### Section 1: Agency overview and resources 119

* 1. Strategic direction 119
  2. Agency resource statement 120
  3. Budget measures 124

### Section 2: Outcomes and planned performance 125

* 1. Outcomes and performance information 125

### Section 3: Explanatory tables and budgeted financial statements 129

* 1. Explanatory tables 129
  2. Budgeted Financial Statements 131

Section 1: Agency overview and resources

* 1. **STRATEGIC DIRECTION**

The Australian Research Council (ARC) was established as a statutory authority under the *Australian Research Council Act 2001*. Its mission is to advance Australia's research excellence to be globally competitive and deliver benefits to the community.

In seeking to achieve its mission, the ARC provides advice to the Government on research matters and manages the National Competitive Grants Program (NCGP), a significant component of Australia's investment in research and innovation.

Through the NCGP, the ARC supports the highest-quality fundamental and applied research and research training through national competition across all disciplines, with the exception of clinical medicine and dentistry.

The ARC is a primary agency responsible for administering Australian Government competitive funding for research in universities. In addition, the ARC brokers partnerships between researchers and industry, government, community organisations and the international community.

In 2008-09 the ARC will administer a budget of $595.8 million for the NCGP. Also in 2008, the ARC will develop a new Australian research quality and evaluation system, called Excellence in Research for Australia (ERA).

The ARC is developing the ERA initiative, in conjunction with the Department of Innovation, Industry, Science and Research, which will assess research quality. The ARC assumed responsibility for this initiative following the transfer of the previous Research Quality Framework from the former Department of Education, Science and Training on 6 March 2008.

The ERA initiative is intended to recognise excellence in research across the range of research conducted in Australia’s higher education institutions, from fundamental to applied research. It will identify the quality and activity of research across the full spectrum of disciplines undertaking research.

The ERA initiative indicates the government’s move towards a streamlined, metrics and other relevant quality measures based approach to evaluating the excellence of research conducted in Australia’s universities.

The Government has provided $844.1 million over nine years for the ARC to establish a new Future Fellowships scheme. The Future Fellowships will be administered by the ARC as a separate scheme under the NCGP. The Fellowships will provide up to

$190,000 a year over four years to support 1,000 mid-career researchers over the period 2009 to 2013. The first cohort of Future Fellowships will commence in 2009.

Future Fellowships are awarded on a competitive basis to Australian and international mid-career researchers working in areas of national priority across the six research clusters. Preference will be given to researchers who can demonstrate a capacity to build collaboration across industry, research institutions, and with other disciplines.

In March 2008, the Government announced a new approach to publicly-funded research in Australia that would progressively open up ARC fellowship schemes to international competition and lift restrictions on the use of ARC funds for collaboration-related international travel.

Enhanced international collaboration will become a key priority for all future funding rounds for ARC fellowship schemes, enabling Australia to participate effectively in the global competition for research talent, to attract and retain the world's finest minds and to actively pursue partnerships that will reap truly innovative rewards.

This new approach will bring ARC schemes into line with those of overseas counterpart agencies, which are increasingly encouraging international mobility of researchers and international collaborative research.

