The Australian Government is deeply committed to the crucial importance that research can play in the future of our country and the wider world. As Minister for Education, I am strongly committed to building capacity in the research sector.

The Australian Research Council (ARC) plays a pivotal role in ensuring we invest in a prosperous and high-quality research sector. It is vital that we allow our researchers to compete successfully internationally—Australia must maintain and build its research capacity.

World class research allows industry to innovate, grow and generate exports and income. This is achieved through the ARC’s funding schemes which support international collaboration, support basic as well as applied research, and enable linkages to other parts of our economy and society. Growing the linkages between industry, universities and others in research will be vitally important over the years ahead, as will promoting research of high quality and impact, focussed on areas of national priority.

The Australian Government is committed to developing and retaining talented researchers. This is why in the 2014–15 Federal Budget, as an integral part of the Government’s higher education reform package, we announced a new Future Fellowships scheme to provide support for Australia’s best mid-career researchers at a critical point in their careers. This funding is an ongoing commitment to Future Fellows, with 100 four-year fellowships to be offered each year.

The Government’s higher education reform package also includes $150 million for 2015–16 for the National Collaborative Research Infrastructure Strategy, and a positive review will be undertaken to identify our future research infrastructure needs.

ARC funding schemes such as Future Fellowships, Australian Laureate Fellowships and Centres of Excellence enable some of the nation’s best researchers at all levels—from research students to our most senior researchers—to work together on projects of national and international importance. Likewise, the Industrial Transformation Research Program supports Higher Degree by Research students and postdoctoral researchers in gaining real-world practical skills and experience through placement in industry. These schemes are critical for nurturing our future research stars.

Australia has a reputation for excellent research of international standing and the Government is committed to maintaining this standing through key investments in research and research capacity.

To this end, Excellence in Research for Australia (ERA), administered by the ARC, is a valuable tool. ERA gives government, industry, business and the wider community assurance of the excellence of research conducted across the full spectrum of research activity in Australia’s universities, as well as assurance that their investment produces research of the highest quality.

The ARC strategic plan, with its stated vision of ‘Research for a creative, innovative and productive Australia’, aligns with the Australian Government’s commitment for a strong and sustained investment in research that strengthens the economy and prepares Australia for long-term challenges.

The Hon Christopher Pyne MP
Minister for Education
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Dr Delphine Lannuzel, a Discovery Early Career Researcher Award recipient from the University of Tasmania
INTRODUCTION
The Australian Research Council (ARC) has a leading role in supporting and developing Australian research. It is easy to describe what the ARC does—it funds research, it evaluates research and it provides advice on these activities to the Australian Government. Describing what this means for Australia is much more challenging but infinitely more important. It means growing Australia's capacity to conduct research. It means enabling a strategic assessment of Australia's research strengths and weaknesses to inform the development of programs and policies. And in the longer term, it means social, environmental, health and economic benefits for Australia, both tangible (increased productivity and employment, improved community safety and well-being, sense of belonging and social cohesion) and less tangible (resilience, adaptability and happiness). Our contribution is illustrated on pages 4–5.

Under the Australian Research Council Act 2001, I am required as Chief Executive Officer of the ARC, to prepare a strategic plan each year and provide it to the Minister for approval. It is an incredibly energising part of my responsibilities, providing a framework in which to engage with staff across the agency and with the ARC Advisory Council to identify changes that might impact our performance in the future. We then sit down to formulate strategies to help address the potential challenges and realize any potential opportunities.

Through its strategic planning processes this year, the ARC has reaffirmed its commitment to a vision for the future of 'a creative, innovative and productive Australia'. It is slightly revised from last year to reflect more accurately the scope and complexity of the research environment. We also confirmed the strategic direction that underpins that vision, in particular our commitment to three programs—Discovery, Linkage and Excellence in Research for Australia (ERA)—and four enabling functions—Policy Advice, Stakeholder Engagement, Program Delivery and Organisation.

Importantly we have reviewed our priorities for 2014–15. While an immediate priority will be to establish the research initiatives announced in the Australian Government's 2014–15 budget, we will also be looking to continue our record of strong engagement with the sector in relation to implementation of the next ERA evaluation scheduled for 2015. Our commitment to improving the efficiency and effectiveness of our granting processes is also high on the agenda.

At a broader level, I believe we have every right to be very proud of our programs and the positive impact they have on the research sector and society as a whole. Funding provided by the ARC enables the conduct of basic research as well the development of strong connections between universities and other parts of the innovation system including industry.

The research sector is continually evolving to meet the demands and changing needs of society. I look forward to continuing to engage with stakeholders about the ARC's role in this environment and, in particular, how we might work together to support Australia's future.
INTRODUCTION

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Professor Aidan Byrne
Chief Executive Officer, ARC
SNAPSHOT

Research expands knowledge about the world we live in and results in discoveries with a wide range of tangible benefits for Australia. ARC-funded researchers, for example, are working on:

- developing a large-scale quantum computer which has the potential to revolutionise capability in areas such as security and medicine
- increasing the information capacity of the Internet
- enhancing the management of environments and biodiversity in Australia and overseas
- ways of maintaining the world’s rich languages heritage
- plant defences
- safer platforms for the retrieval of natural gas located in Australia’s oceans.

Research expands knowledge about the world we live in and results in Excellence in Research for Australia (ERA) evaluations conducted by the ARC confirm that Australian universities compete with the world’s best in a wide range of disciplines. ERA:

- has created strong incentives to raise the quality of research in Australia’s universities
- has helped increase the social rate of return of research, generate cost savings, increase university revenue, enhance economic activity and improve accountability, transparency and policy-making (independent review, 2013)
- has facilitated the alignment of research strengths with university, industry, regional and national priorities to maximise the return on investment of public research
- is driving the performance of Australian universities in the global research rankings. As these rankings are identified as drivers of international student numbers, there is a direct link to student recruitment.

