Australian Research Council

Entity resources and planned performance

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# Section 1: Entity overview and resources

## Strategic direction statement

The Australian Research Council (ARC) is a non-corporate Commonwealth entity established under the *Australian Research Council Act 2001*. The ARC is focused on driving world-class research and innovation for the advancement of Australian society. The agency plays a critical role in providing ongoing investment in university research and researchers for Australia’s economic, social, environmental and cultural benefit.

The ARC is responsible for administering the National Competitive Grants Program (NCGP); evaluating the excellence, impact and depth of university research; supporting research integrity and promoting ethical research; promoting academic careers; providing advice and support on research matters; and partnering with other Commonwealth entities to deliver research grants.

Through the NCGP, the ARC supports excellent research and research training across all disciplines (excluding medical research) for the benefit of all Australians, by awarding funding based on a competitive peer review process. NCGP schemes support the highest- quality research and infrastructure, and encourage research collaboration with local, national and international partners to advance the adoption and translation of new knowledge to increase its impact.

During 2025–26, the ARC Board will continue to drive the strategic direction of the ARC to

shape Australia’s research landscape and support researchers. The ARC’s key priorities for the year include:

* + - Working with the Department of Education to implement findings and recommendations from the policy review of ARC programs and transition to a new NCGP including:
			* Designing and implementing new schemes and processes that address review outcomes.
			* Further strengthening peer review by adopting revised assessment methodologies that align with new scheme objectives and reduce burden for applicants and assessors.
			* Embedding data-driven evaluation mechanisms to assess ongoing NCGP performance and inform future priority setting.
* Delivering a 10-year research funding strategy to drive and support the best early-stage pure basic, strategic basic and applied research and researchers, as well as ensuring ARC activities support a diverse and inclusive research sector.
* Working closely with the ARC Indigenous Forum, Indigenous Australian researchers and communities, and the research sector to promote, embed, and support Aboriginal and Torres Strait Islander research and knowledge systems.
* Continuing to work with the Department of Education, national security agencies and other stakeholders to further strengthen processes to protect the security of Australian research from foreign interference risks.
* Developing a National Research Evaluation and Impact Framework to assess the excellence, impact and depth of university research in Australia.
* Developing enhanced data, analytics and communication capabilities that offer greater insight into the Australian research landscape and better tell the story of ARC funded research.
* Continuing to work with the National Health and Medical Research Council, universities and other stakeholders to strengthen and safeguard the integrity and credibility of Australian research.
* Promoting and broadening the ARC’s research grants administration expertise and

services, including through the provision of Research Grant Services.

## 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 2025-26 as at Budget March 2025**

|  |  |  |
| --- | --- | --- |
|  | *2024-25**Estimated**actual**$'000* | 2025-26Estimate$'000 |
| **Departmental** |  |  |
| Annual appropriations - ordinary annual services (a) |  |  |
| Prior year appropriations available | *9,346* | 9,354 |
| Departmental appropriation (b) | *22,976* | 23,273 |
| s74 External Revenue (c) | *858* | 255 |
| Departmental capital budget (d) | *1,317* | 1,333 |
| Total departmental annual appropriations | *34,497* | 34,215 |
| ***Total departmental resourcing*** | ***34,497*** | ***34,215*** |
| **Administered** |  |  |
| Annual appropriations - ordinary annual services (a) |  |  |
| Prior year appropriations available (b) | *4,074* | 4,508 |
| Outcome 1 | *1,031,328* | 1,040,015 |
| Total administered annual appropriations | *1,035,402* | 1,044,523 |
| Special accounts (e) | *2,115* | 2,115 |
| Opening balance |
| Total special account receipts | *2,115* | 2,115 |
| ***Total administered resourcing*** | ***1,037,517*** | ***1,046,638*** |
| **Total resourcing for Australian Research Council** | ***1,072,014*** | **1,080,853** |

|  |  |  |
| --- | --- | --- |
| **Average staffing level (number)** | *2024-25* | 2025-26 |
| *140* | 140 |

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.

1. Appropriation Bill (No. 1) 2025-2026 and Supply Bill (No. 1) 2025-2026.
2. Excludes departmental capital budget (DCB).
3. Estimated External Revenue receipts under section 74 of the PGPA Act.
4. 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'.
5. ARC Research Endowment Account - s80 of the PGPA Act (s62 of the ARC Act). Excludes trust moneys held in Services for Other Entities and Trust Moneys (SOETM) and other special accounts. For further information on special accounts, please refer to Budget Paper No. 4 - Agency Resourcing. Please also see Table 2.1 for further information on outcome and program expenses broken down by various funding sources, e.g. annual appropriations, special appropriations and special accounts.

