



Australian Government  
Australian Research Council

ARC

# Annual Report 2021–22



## AUSTRALIAN RESEARCH COUNCIL ANNUAL REPORT

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Web versions of the ARC Annual Report 2021–22 are conformant with WCAG 2.1 Level AA accessibility requirements.

### Acknowledgement of Country

The Australian Research Council acknowledges the Traditional Owners of Country throughout Australia and their continuing connection to lands, waters and communities. We pay our respects to Aboriginal and Torres Strait Islander cultures and to Elders past and present.

### Front cover images

**Credit:** Dr Adam Frew, University of Southern Queensland. **Description:** An image of a fungi. New research shows that a particular type of fungi can be a game-changer for plants' resistance to insects.

**Credit:** UNSW / iCinema Centre for Interactive Cinema Research, incorporating part of an image titled: Gregory fire Queensland, iStock.com/Philips 2022 (all rights reserved). **Description:** The image shows an AI-driven immersive visualisation suite that recreates the experience of being in a wildfire in order to transform how we understand, respond to and prepare for the phenomenon.

**Credit:** Mr Greg Joseph of the Yidinji People from Northern Queensland. **Description:** The artwork depicts the diversity of ARC employees who took part in workshops with Mr Joseph to create the artwork. The artwork commemorates the launch of the ARC's first Reconciliation Action Plan in 2015 and is currently displayed in the ARC's office.

**Credit:** Professor Jamie Rossjohn, Monash University, incorporating an artwork. **Description:** Image of an artwork created by Dr Erica Tandori titled: Branching Out – branched chain fatty acids, B. Fragilis and Natural Killer T Cell activation in the gut biota.

**Credit:** NASA. **Description:** the image shows two black holes merging to become one.

**Credit:** Flickr (Creative Commons). **Description:** The image shows an ice sheet along the edge of the Amundsen Sea.

7 October 2022

The Hon Jason Clare MP  
Minister for Education  
Parliament House CANBERRA ACT 2600

Dear Minister

It is with great pleasure that I present the Australian Research Council Annual Report 2021–22. This report has been prepared for the purposes of:

- section 46 of the *Public Governance, Performance and Accountability Act 2013*, which requires that an annual report be given to the entity's responsible Minister for presentation to the Parliament
- section 46 of the *Australian Research Council Act 2001* (ARC Act), which requires that the report given to you must deal with:
  - any matters required by other provisions of the ARC Act to be dealt with in the report (Ministerial directions)
  - any other matters that the Minister, by notice in writing to the CEO, requires to be dealt with in the report.
- all other enabling legislation that specifies requirements in relation to the report.

There were no relevant matters to be dealt with in the Annual Report 2021–22 as required under section 46 of the ARC Act.

As the Accountable Authority of the ARC, I certify that:

- fraud risk assessments and fraud control plans have been prepared
- appropriate mechanisms for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud that meet the specific needs of the ARC are in place
- all reasonable measures have been taken to deal appropriately with fraud relating to the ARC.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Judith', with a stylized flourish extending to the right.

**Judith Zielke PSM**  
Chief Executive Officer

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## A guide to this report

### Style conventions

The following style conventions are used in this report:

- acronyms are spelt out for their first use in each part, except for the acronym for the Australian Research Council—ARC, and the acronym for the Chief Executive Officer—CEO, which are used throughout
- n/a means not applicable.

# ARC Snapshot

Vision: World-class research and innovation for the advancement of Australian society



Fund over

**1,100**

new research projects  
each year

Support over

**12,500**

researchers



Assess over

**5,500**

applications each year



Provide grant  
opportunities through



**14**

schemes, including the new  
Industry Fellowships Program

**140**

ARC staff



**18**

ARC Centres of Excellence  
currently being funded

Investing over



**\$850m**

in research in 2022–23

Administer over

**5,700**



new and ongoing grants  
under the National Competitive  
Grants Program (NCGP)

Over



**2,000**

partner organisations (companies, not-  
for-profits and government agencies)  
participate in research projects

**11,610**



journals reviewed and 3,155 new  
journals assessed in preparing for  
the next Excellence in Research for  
Australia (ERA) round



**7,000+**

assessors taking part in peer review  
processes, providing over 20,000  
assessments

**213**



members on the  
ARC College of Experts



**72**

Industrial Transformation Research  
Hubs and Industrial Transformation  
Training Centres currently being funded

Assist in the administration of

**\$265m**



in research funding for grants funded  
by 3 Policy Partners in 2022–23



# PART 01





# Review by the accountable authority

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# 1.1 From the Chief Executive Officer

## Introduction

I am pleased to present the Australian Research Council (ARC) Annual Report 2021–22, my first as Chief Executive Officer (CEO).

It has been over 20 years since the ARC was established as an independent body under the *Australian Research Council Act 2001* (ARC Act 2001), and I would like to acknowledge the contributions of ARC staff and CEOs before me. The achievements highlighted throughout this annual report exemplify the resilient and committed nature of our people.

The past year has seen significant change for the ARC. Despite a strong track-record over our 21 years as an agency, the past few years have heralded a need for reform and a time of transition as we respond to challenges in our strategic positioning, the evolution of the research sector and changing expectations. We have developed a new strategy that will provide an exciting opportunity to transform the organisation, reset our relationships, and build a stronger future together.

We received our first Statement of Expectations from the then Acting Minister for Education, the Hon Stuart Robert MP in December 2021 which set out a number of areas for reform and key priorities. In response the organisation pivoted to immediately address the identified issues in collaboration with our stakeholders. Our increased level of stakeholder engagement in the second half of the year has directly improved our efforts in supporting researchers, universities, industry and Government across our range of functions and activities.

In addition, the appointment of the new ARC Advisory Committee as a designated committee under the ARC Act 2001 has confirmed the importance of the knowledge and expertise provided by an Advisory Committee. The Committee, chaired by Professor Chris Moran FTSE, has contributed significantly to the changes in organisation and our approaches and I thank them for their advice and support.

I am pleased to report that we delivered strong outcomes in 2021–22: in supporting the research sector to produce high-quality and impactful research through the delivery of the National Competitive Grants Program (NCGP); the provision of high-quality research policy advice; overseeing the Australian research ethics and integrity framework in conjunction with the National Health and Medical Research Council (NHMRC); implementing the outcomes of the review of our national university research assessment system that promotes excellence in research and its engagement and impact; and our role in fostering research quality, translation and impact.



Ms Judith Zielke PSM, Chief Executive Officer

At the ARC, we recognise the importance of ensuring the funding we provide is beneficial for Australian research, industry, and our economy. Our achievements in this regard were highlighted by the announcement of new programs to be delivered by us as part of the University Research Commercialisation Action Plan announced in January 2022. Through delivery of these programs, the ARC will be supporting Australia's economic recovery by introducing a new Industry Fellowships Program, which will lead to cutting-edge innovations to address industry challenges. These programs were launched on 31 August 2022.

The Australian Government's commitment to delivering the Uluru Statement from the Heart adds significant weight to our collaborative work with Aboriginal and Torres Strait Islander researchers, industry partners and the broader research community. Indigenous studies is now incorporated as its own disciplinary field within the Australian and New Zealand Standard Research Classification in 2020 and within the ARC's two national research evaluation programs – Excellence in Research for Australia (ERA) and the Engagement and Impact (EI) assessment. We will continue to work with universities and researchers to increase the profile of Indigenous research by recognising the contribution Indigenous studies makes to the quality, engagement and impact of research in Australia.

In 2021–22, we established the Indigenous Studies Excellence and Engagement (ISEE) Group to address recommendations for the ARC to work with universities on leadership for implementing the newly classified Indigenous Studies fields of research, particularly in the next ERA and EI rounds. This group drove the creation of a roadmap and guidance material to support universities and researchers in implementing the new Field of Research codes and highlight the adoption of these codes within the sector.

In 2020–21, we experienced delays in our program delivery due to implementation of new procedures for the management of foreign interference. The updates to the University Foreign Interference Taskforce (UFIT) guidelines were reflected in our grant processes to counter foreign interference in the Australian university sector. In 2021–22 we have made significant improvements to our processes in this regard and our ongoing work with universities will continue to see efficiencies flowing from increased understanding and awareness across the research sector.

This was only one aspect of our work to improve our processes and streamline our arrangements to better support researchers, universities, industry and ourselves through the grant process.

On 6 July 2022, the Minister for Education, the Hon Jason Clare MP, foreshadowed an independent review of the role and function of the ARC, with a particular focus on the governance framework and reporting mechanisms. This provides a great opportunity to review our purpose and functions and modernise. The ARC legislation has not been substantially reviewed since it was established more than two decades ago – yet the challenges and needs of the research sector are now very different. The review will also build on work the ARC has been doing recently on strategy and processes.

Subsequently, on 30 August 2022, Minister Clare issued the terms of reference for the Review of the ARC, and the panel that will lead the work, along with a new Statement of Expectations to the ARC. We look forward to supporting the Review and addressing the Minister's expectations set out in the statement which will significantly influence our activities for 2022–23.

## Funding the Highest Quality Research

The ARC remains committed to funding nationally and internationally competitive research. We recognise the importance of ensuring the funding we administer delivers outcomes that benefit the Australian community. The value of the ARC's National Competitive Grants Program (NCGP) is reflected in the benefits delivered through individual research projects and the underlying support it provides to the Australian research and innovation system. Our research grants balance funding for 'blue sky' fundamental research, which shapes the long-term future of Australia, and applied collaborative research which promotes Australia's research innovation capacity, supporting research projects, infrastructure, hubs, and collaboration between researchers and research users.

As the only Commonwealth research funding body that supports non-medical basic research, we will continue to highlight the importance of fundamental research to the start of the innovation pipeline. Without a strong flow of fundamental research, ideas and knowledge are not able to be progressed to applied research that can be translated to achieve impact for Australia. In 2021-22, the NCGP provided \$803.9 million. This is consistent with previous years and reflects ongoing strong demand for the range of schemes available under the NCGP.

Our grants support researchers at all career stages and provide research training and mentoring opportunities. Our schemes invest in the people, infrastructure, equipment and facilities underpinning Australia's international research competitiveness and we encourage university researchers to productively partner with commercial, government, community and international stakeholders.

In 2021-22:

- the NCGP supported over 1,100 new research projects, with over 12,500 researchers involved in the research
- the ARC collaborated with stakeholders to design new schemes that support researchers in industry and academia to solve industry defined problems in the form of the Industry Fellowships Program
- the ARC actively recruited for academics and specialists in their fields to join the College of Experts, which undertakes assessments of the ARC's grant applications and provides funding recommendations to the CEO.

Since the ARC began providing grant services for other Australian Government agencies in 2020-21, our Research Grants Services (RGS) have administered approximately \$6 million for the first round of research grants under the National Intelligence and Security Discovery Research Grants (NISDRG) program. As an effective deliverer of research grant programs for a range of Government agencies, the ARC provides increased efficiency and assurance for grants agencies and recipients. Our services in this area are rare across the Australian Government and we expect that demand will continue to increase.

## Assessing the Quality, Engagement and Impact of Research

ERA and EI are national research assessments that encourage Australia's universities to produce quality internationally competitive research with engagement and impact beyond the research sector to realise real world benefits.

In 2021–2022, the ARC commenced preparations for the 2023 round of ERA. During this period, the ARC consulted with universities and discipline peak bodies to release the ERA 2023 submission documents and finalise the ERA 2023 journal list. Universities welcomed the early release of this information.

We also consulted with universities and the Department of Education, Skills and Employment ((DESE) now known as the Department of Education) on the ERA 2023 benchmarking and rating scale, and we released a paper proposing improvements. These included new rating scale options, new citation indicators to improve recognition of world-leading research, and new supplementary guidance for Indigenous studies.

To maintain best practice and improve the value of the ERA and EI research evaluations into the future, the ARC has worked with DESE and universities to address the recommendations from the ERA EI Review:

- to streamline the programs through smarter uses of data and technology
- make ERA and EI more transparent, robust and useful to stakeholders (including improved recognition of Aboriginal and Torres Strait Islander and other Indigenous research)
- to make participation in ERA and EI easier for universities.

This work will continue in 2022–23 and future years and will be adapted to address the changes announced by Minister Clare on 30 August 2022. Specifically, Minister Clare has asked the ARC to discontinue preparations for ERA 2023 and develop a plan to transition ERA to a modern data driven approach informed by expert review, and to continue work with the Department of Education on developing research and impact indicators to inform the Engagement and Impact assessment.

## Providing Advice on Research Matters

The ARC engages in a range of research policy development activities to underpin program delivery. During 2021–22 the ARC:

- continued to actively monitor and engage with global developments in Open Access and Open Data, including involvement with the Chief Scientist's Open Access Advisory Group
- partnered with the NHMRC in the development and release of the Research Integrity Advisors guides supporting the *Australian Code for the Responsible Conduct of Research* and in an ongoing review of the *National Statement on Ethical Conduct in Human Research* (2007, updated in 2018)
- reviewed and updated the:
  - Early Career Researchers Statement
  - Gender Equality Statement
  - Research Workforce Statement
  - *ARC Intellectual Property Policy*
  - *ARC Medical Research Policy*.

## Building and Sustaining a Strong Organisational Capacity

The ARC was provided resourcing of \$842.9 million in 2021–22, comprising \$821.2 million for the administered appropriation and \$21.7 million for the departmental appropriation. Of the ARC's available administered resourcing, \$815.3 million was for the NCGP. Further information on the financial performance of the agency is provided in Section 3.2.

In 2021–22 the ARC Information and Communication Technology (ICT) systems continued to support all researchers, assessors and universities to submit NCGP grant applications online as it has for several years, and regular improvements were implemented in response to feedback on functionality from our stakeholders and staff. ICT also continued to support our staff to work from home in response to the COVID-19 pandemic and continued to interact with stakeholders via online platforms. Another significant achievement in 2021–22 was the uplift of the ARC's security footing to address evolving threats in cyber security. The ARC has demonstrated its capability to sustain organisational capacity successfully.

## Significant Issues and Developments

During 2021–22 the ARC undertook a range of activities in response to external and internal issues and developments. These included:

- receipt from the former Acting Minister for Education, the Hon Stuart Robert MP, of the ARC's first Statement of Expectations providing advice to the CEO on the Minister's expectations of the organisation
- participation in hearings and providing evidence to the Senate Inquiry into the private members bill (the *Australian Research Council Amendment (Ensuring Research Independence) Bill*) which called for a wide-ranging review of ARC governance
- undertaking the development of a new ARC Strategy for the period 2022–25
- appointing the new ARC Advisory Committee as a designated committee under the ARC Act
- making significant changes to staff and structure, including the appointment of a new CEO, Ms Judith Zielke PSM; and
- the change of Commonwealth Government in May 2022.

In December 2021, the former Acting Minister for Education, the Hon Stuart Robert MP, issued a Statement of Expectations to the former CEO, setting out a number of areas for reform and providing 4 key priorities for immediate implementation. This was the first Statement of Expectations to be issued to the ARC since its establishment in 2001. Key priorities included:

- the establishment of a new ARC Advisory Committee as a designated committee under the ARC Act
- development of a new strategy for the ARC in conjunction with the ARC Advisory Committee
- the application of National Manufacturing Priorities to the Linkage Program of the NCGP, currently set at no less than 70% of the recommended grants

- the application of the National Interest Test statement to assessments
- the extension of the College of Experts to include industry experts and end-user groups
- accelerate the implementation of outcomes from the Review of ERA and EI.

The Strategy Review is aimed at setting the long-term vision for the organisation past 2030 to set our vision and purpose and ensure we are future focussed and fit for purpose. The review is being undertaken in conjunction with the ARC Advisory Committee and will result in a three-year Strategy. This will continue our focus on maximising the benefits of publicly funded research.

We are working to ensure future rounds of our grant schemes identify Government priorities for economic development and other national priorities in the assessment process. The ARC has consulted with the research sector on the application of national priorities in our assessment process since April 2022 and the outcomes from this consultation process will be included in future schemes.

In conjunction with this activity, we commenced a review of all NCGP processes to improve the experience of our customers and stakeholders, increase transparency, reduce unnecessary complexity, and provide flexibility and agility, and ultimately ensure that we align with our strategic and operating environment. This work is being done in consultation with our stakeholders in academia, industry and government and aims to be innovative in approach rather than incremental. This work will continue into 2022–23.

In February 2022, the former Government announced the University Research Commercialisation Action Plan which included a range of new programs, including those aimed at driving workforce mobility and lifting capability in research translation of Australia's research workforce. The ARC was charged with the design and delivery of Industry Fellowship programs aimed at early career researcher, mid-career research and laureate researchers respectively, to partner with industry to deliver impactful research to the benefit of Australia. We have been consulting extensively with industry, academia, and government to design programs that are fit-for-purpose and meet government and stakeholder needs. The Industry Fellowships Program is expected to be launched in early 2022–23.

In February 2022, the ARC provided a submission to and attended the Senate Inquiry into the private members bill (the *Australian Research Council Amendment (Ensuring Research Independence) Bill*) which sought to amend the ARC legislation to change decision making for ARC grants. The March 2022 outcomes of the Senate Inquiry called for a wide-ranging review of ARC governance. The Education and Employment Legislation Committee viewed the legislation as prescriptive, inflexible, and outdated. It also noted that the Act also predates, and remains silent on, a range of the ARC's current functions such as the ERA and EI assessments and retains a level of old-fashioned administrative and legislative burden that has since been removed in other similar legislation.

The report recommended an independent review of the ARC, including its governance and research funding processes, with a view to maximising the impact of public investment in university research and driving a strong national system of research and development.

The COVID-19 pandemic continued to evolve and impact the research sector in various ways throughout the 2021–22 reporting period. ARC staff resumed working remotely when the Australian



Capital Territory returned to lockdown from the middle of August 2021. Researchers supported by the ARC managed various effects on their research activity, including financial impacts, disruptions to their workplaces and access to facilities and resources, as well as travel restrictions which hampered fieldwork and the recruitment of postdoctoral researchers and PhD students. The ARC acknowledged the impact the COVID-19 pandemic has had on the Australian research sector and continued to implement mechanisms to support researchers on active ARC projects and researchers planning applications for future ARC support through extensions to grant application closing dates, commencement of grants and reporting deadlines. Similarly, in response to sector concerns, the ARC made provision in ERA 2023 submission requirements and processes for research disciplines adversely affected by COVID-19 during the ERA reference period.

The ARC responded to feedback from the sector about an issue affecting eligibility for some grant rounds – the provision of pre-prints in grant applications which had led to some applications being declared ineligible. During September 2021, the ARC consulted with stakeholders to work through the sector's concerns and changed the process to allow inclusion of pre-prints for all grant rounds moving forward. The ARC reiterates its commitment to supporting researchers and maintaining a transparent and consistent approach.

## Outlook for 2022–23

The ARC will continue its strategic reform priorities in 2022–23, including:

- launching the ARC's Strategy 2022–25 and commencing implementation of the plan
- completing the process review of the NCGP (including how we will review, award and monitor grant applications)
- strengthening the National Interest Test
- implementing new funding schemes and financial management systems
- finalising changes to our structure and processes.

The ARC will also continue to work with the research community to build trust with stakeholders and implement the strategic priorities set out in the ARC Strategy.

The new Statement of Expectations issued by Minister Clare on 30 August 2022 will overlay this work and influence directions for 2022–23.

## Conclusion

The achievements documented in this annual report reflect the efforts of the ARC to support the research sector and service a diverse range of national and international stakeholders during a time of great challenge and disruption.

The ongoing challenges of working in a COVID-19 world, increased competition for grant funding and research and the increasing number of projects and scope has required the ARC to adjust to new and more efficient structural and operating practises to service the research sector and deliver outcomes on behalf of the Australian community. I would like to acknowledge our staff, who have responded flexibly and positively to the challenges of the past year, working closely with the Australian research sector to deliver our objectives.

I would also like to thank the Australian research sector for their high level of engagement and for providing quality feedback on our activities. I look forward to the year ahead, working with the research sector and achieving our 2022–23 goals.

## 1.2 Highlights of 2021–22

### Grant Opportunities

#### New Industry Funding Schemes Introduced

On 1 February 2022, the former Prime Minister announced the University Research Commercialisation Action Plan, a \$2.2 billion investment to place university innovation and industry collaboration front and centre of Australia's economic recovery. It was announced, as part of this Action Plan, that the ARC would introduce 3 new Industry Fellowship schemes.

The ARC's new Industry Fellowship schemes will be supported through additional funding for the ARC's flagship Linkage Program. These schemes will support researchers to develop cutting edge innovations and apply their research to addressing industry challenges. The fellowships will provide industry with increased access to individuals with strong technical skills, knowledge, and research capacity.

#### Research Grants Services (RGS)

In 2020–21 the ARC commenced providing research grants administration services to other Australian Government entities for grant programs focused on the research sector. Consistent with the whole of Australian Government grants administration initiatives, this service positions the ARC as a leader in the delivery of research grant programs in Australia and provides increased efficiency and assurance for users of the service, and for grant recipients.

RGS has administered almost \$6 million in 2021–22 for the first round of research grants under the NISDRG program funded by the Office of National Intelligence (ONI) and the Department of Defence's National Security Science and Technology Centre (NSSTC). Collaborative Agreements are in place for ONI and NSSTC to maintain policy and funding responsibilities for the program while RGS delivers a managed end-to-end grants administration service which includes design, implementation, and ongoing program management.

Through RGS, the ARC has a Collaborative Agreement in place with DESE to support post-award grants administration activities for the National Collaborative Research Infrastructure Strategy (NCRIS). Under the platform service model, a custom version of the Research Management System (RMS) was developed with business support provided by the ARC—DESE retains all policy and funding responsibilities for the program.

## Policy Environment

### NCGP Process Review

The ARC is undertaking an NCGP Process Review of its application and assessment processes to design and implement a best-practice approach that considers and responds to the changing environment in which we and the university sector operate. We will identify opportunities for improvements, increase transparency in the grants process, improve the experience of researchers, industry and assessors.

### Data Visualisation

The ARC first introduced interactive data displays and other data products to improve information accessibility for internal and external users in 2020–21. In August 2021, the ARC released 2 new interactive gender data visualisations and the ARC Gender Equality Statement. The visualisations show participation of investigators on ARC grant applications by gender, career age, fields of research and more. For the first time, you can see information on participation and success rates by gender at the university level. The ARC Gender Equality Statement sets out the ARC's vision for gender equality, and support for women in the Australian research sector.

Data trends, available through data visualisations on the ARC's website ([www.arc.gov.au](http://www.arc.gov.au)) can be explored from 2002 onwards and filtered by funding commencement year, scheme, research discipline and more. The ARC is committed to improving the way our data can be viewed and used, while upholding high standards of privacy and security.

### Foreign Interference

In 2020–21 the ARC introduced safeguards to manage the potential national security risks posed to ARC grant activities. Measures were introduced to enhance the transparency of interests of researchers involved in ARC-funded projects and committees, including the implementation of mandatory questions within the researchers' RMS profile. Following the implementation of the *Guidelines to Counter Foreign Interference in the Australian Higher Education Sector* (Guidelines), developed by the University Foreign Interference Taskforce (UFIT), the ARC updated these questions to align with the UFIT Guidelines.

In December 2021, the ARC published guidance on its website, including details about the process, risk identification and links to government websites universities could use to undertake their own risk assessment. This guidance was updated in June 2022 to reflect revisions to the profile questions to align with changes in the second release of the UFIT Guidelines.

### Australian and New Zealand Standard Research Classification (ANZSRC) 2020

The ARC worked closely with universities and discipline peak bodies to incorporate the ANZSRC 2020 Fields of Research into ERA for the first time. This has involved over 6 months of consultation with the sector on the ERA Journal List which was finalised at the end of 2021–22. It also involved co-designing fact sheets to support universities' understanding of how to identify submission material for Indigenous studies which will be evaluated as a separate discipline for the first time in the next ERA round.

# National Research Assessment

## Progressing ERA EI Review recommendations

In 2021–22, the ARC consulted with DESE and universities on the ERA 2023 benchmarking and rating scale. The ARC released a consultation paper and collected responses from universities, researchers, end-users and industry stakeholders to propose improvements for ERA 2023. These included new rating scale options, new citation indicators to improve recognition of world-leading research, updated peer review guidance and new supplementary guidance for Indigenous studies. The ARC released the Evaluation Framework on 17 August 2022 to inform the sector of the outcomes of this work.

The ARC commenced a collaboration with DESE to build a system to collect both the Department's Higher Education Research Data Collection (HERDC) and research income collection for ERA. This is a streamlining measure which will reduce the amount of data universities have to provide to government.

The ARC is working with the DESE on clear measures in EI to identify industry engagement and the translation of research to impact. This will include the development of robust quantitative metrics more explicitly focused on the impact of research for the next EI assessment.

## Preparing for ERA 2023

The ARC released the ERA 2023 Submission Guidelines (and associated documents) for sector feedback from 4 February to 18 March 2022, which included feedback on the inclusion of pre-prints in ERA. The final Submissions documents were released on 27 May 2022.

During 2021–22, the ARC consulted extensively with universities and discipline peak bodies to update the Journal List for ERA 2023. Stakeholders identified journals to be added or removed as well as advising appropriate ANZSRC 2020 Fields of Research codes (to identify relevant research disciplines) for each journal. There are over 26,000 journals on the ERA 2023 Journal List which was finalised at the end of June 2022. The Journal List plays an important role in ERA as it is used in calculating citation benchmarks for relevant ERA disciplines. The ARC appreciates the expertise and time universities and discipline peak bodies have given to this process.

## Supporting Indigenous studies assessment

In December 2021, the ARC announced the membership of the ISEE Group. The ISEE Group co-designed and promoted strategies for sector-wide leadership in applying the Indigenous Studies Fields of Research (FoR) in ERA 2023 and EI 2024, and to encourage and support Indigenous researchers to participate in submission and assessment processes. The ISEE Group developed a roadmap and 5 fact sheets on Indigenous studies in ERA which were published on the ARC website in June 2022. The work of the ISEE Group is addressing the ERA EI Review recommendation for the ARC to work with universities on leadership for implementing Indigenous studies in the next rounds of ERA and EI.

## People

The COVID-19 pandemic has highlighted the agility and flexibility of the ARC and its people. All employees worked from home for an extended period over the year, returning to normal office operations in February 2022. Upon return to the office, more staff have taken up the opportunity to incorporate working from home as part of their flexible working arrangements.

The ARC currently has 140 staff, 20% of whom are working part time, 83% regularly working from home, 7% utilising compressed hours, and 1% who have been on non-maternity leave without pay.

In the 2021 Australian Public Service (APS) Census, 96% of staff reported they were happy to go the 'extra mile' at work when required.

## ARC Media Announcements

### July 2021

Minister Alan Tudge announced funding of:

- \$36.4 million for 8 new *ARC Industrial Transformation Research Hubs*
- \$37.8 million for 8 new *ARC Industrial Transformation Training Centres*
- \$53.7 million for 7 researchers under the *Australian Laureate Fellowships*

The ARC welcomed the launch of:

- the *ARC Training Centre for Transformation of Australia's Biosolids Resource* which will receive \$3.8 million funding over the next 5 years
- the *ARC Research Hub for Sustainable Onshore Lobster Aquaculture* which will receive \$5 million in funding over the next 5 years
- the *ARC Training Centre for Integrated Operations for Complex Resources* which will receive \$3.7 million in funding over the next 4 years.

### August 2021

Locally designed and built satellite launched into space on board a SpaceX rocket at Cape Canaveral in the US. This is a project of the *ARC Training Centre for CubeSats, Uncrewed Aerial Vehicles, and their Applications (CUAVA)*

Minister Alan Tudge announced funding of:

- \$93 million for 100 projects under the *Future Fellowships* scheme
- \$83 million in funding through the *Discovery Early Career Researcher Award (DECRA)* scheme.

### September 2021

The ARC welcomed the launch of the *ARC Centre of Excellence for Enabling Eco-Efficient Beneficiation of Minerals* which will receive \$35 million in funding over the next 7 years

## October 2021

Minister for Education and Youth, Alan Tudge announced funding of:

- \$8.4 million for 9 new research projects under the *Discovery Indigenous* scheme for 2022.

The ARC Advisory Council was re-established with the following members:

- **Professor Calum Drummond**, Deputy Vice-Chancellor, Research and Innovation and Vice-President, RMIT University
- **Professor Mark Hutchinson**, Director, ARC Centre of Excellence for Nanoscale BioPhotonics, University of Adelaide
- **Ms Su McCluskey**, Commissioner, Commission for International Agricultural Research
- **Mr Mark McKenzie**, Director, Council of Small Business Organisations Australia
- **Professor Chris Moran**, Deputy Vice-Chancellor, Research, Curtin University
- **Professor Michelle Simmons AO**, Director, ARC Centre of Excellence for Quantum Computation and Communication Technology, The University of New South Wales
- **Professor Deborah Terry AO**, Vice Chancellor, University of Queensland
- **Emeritus Professor Maggie Walter**, Commissioner, Yoo-rrook Justice Commission, Victoria

## November 2021

The ARC welcomed the launch of:

- the *ARC Industrial Transformation Research Hub for Smart Next Generation Transport Pavements (SPARC)* which will receive \$5 million in funding over the next 5 years
- the *ARC Training Centre for Joint Biomechanics* which will receive \$3.9 million in funding over the 4 years
- the new *ARC Training Centre for Green Chemistry in Manufacturing* which will receive \$3.7 million in funding in 4 years
- the *ARC Industrial Transformation Training Centre for Cell and Tissue Engineering Technologies* which will receive nearly \$5 million in funding over 5 years.

ARC Funded Researchers were recognised at the Prime Minister's Prizes for Science 2021:

- Professor Edward Holmes received the *Prime Minister's Prize for Science*
- Professor Anthony Weiss AM received the *Prime Minister's Prize for Innovation*
- Associate Professor Michael Bowen received the *Prize for New Innovators*.



## December 2021

Acting Minister for Education and Youth, Stuart Robert, outlined reforms the ARC will enact in 2022 to better leverage Australia's world-class university research sector to support Australia's economy and society.

Launch of *ARC Centre of Excellence for Automated Decision-Making and Society (ADM+S)* led by RMIT University which will receive \$32 million in funding.

Minister Alan Tudge announced funding of:

- \$2.8 million additional funding of 6 projects under the *2021 Future Fellowships* and the *DECRA* schemes.

Acting Minister for Education and Youth, the Hon Stuart Robert MP announced funding of:

- \$24.4 million for 52 new research projects through the *Linkage Projects* scheme.

## February 2022

ARC CEO Ms Judith Zielke welcomed the launch of *ARC Training Centre for Cryo-Electron Microscopy of Membrane Proteins for Drug Discovery (CCeMMP)* at Monash University. They will receive \$4.8 million in funding over 5 years.

## March 2022

The ARC welcomed the launch of the *ARC Industrial Transformation Research Hub for Driving Farming Productivity and Disease Preventions* which will receive \$5 million in funding over the next 5 years.

The ARC also welcomed the launch of the *ARC Centre of Excellence for Children and families over the Life Course* which will receive \$32 million in funding from the ARC over 7 years.

## April 2022

The ARC Advisory Committee was established, with Professor Chris Moran FTSE as independent Chair. The new designated ARC Advisory Committee replaced the ARC Advisory Council. Further information on the ARC Advisory Committee, including its membership is on pages 76 and 77.

Ms Judith Zielke PSM was appointed CEO of the ARC. Ms Zielke's appointment is for a 5-year period and follows her role as acting CEO since 1 February 2022 after a transparent and merit-based selection process.

## May 2022

The ARC's CEO Ms Judith Zielke welcomed the Australian Academy of Science's appointment of ARC Executive Director Distinguished Professor Craig Simmons FAA FTSE as a fellow.

# PART 02



# Australian Research Council Overview

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## 2.1 Role and functions

### Legislation

The ARC was established under the *Australian Research Council Act 2001* (ARC Act). The ARC Act provides detail in relation to:

- the functions of the ARC
- the establishment of designated committees by the responsible Minister
- the CEO and ARC staff
- reporting requirements
- the funding of research, including the funding cap, funding assistance, funding rules and the ARC research endowment fund.

The funding caps in the ARC Act are regularly updated, through an amendment bill, to allow continued funding under the National Competitive Grants Program (NCGP). The ARC Act was last amended in April 2022.

### Role and functions

The ARC administers the NCGP, assesses the quality, engagement and impact of research, safeguards research integrity, and provides advice and support to the Australian Government on research matters. The ARC also brokers partnerships between researchers, industry, government, community organisations and the international community.

### Funding the highest quality research

The ARC delivers over \$840 million per year to the most dynamic researchers in Australia—a significant component of Australia's investment in research and development.

The grants are competitively awarded to universities, research teams and large-scale centres through 2 NCGP Programs: the Discovery Program, which supports individuals and small teams; and the Linkage Program, which creates links between universities, industry and other partners. Once awarded the ARC works with grant recipients to monitor performance, integrity and delivery of the proposed research and outcomes.

### Assessing the quality, engagement and impact of research

The ARC administers 2 national assessments of Australian university research performance which assess the quality, engagement and impact of research at Australia's universities.

Excellence in Research for Australia (ERA) assesses research quality. It provides a national stocktake, by research discipline, against international benchmarks. The ARC conducted ERA evaluations in 2010, 2012, 2015 and 2018.

The Engagement and Impact Assessment (EI) evaluates the engagement of researchers with research end-users and shows how universities are translating their research into economic, social, environmental, cultural and other impacts. The first EI assessment took place in 2018.

## Providing advice and support on research matters

The ARC advises the responsible Minister on research matters, including research training, research partnerships, and the quality, engagement and impact of research in Australia.

The ARC provides grants administration support services to the Office of National Intelligence (ONI), the Department of Defence National Security Science and Technology Centre (NSSTC) and the Department of Education, Skills and Employment (now known as the Department of Education) to support the National Intelligence and Security Research Discovery Grants (NISDRG) program and the National Collaborative Research Infrastructure Strategy (NCRIS).

## Resources

In 2021–22 the ARC:

- managed a budget of \$842.9 million, of which \$815.3 million supported research through the NCGP
- had a budgeted average staffing level of 136 employees.

## Stakeholders

In addition to serving the Minister for Education, the ARC works with a broad range of stakeholders across government, the research and higher education sector, industry, not-for-profit, and Australian and international communities. Organisations and stakeholders that play a significant role towards helping us achieve our purpose include:

### Australian universities

Universities are our key stakeholders, as NCGP funding is awarded to Australian universities, and we evaluate the quality and impact of research for this same group. We work closely with university leaders, such as Deputy Vice Chancellors, and with university research offices to ensure there is broad consensus, awareness and understanding of our policies, grants processes and compliance with the funding requirements and full participation in our national research assessments.

### Researchers

Researchers play an important role in the running of the NCGP and our national research assessments, by delivering excellent research and research outcomes, through to thousands of researchers' peer reviewing applications for the NCGP and participating in our national research assessments. Australian researchers of international repute form the ARC College of Experts and play a central role in identifying and recommending research excellence for funding.

## Research peak bodies and disciplinary groups

We collaborate and consult closely with research peak bodies and disciplinary groups to ensure our policies and programs are fit for purpose and meet the needs of the Australian research sector given the broad range of research we fund and evaluate.

## Industry, not-for-profit organisations, and other research end-users

Industry, not-for-profit organisations, and other research end-users help to maximise the research benefit of ARC funded research by collaborating and participating in ARC funded research. These partnerships can include cash or in-kind contributions and lead to better outcomes for research and research translation across sectors.