The ARC manages a national evaluation of the quality of research in Australian universities.

The ARC funds excellent basic and applied research across all disciplines.
### $8 billion
The Australian Government has allocated $8 billion to research through the ARC since 2002.

### 60%
About sixty per cent of ARC-funded research projects involve international collaboration—this collaboration is spread across more than 120 countries.

### 4500
Each year ARC funding supports over 4500 researchers including recipients of fellowships and early career researcher awards.

### 400
Each year over 400 partner organisations (including industry organisations) partner with university researchers under the Linkage Projects scheme.

### Over 40
In 2014 the ARC is funding over 40 research centres under the ARC Centres of Excellence scheme and Industrial Transformation Research Program.

### $170 million
In the most recent Linkage Projects selection round partner organisations pledged approximately $170 million (cash and in-kind) to the successful research projects ($1.93 for every $1 awarded by the ARC).

### Higher ratings
Ratings achieved by Australian universities in ERA 2012 were higher overall than in ERA 2010, and the range of fields of research assessed was wider.

### Research strengths
ERA 2012 highlighted national research strengths in areas of critical economic and social importance such as Geology, Environmental Science and Management, Nursing, Clinical Sciences, Materials Engineering, Psychology, Law and Historical Studies.
Australian Laureate Fellow, Professor Michelle Simmons and Dr Bent Weber from the ARC Centre of Excellence for Quantum Computation and Communication Technology at The University of New South Wales loading devices into a scanning tunnelling microscope.
THE AUSTRALIAN RESEARCH COUNCIL

LEGISLATION
The ARC is established under the Australian Research Council Act 2001.

RESOURCES
The ARC has a total estimated budget in 2014–15 of $904.4 million, of which approximately $877 million will be provided to support research through the National Competitive Grants Program (NCGP) (see also Appendix 1). The ARC has about 120 staff.

ROLE
The ARC is responsible for:
- funding excellent research and research training
- evaluating the quality of research in universities
- providing policy advice on research matters to the Australian Government.

Funding excellent research and research training
The ARC supports excellent research and research training through the NCGP. The NCGP comprises two programs—Discovery and Linkage. Under both programs, funding is awarded on the basis of a competitive peer review process involving national and international assessors.

Evaluating the quality of research in universities
The ARC evaluates the quality of research in universities through ERA. ERA is an evaluation system aimed at identifying research excellence in Australian higher education institutions by comparing Australia’s research effort against international benchmarks. ERA assesses research quality using a combination of indicators and expert review by research evaluation committees.

Providing policy advice on research matters to the Australian Government
The ARC provides policy advice on research matters to the Australian Government, including on how research funding schemes can be targeted to produce maximum benefits for the Australian research community and to society more broadly, and how ERA results can be used to inform policy and programs. In providing advice, the ARC emphasises the role of university research in the broader research and innovation sphere and the social, health, economic and environmental benefits it brings to the wider community.

‘Through the ARC the Australian Government supports the highest-quality Australian research’.
STAKEHOLDERS

In delivering its programs, the ARC engages with a diverse group of stakeholders with differing expectations and interests.

The ARC Chief Executive Officer (CEO) is supported in his responsibilities by a number of Committees involving external members including the ARC Advisory Council, the ARC College of Experts, the ARC Audit Committee and the ERA Research Evaluation Committees (as required).

The ARC is located within the Education portfolio of the Australian Government and is responsible to the Minister for Education. The ARC provides an annual report on its performance to the Australian Parliament.

The Australian Government defines the policy framework within which the ARC works in pursuing its program and policy responsibilities. The ARC works closely with the Department of Education, which is responsible for research policy, as well as other departments and agencies such as the Department of Industry, which is responsible for industry and science policy, and the National Health and Medical Research Council.

Through the NCGP, the ARC awards funding to eligible organisations which are mainly Australian universities. Researchers located within these organisations are eligible to be Chief Investigators on ARC grants.

The Linkage Program of the NCGP encourages university researchers to partner with researchers from other organisations. Partner organisations include industry, government (international, Australian, state and local), not-for-profit organisations and international organisations.

Funding under all schemes is awarded on the basis of a competitive peer review process conducted by Australian and international assessors. Assessors make recommendations to the CEO who in turn makes recommendations to the Minister for approval.

Through ERA, the ARC evaluates the quality of research activity undertaken at all eligible higher education research institutions. In developing and implementing ERA, the ARC liaises closely with these institutions.

The ARC engages with both Australian and international peak bodies (e.g. Learned Academies, university peak bodies) as well as international research agencies, including the peak body for this group, the Global Research Council.

The ARC also plays a role in advocating the benefits of research to the media and the Australian community at large.
Dr Shahar Hameiri from Murdoch University in Western Australia received a Discovery Project grant in 2011 to study ‘Securitisation and the governance of non-traditional security in southeast Asia and the southwest Pacific’ in collaboration with UK colleague Dr Lee Jones (Queen Mary, University of London).
OPERATING ENVIRONMENT
OPERATING ENVIRONMENT

OVERVIEW

The ARC works within the framework of Australian Government research and innovation policy and in the context of the Australian and global research environments. These environments are constantly evolving and challenges emerge each year which may affect how the ARC fulfils its mission. The ARC has a strong risk management framework in place to ensure that any risks associated with these challenges are identified and mitigating strategies established.

THE CHANGING ENVIRONMENT

Key elements of the current environment include:

- tight fiscal conditions, both in Australia and overseas
- reforms proposed by the Australian Government to higher education policy and financing, including expanding the demand-driven system to non-university providers and deregulating domestic student tuition fees
- a commitment by the Australian Government to reducing regulation and red-tape across government and in its relationships with external bodies
- global competition for access to research resources (including researchers and infrastructure)
- increasing complexity of the challenges facing society, including challenges related to environmental change, food security, and safe and stable living environments.