## 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 2025-26 Budget measures**

#### Part 1: Measures announced since the 2024-25 Mid-Year Economic and Fiscal Outlook (MYEFO)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Program | 2024-25$'000 | 2025-26$'000 | 2026-27$'000 | 2027-28$'000 | 2028-29$'000 |
| **Payment measures** |  |  |  |  |  |  |
| Savings from External Labour – furtherextension (a) |  |  |  |  |  |
| Administered payment | - | - | - | - | - |
| Departmental payment | - | - | - | - | (287) |
| **Total** | **-** | **-** | **-** | **-** | **(287)** |
| **Total payment measures** |  |  |  |  |  |
| Administered | - | - | - | - | - |
| Departmental | - | - | - | - | (287) |
| **Total** | ***-*** | ***-*** | **-** | **-** | **(287)** |

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 2025-26 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/)

## 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.**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2024-25Estimatedactual$'000 | 2025-26Budget$'000 | 2026-27Forward estimate$'000 | 2027-28Forward estimate$'000 | 2028-29Forward estimate$'000 |
| **Program 1.1: Discovery - Research and Research Training** |
| Administered expenses |  |  |  |  |  |
| Ordinary annual services (Appropriation Bill (No.1) and Supply Bill (No. 1)) |  629,744  | 629,808  | 649,008  | 668,795  | 685,181  |
| **Total expenses for Program 1.1** | **629,744** | **629,808** | **649,008** | **668,795** | **685,181** |

|  |
| --- |
| **Program 1.2: Linkage - Cross Sector Research Partnerships** |
| Administered expenses |  |  |  |  |  |
| Ordinary annual services (Appropriation Bill (No.1) and Supply Bill (No. 1)) | 397,556 | 406,406 | 435,803 | 449,081 | 460,086 |
| ARC Research Endowment Account -s80 PGPA Act 2013 (s62 *Australian Research Council Act 2001*) | - | - | - | - | - |
| **Total expenses for Program 1.2** | **397,556** | **406,406** | **435,803** | **449,081** | **460,086** |

|  |
| --- |
| **Program 1.3: Excellence in Research for Australia** |
| Administered expenses | 4,028 | 3,801 |  |  |  |
| Ordinary annual services (Appropriation Bill (No.1) andSupply Bill (No. 1)) | 3,896 | 3,989 | 4,089 |
| **Total expenses for Program 1.3** | **4,028** | **3,801** | **3,896** | **3,989** | **4,089** |

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2024-25Estimatedactual$'000 | 2025-26Budget$'000 | 2026-27Forward estimate$'000 | 2027-28Forward estimate$'000 | 2028-29Forward estimate$'000 |
| **ARC - Departmental** |
| Departmental expenses |  |  |  |  |  |
| Departmental appropriation | 20,565 | 22,106 | 23,018 | 23,058 | 23,291 |
| s74 External Revenue (a) | 858 | 255 | 86 | 68 | 51 |
| Expenses not requiring appropriation in the Budgetyear (b) | 4,341 | 3,834 | 3,228 | 2,989 | 2,989 |
| **Total expenses for Departmental** | **25,764** | **26,195** | **26,332** | **26,115** | **26,331** |

|  |
| --- |
| **Outcome 1 Totals by appropriation type** |
| Administered expenses |  |  |  |  |  |
| Ordinary annual services (Appropriation Bill No.1) | 1,031,328 | 1,040,015 | 1,088,707 | 1,121,865 | 1,149,356 |
| Special accounts | - | - | - | - | - |
| **Administered total** | **1,031,328** | **1,040,015** | **1,088,707** | **1,121,865** | **1,149,356** |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Departmental expenses |  |  |  |  |  |
| Departmental appropriation | 20,565 | 22,106 | 23,018 | 23,058 | 23,291 |
| s74 External Revenue (a) | 858 | 255 | 86 | 68 | 51 |
| Expenses not requiring appropriation in the Budget year (b) | 4,341 | 3,834 | 3,228 | 2,989 | 2,989 |
| **Departmental total** | **25,764** | **26,195** | **26,332** | **26,115** | **26,331** |
| **Total expenses for Outcome 1** | **1,057,092** | **1,066,210** | **1,115,039** | **1,147,980** | **1,175,687** |

|  |  |  |
| --- | --- | --- |
| **Average staffing level (number)** | 2024-25 | 2025-26 |
| 140 | 140 |

1. Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act.
2. 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 (i.e 2024-25), the context in which these activities are delivered, and how the performance of these activities will be measured. Where relevant, details of the 2025-26 Budget measures that have created new programs or materially changed existing programs are provided.

|  |
| --- |
| **Outcome 1 – Growth of knowledge and innovation through managing research funding schemes, measuring research excellence and providing advice.** |
| **Program 1.1 – Discovery – Research and Research Training**Through the Discovery Program, the ARC aims to build Australia’s research capacity by supporting excellent, internationally competitive research projects, fellowships, and awards. 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. |
| **Key Activities** | Fund high-quality and impactful research |
| **Year** | **Performance measures** | **Expected performance results** |
| Current Year 2024–25 | The percentage of ARC schemes completed in time to meet ARC published timeframes | Target: 100% of Discovery Program scheme rounds outcomes are announced within the published timeframes on the ARC website |
|  |  | On track |
|  | The percentage of appeals upheld against NCGP application assessment processes for all applications submitted | Target: The number of upheld appeals against administrative processes related to Discovery Program applications is less than 1% of all submitted applications |
|  |  | On track |
|  | The percentage of ARC-funded research projects involving internationalcollaboration for all ARC-funded research projects | Target: More than 70% ofDiscovery Program research projects involve international collaboration |
|  |  | Data not yet available |
|  | The percentage of submitted progress, End of Year and final reports reviewed on time | Target: More than 90% of Discovery Program completed final grant reports and submitted End of Year Reports, Progress / Annual Reports are reviewed by the ARC within 90 days of submission |
|  |  | Data not yet available |
|  | 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 track |