## Department of Education

We sit within the Education portfolio and regularly engage with our portfolio agency, the Department of Education, to ensure our policy and priority outcomes are aligned with Government activities.

## Other government departments and agencies

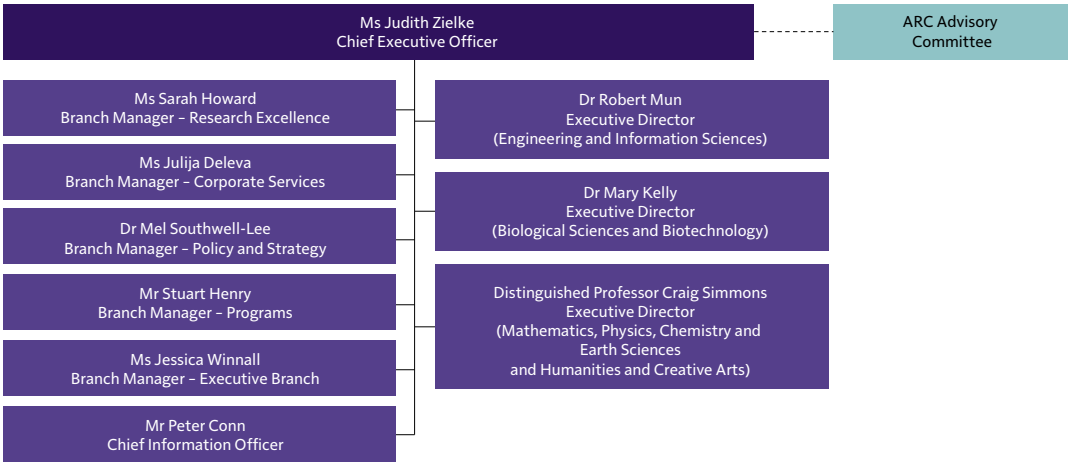
We work with other government departments to ensure our activities align with strategic government priorities and that we comply with cross-government legislative requirements. We collaborate closely with the National Health and Medical Research Council (NHMRC) to facilitate the most appropriate funding source for applications, improve information sharing, and to deliver the Research Administrators' Seminar and support the Australian Research Integrity Committee. We also collaborate with the Department of Industry, Science and Resources and the Commonwealth Scientific and Industrial Research Organisation (CSIRO) to deliver research commercialisation and translation opportunities. We also provide grants administration services to other government entities that fund research grant programs such as the Department of Education, ONI, and the Department of Defence.

## International collaborators

We are committed to creating and boosting international research collaboration opportunities. Encouraging global research linkages through our schemes is key to ensuring Australian researchers are able to connect and partner with outstanding international researchers to produce world leading research outcomes.

# 2.2 Organisational structure

**Figure 1:** Structure of the Australian Research Council, June 2022



**Table 1:** Details of the Accountable Authority during the reporting period 2021–22

Period as the accountable authority or member within the reporting period			
Name	Position title/Position held	Date of commencement	Date of cessation
Professor Sue Thomas	Chief Executive Officer	3-Jul-2017	31-Jan-2022
Ms Judith Zielke	Acting Chief Executive Officer	1-Feb-2022	8-Apr-2022
Ms Judith Zielke	Chief Executive Officer	9-Apr-2022	-



## 2.3 Performance framework

This annual report, together with our portfolio budget statements and our corporate plan, form the ARC’s planning and performance framework.

The ARC’s performance framework outlines how our performance will be measured, and the results of that measurement. This allows an assessment of our progress towards achieving the objectives set by government for the funds received.

The ARC’s performance framework is consistent with the requirements of the Commonwealth Performance Framework and the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

### Portfolio Budget Statements (PBS)

The ARC had one outcome and 3 programs in its 2021–22 PBS (**Figure 2**).

**Figure 2:** ARC outcome and programs

Outcome 1		
Growth of knowledge and innovation through managing research funding schemes, measuring research excellence and providing advice.		
Program 1.1	Program 1.2	Program 1.3
Discovery – research and research training	Linkage – cross-sector research partnerships	Excellence in Research for Australia
Administered expenses \$490.4m	Administered expenses \$327.0m	Administered expenses \$3.1m
Departmental		
ARC Departmental		
Departmental expenses \$24.3m		

**Note:** Budgeted expenses are as published in the Portfolio Budget Statements 2021–22 Education, Skills and Employment Portfolio.

## Corporate Plan (CP)

The ARC Corporate Plan 2021–22 states that the ARC’s purpose is:

*To grow knowledge and innovation for the benefit of the Australian community by funding the highest quality research, assessing the quality, engagement and impact of research and providing advice on research matters.*

## Annual performance statement

The annual performance statement in **Section 3.1** documents the ARC’s achievements against its purpose in the corporate plan, and outcome and programs in the portfolio budget statements (PBS).

The annual performance statement reports against the full set of performance measures outlined in the ARC’s PBS for 2021–22 which are available on the ARC website, <https://www.arc.gov.au/> > Home > About the ARC > Our Organisation > [Budget](#), and the ARC Corporate Plan 2021–22: <https://www.arc.gov.au/> > Home > News > Publications > [Corporate Plan](#). **Figure 3** shows the relationships between the PBS, our CP, and our annual performance statements.

**Figure 3:** Relationships between the ARC PBS, corporate plan and annual performance statement.

Document	Element	Details		
Portfolio Budget Statements	Outcome	Outcome 1		
	Programs	Growth of knowledge and innovation through managing research funding schemes, measuring research excellence and providing advice.		
		Program 1.1 Discovery	Program 1.2 Linkage	Program 1.3 Excellence in Research for Australia
		ARC Departmental		
Corporate Plan	Purpose	Purpose		
	Programs	To grow knowledge and innovation for the benefit of the Australian community by funding the highest quality research, assessing the quality, engagement and impact of research and providing advice on research matters.		
		NCGP – Funding Excellent Basic and Applied Research and Research Training		Assessing the Quality, Engagement and Impact of Research
		Program 1.1 Discovery – Research and Research Training	Program 1.2 Linkage – Cross Sector Research Partnerships	Program 1.3 Excellence in Research for Australia
Annual Performance Statement	Programs	NCGP – Funding Excellent Basic and Applied Research and Research Training		Assessing the Quality, Engagement and Impact of Research
		Program 1.1 Discovery – Research and Research Training	Program 1.2 Linkage – Cross Sector Research Partnerships	Program 1.3 Excellence in Research for Australia



# PART 03



# Report on Performance

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## 3.1 Annual Performance Statement

### Statement by the Accountable Authority

I, as the accountable authority of the Australian Research Council (ARC), present the 2021–22 annual performance statement of the ARC, as required under paragraph 39(1)(a) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and the *Australian Research Council Act 2001*. In my opinion, these annual performance statements are based on properly maintained records, accurately reflect the performance of the entity in the reporting period and comply with subsection 39(2) of the PGPA Act.



**Judith Zielke PSM**

Chief Executive Officer

7 October 2022

### Purpose

As outlined in the ARC's *Corporate Plan 2021–22*, the ARC's purpose is to shape the Australian research system for the benefit of the Australian community by enabling world-leading research and capability, fostering research quality, translation and impact, and safeguarding research integrity.

The ARC is responsible for delivering 3 programs through the National Competitive Grants Program (NCGP) and Excellence in Research for Australia (ERA) which support the ARC's purpose.

#### **NCGP – Funding Excellent Basic and Applied Research and Research Training:**

- **Program 1.1** – Discovery – Research and Research Training
- **Program 1.2** – Linkage – Cross Sector Research Partnerships

#### **ERA – Assessing the Quality, Engagement and Impact of Research:**

- **Program 1.3** – Excellence in Research for Australia

The 2021–22 annual performance statement outlines the ARC's performance for 2021–22. It provides a snapshot of its effectiveness in achieving its purpose, noting that the outcomes and benefits from research are often realised over a longer-term.

Highlights of ARC-funded research are included in this section to illustrate how ARC-funded research continues to deliver economic, environmental, social and cultural outcomes for Australia. More research highlights are published on the ARC's website, [www.arc.gov.au](http://www.arc.gov.au) > Home > News > [Articles](#).



## Approach

For each program, the statement includes:

- a description of the program
- information about the deliverables of the program
- data notes, if relevant
- a detailed analysis of performance for each performance measure
- a performance summary or overall analysis of performance against the program.

## Summary of Performance

The ARC has 16 performance measures and 13 of these were reportable in 2021–22.

The remaining 3 measures, all under Program 1.3, were not applicable for the 2021–22 reporting period as the related activities are not planned to occur until 2023 and 2024.

In 2021–22 the ARC achieved 9, and substantially achieved 2, of the 13 reportable performance measures. A summary of results is provided in **Table 2**.

A report on the ARC's performance against the full set of performance measures is provided on pages 32 to 47 for Programs 1.1 and 1.2; and pages 49 to 56 for Program 1.3.

**Table 2: Summary of results against performance measures**

Performance Measures	Result
<b>NCGP – Funding Excellent Basic and Applied Research and Research Training</b> <b>Program 1.1 Discovery – Research and Research Training</b> <b>Program 1.2 Linkage – Cross Sector Research Partnerships</b>	
1.1 NCGP applications and assessment processes are conducted in a timely manner	<b>Not Achieved</b>
1.2 ARC meets Commonwealth Grants Rules and Guidelines (CGRG) requirements to publish information about grant opportunities and grant awards	<b>Achieved</b>
1.3 ARC manages equitable expert assessment of NCGP applications	<b>Substantially Achieved</b>
1.4 ARC reviews all completed final grant reports in a timely manner	<b>Achieved</b>
1.5 ARC reviews all submitted End-of-Year Reports, Progress/Annual Reports in a timely manner	<b>Achieved</b>
1.6 ARC manages NCGP application and assessment processes fairly and in accordance with Grant Guidelines	<b>Not Achieved</b>
1.7 Proportion of ARC-funded research projects that involved international collaboration	<b>Achieved</b>
1.8 The proportion of co-funding from partner organisations involved in ARC-funded research for every \$1 of ARC's funding ( <i>Linkage Projects</i> scheme)	<b>Achieved</b>
1.9 Proportion of participating organisations satisfied with the research partnership supported through the Linkage Program ( <i>Linkage Projects</i> scheme)	<b>Achieved</b>
1.10 Proportion of ARC-funded research projects that indicate their research will involve research in one of the Australian Government's National Science and Research Priority areas	<b>Achieved</b>
<b>ERA – Assessing the Quality, Engagement and Impact of Research</b> <b>Program 1.3 Excellence in Research for Australia</b>	
2.1 Review outcomes are implemented through revised ERA methodology, where required	<b>Substantially Achieved</b>
2.2 Research quality of participating universities is assessed and reported on	<b>n/a</b>
2.3 Use of ERA program data to assist in the development of Australian Government policies	<b>Achieved</b>
2.4 Use of ERA program data to inform the strategic planning of Australian universities	<b>Achieved</b>
2.5 Review outcomes are implemented through revised EI methodology, where required	<b>n/a</b>
2.6 Engagement and impact of the research of participating universities is assessed and reported on	<b>n/a</b>

# NCGP – Funding excellent basic and applied research and research training

## Description

The ARC administers the NCGP, which comprises Program 1.1 – Discovery and Program 1.2 – Linkage. Each program has several schemes that provide funding for basic and applied research, research training, research collaboration and infrastructure. Through the grants and assessment process, the ARC encourages workforce diversity that is reflective of Australian society by supporting the highest calibre researchers, regardless of gender, ethnicity, or career stage.

The ARC administers the following schemes under Program 1.1 and 1.2 (see Appendix 1 for a description):

### Discovery Program:

- Australian Laureate Fellowships (FL)
- Discovery Early Career Researcher Award (DECRA)
- Discovery Indigenous (IN)
- Discovery Projects (DP)
- Future Fellowships (FT)

### Linkage Program:

- ARC Centres of Excellence (CoE)
- Industrial Transformation Research Program (ITRP) (which includes Industrial Transformation Research Hubs (ITRH) and Industrial Transformation Training Centres (ITTC)
- Linkage Infrastructure, Equipment and Facilities (LIEF)
- Linkage Projects (LP)
- Special Research Initiatives (SRI)
- Learned Academies Special Projects (LASP)
- Supporting Responses to Commonwealth Science Council Priorities (CS)
- Industry Fellowships Program (IFP) (which includes the Early Career Industry Fellowship, Mid-career Industry Fellowship, and Industry Laureate Fellowship schemes commencing in 2022–23).

Major Investments is a cohort of NCGP grants including ARC Centres of Excellence, Industrial Transformation Research Program and Special Research Initiatives.

## Deliverables

Program 1.1 – Discovery, as identified in the PBS 2021–22 (page 148), is delivered through the following activities:

- administering the Discovery funding schemes, which provide funding to eligible administering organisations for excellent, internationally competitive research projects, fellowships and awards
- informing policy on research and research training.

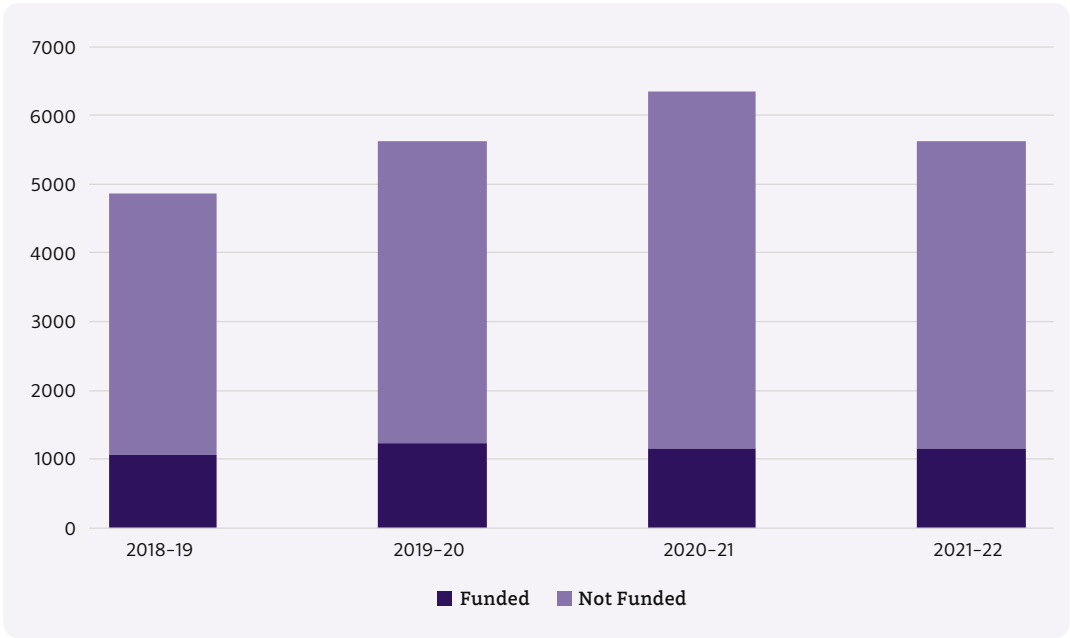
Program 1.2 – Linkage, as identified in the PBS 2021–22 (page 151), is delivered through the following activities:

- administering the Linkage funding schemes, which provide funding to eligible administering organisations for excellent, collaborative research projects, infrastructure, hubs and centres
- informing policy on cross sector research partnerships.

In 2021–22 the ARC:

- conducted selection processes that considered 5,618 applications for NCGP funding and awarded 1,148 grants for research projects (**Figure 4**), involving 3,191 researchers (Chief Investigators), worth \$641.7 million (where outcomes were finalised in the reporting period)
- administered 5,752 new and ongoing grants under the NCGP, providing \$803.7 million to administering organisations (based on projects as at the end of the reporting period).

**Figure 4:** Applications received, and projects funded, 2018–19 to 2021–22



A breakdown of NCGP funding by scheme round is included at **Appendix 2**.

**Data notes**

- The 2021-22 reporting period is based on the financial year (1 July 2021 to 30 June 2022), inclusive of start and end dates.
- All data results have been rounded to one decimal place for consistency.
- The specific methodologies for calculating the results for each performance measure are denoted with each measure.
- The following scheme rounds were finalised (i.e. a ministerial decision occurred) in 2021-22:
  - **Discovery Program:** DECRA 2022, IN 2022, DP 2022, FL 2021 and FT 2021
  - **Linkage Program:** LIEF 2022, LP 2020 round 3, LP 2021 rounds 1 and 2, IC 2021 and IH 2021.
- Figures used in **Part 3.1** to assess performance outcomes reflect data collected on the basis of grants awarded, and do not directly correspond to financial statement information provided elsewhere in this report.
- Seven new measures were introduced in 2020-21. They do not include data from prior reporting periods.

## Performance measures

Performance measure 1.1 NCGP applications and assessment processes are conducted in a timely manner				
Outcome	Recommendations are made to the Minister within 6 months of scheme round closing dates for Linkage Projects, and within 8 months for all other schemes except for Centres of Excellence			
Methodology	<p>Quantitative</p> <ul style="list-style-type: none"><li>the percentage of scheme rounds where the recommendations are made to the Minister within the given time frame</li><li>includes all schemes where outcomes were finalised (i.e. ministerial decision occurs) within the specified reporting period</li><li>length of process measured from scheme round application closing date to date relevant funding outcome brief is lodged with the Minister</li></ul>			
Related key activities	<p>The ARC will</p> <ul style="list-style-type: none"><li>maintain funding mechanisms that build capacity in, and foster efficient responses to, emerging research areas and Australian Government priorities</li><li>assess the efficiency of assessment processes with ARC data</li></ul>			
Data source	Data extracted from the ARC NCGP administrative database			
Measure source	CP 2021–22 page 20, PBS 2021–22 page 150 and 153			
Target	100%			
Results	2018–19	2019–20	2020–21	2021–22
			100%	<b>50%</b> (Not Achieved)

### Analysis of results

The ARC did not achieve performance measure 1.1. Our target was that recommendations for 100% of funding scheme rounds are made to the Minister within the set timeframe (6 months for Linkage Projects and 8 months for all other schemes except for Centres of Excellence), however in 2021–22, recommendations were made within the timeframes for only 50% of funding scheme rounds.

We met the targeted timeframe for 5 of 10 scheme rounds undertaken in 2021–22.

The delay in these 5 scheme rounds was impacted by factors including the ARC’s countering foreign interference assessment processes and liaising with Administering Organisations to provide additional assurances where necessary.

We place a high importance on the timeliness of our application assessment processes, as they indicate the efficiency of the ARC and the ease with which researchers and Partner Organisations can access support. Adherence to stated timeliness also removes uncertainty for researchers and Partner Organisations on expected announcement of outcomes. Therefore, we have made it a high priority to address these delays and improve our timeliness and processes in 2022–23.

We have made refinements to our countering foreign interference process, which will ensure that it is unlikely to impact the timeliness of processes going forward.

We have also commenced an in-depth review of NCGP processes and will begin implementing the findings from this review in 2022-23. This will further improve the timeliness of our application and assessment processes.

Furthermore, we have improved the transparency of our timelines on the ARC website. The scheme calendar timeline now more accurately indicates when an anticipated announcement will be and reduces the previous indication of decision within 3 months to fortnightly. This will provide researchers and their institutions with greater clarity around how their application is progressing through the assessment process.

Performance measure 1.2	ARC meets Commonwealth Grants Rules and Guidelines (CGRG) requirements to publish information about grant opportunities and grant awards			
Outcome	ARC publishes all NCGP Grant Opportunities and Grant Awards on GrantConnect within 21 days			
Methodology	<div>Quantitative</div> <ul style="list-style-type: none"><li>includes all grant opportunities and awards for schemes where the application outcomes were finalised (i.e. Ministerial decision occurs) within the specified reporting period</li><li>includes all ARC funding offers where the ARC acceptance date is within the specified reporting period</li><li>grant opportunities are published on GrantConnect before the scheme round opens. Grant awards are published on GrantConnect within 21 days of a grant agreement taking effect (i.e. acceptance of a grant funding offer by both the Administering Organisation and the ARC)</li><li>data checked for compliance – a breach is verified when data exceeds 21 days</li></ul>			
Related key activities	<div>The ARC will</div> <ul style="list-style-type: none"><li>ensure ARC policies reflect Australian Government policies and priorities</li><li>improve stakeholder awareness of ARC programs and policies</li></ul>			
Data source	Data extracted from the ARC NCGP administrative database and GrantConnect			
Measure source	CP 2021-22 page 21, PBS 2021-22 page 150 and 153			
Target	100%			
Results	2018-19	2019-20	2020-21	2021-22
			100%	100% (Achieved)

Analysis of results

The ARC achieved performance measure 1.2. In 2021-22, 100% of NCGP grant opportunities and grant awards were published on GrantConnect within 21 days.

This result indicates that our internal processes for publishing information to GrantConnect are working effectively, and that we have appropriate resources and established operating procedures to complete this ongoing task efficiently.

The result also reflects the emphasis the ARC places on publishing information about grant opportunities and awards to GrantConnect within these timeframes.

Performance measure 1.3		ARC manages equitable expert assessment of NCGP applications			
Outcome	Minimum of 2 detailed assessments are received per application across all NCGP schemes with the exception of Special Research Initiatives (SRIs)				
Methodology	<p>Quantitative</p> <ul style="list-style-type: none"><li>percentage of applications with 2 or more detailed assessments to all applications for NCGP, excluding SRIs</li><li>excludes SRIs as SRI assessment processes may vary from standard ARC processes</li><li>includes all applications where outcomes were finalised (i.e. Ministerial decision occurs) within the specified reporting period</li></ul>				
Related key activities	<p>The ARC will</p> <ul style="list-style-type: none"><li>support a robust peer review system</li></ul>				
Data source	Data extracted from the ARC NCGP administrative database				
Measure source	CP 2021-22, page 21				
Target	100%				
Results	2018-19	2019-20	2020-21	2021-22	
			100%	97.9% (Substantially Achieved)	

Analysis of results

The ARC substantially achieved performance measure 1.3. Our target was 100% of applications receive a minimum of 2 detailed assessments, and of the 5,618 applications received by the ARC in 2021-22 across all NCGP schemes (excluding SRIs), 5,497 (97.9%) received at least 2 detailed assessments. The ARC achieved 97.9%, with only 121 (2.1%) applications, across 4 schemes, receiving one detailed assessment. The 4 schemes were: DP 2022, FT 2021, LP 2021 R1 and DE 2022.



Peer review plays a pivotal role in the NCGP and enables us to identify and support high quality and innovative research. The core business of peer review relies on assessors providing rigorous assessments of applications submitted to the ARC that are within their area of expertise. Over 7,000 assessors contribute to ARC peer review processes, in addition to those researchers supported by the ARC and who are obligated to participate.

During the assessment period, we monitored and re-assigned applications to detailed assessors to maximise the likelihood of securing a minimum of 2 assessments per application. During the reporting period, we made 36,717 assignments to detailed assessors. Where assessments were rejected or not undertaken, we reassigned these detailed assessments and followed up with assessors prior to the closing date for the assessments.

The ARC relies on external parties for assessors, therefore it is not guaranteed that an application will always receive a minimum of 2 assessments. Additionally, the COVID-19 pandemic has created challenges for the research sector, including the diversion of academic resources, reduced workforce, employment uncertainty, and a changing operating environment.

Despite these challenges, the ARC peer review process has remained rigorous and robust. As a contingency, the ARC has implemented mechanisms to ensure that, if an application receives less than 2 assessments, it is not disadvantaged in the assessment process. Any application that receives less than 2 assessments is flagged for the attention of the Selection Advisory Committees (SAC) for further discussion. Therefore, despite a small number of applications not receiving 2 detailed assessments, all applications received rigorous assessment.

In 2022–23, the ARC will be undertaking a review of the process to seek to improve how the organisation manages assessor workload and the assignment process. We have also expanded the assessment pool by recruiting assessors with broader experience including across industry, publicly funded research agencies and other end-users.

Performance measure 1.4		ARC reviews completed final grant reports in a timely manner			
Outcome	Final reports are reviewed within 3 months (90 days)				
Methodology	<p>Quantitative</p> <ul style="list-style-type: none"><li>percentage of final reports processed within the reporting period i.e. finalised (approved / waived) or de-submitted back to the Research Office for action</li><li>includes all final reports approved by the ARC within the specified reporting period</li><li>review timing calculated from latest date of submission of the final report to the ARC</li></ul>				
Related key activities	<p>The ARC will</p> <ul style="list-style-type: none"><li>undertake post award compliance activities of the NCGP, in accordance with the assurance framework</li><li>monitor and evaluate program delivery outcomes</li></ul>				
Data source	Data extracted from the ARC NCGP administrative database and from Major Investments <sup>(1)</sup> records				
Measure source	CP 2021–22, page 21				
Target	90%				
Results	2018–19	2019–20	2020–21	2021–22	
			85.3%	95.2% (Achieved)	

(1) Major Investments is a cohort of NCGP grants including ARC Centres of Excellence, Industrial Transformation Research Program and Special Research Initiatives.

## Analysis of results

The ARC achieved performance measure 1.4. Our target was 90% of final reports are reviewed within 90 days. In 2021–22, 1,020 (95.2%) of the 1,071 final reports received by the ARC were reviewed within 90 days.

This result of 95.2% is an improvement on the 85.3% achieved in 2020–21 and was achieved through the resourcing of skilled staff and improved planning to meet timeframes.

A final report must be submitted at the completion of an ARC project to comply with the conditions of the ARC Funding Agreement. Final reports collect information for ARC-funded projects to determine whether the project reached a satisfactory completion and delivered the research outcomes. Final reports are due 12 months after all ARC funding has been expended. This includes expenditure of all funding paid and approved carryovers.

The achievement of this measure provides broader benefits to our stakeholders across the research sector. Statistical information collected in Final Reports enables us to account for public funding of research and may be used to promote the value of research to the Australian community.

<b>Performance measure 1.5</b>	<b>ARC reviews submitted End-of-Year Reports, Progress/Annual Reports in a timely manner</b>			
<b>Outcome</b>	Reports are reviewed within 3 months (90 days)			
<b>Methodology</b>	Quantitative <ul style="list-style-type: none"> <li>percentage of reports processed within the reporting period i.e. finalised (approved / waived) or de-submitted back to the Research Office for action</li> <li>review period commences from each End-of-Year Report/progress report by exception and Major Investments Progress and Annual Report instances of submission to ARC</li> </ul>			
<b>Related key activities</b>	The ARC will <ul style="list-style-type: none"> <li>undertake post award compliance activities of the NCGP, in accordance with the assurance framework</li> <li>monitor and evaluate program delivery outcomes</li> </ul>			
<b>Data source</b>	Data extracted from the ARC NCGP administrative database and from Major Investments records			
<b>Measure source</b>	CP 2021–22, page 22			
<b>Target</b>	90%			
<b>Results</b>	<b>2018–19</b>	<b>2019–20</b>	<b>2020–21</b>	<b>2021–22</b>
			97.1%	<b>99.5%</b> (Achieved)

### Analysis of results

The ARC achieved performance measure 1.5. Our target was 90% of submitted end of year, progress and annual reports being reviewed within 90 days. In 2021–22, we reviewed and processed 6,237 (99.5%) of the 6,267 submitted End-of-Year Report (EOYR), Partner Organisation Agreed Contribution Reports (POACR) and Major Investments Progress and Annual Reports within 90 days. The result of 99.5% is an improvement on the previous year's result (97.1%).

To achieve this result, we prioritised internal resources in post award areas to ensure all submitted EOYR and POACRs with correct data were reviewed and approved within 3 months. Only a few reports were unable to be approved within the timeframe as further information was required from the Administering Organisation.

Some Administering Organisations were granted additional time to finalise their reports as they had been adversely impacted by staff absences due to COVID-19 and the impacts of the floods down the east coast of Australia.

The purpose of the EOYR is to collect information regarding the expenditure activity relating to ARC funding received during the calendar year and reconcile it against the ARC's records. The EOYR also collects information regarding any significant issues affecting the progress of a project during the calendar year, from an administrative perspective. The EOYR must be submitted to the ARC through the Research Management System (RMS) by 31 March the following year.

Through achieving this measure, the ARC has ensured that it has been accountable in maintaining good management practices and compliance monitoring for the research it funds. Meeting this measure has also assisted in alerting both the ARC and university research office staff to potential issues that researchers may have faced in completing their funded research and facilitated appropriate follow up action where required.

Furthermore, the ARC has also been able to use research highlights from the reports to promote the value of the ARC’s investment in research.

Performance measure 1.6		ARC manages NCGP application and assessment processes fairly and in accordance with Grant Guidelines			
Outcome	The percentage of upheld appeals against administrative processes is very low compared to applications submitted				
Methodology	<p>Quantitative</p> <ul style="list-style-type: none"><li>the number of upheld appeals against administrative processes to the total number of applications displayed as a percentage</li><li>includes all schemes where outcomes (i.e. ministerial decision occurs) and the appeals process were finalised within the specified reporting period</li><li>data collected on the number of appeals and number of appeals upheld</li></ul>				
Related key activities	<p>The ARC will</p> <ul style="list-style-type: none"><li>support a robust peer review system</li><li>cultivate a system-wide culture of research integrity</li></ul>				
Data source	Data extracted from the ARC NCGP administrative database				
Measure source	CP 2021–22 page 22, PBS 2021–22 page 150 and 153				
Target	<1%				
Results	2018–19	2019–20	2020–21	2021–22	
			0.02%	1.48%	
				(Not Achieved)	

Analysis of results

The ARC did not achieve performance measure 1.6. Our target is for less than one percent of appeals upheld against the NCGP administrative processes. In 2021-22 our result was 1.48%, with 32 appeals upheld out of 2,158 submitted applications for scheme rounds where the outcomes and appeals process was finalised during 2021-22. A total of 35 appeals were received for these scheme rounds.

The higher number of appeals received and upheld can be attributed to 2 scheme rounds (FT 2021 and DE 2022) where several applicants were ruled ineligible due to the inclusion of pre-prints in the application. Applicants impacted by the decision appealed, and following the appeals process, the previously ineligible applications were deemed eligible.

Following this decision and further consultation with the research sector, the ARC has revised its requirements regarding the inclusion of pre-prints in future scheme round applications.

It is anticipated this is an anomalous result for 2021-22, and when excluding the pre-prints appeals, the ARC would have achieved the target for 2021-22.

The appeals process is designed to ensure the applicant has been treated fairly and consistently in the context of the selection procedures. The ARC only considers appeals against administrative process issues and not against committee decisions, assessor ratings and comments, or ministerial decisions. The ARC appoints an independent Appeals Committee to consider appeals and make recommendations to the ARC’s CEO as to whether there has been any administrative error relating to the selection process. Based on this advice, the ARC CEO determines whether an appeal should be upheld or dismissed.

The ARC has noted lessons learned from the FT 2021 and DE 2022 rounds and has implemented changes to undertake appropriate consultation with the sector and the newly established ARC Advisory Committee on its grant guidelines and policies. These changes will improve transparency for stakeholders and result in our processes being communicated and implemented fairly and consistently.

Performance measure 1.7	Proportion of ARC-funded research projects which involved international collaboration			
Outcome	The percentage of projects which involved international collaboration			
Methodology	<div>Quantitative</div> <ul style="list-style-type: none"><li>includes all final reports approved within the reporting period</li><li>the number of research projects indicating actual international collaboration divided by the total number of research projects displayed as a percentage</li><li>data collected by scheme round. Data based on collaboration with nominated country/countries as per final reports</li></ul>			
Related key activities	<div>The ARC will</div> <ul style="list-style-type: none"><li>encourage national and international research partnerships between universities and government, industry and not-for-profit organisations</li></ul>			
Data source	Data extracted from the ARC NCGP administrative database final reports			
Measure source	CP 2021-22 page 22, PBS 2021-22 page 150 and 153			
Target	70%			
Results	2018-19	2019-20	2020-21	2021-22
			78.7%	79.3% (Achieved)

## Analysis of results

The ARC achieved performance measure 1.7. Our target is that 70% of funded projects involve international collaboration. In 2021–22, 851 (79.3%) out of 1,073 projects reported international collaboration in their final reports. This result is a small increase on last year's result of 78.7%.

ARC funded researchers reported an increase in collaborations with their research partners overseas, despite the significant constraints imposed by the COVID-19 pandemic. The ARC continued to provide support for international collaboration through all NCGP schemes including funding to support international collaboration visits. Additionally, the ARC has encouraged collaboration for early career researchers through its Implementing Arrangement with the European Research Council (ERC). This initiative supports DECRA recipients to travel to Europe to contribute to an ERC-funded research team, while enhancing their own ARC-funded work. The Implementing Arrangement provides development opportunities for early career researchers to build ongoing and beneficial collaborations with international researchers.

The ARC is committed to international research collaboration through all of its grant schemes and acknowledges the importance of encouraging and supporting international engagement to leverage international expertise and address issues of global importance. Both researchers and end users benefit from the increased exchange of ideas, access to facilities and capacity building opportunities gained through collaborations with international peers which can improve the quality and maximise the impact of research outcomes.

<b>Performance measure 1.8<sup>(1)</sup></b>	<b>The proportion of co-funding from partner organisations involved in ARC-funded research for every \$1 of ARC's funding (<i>Linkage Projects</i> scheme)</b>			
<b>Outcome</b>	Maintain or increase the level of co-funding from partner organisations involved in ARC-funded research ( <i>Linkage Projects</i> scheme)			
<b>Methodology</b>	Quantitative <ul style="list-style-type: none"> <li>includes all <i>Linkage Projects</i> applications where outcomes were finalised (i.e. Ministerial decision occurred) within the specified reporting period</li> <li>total partner organisation contribution (cash and in-kind funding) divided by total ARC funding for the same scheme round</li> </ul>			
<b>Related key activities</b>	The ARC will <ul style="list-style-type: none"> <li>maintain funding mechanisms that build capacity in, and foster efficient responses to, emerging research areas and Australian Government priorities</li> <li>encourage national and international research partnerships between universities and government, industry and not-for-profit organisations</li> </ul>			
<b>Data source</b>	Data extracted from the ARC NCGP administrative database			
<b>Measure source</b>	CP 2021–22 page 23, PBS 2021–22 page 153			
<b>Target</b>	≥ \$1 for every ARC dollar			
<b>Results</b>	<b>2018–19</b>	<b>2019–20</b>	<b>2020–21</b>	<b>2021–22</b>
Yearly result	\$1.73	\$1.62	\$1.49	<b>\$1.59</b> (Achieved)

(1) This measure and outcome has been reworded since the CP 2021–22, to properly reflect the intent of the measure. The methodology has not changed.

## Analysis of results

The ARC achieved performance measure 1.8. Our target is for the proportion of co-funding from partner organisations to be equal to or greater than \$1 for every ARC dollar. In 2021–22 our result was \$1.59 for every ARC dollar, which is an increase from the 2020–21 result of \$1.49, reversing a recent downward trend from 2018–19 to 2020–21.

The 2021–22 result is an improvement on last year and this increased financial contribution may suggest partner organisations' increasing confidence in identifying benefits from collaborating with ARC funded projects. Whilst the number of partner organisations participating in grants last year dropped compared to previous years, in contrast, partner organisations' contributions amounted to more being committed to ARC funded research in 2021–22.

A partner organisation's commitment of funding and other resources to a research project generally indicates an expectation of a return from that investment. Improved levels of partner financial commitments in 2021–22 may suggest increased confidence in partner organisations realising some form of benefit from their investment in ARC research.