CHALLENGES AND OPPORTUNITIES FOR THE ARC WITHIN THAT ENVIRONMENT

In an environment characterised by the elements above, challenges and opportunities for the ARC include:

- managing the demand for research funding and expectations regarding application success rates
- maintaining the balance between discovery and linkage research
- streamlining granting and reporting processes and requirements in consultation with stakeholders
- identifying better ways to promote the worth of investing in research and demonstrating the value of ARC-funded research, basic and applied, across the full spectrum of research disciplines
- maintaining confidence in the ARC’s selection processes, in line with peer review better practice
- strengthening our policy and planning capability to ensure the agency continues to deliver its program and policy responsibilities in an effective and efficient manner
- investigating opportunities to cooperate and partner with other research funding agencies, both nationally and internationally.
ARC RISK MANAGEMENT

Framework
The ARC is committed to managing risk to meet its responsibilities with regard to delivery of the NCGP and ERA; meeting its financial and social responsibilities; and supporting good decision-making in all areas of operation. The ARC risk management framework includes the following elements:

- ARC Risk Management Policy Statement, which outlines the ARC’s commitment to managing risk
- ARC Risk Management Plan and Toolkit, which provides details of the implementation of risk management processes within the ARC
- ARC Strategic Risks, a document prepared annually by the Senior Management Group providing details of whole-of-agency strategic risks
- ARC Operational Risk Register, a central repository of the ARC’s operational risks.

Individual areas of the ARC review their operational risks biannually. A consolidated report is subsequently prepared for ARC senior management and the ARC Audit Committee.

2014–15 strategic risks
The ARC has identified nine strategic risks which the ARC will need to manage in 2014–15. The ARC manages and monitors its risks carefully, applying controls to mitigate risks where practical and cost effective.

<table>
<thead>
<tr>
<th>RISK</th>
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<tbody>
<tr>
<td>Reduction or loss of control of operating and annual administered budget</td>
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<tr>
<td>Failure to meet stakeholder needs and expectations or demonstrate value</td>
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<tr>
<td>Failure of ICT systems and/or security of ICT systems</td>
</tr>
<tr>
<td>Failure to maintain staffing levels, attract and retain high quality staff and inadequate succession planning</td>
</tr>
<tr>
<td>Failure to comply with financial, legislative, regulatory or accountability requirements</td>
</tr>
<tr>
<td>Poor coordination with other research funding agencies</td>
</tr>
<tr>
<td>External pressure on the role of the ARC and the types of research it supports</td>
</tr>
<tr>
<td>Change in parameters for research evaluation</td>
</tr>
<tr>
<td>Failure to clearly delineate the dual roles of the ARC, as a research funder and evaluator</td>
</tr>
</tbody>
</table>
An open panel discussion at the 2014 ARC Centre of Excellence in Creative Industries and Innovation Symposium for ‘Limitless information: the challenge for copyright’, exploring the tensions in the current copyright regime, both in Australia and overseas.
THE STRATEGIC PLAN
**OUR VISION**
Research for a creative, innovative and productive Australia

**OUR MISSION**
To deliver policy and programs that advance Australian research and innovation globally and benefit the community.

**OUR PROGRAMS**
- **DISCOVERY**
  - Research and research training
- **LINKAGE**
  - Cross-sector research partnerships
- **ERA**
  - Excellence in Research for Australia

**OUR ENABLING FUNCTIONS**
- **POLICY ADVICE**
- **STAKEHOLDER ENGAGEMENT**
- **PROGRAM DELIVERY**
- **ORGANISATION**

**OUR GUIDING PRINCIPLES AND VALUES**
VISION
Research for a creative, innovative and productive Australia

MISSION
To deliver policy and programs that advance Australian research and innovation globally and benefit the community
GUIDING PRINCIPLES

The ARC is guided by a strong commitment to four principles:

**Excellence**
Excellence in program and policy delivery to support excellence in research

**Engagement**
Engagement with and responsiveness to all stakeholders to support relevant program and policy development

**Benefit**
Benefit to the community through economic and social return on investment, informed decision making, and efficient operations

**Accountability**
Accountability through transparent, efficient and effective processes and adherence to ethical standards

VALUES

The ARC is committed to the Australian Public Service (APS) Values:

**Impartial**
The APS is apolitical and provides the Government with advice that is frank, honest, timely and based on the best available evidence

**Committed to service**
The APS is professional, objective, innovative and efficient, and works collaboratively to achieve the best results for the Australian community and the Government

**Accountable**
The APS is open and accountable to the Australian community under the law and within the framework of Ministerial responsibility

**Respectful**
The APS respects all people, including their rights and their heritage

**Ethical**
The APS demonstrates leadership, is trustworthy, and acts with integrity, in all that it does
PROGRAMS AND ENABLING FUNCTIONS

The ARC achieves its mission through three programs underpinned by four enabling functions:

**Programs**

1: Discovery  
2: Linkage  
3: Excellence in Research for Australia

**Enabling functions**

1: Policy Advice  
2: Stakeholder Engagement  
3: Program Delivery  
4: Organisation
PROGRAM 1
DISCOVERY

DESCRIPTION
The Discovery Program supports the growth of Australia’s research and innovation capacity, which generates new knowledge resulting in the development of new technologies, products and ideas, the creation of jobs, economic growth and an enhanced quality of life in Australia.

OBJECTIVES
The Discovery Program aims to:
Deliver outcomes of benefit to Australia and build Australia’s research capacity through support for:
- excellent, internationally competitive research by individuals and teams
- research training and career opportunities for the best Australian and international researchers
- international collaboration
- research in priority areas.