* 1. **AGENCY RESOURCE STATEMENT**

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

### Table 1.1: ARC resource statement — Budget estimates for 2008-09 as at Budget May 2008

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | **Estimate Proposed** | **Total** | **Estimated** |
|  |  | **of prior + at Budget =** | **Estimate** | **Appropriation** |
|  |  | **year amounts** |  | **Available** |
|  |  | **available in** |  |  |
|  |  | **2008-09 2008-09** | **2008-09** | **2007-08** |
|  |  | $'000 $'000 | $'000 | $'000 |
| **Ordinary Annual Services** |  |  |  |  |
| **Departmental outputs** |  |  |  |  |
| Departmental outputs |  | 6,321 4 15,856 1 | 22,177 | 21,361 |
| s31 Relevant agency receipts |  | - - 3 | - | - |
| **Total** |  | **6,321 15,856** | **22,177** | **21,361** |
| **Administered expenses** |  |  |  |  |
| Outcome 1: Australian research that |  | - 40 1 | 40 | - |
| advances the global knowledge and |  |  |  |  |
| skills base leading to economic, |  |  |  |  |
| social, cultural and environmental |  |  |  |  |
| benefits for the Australian |  |  |  |  |
| community. |  |  |  |  |
| **Total** |  | **- 40** | **40** | **-** |
| **Total ordinary annual services** | **A** | **6,321 15,896** | **22,217** | **21,361** |
| **Departmental non-operating** |  |  |  |  |
| Equity injections |  | - - 2 | - | 4,320 |
| **Total** |  | **- -** | **-** | **4,320** |
| **Total other services** | **B** | **- -** | **-** | **4,320** |
| **Total Available Annual** |  |  |  |  |
| **Appropriations** |  | **6,321 15,896** | **22,217** | **25,681** |
| **Special Appropriations** |  |  |  |  |
| **Special Appropriations limited** |  |  |  |  |
| **by amount** |  |  |  |  |
| Financial assistance for approved |  |  |  |  |
| research programmes - s57 *ARC Act* |  |  |  |  |
| *2001* |  | - 595,764 | 595,764 | 571,800 |
| **Total Special Appropriations** | **C** | **- 595,764** | **595,764** | **571,800** |
| **Total Appropriations excluding** |  |  | |  |
| **Special Accounts** |  | **6,321 611,660 617,981** | | **597,481** |

### Table 1.1: ARC resource statement — Budget estimates for 2008-09 as at Budget May 2008 (cont)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Special Accounts6**  Opening balance  Appropriation Receipts - other agencies7  **Total Special Account D** | **Estimate of prior**  **year amounts available in**  **2008-09**  $'000 | **+** | **Proposed at Budget =**  **2008-09**  $'000 | **Total Estimate**  **2008-09**  $'000 | **Estimated Appropriation**  **Available**  **2007-08**  $'000 |
| 2,014  -  **2,014** |  | - 1,925  **1,925** | 2,014  1,925  **3,939** | 2,014  1,925  **3,939** |
| **Total resourcing**  A+B+C+D  Less appropriations drawn from annual or special appropriations above and credited to special accounts  **Total net resourcing for the**  **Australian Research Council** | **8,335**  -  **8,335** | **613,585**  -  **613,585** | | **621,920**  -  **621,920** | **601,420**  -  **601,420** |

1. Appropriation Bill (No.1) 2008-09.
2. Appropriation Bill (No.2) 2008-09.
3. s31 Relevant Agency receipts — estimate.
4. Estimated adjusted balance carried from previous year for Annual Appropriations.
5. The total available departmental operating appropriation (outputs) will not equal the total of all outputs in the Outcome Resource Statements as they budget for estimated appropriation attributable to outcomes and not the total available. For reconciliation see Table 3.1.1.
6. Estimated opening balance for special accounts. For further detail on special accounts see Table 3.1.3.
7. Appropriation receipts from the National Health and Medical Research Council annual appropriations for 2008-09 included above.

### Third Party Drawdowns from and on behalf of other agencies

ARC has no Third Party Drawdowns from and on behalf of other agencies.

* 1. **BUDGET MEASURES**

Budget measures relating to the ARC are detailed in Budget Paper No. 2. Table 1.2 which provides a summary of government measures and identifies the relevant output groups associated with each measure.

### Table 1.2: Agency 2008-09 Budget measures

**Table 1.2 Agency 2008-09 Budget Measures**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Output Group | 2008-09 | 2009-10 | 2010-11 | 2011-12 |
|  |  | $'000 | $'000 | $'000 | $'000 |
| **Expense measures** |  |  |  |  |  |
| Future Fellowships-establishment | 1.1 |  |  |  |  |
| Administered expense |  | 9,920 | 68,843 | 100,855 | 144,003 |
| Departmental outputs |  | 800 | 550 | 657 | 559 |
| **Total** |  | **10,720** | **69,393** | **101,512** | **144,562** |
| **Expense measures** |  |  |  |  |  |
| Responsible Economic Management |  |  |  |  |  |
| Research Quality Framework1 | 1.1 |  |  |  |  |
| Administered expense |  | - | - | - | - |
| Departmental outputs |  | (3,427) | (3,716) | (4,332) | (5,375) |
| **Total** |  | **(3,427)** | **(3,716)** | **(4,332)** | **(5,375)** |
| **Total expense measures** | Administered  Departmental Total | 9,920  (2,627)  7,293 | 68,843  (3,166)  65,677 | 100,855  (3,675)  97,180 | 144,003  (4,816)  139,187 |
| **Capital measures** |  |  |  |  |  |
| Responsible Economic Management |  |  |  |  |  |
| Research Quality Framework1 | 1.1 |  |  |  |  |
| Administered capital |  | - | - | - | - |
| Departmental capital |  | (4,477) | (703) | - | - |
| **Total** |  | **(4,477)** | **(703)** | **-** | **-** |
| **Total expense measures** | Administered | - | - | - | - |
|  | Departmental | (4,477) | (703) | - | - |
|  | Total | **(4,477)** | **(703)** | **-** | **-** |

