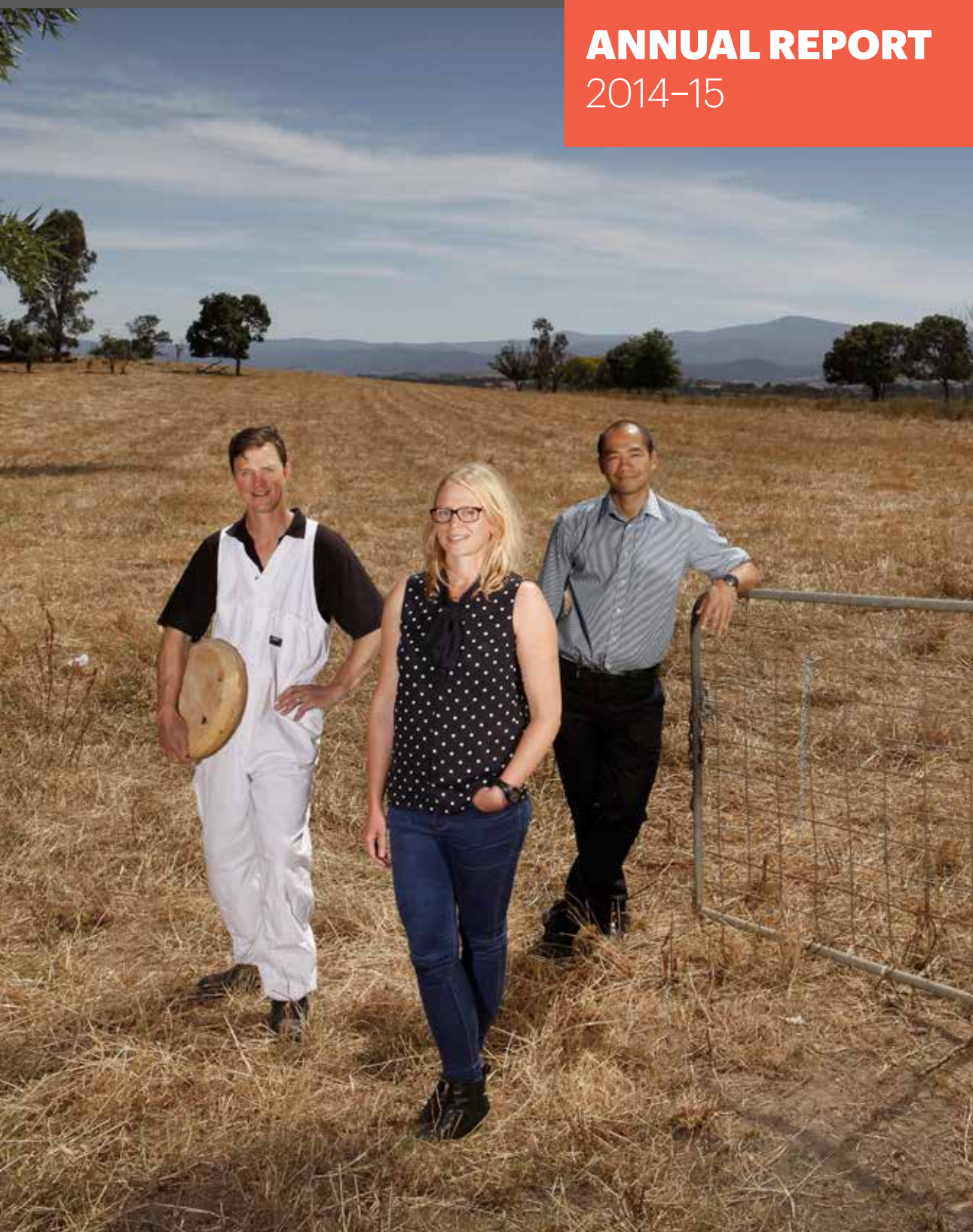




Australian Government
Australian Research Council

ANNUAL REPORT

2014-15





Australian Government
Australian Research Council

ANNUAL REPORT

2014-15



The Australian Research Council

| | |
|---------------------------|--|
| VISION | Research for a creative, innovative and productive Australia |
| MISSION | To deliver policy and programmes that advance Australian research and innovation globally and benefit the community |
| OUTCOME | Growth of knowledge and innovation through managing research funding schemes, measuring research excellence and providing advice |
| GUIDING PRINCIPLES | Excellence Engagement Benefit Accountability |

| | |
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LETTER OF TRANSMITTAL

12 October 2015

Senator the Hon Simon Birmingham
Minister for Education and Training
Parliament House
CANBERRA ACT 2600

Dear Minister

It is with great pleasure that I present the Australian Research Council (ARC) Annual Report for 2014–15.

During 2014–15 the ARC continued to deliver against its identified Outcome: growth of knowledge and innovation through managing research funding schemes, measuring research excellence and providing advice.