The Discovery Program schemes providing funding (new and/or ongoing) in 2014–15 are: Australian Laureate Fellowships; Discovery Early Career Researcher Award; Discovery Indigenous; Discovery Projects; and Future Fellowships.
PERFORMANCE

**KEY PERFORMANCE INDICATORS**

<table>
<thead>
<tr>
<th>Outcomes of benefit to Australia</th>
<th>2014–15 TARGET</th>
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</thead>
<tbody>
<tr>
<td>Evidence of economic, environmental, social, health and/or cultural benefits to Australia arising from Discovery research</td>
<td>Document ten case studies demonstrating benefits arising from the research</td>
</tr>
<tr>
<td>Proportion of completed Discovery research projects that report their objectives were met</td>
<td>&gt; 95 per cent</td>
</tr>
</tbody>
</table>

**Building Australia’s research capacity—knowledge generation**

| Share of the outputs of Discovery research projects that are rated at world standard or above | > 80 per cent |

**Building Australia’s research capacity—research training and careers**

| Winning of prestigious prizes and awards by Discovery researchers                            |                  |
| Proportion of Discovery researchers who are early career researchers                         | > 20 per cent    |
| Proportion of completed Discovery research projects that report the research supported higher degree by research students | Benchmark and establish baseline for measurement |
| Proportion of fellowships and awards that are awarded to international applicants (foreign nationals and returning Australians) | > 20 per cent |

**Building Australia’s research capacity—international collaboration**

| Proportion of Discovery research projects that involve international collaboration         | > 65 per cent    |

**Building Australia’s research capacity—research in areas of priority**

| Evidence of economic, environmental, social, health and/or cultural benefits to Australia arising from Discovery research in areas of priority | Document five case studies demonstrating benefits arising from the research |
| Proportion of Discovery research projects in areas of priority                              | > 85 per cent    |
PROGRAM 2
LINKAGE

DESCRIPTION
The Linkage Program supports the growth of research partnerships between university-based researchers and researchers in other sectors in Australia and overseas that generate new knowledge, technologies and innovations.

OBJECTIVES
The Linkage Program aims to:

Deliver outcomes of benefit to Australia and build Australia’s research and innovation capacity through support for:

– collaborative research between university-based researchers and researchers in other sectors
– research training and career opportunities that enable Australian and international researchers and research students to work with industry and other end-users
– research in priority areas.

The Linkage Program schemes providing funding (new and/or ongoing) in 2014–15 are: ARC Centres of Excellence (Centres); co-funded research centres; Industrial Transformation Research Hubs (ITRH); Industrial Transformation Training Centres (ITTC); Linkage Infrastructure, Equipment and Facilities (LIEF); Linkage Learned Academies Special Projects; Linkage Projects (LP); and Special Research Initiatives.
## PERFORMANCE

### KEY PERFORMANCE INDICATORS

<table>
<thead>
<tr>
<th>Building Australia’s research capacity—collaboration</th>
<th>2014–15 TARGET</th>
</tr>
</thead>
</table>
| Average number of organisations involved in Linkage research projects | Centres: > 10  
ITRP: > 5  
LIEF: > 3  
LP: > 2 |
| Proportion of partner organisations that rate the research partnerships supported through Linkage research projects as beneficial or very beneficial | LP: > 90 per cent |
| Financial commitment (cash and in-kind) of partner organisations to Linkage research projects (for every dollar contributed by the ARC) | ITRH: > $1.50  
LP: > $1.90 |
| Proportion of Linkage funding allocated to research projects that involve collaboration with industry | Benchmark and establish baseline for measurement |
| Proportion of Linkage research projects that involve international collaboration | Centres: 100 per cent  
ITRC: > 80 per cent  
LIEF: > 40 per cent  
LP: > 40 per cent |

### Building Australia’s research capacity—research training and careers

| Proportion of Linkage researchers who are early career researchers | > 12 per cent |
| Proportion of completed Linkage research projects that report the research supported higher degree by research students | Benchmark and establish baseline for measurement |
| Support for research training in areas of strategic importance to Australian industries | ITTC: At least 10 higher degree by research and three postdoctoral positions funded per centre |

### Building Australia’s research capacity—research in areas of priority

| Evidence of economic, environmental, social, health and/or cultural benefits to Australia arising from Linkage research in areas of priority | Document three case studies demonstrating benefits arising from the research |
| Proportion of Linkage research projects in areas of priority | > 90 per cent |
PROGRAM 3
EXCELLENCE IN RESEARCH
FOR AUSTRALIA

DESCRIPTION
ERA aims to improve research quality, assist with universities’ strategic planning and inform government policy by identifying university research strengths and disciplines that are internationally competitive and highlighting areas where there are opportunities for further development and investment.

OBJECTIVES
The ERA Program aims to:

– establish an evaluation framework that gives government, industry, business and the wider community assurance of the excellence of research conducted in Australian higher education institutions
– provide a national stocktake of discipline level areas of research strength and areas where there is opportunity for development in Australian higher education institutions
– identify excellence across the full spectrum of research performance
– identify emerging research areas and opportunities for further development
– allow for comparisons of research in Australia, nationally and internationally, for all discipline areas.
## PERFORMANCE

<table>
<thead>
<tr>
<th>KEY PERFORMANCE INDICATORS</th>
<th>2014–15 TARGET</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Establishment of a high-quality evaluation framework</strong></td>
<td>Feedback from stakeholders demonstrates confidence in ERA</td>
</tr>
<tr>
<td>Evidence of stakeholder confidence in the ERA framework as indicated by use of ERA data</td>
<td>Feedback from stakeholders demonstrates confidence in ERA</td>
</tr>
<tr>
<td>and results to inform policy advice across government and the strategic research agendas</td>
<td>Feedback from stakeholders demonstrates confidence in ERA</td>
</tr>
<tr>
<td>of higher education institutions</td>
<td>Feedback from stakeholders demonstrates confidence in ERA</td>
</tr>
<tr>
<td><strong>Successful implementation of the 2015 ERA evaluation</strong></td>
<td>All milestones met</td>
</tr>
<tr>
<td>Achievement of milestones for delivery of ERA 2015</td>
<td>All milestones met</td>
</tr>
<tr>
<td>Sector contribution to development of ERA 2015</td>
<td>Sector is provided with opportunities to contribute</td>
</tr>
</tbody>
</table>
ENABLING FUNCTION 1
POLICY ADVICE

DESCRIPTION
A key function identified for the ARC under its legislation (Australian Research Council Act 2001) is to provide advice to the Government on research matters. The aim of the ARC is to deliver analysis and evidence-based advice to government and contribute to the development of national research and innovation policy.