Under the *Linkage Projects* scheme, the combined cash and in-kind contributions pledged by partner organisations are required to match, at least, the funding sought from the ARC. This engagement with partner organisations can also facilitate important pathways to translation and commercialisation opportunities for ARC-funded research and researchers.

Performance measure 1.9	Proportion of participating organisations satisfied with the research partnership supported through the Linkage Program ( <i>Linkage Projects</i> scheme)			
Outcome	The percentage of partner organisations who acknowledged the research partnership experience as beneficial or very beneficial			
Methodology	Quantitative <ul style="list-style-type: none"> <li>the number of partner organisations who found the experience beneficial or very beneficial to the total responses received from partner organisations displayed as a percentage</li> </ul>			
Related key activities	The ARC will <ul style="list-style-type: none"> <li>encourage national and international research partnerships between universities and government, industry and not-for-profit organisations</li> <li>improve stakeholder awareness of ARC programs and policies</li> <li>engage stakeholders in policy development activities</li> </ul>			
Data source	Data extracted from the ARC NGCP administrative database final reports			
Measure source	CP 2021–22 page 23, PBS 2021–22 page 153			
Target	90%			
Results	2018–19	2019–20	2020–21	2021–22
Yearly result	84.7%	90.6%	91.9%	<b>96.6%</b> (Achieved)

### Analysis of results

The ARC achieved performance measure 1.9. Our target is that 90% of participating organisations are satisfied with the research partnership supported through the Linkage Program. In 2021–22 our result was 96.6%, with 505 out of 523 participating organisations reporting satisfaction.

Over the past 4 years, the result for this measure has continued to improve, which indicates strong support by participating organisations for the *Linkage Projects* scheme and the excellent research funded by the ARC. This result also reflects a focus by Government for improved commercialisation of university research. This focus will continue in 2022–23 with the introduction of the new Industry Fellowships Program to further drive engagement with industry and other end-users.

By continued achievement of this measure, the ARC has demonstrated the ongoing ability to build ongoing collaborations and research outcomes through ARC supported research partnerships. The opportunities and partnerships facilitated through ARC funded research make a valuable contribution to the transfer of skills, knowledge and ideas that underpin the commercial and related benefits of research.



<b>Performance measure 1.10</b>	<b>Proportion of ARC-funded research projects that indicate their research will involve research in one of the Australian Government's National Science and Research Priority areas</b>			
<b>Outcome</b>	The percentage of ARC-funded projects contributing to the Australian Government's National Science and Research Priority areas			
<b>Methodology</b>	Quantitative <ul style="list-style-type: none"> <li>the total number of projects indicating their research is in a National Science and Research Priority area to the total number of projects administered in the reporting period displayed as a percentage</li> </ul>			
<b>Related key activities</b>	The ARC will <ul style="list-style-type: none"> <li>participate in Australian Government policy development on research, innovation and science</li> <li>ensure ARC policies reflect Australian Government policies and priorities</li> </ul>			
<b>Data source</b>	Data extracted from the ARC NCGP administrative database			
<b>Measure source</b>	CP 2021–22 page 23, PBS 2021–22 page 150 and 154			
<b>Target</b>	60%			
<b>Results</b>	<b>2018–19</b>	<b>2019–20</b>	<b>2020–21</b>	<b>2021–22</b>
Yearly result	60.2%	65.3%	64.6%	<b>66.7%</b> (Achieved)

## Analysis of results

The ARC achieved performance measure 1.10. Our target is that 60% of ARC funded projects involve research in one of the Australian Government's National Science and Research Priority areas.

In 2021–22, 766 (66.7%) of 1,148 funded applications involved research in at least one of the Australian Government's National Science and Research Priority areas.

At a program level for 2021–22, the result recorded for the Discovery Program was 62.4% and the Linkage Program 82.4%.

The Australian Government announced the National Science and Research Priority areas in May 2015. The 9 cross-disciplinary priorities are food, soil and water, transport, cybersecurity, energy, resources, advanced manufacturing, environmental change and health. Over the past 4 years, the ARC's result in meeting this measure has continued to improve. This indicates that the ARC is contributing to guiding research investment into Government priority areas and helping Australia maintain a strong research and innovation capability.

Furthermore, the Industrial Transformation Research Program (ITRP) specifically supports university researchers to partner with a range of industry sectors in priority areas for Australia, and each round's priorities vary to support critical needs of industry. In 2022, the priority areas were: advanced manufacturing; cyber security; defence; food, beverage and agribusiness; medical technologies and pharmaceuticals; mining equipment, resource technology and services; critical minerals processing;

oil, gas and energy resources; recycling and clean energy; and space. Industry support for and participation in the ITRP suggest the program is delivering research outcomes addressing industry sector needs in these priority areas.

Research that supports national priorities helps to guide investment in areas where it is important for Australia to maintain a strong research and innovation capability, and can lead to improved economic and social outcomes for Australians.

## Performance Indicators

### Why is this important?

The ARC NCGP aims to support a diverse workforce. The following indicators are included within the annual performance statement to provide trend data across multiple years. This information contributes to informing policy at the ARC. While the ARC has minimal control over these indicators, we actively promote our policies to the research sector to ensure that ARC-funded research contributes positively to the sustainability of Australia's research workforce.

Indicator <sup>(1)</sup>	Methodology <sup>(2)(3)(4)(5)</sup>	Year / Number / Percentage
A. Number of researchers (individuals) on ARC-funded research projects	Each individual researcher is counted only once for total NCGP	2021-22: 2,505 2020-21: 2,195 2019-20: 2,763 2018-19: 2,142
B. Proportion of researchers (individuals) on ARC-funded research projects who are women	Number of Chief Investigators (CIs) who identify as female, to the total number of individuals (including those who do not identify and those who identify as other, as indicated on the application form)	2021-22: 863 / 34.5% 2020-21: 797 / 36.3% 2019-20: 924 / 33.4% 2018-19: 711 / 33.2%
C. Proportion of researchers (individuals) on ARC-funded research projects who identified as Aboriginal and Torres Strait Islander peoples	Number of CIs who self-identify as Aboriginal or Torres Strait Islander, to total number of individuals	2021-22: 44 / 1.8% 2020-21: 41 / 1.9% 2019-20: 26 / 0.9% 2018-19: 37 / 1.7%
D. Proportion of researchers (individuals) on ARC-funded research projects who are early career researchers (ECR)	Number of new and ongoing ECRs, to total number of individuals  ECR status is defined as 0-5 years post-PhD at close of scheme round and is calculated on the basis of PhD data provided by individual researchers	2021-22: 303 / 12.1% 2020-21: 292 / 13.3% (new indicator for 2020-21)

Indicator <sup>(1)</sup>	Methodology <sup>(2)(3)(4)(5)</sup>	Year / Number / Percentage
E. Number of researchers on ARC-funded research projects who are fellows or awardees	Each individual researcher is counted only once for total NCGP	2021-22: 305 / 12.2% 2020-21: 320 / 14.6% 2019-20: 319 / 11.5% 2018-19: 221 / 10.3%
F. Proportion of Linkage Program funding to support industrial research training under the <i>Industrial Transformation Training Centres</i> (ITTC) scheme	Total funding for new and ongoing funding for ITTC scheme to the total funding allocated for the Linkage Program within the reporting period	2021-22: 9.9% 2020-21: 10.6% 2019-20: 11.2% 2018-19: 11.5%

(1) These indicators only count researchers who have a chief investigator or equivalent role in the funded applications.

(2) All data is sourced from the ARC NCGP administrative database.

(3) Data is collated based on all applications where outcomes were finalised (i.e. ministerial decision occurred) within the specified reporting period.

(4) The LIEF scheme is excluded for KPIs A to E.

(5) Each individual researcher is counted only once.

## Impacts on performance of Programs 1.1 and 1.2

The ARC depends on the Australian research community for its capability to deliver the NCGP and acknowledges the ongoing impacts of the COVID-19 pandemic and extreme weather events on Australian universities, partner organisations and researchers during 2021–22. This has continued to impact the ARC’s performance in delivering Program 1.1 – Discovery and Program 1.2 – Linkage.

The ARC has continually engaged with the research sector as these events occur and adapted our processes quickly to deal with the changes. This has included implementing a range of measures to support ARC-funded researchers, applicants and assessors, to ensure that the ARC was able to deliver on its objectives for 2021–22 as well as continuing to play an important role in supporting the Australian research sector through challenging times.

## Assessing the Quality, Engagement and Impact of Research

### Description

The ARC is responsible for assessing the quality, engagement and impact of university research through the administration of Excellence in Research for Australia (ERA) and the Engagement and Impact (EI) assessment. ERA identifies research excellence in Australian universities by comparing Australia’s research effort against international benchmarks. EI assesses the engagement of researchers with research end-users and shows how universities are translating their research into economic, social, environmental, cultural and other impacts.

Together these national research assessments provide a unique, evidence-based resource to inform Australian Government research policy and the strategic direction of Australian universities, and encourage researchers to produce high-quality research with real-world benefits.

### Deliverables

The key deliverables for ERA and EI, as identified in the PBS 2021–22 (page 155), were:

- administering an evaluation framework to measure and report on the quality of research conducted at Australia’s higher education institutions
- administering a framework to assess engagement and show how universities are translating their research into economic, social, environmental, cultural and other impacts
- informing strategic policy advice on research quality, engagement and impact.

### Key Objectives

ERA and EI are periodic exercises that were last conducted in 2018. The key objectives for the ARC in 2021–22, as identified in the PBS 2021–22 (page 141), in relation to ERA and EI were:

- implementing outcomes of the review of ERA and EI
- working with universities to prepare for the next ERA and EI rounds.

## Performance measures

<b>Performance measure 2.1</b>	<b>Review outcomes are implemented through revised ERA methodology, where required</b>			
<b>Outcome</b>	Review recommendations are reflected in changes to key ERA documents (e.g., submission and assessment guidelines) and processes			
<b>Methodology</b>	Qualitative <ul style="list-style-type: none"> <li>progress of changes to key ERA documents are monitored against a project plan and associated timing</li> </ul>			
<b>Related key activities</b>	The ARC will <ul style="list-style-type: none"> <li>implement the outcomes of the review of ERA and EI to ensure they are streamlined, remain at the forefront of research assessment and maintain ongoing stakeholder support</li> <li>deliver ERA and EI programs that are rigorous, minimise reporting burden and meet Australian Government objectives</li> </ul>			
<b>Data source</b>	ARC records and published material			
<b>Measure source</b>	CP 2021–22 page 24, PBS 2021–22 page 155			
<b>Target</b>	Publication of ERA 2023 submission and assessment documentation			
<b>Results</b>	<b>2018–19</b>	<b>2019–20</b>	<b>2020–21</b>	<b>2021–22</b>
				<b>Substantially achieved</b>

### Analysis of results

The ARC substantially achieved performance measure 2.1. The ARC completed a significant part of this measure by publishing the comprehensive ERA 2023 Submission Guidelines on 27 May 2022, to support universities in preparing their data submission for ERA 2023. However, the ERA Evaluation Framework was not published until August 2022, just after the end of the 2021–22 financial year.

The ERA EI Review Final Report sets out 22 recommendations to the ARC. The ARC published on its website the ERA EI Review Action Plan, which sets out the ARC's commitments to implement the recommendations through the next ERA and EI rounds and into future years. While various recommendations will be ongoing for implementation in future ERA rounds, the ARC has progressed several key recommendations in line with the ARC Action Plan.

This included reducing the reporting burden for universities. For ERA 2023, applied measures were removed so universities no longer need to collect this data and changes were made to the research income collection process to utilise data reported for the Higher Education Research Data Collection (HERDC) and the Higher Education Staff Data Collection (HESDC). These changes were included in the Submission Guidelines.

Additionally, the ARC convened an ERA Benchmarking and Rating Scale (BMRS) Working Group, comprising experts in research evaluation and quantitative indicator development, to provide advice on potential changes recommended by the ERA EI Review. Advice from this group informed a

consultation paper that proposed changes to the ERA rating scale, benchmarks for citation analysis and peer review assessment and the definition, appropriateness, and application of the ‘world standard’ benchmark. The ARC released the consultation paper on 11 March 2022. The consultation closed on 22 April 2022. Feedback from this consultation informed the development of the ERA Evaluation Framework.

Performance measure 2.2		Research quality of participating universities is assessed and reported on			
Outcome	100% of eligible submissions are assessed in accordance with relevant criteria and results are published				
Methodology	<p>Quantitative</p> <ul style="list-style-type: none"><li>the eligibility of a submission is determined according to the ERA rules. Submissions are considered ‘assessed’ when they are assigned a rating by consensus of the relevant assessment committee, according to the ERA methodology</li></ul>				
Related key activities	<p>The ARC will</p> <ul style="list-style-type: none"><li>deliver ERA and EI programs that are rigorous, minimise reporting burden and meet Australian Government objectives</li><li>use data on university research activity, quality, and university research engagement and impact to inform policy advice to the Australian Government</li><li>maintain the public availability of a wide range of Australian university research data via the ARC Data Portal</li></ul>				
Data source	ARC data records				
Measure source	CP 2021-22 page 24, PBS 2021-22 page 155				
Target	100% of eligible submissions are assessed in accordance with relevant criteria and results are published				
Results	2018-19	2019-20	2020-21	2021-22	
	Achieved				

Analysis of results

Data for this performance measure will be available after the next round of ERA is completed.

<b>Performance measure 2.3</b>	<b>Use of ERA program data to assist in the development of Australian Government policies</b>			
<b>Outcome</b>	The ARC uses ERA data to provide evidence-based advice to assist in government decision-making			
<b>Methodology</b>	Qualitative <ul style="list-style-type: none"> <li>review of requests for information from Government, and relevant feedback captured from outreach activities</li> </ul>			
<b>Related key activities</b>	The ARC will <ul style="list-style-type: none"> <li>monitor and contribute to international developments in research activity and research evaluation</li> <li>provide strategic policy advice on research quality, engagement and impact</li> <li>use ERA program data to inform Australian Government policies</li> <li>use data on university research activity, quality, and university research engagement and impact to inform policy advice to the Australian Government</li> </ul>			
<b>Data source</b>	Information gathering – ongoing activity			
<b>Measure source</b>	CP 2021–22 page 24, PBS 2021–22 page 155			
<b>Target</b>	ERA program reports and activities inform Australian Government policy			
<b>Results</b>	<b>2018–19</b>	<b>2019–20</b>	<b>2020–21</b>	<b>2021–22</b>
	Achieved	Achieved	Achieved	<b>Achieved</b>

### Analysis of results

The ARC achieved performance measure 2.3. During 2021–22, the ARC continued to engage with Australian Government agencies to provide input on specific issues and ensure that ERA program data informs policy. Although no new ERA or EI data was published in 2021–22, the ERA and EI national reports, the Gender and the Research Workforce: Excellence in Research for Australia (ERA) 2018 report, and high-rated EI narratives remain important data sources for government.

The ARC provided ERA data and analyses to various government agencies for the development of policy advice. During 2021–22, this included:

- providing data and information on the research landscape to inform the Office of National Intelligence
- providing data on research benchmarks to the Tertiary Education and Quality Standards Agency to develop requirements for universities
- providing data to the Department of Industry, Sciences and Resources on gender and the research workforce for the STEM Equity Monitor, a report that provides information on women and girls in Science, Technology and Maths.

Of the 22 recommendations from the ERA EI Review, 2 focused on improving the value of ERA and EI data for stakeholders, including government. The EI impact and engagement narratives provide a

wealth of information on specific activities universities are undertaking to translate their research into impacts for research end-users such as industry, community and government. These narratives have been used by the ARC to develop new data products. This work is ongoing and aligns with a wider agency approach to reporting ARC data.

Performance measure 2.4		Use of ERA program data to inform the strategic planning of Australian universities			
Outcome	Universities refer to ERA and EI in their strategic planning documentation				
Methodology	Qualitative <ul style="list-style-type: none"><li>desktop review and analysis of Australian university planning and reporting documents, and relevant feedback captured from outreach activities</li></ul>				
Related key activities	The ARC will <ul style="list-style-type: none"><li>engage with stakeholders on ERA and EI processes and outcomes</li><li>promote the understanding of and use of ERA and EI data to benefit university, industry, community and government stakeholders</li><li>foster engagement and impact within and beyond the research sector</li><li>promote the benefits and value of Australian University research</li><li>maintain the public availability of a wide range of Australian university research data via the ARC Data Portal</li></ul>				
Data source	Survey and analysis of Australian university planning and reporting documents				
Measure source	CP 2021-22 page 24, PBS 2021-22 page 155				
Target	ERA and EI program reports and activities inform strategic planning at eligible Australian universities				
Results	2018-19	2019-20	2020-21	2021-22	
	Achieved	Achieved	Achieved	Achieved	



## Analysis of results

The ARC achieved performance measure 2.4.

ERA encourages excellent, internationally competitive research by focusing on research quality. The EI assessment encourages meaningful engagement within and beyond the research sector and highlights the impacts arising from the research. The ARC aims to realise these outcomes by conducting best practice assessments of the engagement, impact and quality of research by Australian universities. The inclusion of references and performance targets relating to ERA and EI in university strategic documents demonstrates their influence.

To determine whether performance measure 2.4 was met, the ARC conducted a desktop review of strategic plans, annual reports, and websites of all 42 Australian higher education institutions that were eligible to participate in ERA and EI 2018. The analysis examined how ERA and EI were referenced in 2 ways: as a measure of success, such as listing ERA and EI results or including ERA and/or EI targets as a key performance indicator (KPI), or references to key concepts including research excellence, engagement, and impact.

The results from this analysis demonstrate that the ARC met the performance measure target in 2021–22:

- 95% of universities referred to ERA as a measure of success in their strategic plans, annual reports, or websites. 100% of universities—an increase from 88% in the previous year—made general reference to behaviours consistent with the ERA objectives such as building research capability, and opportunities relating to research excellence.
- 48% of universities referred to EI as a measure of success in their strategic plans, annual reports, or websites. However, the general objectives of EI remain high priorities for universities. 98% of universities—an increase from 88% in the previous year—identified engagement and/or impact as a priority in their strategic plans and annual reports.

Universities' greater focus on ERA, compared to EI, likely reflects the timing of the programs. The universities have been preparing for the next round of ERA throughout the reporting year. The next round of EI will likely become a higher priority for universities as it approaches.

<b>Performance measure 2.5</b>	<b>Review outcomes are implemented through revised EI methodology, where required</b>			
<b>Outcome</b>	Review recommendations are reflected in changes to key EI documents (e.g. submission and assessment guidelines) and processes			
<b>Methodology</b>	Qualitative <ul style="list-style-type: none"> <li>progress of changes to key EI documents are monitored against a project plan and associated timing</li> </ul>			
<b>Related key activities</b>	The ARC will <ul style="list-style-type: none"> <li>implement the outcomes of the review of ERA and EI to ensure they are streamlined, remain at the forefront of research assessment and maintain ongoing stakeholder support</li> <li>deliver ERA and EI programs that are rigorous, minimise reporting burden and meet Australian Government objectives</li> </ul>			
<b>Data source</b>	ARC data records			
<b>Measure source</b>	CP 2021–22 page 25 <sup>(1)</sup> , PBS 2021–22 page 156			
<b>Target</b>	Publication of EI 2024 submission and assessment documentation			
<b>Results</b>	<b>2018–19</b>	<b>2019–20</b>	<b>2020–21</b>	<b>2021–22<sup>(1)</sup></b>

(1) The Corporate Plan 2021–22 incorrectly labelled this as a measure for achievement in 2021–22 in addition to 2022–23. Performance against this measure will be reported on for 2022–23.

### Analysis of results

This performance measure is planned to be reported on in 2022–23.

<b>Performance measure 2.6</b>	<b>Engagement and impact of the research of participating universities is assessed and reported on</b>			
<b>Outcome</b>	100% of eligible submissions are assessed in accordance with relevant criteria and results are published			
<b>Methodology</b>	Quantitative <ul style="list-style-type: none"> <li>100% of eligible submissions are assessed in accordance with relevant criteria and results are published</li> </ul>			
<b>Related key activities</b>	The ARC will <ul style="list-style-type: none"> <li>engage with stakeholders on ERA and EI processes and outcomes</li> <li>promote the understanding of and use of ERA and EI data to benefit university, industry, community and government stakeholders</li> <li>foster engagement and impact within and beyond the research sector</li> <li>promote the benefits and value of Australian university research</li> </ul>			
<b>Data source</b>	ARC data records			
<b>Measure source</b>	CP 2021–22 page 25, PBS 2021–22 page 156			
<b>Target</b>	100% of eligible submissions are assessed in accordance with relevant criteria and results are published  The next reporting period is 2024–25			
<b>Results</b>	<b>2018–19</b>	<b>2019–20</b>	<b>2020–21</b>	<b>2021–22</b>

### Analysis of results

Data for this performance measure will be available after the next round of EI is completed.

### Impacts on performance of Program 1.3

There were no changes in the ARC’s activities, organisational capability or environment that impacted significantly on its performance in delivering Program 1.3 - Excellence in Research for Australia.

The ARC remained agile in response to new COVID-19 pandemic constraints in 2021 by using virtual webinars and meetings instead of in-person meetings for consultation on the outcomes arising from the ERA EI Review. This provided adequate time to implement improvements before the next ERA and EI rounds. The ERA 2023 Submission Guidelines were released 9 months before ERA submission was planned to commence, which is earlier than previous rounds.



# Research Highlights

## Outcomes of ARC supported research

Research Highlights demonstrates how research funded through the NCGP is making a real difference to Australia, and the world. The following case studies reflect a selection of the research projects which demonstrate the economic, environmental, social, health and/or cultural benefits arising from ARC-funded research. The full articles can be accessed through the ARC website, [www.arc.gov.au](http://www.arc.gov.au) > Home > News > [Articles](#).

### Importance of saving Indigenous languages

**Primary Researchers:** Professor Marija Tabain, Emeritus Professor Andrew Butcher, Gavan Breen OAM and Associate Professor Richard Beare.

**Institutions:** La Trobe University, Flinders University, Institute for Aboriginal Development in Alice Springs, Monash University and Monash Children's Research Institute.





Flinders University Emeritus Professor Andrew Butcher, who has been researching Aboriginal languages of Australia for more than 30 years, highlights the importance of preserving First Nations language, including pronunciation and other details in a recent paper on 3 Central Australian languages - Arrernte, Pitjantjatjara and Warlpiri - published in the *Journal of the Acoustical Society of America*.



‘Across all of Australia’s Indigenous languages, the most important message is that these languages need to be recorded before they disappear – as so many have done already – and, where possible, supported and revived in the communities where they belong,’ said Professor Butcher.

Lead author Professor Marija Tabain, from La Trobe University, is an ARC Future Fellow who has contributed to our understanding of Australia’s Indigenous languages through research conducted over many years into the articulatory and acoustic phonetics of several different Central Australian languages.

‘Our study of consonant articulation among 21 speakers of these 3 neighbouring Central Australian languages highlights the unique use of language and subtle differences between the users,’ said Professor Tabain. ‘Literacy plays a major role in maintenance of marginal phonemic contrast,’ the researchers conclude.

Gavan Breen OAM from the Institute for Aboriginal Development in Alice Springs, and Associate Professor Richard Beare from Monash University and the Murdoch Children’s Research Institute, were also involved in the study, engaging with several members of Arrernte, Pitjantjatjara and Warlpiri communities in the Northern Territory and northern South Australia.

The research will have cultural, historical and educational benefits for Australia. ‘This ongoing research is increasingly confirming the uniqueness of Aboriginal languages, particularly as regards their sound systems and range of articulations,’ said Professor Butcher, who is also an expert in articulation and communication disorders.

He said the development of Indigenous Australian languages – among the oldest surviving languages on the planet – may also help inform contemporary studies and ‘tell us more about human languages in general’.

**Story:** News Desk at Flinders University.

**Images:** Flickr. Image of Kata Tjuta.

Pitjantjatjara speaker Miss Kathleen Windy with Professor Marija Tabain at the La Trobe University Recording Studio.



## Aspirin takes the headache out of restoration

**Primary Researchers:** Dr Simone Pedrini and John Curtin Distinguished Professor Kingsley Dixon.

**Institution:** Curtin University.

An ARC-supported study has revealed that salicylic acid (aspirin), which naturally occurs in the bark of the willow tree and other plants, can improve the survival of grass species important for ecological restoration and sustainable pasture when applied in a seed coating.

Lead researcher, Dr Simone Pedrini from the *ARC Training Centre for Mine Site Restoration* in Curtin's School of Molecular and Life Sciences, said salicylic acid has been used for its medicinal properties for more than 4000 years and its modern synthetic version, acetylsalicylic acid, or aspirin, is one of the most widely used medications in the world.



'Our research found that aspirin can do more than just ease a headache; it can also help restore degraded land and ecosystems and establish sustainable pastures through improving plant growth and survival,' Dr Pedrini said.

'This study was performed on native perennial grasses and showed that applying very low concentrations of salicylic acid to the seed can improve plant survival and therefore its effectiveness in reaching restoration and native pasture goals.'

Research team member and Director of the ARC Training Centre, John Curtin Distinguished Professor Kingsley Dixon, said salicylic acid was applied to the seeds of the native grass species using a technology called seed pelleting, perfected by Curtin University researchers, that allows seed shape and size to be modified, improving seeding efficiency, and can be used to carry growth benefiting compounds.

'This is the first study to deliver aspirin via coating on native species which means the technology can be scaled up for improving restoration targets such as the *UN Decade on Ecosystem Restoration* launched on 5 June 2021,' Professor Dixon said.

**Story:** Lucien Wilkinson, Curtin University.

**Image:** Curtin University. Image of native perennial grasses.

# Graphene discovery to fast-track the new energy revolution

**Primary Researchers:** Professor David Officer and Distinguished Professor Gordon Wallace.

**Institution:** The University of Wollongong.

Researchers from the ARC Centre of Excellence for Electromaterials Science (ACES), at the University of Wollongong (UOW), developed a new type of edge functionalised graphene (EFG) that promises to improve the performance of the rechargeable Lithium-ion (“Li-ion”) batteries that power our portable devices and electric cars.



This new form of graphene is both highly conductive and processable and made of nano platelets that have excellent potential as a valuable carbon additive for a variety of electrochemical devices.

The researchers have announced a collaboration with a private next-generation battery material company, *Sicona Battery Technologies* (Sicona), that they say may be a game-changer for the creation of cheaper and more efficient Li-ion batteries in the future.

Sicona founder and CEO, Christiaan Jordaan said: ‘The UOW graphene IP (EFG) will enable us to produce even better-quality battery materials through adding EFG to enhance the electrical conductivity of the materials. It is a simple and highly scalable production process that yields this unique EFG material, we believe it has a bright future in the rapidly growing battery market—cost-effective large-scale synthesis is absolutely key to success’.

The Innovation and Commercial Research Unit’s goal is to see the translation of fundamental research from pilot-scale technology demonstrators to real-world applications. The agreement with Sicona is a perfect example of UOW working with an industry partner to develop revolutionary products.

UOW Deputy Vice-Chancellor (Research & Innovation) Professor Jennifer L Martin said: ‘The cutting-edge electromaterials discovery by Professor David Officer and Distinguished Professor Gordon Wallace and their team demonstrates UOW’s commitment to tackling today’s most challenging global problems. By facilitating research commercialisation, UOW and ACES are creating knowledge for a better world and creating new manufacturing and industry opportunities for Australia’.

**Story:** Genevieve Gatt, University of Wollongong, Australia.

**Image:** Paul Jones. (Left-to-right) Gordon Wallace, David Officer, Christiaan Jordaan, George Tomka, Zahra Shahbazian, Andrew Minett.



## Testing traditional knowledge for bushfire management

**Primary Researcher:** Associate Professor Michael Shawn Fletcher.

**Institution:** The University of Melbourne.

Associate Professor Michael-Shawn Fletcher is a Wiradjuri man, and a multiple ARC grant recipient based at the University of Melbourne, whose research tracks the long-term interactions between humans, climate, disturbance and vegetation at local, regional and global scale.

Associate Professor Fletcher is currently leading his third Discovery Indigenous grant, which asks about bushfires in Southeast Australia – ‘Has it always burned so hot?’ One of the questions the research seeks to answer is whether Indigenous cultural burning is a way of mitigating against climate-driven catastrophic bushfires in Southeast Australian forests. Recent fires have proven that fuel-reduction burning is ineffective at mitigating against catastrophic bushfires. Australia needs better strategies for managing the fire hazard presented by the highly flammable forests of southeast Australia.



The removal of Indigenous management from these forests occurred more than a century before the application of fuel-reduction burning to protect life, property and other assets, allowing the accumulation of fuel loads across the landscape that cause catastrophic bushfires. It has been argued that returning an Indigenous style fire regime will keep landscape fuel loads low, thus reducing the frequency and intensity of bushfires and mitigating against large catastrophic bushfires.

While based on enormous reservoirs of traditional fire knowledge in Indigenous communities, these assertions lack empirical testing within these highly flammable forests. To resolve them, Associate Professor Fletcher and his research team are testing how fuel loads, fuel type, fire frequency and fire intensity have changed over the past 500 years in Southeast Australian forests, spanning the period of indigenous to British management.

This research will provide direct data on the potential for Indigenous cultural burning to maintain low fuel loads, less frequent and less intense fires within these forests. This project will provide data on the ability of cultural burning to lower fuel loads, alter fuel type and change the frequency and intensity of bushfires. This will allow the development of robust, sustainable and effective fuel management strategy in the face of the clear increase in catastrophic bushfires in southeast Australia.

**Story:** The University of Melbourne.

**Image:** The University of Melbourne. Associate Professor Fletcher and his research team are testing fuel loads, fuel type, fire frequency and fire intensity over the past 500 years in Southeast Australian forests.



# Lava sparks hot idea for protecting buildings

**Primary Researcher:** Professor Pingan Song.

**Institution:** University of Southern Queensland.

Lava is one of the hottest substances found on the Earth's surface and a source of inspiration for the design of a potentially life-saving fire retardant coating.

A research team, led by University of Southern Queensland chemical engineer and ARC Future Fellow, Professor Pingan Song, has developed a non-toxic, fire-extinguishing coating that could save buildings from being engulfed in flames.

Professor Song said lava sparked his idea of a hybrid coating that would melt and then gradually form a flowing but non-combustible ceramic layer when exposed to extreme heat.

'Molten lava is like a viscous flowing liquid but non-flammable,' Professor Song said.

'Once cooled, it solidifies to become a thermostable ceramic layer that does not support fire.

'Inspired by this interesting phenomenon, we designed a fire-retardant coating that can create a non-combustible ceramic layer which can offer fire/thermal protections for the underlying substrates, just like a fire shield.'

Professor Song said that the new fire-retardant coating produces a very robust and thermally stable ceramic layer, in comparison to existing commercially available coatings, which usually produce a protective layer that is fragile and degrades at high temperatures.

The fire-retardant coating is now undergoing further testing and refinement before it will be commercialised and put to widespread use, which Professor Song hopes will be within the next 2 years.

**Story:** University of Southern Queensland.

**Image:** University of Southern Queensland. *Top right:* Professor Pingan Song.

*Second row, left:* Coated rigid PU foam – exposure to approximately 1100 degree celsius flame for 10 seconds.

*Second row right:* Uncoated rigid PU foam – exposure to approximately 1100 degree celsius flame for 10 seconds.





## Human attention secrets cracked in bid to avoid digital-age disasters

**Primary Researchers:** Professor Anina Rich, Dr Hamid Karimi-Rouzbahani, Professor Alexandra Woolgar.

**Institution:** Macquarie University in collaboration with Utah University and University of Cambridge.

In a world first, ARC-supported researchers at Macquarie University in collaboration with Utah university have mapped brain signals in a way that allowed them to predict when someone had lost attention and would therefore miss a crucial moment in a network monitoring task.

The discovery helps to lay the groundwork for technology that could help avoid potential tragedy when humans fail to notice vital computer errors, for instance when monitoring an air traffic or train network control system.

Lying in a Magnetoencephalography (MEG) machine in the KIT-Macquarie Brain Research Laboratory, 21 subjects monitored several dots moving on trajectories towards a central fixed object, but deflecting before making contact. Their job was to press a button to deflect a moving dot if it instead violated its trajectory and continued towards a collision with the central object.

The experiment showed that the less often the dot violated its trajectory, the more likely the participants were to miss it, showing that attention dropped off dramatically over time when targets were infrequent.

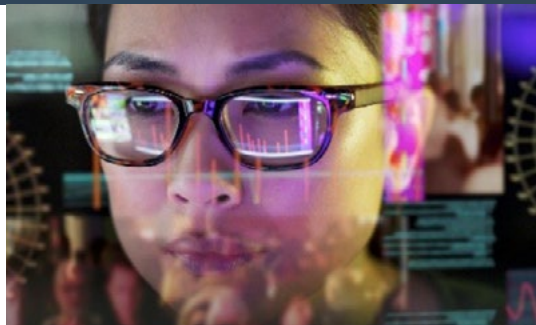
'A computer is most often making the decision about who is going where, and keeping track of where everyone is – but a human has to watch that, and if that computer makes a mistake, a human has to be ready to jump in to fix the error before you get a tragedy,' explained Anina Rich, Professor of Cognitive Science and head of Macquarie's Perception in Action Research Centre, whose research is supported by multiple Discovery Projects grants.

While scientists have extensively studied these 'vigilance decrements' in humans, Rich's team went further by recording what was happening in the brain across time as the participants performed their tasks. Professor Rich said the study has shown proof of concept that it is possible to use the pattern of activity recorded in the brain to actually decode whether someone has lost crucial information about a task, and this is a real step forward to be able to start to predict behavioural errors.

Rich says humans' poor performance in monitoring tasks is becoming an increasing concern as the era of self-driving cars fast approaches. The Macquarie team's methods will therefore be used in a new collaboration with the University of Utah, where researchers are concerned with reducing driver distraction to make roads safer. For example, self-driving cars that were able to detect when brain activity showed a dangerous lapse in attention could set off a warning signal, or an emergency braking system.

**Story:** Sarah Maguire, Macquarie University.

**Image:** Getty images. See-through data screen watcher.





# New solar-to-hydrogen efficiency record

**Primary Researcher:** Dr Siva Karuturi.

**Institution:** The Australian National University.

ARC-supported researchers at The Australian National University have achieved a new efficiency record for hydrogen cells that can convert water into hydrogen simply using sunlight.

Lead researcher and ARC DECRA recipient, Dr Siva Karuturi, said that hydrogen has an important role to play in solving the intermittency of renewable energy sources.

There are significant cost benefits to this solar-to-hydrogen approach as it eliminates the need for added infrastructure that's necessary when hydrogen is produced using an electrolyser.



The team has recently reported to Renew Economy that they have achieved a direct solar water splitting system with over 20% [solar-to-hydrogen] efficiency. This meets a conversion efficiency target set by the United States' Department of Energy as part of efforts to reduce the production cost of renewable hydrogen.

The researchers also predict that further research could ultimately beat the Australian Government's target of producing hydrogen at a cost below \$2 per kilogram.

'To produce hydrogen in the past, solar plants had to produce electricity which is then used to electrolyse water to produce hydrogen. This new method is more direct, making it more efficient,' said Dr Karuturi.

The research demonstrates how combining innovations in solar and hydrogen production technologies could be a decisive innovation in producing low-cost renewable hydrogen and decarbonising the economy.

