

APPENDIX 5

GOVERNANCE STRUCTURES AND RESPONSIBILITIES

The *Australian Research Council Act 2001* (ARC Act) set up a new governance structure for the ARC. Under the Act, the governance structure of the ARC comprises the Minister, the ARC, the Board of the ARC, the Committees of the Board, and the Chief Executive Officer (CEO) and staff. This appendix provides an overview of the role, function and membership (where appropriate) of each of these elements.

THE MINISTER

The ARC is within the portfolio of the Minister for Education, Science and Training. At 30 June 2002, the Minister responsible for Education, Science and Training was the Hon. Dr Brendan Nelson, MP. Dr Nelson was appointed Minister following the federal election held in November 2001. He replaced the Hon. Dr David Kemp, MP, who was Minister for Education, Training and Youth Affairs prior to the election. Dr Nelson has responsibility for all policy matters and program administration in respect of the education, science and training sectors.

Responsibilities

Under the ARC Act, the Minister has a range of responsibilities including:

- giving directions to the Board about the performance of the functions of the ARC
- appointing Board members who are not designated office holders
- approving the ARC's strategic plan
- dividing the funding cap between different categories of research
- approving proposals for expenditure on research
- approving funding rules.

A summary of the requests or directions provided to ARC (under the Act) by the Minister for Education, Science and Training is provided in Table 45. In 2001–02, the Minister gave one direction to the ARC Board under section 7 of the Act relating to the funding of priorities areas of research. The full text of that direction is provided in Appendix 6. As required by paragraph 7(3)(a) of the ARC Act, copies of the direction were tabled in each House of the Parliament in March 2002.

Table 45: Directions, Notifications and Requests Received from the Minister under the ARC Act¹, 2001–02

SECTION	DESCRIPTION	PERFORMANCE
6(2)	The Minister may request the ARC to provide the Minister with advice about a particular matter related to research.	The ARC received no requests during 2001–02.
7	The Minister may give directions to the Board about the performance of the ARC's functions (but not in relation to its recommendations on financial assistance for approved research programs).	The Board received one direction during 2001–02 (see Appendix 6).
10	The Minister may give directions to the Board about the performance of the Board's functions.	The Board received no directions during 2001–02.
11	The Minister may notify the Board of general policies of the Commonwealth Government that are to apply in relation to all or any of the ARC, the Board (which includes the CEO), the committees and the staff.	The Board received no notifications during 2001–02.

¹ Particulars of these requests must be included in the ARC's Annual Report. The Minister must also table the request in each House of Parliament within 15 sitting days of that House after the day on which the request was made.

ARC BOARD

Membership

Under the ARC Act, the ARC Board consists of a Chair, eight appointed members and five ex officio members (including the Chief Executive Officer of the ARC, a full-time position).

Most members, including the Chair, were appointed for a period of three years, from 1 July 2001 to 30 June 2004. The exceptions are Professor Brian Anderson, AO, and Mr John Grace, who were members of the previous Council and who were appointed for two years to 30 June 2003 to assist with the transition to the organisation’s new structure. Current Board members are listed in Appendix 7.

Role and Functions

The powers and functions of the ARC Board are to:

- decide the goals, priorities, policies and strategies of the ARC
- ensure that the functions of the ARC are performed properly, efficiently and effectively
- prepare strategic plans and annual reports for the Minister’s approval
- approve recommendations and advice to be sent to the Minister by the ARC
- establish and dissolve committees, appoint committee members and determine their terms and conditions, subject to the Minister’s approval
- prepare for the Minister’s approval guidelines for providing financial assistance for research
- vary those guidelines, with the approval of the Minister
- initiate inquiries into matters related to research—on the condition that it has consulted with the Minister and that those inquiries will not prejudice the performance of the other functions of the ARC.

Meetings

The Board held eight meetings in 2001–02, of which seven were held in Canberra and one in Brisbane. Board members’ attendance at meetings is provided in Table 46. A number of urgent issues were also considered out of session.

Table 46: Attendance at Board Meetings, 2001–02

BOARD MEMBER	TOTAL MEETINGS ATTENDED	BOARD MEMBER	TOTAL MEETINGS ATTENDED
Mr Peter Wills, AC	8	Dr Chris Nicol	7
Professor Brian Anderson, AO	5	Mr Mark Paterson ¹	3 (1 as invited guest)
Dr Robin Batterham	6	Professor Vicki Sara	8
Professor Edwina Cornish	6	Dr Michael Sargent	7
Dr Mike Folie	8	Professor Nicholas Saunders	2
Mr John Grace	8	Mr Steve Sedgwick ²	5
Mr Russell Higgins ²	1	Dr Peter Shergold ¹	3 (1 as invited guest)
Ms Sue Middleton	5	Dr Richard Snape	5

1 Mr Paterson and Dr Shergold were eligible to attend two meetings (due to the date of their appointment to the Board). They attended the December 2001 meeting as visitors.

