Mission
Key objectives
Role and functions
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Mission

The mission of the ARC, as articulated in the *ARC Strategic Action Plan 2002–04: Investing in our Future*, was:

- to advance Australia’s capacity for quality research to the economic, social and cultural benefit of the community.

In June 2003, the ARC released a new strategic plan for the three-year period 2003–05. In the new plan, the ARC revised its mission to reflect an emphasis on excellence, international competitiveness and national benefit. The ARC’s new mission is:

- to advance Australia’s research excellence to be globally competitive and deliver benefits to the community.

Key objectives

The key objectives of the ARC in the *ARC Strategic Action Plan 2002–04* 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 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 implement 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 NCGP is the primary vehicle by which the ARC pursues its overarching mission and key objectives. The NCGP is composed of a set of interrelated program elements that are deliberately structured in such a way as to provide a pathway of incentives for researchers, as they develop in expertise and experience, to build the scale and scope of their work.

Incentives are provided to researchers by a program structure that, broadly, targets funding in two areas: building research capability, and achieving focus through critical mass.

The building of research capability occurs by nurturing the skills and expertise of individuals and encouraging partnerships through the formation of teams. Achieving focus occurs by supporting greater connectivity through the formation of networks and by promoting the building of critical mass in the form of research centres. This approach, embodied by the NCGP, is summarised in the diagram below.

**Figure 2.1 | Program structure**

![Program structure diagram]

A description of each program element under the NCGP is provided at Appendix 1.

**Legislation**

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

The objects of the *Australian Research Council Act 2001* 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.
In December 2002, the *Higher Education Legislation Amendment Act (No. 2) 2002* and the *Higher Education Funding Amendment Act 2002* were passed by Parliament. The *Australian Research Council Act 2001* was thereby amended with the following effects.

- Changes were made to sections 48 and 49 referring to funding caps. The *Australian Research Council Act 2001* is amended periodically to adjust funding caps to allow for movements in prices and to include additional years. As a result of the changes, the Minister is now able to approve funding for research grants until 31 December 2006, rather than until 31 December 2003 as previously allowed under the legislation.
- The ARC Board is now able to establish some committees without requiring the approval of the Minister. Committees that specifically provide advice on funding allocations still require ministerial approval.

**Organisational structure**

The structure of the ARC as at 30 June 2003 is shown in Figure 2.2. The main elements of this structure are as follows:

- the Board, comprising 14 members and headed by the Chairman
- the Chief Executive Officer (CEO) supported by the Deputy Chief Executive Officer
- the Disciplines and Programs Branch, comprising six management units each associated with an Expert Advisory Committee
- the Policy and Planning Coordination Branch, comprising two sections — Policy and Planning, and Executive and External Relations
- the Corporate Branch, comprising four sections — Finance, Systems, People Management and Development, and the IT Project Team.

Further information about the roles and responsibilities of the Board and the ARC’s senior staff is provided in Chapter 4. Further information on the roles and membership of the Expert Advisory Committees is provided in Chapter 4 and Appendix 6.

The structure described above reflects the structural reforms to the ARC implemented following the Government’s December 1999 policy statement on research and research training, *Knowledge and Innovation*. 
Figure 2.2 | Structure of the Australian Research Council (as at 30 June 2003)