**Story:** ANU Communications & Engagement.

**Image:** The Australian National University. Image of Dr Karuturi.



## Augmented reality project helps disaster survivors

**Primary Researcher:** Scientia Professor Jill Bennett.

**Institution:** University of New South Wales (UNSW).

An augmented reality project exploring the relationship between wellbeing and place will provide insight into why some people in adverse circumstances do not always access mental health services.

Hard place/Good place, led by UNSW Scientia Professor Jill Bennett, as part of her ARC Australian Laureate Fellowship, will develop an archive of experiential stories with people from regional, rural and remote areas, exploring what it means to be in a 'hard place' or a 'good place'.



The creative research project is coordinated by the Felt Experience & Empathy Lab (FEEL) at UNSW and is currently focused on communities in both Queensland and Victoria. It is co-designed with people whose lives are affected by adversity, including the effects of climate change, drought, bushfire and flood and combines a 3D immersive experience of a significant place with a personal narrative.

Hard place/Good place emerged from The Big Reach, a networking strategy to connect with communities. The initiative came out of The Big Anxiety—a festival of people + art + science. Professor Bennett launched the research-driven, mental health festival in 2017, as featured in the ARC's Making a Difference 2019–20. The 2022 Big Anxiety festival in Melbourne includes an exhibition of Hard place/Good place stories made with young people in storm-affected areas in the Yarra Ranges.

Professor Bennett's team has also co-designed immersive projects with people with a lived experience of suicidality, with Ngangkari healers in the Central Desert working on trauma, and with survivors of institutional abuse. The focus is always 'enabling stories to surface in ways that are useful', Professor Bennett said.

This kind of work represents a shift in mental health provision towards a whole-of-community proposition, prioritising lived experience.

Impact in this area means transforming possibilities for mental health strategies using a cultural approach to mental health. Such work expands the western model of mental health through its recognition of creative practice as a mechanism for therapeutic change.

**Story:** Kay Harrison, UNSW.

**Image:** UNSW.



## Decarbonisation tech instantly converts CO<sub>2</sub> to solid carbon

**Primary Researcher:** Associate Professor Torben Daeneke and Dr Ken Chiang.

**Institution:** RMIT University.

ARC-supported researchers have developed a smart and super-efficient new way of capturing carbon dioxide and converting it to solid carbon, to help advance the decarbonisation of heavy industries.

The carbon dioxide utilisation technology from RMIT researchers, including Associate Professor Torben Daeneke who is a DECRA recipient, and Dr Ken Chiang, is designed to be smoothly integrated into existing industrial processes.



Decarbonisation is an immense technical challenge for heavy industries like cement and steel, which are not only energy-intensive but also directly emit CO<sub>2</sub> as part of the production process.

The new technology, which builds on an earlier experimental approach that used liquid metals as a catalyst, offers a pathway for instantly converting carbon dioxide as it is produced and locking it permanently in a solid state, keeping CO<sub>2</sub> out of the atmosphere.

‘Our new method still harnesses the power of liquid metals, but the design has been modified for smoother integration into standard industrial processes,’ Associate Professor Daeneke said.

‘As well as being simpler to scale up, the new tech is radically more efficient and can break down CO<sub>2</sub> to carbon in an instant.’

‘We hope this could be a significant new tool in the push towards decarbonisation, to help industries and governments deliver on their climate commitments and bring us radically closer to net zero.’

A provisional patent application has been filed for the technology and researchers have recently signed a \$2.6 million agreement with Australian environmental technology company ABR, who are commercialising technologies to decarbonise the cement and steel manufacturing industries.

**Story:** Gosia Kaszubska, RMIT University.

**Image:** RMIT University. Image of PhD researcher Karma Zuraiqi with Dr Ken Chiang and Associate Professor Torben Daeneke.





## New space testing facility to support first Australian mission to the moon

**Primary Researchers:** Professor Andrew Dempster and Associate Professor Thierry Peynot.

**Institutions:** The University of New South Wales (UNSW) and the Queensland University of Technology (QUT).

The University of New South Wales (UNSW) and the Queensland University of Technology (QUT) have been awarded \$2.1 million in funding through the ARC's Linkage Infrastructure, Equipment and Facilities (LIEF) grant to set up a Space Resources Environmental Analogue Facility (SREAF), which will allow researchers to test equipment in realistic moon, Mars and asteroid conditions.



The new facility will consist of a Dirty Thermal Vacuum Chamber, an indoor moon yard, and a material characterisation frame at UNSW, and a lunar testbed at QUT.

Professor Andrew Dempster, director of the Australian Centre for Space Engineering Research at UNSW led the SREAF bid and said the grant came at a critical time to support Australia's space research.

'This is a great boost for the collaboration between UNSW and QUT. We have worked together on a range of projects and the facilities themselves are a huge leap forward for space resources research in Australia.'

This facility will be the best place in Australia to perform space robotics environmental testing and testing of materials such as regolith—loose deposits covering the surface of the moon and asteroids—in deep space environmental conditions. This aligns closely with the Australian Space Agency's Moon to Mars program and plays an important role in supporting the developing Australian space industry. It will also expand practical learning opportunities for electrical engineering, robotics, mechatronics and industrial design students.

Associate Professor Thierry Peynot from the QUT Centre for Robotics said the facilities will be used to test robotics, sensing, geology, rock mechanics, materials, and space-related technologies in inhospitable environments.

The facilities of SREAF will allow the teams at UNSW and QUT to develop and test technology for future missions to the moon and later to Mars in a comprehensive way that is unique in Australia and would be prohibitive to do in a single facility.

**Story:** Neil Martin, UNSW Sydney and Novella Moncrieff, QUT Media.

**Image:** QUT/RAL Architects. Renders of the proposed QUT space facility with lunar testbed.

## 3.2 Financial performance

### Summary

This section provides an overview of the ARC's financial performance during 2021–22 for departmental and administered activities. It should be read in conjunction with the information on financial performance provided in Part 5, which includes:

- the Australian National Audit Office (ANAO) unqualified audit opinion for the statements
- a statement from the CEO and Chief Financial Officer that the statements comply with the PGPA Act
- the ARC's financial statements.

The ARC resource statement is presented in Appendix 3, **Table A3**, followed by the ARC expenses for Outcome 1 which is presented in **Table A4**.

The ARC's total appropriated resources for 2021–22 was \$842.9 million. This comprised:

- \$821.2 million for the administered appropriation (\$815.3 million special appropriation for the NCGP and \$5.9 million for the annual administered appropriation)
- \$21.7 million for the departmental appropriation (\$20.5 million for operating expenses and \$1.2 million for the Departmental Capital Budget).

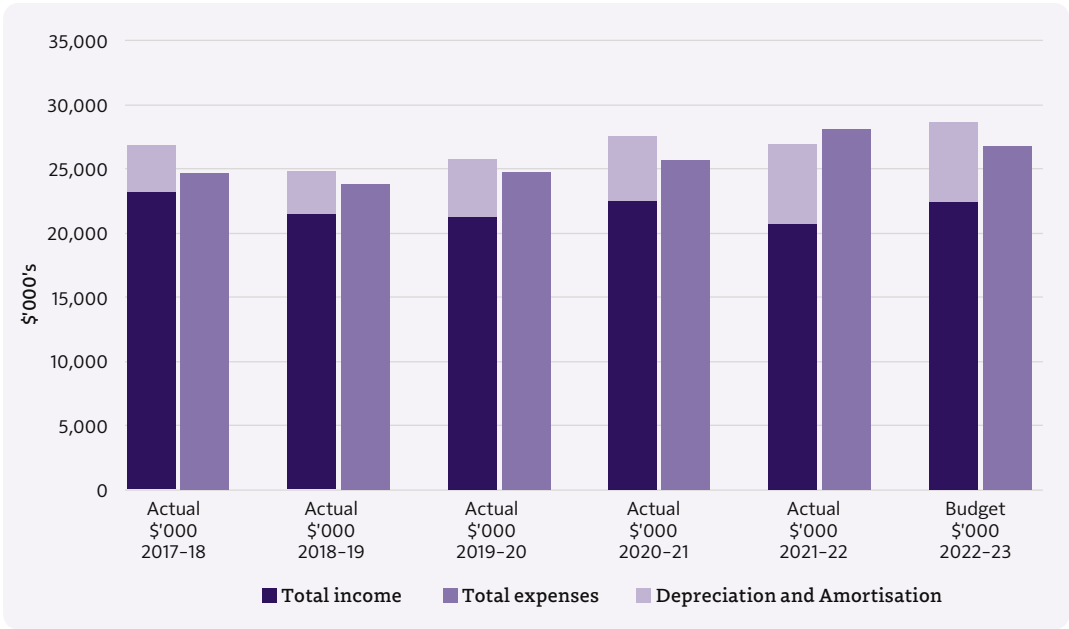
### Departmental activities

Departmental activities include assets, liabilities, revenues and expenses that the ARC controls directly and uses to produce outcomes on behalf of the Australian Government.

For 2021–22 the ARC recorded an operating deficit of \$7.4 million compared to the original budget position of operating deficit of \$3.7 million.

**Figure 5** outlines the ARC's departmental financial performance over the past 5 years and the current budget for 2022–23. From 2019–20 Government funding has been stable, running at just over \$21 million per annum. Funding was higher in 2017–18 because of an additional \$2 million in Government funding received for the Special Research Initiative Per- and Poly- Fluoroalkyl Substances (PFAS) Remediation Research Program. In 2020–21, the ARC received \$1.2 million from providing grant services to 3 Commonwealth entities. The increase in depreciation and amortisation expenses from 2019–20 compared to earlier years can be attributed to the adoption of the new leasing accounting standard AASB16 which took effect from 1 July 2019.

**Figure 5: Departmental financial performance, 2017-18 to 2022-23**

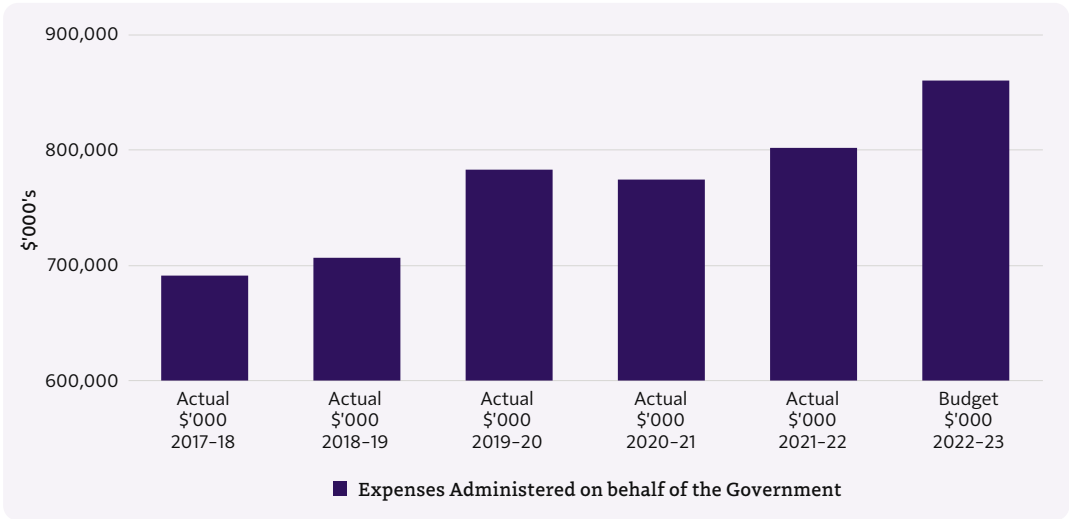


## Administered activities

Administered activities include assets, liabilities, revenues and expenses that are managed by the ARC on behalf of the Australian Government, including grants and supplier costs.

**Figure 6** outlines the ARC’s administered financial expenditure over the past 5 years and the budget for 2022-23. The expenditure fluctuates from year to year and reflects the Government’s priorities and the timing of when expenditure has been recognised.

**Figure 6: Administered financial performance, 2017-18 to 2022-23**







# PART 04



# Management and Accountability

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## 4.1 Corporate governance

### Fraud management

In accordance with section 10 of the *Public Governance, Performance and Accountability Rule 2014* (PGPA Rule), the ARC CEO must take all reasonable measures to prevent, detect and deal with fraud relating to the agency. No instances of fraud were identified in 2021–22.

The ARC recognises the need for a sound and robust financial framework based on legal and ethical decision-making. Management has a key responsibility to ensure the ARC's assets are safeguarded against loss by fraud or negligence. ARC staff are required to implement and adhere to fraud control procedures and report all instances of suspected fraud. Fraud risk scenario workshops were held with ARC staff across all business areas in June 2022.

The *ARC Fraud Control Plan* complies with the *Commonwealth Fraud Control Framework 2017*. This plan was reviewed and updated in July 2020. It will be reviewed again in the second half of 2022. All potential fraud incidents are followed through until a resolution is achieved. The Chief Financial Officer reports all fraud and potential fraud incidents to the ARC Audit Committee.

### Corporate governance structures and processes

#### Senior executive and their responsibilities

As at 30 June 2022, the ARC's senior executive consisted of:

- Chief Executive Officer
- Branch Manager, Executive
- Branch Manager, Corporate Services
- Branch Manager, Policy and Strategy
- Branch Manager, Programs
- Branch Manager, Research Excellence.

The CEO is also supported by advice provided by the ARC Leadership Group (ALG) which also included 3 Executive Directors with academic research backgrounds and the Chief Information Officer. In addition, a Deputy CEO position was also advertised in June 2022. The position will be filled in the 2022–23 financial year.

## Responsibilities



### **Ms Judith Zielke PSM — Chief Executive Officer**

Ms Judith Zielke PSM has statutory responsibilities for managing and leading the agency in accordance with legislated requirements. Under the *Australian Research Council Act 2001* (ARC Act), the CEO is required to make recommendations to the Minister on which applications should be approved for funding, administer the financial assistance for research provided through the National Competitive Grants Program (NCGP) and provide advice to the Minister on research matters.



### **Ms Julija Deleva — Branch Manager, Corporate Services**

As Corporate Services Branch Manager, Ms Julija Deleva leads the ARC corporate services including finance, legal, human resources, facilities, information management and research grants services functions. She is also the ARC's Diversity and Indigenous Champion.



### **Ms Jessica Winnall — Branch Manager, Executive**

Ms Jessica Winnall leads the ARC's Executive Branch which provides high level support to the CEO's function as the head of the agency and the Executive Directors in their transition from the academic sector to the public service. The Executive Branch is responsible for the ARC's stakeholder relations, parliamentary and internal and external communications.



### **Dr Mel Southwell-Lee — Branch Manager, Policy and Strategy**

Dr Mel Southwell-Lee is responsible for the ARC's NCGP policies and data repositories, as well as agency non-financial corporate governance, audit, research integrity and other strategic policy issues.



### **Mr Stuart Henry — Branch Manager, Programs**

Mr Stuart Henry is responsible for the administration of the NCGP for the ARC. Through his role, Mr Henry works closely with the ARC's Executive Group to oversee the operations of both the Linkage and Discovery Programs of the NCGP.



**Ms Sarah Howard — Branch Manager, Research Excellence**

Ms Sarah Howard leads the ongoing implementation of 2 national research assessment programs administered by the ARC – the Excellence in Research for Australia (ERA) program, and the Engagement and Impact (EI) assessment. Ms Howard also oversees the management of the longitudinal datasets for these programs, the provision of policy advice on research evaluation and the state of the Australian university research landscape, and the ARC’s internal program evaluation function. Ms Howard is also the ARC’s Chief Security Officer.



**Mr Peter Conn — Chief Information Officer**

As the Chief Information Officer, Mr Peter Conn is responsible for ICT services for the ARC. This includes the provision of a suite of web applications for ARC clients—Research Management System (RMS) and System to Evaluate the Excellence (SEER)—and support for ARC’s corporate applications, desktop, IT security and infrastructure services.



**Dr Mary Kelly — Executive Director, Biological Sciences and Biotechnology (BSB)**

Dr Mary Kelly joined the ARC as an Executive Director in February 2020. Prior to this, Dr Kelly served as an Adjunct Executive Director for the ARC. In 2019 Dr Kelly was inaugural Director of the Centre for Entrepreneurial Agri-Technology, a joint initiative of The Australian National University and the CSIRO, and from 2015 to 2018 Dr Kelly was Deputy Vice-Chancellor Research, Development and Industry at Charles Sturt University. Dr Kelly’s research background is grounded in biochemistry and microbiology.



**Dr Robert Mun — Executive Director, Engineering and Information Sciences (EIS)**

Dr Robert Mun joined the ARC in May 2018 as Executive Director for Engineering and Information Sciences. Prior to joining the ARC, Dr Mun was Branch Head at the Defence Science and Technology Group with the Australian Department of Defence, Scientific Advisor to Navy and to the Defence Material Organisation, and Senior Scientist leading systems engineering research with the Department of Defence. With research expertise commencing in mechanics, through his subsequent Australian Government roles, his experience has extended to complex systems integration, focusing on the integration and networking of multiple Defence systems.



### **Distinguished Professor Craig Simmons FTSE—Executive Director, Mathematics, Physics, Chemistry and Earth Sciences (MPCE)**

Distinguished Professor Craig Simmons joined the ARC in July 2020. Distinguished Professor Simmons has served as Foundation Director of the National Centre for Groundwater Research and Training, Pro Vice-Chancellor (Strategic Research Projects) at Flinders University and Honorary Professor at The Australian National University. Distinguished Professor Simmons is an internationally renowned Earth Scientist who has made significant discoveries about groundwater using theory, experiment and computational simulation.

## **ARC committees and their roles**

The ARC's committees support activities across the following key areas:

### **Governance**

The ARC Leadership Group (ALG) was formed in March 2022 through an amalgamation of the previous Senior Management Group and the Program, Strategy and Executive Committee.

The ALG supports the CEO to deliver her responsibilities under the ARC Act, the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and the *Public Service Act 1999* (PS Act).

The ALG meets every 2 weeks and membership comprises the ARC leadership team: the CEO (Chair); Branch Managers; Chief Information Officer; and Executive Directors.

To further assist the CEO, the ARC has an Advisory Committee which is a designated committee under the ARC Act 2001, and an Audit Committee as required under the PGPA Act.

### **ARC Advisory Committee**

The ARC Advisory Committee (Committee) was established on 31 March 2022 as a designated Committee under the ARC Act, replacing the previous ARC Advisory Council. The Committee and independent Chair are appointed, by the Minister responsible for Education, for up to 3 years. Members have broad expertise across research, industry, and governance (**Table 3**).

The Committee supports the CEO in setting the ARC's strategic agenda to deliver on the 3 broad objectives:

- to grow knowledge and innovation for the benefit of the Australian community by funding the highest quality research
- assessing the quality, engagement, and impact of research
- providing advice on research matters.



**Table 3: Membership of the ARC Advisory Committee, 2021–22**

Member name	Organisation	Term of appointment
Professor Chris Moran (Chair)	Curtin University	31 March 2022 to 24 August 2024
Professor Deborah Terry	University of Queensland	25 March 2022 to 24 August 2024
Mr Mark McKenzie	Council of Small Business Organisations Australia	25 March 2022 to 24 August 2024
Professor Maggie Walter	University of Tasmania and Yoorrook Justice Commission	25 March 2022 to 24 August 2024
Professor Michelle Simmons AO	University of New South Wales	25 March 2022 to 24 August 2024
Professor Calum Drummond	RMIT University	25 March 2022 to 24 August 2024
Professor Mark Hutchinson	University of Adelaide	25 March 2022 to 24 August 2024
Dr Mirjana Prica	Food Innovation Australia Limited	25 March 2022 to 24 March 2025
Professor Susan Dodds	La Trobe University	25 June 2022 to 24 March 2025
Mr David Williamson (Ex-officio)	Department of Industry, Science, and Resources	Term not specified as ex-officio
Mr Tony Cook PSM (Ex-officio)	Department of Education	Term not specified as ex-officio

### Audit Committee

The ARC Audit Committee (Audit Committee) provides the CEO with assurance by independently reviewing the ARC’s financial and performance reporting responsibilities, systems for internal control, risk management and corporate governance.

The Audit Committee is established by the CEO in compliance with the PGPA Act and PGPA Rule (section 17). Its functions and responsibilities are detailed in the *ARC Audit Committee Charter*, which is reviewed annually or as required. The charter is available on the ARC website [www.arc.gov.au](http://www.arc.gov.au) > About the ARC > Our Organisations > Committees > ARC Audit Committee > [ARC Audit Committee Charter 2022](#).

During 2021–22, the Audit Committee comprised a minimum of 4 members external to the ARC. The members collectively possessed a broad range of skills and experience relevant to the operations of the ARC (**Table 4**). The Audit Committee held 5 meetings in 2021–22.



**Table 4:** Membership of the ARC Audit Committee, 2021–22

Name	Qualifications, knowledge, skills or experience	Number of meetings attended / total number of meetings	Total annual remuneration (GST inclusive)	Additional information
Mr A Gaukroger, (Chair)	Public service governance and management Finance and audit experience	5/5	\$12,000	Commenced as Chair in October 2021
Mrs K Toole	Accounting and financial management Public sector and industry financial and audit experience	5/5	\$9,720	n/a
Mr P McKeon	Public service governance and management ICT and cyber security	5/5	\$9,000	n/a
Ms F Smart	Public service governance and management Grants management experience	5/5	\$9,000	n/a
Mr G Rankin, (Chair)	Public service governance and management Knowledge of the higher education sector	2/5	\$4,160	Completed his term in September 2021

The CEO is also advised by 3 management committees:

- Business Continuity Committee — ensures that the Business Continuity Plan (BCP) remains current and practical, and is tested on a scheduled basis to minimise the likelihood and/or consequence of any potential risk exposure to the ARC’s core business processes
- Information Technology (IT) Governance Committee — reviews the ARC’s ICT service requirements, and provides recommendations on priorities for the ICT Services Branch
- People Management and Development Committee — provides a forum for the ARC to consult with employees and their representatives about workplace issues.

## Administration of the National Competitive Grants Program

### **ARC College of Experts**

The ARC College of Experts (College) are experts of international standing, drawn from the Australian research community and across all disciplines from higher education, industry and public sector research organisations. They are also eminent members of the wider academic community and/or key industry groups. College members play a key role in the peer review processes of grant applications submitted under the NCGP and provide advice on current and future processes and systems.

New members are announced annually for terms of up to 3 years, ensuring a consistent source of expertise. At the discretion of the ARC, extensions of up to one year may be offered to ensure that available expertise reflects the range of applications being submitted.

As at 30 June 2022, the College comprised 213 members, including 95 new members appointed for 2022. In the 2022 nomination round, strong emphasis was placed on multi-disciplinary and cross-disciplinary expertise, with high regard also placed on applicants with a strong assessor history. In addition, nominations from women, people of Aboriginal and/or Torres Strait Islander origin, and end-users across the private, public and not-for-profit sectors were particularly encouraged. Continuing to support the ARC Reconciliation Action Plan, 6 Aboriginal and/or Torres Strait Islander College members were re-appointed. A list of members is on the ARC website [www.arc.gov.au](http://www.arc.gov.au) > About the ARC > Our Organisation > Committees > [ARC College of Experts](#).

### **Selection Advisory Committees**

Selection Advisory Committees (SACs) recommend which applications should be funded, and how much funding successful applications should receive, to the CEO. The nature of the grant opportunity and the volume of applications influence the size and structure of each SAC, which may comprise of College members and/or other distinguished academic researchers and members from end-user stakeholder groups.

The Discovery Projects and Discovery Early Career Researcher Award schemes are divided into 5 disciplinary panels. The Future Fellowships scheme is divided into 4 disciplinary panels. The SAC can also be divided into combined disciplinary panels.

A combined panel is used for the specialist and highly prestigious schemes: *Australian Laureate Fellowships*, *Discovery Indigenous*, *Linkage Infrastructure, Equipment and Facilities* (LIEF), *Linkage Projects*, *Industrial Transformation Training Centres* (ITTC), *Industrial Transformation Research Hubs* (ITRH), *Special Research Initiatives* (SRI) and *ARC Centres of Excellence* (CoE) schemes, the SAC consists of a single multi-disciplinary panel.

### **National Competitive Grants Program Appeals Committee**

The NCGP Appeals Committee operates independently to ensure rigour and considers appeals submitted to the ARC in relation to the NCGP and makes recommendations to the CEO about whether appeals should be allowed or dismissed. This committee also provides general advice to the ARC about modifications and improvements to the ARC's administrative processes. It consists of external members appointed by the Branch Manager, Programs.

The 2021 members were Dr K Anderson, Ms S Grady, Emeritus Professor B Lohmann and Professor M Harding. In 2022 the members were Mr P Lambert, Emeritus Professor A Lawson and Ms S Grady. The NCGP Appeals Committee met twice in 2021–22.

Details about the appeals are provided under *service delivery and complaints handling* on page 85.

### ***National Competitive Grants Program Scrutiny Committee***

The NCGP Scrutiny Committee examines the probity of ARC assessment processes for applications submitted by SAC members and/or ARC staff. This committee comprises members appointed by the Branch Manager, Programs. In 2021 the members were Professor J Fitness, Professor M Forsyth, Professor P Kluth and Mr J Withers. The NCGP Scrutiny Committee met 3 times in 2021–22.

### ***Medical Research Advisory Group***

The ARC's Medical Research Advisory Group (MRAG) is responsible for providing additional technical advice regarding eligibility for selected applications under consideration by the NCGP Eligibility Committee. Where the NCGP Eligibility Committee considers that additional expertise is required to determine eligibility, the application is referred to MRAG members for written advice. The first round to use MRAG was LP20R3 where applications were assigned in February 2021 and the first eligibility meeting to discuss the advice was in March 2021. Since March 2022, each application requiring additional expertise had been referred to at least 3 MRAG members for written advice. Previously applications were referred to 2 MRAG members for their written advice. Once this technical advice has been received, the NCGP Eligibility Committee determines eligibility recommendations.

MRAG members may be individuals from current or past ARC College of Experts or candidates with sufficient seniority to have a broad overview of the research sector, with expertise in relevant Fields of Research codes, notably (but not exclusively) biological sciences (06), medical and health sciences (11) and psychology and cognitive sciences (17).

### **Administration of Excellence in Research for Australia (ERA) and the Engagement and Impact (EI) Assessment**

In 2021, following the review of ERA and EI, the ARC appointed 2 external groups to assist with implementation of the review recommendations.

### ***ERA Benchmarking and Rating Scale Working Group***

The ERA Benchmarking and Rating Scale Working Group was appointed to review and provide advice on revising the ERA rating scale and the benchmarks used for assessment. The working group comprised experts in research evaluation and quantitative indicator development with a broad knowledge of the Australian higher education research landscape.

### ***Indigenous Studies Excellence and Engagement Group (ISEE)***

The role of the ISEE is to co-design and promote strategies for sector-wide leadership for including Indigenous studies as a separate discipline for the first time in ERA and EI and encourage and support Indigenous researchers to participate in submission and assessment processes. Membership

includes Indigenous research leaders, university research leaders, university delegates, university administrators, and the ARC.

**Australian Research Integrity Committee**

The Australian Research Integrity Committee (ARIC) comprises 7 expert members (**Table 5**) and reports to both the ARC and the National Health and Medical Research Council (NHMRC).

During 2021-22 the ARIC ARC secretariat received 7 requests for review. It also continued consideration of 3 cases related to requests for review that were received in 2020-21. In relation to the 10 ARIC-ARC matters active in 2021-22:

- 2 reviews that commenced prior to 1 July 2021 were finalised and the outcome communicated to the relevant parties by the ARC
- 2 requests for review were determined to be outside the scope of ARIC
- one request was withdrawn by the applicant
- one request is still under consideration by the ARC
- as at 30 June 2022, 4 reviews are ongoing.

**Table 5: Membership of the Australian Research Integrity Committee, 2021-22.**

Member	Year of current appointment	Expiry of current appointment
Ms P Kelly (Chair)	April 2020	March 2023
Ms J Hamblin (Deputy Chair)	April 2020	March 2023
Mr M Chilcott	April 2020	March 2023
Emeritus Professor A Lawson	April 2020	March 2023
Professor M Otlowski	April 2020	March 2023
Emeritus Professor J Reid	April 2020	March 2023
Emeritus Professor J Finlay-Jones	April 2020	March 2023

**Planning and reporting arrangements**

The ARC’s Planning and Reporting Framework is consistent with the requirements of the PGPA Act and the *Commonwealth Performance Framework*. The ARC Planning and Reporting Framework aims to:

- establish accountabilities for the achievement of the ARC’s purpose
- establish elements for governance reporting to facilitate continual improvement
- ensure all reporting components are fully integrated with other related ARC activities such as risk management
- ensure a clear line-of-sight is established and maintained in governance reporting activities to clearly demonstrate and measure the ARC’s performance against its purpose and strategic objectives.

In conjunction with the Planning and Reporting Framework, the ARC’s Performance Measurement Framework ensures alignment of the performance criteria published in the ARC’s Portfolio Budget Statements (PBS) and Corporate Plan, and the performance outcomes documented in the Annual Performance Statement.

In addition to published performance information, the ARC’s Performance Measurement Framework is supported by internal operational planning, monitoring and reporting processes and systems.

**Figure 7: External planning and reporting framework**



During 2021–22 the ARC published the ARC Annual Report 2020–21 and ARC Corporate Plan 2021–22.

## Internal audit arrangements and risk management

### Internal audit

An integral part of the ARC’s corporate governance framework is the ARC’s internal audit function. Internal audit provides an independent and objective review and advisory service, giving the CEO assurance that the ARC’s financial and operational controls, designed to manage the entity’s risk and achieve its objectives, are operating in an efficient, effective, economical and ethical manner. Internal audit also assists management in improving the ARC’s business performance.

The ARC’s internal audit function is managed by the Head, Internal Audit, who is the Branch Manager, Policy and Strategy. The internal auditor role is outsourced to an independent service provider and reports to the Audit Committee through the Head, Internal Audit. In 2021–22 the ARC’s internal auditor was McGrathNicol Advisory Partnership. McGrathNicol assisted in the development of an annual internal audit work plan, attended Audit Committee meetings, and completed the following audits during 2021–22:

- Review of the ARC’s Disaster Recovery Plan (DRP)
- Internal Audit of Performance Reporting
- Review of the ARC’s Risk Management Framework.

McGrathNicol also facilitated 2 fraud scenario workshops for ARC staff in June 2022, which were held at the ARC office.

### Risk Framework

The ARC has implemented risk management with the guidance of the *Commonwealth Risk Management Policy* (RM Policy) that ensures the ARC manages risk in accordance with Section 16 of the PGPA Act. Under the RM Policy, the ARC, as a non-corporate Commonwealth entity, must comply with the 9 elements that contribute to effective risk management.

The ARC's Risk Management Framework (the risk framework) aligns with the RM Policy and is underpinned by an ARC Risk Management Policy, a Risk Management Plan and Toolkit, and is supported across the agency by a network of risk champions. The ARC captures and regularly reviews its risks through its project, operational, fraud, and strategic risk registers. The risk framework is designed to minimise the possibility of loss or damage to operations, staff, property, reputation and assets, while recognising opportunities to meet the stated objectives of the entity within a good corporate governance framework.

### **Contribution of risk management to achieving objectives**

The approach to risk management in the ARC forms a comprehensive clear-line-of-sight across the governance and business processes. All staff contribute to and are responsible for risk management as underpinned by the framework.

The CEO reviewed and approved the ARC's strategic risks and controls for 2021–22 in August 2021. The strategic risks and controls were reviewed again in February 2022 and were progressively updated over the following months to ensure that the ARC's strategic risks remain relevant, controls are operating effectively, new treatments are identified where required, and that each risk is being managed by a senior manager.

The ARC reviewed its operational risks and controls in October 2021 and April 2022. This twice-yearly activity is designed to ensure that business areas have a risk approach embedded into processes and planning aimed to deliver against the activities outlined in the corporate and operational plans.

### **Business continuity and disaster recovery**

The ARC's Business Continuity Plan (BCP) sets out controls and contingencies to minimise the likelihood and/or consequence of any potential risk exposure to the core business processes of the ARC. It includes the Disaster Recovery Plan (DRP), which is designed to safeguard and recover critical ICT systems. In 2021–22 the ARC:

- refined the BCP and aligned the DRP
- trained Business Continuity Committee (BCC) and Business Continuity Management Team (BCMT) members on incident management
- conducted desktop scenario disaster recovery incident exercises
- conducted disaster recovery testing in accordance with the DRP
- closed the business continuity pandemic response to COVID-19
- held 3 formal meetings of the BCC.

### **Ethical standards as a public service agency**

The ARC promotes its commitment to high ethical standards through:

- the ARC's guiding principles, which include 'accountability through transparent, efficient and effective processes and adherence to ethical standards'
- the incorporation of ethical standards into ARC governance policies and guidelines

- the incorporation of ARC values into performance agreements
- the provision of Ethics, Integrity and Fraud pages on the ARC intranet site, as well as the Australian Public Service Commission (APSC) Ethics Advisory Service: [www.apsc.gov.au](http://www.apsc.gov.au) > Home > Working in the APS > Integrity > [Ethics Advisory Service](#).

The ARC includes an overview and discussion of the *Australian Public Service Values and Code of Conduct* as part of induction training for new appointees. Regular individual performance reviews provide ongoing opportunities for staff and supervisors to address ethical issues.

The ARC is committed to preserving public confidence in the integrity, legitimacy, impartiality, and fairness of its business. ARC committee members and assessors, as well as any individual undertaking ARC business, must comply with the *ARC Conflict of Interest and Confidentiality Policy*, which is available on the ARC website, [www.arc.gov.au](http://www.arc.gov.au) > Home > About the ARC > Program Policies and Statements > [Conflict of Interest and Confidentiality Policy](#).

## Ethical standards as a research funding agency

### ARC Research Integrity Policy

To safeguard the integrity of the ARC's processes, the *ARC Research Integrity Policy* requires organisations, and in some circumstances individuals, engaged in ARC business to report to the ARC on research integrity matters. This policy outlines actions the ARC may take in response to breaches of the *Australian Code for the Responsible Conduct of Research* (the Code). It also describes how potential breaches of the Code can be referred to institutions for investigation. The *ARC Research Integrity Policy* is available on the ARC website, [www.arc.gov.au](http://www.arc.gov.au) > Home > About the ARC > Program Policies and Statements > [Research Integrity Policy](#).

The ARC was notified of, or identified, 54 new matters relating to actual or potential breaches of the Code or research misconduct in 2021–22. These included matters reported by institutions, as well as concerns identified through ARC business or by members of the public. In addition, 36 matters reported or identified prior to 1 July 2021 were still active or re-opened in 2021–22.

Of the 90 matters that were active in 2021–22, 52 were finalised as at 30 June 2022. This included:

- 25 matters where institutions reported breaches of the Code and the ARC took action in response
- 4 matters where an institution reported a breach of the Code and the ARC determined that no ARC action was required as the breach was minor and the action taken by the institution was considered sufficient
- 17 matters that were dismissed following institutional preliminary assessments or investigations
- 6 matters where preliminary assessments by the relevant institutions were not required as the matters were not within the scope of the policy, or insufficient information was available to provide grounds for proceeding to preliminary assessments.

As at 30 June 2022, 38 active matters were being assessed or investigated by institutions and/or considered by the ARC.

### National codes and statements on research ethics

All ARC-funded research projects must adhere to the Code.