Prepared on a Government Financial Statistics basis.

1. The lead agency for Research Quality Framework Saving is the Department of Innovation, Industry, Science and Research. The full measure description and package details appear in Budget Paper 2 under the Innovation, Industry, Science and Research Portfolio.

Section 2: Outcomes and planned performance

* 1. **OUTCOMES AND PERFORMANCE INFORMATION**

The Australian Government requires agencies to measure their intended and actual performance in terms of outcomes. Government outcomes are the results, impacts or consequences of actions by the Government on the Australian community. Agencies are required to identify the output groups which demonstrate their contribution to Government outcomes over the coming year.

Each outcome is described below by output groups, specifying the performance indicators and targets used to assess and monitor the performance of the ARC in achieving government outcomes.

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

### Outcome 1 Strategy

The Australian Government’s investment in research and research training that is administered by the ARC supports the Government’s commitment to three key elements of the process of innovation: strengthening Australia’s ability to generate ideas and undertake research; accelerating the commercial application of these ideas; and developing and retaining Australian skills.

The ARC supports the generation of new knowledge and skills that are necessary to sustain innovation and the development of new businesses and jobs on which Australia’s prosperity and living standards depend. It contributes to maintaining and improving the quality of Australian life through advances in the social and cultural spheres and environmental sustainability.

The ARC’s competitive research funding schemes also encourage researchers to interact with businesses, industry and public sector and community organisations, facilitating the flow of people, knowledge and expertise, both locally and internationally.

The ARC’s specific investment in research training supports the development of highly trained personnel who are necessary for Australia’s research system to operate at a competitive level globally and for the ongoing renewal of that system.

### Outcome 1 Resource statement

Table 2.1 provides additional detail of Budget appropriations and the total resourcing for outcome 1.

### Table 2.1: Total resources for Outcome 1

|  |  |  |  |
| --- | --- | --- | --- |
| **Outcome 1:** Australian research that advances the global knowledge and skills base leading to economic, social, cultural and environmental benefits for the Australian community. | | 2008-09  Total estimate of available resources  $'000 | 2007-08  Estimated  actual  $'000 |
| **Output Group 1.1:** Competitive research schemes Administered Items:  Advertising cost Special Appropriations:  Special appropriation under the *ARC Act 2001*  Departmental Outputs  Program management of competitive research schemes System development and implementation  Revenues from other sources (s.31) for the ARC Special Accounts  ARC Research Endowment Account 1  Opening balance Appropriation receipts 2  **Subtotal for Output Group 1.1**  **Total resources for Outcome 1** | B1  B1 B2 | 40 | - |
| 595,764 | 571,800 |
| 15,856 | 21,361 |
| - | 4,320 |
| - | - |
| 2,014 | 2,014 |
| 1,925 | 1,925 |
| **615,599** | **601,420** |
|  |  |
| **615,599** | **601,420** |

|  |  |  |
| --- | --- | --- |
| **Average staffing level (number)** | 2008-09 | 2007-08 |
| **74** | **75** |

1. For estimated Special Accounts payments see Table 3.1.3.
2. Appropriation item receipted into the ARC Research Endowment Account. (B1) Annual Appropriation Bill 1 (Ordinary Services).

(B2) Annual Appropriation Bill 2 (Other Services).

