.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)**

	2025-26 Estimated actual \$'000	2026-27 Budget \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000	2029-30 Forward estimate \$'000
<b>EXPENSES</b>					
Employee benefits	447	454	464	474	1,073
Suppliers	6,949	7,188	7,370	7,557	7,158
Grants	1,032,619	1,081,124	1,118,425	1,150,859	1,179,631
<b>Total expenses administered on behalf of Government</b>	<b>1,040,015</b>	<b>1,088,766</b>	<b>1,126,259</b>	<b>1,158,890</b>	<b>1,187,862</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>(1,030,294)</b>	<b>(1,079,045)</b>	<b>(1,116,538)</b>	<b>(1,149,169)</b>	<b>(1,178,141)</b>
<b>Surplus/(deficit) before income tax</b>	<b>(1,030,294)</b>	<b>(1,079,045)</b>	<b>(1,116,538)</b>	<b>(1,149,169)</b>	<b>(1,178,141)</b>
<b>Surplus/(deficit) after income tax</b>	<b>(1,030,294)</b>	<b>(1,079,045)</b>	<b>(1,116,538)</b>	<b>(1,149,169)</b>	<b>(1,178,141)</b>
<b>Total comprehensive income/(loss)</b>	<b>(1,030,294)</b>	<b>(1,079,045)</b>	<b>(1,116,538)</b>	<b>(1,149,169)</b>	<b>(1,178,141)</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)**

	2025-26 Estimated actual \$'000	2026-27 Budget \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000	2029-30 Forward estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	2,070	2,070	2,070	2,070	2,070
Trade and other receivables	312	312	312	312	312
<b>Total financial assets</b>	<b>2,382</b>	<b>2,382</b>	<b>2,382</b>	<b>2,382</b>	<b>2,382</b>
<b>Non-financial assets</b>					
Other non-financial assets	86	86	86	86	86
<b>Total non-financial assets</b>	<b>86</b>	<b>86</b>	<b>86</b>	<b>86</b>	<b>86</b>
<b>Total assets administered on behalf of Government</b>	<b>2,468</b>	<b>2,468</b>	<b>2,468</b>	<b>2,468</b>	<b>2,468</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	962	962	962	962	962
Grants	164,011	164,011	164,011	164,011	164,011
Other payables	8	8	8	8	8
<b>Total payables</b>	<b>164,981</b>	<b>164,981</b>	<b>164,981</b>	<b>164,981</b>	<b>164,981</b>
<b>Provisions</b>					
Employee provisions	23	23	23	23	23
<b>Total provisions</b>	<b>23</b>	<b>23</b>	<b>23</b>	<b>23</b>	<b>23</b>
<b>Total liabilities administered on behalf of Government</b>	<b>165,004</b>	<b>165,004</b>	<b>165,004</b>	<b>165,004</b>	<b>165,004</b>
<b>Net assets/(liabilities)</b>	<b>(162,536)</b>	<b>(162,536)</b>	<b>(162,536)</b>	<b>(162,536)</b>	<b>(162,536)</b>

Prepared on Australian Accounting Standards basis.

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

	2025-26 Estimated actual \$'000	2026-27 Budget \$'000	2027-28 Forward estimate \$'000	2028-29 Forward estimate \$'000	2029-30 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Net GST received	956	956	956	956	956
Other	9,721	9,721	9,721	9,721	9,721
<b>Total cash received</b>	<b>10,677</b>	<b>10,677</b>	<b>10,677</b>	<b>10,677</b>	<b>10,677</b>
<b>Cash used</b>					
Grant	1,032,619	1,081,124	1,118,425	1,150,859	1,179,631
Suppliers	6,949	7,188	7,370	7,557	7,158
Net GST paid	956	956	956	956	956
Employees	447	454	464	474	1,073
<b>Total cash used</b>	<b>1,040,971</b>	<b>1,089,722</b>	<b>1,127,215</b>	<b>1,159,846</b>	<b>1,188,818</b>
<b>Net cash from/(used by) operating activities</b>	<b>(1,030,294)</b>	<b>(1,079,045)</b>	<b>(1,116,538)</b>	<b>(1,149,169)</b>	<b>(1,178,141)</b>
<b>Net increase/(decrease) in cash</b>	<b>(1,030,294)</b>	<b>(1,079,045)</b>	<b>(1,116,538)</b>	<b>(1,149,169)</b>	<b>(1,178,141)</b>
Cash and cash equivalents at beginning of reporting period	2,070	2,070	2,070	2,070	2,070
Cash from Official Public Account for:					
- Appropriations	1,041,971.00	1,088,766	1,126,259	1,158,890	1,187,862
<b>Total cash from Official Public Account</b>	<b>1,041,971</b>	<b>1,088,766</b>	<b>1,126,259</b>	<b>1,158,890</b>	<b>1,187,862</b>
Cash to Official Public Account for:					
- Appropriations	11,677	9,721	9,721	9,721	9,721
<b>Total cash to Official Public Account</b>	<b>11,677</b>	<b>9,721</b>	<b>9,721</b>	<b>9,721</b>	<b>9,721</b>
<b>Cash and cash equivalents at end of reporting period</b>	<b>2,070</b>	<b>2,070</b>	<b>2,070</b>	<b>2,070</b>	<b>2,070</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 2026-27)**

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