As one of the three primary authors of the Code, the ARC continued to promote research integrity in conjunction with the NHMRC and Universities Australia (UA) in 2021–22. Further supplementary guidance has been developed to support implementation of the principles and responsibilities in the Code, including a Research Integrity Advisors Guide released in May 2022.

Throughout 2021–22 the ARC also continued to work closely with the NHMRC and other relevant organisations in reviewing the *Australian Code for the Care and Use of Animals for Scientific Purposes (2013)* and *The National Statement on Ethical Conduct in Human Research (2007, updated in 2018)*. All ARC-funded institutions continue to be required to comply with the expectations of the Code. Where applicable, ARC-funded research projects must also comply with:

- *The National Statement on Ethical Conduct in Human Research (2007, updated in 2018)*
- *Ethical Conduct in Research with Aboriginal and Torres Strait Islander Peoples and Communities: Guidelines for researchers and stakeholders (2018)*
- *Australian Institute of Aboriginal and Torres Strait Islander Studies Code of Ethics for Aboriginal and Torres Strait Islander Research (2020)*
- *Australian Council for Arts, Protocols for using First Nations Cultural and Intellectual Property in the Arts (2020)*
- *Australian Code for the Care and Use of Animals for Scientific Purposes (2013, updated 2021).*

### Service delivery and complaints handling

The ARC sets out the standards of service clients should expect from the ARC in the *ARC Client Service Charter*.

The *ARC Complaints Handling and Appeals Policy* assists clients to make a general complaint about the ARC or submit an appeal about the administrative processes of the NCGP. In 2021–22 the ARC received 5 complaints relating to our processes and interactions. 20 appeals were also received relating to applications submitted for funding under the NCGP, one of which was upheld. Note, these numbers refer to appeals that received a decision in the 2020–21 reporting period.

### Non-compliance with finance law

The ARC did not report any significant issues to the Minister under paragraph 19(1)(e) of the PGPA Act that relates to non-compliance with finance law.



## 4.2 External scrutiny

### Judicial decisions, decisions of administrative tribunals and by the Australian information commissioner

There were no decisions from any Court during 2021–22 that had, or may have, a significant impact on the operations of the ARC.

There were also no decisions from administrative tribunals or the Office of the Australian Information Commissioner during 2021–22 that had, or may have, a significant impact on the operations of the ARC.

### Reports on ARC operations by the Auditor-General

During 2021–22, the ARC was not directly involved in any performance audits conducted by the Australian National Audit Office (ANAO).

In 2021–22, the Auditor-General considered a request to review the ARC’s administration of funding application processes and another request to review the administration of ARC grants. The Auditor-General declined these requests.

To ensure that the ARC is adhering to best practice, ANAO performance audit reports, recommendations, and key learnings are monitored and disseminated to relevant work areas across the ARC for review and consideration.

### External scrutiny

During 2021–22, ARC officials appeared before the Senate Education and Employment Legislation Committee for:

- Supplementary Budget Estimates – October 2021
- Additional Estimates – February 2022
- Budget Estimates – April 2022.

### Reports to parliamentary committees

The ARC provided evidence and/or submissions to one parliamentary committee inquiry in 2021–22, outlined in **Table 6**:

**Table 6:** Parliamentary inquiries in 2021–22

Committee	Inquiry
Education and Employment Legislation Committee	Inquiry for the Australian Research Council Amendment (Ensuring Research Independence) Bill 2018

## Reports on ARC operations by the Commonwealth Ombudsman

During 2021–22 no (0) investigations by the Commonwealth Ombudsman's Office into ARC business were conducted.

## Agency capability reviews

No capability reviews of the ARC were conducted or released during 2021–22.

## Information on judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner

There were no decisions of any Court during 2021–22 that had, or may have, a significant impact on the operations of the ARC. There was one external scrutiny report on the ARC's operations relating to the obligations required of agencies under the FOI Disclosure Log, namely, the downloading of FOI documents given to applicants on the log for the public to access.

The issue of concern to the Australian Information Commissioner was that the ARC does not upload documents given to FOI applicants on the disclosure log because the documents fall within the categories considered exempt of publication. Following a review of the ARC's management practice the ARC now publishes an FOI log on its website.

## 4.3 Management of human resources

### Effectiveness in managing and developing staff

#### Workforce planning, staff retention and turnover

During 2021–22 the ARC reviewed its priorities for the year and the need for staff in particular areas to support those priorities. The ARC maximised opportunities to develop a flexible and responsive workforce by:

- providing opportunities for staff to work on cross-agency projects
- continuing to support changes to workplace arrangements in response to COVID-19
- enabling staff rotations to support staff development, increase business cycle knowledge, and manage cross-agency workload during peak periods of activity
- providing targeted training opportunities
- providing opportunities to work at higher levels during staff absences
- ensuring relevant knowledge management and sharing processes were in place.

In 2021–22 staff turnover figures were higher than in the previous year, with 38 separations recorded compared to 22 in 2020–21. Of the 38 separations, only 13 were ongoing APS staff.

#### Employment agreements

During 2021–22 the ARC employed non-Senior Executive Service (SES) staff under the following arrangements:

- **ARC Enterprise Agreement 2017–2020:** Under this agreement ARC employees receive a productivity salary increase of 2% upon commencement of the agreement, 2% after 12 months, and 2% after 24 months service
- **Individual Flexibility Arrangements (IFAs):** Employees covered by the ARC Enterprise Agreement 2017–2020 may agree to make an IFA to vary the effect of terms of the agreement. IFAs within the ARC generally deal with retention allowances or remuneration, allowing the CEO to ensure the employment conditions of specialised employees reflect market forces and experience.

In March 2020, the CEO signed a Section 24 Determination to extend the current Enterprise Agreement for a further 3 years.

#### Training and development

ARC training and development activities are conducted within the framework of the agency's Learning and Development Strategy. The ARC strives to build a culture of continuous learning and resilience to adapt, change and meet the challenges of our environment, stakeholders and agency objectives.

In 2021–22 the ARC's People and Services Section coordinated access to a range of training opportunities including eLearning, in-house training, and external opportunities such as coaching and studies assistance.

## In-house development

During the year, all employees were required to undertake mandatory eLearning modules. These modules included:

- Cultural Awareness
- Commonwealth Child Safe Framework
- Integrity in the Australian Public Service
- Security Awareness.

In 2021–22 all new starters to the ARC completed the 'Induction to the ARC' Program which consists of APS Induction modules covering topics such as fraud awareness, integrity, child safety, diversity and inclusion, and general working in government information.

The ARC also provided staff with access to further development opportunities, including:

- Aboriginal insights: Cultural foundations for workplaces – empowering respect and relationships
- Australian Institute of Health & Welfare's Executive Level 2 leadership program
- Bullying and harassment training
- Bootcamp for the brain
- Individual and team coaching
- External leadership development course opportunities
- Understanding and managing your mental health
- Managing for team wellbeing
- How to have performance discussions at the ARC
- Performance and feedback conversation essentials for managers and supervisors.

The ARC's Workplace Health and Safety (WHS) arrangements, provided in accordance with Schedule 2, Part 4 of the *Work Health and Safety Act 2011* (WHS Act), are reported in **Appendix 4**.

## Productivity gains

During 2021–22, the ARC continued to review its procedures to streamline administrative processes and systems for ARC staff and NCGP, ERA, EI and Research Grant Services stakeholders. In addition, the ARC:

- streamlined NCGP application forms
- enhanced the automated population of Fields of Research 2020 codes and foreign funding and affiliation questions into RMS grant application forms
- improved functionality and automation for eligibility management in RMS grant application forms
- improved functionality of 'Request Not to Assess' processes in RMS
- implemented functionality for Expression of Interest process
- progressed recommendations of the ERA and EI review to streamline the data collection and

submission process for universities participating in future rounds of ERA and EI

- improved the reporting functionality in the Online Governance and Risk Management Enterprise system by creating automated reports for operational plan activities and internal audit recommendation reporting.

## Diversity

The *ARC Diversity and Inclusion Framework 2021–2023* encompasses a number of diversity plans and policies including the *Multicultural Access and Equity Plan*, *Respectful Workplace Policy* and *ARC Reconciliation Action Plan*.

In the 2021 APS Census, 89% of staff believed that the ARC supports and actively promotes an inclusive workplace culture.

In 2021–22, COVID-19 had a direct impact on the agency's ability to come together and celebrate important diversity dates and events during the year.

During 2021–22 the ARC:

- enabled staff to attend Aboriginal insights: Engaging with Aboriginal communities training in an online capacity due to COVID-19 restrictions
- through the Diversity Working Group, increased diversity awareness in the agency by publishing a monthly diversity events overview in the ARC's internal newsletter, and conducted staff focus groups to discuss key matters for diverse groups within the agency
- returned to in person events held at our premises for National Reconciliation Week activities
- celebrated Harmony Day by returning our popular Multicultural Food Festival event, together with a cultural board/card games day and a trivia event
- promoted the National Aborigines and Islanders Day Observance Committee (NAIDOC) week activities
- publicised R U OK? Day to raise awareness of the importance of meaningful conversations with colleagues to foster mental health
- created partnerships with key diversity organisations such as Diversity Council of Australia (DCA), the Australian Network on Disability (AND) and Pride in Diversity
- continued to encourage use of the Employee Assistance Program
- promoted key diversity days such as 'Wear it Purple Day', International Day of Women and Girls in Science, National Apology Day, International Day of People with Disability, World Down Syndrome Day and Diwali through executive blogs, all staff correspondence and online seminars and events.

## Staff statistics

### Overview

**Table 7: All ongoing employees, current reporting period (as at 30 June 2022)**

	Male			Female			Indeterminate			Total
	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total	
NSW	0	0	0	0	0	0	0	0	0	0
QLD	0	0	0	0	0	0	0	0	0	0
SA	0	0	0	0	0	0	0	0	0	0
TAS	0	0	0	0	0	0	0	0	0	0
VIC	0	0	0	0	0	0	0	0	0	0
WA	0	0	0	0	0	0	0	0	0	0
ACT	41	4	45	66	23	89	0	0	0	134
NT	0	0	0	0	0	0	0	0	0	0
External Territories	0	0	0	0	0	0	0	0	0	0
Overseas	0	1	1	0	0	0	0	0	0	1
<b>Total</b>	<b>41</b>	<b>5</b>	<b>46</b>	<b>66</b>	<b>23</b>	<b>89</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>135</b>

Note: CEO is not included in this table

**Table 8: All non-ongoing employees, current reporting period (as at 30 June 2022)**

	Male			Female			Indeterminate			Total
	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total	
NSW	0	0	0	0	0	0	0	0	0	0
QLD	0	0	0	0	0	0	0	0	0	0
SA	0	0	0	0	0	0	0	0	0	0
TAS	0	0	0	0	0	0	0	0	0	0
VIC	0	0	0	0	0	0	0	0	0	0
WA	0	0	0	0	0	0	0	0	0	0
ACT	1	0	1	4	0	4	0	0	0	5
NT	0	0	0	0	0	0	0	0	0	0
External Territories	0	0	0	0	0	0	0	0	0	0
Overseas	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>4</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5</b>

Note: CEO is not included in this table

**Table 9: All ongoing employees, previous reporting period (as at 30 June 2021)**

	Male			Female			Indeterminate			Total
	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total	
NSW	0	0	0	0	0	0	0	0	0	0
QLD	0	0	0	0	0	0	0	0	0	0
SA	0	0	0	0	0	0	0	0	0	0
TAS	0	0	0	0	0	0	0	0	0	0
VIC	0	0	0	0	0	0	0	0	0	0
WA	0	0	0	0	0	0	0	0	0	0
ACT	41	2	43	71	20	91	0	0	0	134
NT	0	0	0	0	0	0	0	0	0	0
External Territories	0	0	0	0	0	0	0	0	0	0
Overseas	0	1	1	0	0	0	0	0	0	1
<b>Total</b>	<b>41</b>	<b>3</b>	<b>44</b>	<b>71</b>	<b>20</b>	<b>91</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>135</b>

**Note:** CEO is not included in this table

**Table 10: All non-ongoing employees, previous reporting period (as at 30 June 2021)**

	Male			Female			Indeterminate			Total
	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total	
NSW	0	0	0	0	0	0	0	0	0	0
QLD	0	0	0	0	0	0	0	0	0	0
SA	0	0	0	0	0	0	0	0	0	0
TAS	0	0	0	0	0	0	0	0	0	0
VIC	0	0	0	0	0	0	0	0	0	0
WA	0	0	0	0	0	0	0	0	0	0
ACT	1	0	1	7	0	7	0	0	0	8
NT	0	0	0	0	0	0	0	0	0	0
External Territories	0	0	0	0	0	0	0	0	0	0
Overseas	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>7</b>	<b>0</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8</b>

**Note:** CEO is not included in this table

## Gender

**Table 11: Number of ongoing employees by gender, current reporting period (as at 30 June 2022)**

	Male			Female			Indeterminate			Total
	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total	
SES 3	0	0	0	0	0	0	0	0	0	0
SES 2	0	0	0	0	0	0	0	0	0	0
SES 1	1	0	1	4	0	4	0	0	0	5
EL 2	10	1	11	7	1	8	0	0	0	19
EL 1	14	2	16	21	7	28	0	0	0	44
APS 6	8	3	11	16	8	24	0	0	0	35
APS 5	2	0	2	9	5	14	0	0	0	16
APS 4	5	0	5	7	1	8	0	0	0	13
APS 3	0	0	0	0	1	1	0	0	0	1
APS 2	0	0	0	0	0	0	0	0	0	0
APS 1	0	0	0	2	0	2	0	0	0	2
Other	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>40</b>	<b>6</b>	<b>46</b>	<b>66</b>	<b>23</b>	<b>89</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>135</b>

Note: CEO is not included in this table

**Table 12: Number of non-ongoing employees by gender, current reporting period (as at 30 June 2022)**

	Male			Female			Indeterminate			Total
	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total	
SES 3	0	0	0	0	0	0	0	0	0	0
SES 2	0	0	0	0	0	0	0	0	0	0
SES 1	0	0	0	0	0	0	0	0	0	0
EL 2	0	0	0	2	0	2	0	0	0	2
EL 1	0	0	0	0	0	0	0	0	0	0
APS 6	1	0	1	1	0	1	0	0	0	2
APS 5	0	0	0	0	0	0	0	0	0	0
APS 4	0	0	0	1	0	1	0	0	0	1
APS 3	0	0	0	0	0	0	0	0	0	0
APS 2	0	0	0	0	0	0	0	0	0	0
APS 1	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>4</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5</b>

Note: CEO is not included in this table



**Table 13: Number of ongoing employees by gender, previous reporting period (as at 30 June 2021)**

	Male			Female			Indeterminate			Total
	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total	
SES 3	0	0	0	0	0	0	0	0	0	0
SES 2	0	0	0	0	0	0	0	0	0	0
SES 1	0	0	0	3	0	3	0	0	0	3
EL 2	9	1	10	9	2	11	0	0	0	21
EL 1	16	2	18	18	4	22	0	0	0	40
APS 6	9	1	10	21	7	28	0	0	0	38
APS 5	3	0	3	16	5	21	0	0	0	24
APS 4	3	0	3	4	1	5	0	0	0	8
APS 3	0	0	0	0	1	1	0	0	0	1
APS 2	0	0	0	0	0	0	0	0	0	0
APS 1	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>40</b>	<b>4</b>	<b>44</b>	<b>71</b>	<b>20</b>	<b>91</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>135</b>

**Note:** CEO is not included in this table

**Table 14: Number of non-ongoing employees by gender, previous reporting period (as at 30 June 2021)**

	Male			Female			Indeterminate			Total
	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total	
SES 3	0	0	0	0	0	0	0	0	0	0
SES 2	0	0	0	0	0	0	0	0	0	0
SES 1	0	0	0	0	0	0	0	0	0	0
EL 2	0	0	0	2	0	2	0	0	0	2
EL 1	0	0	0	0	0	0	0	0	0	0
APS 6	0	0	0	3	0	3	0	0	0	3
APS 5	0	0	0	0	0	0	0	0	0	0
APS 4	1	0	1	0	0	0	0	0	0	1
APS 3	0	0	0	2	0	2	0	0	0	2
APS 2	0	0	0	0	0	0	0	0	0	0
APS 1	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>7</b>	<b>0</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8</b>

**Note:** CEO is not included in this tab

## Full-time/part-time employment arrangements

**Table 15:** Employees by full-time and part-time status, current reporting period (as at 30 June 2022)

	Ongoing			Non-Ongoing			Total
	Full-time	Part-time	Total	Full-time	Part-time	Total	
SES 3	0	0	0	0	0	0	0
SES 2	0	0	0	0	0	0	0
SES 1	5	0	5	0	0	0	5
EL 2	17	2	19	2	0	2	21
EL 1	35	9	44	0	0	0	44
APS 6	24	11	35	2	0	2	37
APS 5	11	5	16	0	0	0	16
APS 4	12	1	13	1	0	1	14
APS 3	0	1	1	0	0	0	1
APS 2	0	0	0	0	0	0	0
APS 1	2	0	2	0	0	0	2
Other	0	0	0	0	0	0	0
<b>Total</b>	<b>106</b>	<b>29</b>	<b>135</b>	<b>5</b>	<b>0</b>	<b>5</b>	<b>140</b>

**Note:** CEO is not included in this table

**Table 16:** Employees by full-time and part-time status, previous reporting period (as at 30 June 2021)

	Ongoing			Non-Ongoing			Total
	Full-time	Part-time	Total	Full-time	Part-time	Total	
SES 3	0	0	0	0	0	0	0
SES 2	0	0	0	0	0	0	0
SES 1	3	0	3	0	0	0	3
EL 2	19	2	21	2	0	2	23
EL 1	34	6	40	3	0	3	43
APS 6	30	8	38	0	0	0	38
APS 5	19	5	24	0	0	0	24
APS 4	7	1	8	1	0	1	9
APS 3	0	1	1	2	0	2	3
APS 2	0	0	0	0	0	0	0
APS 1	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0
<b>Total</b>	<b>112</b>	<b>23</b>	<b>135</b>	<b>8</b>	<b>0</b>	<b>8</b>	<b>143</b>

**Note:** CEO is not included in this table

## Location

**Table 17:** Employment type by location, current reporting period (as at 30 June 2022)

	Ongoing	Non-Ongoing	Total
NSW	0	0	0
QLD	0	0	0
SA	0	0	0
TAS	0	0	0
VIC	0	0	0
WA	0	0	0
ACT	134	5	139
NT	0	0	0
External Territories	0	0	0
Overseas	1	0	1
<b>Total</b>	<b>135</b>	<b>5</b>	<b>140</b>

**Note:** CEO is not included in this table

**Table 18:** Employment type by location, previous reporting period (as at 30 June 2021)

	Ongoing	Non-Ongoing	Total
NSW	0	0	0
QLD	0	0	0
SA	0	0	0
TAS	0	0	0
VIC	0	0	0
WA	0	0	0
ACT	131	11	142
NT	0	0	0
External Territories	0	0	0
Overseas	1	0	1
<b>Total</b>	<b>132</b>	<b>11</b>	<b>143</b>

**Note:** CEO is not included in this table

## Indigenous employment

**Table 19:** Indigenous employment, current reporting period (as at 30 June 2022)

	Total
Ongoing	3
Non-Ongoing	0
<b>Total</b>	<b>3</b>

**Table 20:** Indigenous employment, previous reporting period (as at 30 June 2021)

	Total
Ongoing	2
Non-Ongoing	3
<b>Total</b>	<b>5</b>

## Employment arrangements

Number of staff by employment arrangement

**Table 21:** Employment arrangements, current reporting period (as at 30 June 2022)

	SES	Non-SES	Total
ARC Enterprise Agreement	0	135	135
Australian Workplace Agreements	0	0	0
Individual Flexibility Arrangements (IFAs)	0	22	22
Common Law Contract	5	0	5
<b>Total</b>	<b>5</b>	<b>157</b>	<b>162</b>

**Note:** The total number of agreements is higher than the total workforce as staff with IFAs are also covered by the ARC Enterprise Agreement.

## Salary ranges

**Table 22:** Employment salary ranges by classification level, current reporting period (as at 30 June 2022)

	Minimum Salary (\$)	Maximum Salary (\$)
SES 3	–	–
SES 2	250,000	280,000
SES 1	170,000	258,000
EL 2	128,849	176,868
EL 1	107,385	145,656
APS 6	84,076	93,895
APS 5	75,938	80,251
APS 4	69,900	73,868
APS 3	62,177	65,706
APS 2	55,674	60,481
APS 1	51,499	52,817
Other	0	0
<b>Total (Minimum/Maximum)</b>	<b>51,499</b>	<b>280,000</b>

**Note:** CEO is not included in this table.

Salary amounts are base salary.

## Performance pay

The ARC does not provide performance pay or performance-based bonuses.

## Non-salary benefits

The ARC offered a range of non-salary benefits to employees in 2021–22 including:

- flu vaccinations
- a healthy lifestyle allowance
- superannuation advice
- access to salary packaging arrangements
- access to the Employee Assistance Program.

## Senior executive service remuneration

Terms and conditions for ARC SES staff are set out by common law contracts. As at 30 June 2022 there were 5 common law contracts in place for ARC SES staff.

Remuneration is reviewed annually taking into account the individual's personal skills, knowledge, experience and capabilities as well as achievements against goals set in the preceding performance cycle.

At 30 June 2022 the notional salary range for SES Band 1 officers was between \$170,000 and \$258,000. Further information about ARC's remuneration of key management personnel and senior executive is provided in **Table 23** and **Table 24**.

**Table 23: Information about remuneration for key management personnel, 2021–22**

Name	Position Title	Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits (\$)	Total remuneration (\$)
		Base Salary (\$)	Bonuses (\$)	Other benefits and allowances (\$)		Superannuation contribution (\$)	Long service leave (\$)		
Ms Judith Zielke PSM	CEO	211,396	0	0	35,371	5,099	0	0	251,866
Professor Sue Thomas	CEO	241,353	0	0	42,689	5,141	0	0	289,183
Ms Kylie Emery	Branch Manager	90,658	0	19,484	37,949	6,670	0	0	154,761
Dr Mel Southwell-Lee	Branch Manager	105,164	0	0	15,233	9,068	0	0	129,465
Ms Kathie Dent	Ag Branch Manager	46,033	0	6,326	8,150	-11,070	0	0	49,439
Ms Jessica Winnall	Branch Manager	131,151	0	0	10,878	23,736	0	0	165,765
Ms Julija Deleva	Branch Manager	194,934	0	6,326	29,683	27,203	0	0	258,146
Ms Sarah Howard	Branch Manager	196,742	0	6,326	30,515	23,091	0	0	256,674
Mr Stuart Henry	Branch Manager	94,450	0	0	14,966	17,046	0	0	126,462
<b>Total</b>		<b>1,311,881</b>	<b>0</b>	<b>38,462</b>	<b>225,434</b>	<b>105,984</b>	<b>0</b>	<b>0</b>	<b>1,681,761</b>

Note: There were 9 Key Management Personnel (KMP) in 2021–22, compared to 7 in 2020–21. This reflects changes in staffing levels as staff have left the ARC and since been replaced. It also reflects changes to the ARC's corporate governance structure. Following the formation of the ARC's Leadership Group in April, the ARC's KMP decreased from 9 to one.

**Table 24:** Information about remuneration for Senior Executive

Total remuneration bands	Number of senior executives	Short-term benefits			Post-employment benefits		Other long-term benefits		Termination benefits	Total remuneration
		Average Base salary (\$)	Average Bonuses (\$)	Average other benefits and allowances (\$)	Average Superannuation contributions (\$)	Average Long service leave (\$)	Average other long-term benefits (\$)	Average termination benefits (\$)	Average total remuneration (\$)	
\$0 - \$235,000	5	124,055	0	2,530	20,433	20,255	20,029	0	187,302	
\$235,001 - \$245,000	0	0	0	0	0	0	0	0	0	

Notes: The ARC had 5 Senior Executives during 2021–22 under the definition outlined in the Department of Finance's RMG-138: *Commonwealth entities Executive Remuneration Reporting Guide for Annual Reports*. The remuneration only reflects part of the financial year, April to June, as Branch Managers were no longer deemed KMP following the formation of ARC Leadership Group.

**Table 25: Information about remuneration for other highly paid staff**

Total remuneration bands	Number of other highly paid staff	Short-term benefits			Post-employment benefits		Other long-term benefits			Termination benefits	Total remuneration
		Average Base salary (\$)	Average Bonuses (\$)	Average other benefits and allowances (\$)	Average Superannuation contributions (\$)	Average Long service leave (\$)	Average other long-term benefits (\$)	Average termination benefits (\$)	Average total remuneration (\$)		
\$235,001 - \$245,000	0	0	0	0	0	0	0	0	0	0	0
\$245,001 - \$270,000	1	197,014	0	22,264	30,146	4,491	0	0	253,914		
\$270,001 - \$295,000	0	0	0	0	0	0	0	0	0	0	0
\$295,001 - \$320,000	1	233,001	0	22,264	41,815	11,464	0	0	308,544		

Notes: The ARC had 2 'other highly paid staff' as defined for reporting in this table. Table 25 does not include staff already recognised in Table 23.



## 4.4 Assets management

The ARC does not have any significant asset holdings.

The ARC's assets include office fit out, furniture, IT software and 'portable and attractive' equipment (such as laptops and mobile phones) held at the ARC office.

The ARC reviews its asset holdings annually to ensure cost effectiveness and whole-of-life utilisation. The ARC conducted its annual stock take in June 2022 and undertook a materiality review of its assets value as at the end of the financial year.

## 4.5 Purchasing

The ARC's approach to purchasing is consistent with the *Commonwealth Procurement Rules* and the PGPA Act, which regulate how agencies govern and undertake procurement. Detailed policies and procedures relating to procurement are also outlined in the *ARC Chief Executive Instructions* and specific policy and procedure guides (such as those for travel and use of Commonwealth credit cards). All policies and procedures are reviewed periodically and updated as required.

The Finance Section is responsible for procurement within the ARC. Finance Section staff provide information and training about procurement policies and procedures as required.

The ARC publishes information on proposed procurements in the *Annual Procurement Plan—Australian Research Council*, available on the AusTender website, [www.tenders.gov.au](http://www.tenders.gov.au) > Home > Planned Procurements > Annual Procurement Plan List > List By Agency. This plan gives potential suppliers early notice of significant planned procurements for the coming year. All procurements over \$10,000 are published on the AusTender website.

## 4.6 Consultants

### Expenditure for consultancy contracts

During 2021–22 the ARC entered into 265 new consultancy contracts involving total actual expenditure of \$1.090 million (inclusive of Goods and Services Tax [GST]). In addition, 297 ongoing consultancy contracts were active during the period, involving total actual expenditure of \$1.699 million (inclusive of GST). A summary of the ARC's engagements with consultants for 2021–22 is provided in **Table 26** and **27**.

**Table 26: Expenditure on consultancy contracts 2021–22**

	Number	Expenditure \$ (GST inc.)
New contracts entered into during the reporting period	265	\$1.090 million
Ongoing contracts entered into during a previous reporting period	297	\$1.699 million
<b>Total</b>	<b>562</b>	<b>\$2.789 million</b>

Notes: The contract numbers are as per all consultancy contracts that have been entered into not just those that are reportable on AusTender. The number of ongoing contracts is all active consultancy contracts as at 30 June 2021 that were entered into prior to the 2021–22 period. The expenditure on consultancy contracts represents the actual cash expenditure during the period for the contracts detailed but does not include any accrued expenses.

**Table 27: Organisations consultancy contract expenditure 2021–22**

Name of Organisation	Expenditure \$ (GST inc.)
ICENI Group PTY Ltd – 50 607 624 304	\$380,820
OPC IT PTY Ltd – 29 008 657 618	\$175,895
Nous Group PTY Ltd – 66 086 210 344	\$142,504
McGrathNicol Advisory Partnership – 34 824 776 937	\$114,138
The University of Sydney – 15 211 513 464	\$17,229

Notes: The expenditure above is the top 5 consultancy expenditures during 2021–22 by organisation. This may cover multiple contracts and contracts that are no longer active as at 30 June 2022.

Annual Reports contain information about actual expenditure on contracts for consultancies. Information on the value of contracts and consultancies is available on the AusTender website, [www.tenders.gov.au](http://www.tenders.gov.au).

# Policy on selection and engagement for consultancy contracts

The ARC’s policy on selecting and engaging consultants is set out in the *ARC Chief Executive Instructions* and in related procurement instructions and guidance material.

The ARC engages consultants in accordance with the PGPA Act, including the Commonwealth Procurement Rule and relevant internal policies. Consultants are primarily for independent research or assessment, or where specialist skill or expertise is required. Consultants are engaged through a merit selection or procurement process. Most of the ARC’s consultancy expenditure relates to the engagement of independent members for selection and evaluation committees.

Consultancy services are distinguished from other contracts for services by the nature of the work performed, which typically involves the development of an intellectual output that assists with agency decision-making and reflects the independent views of the service provider.

## Expenditure for non-consultancy contracts

During 2021–22 the ARC entered into 122 new non-consultancy contracts involving total actual expenditure of \$6.267 million (inclusive of Goods and Services Tax [GST]). In addition, 45 ongoing non-consultancy contracts were active during the period, involving total actual expenditure of \$2.097 million (inclusive of GST). A summary of the ARC’s engagements with non-consultants for 2021–22 is provided in **Table 28** and **29**.

**Table 28:** Expenditure on non-consultancy contracts 2021–22

	Number	Expenditure \$ (GST inc.)
New contracts entered into during the reporting period	122	\$6.267 million
Ongoing contracts entered into during a previous reporting period	45	\$2.097 million
<b>Total</b>	<b>167</b>	<b>\$8.364 million</b>

Notes: The contract numbers are as per all non-consultancy contracts that have been entered into not just those that are reportable on AusTender. The number of ongoing contracts is all active non-consultancy contracts as at 30 June 2022 that were entered into prior to the 2021–22 period. The expenditure on non-consultancy contracts represents the actual cash expenditure during the period for the contracts detailed but does not include any accrued expenses.

**Table 29: Organisations non-consultancy contract expenditure 2021-22**

Name of Organisation	Expenditure \$ (GST inc.)
Jones Lang La Salle – 69 008 585 260	\$2,872,975
Enable Software – 62 085 051 216	\$427,196
Face to Face Recruitment – 47 112 122 504	\$220,325
Calleo Resourcing – 29 606 001 763	\$219,983
Semaphore Alliance – 87 162 736 441	\$209,641

Notes: The expenditure above is the top 5 non-consultancy expenditures during 2021-22 by organisation. This may cover multiple contracts and contracts that are no longer active as at 30 June 2022.

Annual Reports contain information about actual expenditure on non-consultancy contracts.

Information on the value of contracts is available on the AusTender website, [www.tenders.gov.au](http://www.tenders.gov.au).

## 4.7 Australian National Audit Office Access clauses and exempt contracts

### Australian National Audit Office (ANAO) access clauses

The ARC is required to provide details of any contract let during the reporting period of \$100,000 or more (inclusive of GST) that does not provide for the Auditor-General to have access to the contractor's premises. The ARC must include the name of the contractor, the purpose and value of the contract, and the reason for not including standard access clauses in the contract.

The ARC did not have any contracts over \$100,000 that did not provide for the Auditor-General to have access to the contractor's premises.

### Exempt contracts

The ARC CEO did not exempt any contracts from publication on the AusTender website during the reporting period.

## 4.8 Procurement initiatives to support small business

The ARC supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises (SME) and Small Enterprise participation statistics are available on the Department of Finance's website, [www.finance.gov.au](http://www.finance.gov.au) > Home > Government > Procurement > [Statistics on Australian Government Procurement Contracts](#).

The ARC recognises the importance of ensuring that small businesses are paid on time. The results of the *Survey of Australian Government Payments to Small Business* are available on the Treasury's website, <https://treasury.gov.au/> > Home > Publications > [Payment Times Reports Register](#).

The ARC employs a number of procurement practices to support SMEs including:

- using standard contract templates with clear and simple language
- using electronic payment systems to facilitate on-time payment
- encouraging credit card use to expedite payments
- utilising Supply Nation, a non-profit organisation established to grow the Aboriginal and Torres Strait Islander business sector by promoting supplier diversity in Australia
- reporting against the *Indigenous Procurement Policy* on the number of contracts, contract values and expenditure for all Aboriginal and Torres Strait Islander SMEs.

## 4.9 Other mandatory information

### Grant programs

GrantConnect is the Australian Government's whole-of-government, centralised, web-based grant information system. All non-corporate Commonwealth entities, including the ARC, must publish on GrantConnect to meet requirements under the Commonwealth Grants Rules and Guidelines. GrantConnect is the authoritative source of information in relation to Australian Government Grant Opportunities and Grant Guidelines, including for all schemes under the NCGP. Further information can be found on the GrantConnect website, [www.grants.gov.au](http://www.grants.gov.au).

Information on grants awarded by the ARC during the period 2021–22 is available on the ARC website, [www.arc.gov.au](http://www.arc.gov.au) > Home > Funding research > [Funding outcomes](#). The ARC also provides access to NCGP data through ARC Grants Search, which forms part of the agency's Data Portal, [www.arc.gov.au](http://www.arc.gov.au) > Home > Funding research > Funding outcomes > [Grants Dataset](#).

### Annual Statement of Compliance with the Commonwealth Child Safe Framework

The ARC is committed to child safety through the implementation of the National Principles for Child Safe Organisations and the Commonwealth Child Safe Framework (CCSF).

The ARC and its staff do not have interactions with children as part of its standard operations. Third parties funded through the NCGP may undertake research which involves children.

An assessment of child safety related risks was undertaken by the ARC in 2021–22 and determined that the ARC's overarching residual risk rating is LOW. Key risks identified related to non-compliance with the CCSF and the National Principles for Child Safe Organisations by both ARC staff and funded third parties, at an organisation, project and researcher level.

The ARC has in place a range of controls to address these risks including:

- training for ARC staff on the requirements of the CCSF to ensure an understanding of their role in fostering child safety
- inclusion of child safety clauses in ARC Grant Agreements for funded third parties
- an annual assurance of compliance from all relevant funded third-party grant recipients.

The ARC is compliant with all the requirements of the CCSF. Child safety activities undertaken by the ARC during 2021–22 included provision of CCSF training to ARC staff and contractors, as well as evaluation and further strengthening of internal child safety processes and procedures. In addition, an annual assurance was sought and received from all third-party grantees regarding their compliance with the CCSF.



## Disability reporting mechanism

*Australia's Disability Strategy 2021–2031* (the Strategy) is the overarching framework for inclusive policies, programs and infrastructure that will support people with disability to participate in all areas of Australian life. The Strategy sets out where practical changes will be made to improve the lives of people with disability in Australia. It acts to ensure the principles underpinning the United Nations Convention on the Rights of Persons with Disabilities are incorporated into Australia's policies and programs that affect people with disability, their families and carers. All levels of government have committed to deliver more comprehensive and visible reporting under the Strategy. A range of reports on progress of the Strategy's actions and outcome areas will be published and available at <https://www.disabilitygateway.gov.au/ads>.

Disability reporting is included the Australian Public Service Commission's State of the Service reports and the APS Statistical Bulletin. These reports are available at <http://www.apsc.gov.au>.

Web versions of the ARC Annual Report 2021–22 conform with WCAG 2.1 AA accessibility requirements.