Note: Departmental Appropriation splits and totals, by outcome and output, are indicative estimates and may change in the course of the budget year as government priorities change.

**Contributions to Outcome 1**

### Output Group 1.1: Competitive research schemes

|  |  |
| --- | --- |
| **Output Group 1.1: Competitive research schemes** | |
| Output Group 1.1 contributes to Outcome 1 by administering the National Competitive Grants Program (NCGP) which promotes the conduct of research and research training that is of the highest quality for the benefit of the Australian community. The NCGP is the primary vehicle by which the ARC contributes to Outcome 1.  The ARC is also developing the Excellence in Research for Australia (ERA) initiative, in conjunction with the Department of Innovation, Industry, Science and Research, which will assess research quality.  Components of Output Group 1.1:  Administered Items - NCPG funding under the ARC special appropriation  The NCGP provides competitive research funding through two elements – Discovery and Linkage.  The Discovery element of the NCGP provides Australia’s best and most promising researchers with open and transparent access to funding support, and offers incentives for researchers to build the scale of their work, develop teams and support the growth of networks of research excellence. It supports the development of young researchers and the testing of new, innovative ideas and research techniques.  The Linkage element of the NCGP encourages collaborative research, both nationally and internationally, between universities, businesses, industry and Government and community organisations. It also funds investment in strategic national research infrastructure and access to major international research facilities. The Linkage element also funds the Centres and Networks schemes which support research requiring significant national and international collaboration. They encourage the growth of clusters and networks of research and research training as platforms for innovation.  Output 1.1.1 - Program management of competitive research schemes. | |
| Key Performance Indicators | 2008-09 Target |
| Outcomes and outputs from ARC supported research. | Citation impact for ARC funded research exceeds the Australian average, and is equal to or greater than the world average citation rates. |
| Quality of grant administration processes. | Review practices of overseas funding agencies to identify international best practice.  Workshop with Australian and International researchers to identify improvements to the ARC’s peer review procedures.  Increase efficiency through improved electronic processing of assessor and application forms. |

|  |  |
| --- | --- |
| Quantity and quality of researchers supported through ARC supported research. | Providing entry points for Early Career Researchers through the Discovery Projects scheme; and achieve success rates of 15 per cent for Early Career Researcher proposals assessed against the same criteria as other Discovery Proposals. |
| Contribution to best practice evaluation of Australia’s research investment in our Universities. | Undertake consultation with sector on ERA, particularly on evaluation methodologies.  Have agreed metrics in place for two Clusters. |

Section 3: Explanatory tables and budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of agency finances for the budget year 2008-09. It explains how budget plans are incorporated into the financial statements and provides further details of movements in administered funds, special accounts and government Indigenous expenditure.

* 1. **EXPLANATORY TABLES**
     1. **Reconciliation of total available appropriation and outcomes**

The Agency Resource Statement (Table 1.1) details the total available appropriation available to an agency from all sources. For departmental operating appropriations (outputs) this includes carry-forward amounts as well as amounts appropriated at Budget. As agencies incur and are funded for future liabilities, generally depreciation and employee entitlements, the total amount of departmental operating appropriation available to an agency is unlikely to be fully utilised in the Budget year. The difference between the agency resource statement and the sum of all payments made at the departmental outputs level is the expected carry-forward amount of resources for the 2009-10 Budget year, including amounts related to meeting future obligations to maintain the agency's asset base and to meet employee entitlement liabilities.

### Table 3.1.1: Reconciliation of total available appropriation and outcomes

$'000

**Total available departmental operating appropriation (outputs)1 22,177**

Less estimated payments in 2008-09 15,066

**Estimated departmental outputs carried forward and available**

**for 2009-10 7,111**

1. The ‘total available departmental operating appropriation (outputs)’ is equal to the carry-forward estimate + budget appropriation included in the Agency Resource Statement (Table 1.1).
   * 1. **Movement of administered funds between years**

The ARC did not apply for movement of administered funds from 2007-08 to 2008-09 therefore Table 3.1.2 is not presented.

* + 1. **Special Accounts**

Special accounts provide a means to set aside and record amounts used for specified purposes. Special Accounts can be created by a Finance Minister’s Determination under the *Financial Management and Accountability Act 1997* or under separate enabling legislation. Table 3.1.3 shows the expected additions (receipts) and reductions (payments) for each account used by the ARC.