OBJECTIVES
The ARC aims to:

Facilitate excellent research outcomes for Australia by:

- providing high quality policy advice on research matters to the Government—advice that:
  • is evidence-based, innovative and strategic
  • takes account of relevant national and international developments
  • is informed by consultation and dialogue with stakeholders
  • is informed by program monitoring and evaluation
- supporting the development of whole-of-government research policy initiatives and participating in coordinated policy development across portfolios
- advising the Government on emerging issues and strategic policy challenges.
## Performance

### Key Performance Indicators 2014–15 Target

<table>
<thead>
<tr>
<th>Policies that support a strong research sector</th>
<th>2014–15 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Evidence that policy advice supports the effective delivery of program responsibilities</td>
<td>Feedback from stakeholders indicates they are satisfied with advice (assessed through formal and informal feedback mechanisms)</td>
</tr>
<tr>
<td>Contribution to research policy through participation in key forums and committees and contribution to national policy discussions</td>
<td>Opportunities to participate are identified and taken up</td>
</tr>
</tbody>
</table>

### Policies that incorporate government priorities

| Extent to which government priorities are considered and reflected in ARC-related research policy and program development | Government priorities are addressed in policy and program development |
ENABLING FUNCTION 2
STAKEHOLDER ENGAGEMENT

DESCRIPTION
The ARC is critically dependent on effective engagement with its stakeholders both nationally and internationally in delivery of its programs. Through engagement with stakeholders the ARC aims to enhance understanding of our programs, seek feedback for continuous improvement and publicise the significant social, economic and environmental impacts of ARC funded research.

OBJECTIVES
The ARC aims to:

Ensure its programs and policy are relevant and the status of Australian research is acknowledged and understood by:

- maintaining productive relationships with stakeholders nationally and internationally through consultation and exchange of information aimed at:
  • ensuring stakeholders are well informed about ARC programs
  • enabling informed decision-making by the ARC, helping to avoid or reduce risks associated with program delivery
  • streamlining policy and program development

- raising the profile and promoting the benefits of Australian research (including ARC-funded research) to:
  • help build Australia’s research capacity (for example, through the engagement of new researchers, involvement of new partners, and international organisations)
  • enhance understanding and appreciation of the contribution research makes to Australian, global and individual wellbeing.
## PERFORMANCE

### KEY PERFORMANCE INDICATORS

<table>
<thead>
<tr>
<th><strong>Stakeholder and community awareness of the outcomes and benefits of ARC-funded research</strong></th>
<th><strong>2014–15 TARGET</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Media coverage of ARC-funded outcomes</td>
<td>Evidence of coverage across a range of media</td>
</tr>
<tr>
<td>Media activities and events to publicise ARC support for research</td>
<td>Appropriate opportunities identified and acted on</td>
</tr>
<tr>
<td>ARC publications publicising ARC support for research</td>
<td>Publish ARChway, content of the ARC website and the ARC annual report</td>
</tr>
<tr>
<td>Number of ARC website hits</td>
<td>Increased number of hits compared to previous year</td>
</tr>
</tbody>
</table>
ENABLING FUNCTION 3
PROGRAM DELIVERY

DESCRIPTION
The ARC aims to deliver its programs in the most efficient and effective way possible. The transparency and integrity of our processes and the effective delivery of programs are integral in meeting our mission. We seek to be responsive and engaged with our stakeholders, to improve our systems and address the needs of the sector.

OBJECTIVES
The ARC aims to:

Contribute to government policy objectives by:

- Improving the efficiency, transparency and effectiveness of grant administration processes and the delivery of ERA
- ensuring planning and delivery of programs is approached (where appropriate) in a coordinated manner with other research funding bodies
- providing professional and courteous service to our stakeholders, in line with our Client Service Charter
- enhancing the outcomes of programs through effective consultation and evaluation.
## PERFORMANCE

<table>
<thead>
<tr>
<th>KEY PERFORMANCE INDICATORS</th>
<th>2014–15 TARGET</th>
</tr>
</thead>
<tbody>
<tr>
<td>Efficient and effective development, implementation and delivery of programs</td>
<td></td>
</tr>
<tr>
<td>Number of appeals</td>
<td>Number of appeals received is less than one per cent of total NCGP proposals received</td>
</tr>
<tr>
<td>Achievement of our service standards</td>
<td>Client Service Charter service standards are met</td>
</tr>
<tr>
<td>Timeliness of delivery of program milestones</td>
<td>Adherence to published timeframes (ERA and NCGP calendars)</td>
</tr>
<tr>
<td>Consultation with stakeholders about possible changes to programs</td>
<td>Stakeholders are provided with opportunities to comment on key changes</td>
</tr>
</tbody>
</table>
ENABLING FUNCTION 4
ORGANISATION

DESCRIPTION
The ARC aims to achieve excellence in all operational aspects of the agency. Our performance in delivering our programs is underpinned by efficient and effective operations. We strive to continually improve our organisation and foster a highly professional workforce to ensure the ARC continues to deliver on its mission.