The annual report has been prepared in accordance with the requirements of the *Australian Research Council Act 2001* (ARC Act), the *Public Governance, Performance and Accountability Act 2013* and the guidelines referred to in subsection 63 of the *Public Service Act 1999*.

I certify that I am satisfied that the ARC has:

- prepared fraud risk assessments and fraud control plans
- in place appropriate fraud prevention, detection, investigation, reporting mechanisms that meet the specific needs of the ARC
- taken all reasonable measures to appropriately deal with fraud relating to the ARC.

Yours sincerely



Professor Aidan Byrne
Chief Executive Officer

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**Professor Bill Griffin, from the ARC
Centre of Excellence for Core to
Crust Fluid Systems, in Tibet with the
newly discovered deepest known
rocks exposed at the Earth's surface.**

(Photo courtesy of Macquarie University)

PART 1

OVERVIEW

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CHAPTER 1

REVIEW BY THE CHIEF EXECUTIVE OFFICER

Dr Kylie Catchpole, an ARC Future Fellow at The Australian National University, is making new types of solar cells.

(Photo courtesy of Josephine McKeon)

PROFESSOR AIDAN BYRNE



Introduction

I am pleased to present the Australian Research Council (ARC) annual report for the 2014–15 financial year.

The ARC supports the growth of knowledge and innovation through delivery of the National Competitive Grants Programme (NCGP), Excellence in Research for Australia (ERA) and advice to government on research matters. I consider myself extremely fortunate as Chief Executive Officer of the ARC to be able to be involved with these activities.

National Competitive Grants Programme

Under the NCGP, the ARC awarded 1368 new research grants commencing in 2014–15 with total funding of over \$662.8 million. The new grants included:

- under the Discovery programme—366 fellowships, 665 Discovery Projects grants, and 10 Discovery Indigenous grants
- under the Linkage programme—251 Linkage Projects grants, 66 Linkage Infrastructure grants, five Industrial Transformation Training Centres and four Industrial Transformation Research Hubs and one initiative delivered through the Special Research Initiatives scheme.

The new grants identified above:

- helped Australia retain excellent researchers at all career stages (including early- and mid-career researchers)
- supported the development and maintenance of research partnerships between Australian universities, industry and organisations in other research sectors
- included funding for nine new research hubs and training centres, building partnerships between universities and industry in areas of industrial transformation
- supported establishment of the Antarctic Gateway Partnership, a research collaboration between the University of Tasmania, CSIRO and the Australian Antarctic Division
- supported participation in the research workforce by all diversity groups, including Indigenous researchers and women
- provided access to infrastructure support to research groups across Australia and internationally
- supported the very best Australian researchers to mentor new researchers and help build scale and focus in their areas of research endeavour.

Research funded by the ARC is among the very best of research conducted in the world and we have high expectations for the outcomes of that research. It is human nature to be impressed by the big discoveries or research that we can understand—technology and medical advances, for example—but it is important to remember that research conducted at all scales, across all disciplines, has the potential to impact our lives. The examples provided in Chapter 3 of this report are a very useful reminder of this.

Research Excellence

ERA is a unique undertaking within the Australia Government's research evaluation framework. It is a comprehensive evaluation of all research conducted in Australian universities benchmarked against international standards. In 2014–15 the ARC's focus was on implementing ERA 2015 and it was a busy year.

In the second half of 2014, the ARC released the submission documentation, visited universities Australia-wide to provide information about the process, and completed electronic identification tagging of all Australian research publications. The pace of preparations continued unabated in 2015 with the finalisation of membership of the ERA Research Evaluation Committees (RECs) (selected from a pool of more than 700 national and international researchers nominated by the sector) and engagement of approximately 1300 nominated peer reviewers.

In recent months, all 41 eligible universities successfully completed their ERA submissions. Throughout February, March and April, universities uploaded data about every aspect of their research activity (including research outputs, income, applied and esteem measures) over the ERA reference periods and the ERA REC members and ERA peer reviewers were assigned their tasks. At the time I write this review, the evaluation stage is well underway, with release of the final report expected before the end of the year.

During 2014–15 the ARC was also actively involved in a range of conversations around possible ways of evaluating research either differently or more efficiently. In relation to alternative options, the role of impact in the measurement of research excellence continued to be a focus with a model continuing to be developed. The ARC and Department of Education and Training also investigated possible options for aligning the ERA and Higher Education Research Data Collection. Preliminary investigations indicate that there is streamlining to be achieved and the ARC and Department worked with a range of universities on how best to do this.

Policy

Translating what the ARC wants to achieve into best practice delivery mechanisms is by no means an easy task and during 2014–15 we continued to monitor and develop policy to support our responsibilities in relation to both the NCGP and ERA.

In response to Government expectations identified in the *Industry Innovation and Competitiveness Agenda* (October 2014) we reviewed the extent to which researchers with industry experience can access ARC funding. Our selection criterion Research Opportunity and Performance Evidence makes an important contribution to this objective. We also started to look at options for best supporting the Government's *Boosting the Commercial Returns of Research Strategy* (released on 26 May).