### Table 3.1.3: Estimates of Special Account cash flows and balances

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | Opening |  |  |  | Closing |
|  |  | balance | Receipts | Payments | Adjustments | balance |
|  |  | **2008-09** | **2008-09** | **2008-09** | **2008-09** | **2008-09** |
|  |  | *2007-08* | *2007-08* | *2007-08* | *2007-08* | *2007-08* |
|  | Outcome | $'000 | $'000 | $'000 | $'000 | $'000 |
| ARC Research Endowment | 1.1 |  |  |  |  |  |
| Account - *Australian Research* |  | 2,014 | 1,925 | 1,925 | - | 2,014 |
| *Council Act 2001 s62* (A) |  |  |  |  |  |  |
|  |  | *2,014* | *1,925* | *1,925* | *-* | *2,014* |
| **Total special accounts** |  |  |  |  |  |  |
| **2008-09 Budget estimate** |  | **2,014** | **1,925** | **1,925** | **-** | **2,014** |
| Total special accounts |  |  |  | | | |
| 2007-08 estimated actual |  | *2,014* | *1,925* | *1,925* | *-* | *2,014* |

(A) = Administered

(D) = Departmental

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

### Table 3.1.4: Australian Government Indigenous Expenditure (AGIE)

Output

Outcome

Appropriations

Bill Bill Special Total No. 1 No. 2 Approp Approp

Other Total Group

**Australian Research Council Outcome 1**

$'000 $'000 $'000 $'000 $'000 $'000

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

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Administered 2008-09 | **- -** | **954** | **954** | **-** | **954** | 1.1 |
| *Administered 2007-08* | *- -* | *972* | 972 | *-* | 972 |  |
| Total Outcome 2008-09 | **- -** | **954** | **954** | **-** | **954** |  |
| *Total Outcome 2007-08* | *- -* | *972* | *972* | *-* | *972* |  |
| **Total AGIE 2008-09** | **- -** | **954 954** | | **-** | **954** | |
| *Total AGIE 2007-08* | *- -* | *972 972* | | *-* | *972* | |

* 1. **BUDGETED FINANCIAL STATEMENTS**
     1. **Differences in agency resourcing and financial statements**

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

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

### Budgeted Departmental Income Statement

Total revenue in 2008-09 is estimated to be $15.942 million, representing an increase of

$0.675 million (or 4 per cent) from 2007-08 additional estimates. The increase of funding is mainly due to the new budget measure for implementation of the Future Fellowships scheme.

Total expenses in 2008-09 are estimated to be increased accordingly due to the Future Fellowships.

### Budgeted Departmental Balance Sheet

The ARC’s budgeted net asset position is estimated to be $12.494 million, representing an increase of $4.698 million from 2007-08 additional estimates. The increase is mainly

due to equity injection following the s32 transfer in 2007-08 of the Research Quality Framework.

The ARC’s major assets in 2008-09 are: $7.923 million in intangibles mainly representing new grant management and evaluation systems; and $6.231 million in financial assets indicating the estimated appropriation receivable and cash balance.

The ARC’s primary liability continues to be accrued employee entitlements which are estimated to increase in 2008-09 to $2.252 million. Other payables include mainly lease incentive liabilities and make-good provisions.

### Budgeted Departmental Statement of Cash Flows

The lower appropriations drawdown in 2008-09 reflects the one-off additional cash requirements for capital project in 2007-08 as mentioned above.

### Departmental Statement of Changes in Equity

The ARC’s budgeted equity position of $12.494 million in 2008-09 is unchanged from the 2007-08 Estimated Actual.

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

The ARC will manage $603.332 million in grant expenses on behalf of the Government, representing new and ongoing research funding agreements awarded under the National Competitive Grants Program.

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

Total administered assets are estimated to be $3.355 million in 2008-09, representing the balance of the ARC Research Endowment Account held for jointly funded projects with other research funding bodies and estimated GST receivable at year end.

The estimated liability balance of $240.758 million in 2008-09 represents the balance of payments under research funding agreements for new and ongoing research projects for calendar year 2009.