OBJECTIVES
The ARC aims to:

Be a highly effective organisation by:

- maintaining best practice corporate governance structures and processes including strong frameworks for planning, reporting, performance management, decision making, internal and external audit, ethics and communication
- ensuring compliance with the Australian Government financial management framework and maintaining effective and efficient financial management systems and controls
- contributing to organisational efficiency by maintaining and enhancing sustainable ICT and knowledge management systems
- attracting and retaining high quality staff and maintaining a dynamic, professional and supportive workplace culture.
## PERFORMANCE

### KEY PERFORMANCE INDICATORS

<table>
<thead>
<tr>
<th>Effective corporate governance and organisational efficiency</th>
<th>2014–15 TARGET</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volume of ministerial and parliamentary documents</td>
<td></td>
</tr>
<tr>
<td>Timeliness of preparation of ministerial and parliamentary documents</td>
<td>All responses are submitted by deadline</td>
</tr>
<tr>
<td>Compliance with legislative and government policy requirements</td>
<td>Comply with content and timing requirements</td>
</tr>
<tr>
<td>Risk management framework and processes applied consistently and appropriately</td>
<td>All key risks across all levels of the agency identified, treated (if required), and monitored</td>
</tr>
<tr>
<td>Appropriateness of response to internal audit</td>
<td>Address recommendations of internal and external audits, where appropriate</td>
</tr>
</tbody>
</table>

### ICT systems

| Availability of ARC ICT systems | ARC systems will be available 98 per cent of business hours |

### Attraction, retention and development of staff

<table>
<thead>
<tr>
<th>Staff turnover (proportion of ARC staff at 1 July 2014 who left the organisation before 1 July 2015)</th>
<th>Staff turnover is at an acceptable level (comparable with agencies of a similar size)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff satisfaction with current job</td>
<td>Staff satisfaction is at an appropriate level (greater than 80 per cent)</td>
</tr>
</tbody>
</table>
PRIORITIES

KEY PRIORITIES FOR 2014–15

In 2014–15 the ARC will:

1. FUND EXCELLENT RESEARCH AND RESEARCH TRAINING THROUGH THE NATIONAL COMPETITIVE GRANTS PROGRAM

The ARC will fund excellent research and research training across all disciplines through delivery of the NCGP’s Discovery and Linkage programs. These programs comprise of a number of targeted schemes, with funding being awarded through a competitive peer review process.

2. DELIVER NEW FUNDING INITIATIVES AIMED AT BOOSTING RESEARCH INTO TROPICAL HEALTH AND MEDICINE, DEMENTIA, DIABETES AND THE ANTARCTIC AND SOUTHERN OCEAN

Through the Special Research Initiatives scheme the ARC will deliver the Australian Government’s commitment to support the above areas of priority.

3. REVIEW THE ARC’S APPROACH TO IDENTIFYING AND REPORTING THE BENEFITS OF ARC-FUNDED RESEARCH

Working with partners, including industry, the ARC will improve the identification of research benefits to enhance the nation’s competitiveness. The ARC will also review schemes to enhance links to industry and provide clearer information on grant success, research quality and public benefit across the breadth of research supported by the ARC.

4. IMPLEMENT THE GOVERNMENT’S COMMITMENT TO THE REDUCTION OF RED TAPE

Building on progress made in 2013–14 the ARC will:

- continue to upgrade and enhance the ICT systems it has in place to support all phases of the granting process, including application, assessment, award and post-award reporting.
- in consultation with the Department of Education, investigate options for the development of a single higher education research data collection.

5. DELIVER ERA 2015

A third ERA evaluation will be undertaken in 2015. The evaluation will be informed by feedback received from stakeholders in response to a series of consultations.

6. BUILD A POSITIVE, FORWARD THINKING AND SUSTAINABLE AGENCY

The ARC will continue to look for ways to ensure that staff know what is expected of them, the workplace is safe, staff skills and contributions are recognised and valued, and training and development is provided to support career progression.
PROGRESS AGAINST THE PRIORITIES OF THE PREVIOUS PLAN

In 2013–14 the ARC:

- CONTINUED TO SUPPORT LARGE-SCALE RESEARCH PROGRAMS IN AREAS OF NATIONAL IMPORTANCE
  In November 2013, the Minister announced the establishment of 12 new ARC Centres of Excellence worth a total of $284.9 million over seven years.

- CONTINUED TO IMPLEMENT THE INDUSTRIAL TRANSFORMATION RESEARCH PROGRAM
  During 2013–14 the ARC conducted three selection rounds under the Industrial Transformation Research Program (ITRP). In total 14 Research Hubs and 11 Training Centres have been established since the ITRP commenced in 2012.

- CONSULTED WITH STAKEHOLDERS TO INFORM THE ERA 2015 EVALUATION PROCESS

- CONTINUED TO ROLL-OUT AN OPEN ACCESS POLICY UNDER THE NCGP
  In 2013–14 the ARC consulted with members of Council of Australian University Librarians to ascertain the preparedness of the sector to manage the ARC’s Open Access requirements and to obtain an overview of current intellectual property and copyright practice.

- CONSIDERED OPTIONS FOR OPEN DATA TO ENSURE THAT DATA GENERATED THROUGH ARC-FUNDED RESEARCH IS AS ACCESSIBLE AS POSSIBLE
  While the ARC does not mandate open data, in 2013–14 it introduced revised wording in its funding rules to encourage researchers and institutions to consider the ways in which they can best manage, store, disseminate and re-use data generated through ARC-funded research.

- TRANSITIONED TO THE NEW STRATEGIC RESEARCH PRIORITIES UNDER THE NCGP
  All funding rules released since the announcement of strategic research priorities include references to these priorities.

- REVIEWED THE ARC INTERNATIONAL STRATEGY
  The review considered the possibility of, and options for, strengthening international links, as well as improving the visibility and effectiveness of ARC support for international collaboration within NCGP funding schemes.