**Board**  
Mr Tim Besley Ac  
Chairman

**CEO**  
Professor Vicki Sara

**Deputy CEO**  
Mr Greg Harper

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<thead>
<tr>
<th>Policy and Planning Coordination</th>
<th>Corporate</th>
<th>Disciplines and Programs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vacant</td>
<td>Mr Len Marsden</td>
<td>Professor Alan Johnson</td>
</tr>
<tr>
<td>Executive and External Relations</td>
<td></td>
<td>Dr Stephen Walker</td>
</tr>
<tr>
<td>Policy and Planning</td>
<td>Finance</td>
<td>Professor Sue Rowley</td>
</tr>
<tr>
<td>People Management and Development</td>
<td>Systems</td>
<td>Professor Ian Petersen</td>
</tr>
<tr>
<td>IT Project Team</td>
<td></td>
<td>Professor Lawrence Cram</td>
</tr>
<tr>
<td></td>
<td>Biologial Sciences and Biotechnology</td>
<td>Physics, Chemistry and Geosciences</td>
</tr>
<tr>
<td></td>
<td>Engineering and Environmental Sciences</td>
<td>Social, Behavioural and Economic Sciences</td>
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<td></td>
<td>Humanities and Creative Arts</td>
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<td>Mathematics Information and Communications Sciences</td>
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<td>Expert Advisory Committee</td>
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<td>Expert Advisory Committee</td>
<td>Expert Advisory Committee</td>
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</tbody>
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Board membership

Under the Australian Research Council Act 2001, the ARC Board comprises 14 members: a Chairman, 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 to represent the breadth of academic, industry and community interests in research outcomes.

At 30 June 2003, the ARC Board comprised the following members:

**Ex officio members**

- **Mr Tim Besley AC**
  Chairman

- **Professor Brian Anderson AO**
  Chief Scientist, National ICT Australia Limited

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

- **Dr Mike Folie**
  Deputy Chairman
  InterOil Corporation

- **Mr John Grace**
  Chief Executive Officer
  iBIO Proprietary Limited

- **Dr Chris Nicol**
  Technical Manager, Wireless Research and Development, Bell Laboratories (Lucent Technologies)

- **Dr Michael Sargent AM**
  Consultant, MA Sargent and Associates Proprietary Limited

- **Dr Robin Batterham**
  Chief Scientist

- **Dr Jeffrey Harmer**
  Secretary, Department of Education, Science and Training

- **Mr Mark Paterson**
  Secretary, Department of Industry, Tourism and Resources

- **Professor Vicki Sara**
  Chief Executive Officer, Australian Research Council

- **Professor John Shine AO**
  Chair, National Health and Medical Research Council
Changes to board membership

Mr Peter Wills AC resigned as Chairman of the Board on 25 September 2002. The Minister subsequently announced the appointment of the new Chairman, Mr Tim Besley AC, on 12 November 2002.

Professor Richard Snape, Deputy Chairman of the Productivity Commission and Board member, died on 4 October 2002.

Dr Peter Shergold AO ceased as Secretary, Department of Education, Science and Training, and therefore as a Board member, on 9 February 2003. Dr Jeffrey Harmer was appointed to the Secretary's position with effect from 10 March 2003.

Ms Sue Middleton resigned as a member of the Board on 15 May 2003.

Professor John Shine AO replaced Professor Nick Saunders as Chair, National Health and Medical Research Council on 21 May 2003.

Two Board members’ terms expired on 30 June 2003 — those members were Professor Brian Anderson AO and Mr John Grace.

Performance reporting

Outcome and output framework

Under the Minister for Education, Science and Training’s 2002–03 Portfolio Budget Statements, 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.

The outcome was delivered through one output group:

Output Group 1: Competitive Research Schemes.

Requirements under the Australian Research Council Act 2001

The ARC is required under section 42 of the Australian Research Council Act 2001 to prepare a strategic plan each year, covering a period of at least three years, and setting out the ARC’s goals, priorities, policies, strategies and performance indicators. The strategic plan must be approved by the Minister and tabled in Parliament (as required by section 43).

Section 45 of the Australian Research Council Act 2001 further requires that the ARC annual report include an assessment of the ARC’s performance against the performance indicators set out in the strategic plan.

Reporting framework for this report

In this annual report, the ARC is reporting against the objectives and key performance indicators (KPIs) identified in the ARC Strategic Action Plan 2002–04: Investing in our Future. The plan encapsulates the objectives and performance information contained in the Minister’s 2002–03 Portfolio Budget Statements.

As indicated in the Mission section of this chapter, in June 2003 the ARC released a new strategic plan. Performance against the new plan, which covers the three-year period 2003–05, will be reported in the ARC’s annual report for 2003–04.

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