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

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Estimated | Budget | Forward | Forward | Forward |
|  | actual | estimate | estimate | estimate | estimate |
|  | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 |
|  | $'000 | $'000 | $'000 | $'000 | $'000 |
| **INCOME** |  |  |  |  |  |
| **Revenue** |  |  |  |  |  |
| Revenues from Government | 21,361 | 15,856 | 15,743 | 15,957 | 16,136 |
| ***Total revenue*** | **21,361** | **15,856** | **15,743** | **15,957** | **16,136** |
| **Gains** |  |  |  |  |  |
| Other | 86 | 86 | 86 | 88 | 88 |
| ***Total gains*** | **86** | **86** | **86** | **88** | **88** |
| **Total income** | **21,447** | **15,942** | **15,829** | **16,045** | **16,224** |
| **EXPENSE** |  |  |  |  |  |
| Employees | 9,880 | 8,206 | 8,436 | 8,766 | 9,111 |
| Suppliers | 10,877 | 6,860 | 6,479 | 6,322 | 6,130 |
| Depreciation and amortisation | 690 | 876 | 914 | 957 | 983 |
| ***Total expenses*** | **21,447** | **15,942** | **15,829** | **16,045** | **16,224** |
| **Surplus (deficit) attributable** |  |  |  |  |  |
| **to the Australian Government** | **-** | **-** | **-** | **-** | **-** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Estimated | Budget | Forward | Forward | Forward |
|  | actual | estimate | estimate | estimate | estimate |
|  | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 |
|  | $'000 | $'000 | $'000 | $'000 | $'000 |
| **ASSETS** |  |  |  |  |  |
| **Financial assets** |  |  |  |  |  |
| Cash and equivalents | 200 | 200 | 200 | 200 | 200 |
| Trade and other receivables | 5,241 | 6,031 | 6,860 | 7,730 | 8,626 |
| ***Total financial assets*** | 5,441 | 6,231 | 7,060 | 7,930 | 8,826 |
| **Non-financial assets** |  |  |  |  |  |
| Land and buildings | 1,808 | 1,572 | 1,328 | 1,074 | 817 |
| Infrastructure, plant and equipment | 341 | 279 | 214 | 148 | 79 |
| Intangibles | 8,240 | 7,923 | 7,579 | 7,203 | 6,807 |
| Other | 106 | 106 | 106 | 106 | 106 |
| ***Total non-financial assets*** | 10,495 | 9,880 | 9,227 | 8,531 | 7,809 |
| **Total assets** | **15,936** | **16,111** | **16,287** | **16,461** | **16,635** |
| **LIABILITIES** |  |  |  |  |  |
| **Provisions** |  |  |  |  |  |
| Employees | 2,077 | 2,252 | 2,428 | 2,602 | 2,776 |
| Other | 222 | 222 | 222 | 222 | 222 |
| ***Total provisions*** | 2,299 | 2,474 | 2,650 | 2,824 | 2,998 |
| **Payables** |  |  |  |  |  |
| Suppliers | 133 | 133 | 133 | 133 | 133 |
| Other | 1,010 | 1,010 | 1,010 | 1,010 | 1,010 |
| ***Total payables*** | 1,143 | 1,143 | 1,143 | 1,143 | 1,143 |
| **Total liabilities** | **3,442** | **3,617** | **3,793** | **3,967** | **4,141** |
| **Net assets** | 12,494 | 12,494 | 12,494 | 12,494 | 12,494 |
| **EQUITY\*** |  |  |  |  |  |
| **Parent entity interest** |  |  |  |  |  |
| Contributed equity | 9,006 | 9,006 | 9,006 | 9,006 | 9,006 |
| Reserves | 40 | 40 | 40 | 40 | 40 |
| Retained surpluses | 3,448 | 3,448 | 3,448 | 3,448 | 3,448 |
| ***Total parent entity interest*** | 12,494 | 12,494 | 12,494 | 12,494 | 12,494 |
| **Total equity** | **12,494** | **12,494** | **12,494** | **12,494** | **12,494** |
| **Current assets** | 5,547 | 6,337 | 7,166 | 8,036 | 8,932 |
| **Non-current assets** | 10,389 | 9,774 | 9,121 | 8,425 | 7,703 |
| **Current liabilities** | 2,098 | 2,150 | 2,203 | 2,257 | 2,310 |
| **Non-current liabilities** | 1,344 | 1,467 | 1,590 | 1,710 | 1,831 |