- UPGRADED AND ENHANCED ARC INFORMATION TECHNOLOGY SYSTEMS
  In the 2013–14 budget the ARC received funding for an upgrade of its information technology systems. During the year the ARC mapped a three-phase project comprising work on the NCGP, ERA and an electronic records management system. It established governance arrangements and commenced consultations with stakeholders as appropriate.

- CONTINUED TO PARTICIPATE IN PUBLIC AWARENESS ACTIVITIES
  During 2013–14 the ARC arranged nine scheme announcements and issued six media releases (there were 10 ministerial media releases in this period relating to ARC funding outcomes). Thirty feature articles on ARC research outcomes and ARC core business have been published in the ARC newsletter ARChway since 1 July 2013.
PROGRESS AGAINST THE PRIORITIES OF THE PREVIOUS PLAN CONT

– ESTABLISHED AN ORGANISATIONAL STRUCTURE THAT ENHANCED THE ARC’S RESEARCH POLICY DEVELOPMENT CAPABILITY

During the year the ARC reviewed responsibilities across the agency and subsequently revised internal branch structures to consolidate staff with broad policy responsibilities within a single branch. The ARC continued to build on its strong framework of engagement with stakeholders including the sector, the Department of Education, the Department of Industry and the Chief Scientist.

– WORKED WITH OTHER RESEARCH FUNDING AGENCIES ON MATTERS OF MUTUAL INTEREST

The ARC held regular meetings with the National Health and Medical Research Council to identify and progress opportunities to align grant processes and policies.

– DEVELOPED A STATEMENT WHICH CLEARLY ARTICULATES ARC SUPPORT FOR THE RESEARCH WORKFORCE

The ARC developed a statement which clearly articulates the principles underpinning its support for the research workforce. A key element of this support is the mechanisms the ARC has established to support participation by researchers at all career stages and from all key groups (including women, indigenous and international researchers).

– STREAMLINED ARC GRANT APPLICATION, ADMINISTRATION AND REPORTING PROCESSES

In 2013–14, the ARC (i) released the Discovery Program funding rules as a single document; (ii) extended the duration of Discovery Projects grants commencing in 2015 providing up to five years of funding (compared to three years offered previously); (iii) released the ARC Research Opportunity and Performance Evidence statement, a first step in improving consistency of information across schemes; and (iv) introduced new arrangements in relation to the collection of end-of-year financial reporting information.

– CONTINUED TO FOSTER INFORMED AND APPROPRIATE RISK TAKING

In 2013–14 the ARC conducted two reviews of its operational risks, in July 2013 and January 2014 respectively, and in May 2014 identified and evaluated the agency’s strategic risks for the coming year. Throughout 2013–14, the ARC continued to build a positive culture of risk management through a range of activities such as encouraging staff to attend Comcover risk management training courses; updating the risk management section on the ARC’s intranet; and including risk management as part of induction training.
## APPENDIX 1
### ARC BUDGET

## 2014–15 BUDGET

<table>
<thead>
<tr>
<th>Program 1.1: Discovery—research and research training</th>
<th>2014–15 ESTIMATED EXPENSES ($000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administered expenses&lt;sup&gt;1&lt;/sup&gt;</td>
<td>550,939</td>
</tr>
<tr>
<td>Departmental expenses&lt;sup&gt;2&lt;/sup&gt;</td>
<td>7,468</td>
</tr>
<tr>
<td>Expenses not requiring appropriation in budget year&lt;sup&gt;3&lt;/sup&gt;</td>
<td>1,186</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Program 1.2: Linkage—cross sector research partnerships</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Administered expenses&lt;sup&gt;1&lt;/sup&gt;</td>
<td>326,830</td>
</tr>
<tr>
<td>Departmental expenses&lt;sup&gt;2&lt;/sup&gt;</td>
<td>9,504</td>
</tr>
<tr>
<td>Expenses not requiring appropriation in budget year&lt;sup&gt;3&lt;/sup&gt;</td>
<td>1,186</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Program 1.3: Excellence in Research for Australia</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Administered expenses&lt;sup&gt;1&lt;/sup&gt;</td>
<td>3,270</td>
</tr>
<tr>
<td>Departmental expenses&lt;sup&gt;2&lt;/sup&gt;</td>
<td>2,789</td>
</tr>
<tr>
<td>Expenses not requiring appropriation in budget year&lt;sup&gt;3&lt;/sup&gt;</td>
<td>1,186</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total budgeted expenses</td>
<td>904,358</td>
</tr>
</tbody>
</table>

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1 Administered expenses combines ‘Ordinary annual services (Appropriation Bill No. 1),’ ‘Special appropriations’ and, where relevant, ‘Special Accounts’.

2 Departmental expenses combines ‘Ordinary annual services (Appropriation Bill No. 1)’ and ‘Revenue from independent sources (s31)’.

3 ‘Expenses not requiring appropriation in the Budget year’ are made up of Depreciation Expense, Amortisation Expense and Audit Fees.
APPENDIX 2
NATIONAL COMPETITIVE GRANTS PROGRAM

The ARC supports excellence in research and builds Australia’s research capacity through administration of the NCGP. As part of our commitment to nurturing the creative abilities and skills of Australia’s most promising researchers, the NCGP provides:

- support for the generation of new ideas, knowledge and breakthrough discoveries
- incentives for Australia’s most talented researchers to partner with each other, business, the public sector and community organisations to undertake research in areas of importance to the end-users of research outcomes
- financial assistance towards facilities and equipment that researchers need to be internationally competitive, and
- support for the training and skills development of research personnel and the next generation of researchers.

The NCGP comprises two Programs—Discovery and Linkage—under which the ARC funds a range of complementary schemes to support researchers at different stages of their careers, build Australia’s research capability, expand and enhance research networks and collaborations, and develop centres of research excellence.