|  |  |  |
| --- | --- | --- |
| **Year** | **Performance measures** | **Expected performance results** |
| Current Year 2024–25(continued) | The proportion of fundedChief Investigators who identify as an Aboriginal and/or Torres Strait Islander researche[r26](#_bookmark0) | Target: The percentage ofChief Investigators who identify as an Aboriginal and/or Torres Strait Islander researcher on funded applications is higher than the previous reporting period |
|  |  | On track |
|  | 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%) of approved projects |
|  |  | On track |
|  | The ARC peer review process identifies research excellence | Target: The ARC achieves this measure by using a robust peer review process to make funding recommendations based on expertise representing the breadth of research fields funded by the ARC, and through close engagement with the research sector |
|  |  | On track |
|  | The ARC provides expert advice on research across government | Target: The ARC achieves this measure by providing timely and expert advice on research across government |
|  |  | On track |
| **Year** | **Performance measures** | **Planned performance results** |
| Budget Year 2025–26 | The percentage of ARC schemes completed in time to meet ARC published timeframes | Target: 100% of Discovery Program scheme rounds outcomes are announced within the published timeframes on the ARC website |
| The proportion of appeals received for NCGP applications | Target: The percentage of appeals received for all Discovery Program applications is less than 1% |
| The percentage of ARC-funded research projects involving international collaboration for all ARC-funded research projects | Target: More than 70% ofDiscovery Program research projects involve international collaboration |
| The percentage of submitted final reports reviewed on time | Target: More than 90% of final grant reports (for the Discovery Program) are reviewed by the ARC within 90 days of submission |
| The average number of days to action research integrity investigation outcomes reported to the ARC | Target: Investigations reported to the ARC Research Integrity Office are considered and actioned by the ARC in less than or equal to 30 working days |

26 This measure was updated in the *ARC Corporate Plan 2024–25* from the number of individuals to provide more meaningful performance information.

|  |  |  |
| --- | --- | --- |
| **Year** | **Performance measures** | **Planned performance results** |
| Budget Year 2025–26(continued) | The proportion of fundedChief Investigators who identify as an Aboriginal and/or Torres Strait Islander researcher | Target: The percentage ofChief Investigators who identify as an Aboriginal and/or Torres Strait Islander researcher on funded applications is higher than the previous reportingperiod |
| 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%) of approved projects |
| The ARC peer review process identifies research excellence | Target: The ARC achieves this measure by using a robust peer review process to make funding recommendations based on expertise representing the breadth of research fields funded by the ARC, and through close engagement with the research sector |
| The ARC provides expert advice on research across government | Target: The ARC achieves this measure by providing timely and expert advice on research across government |
| Forward Estimates 2026–29 | As per 2025–26 | As per 2025–26 |
| Material changes to Program 1.1 resulting from 2025–26 Budget measures: Nil |

|  |
| --- |
| **Program 1.2 – Linkage – Cross sector research partnerships**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 inareas of national priority. |
| **Key Activities** | Fund high-quality and impactful research |
| **Year** | **Performance measures** | **Expected performance results** |
| Current Year 2024–25 | The percentage of ARC schemes completed in time to meet ARC published timeframes | Target: 100% of Linkage Program scheme rounds outcomes are announced within the published timeframes on the ARC websiteOn track |
| The percentage of appeals upheld against NCGP application assessment processes for all applications submitted | Target: The number of upheld appeals against administrative processes related to Linkage Program applications is less than 1% of all submitted applicationsOn track |
| The percentage of ARC-funded research projects involving international collaboration for all ARC-funded research projects | Target: More than 70% ofLinkage Program research projects involve international collaborationData not yet available |
| The percentage of submitted progress, End of Year and final reports reviewed on time | Target: More than 90% ofLinkage Program completed final grant reports and submitted End of Year Reports, Progress / Annual Reports are reviewed by the ARC within 90 days of submissionData not yet available |
| The total contribution from partner organisations for all research projects funded under the Linkage Projects scheme | Target: Average dollar contribution is more than or equal to the previous yearOn track |
| 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 daysOn track |
| The proportion of fundedChief Investigators who identify as an Aboriginal and/or Torres Strait Islander researche[r27](#_bookmark1) | Target: The percentage ofChief Investigators who identify as an Aboriginal and/or Torres Strait Islander researcher on funded applications is higher than or equal to the previous reporting periodOn track |

