



CHAPTER 2 **ARC OVERVIEW**

2

- Legislation
- Mission
- Key Objectives
- Role and Functions
- Organisational Structure
- Board Membership
- Performance Reporting

LEGISLATION

The Australian Research Council (ARC) was established under the *Australian Research Council Act 2001* (ARC Act) on 1 July 2001. The ARC is an independent statutory agency within the Commonwealth Education, Science and Training portfolio. Previously the ARC operated under the *Employment, Education and Training Act 1988*.

The objects of the ARC Act are:

- (a) to establish a body:
 - (i) that will provide the Minister with high quality advice about matters related to research;
 - (ii) that will make high quality recommendations to the Minister in relation to which research programs should receive financial assistance (under the Act); and
 - (iii) that will administer the regimes of financial assistance provided for (under the Act); and
- (b) to provide for the funding of research programs.

Changes to the ARC Act

In February 2002, the Higher Education Legislation Amendment Bill (No. 2) 2002 was introduced in Parliament. Under amendments to the ARC Act proposed in the Bill:

- changes will be made to sections 48 and 49 referring to the funding caps. The Act is amended annually to adjust grants for movements in prices and to include additional years and maximum funds available in those years
- the Minister will be able to formally approve research grants for a period of four years rather than the two currently allowed under the Act (when an additional funding cap for 2006 is added after the 2002–03 Budget)
- the ARC Board will be able to establish committees (other than those specifically involving advice on funding allocations).

In June 2002, the Higher Education Funding Amendment Bill 2002 was introduced in Parliament. This Bill amends section 49 of the ARC Act to vary the annual funding caps in 2003, 2004 and 2005, and to insert an additional funding cap for 2006.

MISSION

The mission of the ARC is to advance Australia's capacity for quality research to the economic, social and cultural benefit of the community.

KEY OBJECTIVES

The key objectives of the ARC, as articulated in the *ARC Strategic Action Plan 2002–04: Investing in our Future*, are:

- **Discovery**
to develop and maintain a broad foundation of high-quality world-class research across a wide range of disciplines
- **Linkage**
to encourage and extend cooperative approaches to research by strengthening links within Australia's innovation system and with innovation systems internationally
- **Research Training and Careers**
to contribute to high quality research training and foster the careers of Australia's best and brightest researchers
- **Research Infrastructure**
to facilitate access for Australian researchers to state-of-the-art facilities and equipment and provide incentives for the cooperative development of research infrastructure
- **Priority Setting**
to contribute to the development of, and implement the outcomes from, a coordinated approach to setting priorities in research and research training
- **Community Awareness**
to increase awareness, understanding and support among the community of the outcomes and benefits of Australian research
- **Governance**
to establish and maintain a governance and organisation structure, together with management processes to enable the ARC to achieve its objectives within a framework of transparency and accountability.

ROLE AND FUNCTIONS

The role of the ARC is to advise the Government on research policy and funding and, through its management of the National Competitive Grants Program (NCGP), to promote the conduct of research and research training that is of the highest quality for the benefit of the Australian community.

The Government's December 1999 White Paper, *Knowledge and Innovation: A Policy Statement on Research and Research Training*, identified an enhanced strategic role for the ARC in contributing to innovation with a focus on:

- helping to form and maintain effective linkages between the research sector and the business community, government organisations and the international community
- developing and improving public understanding and appreciation of the contribution that research makes to the community
- reporting on the performance of Australia compared with other research-active countries and assessing the national return on investment in research.

The ARC, through the NCGP, is a key provider of agency support for university research, providing about half of all national competitive grant support. It allocates funds either to investigator-initiated proposals or to targeted research via an internationally benchmarked system of peer assessment. The ARC supports research in all disciplines from science, engineering and new technology through to social sciences and humanities.

The NCGP, which was established in 2001, comprises two main elements: *Discovery* and *Linkage* (Figure 1). The NCGP replaced the major portion of the ARC's previous programs which included Large Research Grants, Research Fellowships, Strategic Partnerships with Industry–Research and Training (SPIRT), Research Infrastructure (Equipment and Facilities), International Researcher Exchange (IREX), and Research Centres.

Further information about the individual program elements of the NCGP is provided in Appendix 1. This includes information about programs under which funding is provided in 2002 as well as new elements that will be funded in 2003 (as a result of application rounds conducted in 2002).

Figure 1: ARC National Competitive Grants Program

NATIONAL COMPETITIVE GRANTS PROGRAM	
<p>DISCOVERY</p> <p>Discovery–Projects</p> <ul style="list-style-type: none"> • Projects • People <p>Federation Fellowships</p> <p>Discovery–Indigenous Researchers Development</p>	<p>LINKAGE</p> <p>Linkage–Projects</p> <ul style="list-style-type: none"> • Projects • People <p>Research Centres</p> <p>Linkage–Infrastructure Equipment and Facilities</p> <p>Linkage–International</p> <p>Linkage–Learned Academies Special Projects</p> <p>Special Research Initiatives</p>

ORGANISATIONAL STRUCTURE

The structure of the ARC as at 30 June 2002 is shown in Figure 2. The main elements of this structure are as follows:

- a Board, comprising 14 members and headed by a Chairman
- a Chief Executive Officer (CEO) and a Deputy Chief Executive Officer
- a Disciplines and Programs Branch, comprising six disciplinary clusters or sections, each headed by an Executive Director and associated with an Expert Advisory Committee
- a Policy and Planning Coordination Branch, headed by an Executive Director and comprising two sections—Executive and External Relations, and Policy and Planning
- a Corporate Branch, headed by an Executive Director and comprising three sections—Finance, People and Systems.