DISCOVERY PROGRAM

- The Discovery Projects scheme provides funding for research projects that can be undertaken by individual researchers or research teams.
- The Australian Laureate Fellowships scheme is aimed at attracting and retaining outstanding researchers and building research capacity in Australia.
- The Future Fellowships scheme is aimed at supporting outstanding mid-career researchers.
- The Discovery Early Career Researcher Award scheme is aimed at supporting and advancing promising early career researchers.
- The Discovery Indigenous scheme supports the development of Indigenous researchers’ skills and expertise.

LINKAGE PROGRAM

- The Linkage Projects scheme supports collaborative research and research training between higher education institutions and partner organisations.
- Research Centres include co-funded Centres of Excellence and ARC Centres of Excellence, which build critical mass in areas of research strength.
- The Linkage Infrastructure, Equipment and Facilities scheme encourages institutions to develop collaborative organisational arrangements to support research infrastructure.
- The Linkage Learned Academies Special Projects scheme funds the Learned Academies and the Australian Council of Learned Academies to undertake research-related projects.
- The Special Research Initiatives scheme supports strategic investment in innovative research areas that will build national and international linkages and the scale and focus of research in priority areas.
- The Industrial Transformation Research Program funds research hubs and research training centres helping to build strong research partnerships between universities and industry.
APPENDIX 3
REFERENCE

ACRONYMS

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>APS</td>
<td>Australian Public Service</td>
</tr>
<tr>
<td>ARC</td>
<td>Australian Research Council</td>
</tr>
<tr>
<td>CEO</td>
<td>Chief Executive Officer</td>
</tr>
<tr>
<td>ERA</td>
<td>Excellence in Research for Australia</td>
</tr>
<tr>
<td>ICT</td>
<td>Information and Communication Technology</td>
</tr>
<tr>
<td>ITRP</td>
<td>Industrial Transformation Research Program</td>
</tr>
<tr>
<td>ITRH</td>
<td>Industrial Transformation Research Hubs</td>
</tr>
<tr>
<td>ITTC</td>
<td>Industrial Transformation Training Centres</td>
</tr>
<tr>
<td>LIEF</td>
<td>Linkage Infrastructure, Equipment and Facilities</td>
</tr>
<tr>
<td>LP</td>
<td>Linkage Projects</td>
</tr>
<tr>
<td>NCGP</td>
<td>National Competitive Grants Program</td>
</tr>
</tbody>
</table>

GLOSSARY

Applied research
Research that aims to address real-world problems by applying existing research theories or practices in a novel or innovative way.

Basic research
Basic (or fundamental) research contributes to our understanding of the world through discoveries and the creation of new knowledge, theories and practices.

Chief Investigators
Researchers employed by an eligible organisation, who meet the eligibility criteria outlined under the Discovery and Linkage Program funding rules, and who take significant intellectual responsibility for the conduct of the research project.

Early career researchers
Researchers who have a held a PhD or equivalent qualification for a period less than or equal to five years at the time of their application.

Higher degree by research students
Students enrolled in a Masters or PhD course of study where at least two-thirds of the course content is undertaking original and significant research.

Innovation system
An innovation system is all parts and aspects of an economic structure at a local, national or international level whose activities and interactions create, disseminate and apply new knowledge and technologies.

Open access
Open access is the idea that research outcomes, particularly those arising from publically funded research projects, should be available as broadly as possible. The ARC Open Access Policy is available on the ARC website (http://www.arc.gov.au/applicants/open_access.htm).

Open data
Open data is the idea that data collected and used as part of a research project, particularly a publically funded research project, should be freely available to other researchers and the wider community.

Partner organisations
Partner organisations are national or international organisations that satisfy the eligibility criteria for a partner organisation as defined under Linkage Program funding rules, and contributes to the research project in accordance with the requirements of the scheme.

Peer review
Peer review is the evaluation of research proposals or outputs by experts in the same research discipline.

Strategic Research Priorities
Strategic Research Priorities are a set of priority areas identified by the Australian Government, and described on the Department of Industry website (http://www.industry.gov.au/research/Pages/StrategicResearchPriorities.aspx).

Success rates
The number of awards made in a year or funding round as a percentage of the total number of applications. Withdrawn applications are excluded from calculations.
IMAGE CAPTIONS

Front cover: Dr Delphine Lannuzel, a Discovery Early Career Researcher Award recipient from the University of Tasmania, collecting seawater samples in Antarctica for her project ‘The role of sea ice as a natural ocean fertiliser’. The aim of the project is to improve our understanding of the role of sea ice in the ocean carbon cycle and how this impacts on the Earth’s climate.

Page 6: Australian Laureate Fellow, Professor Michelle Simmons and Dr Bent Weber from the ARC Centre of Excellence for Quantum Computation and Communication Technology at The University of New South Wales loading devices into a scanning tunnelling microscope. This microscope is used to manipulate individual atoms and can make astonishingly thin wires (four atoms wide and one atom tall) with the same electrical current carrying capability as copper wires, bringing the possibility of a quantum computer with atomic-scale components one step closer.

Page 10: Dr Shahar Hameiri from Murdoch University in Western Australia received a Discovery Projects grant in 2011 to study ‘Securitisation and the governance of non-traditional security in southeast Asia and the southwest Pacific’ in collaboration with UK colleague Dr Lee Jones (Queen Mary, University of London). The project is examining the actors, conflicts, ideologies and institutions shaping how pandemic disease, money laundering and environmental degradation are managed in the Asia-Pacific region.

Page 14: Researchers from the Australian Catholic University, Queensland University of Technology and Cardiff University (UK) sit on an open panel discussion at the 2014 ARC Centre of Excellence in Creative Industries and Innovation Symposium for ‘Limitless information: the challenge for copyright’, exploring the tensions in the current copyright regime, both in Australia and overseas. From left to right: Professor Anne Fitzgerald, Kylie Pappalardo, Professor Ian Hargreaves, Ezieddin Elmahjub, Kunle Ola and Benedict Atkinson.