27 This measure was updated in the *ARC Corporate Plan 2024–25* from the number of individuals to provide more meaningful performance information.

|  |  |  |
| --- | --- | --- |
| **Year** | **Performance measures** | **Expected performance results** |
| Current Year 2024–25(continued) | 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%) of approved projectsOn track |
| The ARC peer review process identifies research excellence | Target: The ARC achieves this measure by using a robust peer review process to make funding recommendations based on expertise representing the breadth of research fields funded by the ARC, and through close engagement with the research sectorOn track |
| The ARC provides expert advice on research across government | Target: The ARC achieves this measure by providing timely and expert advice on research across governmentOn track |

|  |  |  |
| --- | --- | --- |
| **Year** | **Performance measures** | **Planned performance results** |
| Budget Year 2025–26 | The percentage of ARC schemes completed in time to meet ARC published timeframes | Target: 100% of Linkage Program scheme rounds outcomes are announced within the published timeframes on the ARC website |
| The proportion of appeals received for NCGP applications | Target: The percentage of appeals received for all Linkage Program applications is less than 1% |
| The percentage of ARC-funded research projects involving international collaboration for all ARC-funded research projects | Target: More than 70% ofLinkage Program research projects involve international collaboration |
| The percentage of submitted final reports reviewed on time | Target: More than 90% of final grant reports (for the Linkage Program) are reviewed by the ARC within 90 days of submission |
| The total contribution from partner organisations for all research projects funded under the Linkage Projects scheme | Target: Average dollar contribution is more than or equal to the previous year |
| The average number of days to action research integrity investigation outcomes reported to the ARC | Target: Investigations reported to the ARC Research Integrity Office are considered and actioned by the ARC in less than or equal to 30 working days |
| The proportion of fundedChief Investigators who identify as an Aboriginal and/or Torres Strait Islander researcher | Target: The percentage ofChief Investigators who identify as an Aboriginal and/or Torres Strait Islander researcher on funded applications is higher than the previous reporting period |
| 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%) of approved projects |
| The ARC peer review process identifies research excellence | Target: The ARC achieves this measure by using a robust peer review process to make funding recommendations based on expertise representing the breadth of research fields funded by the ARC, and through close engagement with the research sector |
| The ARC provides expert advice on research across government | Target: The ARC achieves this measure by providing timely and expert advice on research across government |
| Forward Estimates2026–29 | As per 2025–26 | As per 2025–26 |
| Material changes to Program 1.2 resulting from 2025–26 Budget Measures: Nil |

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| --- |
| **Program 1.3 – Excellence in Research for Australia**[**28**](#_bookmark2)Through the Excellence in Research for Australia (ERA) program the ARC aimed to improve Australia’s research capacity by evaluating research at eligible Australian higher education institutions against international benchmarks and identifying excellence across the full spectrum of research activities. The program included, Excellence in Research for Australia, which assessed research quality, and Engagement and Impact (EI), which assessed the engagement of researchers with end-users, and how universities translated their research into economic, social, environmental, cultural, and other impacts. ERA and EI have been discontinued by the Minister for Education and the ARC is working to transition the evaluation of university research to a more modern, data driven approach informed by expert review. This program contributes to Outcome 1 by: providing a unique, evidence-based resource to inform Australia government research policy and the strategic direction of higher education institutions; andencouraging researchers to produce high-quality and impactful research with real world benefits. |
| **Key Activities** | Assess research quality, engagement, and impact |
| **Year** | **Performance measures** | **Expected performance results** |
| Current Year 2024–25 | Design a new approach for evaluating the excellence, impact and depth of Australian university research[29](#_bookmark3) | Target: Not applicableNot applicable |
| The ARC provides expert advice on research across government | Target: The ARC achieves this measure by providing timely and expert advice on research across governmentOn track |
| **Year** | **Performance measures** | **Planned performance results** |
| Budget 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 |
| The ARC provides expert advice on research across government | Target: The ARC achieves this measure by providing timely and expert advice on research across government |
| Forward Estimates2026–29 | As per 2025–26 | As per 2025–26 |
| Material changes to Program 1.3 resulting from 2025–26 Budget Measures: Nil |

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

29 This measure and target has been revised following publication of the *ARC Corporate Plan 2024–25* as it is subject to the Government’s consideration of recommendations made in the Australian Universities Accord report.

# Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of ARC’s finances for the 2025­26 Budget year, including the impact of budget measures and resourcing on financial statements.

## Budgeted financial statements

* + 1. **Differences between entity resourcing and financial statements**

There are no variances between the entity resources table and the budgeted financial statements.

* + 1. **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.