2 Mr Sedgwick and Mr Higgins were eligible to attend six meetings.

Committees of the Board

Under section 30 of the ARC Act, the Board may, with the approval of the Minister, establish committees to assist in carrying out the functions of the ARC or the Board. In 2001–02, the Board established a number of committees (Table 47).

Table 47: Committees of the Board, 2001–02

COMMITTEE	RESPONSIBILITY
Expert Advisory Committee Selection Committee	Development of recommendations regarding EAC membership for Board approval. (See Governance section of Chapter 3 for more detail)
Expert Advisory Committees	Assessment of grant proposals. (See Governance section of Chapter 3 for more detail)
Federation Fellowship Selection Advisory Committee	Development of recommendations for Board approval for second round of Federation Fellowships.
Quality Committee	Oversight of quality assessment process to monitor research grants proposals at the margins of funding to determine whether the quality of proposals are similar across disciplines.
Australian Centre for Plant Functional Genomics Joint Steering Committee	Development of recommendations to the ARC and GRDC Boards regarding the preferred applicant (based on advice from the Expert Advisory Committee)
Australian Centre for Plant Functional Genomics Expert Advisory Committee	Assessment of applications to establish the Australian Centre for Plant Functional Genomics

SENIOR EXECUTIVE STAFF

Chief Executive Officer

Under the ARC Act, the Chief Executive Officer of the ARC is appointed by the Minister on the advice of the Board. The Chief Executive Officer is responsible for the day-to-day management of the ARC necessary to put into effect the Board's goals, priorities, policies and strategies. Against that context, the CEO also has statutory responsibilities for managing and leading the ARC in accordance with the requirements of the ARC Act, the *Financial Management and Accountability Act 1997*, and the *Public Service Act 1999*.

Senior Executive Service (SES) Staff

The Chief Executive Officer is assisted by a Deputy Chief Executive Officer and eight Executive Directors.

The Deputy Chief Executive Officer particularly supports the CEO in respect of activities undertaken in the Corporate Branch, and the Policy and Planning Coordination Branch.

The Executive Director, Policy and Planning Coordination Branch, is responsible for strategic planning, performance reporting, policy development, executive and Board support, external communications and international liaison activities.

The Executive Director, Corporate Branch, is responsible for financial management activities, people management, information systems and administrative services.

The remaining six Executive Directors are responsible for oversight of program administration in six broad disciplinary clusters. Each Executive Director is responsible for program administration in addition to disciplinary responsibilities (Table 48).

Table 48: Responsibilities of Executive Directors, Disciplines and Programs Branch (as at 30 June 2002)

EXECUTIVE DIRECTOR	DISCIPLINARY CLUSTER	PROGRAM RESPONSIBILITY
Professor Bill Sawyer	Biological Sciences and Biotechnology	(Assist with) Discovery–Projects
Dr Stephen Walker	Engineering and Environmental Sciences	Linkage–Projects
Professor Sue Rowley	Humanities and Creative Arts	Discovery–Indigenous Researchers Development Early-career researchers Fellowships Linkage–International
Professor Ian Petersen	Mathematics, Information and Computer Sciences	(Assist with) Linkage–Projects Linkage–Infrastructure
Professor Lawrence Cram	Physical, Earth and Geoscience	ARC Centres of Excellence Linkage–Learned Academies Special Projects Special Research Initiatives
Professor Doug McEachern	Social, Behavioural and Economic Sciences	Discovery–Projects Federation Fellowships

Executive Group

In 2001–02, the Chief Executive Officer chaired a weekly meeting of the Senior Executive staff (termed Executive Group). These meetings provided an opportunity for senior staff to discuss activities and to develop strategies to meet changing priorities.

Senior Management Committees

FINANCE AND AUDIT COMMITTEE

The Finance and Audit Committee is responsible for providing advice to the CEO on a number of matters including the following:

- matters of concern raised in reports by the internal auditors or in a report of the Auditor–General concerning the agency
- the coordination of audit programs conducted by internal auditors and the programs conducted by the Auditor–General
- the preparation and review of the financial statements of the ARC.

In 2001–02, the committee was chaired by an external contractor and included an ARC Board member and two ARC staff members. The staff members did not work in the Corporate Branch. The ANAO has a standing invitation to attend each meeting of the committee as an observer. In 2001–02, the committee met four times.

IT STEERING COMMITTEE

The IT Steering Committee reviews the status of system developments and determines priorities for further developments taking account of the overall direction set in the ARC IT Strategic Plan.

In 2001–02, the IT Steering Committee comprised the Deputy Chief Executive Officer (Chair), three Executive Directors (in Disciplines and Programs Branch); the Executive Director, Corporate Branch; and the Director, Systems Section. The committee initiated two major reviews of components: Ernst & Young reviewed information technology infrastructure and Acumen Alliance reviewed the application and grant management system. The reviews have been completed and the recommendations of each of the reports are being considered.

ARC Staff

The staff of the ARC are engaged under the *Public Service Act 1999*. At 30 June 2002, there were 57 staff. The average staffing level for 2001–02 was 51.8. More detailed staffing statistics are at Appendix 9.