## Information publication scheme

Entities subject to the *Freedom of Information Act 1982* (FOI Act) are required to publish information for the public as part of the Information Publication Scheme (IPS). In compliance with Part II of the FOI Act, information relating to the IPS is published on the ARC website, [www.arc.gov.au](http://www.arc.gov.au) > Home > About the ARC > Our Organisation > Privacy and Information > Freedom of Information > [Information Publication Scheme](#).

## Correction of information published in previous annual reports

No significant errors have been identified within the ARC Annual Report 2020–21.

# PART 05



# Financial statements

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## INDEPENDENT AUDITOR'S REPORT

### To the Minister for Education

#### Opinion

In my opinion, the financial statements of the Australian Research Council (the Entity) for the year ended 30 June 2022:

- (a) comply with Australian Accounting Standards – Simplified Disclosures and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Entity as at 30 June 2022 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following as at 30 June 2022 and for the year then ended:

- Statement by the Accountable Authority and Chief Financial Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement;
- Administered Schedule of Comprehensive Income;
- Administered Schedule of Assets and Liabilities;
- Administered Reconciliation Schedule;
- Administered Cash Flow Statement; and
- Notes to the financial statements, comprising a summary of significant accounting policies and other explanatory information.

#### Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Accountable Authority's responsibility for the financial statements

As the Accountable Authority of the Entity, the Chief Executive Officer is responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act) for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Simplified Disclosures and the rules made under the Act. The Chief Executive Officer is also responsible for such internal control as the Chief Executive Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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In preparing the financial statements, the Chief Executive Officer is responsible for assessing the ability of the Entity to continue as a going concern, taking into account whether the Entity's operations will cease as a result of an administrative restructure or for any other reason. The Chief Executive Officer is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

### **Auditor's responsibilities for the audit of the financial statements**

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Australian National Audit Office



Rahul Tejani  
Executive Director  
Delegate of the Auditor-General

Canberra  
29 September 2022

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## Australian Research Council

### STATEMENT BY THE ACCOUNTABLE AUTHORITY AND CHIEF FINANCIAL OFFICER

In our opinion, the attached financial statements for the year ended 30 June 2022 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Australian Research Council (ARC) will be able to pay its debts as and when they fall due.



Judith Zielke PSM  
Chief Executive Officer

28 September 2022



Luke Cattle  
Chief Financial Officer

28 September 2022

**Australian Research Council**  
**Statement of Comprehensive Income**  
*for the period ended 30 June 2022*

	Notes	2022 \$'000	2021 \$'000	Original Budget \$'000
<b>NET COST OF SERVICES</b>				
<b>Expenses</b>				
Employee benefits	1.1A	17,131	17,289	17,678
Suppliers	1.1B	4,397	2,957	977
Depreciation and amortisation	3.2A	6,136	5,010	5,384
Finance costs	1.1C	287	354	253
Write-down and impairment of other assets	1.1D	167	79	-
<b>Total expenses</b>		<b>28,118</b>	<b>25,689</b>	<b>24,292</b>
<b>Own-source income</b>				
<b>Own-source revenue</b>				
Revenue from contracts with customers	1.2A	410	1,142	323
Other revenue	1.2B	64	64	60
<b>Total own-source revenue</b>		<b>474</b>	<b>1,206</b>	<b>383</b>
<b>Gains</b>				
Gains from sale of assets		1	30	-
<b>Total gains</b>		<b>1</b>	<b>30</b>	<b>-</b>
<b>Total own-source income</b>		<b>475</b>	<b>1,236</b>	<b>383</b>
<b>Net cost of services</b>		<b>(27,643)</b>	<b>(24,453)</b>	<b>(23,909)</b>
Revenue from Government	1.2C	20,226	21,309	20,226
<b>Deficit on continuing operations</b>		<b>(7,417)</b>	<b>(3,144)</b>	<b>(3,683)</b>

The above statement should be read in conjunction with the accompanying notes.  
For variance explanations, refer to budget variance commentary which follows the primary financial statements.



**Australian Research Council**  
**Statement of Financial Position**

as at 30 June 2022

	Notes	2022 \$'000	2021 \$'000	Original Budget \$'000
<b>ASSETS</b>				
<b>Financial assets</b>				
Cash and cash equivalents	3.1A	323	675	811
Trade and other receivables	3.1B	14,800	18,115	17,664
<b>Total financial assets</b>		<b>15,123</b>	<b>18,790</b>	<b>18,475</b>
<b>Non-financial assets<sup>*</sup></b>				
Buildings	3.2A	6,920	8,902	6,764
Plant and equipment	3.2A	828	990	870
Computer software	3.2A	6,937	8,764	7,955
Prepayments		158	213	209
<b>Total non-financial assets</b>		<b>14,843</b>	<b>18,869</b>	<b>15,798</b>
<b>Total assets</b>		<b>29,966</b>	<b>37,659</b>	<b>34,273</b>
<b>LIABILITIES</b>				
<b>Payables</b>				
Suppliers	3.3A	757	499	543
Other payables	3.3B	393	317	397
<b>Total payables</b>		<b>1,150</b>	<b>816</b>	<b>940</b>
<b>Interest bearing liabilities</b>				
Leases	3.4A	7,342	9,332	7,393
<b>Total interest bearing liabilities</b>		<b>7,342</b>	<b>9,332</b>	<b>7,393</b>
<b>Provisions</b>				
Employee provisions	6.1A	5,449	5,454	5,605
Other provisions	3.5A	709	559	387
<b>Total provisions</b>		<b>6,158</b>	<b>6,013</b>	<b>5,992</b>
<b>Total liabilities</b>		<b>14,650</b>	<b>16,161</b>	<b>14,325</b>
<b>Net assets</b>		<b>15,316</b>	<b>21,498</b>	<b>19,948</b>
<b>EQUITY</b>				
Contributed equity		41,208	39,973	42,309
Reserves		17	17	75
Accumulated deficit		(25,909)	(18,492)	(22,436)
<b>Total equity</b>		<b>15,316</b>	<b>21,498</b>	<b>19,948</b>

The above statement should be read in conjunction with the accompanying notes.

For variance explanations, refer to budget variance commentary which follows the primary financial statements.

\* Right-of-use assets are included in the following line items: Buildings, Plant and equipment.

**Australian Research Council**  
**Statement of Changes in Equity**  
*for the period ended 30 June 2022*

	Notes	2022 \$'000	2021 \$'000	Original Budget \$'000
<b>CONTRIBUTED EQUITY</b>				
<b>Opening balance</b>				
Balance carried forward from previous period		39,973	38,739	39,974
<b>Transactions with owners</b>				
<b>Contributions by owners</b>				
Departmental capital budget		1,235	1,234	2,335
<b>Total transactions with owners</b>		1,235	1,234	2,335
<b>Closing balance as at 30 June</b>		41,208	39,973	42,309
<b>RETAINED EARNINGS</b>				
<b>Opening balance</b>				
Balance carried forward from previous period		(18,492)	(15,348)	(18,753)
<b>Comprehensive income</b>				
Deficit for the period		(7,417)	(3,144)	(3,683)
<b>Total comprehensive income</b>		(7,417)	(3,144)	(3,683)
<b>Closing balance as at 30 June</b>		(25,909)	(18,492)	(22,436)
<b>ASSET REVALUATION RESERVE</b>				
<b>Opening balance</b>				
Balance carried forward from previous period		17	76	75
<b>Asset Revaluation</b>				
Change in the measurement of provision to make good		-	(89)	-
Change in asset value on revaluation		-	30	-
<b>Closing balance as at 30 June</b>		17	17	75

## Statement of Changes in Equity (continued)

for the period ended 30 June 2022

	Notes	2022 \$'000	2021 \$'000	Original Budget \$'000
<b>TOTAL EQUITY</b>				
<b>Opening balance</b>				
Balance carried forward from previous period		21,498	23,467	21,296
<b>Comprehensive income</b>				
Deficit for the period		(7,417)	(3,144)	(3,683)
Change in the measurement of provision to make good		-	(89)	-
Change in asset value on revaluation		-	30	-
<b>Total comprehensive income</b>		<b>(7,417)</b>	<b>(3,203)</b>	<b>(3,683)</b>
<b>Transactions with owners</b>				
<b>Contributions by owners</b>				
Departmental capital budget		1,235	1,234	2,335
<b>Total transactions with owners</b>		<b>1,235</b>	<b>1,234</b>	<b>2,335</b>
<b>Closing balance as at 30 June</b>		<b>15,316</b>	<b>21,498</b>	<b>19,948</b>

The above statement should be read in conjunction with the accompanying notes.

For variance explanations, refer to budget variance commentary which follows the primary financial statements.

### Accounting Policy

#### *Departmental Capital Budgets*

Amounts appropriated which are designated as Departmental Capital Budgets (DCBs) are recognised directly in contributed equity in that year.

**Australian Research Council**

**Cash Flow Statement**

*for the period ended 30 June 2022*

	Notes	2022 \$'000	2021 \$'000	Original Budget \$'000
<b>OPERATING ACTIVITIES</b>				
<b>Cash received</b>				
Appropriations		24,045	22,587	20,423
Sale of goods and rendering of services		236	1,142	323
GST received		717	690	593
Other		221	90	-
<b>Total cash received</b>		<b>25,219</b>	<b>24,509</b>	<b>21,339</b>
<b>Cash used</b>				
Employees		17,337	17,620	17,611
Suppliers		4,009	2,939	917
Interest payments on lease liabilities		284	351	253
GST paid		764	693	593
Section 74 receipts transferred to OPA		236	1,139	-
<b>Total cash used</b>		<b>22,630</b>	<b>22,742</b>	<b>19,374</b>
<b>Net cash from operating activities</b>		<b>2,589</b>	<b>1,767</b>	<b>1,965</b>
<b>INVESTING ACTIVITIES</b>				
<b>Cash received</b>				
Proceeds from sales of property, plant and equipment		1	47	-
<b>Total cash received</b>		<b>1</b>	<b>47</b>	<b>-</b>
<b>Cash used</b>				
Purchase of property, plant and equipment		304	713	50
Purchase of computer software		1,883	1,978	2,285
<b>Total cash used</b>		<b>2,187</b>	<b>2,691</b>	<b>2,335</b>
<b>Net cash used by investing activities</b>		<b>(2,186)</b>	<b>(2,644)</b>	<b>(2,335)</b>
<b>FINANCING ACTIVITIES</b>				
<b>Cash received</b>				
Contributed equity		1,235	2,675	2,335
<b>Total cash received</b>		<b>1,235</b>	<b>2,675</b>	<b>2,335</b>
<b>Cash used</b>				
Principal payments of lease liabilities		1,990	1,934	1,965
<b>Total cash used</b>		<b>1,990</b>	<b>1,934</b>	<b>1,965</b>
<b>Net cash used by financing activities</b>		<b>(755)</b>	<b>741</b>	<b>370</b>
<b>Net decrease in cash held</b>		<b>(352)</b>	<b>(136)</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period		675	811	811
<b>Cash and cash equivalents at the end of the reporting period</b>	3.1A	<b>323</b>	<b>675</b>	<b>811</b>

The above statement should be read in conjunction with the accompanying notes.

For variance explanations, refer to budget variance commentary which follows the primary financial statements.

**Australian Research Council**  
**Administered Schedule of Comprehensive Income**  
*for the period ended 30 June 2022*

		2022	2021	Original
	Notes	\$'000	\$'000	Budget \$'000
<b>NET COST OF SERVICES</b>				
<b>Expenses</b>				
Suppliers	2.1A	2,620	3,441	5,896
Grants	2.1B	799,451	771,248	814,642
<b>Total expenses</b>		<b>802,071</b>	<b>774,689</b>	<b>820,538</b>
<b>Income</b>				
<b>Revenue</b>				
<b>Non-taxation revenue</b>				
Other revenue	2.2A	14,761	9,375	9,000
<b>Total non-taxation revenue</b>		<b>14,761</b>	<b>9,375</b>	<b>9,000</b>
<b>Total revenue</b>		<b>14,761</b>	<b>9,375</b>	<b>9,000</b>
<b>Total income</b>		<b>14,761</b>	<b>9,375</b>	<b>9,000</b>
<b>Net cost of services</b>		<b>(787,310)</b>	<b>(765,314)</b>	<b>(811,538)</b>
<b>Deficit</b>		<b>(787,310)</b>	<b>(765,314)</b>	<b>(811,538)</b>
<b>Total comprehensive loss</b>		<b>(787,310)</b>	<b>(765,314)</b>	<b>(811,538)</b>

The above schedule should be read in conjunction with the accompanying notes.

For variance explanations, refer to budget variance commentary which follows the primary financial statements.

**Australian Research Council**
**Administered Schedule of Assets and Liabilities**
*as at 30 June 2022*

	Notes	2022 \$'000	2021 \$'000	Original Budget \$'000
<b>ASSETS</b>				
<b>Financial assets</b>				
Cash and cash equivalents	4.1A	2,253	2,426	2,666
Trade and other receivables	4.1B	69	224	278
<b>Total financial assets</b>		<b>2,322</b>	<b>2,650</b>	<b>2,944</b>
<b>Non-financial assets</b>				
Prepayments		185	115	118
<b>Total non-financial assets</b>		<b>185</b>	<b>115</b>	<b>118</b>
<b>Total assets administered on behalf of Government</b>		<b>2,507</b>	<b>2,765</b>	<b>3,062</b>
<b>LIABILITIES</b>				
<b>Payables</b>				
Grants	4.2A	242,830	247,246	197,745
Other payables	4.2B	577	531	153
<b>Total payables</b>		<b>243,407</b>	<b>247,777</b>	<b>197,898</b>
<b>Total liabilities administered on behalf of Government</b>		<b>243,407</b>	<b>247,777</b>	<b>197,898</b>
<b>Net liabilities</b>		<b>(240,900)</b>	<b>(245,012)</b>	<b>(194,836)</b>

The above schedule should be read in conjunction with the accompanying notes.

For variance explanations, refer to budget variance commentary which follows the primary financial statements.

**Australian Research Council****Administered Reconciliation Schedule***for the period ended 30 June 2022*

	Notes	2022 \$'000	2021 \$'000
<b>Opening assets less liabilities as at 1 July</b>		<b>(245,012)</b>	(192,750)
<b>Net (cost of)/contribution by services</b>			
Income		<b>14,761</b>	9,375
Expenses		<b>(802,071)</b>	(774,689)
<b>Transfers (to)/from the Australian Government</b>			
Appropriation transfers from Official Public Account (OPA)			
Annual appropriations	5.1A	<b>2,644</b>	5,851
Special appropriations (limited)	5.1C	<b>803,695</b>	716,492
Administered GST Appropriations		<b>550</b>	572
Appropriation transfers to OPA			
Appropriations		<b>(14,890)</b>	(9,226)
Return of GST Appropriations		<b>(577)</b>	(637)
<b>Closing assets less liabilities as at 30 June</b>		<b>(240,900)</b>	(245,012)

The above schedule should be read in conjunction with the accompanying notes.

For variance explanations, refer to budget variance commentary which follows the primary financial statements.

**Accounting Policy***Administered Cash Transfers to and from the Official Public Account*

Revenue collected by the entity for use by the Government rather than the entity is administered revenue. Collections are transferred to the Official Public Account (OPA) maintained by the Department of Finance. Conversely, cash is drawn from the OPA to make payments under Parliamentary appropriation on behalf of Government. These transfers to and from the OPA are adjustments to the administered cash held by the entity on behalf of the Government and reported as such in the schedule of administered cash flows and in the administered reconciliation schedule.

# Australian Research Council

## Administered Cash Flow Statement

for the period ended 30 June 2022

	Notes	2022 \$'000	2021 \$'000
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
GST received		577	637
Other		14,890	9,494
<b>Total cash received</b>		<b>15,467</b>	<b>10,131</b>
<b>Cash used</b>			
Suppliers		2,644	3,060
Grants		803,868	718,155
GST paid		550	572
<b>Total cash used</b>		<b>807,062</b>	<b>721,787</b>
<b>Net cash used by operating activities</b>		<b>(791,595)</b>	<b>(711,656)</b>
<b>Cash from Official Public Account</b>			
Appropriations		806,339	722,343
Administered GST Appropriation		550	572
<b>Total cash from official public account</b>		<b>806,889</b>	<b>722,915</b>
<b>Cash to Official Public Account</b>			
Appropriations		14,890	9,226
Return of GST Appropriation to OPA		577	637
<b>Total cash to official public account</b>		<b>15,467</b>	<b>9,863</b>
<b>Net decrease in cash held</b>		<b>(173)</b>	<b>1,396</b>
Cash and cash equivalents at the beginning of the reporting period		2,426	1,030
<b>Cash and cash equivalents at the end of the reporting period</b>	4.1A	<b>2,253</b>	<b>2,426</b>

This schedule should be read in conjunction with the accompanying notes.

For variance explanations, refer to budget variance commentary which follows the primary financial statements.



## Budget Variances

The following commentary provides a high-level commentary of major variances between the original budget as published in Education, Skills and Employment 2021-22 Portfolio Budget Statements (PBS) to the 2021-22 actuals. Note the Budget is not audited.

Departmental and Administered variances are considered to be major based on the following criteria:

- the variance between original budget and actual is greater than \$0.5 million and/or 10% of the line item; or
- an item below this threshold is considered important for the reader's understanding or is relevant to an assessment of the ARC's performance.

Explanation of major variances	Variance to Budget	Variance to Budget	Affected line items		
				\$'000	%
Departmental					
1.1A. Employee benefits - Underspend compared to Budget is primarily due to delays in recruitment resulting from difficulties in finding people with the required skills to fill vacant positions.	-547	-3%	Expenses – Employee benefits Consequential Impacts Liabilities - Employee provisions Cashflow - Employees		
1.1B. Suppliers - Overspend compared to Budget reflects: i) increased contractor and recruitment advertising expenses due to the delays in recruiting staff refer to comment regarding the underspend in employee costs above; plus ii) higher than estimated consultancy expenses related to the Strategic Review consultation and the National Competitive Grants Program (NCGP) process review.	3,420	350%	Expenses - Suppliers Consequential Impacts Liabilities - Suppliers Cash Flow - Suppliers		
3.2A. Depreciation and amortisation - Overspend compared to budget is primarily due to intangibles commissioned in 2021-22 having a shorter useful life than estimated in the Budget increasing the 2021-22 amortisation expense.	752	14%	Expenses - Depreciation and Amortisation Consequential Impacts Assets - Buildings and Computer Software		
3.1A. Cash and Cash equivalents - The level of working capital required to be held at the bank has reduced in 2021-22. When the COVID pandemic first impacted the ARC, the working capital level was increased to ensure that there was sufficient cash to meet fortnightly expenditure. With the pandemic settling and working from home arrangements stabilising in 2021-22, the increased working capital level is no longer required.	-488	-60%	Assets - Cash and cash equivalents Consequential Impacts Cashflow - Cash balance		
3.1B. Trade and other receivables - Decrease in the actual compared to Budget receivable balance reflects the 2021-22 Additional Estimates decision to partially to fund asset replacements from prior year non-DCB appropriations	-2,864	-16%	Assets – Trade and other receivables		
Contributed equity – Decrease in actual compared to the budget reflects \$1.1m of Departmental Capital Budget that was quarantined during 2021-22. This will be sought to be appropriated as operating funding in 2022-23.	-1,101	-3%	Assets – Computer software Cashflow – Purchase of intangibles Cashflow – Contributed equity		

Note negative numbers indicate that the actual is less than budget.

Explanation of major variances	Variance to Budget	Variance to Budget	Affected line items
	\$'000	%	
Administered			
<b>2.1A. Suppliers</b> -The underspend in actual compared to budget is largely attributable to an underspend by the Excellence in Research for Australia (ERA) program following a Ministerial decision during the 2021-22 MYEFO process to conduct ERA and Engagement & Impact (EI) assessment rounds in financial years 2023 and 2024 respectively. The significant expenditure relating to these programs will therefore occur in 2022-23, 2023-24 and 2024-25. In addition, due to COVID-19 travel restrictions, the NCGP assessment committees peer review meetings and major investments reviews were conducted online resulting in further underspends on travel and venue hire costs.	-3,276	-56%	Expenses – Suppliers Consequential Impacts Cashflow - Suppliers
<b>2.1B. Grants</b> - The underspend in actual compared to budget relates to the Industrial Transformation Research Program (ITRP) scheme, which was scheduled to commence in January 2022. However, the ITRP was not awarded in 2021-22 and will only be awarded after the start of 2022-23 financial year. In addition some of the other grant scheme rounds run during 2021-22 were slightly undersubscribed compared to their initial budgeted allocation.	-15,191	-2%	Expenses – Grants Consequential Impacts Payables - Grants payable
<b>2.2A. Other Revenue</b> -This balance comprises revenue from the return of unspent grant funding by prior year grant recipients, as required by the ARC Act. Actual returns of grant funding were higher than Budget, due to the inherently variable nature of this revenue stream, which is dependent on the actual grant usage and timing of grant acquittals by grant recipients.	5,761	64%	Revenue - Other Revenue Consequential Impacts Cashflow - Cash received other Cashflow - Cash to OPA
<b>4.1A. Cash and Cash Equivalents</b> - The decrease in the actual compared to Budget is primarily attributable to the Special Account opening balance included in the Budget Special Account estimate being \$0.375m less than the actual closing balance at 30 June 2021.	-413	-15%	Assets - Cash and cash equivalents Consequential Impacts Cashflow - Cash balance
<b>4.2A. Grants payable</b> - Budget was understated by some \$50m. The budgets are prepared prior to the finalisation of the of the prior year financial statements. As a result the 2021-22 budget did not take into account the actual closing balance sheet position for 2020-21, which was \$49m greater than the estimate the budget was based on. After accounting for this variance, the remaining variance is not considered material.	45,085	23%	Liability – Grants payable Consequential Impacts Cashflow - Grants
<b>4.2B. Other payables</b> - The payables balance mainly comprises committee member sitting fees not yet invoiced. This amount is consistent with the actual previous year balance. As the budgets are prepared prior to the finalisation of the prior year financial statements the budget was based on an estimate that was \$0.4m less than the actual closing balance. The remaining variance is only minor.	424	277%	Liability – Other payable Consequential Impacts Cashflow - Suppliers
Note negative numbers indicate that the actual is less than budget.			

## Overview

### Objectives of the Australian Research Council (ARC)

The Australian Research Council (ARC) is an Australian Government controlled entity. It is a not-for-profit entity. The ARC is responsible for administering the National Competitive Grants Program (NCGP), assessing the quality, engagement and impact of research and providing advice and support on research matters.

The ARC is structured to meet the following outcome:

Outcome 1: Growth of knowledge and innovation through managing research funding schemes, measuring research excellence and providing advice.

The continued existence of the ARC in its present form and with its present programs is dependent on Government policy and on continuing funding by Parliament for the ARC's administration and programs.

ARC activities contributing toward this outcome are classified as either departmental or administered. Departmental activities involve the use of assets, liabilities, income and expenses controlled or incurred by the entity in its own right. Administered activities involve the management or oversight by the entity, on behalf of the Government, of items controlled or incurred by the Government.

The entity conducts the following administered activities on behalf of the Government:

NCGP: Through the NCGP, the ARC supports excellent research and research training across all disciplines, awarding funding based on a competitive peer review process. The NCGP comprises two programs, Discovery and Linkage, which fund a range of complementary schemes that provide funding for basic and applied research, research training, research collaboration and infrastructure.

Excellence in Research for Australia (ERA): ERA assesses research quality by research discipline at eligible Australian higher education institutions. ERA is an established evaluation framework that reflects the Government's commitment to a transparent and streamlined approach to research evaluation. The ARC is also responsible for administering the Engagement and Impact (EI) assessment, which assesses the engagement of researchers with end-users, and shows how universities are translating their research into economic, social, environmental, cultural and other impacts.

### The Basis of Preparation

The financial statements are required by section 42 of the *Public Governance, Performance and Accountability Act 2013*.

The financial statements have been prepared in accordance with:

- a) *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* (FRR); and
- b) Australian Accounting Standards and Interpretations – including simplified disclosures for Tier 2 Entities under AASB 1060 issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

### New Accounting Standards

All new standards issued prior to the sign-off date and that are applicable to the current reporting period that did not have a material effect on the entity's financial statements are presented below.

Standard/ Interpretation	Nature of change in accounting policy, transitional provisions, and adjustment to financial statements
AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities	AASB 1060 applies to annual reporting periods beginning on or after 1 July 2021 and replaces the reduced disclosure requirements (RDR) framework. The application of AASB 1060 involves some reduction in disclosure compared to the RDR with no impact on the reported financial position, financial performance and cash flows of the entity.

## **Taxation**

The ARC is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

### **Reporting of Administered activities**

Administered revenues, expenses, assets, liabilities and cash flows are disclosed in the administered schedules and related notes.

Except where otherwise stated, administered items are accounted for on the same basis and using the same policies as for departmental items, including the application of Australian Accounting Standards.

### **Events After the Reporting Period**

#### **Departmental**

No Departmental events have occurred after the reporting period that have the potential to significantly affect the ongoing structure and financial activities of the ARC.

#### **Administered**

No Administered events have occurred after the reporting period that have the potential to significantly affect the ongoing structure and financial activities of the ARC.

# Financial Performance

This section analyses the financial performance of the Australian Research Council for the year ended 2022.

## 1.1 Expenses

	2022 \$'000	2021 \$'000
<b>1.1A: Employee benefits</b>		
Wages and salaries	12,796	12,903
Superannuation		
Defined contribution plans <sup>1</sup>	1,522	1,406
Defined benefit plans <sup>2</sup>	890	937
Leave and other entitlements	1,685	1,529
Separation and redundancies	-	241
Other employee entitlements	238	273
<b>Total employee benefits</b>	<b>17,131</b>	<b>17,289</b>

1. Includes the Public Sector Superannuation Plan (PSSap) and other choice of fund.

2. Includes the Commonwealth Superannuation Scheme (CSS) and the Public Sector Superannuation Scheme (PSS).

### Accounting Policy

Accounting policies for employee related expenses is contained in the People and relationships section.

## 1.1B: Suppliers

### Goods and services supplied or rendered

Consultants	1,084	632
Contractors	1,727	1,000
Travel	9	1
IT services	612	644
Property	108	85
Other <sup>1</sup>	698	440
<b>Total goods and services supplied or rendered</b>	<b>4,238</b>	<b>2,802</b>

Goods supplied	689	854
Services rendered	3,549	1,948
<b>Total goods and services supplied or rendered</b>	<b>4,238</b>	<b>2,802</b>

### Other suppliers

Workers compensation expenses	67	73
Variable lease payments	92	82
<b>Total other suppliers</b>	<b>159</b>	<b>155</b>
<b>Total suppliers</b>	<b>4,397</b>	<b>2,957</b>

1. Other includes media monitors, subscriptions, graphic design, printing, photocopier, telephone costs, staff training, staff study assistance costs, recruitment charges, office consumables and stationery, legal services, storage and hire of equipment.

## 1.1C: Finance costs

Interest on lease liabilities	284	351
Unwinding of discount	3	3
<b>Total finance costs</b>	<b>287</b>	<b>354</b>

The above lease disclosures should be read in conjunction with the accompanying notes 3.2 and 3.4A.

### Accounting Policy

All borrowing costs are expensed as incurred.

## 1.1D: Write-down and impairment of other assets

Revaluation decrements	147	79
Other	20	-
<b>Total write-down and impairment of other assets</b>	<b>167</b>	<b>79</b>

## 1.2 Own-Source Revenue and gains

2022	2021
\$'000	\$'000

### Own-Source Revenue

#### 1.2A: Revenue from contracts with customers

Rendering of services (related parties)	410	1,142
<b>Total revenue from contracts with customers</b>	<b>410</b>	<b>1,142</b>

#### Disaggregation of revenue from contracts with customers

The ARC is providing grants administration services to other Australian Government entities, who are managing grant programs focussed on the research sector.

Timing of transfer of goods and services:

Over time	410	1,142
	<b>410</b>	<b>1,142</b>

#### Accounting Policy

The ARC has entered into collaborative agreements with three Australian Government entities. They have been assessed as enforceable for the purposes of AASB 15.

Each collaborative agreement covers multiple years. They include specific performance obligations allocated via service schedule to each financial year and performance is regularly monitored in partnership with client organisations. All services are agreed and charged in the year provided.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at the end of the reporting period and allowances are made when collectability of the debt is no longer probable.

#### 1.2B: Other revenue

Resources received free of charge

Remuneration of auditors	64	64
<b>Total other revenue</b>	<b>64</b>	<b>64</b>

#### Accounting Policy

##### *Resources Received Free of Charge*

Resources received free of charge are recognised as revenue when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense. Resources received free of charge are recorded as either revenue or gains depending on their nature.

#### 1.2C: Revenue from Government

Appropriations

Departmental appropriations	20,226	21,309
<b>Total revenue from Government</b>	<b>20,226</b>	<b>21,309</b>

#### Accounting Policy

##### *Revenue from Government*

Amounts appropriated for departmental appropriations for the year (adjusted for any formal additions and reductions) are recognised as Revenue from Government when the entity gains control of the appropriation, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned. Appropriations receivable are recognised at their nominal amounts.

## Income and Expenses Administered on Behalf of Government

This section analyses the activities that the Australian Research Council does not control but administers on behalf of the Government. Unless otherwise noted, the accounting policies adopted are consistent with those applied for departmental reporting.

### 2.1 Administered - Expenses

	2022 \$'000	2021 \$'000
<b>2.1A: Suppliers</b>		
<b>Goods and services supplied or rendered</b>		
Consultants	1,420	2,389
Contractors	963	853
Travel	14	-
Other	223	199
<b>Total goods and services supplied or rendered</b>	<b>2,620</b>	<b>3,441</b>
Goods supplied	204	195
Services rendered	2,416	3,246
<b>Total goods and services supplied or rendered</b>	<b>2,620</b>	<b>3,441</b>
<b>Total suppliers</b>	<b>2,620</b>	<b>3,441</b>
<b>2.1B: Grants</b>		
Public sector		
Commonwealth educational institutions (related parties)	54,353	57,174
State and Territory Governments	745,098	713,968
Private sector		
Other research organisations	-	106
<b>Total grants</b>	<b>799,451</b>	<b>771,248</b>

#### Accounting Policy

The ARC administers the National Competitive Grants Program on behalf of the Australian Government. Grant and subsidy liabilities are recognised to the extent that (i) the services required to be performed by the grantee have been performed or (ii) the grant eligibility criteria have been satisfied, but payments due have not been made. When the Government enters into an agreement to make these grants and services but services have not been performed or criteria satisfied, this is considered a commitment.

## 2.2 Administered - Income

	2022 \$'000	2021 \$'000
<b>Revenue</b>		
<b>Non-Taxation Revenue</b>		
<b><u>2.2A: Other revenue</u></b>		
Recovery of prior year unspent grant payments	14,761	9,375
<b>Total other revenue</b>	<b>14,761</b>	<b>9,375</b>

### Accounting Policy

All administered revenues are revenues relating to ordinary activities performed by the ARC on behalf of the Australian Government. As such, administered appropriations are not revenues of the ARC. The ARC oversees distribution or expenditure of the funds as directed.

Other revenue relates to the prior year unspent grant payments. Under the ARC Act, grant recipients are required to return unspent money to the ARC unless otherwise approved.

Recovery of prior year unspent grant payments is recognised when unspent grant money is identified during grant acquittal processes or grants are relinquished.



## Financial Position

This section analyses the Australian Research Council's assets used to conduct its operations and the operating liabilities incurred as a result.

Employee related information is disclosed in the People and Relationships section.

### 3.1 Financial Assets

	2022	2021
	\$'000	\$'000

#### **3.1A: Cash and cash equivalents**

Cash on hand or on deposit	323	675
<b>Total cash and cash equivalents</b>	<b>323</b>	<b>675</b>

#### **Accounting Policy**

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on deposits.

#### **3.1B: Trade and other receivables**

##### **Goods and services receivables**

Other	397	177
<b>Total goods and services receivables</b>	<b>397</b>	<b>177</b>

##### **Appropriation receivables**

Appropriation receivable	14,285	17,868
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<b>Total appropriation receivables</b>	<b>14,285</b>	<b>17,868</b>
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##### **Other receivables**

GST receivable from the Australian Taxation Office	118	70
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<b>Total other receivables</b>	<b>118</b>	<b>70</b>
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<b>Total trade and other receivables (gross)</b>	<b>14,800</b>	<b>18,115</b>
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<b>Total trade and other receivables (net)</b>	<b>14,800</b>	<b>18,115</b>
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Current and non-current allocation disclosed in Note 8.1.

Credit terms for goods and services were within 20 days (2021: 20 days).

#### **Accounting Policy**

##### **Financial assets**

Trade receivables, loans and other receivables that are held for the purpose of collecting the contractual cash flows where the cash flows are solely payments of principal and interest, that are not provided at below-market interest rates, are subsequently measured at amortised cost using the effective interest method adjusted for any loss allowance.

The Appropriation Receivable balance represents the amount of undrawn appropriation available to the ARC.

## 3.2 Non-Financial Assets

### 3.2A: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment and Intangibles

	Buildings \$'000	Plant and equipment \$'000	Computer Software <sup>1</sup> \$'000	Total \$'000
<b>As at 1 July 2021</b>				
Gross book value	14,273	1,000	19,022	34,295
Accumulated depreciation, amortisation and impairment	(5,371)	(10)	(10,258)	(15,639)
<b>Total as at 1 July 2021</b>	<b>8,902</b>	<b>990</b>	<b>8,764</b>	<b>18,656</b>
<b>Additions</b>				
Purchase	153	148	11	312
Internally developed	-	-	1,873	1,873
Right-of-use assets	-	-	-	-
Depreciation and amortisation	(131)	(300)	(3,711)	(4,142)
Depreciation on right-of-use assets	(1,986)	(8)	-	(1,994)
<b>Disposals</b>				
Gross book value	-	(2)	-	(2)
Gross book value (RoU)	(61)	-	-	(61)
Accumulated depreciation (RoU)	43	-	-	43
<b>Total as at 30 June 2022</b>	<b>6,920</b>	<b>828</b>	<b>6,937</b>	<b>14,685</b>
<b>Total as at 30 June 2022 represented by</b>				
Gross book value	14,365	1,146	20,906	36,417
Accumulated depreciation, amortisation and impairment	(7,445)	(318)	(13,969)	(21,732)
<b>Total as at 30 June 2022</b>	<b>6,920</b>	<b>828</b>	<b>6,937</b>	<b>14,685</b>
Carrying amount of right-of-use assets	6,438	4	-	6,442

1. The carrying amount of computer software included \$119,461 purchased software and \$6,816,880 internally generated software.

No indicators of impairment were found for buildings, plant and equipment and computer software.

#### Revaluations of non-financial assets and intangible assets

All revaluations were conducted in accordance with the revaluation policy stated at Note 7.4. During June 2022, an independent valuer, Colliers Valuation & Advisory Services conducted a materiality review. The review was assessed as at 30 June 2022 and included building, property, plant and equipment assets. ROU assets and intangibles were excluded from revaluation. The materiality review resulted in an immaterial decrease of -0.46% in carrying value of combined assets and hence no changes due to revaluation were made to asset register.

#### Contractual commitments for the acquisition of property, plant, equipment and intangible assets

Contractual commitments for IT systems under development are predominately for ICT contractors. The GST inclusive amount is \$673,165 (2020-21: \$1,964,650). The GST exclusive amount is \$611,968 (2020-21: \$1,786,046 ).