### Budgeted financial statements tables

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2024-25Estimatedactual$'000 | 2025-26Budget$'000 | 2026-27Forward estimate$'000 | 2027-28Forward estimate$'000 | 2028-29Forward estimate$'000 |
| **EXPENSES** |  |  |  |  |  |
| Employee benefits | 19,294 | 20,073 | 20,603 | 20,509 | 21,137 |
| Suppliers | 2,145 | 2,092 | 2,305 | 2,460 | 2,088 |
| Depreciation and amortisation (a) | 4,277 | 3,770 | 3,164 | 2,925 | 2,925 |
| Finance costs | 48 | 260 | 260 | 221 | 181 |
| **Total expenses** | **25,764** | **26,195** | **26,332** | **26,115** | **26,331** |
| **LESS:** |  |  |  |  |  |
| **OWN-SOURCE INCOME** |  |  |  |  |  |
| **Own-source revenue** |  |  |  |  |  |
| Sale of goods and rendering of services | 858 | 255 | 86 | 68 | 51 |
| Other | 64 | 64 | 64 | 64 | 64 |
| **Total own-source revenue** | **922** | **319** | **150** | **132** | **115** |
| **Total own-source income** | **922** | **319** | **150** | **132** | **115** |
| **Net (cost of)/contribution by services** | **(24,842)** | **(25,876)** | **(26,182)** | **(25,983)** | **(26,216)** |
| Revenue from Government | 22,976 | 23,273 | 23,845 | 23,958 | 24,268 |
| **Surplus/(deficit) attributable to the Australian Government** | **(1,866)** | **(2,603)** | **(2,337)** | **(2,025)** | **(1,948)** |
| **Total comprehensive income/(loss)** | **(1,866)** | **(2,603)** | **(2,337)** | **(2,025)** | **(1,948)** |
| **Total comprehensive income/(loss)****attributable to the Australian Government** | **(1,866)** | **(2,603)** | **(2,337)** | **(2,025)** | **(1,948)** |

**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**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2024-25Estimatedactual$'000 | 2025-26Budget$'000 | 2026-27Forward estimate$'000 | 2027-28Forward estimate$'000 | 2028-29Forward estimate$'000 |
| **Total comprehensive income/(loss)****- as per statement of Comprehensive Income** | **(1,866)** | **(2,603)** | **(2,337)** | **(2,025)** | **(1,948)** |
| plus: depreciation/amortisation of assets funded through appropriations (departmental capital budget fundingand/or equity injections) (a) | 2,333 | 2,388 | 2,159 | 1,920 | 1,920 |
| plus: depreciation/amortisation expenses for ROU assets (b) | 1,944 | 1,382 | 1,005 | 1,005 | 1,005 |
| less: lease principal repayments (b) | 2,411 | 1,167 | 827 | 900 | 977 |
| **Net Cash Operating Surplus/ (Deficit)** | **-** | **-** | **-** | **-** | **-** |

Prepared on Australian Accounting Standards basis

1. 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) and Supply 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.

1. Applies leases under AASB 16 Leases.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2024-25Estimatedactual$'000 | 2025-26Budget$'000 | 2026-27Forward estimate$'000 | 2027-28Forward estimate$'000 | 2028-29Forward estimate$'000 |
| **ASSETS** |  |  |  |  |  |
| **Financial assets** |  |  |  |  |  |
| Cash and cash equivalents | 250 | 250 | 250 | 250 | 250 |
| Trade and other receivables | 9,410 | 9,485 | 9,485 | 9,485 | 9,485 |
| ***Total financial assets*** | ***9,660*** | ***9,735*** | ***9,735*** | ***9,735*** | ***9,735*** |
| **Non-financial assets** |  |  |  |  |  |
| Land and buildings | 630 | 6,287 | 5,282 | 4,277 | 3,272 |
| Property, plant and equipment | 1,016 | 821 | 826 | 1,706 | 2,465 |
| Intangibles | 6,737 | 5,876 | 5,068 | 3,638 | 2,347 |
| Other non-financial assets | 705 | 705 | 705 | 705 | 705 |
| ***Total non-financial assets*** | ***9,088*** | ***13,689*** | ***11,881*** | ***10,326*** | ***8,789*** |
| **Total assets** | **18,748** | **23,424** | **21,616** | **20,061** | **18,524** |
| **LIABILITIES** |  |  |  |  |  |
| **Payables** |  |  |  |  |  |
| Suppliers | 359 | 359 | 359 | 359 | 359 |
| Other payables | 872 | 947 | 947 | 947 | 947 |
| ***Total payables*** | ***1,231*** | ***1,306*** | ***1,306*** | ***1,306*** | ***1,306*** |
| **Interest bearing liabilities** | 592 | 6,463 |  |  |  |
| Leases | 5,636 | 4,736 | 3,759 |
| ***Total interest bearing liabilities*** | ***592*** | ***6,463*** | ***5,636*** | ***4,736*** | ***3,759*** |
| **Provisions** |  |  |  |  |  |
| Employee provisions | 5,455 | 5,455 | 5,455 | 5,455 | 5,455 |
| Other provisions | 801 | 801 | 801 | 801 | 801 |
| ***Total provisions*** | ***6,256*** | ***6,256*** | ***6,256*** | ***6,256*** | ***6,256*** |
| **Total liabilities** | **8,079** | **14,025** | **13,198** | **12,298** | **11,321** |
| **Net assets** | **10,669** | **9,399** | **8,418** | **7,763** | **7,203** |
| **EQUITY\*** |  |  |  |  |  |
| **Parent entity interest** |  |  |  |  |  |
| Contributed equity | 45,045 | 46,378 | 47,734 | 49,104 | 50,492 |
| Reserves | 29 | 29 | 29 | 29 | 29 |
| Retained surplus (accumulated deficit) | (34,405) | (37,008) | (39,345) | (41,370) | (43,318) |
| ***Total parent entity interest*** | ***10,669*** | ***9,399*** | ***8,418*** | ***7,763*** | ***7,203*** |
| **Total equity** | **10,669** | **9,399** | **8,418** | **7,763** | **7,203** |