\* 'Equity' is the residual interest in assets after deduction of liabilities. Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Estimated | Budget | Forward | Forward | Forward |
|  | actual | estimate | estimate | estimate | estimate |
|  | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 |
|  | $'000 | $'000 | $'000 | $'000 | $'000 |
| **OPERATING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Appropriations | 22,189 | 15,066 | 14,914 | 15,087 | 15,240 |
| Other | 639 | 607 | 583 | 558 | 550 |
| ***Total cash received*** | 22,828 | 15,673 | 15,497 | 15,645 | 15,790 |
| **Cash used** |  |  |  |  |  |
| Employees | 9,703 | 8,031 | 8,258 | 8,592 | 8,937 |
| Suppliers | 11,415 | 7,381 | 6,978 | 6,792 | 6,592 |
| ***Total cash used*** | 21,118 | 15,412 | 15,236 | 15,384 | 15,529 |
| **Net cash from or (used by)** |  |  |  |  |  |
| **operating activities** | **1,710** | **261** | **261** | **261** | **261** |
| **INVESTING ACTIVITIES** |  |  |  |  |  |
| **Cash used** |  |  |  |  |  |
| Purchase of property, plant |  |  |  |  |  |
| and equipment and intangibles | 6,078 | 261 | 261 | 261 | 261 |
| ***Total cash used*** | 6,078 | 261 | 261 | 261 | 261 |
| **Net cash from or (used by)** |  |  |  | | |
| **investing activities** | **(6,078)** | **(261)** | **(261)** | **(261)** | **(261)** |
| **FINANCING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Appropriations - contributed equity | 4,320 | - | - | - | - |
| ***Total cash received*** | 4,320 | - | - | - | - |
| **Net cash from or (used by)** |  |  |  |  |  |
| **financing activities** | **4,320** | **-** | **-** | **-** | **-** |
| **Net increase or (decrease)** |  |  |  |  |  |
| **in cash held** | (48) | - | - | - | - |
| Cash at the beginning of |  |  |  |  |  |
| the reporting period | 248 | 200 | 200 | 200 | 200 |
| **Cash at the end of the** |  |  |  |  |  |
| **reporting period** | **200** | **200** | **200** | **200** | **200** |

Prepared on Australian Accounting Standards basis.

### Table 3.2.4: Departmental statement of changes in equity — summary of movement (Budget year 2008-09)

Retained Asset Other Contributed Total earnings revaluation reserves equity/ equity

reserve capital

$'000 $'000 $'000 $'000 $'000

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Opening balance as at 1 July 2008** |  | | | | |
| Balance carried forward from |
| previous period | 3,448 | 40 | - | 9,006 | 12,494 |
| Adjustment for changes in |  |  |  |  |  |
| accounting policies | - | - | - - | | - |
| ***Adjusted opening balance*** | 3,448 | 40 | - 9,006 | | 12,494 |
| **Transactions with owners**  *Contribution by owners* |  |  |  | |  |
| Appropriation (equity injection) | - | - | - - | | - |
| Other: |  |  |  | |  |
| Restructuring | - | - | - - | | - |
| ***Sub-total transactions with owners*** | - | - | - - | | - |
| **Estimated closing balance** |  |  |  | |  |
| **as at 30 June 2009** | **3,448** | **40** | **- 9,006** | | **12,494** |

Prepared on Australian Accounting Standards basis.