Further information about the roles and responsibilities of the Board and the ARC’s senior staff is provided under the description of corporate governance practices in Chapter 3 and Appendix 5 of this report.

The structure described above and illustrated in Figure 2 reflects the structural reforms to the ARC originally announced in the Government’s policy statement on research and research training *Knowledge and Innovation* (December 1999).

Figure 2: Structure of the Australian Research Council (as at 30 June 2002)

		BOARD Mr Peter Wills, AC Chairman	
		CEO Professor Vicki Sara	
DEPUTY CEO Mr Greg Harper			
POLICY AND PLANNING COORDINATION	CORPORATE	DISCIPLINES AND PROGRAMS	
Ms Clare White	Mr Greg Wood	Professor Bill Sawyer	Dr Stephen Walker
Executive and External Relations	Finance	Biological Sciences and Biotechnology	Engineering and Environmental Sciences
Policy and Planning	People	Professor Sue Rowley	Humanities and Creative Arts
	Systems	Professor Ian Petersen	Mathematics, Information and Communications Sciences
		Professor Lawrence Cram	Physics, Chemistry and Geoscience
			Professor Doug McEachern
			Social, Behavioural and Economic Sciences
			Expert Advisory Committee
			Expert Advisory Committee
			Expert Advisory Committee
			Expert Advisory Committee

BOARD MEMBERSHIP

At 30 June 2002, there were fourteen members of the Board, including a part-time chair, five ex officio members (the CEO of the ARC; the Chief Scientist; the Chair of the National Health and Medical Research Council; the Secretary of the Department of Education, Science and Training; and the Secretary of the Department of Industry, Tourism and Resources), and eight members appointed by the Minister for Education, Science and Training to represent the breadth of academic, industry and community interests in research outcomes.

At 30 June 2002, the ARC Board comprised the following members:

EX OFFICIO MEMBERS



Dr Robin Batterham
Chief Scientist



Mr Mark Paterson
Secretary
Department of Industry,
Tourism and Resources



Professor Vicki Sara
Chief Executive Officer
Australian Research Council



Professor Nicholas Saunders
Chair
National Health and
Medical Research Council



Dr Peter Shergold
Secretary
Department of Education,
Science and Training



Mr Peter Wills, AC (Chairman)
Chairman
CRI Australia Pty Ltd



Professor Brian Anderson, AO
Director, Research School of
Information Sciences and Engineering
The Australian National University



Professor Edwina Cornish
Deputy Vice-Chancellor
(Research)
The University of Adelaide



Dr Mike Folie
Deputy Chairman
InterOil Corporation



Mr John Grace
Chief Executive Officer
Nextec BioSciences



Ms Sue Middleton
Consultant
Ninan Farms



Dr Chris Nicol
Head, Wireless Research
and Development
Bell Laboratories
(Lucent Technologies)



Dr Michael Sargent
Consultant
MA Sargent & Associates Pty Ltd



Professor Richard Snape
Deputy Chairman
Productivity Commission

PERFORMANCE REPORTING

Outcome and Output Framework

The *Financial Management and Accountability Regulations 1997* (FMA Regulations) were amended in July 2001 to include the Australian Research Council as a prescribed agency under the *Financial Management and Accountability Act 1997* (FMA Act).

Under the then Minister for Education, Training and Youth Affairs' 2001–02 Portfolio Budget Statements¹, the ARC contributed to a single outcome:

Outcome 1:

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

through one output group:

Output Group 1:

Competitive Research Schemes

For the Purposes of this Report

In this annual report, the ARC is reporting against the objectives and outcomes identified in the *ARC Strategic Action Plan 2002–04*.

The Strategic Action Plan, which was released in June 2002, encapsulates the objectives and performance information contained in the 2001–02 Portfolio Budget Statements. By reporting directly against the Strategic Plan, rather than the Portfolio Budget Statements, the ARC addresses the requirement (under section 45 of the ARC Act) that the annual report include an assessment of the ARC's performance against a range of indicators identified in the strategic plan.

The performance reporting framework used in this report is described in more detail in the overview to Chapter 3: Report on Performance.

¹ In 2000–01, the ARC was accountable for Output Group 3.2 ('Competitive research schemes') contributing to Outcome 3 ('Australian institutions advance the knowledge base, contribute to the national innovation system and participate effectively in the global development of knowledge and skills') of the Department of Education, Training and Youth Affairs. Performance against the indicators in Output Group 3.2 was reported in the *Department of Education, Training and Youth Affairs Annual Report 2000–01*.