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 2025-26)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Retained earnings$'000 | Asset revaluationreserve$'000 | Other reserves$'000 | Contributedequity/ capital$'000 | Total equity$'000 |
| **Opening balance as at 1 July 2025** |  |  |  |  |  |
| Balance carried forward from previous period | (34,405) | 29 | - | 45,045 | 10,669 |
| ***Adjusted opening balance*** | ***(34,405)*** | ***29*** | ***-*** | ***45,045*** | ***10,669*** |
| **Comprehensive income** |  |  |  |  |  |
| Surplus/(deficit) for the period | (2,603) | - | - | - | (2,603) |
| ***Total comprehensive income*** | ***(2,603)*** | ***-*** | ***-*** | ***-*** | ***(2,603)*** |
| of which: |  |  |  |  |  |
| Attributable to the Australian Government | (2,603) | - | - | - | (2,603) |
| **Transactions with owners** |  |  |  |  |  |
| ***Contributions by owners*** |  |  |  |  |  |
| Departmental Capital Budget (DCB) | - | - | - | 1,333 | 1,333 |
| ***Sub-total transactions with owners*** | ***-*** | ***-*** | ***-*** | ***1,333*** | ***1,333*** |
| **Estimated closing balance as at 30 June 2026** | **(37,008)** | **29** | **-** | **46,378** | **9,399** |
| **Closing balance attributable to the Australian Government** | **(37,008)** | **29** | **-** | **46,378** | **9,399** |
| Prepared on Australian Accounting Standards basis. |  |  |  |  |

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2024-25Estimatedactual$'000 | 2025-26Budget$'000 | 2026-27Forward estimate$'000 | 2027-28Forward estimate$'000 | 2028-29Forward estimate$'000 |
| **OPERATING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Appropriations | 22,968 | 23,198 | 23,845 | 23,958 | 24,268 |
| Sale of goods and rendering of services | 858 | 255 | 86 | 68 | **51** |
| Net GST received | 568 | 452 | 492 | 463 | 464 |
| ***Total cash received*** | ***24,394*** | ***23,905*** | ***24,423*** | ***24,489*** | ***24,783*** |
| **Cash used** |  |  |  |  |  |
| Employees | 19,286 | 19,998 | 20,603 | 20,509 | 21,137 |
| Suppliers | 2,081 | 2,028 | 2,241 | 2,396 | 2,024 |
| Net GST paid | 568 | 452 | 492 | 463 | 464 |
| Interest payments on lease liability | 48 | 260 | 260 | **221** | **181** |
| ***Total cash used*** | ***21,983*** | ***22,738*** | ***23,596*** | ***23,589*** | ***23,806*** |
| **Net cash from/(used by) operating activities** | **2,411** | **1,167** | **827** | **900** | **977** |
| **INVESTING ACTIVITIES** | 1,317 | 1,333 |  |  |  |
| **Cash used** |  |  |  |
| Purchase of property, plant and equipment and intangibles | 1,356 | 1,370 | 1,388 |
| ***Total cash used*** | ***1,317*** | ***1,333*** | ***1,356*** | ***1,370*** | ***1,388*** |
| **Net cash from/(used by) investing activities** | **(1,317)** | **(1,333)** | **(1,356)** | **(1,370)** | **(1,388)** |
| **FINANCING ACTIVITIES** | 1,317 | 1,333 |  |  |  |
| **Cash received** |  |  |  |
| Contributed equity | 1,356 | 1,370 | 1,388 |
| ***Total cash received*** | ***1,317*** | ***1,333*** | ***1,356*** | ***1,370*** | ***1,388*** |
| **Cash used** | 2,411 | 1,167 |  |  |  |
| Principal payments on lease liability | 827 | 900 | 977 |
| ***Total cash used*** | ***2,411*** | ***1,167*** | ***827*** | ***900*** | ***977*** |
| **Net cash from/(used by) financing activities** | **(1,094)** | **166** | **529** | **470** | **411** |
| **Net increase/(decrease) in cash held** | **-** | **-** | **-** | **-** | **-** |
| Cash and cash equivalents at the beginning of the reporting period | 250 | 250 | 250 | 250 | 250 |
| **Cash and cash equivalents at the end of the reporting period** | **250** | **250** | **250** | **250** | **250** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2024-25Estimatedactual$'000 | 2025-26Budget$'000 | 2026-27Forward estimate$'000 | 2027-28Forward estimate$'000 | 2028-29Forward estimate$'000 |
| **NEW CAPITAL APPROPRIATIONS** | 1,317 | 1,333 |  |  |  |
| Capital budget - Bill 1 (DCB) | 1,356 | 1,370 | 1,388 |
| **Total new capital appropriations** | **1,317** | **1,333** | **1,356** | **1,370** | **1,388** |
| ***Provided for:*** | *1,317* | *1,333* |  |  |  |
| *Purchase of non-financial assets* | *1,356* | *1,370* | *1,388* |
| ***Total items*** | ***1,317*** | ***1,333*** | ***1,356*** | ***1,370*** | ***1,388*** |
| **PURCHASE OF NON-FINANCIAL ASSETS** | 1,317 | 1,333 |  |  |  |
| Funded by capital appropriations - DCB (a) | 1,356 | 1,370 | 1,388 |
| **TOTAL** | **1,317** | **1,333** | **1,356** | **1,370** | **1,388** |
| **RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE** | 1,317 | 1,333 |  |  |  |
| Total purchases | 1,356 | 1,370 | 1,388 |
| **Total cash used to acquire assets** | **1,317** | **1,333** | **1,356** | **1,370** | **1,388** |