### Accounting Policy

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor's accounts immediately prior to the restructuring.

#### Asset Recognition Threshold

Purchases of property, plant and equipment are recognised initially at cost in the statement of financial position, except for purchases costing less than \$2,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to 'make good' provisions in property leases taken up by the entity where there exists an obligation to restore the property to its original condition. These costs are included in the value of the ARC's Buildings with a corresponding provision for the 'make good' recognised.

#### Lease Right of Use (ROU) Assets

Leased ROU assets are capitalised at the commencement date of the lease and comprise of the initial lease liability amount, initial direct costs incurred when entering into the lease less any lease incentives received. These assets are accounted for by Commonwealth lessees as separate asset classes to corresponding assets owned outright, but included in the same column as where the corresponding underlying assets would be presented if they were owned.

An annual impairment review is undertaken for any right of use lease asset that shows indicators of impairment and an impairment loss is recognised against any right of use lease asset that is impaired. ROU assets continue to be measured at cost after initial recognition in Commonwealth agency, General Government Sector (GGS) and Whole of Government financial statements.

#### Revaluations

Following initial recognition at cost, property, plant and equipment (excluding ROU assets) are carried at fair value (or an amount not materially different from fair value) less subsequent accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure

that the carrying amounts of assets did not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depended upon the volatility of movements in market values for the relevant assets.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the surplus/deficit except to the extent that they reversed a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

#### Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the entity using, in all cases, the straight-line method of depreciation.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	2022	2021
Buildings	<b>Lease term</b>	Lease term
Plant and equipment	<b>2 to 10 years</b>	2 to 10 years

The depreciation rates for ROU assets are based on the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term.

## Accounting Policy (continued)

### Impairment

All assets were assessed for impairment at 30 June 2022. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the entity were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

### Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

### Intangibles

The entity's intangibles comprise internally developed software for internal use. These assets are carried at cost less accumulated amortisation and accumulated impairment losses. The threshold

for capitalisation of internally developed intangibles is \$50,000.

Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of the entity's software are 1 to 11 years (2021: 1 to 11 years).

All software assets were assessed for indications of impairment as at 30 June 2022.

### 3.3 Payables

	2022	2021
	\$'000	\$'000

#### **3.3A: Suppliers**

Trade creditors and accruals

757	499
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#### **Total suppliers**

757	499
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Current and non-current allocation disclosed in Note 8.1.

Settlement is usually made within 20 days except e-invoicing which are 5 days (2021: 20 days).

#### **3.3B: Other payables**

Salaries and wages

337	271
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Superannuation

56	46
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#### **Total other payables**

393	317
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Current and non-current allocation disclosed in Note 8.1.

### 3.4 Interest Bearing Liabilities

	2022 \$'000	2021 \$'000
<b>3.4A: Leases</b>		
Lease liabilities	7,342	9,332
<b>Total leases</b>	<b>7,342</b>	<b>9,332</b>
<b>Maturity analysis - contractual undiscounted cash flows</b>		
Within 1 year	2,110	1,840
Between 1 to 5 years	5,232	7,492
<b>Total leases</b>	<b>7,342</b>	<b>9,332</b>

Total cash outflow for leases for the end of June 2022 was \$1,990,000 (2021: \$1,934,182).

During 2021-22, the ARC had three leasing arrangements in place including a pool vehicle which has been terminated on 10 June 2022. Of these, the office accommodation leases are material, non-cancellable and for a fixed term of 15 years (since September 2010). They account for \$7,326,467 of the current lease liability. The remaining lease liability relates to residual value of pool vehicle.

The above lease disclosures should be read in conjunction with the accompanying notes 1.1B, 1.1C, 1.1D and 3.2.

#### Accounting Policy

For all new contracts entered into, the ARC considers whether the contract is, or contains, a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

Once it has been determined that a contract is, or contains a lease, the lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease, if that rate is readily determinable, or the ARC's incremental borrowing rate.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification to the lease. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or profit and loss depending on the nature of the reassessment or modification.

### 3.5 Other Provisions

#### 3.5A: Other provisions

	Provision for makegood	
	2022 \$'000	2021 \$'000
<b>As at 1 July 2021</b>	<b>559</b>	<b>387</b>
Unwinding of discount	<b>3</b>	<b>3</b>
Change in discount rate and estimated costs to restore	<b>147</b>	<b>169</b>
<b>Total as at 30 June 2022</b>	<b>709</b>	<b>559</b>

Current and non-current allocation disclosed in Note 8.1.

The ARC currently has one (2020-21: one) agreement for the leasing of premises which has a provision requiring the entity to restore the premises to their original condition at the conclusion of the lease.

The entity has made a provision to reflect the present value of this obligation.

## Assets and Liabilities Administered on Behalf of the Government

This section analyses assets used to conduct operations and the operating liabilities incurred as a result the Australian Research Council does not control but administers on behalf of the Government. Unless otherwise noted, the accounting policies adopted are consistent with those applied for departmental reporting.

### 4.1 Administered - Financial Assets

	2022 \$'000	2021 \$'000
<b>4.1A: Cash and cash equivalents</b>		
Cash in special accounts <sup>1</sup>	2,253	2,426
<b>Total cash and cash equivalents</b>	<b>2,253</b>	<b>2,426</b>

Current and non-current allocation disclosed in Note 8.1.

1. The ARC Research Endowment Account credit balance held in the OPA.

The above disclosure should be read in conjunction with the accompanying note 5.2.

### 4.1B: Trade and other receivables

GST Receivable from the Australian Taxation Office	69	95
Grant Receivables	-	129
<b>Total trade and other receivables</b>	<b>69</b>	<b>224</b>

Current and non-current allocation disclosed in Note 8.1.

Credit terms for trade and other receivables were within 20 days (2021: 20 days).

All receivables are current assets and not overdue.



## 4.2 Administered - Payables

	2022 \$'000	2021 \$'000
<b>4.2A: Grants</b>		
State and Territory Governments	226,467	229,188
Commonwealth educational institutions (related parties)	16,363	18,058
<b>Total grants</b>	<b>242,830</b>	<b>247,246</b>

Current and non-current allocation disclosed in Note 8.1.

Settlement is in accordance with the terms and conditions of each grant which is consistent with the payment schedule determined by the Minister under the *Australian Research Council Act 2001*.

### Accounting Judgements and Estimates

#### Grants

The ARC recognises a liability for grant funding which is unpaid as at reporting date. Management has made a judgement that there are limited options not to pay out the entire remaining grants or enforce recovery until the recipient acquits the funds.

## 4.2B: Other payables

Other <sup>1</sup>	577	531
<b>Total other payables</b>	<b>577</b>	<b>531</b>

Current and non-current allocation disclosed in Note 8.1.

1. Other payables mainly include accruals for the program assessment fees and committee member sitting fees.

## Funding

This section identifies the Australian Research Council's funding structure.

### 5.1 Appropriations

#### 5.1A: Annual appropriations ('recoverable GST exclusive')

##### Annual Appropriations for 2022

	Annual Appropriation <sup>1</sup> \$'000	Adjustments to appropriation <sup>2</sup> \$'000	Total appropriation \$'000	Appropriation applied in 2022 (current and prior years) \$'000	Variance <sup>3</sup> \$'000
<b>Departmental</b>					
Ordinary annual services	20,226	236	20,462	24,397	(3,935)
Capital Budget <sup>4</sup>	2,335	(1,100)	1,235	1,235	-
<b>Total departmental</b>	<b>22,561</b>	<b>(864)</b>	<b>21,697</b>	<b>25,632</b>	<b>(3,935)</b>
<b>Administered</b>					
Ordinary annual services					
Administered items	5,896	-	5,896	2,644	3,252
<b>Total administered</b>	<b>5,896</b>	<b>-</b>	<b>5,896</b>	<b>2,644</b>	<b>3,252</b>

1. Departmental and Administered Ordinary annual services budgets are appropriated through Appropriation Acts (No.1,3,5).

2. Includes \$0.236 million retained revenue receipts under Section 74 of the PGPA Act *and* \$1.1 million represents amount quarantined by Department of Finance under section 51 PGPA Act.

3. Administered appropriation applied in 2021-22 was less than the total appropriation received primarily due to an underspend in ERA program, which in turn depends on the timing of ERA and EI assessment rounds. As approved by the previous Minister, ERA and EI programs will run in 2023 and 2024 respectively. The significant expenditure relating to these programs will occur in 2022-23, 2023-24 and 2024-25. Accordingly unspent 2021-22 annual appropriation has been sought to be moved to future years through Movement of Funds process.

4. Departmental Capital Budgets are appropriated through Appropriation Acts (No.1,3,5). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts.

## Annual Appropriations for 2021

	Annual Appropriation <sup>1</sup> \$'000	Adjustments to appropriation <sup>2</sup> \$'000	Total appropriation \$'000	Appropriation applied in 2021 \$'000	Variance <sup>3</sup> \$'000
Departmental					
Ordinary annual services	21,309	1,140	22,449	22,724	(275)
Capital Budget <sup>4</sup>	1,234	-	1,234	2,675	(1,441)
Total departmental	22,543	1,140	23,683	25,399	(1,716)
Administered					
Ordinary annual services					
Administered items	8,669	-	8,669	5,851	2,818
Total administered	8,669	-	8,669	5,851	2,818

1. Departmental and Administered Ordinary annual services budgets are appropriated through Appropriation and Supply Acts (No.1,3,5).

2. Retained revenue receipts under Section 74 of the PGPA Act.

3. Administered appropriation applied in 2020-21 was less than the total appropriation received. This relates to the underspend in ERA program. ERA expenditure varies with the timing of when ERA and EI assessment rounds are conducted. The next rounds are to run in 2023 for ERA and 2024 for EI. Accordingly unspent 2020-21 annual appropriation will be sought to be brought forward to future years through Movement of Funds process.

Capital Budgets and Equity Injections appropriations applied in 2020-21 were greater than appropriations provided in 2020-21. This is because prior year funding was drawn to continue developing approved capital projects and upgrading existing capital.

4. Departmental and Administered Capital Budgets are appropriated through Appropriation Acts (No.1,3,5). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts.

**5.1B: Unspent annual appropriations ('recoverable GST exclusive')**

	2022 \$'000	2021 \$'000
<b>Departmental</b>		
Appropriation Act (No. 1) 2020-21	-	8,871
Supply Act 2020-21	-	8,997
Appropriation Act (No. 1) 2021-22	14,608	-
<b>Total departmental</b>	<b>14,608</b>	<b>17,868</b>
<b>Administered</b>		
Appropriation Act (No. 1) 2018-19 <sup>1</sup>	-	1,017
Appropriation Act (No. 1) 2019-20 <sup>1</sup>	13	1,470
Supply Act 2019-20	-	957
Appropriation Act (No. 1) 2020-21 <sup>1</sup>	310	2,037
Supply Act 2020-21 <sup>1</sup>	4	917
Appropriation Act (No. 1) 2021-22	3,763	-
<b>Total administered</b>	<b>4,090</b>	<b>6,398</b>

1. In 2020-21, \$1.017 million Administered 2018-19 annual appropriations and \$0.109 million Administered 2019-20 annual appropriations have been withheld under Section 51 of the PGPA Act (s51). In 2021-22, unspent 2020-21 annual appropriation of \$2.133m has been moved to future years through Movement of Funds process during 2021-22 MYEFO.

**5.1C: Special appropriations ('recoverable GST exclusive')**

	Appropriation applied	
	2022	2021
Authority	\$'000	\$'000
<i>Australian Research Council Act 2001 s.49, Administered, limit \$815,271,000 for the current reporting period, remaining appropriation lapsed on 1 July 2022.</i>	803,695	716,492
<b>Total special appropriations applied</b>	<b>803,695</b>	<b>716,492</b>

## 5.2 Special Accounts

ARC Research Endowment Account (Administered) <sup>1</sup>	2022 \$'000	2021 \$'000
<b>Balance brought forward from previous period</b>	<b>2,426</b>	1,030
<b>Increases</b>		
Appropriation credited to special account	-	2,791
Recovery of unspent grant payments	-	267
<b>Total increases</b>	<b>-</b>	<b>3,058</b>
<b>Available for payments</b>	<b>2,426</b>	4,088
<b>Decreases</b>		
Payments made to research organisations	173	1,662
<b>Total decreases</b>	<b>173</b>	<b>1,662</b>
<b>Total balance carried to the next period</b>	<b>2,253</b>	2,426
<b>Balance represented by:</b>		
Cash held in the Official Public Account	2,253	2,426
<b>Total balance carried to the next period</b>	<b>2,253</b>	2,426

1. Appropriation: *Public Governance, Performance and Accountability Act 2013* section 80.

Establishing Instrument: *Australian Research Council Act 2001* section 62.

Purpose: The purpose of the ARC Research Endowment Account is to provide assistance to organisations for eligible research programs. Currently, the Endowment Account is being used for the Special Research Initiative - Per and Poly-Fluoroalkyl Substances (PFAS) Remediation Research Program.

### 5.3 Net Cash Appropriation Arrangements

	2022 \$'000	2021 \$'000
<b>Total comprehensive loss - as per the Statement of Comprehensive Income</b>	<b>(7,417)</b>	<b>(3,144)</b>
<b>Plus</b> : depreciation/amortisation of assets funded through appropriations (departmental capital budget funding and/or equity injections) <sup>1</sup>	<b>4,142</b>	<b>2,956</b>
<b>Plus</b> : depreciation of right-of-use assets <sup>2</sup>	<b>1,994</b>	<b>2,054</b>
<b>Less</b> : lease principal repayments <sup>2</sup>	<b>1,706</b>	<b>1,934</b>
<b>Net Cash Operating Deficit</b>	<b>(2,987)</b>	<b>(68)</b>

1. From 2010-11, the Government introduced net cash appropriation arrangements where revenue appropriations for depreciation/amortisation expenses of non-corporate Commonwealth entities and selected corporate Commonwealth entities were replaced with a separate capital budget provided through equity appropriations. Capital budgets are to be appropriated in the period when cash payment for capital expenditure is required.

2. The inclusion of depreciation/amortisation expenses related to ROU leased assets and the lease liability principal repayment amount reflects the impact of AASB 16 Leases, which does not directly reflect a change in appropriation arrangements.

## People and relationships

This section describes a range of employment and post employment benefits provided to our people and our relationships with other key people.

### 6.1 Employee Provisions

	2022 \$'000	2021 \$'000
<b>6.1A: Employee provisions</b>		
Leave	5,449	5,454
<b>Total employee provisions</b>	<b>5,449</b>	<b>5,454</b>

Current and non-current allocation disclosed in Note 8.1.

#### Accounting policy

Liabilities for short-term employee benefits and termination benefits expected within twelve months of the end of reporting period are measured at their nominal amounts.

Other long-term employee benefits are measured as net total of the present value of the defined benefit obligation at the end of the reporting period minus the fair value at the end of the reporting period of plan assets (if any) out of which the obligations are to be settled directly.

#### Leave

The liability for employee benefits includes provision for annual leave and long service leave.

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including the entity's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at 30 June 2022, using the long service leave shorthand model issued by the Department of Finance. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

#### Separation and Redundancy

Provision is made for separation and redundancy benefit payments. The ARC recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

As at 30 June 2022 the ARC did not have any provisions for separation and redundancy benefit payments.

#### Superannuation

The ARC's staff are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), or the PSS accumulation plan (PSSap), or other superannuation funds held outside the Australian Government.

The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap is a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported in the Department of Finance's administered schedules and notes.

The entity makes employer contributions to the employees' defined benefit superannuation scheme at rates determined by an actuary to be sufficient to meet the current cost to the Government. The entity accounts for the contributions as if they were contributions to defined contribution plans.

The liability for superannuation recognised as at 30 June represents outstanding contributions.

#### Accounting Judgements and Estimates

Employee provisions are dependent on management assumptions for their measurement.

No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next reporting period.

## 6.2 Key Management Personnel Remuneration

Key management personnel (KMP) are those persons having authority and responsibility for planning, directing and controlling the activities of the ARC, either directly or indirectly. In 2021-22, there were 9 individuals who were considered KMP in the ARC that includes the Chief Executive Officer (CEO), Branch Managers or any individuals that have acted in those roles for a significant period of the financial year.

	2022 \$'000	2021 \$'000
Short-term employee benefits	1,350	1,418
Post-employment benefits	225	245
Other long-term employee benefits	106	34
Termination benefits	-	236
<b>Total key management personnel remuneration expenses<sup>1</sup></b>	<b>1,681</b>	<b>1,933</b>

The total number of key management personnel that are included in the above table are 9 (2021: seven individuals). The increase in KMP over the previous year is due to changes in management structures and responsibilities, noting that not all new KMP were KMP for the full financial year.

1. The above key management personnel remuneration excludes the remuneration and other benefits of the Portfolio Minister. The Portfolio Minister's remuneration and other benefits are set by the Remuneration Tribunal and are not paid by the ARC.



## 6.3 Related Party Disclosures

### **Related party relationships:**

The ARC is an Australian Government controlled entity. Related parties to the ARC are Key Management Personnel including the Portfolio Minister and other Australian Government entities.

### **Transactions with related parties:**

Given the breadth of Government activities, related parties may transact with the government sector in the same capacity as ordinary citizens. Such transactions include the payment or refund of taxes, receipt of a Medicare rebate or higher education loans. These transactions have not been separately disclosed in this note. In 2021-22, no Grants were made to KMP or their related parties under AASB 124 Related Party Disclosures.

### **The following transactions with related parties occurred during the financial year:**

The entity transacts with other Australian Government controlled entities consistent with normal day-to-day business operations provided under normal terms and conditions, including the payment of workers compensation, insurance premiums and the payment of superannuation to the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), and the PSS accumulation plan (PSSap). These are not considered individually significant to warrant separate disclosure as related party transactions.

Revenue received and receivable from contracts with other Australian Government controlled entities for the delivery of grant management services are disclosed under Notes 1.2A and 3.1B.

Grants paid and grants owing to other Australian Government controlled entities are disclosed under Notes 2.1B and 4.2A.

## Managing uncertainties

This section analyses how the Australian Research Council manages financial risks within its operating environment.

### 7.1A: Contingent assets and liabilities

There were no Departmental and Administered contingent assets and liabilities in 2021-22 for the ARC (2020-21: nil).

#### Accounting Policy

Contingent liabilities and contingent assets are not recognised in the statement of financial position but are reported in the notes. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

## 7.2 Financial Instruments

	2022	2021
	\$'000	\$'000
<b>7.2A: Categories of financial instruments</b>		
<b>Financial assets at amortised cost</b>		
Cash and cash equivalents	323	675
Goods and services receivables	397	177
<b>Total financial assets at amortised cost</b>	<b>720</b>	<b>852</b>
<b>Total financial assets</b>	<b>720</b>	<b>852</b>
<b>Financial Liabilities</b>		
<b>Financial liabilities measured at amortised cost</b>		
Suppliers	757	499
Other Payables	393	317
<b>Total financial liabilities measured at amortised cost</b>	<b>1,150</b>	<b>816</b>
<b>Total financial liabilities</b>	<b>1,150</b>	<b>816</b>

Note in 2020-21, \$9.332 million in Finance Leases were included as a Financial Instrument. These liabilities relate to lessee lease liabilities recognised in the ARC's Statement of Financial Position in accordance with AASB16 and do not constitute a financial instrument. This change has no impact on the ARC's Statement of Financial Position.

## **Accounting Policy**

### **Financial Assets**

In accordance with AASB 9 *Financial Instruments*, the ARC classifies its financial assets in the following categories:

- a) financial assets at fair value through profit or loss;
- b) financial assets at fair value through other comprehensive income; and
- c) financial assets measured at amortised cost.

The classification depends on both the ARC's business model for managing the financial assets and contractual cash flow characteristics at the time of initial recognition. Financial assets are recognised when the ARC becomes a party to the contract and, as a consequence, has a legal right to receive or a legal obligation to pay cash and derecognised when the contractual rights to the cash flows from the financial asset expire or are transferred upon trade date.

Comparatives have not been restated on initial application.

### **Financial Assets at Amortised Cost**

Financial assets included in this category need to meet two criteria:

1. the financial asset is held in order to collect the contractual cash flows; and
2. the cash flows are solely payments of principal and interest (SPPI) on the principal outstanding amount.

Amortised cost is determined using the effective interest method.

### **Effective Interest Method**

Income is recognised on an effective interest rate basis for financial assets that are recognised at amortised cost.

### **Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI)**

Financial assets measured at fair value through other comprehensive income are held with the objective of both collecting contractual cash flows and selling the financial assets and the cash flows meet the SPPI test.

Any gains or losses as a result of fair value measurement or the recognition of an impairment loss allowance is recognised in other comprehensive income.

### **Financial Assets at Fair Value Through Profit or Loss (FVTPL)**

Financial assets are classified as financial assets at fair value through profit or loss where the financial assets either doesn't meet the criteria of financial assets held at amortised cost or at FVOCI (i.e. mandatorily held at FVTPL) or may be designated.

Financial assets at FVTPL are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest earned on the financial asset.

### **Impairment of Financial Assets**

Financial assets are assessed for impairment at the end of each reporting period based on Expected Credit Losses, using the general approach which measures the loss allowance based on an amount equal to *lifetime expected credit losses* where risk has significantly increased, or an amount equal to *12-month expected credit losses* if risk has not increased.

The simplified approach for trade, contract and lease receivables is used. This approach always measures the loss allowance as the amount equal to the lifetime expected credit losses.

A write-off constitutes a derecognition event where the write-off directly reduces the gross carrying amount of the financial asset.

### **Financial Liabilities**

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

### **Financial Liabilities at Fair Value Through Profit or Loss**

Financial liabilities at fair value through profit or loss are initially measured at fair value. Subsequent fair value adjustments are recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

### **Financial Liabilities at Amortised Cost**

Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective interest basis.

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

### 7.3 Administered - Financial Instruments

	2022 \$'000	2021 \$'000
<b>7.3A: Categories of financial instruments</b>		
<b>Financial assets at amortised cost</b>		
Cash and cash equivalents	2,253	2,426
Other receivable <sup>1</sup>	-	129
<b>Total financial assets at amortised cost</b>	<b>2,253</b>	<b>2,555</b>
<b>Total financial assets</b>	<b>2,253</b>	<b>2,555</b>

<sup>1</sup> In 2020-21, the \$0.224 million financial assets measured at amortised cost balance included \$0.95 million GST Receivable from the Australian Taxation Office. This is a statutory debt and therefore not a financial instrument and was incorrectly included in this note.

#### Financial Liabilities

##### Financial liabilities measured at amortised cost

Grants payables	242,830	247,246
Other payables	577	531
<b>Total financial liabilities measured at amortised cost</b>	<b>243,407</b>	<b>247,777</b>
<b>Total financial liabilities</b>	<b>243,407</b>	<b>247,777</b>

## 7.4 Fair Value Measurement

### Accounting Policy

The ARC tests the procedures of the valuation model as an asset materiality review at least once every 12 months. If a particular asset class is subject to significant and volatile changes in fair value (i.e. where indicators suggest that the value of the class has changed materially since the previous reporting period), that class is subject to specific valuation in the reporting period, where practicable, regardless of the timing of the last specific valuation. The ARC engaged a valuer to undertake a valuation of property, plant and equipment assets and confirm that the models developed comply with AASB13.

### 7.4A: Fair value measurement

	Fair value measurements at the end of the reporting period	
	2022 \$'000	2021 \$'000
<b>Non-financial assets<sup>1</sup></b>		
Buildings	6,920	8,902
Plant and Equipment	828	990
<b>Total non-financial assets</b>	<b>7,748</b>	<b>9,892</b>

1. The ARC did not measure any non-financial assets (NFAs) at fair value on a non-recurring basis as at 30 June 2022.

The remaining assets and liabilities reported by the ARC are not measured at fair value in the Statement of Financial Position.

ARC recognises all Administered assets and liabilities at amortised cost.

## Other information

### 8.1 Current/non-current distinction for assets and liabilities

#### 8.1A: Current/non-current distinction for assets and liabilities

	Notes	2022 \$'000	2021 \$'000
<b>Assets expected to be recovered in:</b>			
<b>No more than 12 months</b>			
Cash and cash equivalents	3.1A	323	675
Trade and other receivables	3.1B	14,800	18,115
Prepayments	3.2B	158	213
<b>Total no more than 12 months</b>		<b>15,281</b>	<b>19,003</b>
<b>More than 12 months</b>			
Land and buildings	3.2A	6,920	8,902
Plant and equipment	3.2A	828	990
Computer software	3.2A	6,937	8,764
<b>Total more than 12 months</b>		<b>14,685</b>	<b>18,656</b>
<b>Total assets</b>		<b>29,966</b>	<b>37,659</b>
<b>Liabilities expected to be settled in:</b>			
<b>No more than 12 months</b>			
Suppliers	3.3A	757	499
Other payables	3.3B	393	317
Leases	3.4A	2,110	1,840
Employee provisions <sup>1</sup>	6.1A	1,435	1,319
<b>Total no more than 12 months</b>		<b>4,695</b>	<b>3,975</b>
<b>More than 12 months</b>			
Leases	3.4A	5,232	7,492
Employee provisions <sup>1</sup>	6.1A	4,014	4,135
Other provisions	3.5A	709	559
<b>Total more than 12 months</b>		<b>9,955</b>	<b>12,186</b>
<b>Total liabilities</b>		<b>14,650</b>	<b>16,161</b>

1. The method used to estimate the amount of employee provisions expected to be settled in the next 12 months has been updated in 2020-21 to include ARC historical leave applications and the updated shorthand long service leave method supplied by the Department of Finance. Prior year estimates more heavily favoured amounts employees were entitled to claim.

**8.1B: Administered - current/non-current distinction for assets and liabilities**

		<b>2022</b>	<b>2021</b>
	<b>Notes</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Assets expected to be recovered in:</b>			
<b>No more than 12 months</b>			
Cash and cash equivalents	4.1A	<b>2,253</b>	2,426
Trade and other receivables	4.1B	<b>69</b>	224
Prepayments		<b>185</b>	115
<b>Total no more than 12 months</b>		<b>2,507</b>	2,765
<b>Total assets</b>		<b>2,507</b>	2,765
<b>Liabilities expected to be settled in:</b>			
<b>No more than 12 months</b>			
Grants	4.2A	<b>242,830</b>	247,246
Other payables	4.2B	<b>577</b>	531
<b>Total no more than 12 months</b>		<b>243,407</b>	247,777
<b>Total liabilities</b>		<b>243,407</b>	247,777





# PART 06



# Appendices

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# Appendix 1 National Competitive Grants Program

This appendix provides information to support the Annual Performance Statement for the Program: National Competitive Grants Program (NCGP) – Funding Excellent Basic and Applied Research and Research Training. The Discovery Program and the Linkage Program are funded under the NCGP.

## Discovery Program

### Australian Laureate Fellowships (FL)

First selection round	Funding commencing in 2009
Frequency	Annual
Description	The FL scheme reflects the Australian Government’s commitment to excellence in research by supporting world-class researchers to conduct research in Australia.

### Discovery Early Career Researcher Award (DECRA)

First selection round	Funding commencing in 2012
Frequency	Annual
Description	The DECRA scheme provides focused research support for early career researchers in both teaching and research, and research-only positions.

### Discovery Indigenous (IN)

First selection round	Funding commencing in 2002 (Discovery Indigenous Researchers Development). Funding commencing in 2012 (IN)
Frequency	Annual
Description	The IN scheme provides grant funding to support research projects led by an Australian Aboriginal or Torres Strait Islander researcher. The IN scheme also funds fellowships through the Discovery Indigenous Aboriginal and Torres Strait Islander Award.

### Discovery Projects (DP)

First selection round	Funding commencing in 2002
Frequency	Annual
Description	The DP scheme provides grant funding to support research projects that may be undertaken by individual researchers or research teams.

### Future Fellowships (FT)

First selection round	Funding commencing in 2009
Frequency	Annual
Description	The FT scheme provides support for excellent mid-career researchers to undertake high quality research in areas of national and international benefit.

## Linkage Program

### ARC Centres of Excellence (CoE)

First selection round	Funding commencing in 2003
Frequency	Periodic
Description	The ARC CoE scheme facilitates significant collaboration which allows the complementary resources of universities, publicly funded research organisations, other research bodies, government and business to be concentrated to support outstanding research in all fields (except clinical medical research).

### Industrial Transformation Research Hubs (ITRH)

First selection round	Funding commencing in 2012
Frequency	Annual
Description	The ITRH scheme engages Australia's best researchers to develop collaborative solutions to Industrial Transformation Priority areas and enhance end-user national research capability. Research Hubs support joint research activity between the Australian higher education sector and industry and are designed to focus on strategic outcomes that cannot be realised independently of each other.

### Industrial Transformation Training Centres (ITTC)

First selection round	Funding commencing in 2013
Frequency	Annual
Description	The ITTC scheme fosters close partnerships between university-based researchers and other sector researchers. Training Centres deliver innovative Higher Degree Research and postdoctoral training. The focus is on creating capacity of a future research workforce that is vital to Australia's future by developing solutions relevant to the Industrial Transformation Priorities.

### Linkage Infrastructure, Equipment and Facilities (LIEF)

First selection round	Funding commencing in 2002
Frequency	Annual
Description	The LIEF scheme provides funding for research infrastructure, equipment, and facilities to Eligible Organisations. It enables researchers to participate in cooperative initiatives so that expensive research infrastructure, equipment and facilities can be shared between higher education organisations and industry. The scheme also fosters collaboration through its support of the cooperative use of national or international research facilities.

## Linkage Projects (LP)

First selection round	Funding commencing in 2002
Frequency	Annual from funding commencing in 2013. Continuous from 1 July 2016.
Description	The LP scheme supports projects which initiate or develop long-term strategic research alliances to apply advanced knowledge to problems, acquire new knowledge and as a basis for securing commercial and other benefits of research.

## Special Research Initiatives (SRI)

First selection round	Funding commencing in 2002
Frequency	As required
Description	Under the SRI scheme, new or emerging areas of research for funding are identified. Applications for funding may be submitted only through ARC invitation by means of a call for proposal(s).

## Supporting Responses to Commonwealth Science Council Priorities (CS)

First selection round	Funding commencing in 2018
Frequency	As required
Description	The CS scheme aims to support the development of Australian research in priority areas as set by the Commonwealth Science Council. Organisations eligible to administer funding under the scheme are the Australian Council of Learned Academies (ACOLA) and the Learned Academies.

## Learned Academic Special Projects (LASP)

First selection round	Funding commencing in 2017
Frequency	As required
Description	The objective of the LASP scheme is to support the development of Australian research. LASP aims to provide the Learned Academies and the Australian Council of Learned Academies with the flexibility to achieve that objective.

## Industry Fellowships Program (IFP)

First selection round	Scheme commencing in 2022
Frequency	Annual
Description	The IFP includes the Early Career Industry Fellowship, Mid-career Industry Fellowship, and Industry Laureate Fellowship schemes. The primary goal of the IFP is to create a pathway to support academic researchers in establishing careers in industry, and industry-based researchers to work in university settings, with the aim of increased two-way mobility and skill-building in research collaboration, translation and commercialisation. The Schemes will also drive research collaboration, translation and commercialisation outcomes across a range of industry settings.

## Appendix 2 National Competitive Grants Program Statistics

This appendix details statistics for each National Competitive Grants Program (NCGP) funding scheme for the most recent scheme rounds.

**Table A1:** Discovery Program funding by scheme round (and reporting period)<sup>(1)(2)(3)</sup>

Scheme round (and reporting period)			
Australian Future Fellowships (FT)	FT 2019 (2019–20)	FT 2020 (2020–21)	FT 2021 (2021–22)
Number of applications	589	689	675
Number of awards	100	100	101
Success rate (%)	17	14.5	15
Total funding (\$)	87,843,444	90,512,393	93,747,816
Australian Laureate Fellowships (FL)	FL 2020 (2020–21)	FL 2021 (2021–22)	FL 2022 (2022–23) <sup>(2)</sup>
Number of applications	157	170	
Number of awards	15	17	
Success rate (%)	9.6	10	
Total funding (\$)	47,329,286	53,706,710	
Discovery Early Career Researcher Award (DE)	DE 2020 (2019–20)	DE 2021 (2020–21)	DE 2022 (2021–22)
Number of applications	1248	1173	996
Number of awards	200	200	201
Success rate (%)	16	17.1	20.2
Total funding (\$)	81,838,415	84,041,533	85,162,851
Discovery Indigenous (IN)	IN 2020 (2019–20)	IN 2021 (2020–21)	IN 2022 (2021–22)
Number of applications	29	24	35
Number of awards	7	9	9
Success rate (%)	24.1	37.5	25.7
Total funding (\$)	4,688,884	7,121,756	8,462,620
Discovery Projects (DP)	DP 2020 (2019–20)	DP 2021 (2020–21)	DP 2022 (2021–22)
Number of applications	2,875	3,019	3,095
Number of awards	660	603	587
Success rate (%)	23	20	19
Total funding (\$)	284,952,924	260,034,079	258,691,272

**Table A2:** Linkage Program funding by scheme round (and reporting period) <sup>(1)(2)(3)</sup>

Scheme round (and reporting period)			
ARC Centres of Excellence (CE) <sup>(4)</sup>	CE 2020 (2019–20)		
Number of Expressions of Interest (EOI)	93		
Number of EOI shortlisted	20		
EOI success rate (%)	21.5		
Number of applications funded	9		
Application success rate (%)	45		
Total funding (\$)	308,790,287		
Industrial Transformation Research Hubs (ITRH)	ITRH 2019 (2018–19)	ITRH 2020 (2019–20)	ITRH 2021 (2020–21)
Number of applications	13	16	16
Number of awards	4	5	8
Success rate (%)	30.8	31.3	50
Total funding (\$)	18,104,299	24,950,000	36,418,096
Industrial Transformation Training Centres (ITTC)	ITTC 2019 (2018–19)	ITTC 2020 (2019–20)	ITTC 2021 (2020–21)
Number of applications	25	31	25
Number of awards	6	5	8
Success rate (%)	24	16.1	32
Total funding (\$)	24,072,165	24,334,385	37,770,864
Linkage Infrastructure, Equipment and Facilities (LIEF)	LIEF 2020 (2019–20)	LIEF 2021 (2020–21)	LIEF 2022 (2021–22)
Number of applications	164	138	138
Number of awards	47	47	46
Success rate (%)	28.7	34.1	33.3
Total funding (\$)	30,672,752	38,827,812	32,611,772



Scheme round (and reporting period)			
Linkage Projects (LP)	LP 2019 <sup>(5)</sup> (2019–20)	LP 2020 <sup>(6)</sup> (2020–21)	LP 2021 <sup>(2)(7)</sup> (2021–22)
Number of applications	432	715	362
Number of awards	175	196	120
Success rate (%)	40.5	27.4	33.1
Total funding (\$)	78,187,269	90,170,327	56,249,325
Special Research Initiatives (SR)	SR 2020 round 1 <sup>(8)</sup> (2019–20)	SR 2020 round 2 <sup>(9)</sup> (2020–21)	
Number of applications	20	692	
Number of awards	2	49	
Success rate (%)	10	7.1	
Total funding (\$)	56,000,000	\$11,759,398	

#### Notes

- (1) The reporting period is the period where outcomes were finalised (i.e. ministerial decision occurred).
- (2) Outcomes for FL 2022, ITTC 2022, ITRH 2022 and LP 2021 round 3 are not included as a ministerial decision was not made within the 2021–22 reporting period. Statistics for these scheme rounds will be included in the Annual Report 2022–23.
- (3) In 2020–21, the ARC introduced refined methodology and data collection to ensure the performance information is relevant, reliable and complete. Therefore, in some cases results for previous years presented within this appendix differ slightly to those recorded in the Annual Report 2019–20.
- (4) CE rounds are run periodically. The most recent round (CE 2020) was finalised in 2019–20.
- (5) LP 2019 includes all applications received for funding under the 2019 selection round. Funding for projects in the 2019 selection round may have commenced in 2019 or 2020.
- (6) LP 2020 includes all applications received for funding under the 2020 selection round. Funding for projects in the 2020 selection round may have commenced in 2020 or 2021.
- (7) LP 2021 includes all applications received for funding under the 2021 selection round. Funding for projects in the 2021 selection round may commence in 2021 or 2022.
- (8) SR 2020 round 1 refers to the Excellence in Antarctic Science (SRIEAS) Program which was reported in the 2019–20 financial year.
- (9) SR 2020 round 2 refers to the Australian Society, History and Culture scheme which received a ministerial decision in the 2020–21 reporting period.