### Table 3.2.5: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Estimated | Budget | Forward | Forward | Forward |
|  | actual | estimate | estimate | estimate | estimate |
|  | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 |
|  | $'000 | $'000 | $'000 | $'000 | $'000 |
| **INCOME ADMINISTERED ON** |  |  |  | | |
| **BEHALF OF GOVERNMENT** |
| **Total income administered** |
| **on behalf of Government** | - | - | - | - | - |
| **EXPENSES ADMINISTERED ON** |  |  |  |  |  |
| **BEHALF OF GOVERNMENT** |  |  |  |  |  |
| Grants | 577,588 | 603,332 | 676,188 | 717,686 | 775,290 |
| Suppliers | - | 40 | 40 | 40 | 40 |
| **Total expenses administered** |  |  |  |  |  |
| **on behalf of Government** | **577,588** | **603,372** | **676,228** | **717,726** | **775,330** |

### Table 3.2.6: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Estimated | Budget | Forward | Forward | Forward |
|  | actual | estimate | estimate | estimate | estimate |
|  | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 |
|  | $'000 | $'000 | $'000 | $'000 | $'000 |
| **ASSETS ADMINISTERED ON** |  |  |  |  |  |
| **BEHALF OF GOVERNMENT** |  |  |  |  |  |
| **Financial assets** |  |  |  |  |  |
| Cash and cash equivalents | 2,014 | 2,014 | 1,089 | 1,089 | 89 |
| Receivables | 1,341 | 1,341 | 1,341 | 1,341 | 1,341 |
| ***Total financial assets*** | **3,355** | **3,355** | **2,430** | **2,430** | **1,430** |
| **Total assets administered** |  |  |  |  |  |
| **on behalf of Government** | **3,355** | **3,355** | **2,430** | **2,430** | **1,430** |
| **LIABILITIES ADMINISTERED ON** |  |  |  |  |  |
| **BEHALF OF GOVERNMENT** |  |  |  |  |  |
| **Payables** |  |  |  |  |  |
| Grants | 233,190 | 240,758 | 246,308 | 251,690 | 250,690 |
| ***Total payables*** | **233,190** | **240,758** | **246,308** | **251,690** | **250,690** |
| **Total liabilities administered** |  |  |  |  |  |
| **on behalf of Government** | 233,190 | 240,758 | 246,308 | 251,690 | 250,690 |

### Table 3.2.7: Schedule of budgeted administered cash flows (for the period ended 30 June)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Estimated | Budget | Forward | Forward | Forward |
|  | actual | estimate | estimate | estimate | estimate |
|  | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 |
|  | $'000 | $'000 | $'000 | $'000 | $'000 |
| **OPERATING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Net GST received | 3,350 | 3,350 | 3,350 | 3,350 | 3,350 |
| ***Total cash received*** | **3,350** | **3,350** | **3,350** | **3,350** | **3,350** |
| **Cash used** |  |  |  |  |  |
| Grant payments | 573,725 | 597,689 | 671,638 | 713,304 | 776,290 |
| Suppliers | - | 40 | 40 | 40 | 40 |
| Net GST paid | 3,350 | 3,350 | 3,350 | 3,350 | 3,350 |
| ***Total cash used*** | **577,075** | **601,079** | **675,028** | **716,694** | **779,680** |
| **Net cash from or (used by)** |  |  |  |  |  |
| **operating activities** | **(573,725)** | **(597,729)** | **(671,678)** | **(713,344)** | **(776,330)** |
| ***Net increase or (decrease) in*** |  |  |  |  |  |
| ***cash held*** | (573,725) | (597,729) | (671,678) | (713,344) | (776,330) |
| Cash at beginning of reporting period | 120 | 2,014 | 2,014 | 1,089 | 1,089 |
| Cash from Official Public Account for: |  |  |  |  |  |
| - appropriations | 571,800 | 595,804 | 669,753 | 712,344 | 775,330 |
| - special accounts | 3,819 | 1,925 | 1,000 | 1,000 | - |
| **Cash at end of reporting period** | **2,014** | **2,014** | **1,089** | **1,089** | **89** |

* + 1. **Notes to the financial statements**

### Note 1: Intangibles

The ARC’s intangibles comprise purchased and internally developed software for internal use. These assets are carried at cost.

### Note 2: Employee entitlements

The liability for employee entitlements includes provision for annual leave and long service leave.

### Note 3: Grants

The ARC administers a number of grant schemes on behalf of the Government.

Grant liabilities are recognised to the extent that the grant eligibility criteria or reporting requirements have been satisfied. A commitment is recorded when the Government enters into an agreement to make these grants but services have not been performed or criteria satisfied.