Prepared on Australian Accounting Standards basis.

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

**Table 3.6: Statement of departmental asset movements (Budget year 2025-26)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Buildings$'000 | Other property, plant and equipment$'000 | Computer softwareand intangibles$'000 | Total$'000 |
| **As at 1 July 2025** |  |  |  |  |
| Gross book value | 636 | 2,382 | 26,070 | 29,088 |
| Gross book value - ROU assets | 13,315 | 499 | - | 13,814 |
| Accumulated depreciation/ amortisation and impairment | (575) | (1,428) | (19,333) | (21,336) |
| Accumulated depreciation/amortisation and impairment - ROU assets | (12,746) | (437) | - | (13,183) |
| **Opening net book balance** | **630** | **1,016** | **6,737** | **8,383** |
| **Capital asset additions** |  |  |  |  |
| **Estimated expenditure on new or replacement assets** |  |  |  |  |
| By purchase - appropriation ordinary annual services (a) | - | 350 | 983 | 1,333 |
| By purchase - appropriationordinary annual services - ROU assets (a) | 7,038 | - | - | 7,038 |
| **Total additions** | **7,038** | **350** | **983** | **8,371** |
| **Other movements** |  |  |  |  |
| Gross Value - Disposals | (636) | - | - | (636) |
| Gross Value - ROU - Disposals | (13,315) | (499) | - | (13,814) |
| Accumulated depreciation - Disposals | 636 | - | - | 636 |
| Accumulated depreciation - ROU Disposals | 13,315 | 499 | - | 13,814 |
| Depreciation/amortisation expense | (61) | (483) | (1,844) | (2,388) |
| Depreciation/amortisation on ROU assets | (1,320) | (62) | - | (1,382) |
| **Total other movements** | **(1,381)** | **(545)** | **(1,844)** | **(3,770)** |
| **As at 30 June 2026** |  |  |  |  |
| Gross book value | - | 2,732 | 27,053 | 29,785 |
| Gross book value - ROU assets | 7,038 | - | - | 7,038 |
| Accumulated depreciation/ amortisation and impairment | - | (1,911) | (21,177) | (23,088) |
| Accumulated depreciation/amortisation and impairment - ROU assets | (751) | - | - | (751) |
| **Closing net book balance** | **6,287** | **821** | **5,876** | **12,984** |

Prepared on Australian Accounting Standards basis.