## Appendix 3 Resource Statements

This appendix provides information to support the financial information in Section 3.2: Financial performance.

**Table A3:** ARC resource statement 2021–22 (all figures \$'000)

		Actual available appropriation for 2021–22 \$'000	Payments made 2021–22 \$'000	Balance remaining 2021–22 \$'000
	Notes	(a)	(b)	(a) – (b)
<b>Departmental</b>				
Annual appropriations - ordinary annual services <sup>(1)</sup>		40,240	25,632	14,608
<b>Total departmental resourcing</b>	<b>A</b>	<b>40,240</b>	<b>25,632</b>	<b>14,608</b>
<b>Administered</b>				
Annual appropriations - ordinary annual services <sup>(2)</sup>		8,867	2,644	
<b>Total administered annual appropriation</b>	<b>B</b>	<b>8,867</b>	<b>2,644</b>	
<b>Administered special appropriations</b>				
<i>Australian Research Council Act 2001</i>		815,271	803,695	
<b>Total administered special appropriations</b>	<b>C</b>	<b>815,271</b>	<b>803,695</b>	
<b>Special accounts<sup>(3)</sup></b>				
Opening Balance		2,426		
Payments Made			173	
<b>Total special account</b>	<b>D</b>	<b>2,426</b>	<b>173</b>	<b>2,253</b>
<b>Total administered resourcing</b>	<b>B+C+D</b>	<b>826,564</b>	<b>806,512</b>	
less administered appropriations drawn from annual appropriations and credited to special accounts	E	–	–	–
<b>Total resourcing and payments for the ARC</b>	<b>A+B+C+D-E</b>	<b>866,804</b>	<b>832,144</b>	

(1) Departmental Appropriation Act (No.1 and No.3) 2021–22. This also includes prior-year departmental appropriation, cash held in bank and external revenue receipts under section 74 of the PGPA Act.

Departmental capital budgets (DCB) are not separately identified in Appropriation Bill (No.1, 3, 5) and form part of ordinary annual services items. For accounting purposes, this amount has been designated as a 'contribution by owner'.

(2) Administered Appropriation Act (No.1 and No.3) 2021–22. This also incorporates prior-year Administered appropriation which includes \$2.133m, which was moved to future financial years through Movement of Funds process during 2021–22 MYEFO.

(3) ARC Research Endowment Account (Administered). Excludes trust moneys held in Services for Other Entities and Trust Moneys (SOETM) and other special accounts.

**Table A4: ARC expenses for outcome 1, 2021–22**

	Budget*	Actual	Variation
Outcome 1: Growth of knowledge and innovation through managing research funding schemes, measuring research excellence and providing advice	2021–22 \$'000 (a)	2021–22 \$'000 (b)	2021–22 \$'000 (a) – (b)
<b>Program 1.1: Discovery—Research and Research Training</b>			
Administered expenses			
Ordinary annual services (Appropriation Act No.1 and 3)	1,195	825	370
Special appropriations	489,188	506,735	(17,547)
<b>Total for Program 1.1</b>	<b>490,383</b>	<b>507,560</b>	<b>(17,177)</b>
<b>Program 1.2: Linkage—Cross-Sector Research Partnerships</b>			
Administered expenses			
Ordinary annual services (Appropriation Act No.1 and 3)	1,555	1,010	545
Special appropriations	325,454	292,543	32,911
Special accounts	–	173	(173)
<b>Total for Program 1.2</b>	<b>327,009</b>	<b>293,726</b>	<b>33,283</b>
<b>Program 1.3: Excellence in Research for Australia</b>			
Administered expenses			
Ordinary annual services (Appropriation Act No.1 and No.3)	3,146	785	2,361
<b>Total for Program 1.3</b>	<b>3,146</b>	<b>785</b>	<b>2,361</b>
<b>Outcome 1: Totals by appropriation type</b>			
Administered Expenses			
Ordinary annual services (Appropriation Act No.1)	5,896	2,620	3,276
Special appropriations	814,642	799,278	15,364
Special accounts	–	173	(173)
Departmental expenses			
Departmental appropriation	22,118	23,352	(1,234)
s74 External Revenue <sup>(1)</sup>	343	410	(67)
Expenses not requiring appropriation in the budget year <sup>(2)</sup>	3,783	4,356	(573)
<b>Total expenses for Outcome 1</b>	<b>846,782</b>	<b>830,189</b>	<b>16,593</b>
	<b>Budget</b>	<b>Actual</b>	<b>Variation</b>
	<b>2021–22</b>	<b>2021–22</b>	<b>2021–22</b>
<b>Average staffing level (number)</b>	138	127	11

\* Full-year budget in 2022–23 Portfolio Budget Statements (PBS), which including any subsequent adjustments made to the 2021–22 budget at 2021–22 Additional Estimates and 2022–23 PBS.

(1) Estimated expenses incurred in relation to retained revenue receipts under Section 74 of the PGPA Act.

(2) Expenses not requiring appropriation in the Budget year are made up of other depreciation expenses, amortisation expenses, make good expenses and audit fees.

## Appendix 4 Other Mandatory Information

This appendix provides information required by other legislation, relating to:

- advertising and market research (section 311A of the *Commonwealth Electoral Act 1918*)
- ecologically sustainable development and environmental performance (section 516A of the *Environment Protection and Biodiversity Conservation Act 1999*)
- work health and safety (Schedule 2, Part 4 of the *Work Health and Safety Act 2011* [WHS Act]).
- The ARC is not defined as a 'public service care agency' and has no obligations under the *Carer Recognition Act 2010*.

### Advertising and Market Research

During 2021–22 the ARC conducted no advertising campaigns.

Under section 311A of the *Commonwealth Electoral Act 1918*, agencies are required to report in their annual reports on payments made to advertising agencies, market research organisations, polling organisations, direct mail organisations and media advertising organisations.

During 2021–22 the ARC did not employ the services of any market research, polling or direct mail organisations.

### Ecologically Sustainable Development and Environmental Performance

Under section 516A of the *Environment Protection and Biodiversity Conservation Act 1999*, Australian Government entities have a statutory requirement to report against 2 criteria in their annual reports:

- how they accord with and contribute to Ecologically Sustainable Development (ESD)
- their environmental performance, that is, the impact their activities have on the natural environment, how these are minimised and how they will be further mitigated.

### Accordance with and Contribution to Ecologically Sustainable Development

Under the NCGP the ARC provides funding support for research in all disciplines, including issues of national significance such as health, social welfare, defence, transport, communications and the environment. The accordance between the ARC's activities and the principles of ESD is outlined in **Table A5**.

**Table A5: Principles of ESD and ARC activities**

<b>Integration:</b> decision making processes should effectively integrate both long-term and short-term economic, environmental, social and equity considerations	Assessment criteria relating to the provision of economic, environmental, social, health and/or cultural benefits to Australia are employed across a range of NCGP schemes. Applications are assessed through a competitive peer review process.
<b>Intergenerational:</b> if there are threats of serious or irreversible environmental damage, lack of full scientific certainty should not be used as a reason for postponing measures to prevent environmental degradation	The NCGP provides funding for research in all disciplines including research relevant to ESD and environmental protection. Excellence in Research for Australia identifies and promotes excellence across all research fields in Australia's higher education institutions. One aim is to build research excellence resulting in better outcomes for Australia.
<b>Biodiversity:</b> the conservation of biological diversity and ecological integrity should be a fundamental consideration in decision-making	All ARC-funded projects must comply with ethics and research practice requirements including the <i>Australian Code for the Responsible Conduct of Research</i> . This includes the requirement that researchers should conduct research to minimise adverse effects on the wider community and the environment.
<b>Valuation:</b> improved valuation, pricing and incentive mechanisms should be promoted	The ARC complies with the <i>Commonwealth Procurement Rules</i> ensuring that any procurement takes into consideration, among other factors, the environmental sustainability of the proposed goods and services.

## National Competitive Grants Program Outcomes

Of the 1,165 NCGP projects announced in 2021–22, 160 involved research relevant to the Australian Government Science and Research Priority area 'environmental change'. These projects were allocated total funding of approximately \$88 million.

The ARC also continued to fund a range of ongoing environment-related research projects. Examples of larger scale projects funded include the:

- ARC Centre of Excellence for Plant Success in Nature and Agriculture (funded 2020; start date 22 December 2020); This CoE aims to make significant advances in the emerging fields of evolutionary systems biology (how plants work and evolve) and predictive analytics (mathematics) to deliver novel strategies for improving ecosystem management, crop resilience and yield.
- ARC Training Centre for Healing Country (funded 2021; start date 31 July 2022): The centre aims to achieve cost-effective restoration solutions that grow and strengthen Indigenous enterprises, expand and bolster diverse training pathways, and conduct innovative research to support the advancement of a diversified Indigenous-led Restoration Economy. Healing Country will fuse Indigenous culture in a cooperative vision where science and traditional approaches to land management and rehabilitation will create and nourish an economy that supports healthy land and transform Indigenous restoration businesses into a major employer of on-country regional jobs.

## Environmental Performance

The ARC's daily operational activities have an impact on the environment through the use of electricity, vehicles, water, paper and other materials, and the generation of waste. Measures to minimise this impact are outlined below.

### Building

The ARC leases an office space at 11 Lancaster Place, Canberra Airport, Canberra. This location houses one of the largest tri-generation plants in Australia. Tri-generation is a process through which natural gas is used as the single input source of energy to generate electricity. Excess energy that would have been lost during the production of electricity is used to heat the buildings in winter and cool them in summer. In addition to producing 3 forms of energy, tri generation provides efficiencies of 90%. This surpasses the Commonwealth Green Lease Requirement of 4.5 Star NABERS (the National Australian Building Environment Rating System). It also equates to less than half the carbon dioxide emissions of a 5 Star NABERS building.

### Energy

The ARC undertakes an electrical audit of any personal devices to be used on ARC premises. The audit applies a reasonableness test, considering key priorities, including cost, productivity, and environmental impact. Devices that do not meet the requirements of this test cannot be used on ARC premises. ARC staff participated in Earth Hour on 26 March 2022. Earth Hour is a 'lights out' movement uniting people to take action on environmental issues and protect the planet.

### Information management

During 2021-22 Information Management initiatives were undertaken to enhance the ARC's maturity in line with the National Archive of Australia's (NAA) *Building trust in the public record: managing information and data for government and community policy*, including:

- updating or creating the Information Management Strategy and associated policies, plans and procedures
- researching and drafting requirements for the implementation of an Information Management System to manage the full lifecycle of the ARC's information and records
- initiating a sentencing project with the ARC's external records management provider leading to the destruction of over 20,000 physical files
- finalising, and submitting to the NAA for approval, a draft records authority to cover the retention and disposal of records created as part of the Excellence in Research for Australia evaluation and Engagement and Impact assessment.

## Information and Communication Technology (ICT) services

During the 2021–22 period ICT undertook the following activities:

- refreshed core network infrastructure
- enhanced system processes to support changes to business practices
- continued cyber security uplift against the essential eight and greater 37 mitigation strategies
- supported streamlining activities for NCGP
- enhanced business reporting and business intelligence capabilities
- increased robustness and availability of ICT systems for the agency to reduce risk to core business processes
- continued to support a fully mobile workforce.

During this period, the ARC continued to pursue best practice principles including:

- sustainable procurement (for example, using recycled office paper and ensuring appropriate resource reuse or recovery for mobiles, toner cartridges and ICT equipment)
- managing resource consumption and demand (for example, monitoring computer to printer ratios)
- managing waste (for example, ensuring e-waste is used or recycled and ICT packaging is recycled)
- providing electronic tools to facilitate a paperless office
- modernised hardware with lower power consumption
- appropriate power saving and sleep settings for devices.

## Work Health and Safety

In accordance with the *Work Health and Safety Act 2011* (WHS Act), agencies must provide information relating to WHS matters in their annual reports.

### Health and safety initiatives

During 2021–22 the ARC continued to:

- hold WHS meetings
- provide first aid training to nominated first aid officers
- provide employer-subsidised eyesight testing for screen-based work
- provide training for fire wardens and health and safety representatives
- provide influenza vaccinations to employees and contractors
- organise workstation assessments where required
- provide online WHS training.

## Pandemic response

The ARC's ongoing COVID-19 response has been guided by the ARC COVID-Safe Plan. The plan outlines how we will adhere to the COVID-19 safe workplace principles and provide a safe and healthy working environment during the pandemic.

It includes guidance on physical distancing, hygiene, risk management and responding to a confirmed or suspected case of COVID-19 at the ARC's premises. In line with the easing of public health restrictions, we have undertaken a gradual return to office-based work consistent with the three-stage transition plan in our COVID-Safe Plan.

## Health and safety outcomes

No incidents were reported to the Director, People and Services, in accordance with the ARC's incident notification and reporting procedures.

## Notifiable incidents

The ARC had no notifiable incidents during 2021–22. Under the WHS Act, a notifiable incident is one involving the death of a person, the serious injury or illness of a person, or a dangerous incident.

## Investigations including details of all notices.

The ARC was not issued with any WHS notices and there were no WHS investigations undertaken during 2021–22.

## Other matters

There are no other matters required by guidelines approved on behalf of the Parliament by the Joint Committee of Public Accounts and Audit.





# PART 07



# Aids to access

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# Abbreviations and Acronyms

A	
ACOLA	Australian Council of Learned Academies
ALF	Australian Laureate Fellowships
ANAO	Australian National Audit Office
ANZSRC	Australian and New Zealand Standard Research Classifications
APS	Australian Public Service
APSC	Australian Public Service Commission
ARC	Australian Research Council
ARC Act	<i>Australian Research Council Act 2001</i>
ARIC	Australian Research Integrity Committee
AWA	Australian Workplace Agreement
B	
BCC	Business Continuity Committee
BCMT	Business Continuity Management Team
BCP	Business Continuity Plan
BSB	Biological Sciences and Biotechnology
C	
CACHE	Centre for Ancient Cultural Heritage & Environment
CE	Centre of Excellence
CEO	Chief Executive Officer
College	College of Experts
CP	Corporate Plan
CSIRO	Commonwealth Scientific and Industrial Research Organisation
D	
DARE	Data Analytics for Resources and Environments
DECRA / DE	Discovery Early Career Researcher Award
DESE	Department of Education, Skills and Employment
DP	Discovery Projects
DProg	Discovery Program
DRP	Disaster Recovery Plan
E	
EI	Engagement and Impact
EIS	Engineering and Information Sciences
ERA	Excellence in Research for Australia

ESD	Ecologically Sustainable Development
F	
FL	Australian Laureate Fellowships
FT	Future Fellowships
FOI Act	<i>Freedom of Information Act 1982</i>
G	
GST	Goods and Services Tax
H	
HCA	Humanities and Creative Arts
I	
ICT	Information and Communications Technology
IFAs	Individual Flexibility Arrangements
IFP	Industry Fellowships Program
IN	Discovery Indigenous
IPS	Information Publication Scheme
IT	Information Technology
ITRH	Industrial Transformation Research Hubs
ITRP	Industrial Transformation Research Program
ITTC	Industrial Transformation Training Centres
L	
LIEF /LE	Linkage Infrastructure, Equipment and Facilities
LP	Linkage Projects
LProg	Linkage Program
M	
MPCE	Mathematics, Physics, Chemistry and Earth Sciences
MRAG	Medical Research Advisory Group
N	
NABERS	National Australia Building Environment Rating System
NCGP	National Competitive Grants Program
NCRIS	National Collaborative Research Infrastructure Strategy
NHMRC	National Health and Medical Research Council
NISDRG	National Intelligence and Security Discovery Research Grants
NIT	National Interest Test
NSSTC	National Security Science and Technology Centre

O	
ONI	Office of National Intelligence
P	
PBS	Portfolio Budget Statements
PFAS	Per-and Poly-Fluoroalkyl Substances
PGPA Act	<i>Public Governance, Performance and Accountability Act 2013</i>
PGPA Rule	<i>Public Governance, Performance and Accountability Rule 2014</i>
PS Act	<i>Public Service Act 1999</i>
R	
RDC	Rural Research and Development Corporations
REC	Research Evaluation Committee
RGS	Research Grants Services
RM Policy	Risk Management Policy
RMS	Research Management System
ROPE	Research Opportunity and Performance Evidence
S	
SAC	Selection Advisory Committee
SBE	Social, Behavioural and Economic Sciences
SES	Senior Executive Service
SGGA	Streamlined Government Grants Administration
SME	Small and Medium Enterprises
STEM	Science, Technology, Engineering and Mathematics
SRI	Special Research Initiatives
SRIEAS	SRI in Excellence in Antarctic Science
U	
UA	Universities Australia
W	
WHS	Work Health and Safety
WHS Act	<i>Work Health and Safety Act 2011</i>



# Glossary

## **Administered expenditure**

Funding that is managed by agencies on behalf of the Government.

## **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**

Research that contributes to understanding the world through discoveries and the creation of new knowledge, theories and practices.

## **Chief Investigator**

A researcher who satisfies the eligibility criteria for a Chief Investigator under the Discovery Program or Linkage Program Grant Guidelines, and takes responsibility for the conduct of an ARC-funded project.

## **Discovery Program**

Funding for investigator-initiated research projects and research fellowships and awards. The Discovery Program comprises the *FL*, *DECRA*, *DI*, *DP* and *FT* schemes.

## **Early career researcher**

A researcher who has held a PhD or equivalent qualification for a period of less than or equal to 5 years at the time of their application.

## **Eligible Organisation**

An organisation that satisfies the eligibility criteria for an Administering Organisation under the Discovery Program or Linkage Program Grant Guidelines.

## **EI assessment**

An assessment of researchers' engagement with end-users, and how universities are translating their research into economic, social, environmental, cultural and other impacts.

## **ERA**

Provides Australian Government, industry, business and the wider community with assurance of the excellence of research conducted in Australia's higher education institutions. The evaluation framework identifies universities and disciplines that are internationally competitive and highlights areas where there are opportunities for further development and investment.

## **Final report**

A report to the ARC that researchers must submit within 12 months of completing their research project. The report includes a range of data and information including a description of research outcomes, academic and commercialisation outputs, and details of collaboration.

## **Grant Agreement**

The agreement entered into by the ARC and an Administering Organisation when an application from that organisation is approved for funding.

## **Grant Guidelines**

Documents published on the GrantConnect website for each grant opportunity that provide applicants with information about schemes, eligibility requirements, the application, selection and approval processes, and requirements for the administration of funding.

## **Linkage Program**

Provides funding for research projects, infrastructure, hubs and centres that foster collaboration among researchers and research teams in Australia and internationally, and with industry and other research end-users. The Linkage Program comprises the ARC CoEs, ITRHs, ITTCs, LIEF, *Linkage Learned Academies Special Projects* (LASP), LP, SRIs, CS and IFP schemes.

## **Mid-career researchers**

A researcher with between 5 and 15 years' research experience since the award of a PhD or equivalent qualification at the time of their application.

## **NCGP**

The NCGP incorporates the Discovery Program and the Linkage Program, under which the ARC funds a range of complementary schemes to support the highest-quality basic and applied research, research training, research collaboration or partnerships, and infrastructure across all research disciplines.

## **Partner Investigator**

A researcher who satisfies the eligibility criteria for a Partner Investigator under the Discovery Program or Linkage Program Grant Guidelines, and takes significant intellectual responsibility for the research.

## **Partner Organisations**

National or international organisations that satisfy the eligibility criteria for a Partner Organisation as defined under Linkage Program Grant Guidelines, and contribute to the research project in accordance with the requirements of the scheme.

## **Peer review**

Evaluation of research applications or outputs by experts who assess individual research applications within their field of research or across a broader disciplinary area on the basis of established selection criteria.

## **Science and Research Priority areas**

A set of priority areas identified by the Australian Government that replaced the Strategic Research Priority areas in 2015. The priorities are designed to focus Australian Government support for science and research on the most important challenges facing Australia. The current Science and Research Priority areas are: food, soil and water, transport, cybersecurity, energy, resources, advanced manufacturing, environmental change and health. Each priority is associated with 3 to 4 Practical Research Challenges, which aim to prioritise the development of Australia's research and innovation capabilities in areas the Australian Government regards as pivotal to the nation's future.

## **Success rate**

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.

# Compliance Index

## Australian Research Council Act 2001 – List of Requirements

ARC Act Reference	Part of Report	Description	Requirement	Pages
46	Letter of Transmittal	The Annual Report prepared by the CEO and given to the Minister under section 46 of the PGPA Act for a period must also deal with: (a) any matters required by other provisions of this Act to be dealt with in the report; and (b) any other matters that the Minister, by notice in writing to the CEO, requires to be dealt with in the report. Note: A provision of this Act that requires matters to be dealt with in the report is subsection 33C(3).	Mandatory	iii
33(c)	Letter of Transmittal	Particulars of any directions given by the Minister under subsection (1) must be (b) included in the Annual Report prepared by the CEO and given to the Minister under section 46 of the PGPA Act, for the period in which the direction is given.	Mandatory	iii

## Annual Reports for Non-Corporate Commonwealth Entities – List of Requirements

PGPA Rule Reference	Part of Report	Description	Requirement	Page
<b>17AD(g)</b>	<b>Letter of transmittal</b>			
17AI	Letter of transmittal	A copy of the letter of transmittal signed and dated by accountable authority on date final text approved, with statement that the report has been prepared in accordance with section 46 of the Act and any enabling legislation that specifies additional requirements in relation to the annual report.	Mandatory	iii
<b>17AD(h)</b>	<b>Aids to access</b>			
17AJ(a)	Contents	Table of contents (print only).	Mandatory	iv
17AJ(b)	Alphabetical index	Alphabetical index (print only).	Mandatory	195
17AJ(c)	Abbreviations and acronyms	Glossary of abbreviations and acronyms.	Mandatory	179
17AJ(d)	Compliance index	List of requirements.	Mandatory	185
17AJ(e)	A guide to this report	Details of contact officer.	Mandatory	ii
17AJ(f)	A guide to this report	Entity's website address.	Mandatory	ii
17AJ(g)	Copyright page	Electronic address of report.	Mandatory	ii
<b>17AD(a)</b>	<b>Review by accountable authority</b>			
17AD(a)	Review by the Accountable Authority	A review by the accountable authority of the entity.	Mandatory	2
<b>17AD(b)</b>	<b>Overview of the entity</b>			
17AE(1)(a)(i)	Roles and functions	A description of the role and functions of the entity.	Mandatory	19
17AE(1)(a)(ii)	Organisational structure	A description of the organisational structure of the entity.	Mandatory	22

PGPA Rule Reference	Part of Report	Description	Requirement	Page
17AE(1)(a)(iii)	Performance framework	A description of the outcomes and programmes administered by the entity.	Mandatory	23
17AE(1)(a)(iv)	Performance framework	A description of the purposes of the entity as included in corporate plan.	Mandatory	23
17AE(1)(aa)(i)	Organisational structure	Name of the accountable authority or each member of the accountable authority.	Mandatory	22
17AE(1)(aa)(ii)	Organisational structure	Position title of the accountable authority or each member of the accountable authority.	Mandatory	22
17AE(1)(aa)(iii)	Organisational structure	Period as the accountable authority or member of the accountable authority within the reporting period.	Mandatory	22
17AE(1)(b)	n/a	An outline of the structure of the portfolio of the entity.	Portfolio departments mandatory	-
17AE(2)	n/a	Where the outcomes and programs administered by the entity differ from any Portfolio Budget Statement, Portfolio Additional Estimates Statement or other portfolio estimates statement that was prepared for the entity for the period, include details of variation and reasons for change.	If applicable, Mandatory	-
<b>17AD(c) Report on the Performance of the entity</b>				
Annual performance Statements				
17AD(c)(i); 16F	Annual Performance Statement	Annual performance statement in accordance with paragraph 39(1)(b) of the Act and section 16F of the Rule.	Mandatory	29
<b>17AD(c)(ii) Report on Financial Performance</b>				
17AF(1)(a)	Financial performance	A discussion and analysis of the entity's financial performance.	Mandatory	68–69
17AF(1)(b)	Appendix 3 Resource statement	A table summarising the total resources and total payments of the entity.	Mandatory	167–168

PGPA Rule Reference	Part of Report	Description	Requirement	Page
17AF(2)	n/a	If there may be significant changes in the financial results during or after the previous or current reporting period, information on those changes, including: the cause of any operating loss of the entity; how the entity has responded to the loss and the actions that have been taken in relation to the loss; and any matter or circumstances that it can reasonably be anticipated will have a significant impact on the entity's future operation or financial results.	If applicable, Mandatory.	–
<b>17AD(d)</b>	<b>Management and Accountability</b>			
	Corporate Governance			
17AG(2)(a)	Corporate governance	Information on compliance with section 10 (fraud systems).	Mandatory	73
17AG(2)(b)(i)	Letter of transmittal	A certification by accountable authority that fraud risk assessments and fraud control plans have been prepared.	Mandatory	iii
17AG(2)(b)(ii)	Letter of transmittal	A certification by accountable authority that appropriate mechanisms for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud that meet the specific needs of the entity are in place.	Mandatory	iii
17AG(2)(b)(iii)	Letter of transmittal	A certification by accountable authority that all reasonable measures have been taken to deal appropriately with fraud relating to the entity.	Mandatory	iii
17AG(2)(c)	Corporate governance	An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance.	Mandatory	73

PGPA Rule Reference	Part of Report	Description	Requirement	Page
17AG(2)(d) – (e)	Corporate governance	A statement of significant issues reported to Minister under paragraph 19(1)(e) of the Act that relates to noncompliance with Finance law and action taken to remedy noncompliance.	If applicable, Mandatory	85
Audit Committee				
17AG(2A)(a)	Audit Committee	A direct electronic address of the charter determining the functions of the entity's audit committee.	Mandatory	77
17AG(2A)(b)	Audit Committee	The name of each member of the entity's audit committee.	Mandatory	78
17AG(2A)(c)	Audit Committee	The qualifications, knowledge, skills or experience of each member of the entity's audit committee.	Mandatory	78
17AG(2A)(d)	Audit Committee	Information about the attendance of each member of the entity's audit committee at committee meetings.	Mandatory	78
17AG(2A)(e)	Audit Committee	The remuneration of each member of the entity's audit committee.	Mandatory	78
External Scrutiny				
17AG(3)	External scrutiny	Information on the most significant developments in external scrutiny and the entity's response to the scrutiny.	Mandatory	86
17AG(3)(a)	External scrutiny	Information on judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner that may have a significant effect on the operations of the entity.	If applicable, Mandatory	86
17AG(3)(b)	External scrutiny	Information on any reports on operations of the entity by the AuditorGeneral (other than report under section 43 of the Act), a Parliamentary Committee, or the Commonwealth Ombudsman.	If applicable, Mandatory	86–87
17AG(3)(c)	External scrutiny	Information on any capability reviews on the entity that were released during the period.	If applicable, Mandatory	87

PGPA Rule Reference	Part of Report	Description	Requirement	Page
Management of Human Resources				
17AG(4)(a)	Management of human resources	An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives.	Mandatory	88–89
17AG(4)(aa)	Management of human resources	<p>Statistics on the entity's employees on an ongoing and nonongoing basis, including the following:</p> <p>(a) statistics on fulltime employees;</p> <p>(b) statistics on parttime employees;</p> <p>(c) statistics on gender;</p> <p>(d) statistics on staff location.</p>	Mandatory	91–96
17AG(4)(b)	Management of human resources	<p>Statistics on the entity's APS employees on an ongoing and nonongoing basis; including the following:</p> <ul style="list-style-type: none"> <li>• Statistics on staffing classification level;</li> <li>• Statistics on fulltime employees;</li> <li>• Statistics on parttime employees;</li> <li>• Statistics on gender;</li> <li>• Statistics on staff location;</li> <li>• Statistics on employees who identify as Indigenous.</li> </ul>	Mandatory	91–97
17AG(4)(c)	Management of human resources	Information on any enterprise agreements, individual flexibility arrangements, Australian workplace agreements, common law contracts and determinations under subsection 24(1) of the <i>Public Service Act 1999</i> .	Mandatory	97
17AG(4)(c)(i)	Management of human resources	Information on the number of SES and nonSES employees covered by agreements etc identified in paragraph 17AG(4)(c).	Mandatory	97



PGPA Rule Reference	Part of Report	Description	Requirement	Page
17AG(4)(c)(ii)	Management of human resources	The salary ranges available for APS employees by classification level.	Mandatory	98
17AG(4)(c)(iii)	Management of human resources	A description of nonsalary benefits provided to employees.	Mandatory	98
17AG(4)(d)(i)	n/a	Information on the number of employees at each classification level who received performance pay.	If applicable, Mandatory	-
17AG(4)(d)(ii)	n/a	Information on aggregate amounts of performance pay at each classification level.	If applicable, Mandatory	-
17AG(4)(d)(iii)	n/a	Information on the average amount of performance payment, and range of such payments, at each classification level.	If applicable, Mandatory	-
17AG(4)(d)(iv)	n/a	Information on aggregate amount of performance payments.	If applicable, Mandatory	-
Assets Management				
17AG(5)	Assets management	An assessment of effectiveness of assets management where asset management is a significant part of the entity's activities.	If applicable, mandatory	102
Purchasing				
17AG(6)	Purchasing	An assessment of entity performance against the <i>Commonwealth Procurement Rules</i> .	Mandatory	103
Reportable consultancy contracts				
17AG(7)(a)	Consultants	A summary statement detailing the number of new reportable consultancy contracts entered into during the period; the total actual expenditure on all such contracts (inclusive of GST); the number of ongoing reportable consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting period on those ongoing contracts (inclusive of GST).	Mandatory	104

PGPA Rule Reference	Part of Report	Description	Requirement	Page
17AG(7)(b)	Consultants	A statement that <i>"During [reporting period], [specified number] new reportable consultancy contracts were entered into involving total actual expenditure of \$[specified million]. In addition, [specified number] ongoing reportable consultancy contracts were active during the period, involving total actual expenditure of \$[specified million]"</i> .	Mandatory	104
17AG(7)(c)	Consultants	A summary of the policies and procedures for selecting and engaging consultants and the main categories of purposes for which consultants were selected and engaged.	Mandatory	105
17AG(7)(d)	Consultants	A statement that <i>"Annual reports contain information about actual expenditure on reportable consultancy contracts. Information on the value of reportable consultancy contracts is available on the AusTender website."</i>	Mandatory	104
Reportable non-consultancy contracts				
17AG(7A)(a)	Consultants	A summary statement detailing the number of new reportable non-consultancy contracts entered into during the period; the total actual expenditure on such contracts (inclusive of GST); the number of ongoing reportable non-consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting period on those ongoing contracts (inclusive of GST).	Mandatory	106

PGPA Rule Reference	Part of Report	Description	Requirement	Page
17AG(7A)(b)	Consultants	A statement that “ <i>Annual reports contain information about actual expenditure on reportable non-consultancy contracts. Information on the value of reportable non-consultancy contracts is available on the AusTender website.</i> ”	Mandatory	106
17AD(daa)	Additional information about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts			
17AGA	Consultants	Additional information, in accordance with section 17AGA, about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts.	Mandatory	104–106
Australian National Audit Office Access Clauses				
17AG(8)	Australian National Audit Office access clauses and exempt contracts	If an entity entered into a contract with a value of more than \$100,000 (inclusive of GST) and the contract did not provide the AuditorGeneral with access to the contractor’s premises, the report must include the name of the contractor, purpose and value of the contract, and the reason why a clause allowing access was not included in the contract.	If applicable, Mandatory	107
Exempt contracts				
17AG(9)	Australian National Audit Office access clauses and exempt contracts	If an entity entered into a contract or there is a standing offer with a value greater than \$10,000 (inclusive of GST) which has been exempted from being published in AusTender because it would disclose exempt matters under the FOI Act, the annual report must include a statement that the contract or standing offer has been exempted, and the value of the contract or standing offer, to the extent that doing so does not disclose the exempt matters.	If applicable, Mandatory	107

PGPA Rule Reference	Part of Report	Description	Requirement	Page
Small business				
17AG(10)(a)	Procurement initiatives to support small business	A statement that “[Name of entity] supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises (SME) and Small Enterprise participation statistics are available on the Department of Finance’s website.”	Mandatory	108
17AG(10)(b)	Procurement initiatives to support small business	An outline of the ways in which the procurement practices of the entity support small and medium enterprises.	Mandatory	108
17AG(10)(c)	Procurement initiatives to support small business	If the entity is considered by the Department administered by the Finance Minister as material in nature—a statement that “[Name of entity] recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury’s website.”	If applicable, Mandatory	108
Financial Statements				
17AD(e)	Australian Research Council financial report	Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act.	Mandatory	112–157
Executive Remuneration				
17AD(da)	Management of human resources	Information about executive remuneration in accordance with Subdivision C of Division 3A of Part 23 of the Rule.	Mandatory	99–101

PGPA Rule Reference	Part of Report	Description	Requirement	Page
<b>17AD(f)</b>	<b>Other Mandatory Information</b>			
17AH(1)(a)(i)	n/a	If the entity conducted advertising campaigns, a statement that <i>"During [reporting period], the [name of entity] conducted the following advertising campaigns: [name of advertising campaigns undertaken]. Further information on those advertising campaigns is available at [address of entity's website] and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the Department of Finance's website."</i>	If applicable, Mandatory	–
17AH(1)(a)(ii)	Appendix 4 Other mandatory information	If the entity did not conduct advertising campaigns, a statement to that effect.	If applicable, Mandatory	169
17AH(1)(b)	Appendix 4 Other mandatory information	A statement that <i>"Information on grants awarded by [name of entity] during [reporting period] is available at [address of entity's website]."</i>	If applicable, Mandatory	109
17AH(1)(c)	Appendix 4 Other mandatory information	Outline of mechanisms of disability reporting, including reference to website for further information.	Mandatory	110
17AH(1)(d)	Appendix 4 Other mandatory information	Website reference to where the entity's Information Publication Scheme statement pursuant to Part II of FOI Act can be found.	Mandatory	110
17AH(1)(e)	Appendix 4 Other mandatory information	Correction of material errors in previous annual report.	If applicable, mandatory	110
17AH(2)	Appendix 4 Other mandatory information	Information required by other legislation.	Mandatory	169

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