1. ‘Appropriation ordinary annual services’ refers to funding provided through Appropriation Bill (No. 1) 2025-2026 and Supply Bill (No. 1) 2025-2026 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)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2024-25Estimatedactual$'000 | 2025-26Budget$'000 | 2026-27Forward estimate$'000 | 2027-28Forward estimate$'000 | 2028-29Forward estimate$'000 |
| **EXPENSES** |  |  |  |  |  |
| Employee benefits | 434 | 447 | 454 | 464 | 474 |
| Suppliers | 7,071 | 6,949 | 7,129 | 7,301 | 7,486 |
| Grants | 1,023,823 | 1,032,619 | 1,081,124 | 1,114,100 | 1,141,396 |
| **Total expenses administered on behalf of Government** | **1,031,328** | **1,040,015** | **1,088,707** | **1,121,865** | **1,149,356** |
| **LESS:** | 9,721 | 9,721 |  |  |  |
| **OWN-SOURCE INCOME** |  |  |  |
| **Own-source revenue** |  |  |  |
| **Non-taxation revenue** |  |  |  |
| Other revenue | 9,721 | 9,721 | 9,721 |
| ***Total non-taxation revenue*** | ***9,721*** | ***9,721*** | ***9,721*** | ***9,721*** | ***9,721*** |
| **Total own-source revenue administered on behalf of Government** | **9,721** | **9,721** | **9,721** | **9,721** | **9,721** |
| **Total own-sourced income****administered on behalf of Government** | **9,721** | **9,721** | **9,721** | **9,721** | **9,721** |
| **Net (cost of)/contribution by services** | **(1,021,607)** | **(1,030,294)** | **(1,078,986)** | **(1,112,144)** | **(1,139,635)** |
| **Surplus/(deficit) before income tax** | **(1,021,607)** | **(1,030,294)** | **(1,078,986)** | **(1,112,144)** | **(1,139,635)** |
| **Surplus/(deficit) after income tax** | **(1,021,607)** | **(1,030,294)** | **(1,078,986)** | **(1,112,144)** | **(1,139,635)** |
| **Total comprehensive income/(loss)** | **(1,021,607)** | **(1,030,294)** | **(1,078,986)** | **(1,112,144)** | **(1,139,635)** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2024-25Estimatedactual$'000 | 2025-26Budget$'000 | 2026-27Forward estimate$'000 | 2027-28Forward estimate$'000 | 2028-29Forward estimate$'000 |
| **ASSETS** |  |  |  |  |  |
| **Financial assets** |  |  |  |  |  |
| Cash and cash equivalents | 2,115 | 2,115 | 2,115 | 2,115 | 2,115 |
| Trade and other receivables | 223 | 223 | 223 | 223 | 223 |
| ***Total financial assets*** | ***2,338*** | ***2,338*** | ***2,338*** | ***2,338*** | ***2,338*** |
| **Non-financial assets** | 27 | 27 |  |  |  |
| Other non-financial assets | 27 | 27 | 27 |
| ***Total non-financial assets*** | ***27*** | ***27*** | ***27*** | ***27*** | ***27*** |
| **Total assets administered on behalf of Government** | **2,365** | **2,365** | **2,365** | **2,365** | **2,365** |
| **LIABILITIES** |  |  |  |  |  |
| **Payables** |  |  |  |  |  |
| Suppliers | 617 | 617 | 617 | 617 | 617 |
| Grants | 247,756 | 247,756 | 247,756 | 247,756 | 247,756 |
| ***Total payables*** | ***248,373*** | ***248,373*** | ***248,373*** | ***248,373*** | ***248,373*** |
| **Provisions** | 115 | 115 |  |  |  |
| Employee provisions | 115 | 115 | 115 |
| ***Total provisions*** | ***115*** | ***115*** | ***115*** | ***115*** | ***115*** |
| **Total liabilities administered on behalf of Government** | **248,488** | **248,488** | **248,488** | **248,488** | **248,488** |
| **Net assets/(liabilities)** | **(246,123)** | **(246,123)** | **(246,123)** | **(246,123)** | **(246,123)** |

Prepared on Australian Accounting Standards basis.

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2024-25Estimatedactual$'000 | 2025-26Budget$'000 | 2026-27Forward estimate$'000 | 2027-28Forward estimate$'000 | 2028-29Forward estimate$'000 |
| **OPERATING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Net GST received | 956 | 956 | 956 | 956 | 956 |
| Other | 9,721 | 9,721 | 9,721 | 9,721 | 9,721 |
| ***Total cash received*** | ***10,677*** | ***10,677*** | ***10,677*** | ***10,677*** | ***10,677*** |
| **Cash used** |  |  |  |  |  |
| Grant | 1,023,823 | 1,032,619 | 1,081,124 | 1,114,100 | 1,141,396 |
| Suppliers | 7,071 | 6,949 | 7,129 | 7,301 | 7,486 |
| Net GST paid | 956 | 956 | 956 | 956 | 956 |
| Employees | 434 | 447 | 454 | 464 | 474 |
| ***Total cash used*** | ***1,032,284*** | ***1,040,971*** | ***1,089,663*** | ***1,122,821*** | ***1,150,312*** |
| **Net cash from/(used by) operating activities** | **(1,021,607)** | **(1,030,294)** | **(1,078,986)** | **(1,112,144)** | **(1,139,635)** |
| ***Net increase/(decrease) in cash held*** | ***(1,021,607)*** | ***(1,030,294)*** | ***(1,078,986)*** | ***(1,112,144)*** | ***(1,139,635)*** |
| Cash and cash equivalents at beginning of reporting period | 2,115 | 2,115 | 2,115 | 2,115 | 2,115 |
| Cash from Official Public Account for: |  |  |  |  |  |
| - Appropriations | 1,033,284 | 1,041,971 | 1,088,707 | 1,121,865 | 1,149,356 |
| *Total cash from Official Public Account* | *1,033,284* | *1,041,971* | *1,088,707* | *1,121,865* | *1,149,356* |
| Cash to Official Public Account for: | (11,677) | (11,677) |  |  |  |
| - Appropriations | (9,721) | (9,721) | (9,721) |
| *Total cash to Official Public Account* | *(11,677)* | *(11,677)* | *(9,721)* | *(9,721)* | *(9,721)* |
| **Cash and cash equivalents at end of reporting period** | **2,115** | **2,115** | **2,115** | **2,115** | **2,115** |

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 2025-26)**

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