We amended our Medical and Open Access policies and released new policies dealing with Research Integrity and Misconduct, and Conflict of Interest. Research integrity is a growing area of concern, both within Australia and internationally, and continued vigilance is required to ensure the reputation of Australian research and researchers is maintained.

Organisation

Delivery against our mission or outcome would not be possible without strong organisational capability and a high performing culture across the ARC. In essence we could not achieve what we are tasked with achieving without: a strong foundation in programme delivery, including processes and ICT systems; a commitment to stakeholder engagement and advocacy for research; strong financial management arrangements; and our highly skilled and committed staff.

Programme delivery and ICT systems

In August 2014 the ARC released a new grants management system—RMS 2.0—to reduce the burden on researchers and universities completing funding proposals. The expectation is that RMS 2.0 will allow for improved data re-use as it becomes fully operational. We will continue to focus on this going forward.

Stakeholder engagement and advocacy

The ARC also continued to engage with its stakeholders about matters relating to delivery of its responsibilities (see page 110 for further details). We participated in launches of ARC-funded research projects or facilities, important mechanisms for engaging the community with the vast potential of ARC-funded research.

Financial management

The ARC's total annual appropriated resources for 2014–15 were \$904.7 million, comprising \$881.0 million for the administered appropriation and \$23.7 million for the departmental appropriation. The ARC's administered budget in 2014–15 was increased through the announcement of ongoing funding for the Future Fellowships scheme. The ARC's departmental budget was affected by a one-off 0.25 per cent efficiency dividend on operating costs and implementation of whole-of-Government savings for public service efficiencies.

Further information is provided in Chapter 11.

People management

An organisation like the ARC cannot operate without skilled, committed and enthusiastic staff and I have a responsibility to ensure that they are supported in their endeavours. There were many highlights in this sphere for the ARC in 2014–15, including the release of a Workplace Diversity and Reconciliation Action Plan (RAP). At the launch of our RAP we were very privileged to have Nggunawal elder, Auntie Agnes Shea, to deliver a welcome to country and a guest artist in attendance. The ARC also finalised access to e-Learning, an addition to our ongoing training and development programme.

The year ahead

It is a useful coincidence that at the same time as we are looking back over the previous year through our annual reporting process, we are also looking forward to 2015–16 and beyond through our strategic planning process.

In the *ARC Corporate Plan 2015–16 to 2018–19* we identified priorities for the coming year (see page 7), which we're expecting will be delivered against a backdrop of continued focus on how Australia's research system can be improved. At the time of writing this, there are a range of review activities underway which together will help support the growth of Australia's research capacity. The review activities extend across the breadth of research activities from industry to infrastructure, research training to longer term science strategies. The ARC welcomes these and will continue to enthusiastically engage with them.

Conclusion

In conclusion I want to thank the staff for their continued hard work in delivering the ARC's outcome—the NCGP, ERA and policy advice. We are very privileged to do what we do and I am looking forward to continuing our endeavours in 2015–16.



Professor Aidan Byrne

Chief Executive Officer

KEY PRIORITIES FOR 2015–16

The ARC will:

Manage research funding schemes

- conduct a selection round for ARC Centres of Excellence for funding commencing in 2017. ARC Centres of Excellence aim to build research capability in priority areas and have a strong record of international engagement and research training

Measure research excellence

- complete and release the outcomes of the ERA 2015 evaluation process. The outcomes will be released in a report titled *State of Australian University Research Volume 1—ERA National Report*
- develop and implement the alignment of the ERA and Higher Education Research Data Collection

Provide advice

- work with the National Health and Medical Research Council and Universities Australia to revise the *Australian Code for the Responsible Conduct of Research*
- implement a *Women in Research Statement and Action Plan* and continue to highlight the mechanisms within its schemes that encourage the participation of women researchers
- evaluate the Linkage Projects scheme, to understand the factors that influence the participation of partner organisations (including industry, not-for-profit and government sectors) in research projects

Be a highly performing organisation

- continue to improve the transparency of the NCGP assessment processes through focused stakeholder forums
- in consultation with stakeholders, develop an external communication strategy to improve the promotion of research outcomes and provide clearer information on grant success and benefits across the breadth of research supported by the ARC
- develop a communication plan to further encourage industry linkages
- launch an enhanced ARC website which promotes outcomes of ARC-funded research and is user friendly
- implement a new performance measurement framework, improving its capacity to identify, collect, analyse and report on quality non-financial performance measures
- continue to promote a high performance culture and improve its Workplace Diversity Programme (including the Reconciliation Action Plan) to recognise and promote the value that people's differences can make to creating ARC policies and programmes and building relationships both internally and externally
- identify opportunities to streamline its programme delivery processes to maximise the efficiency of its operations and reduce the administrative burden on ARC stakeholders
- effectively and efficiently manage the transition between new and legacy finance ICT systems.



CHAPTER 2

THE AUSTRALIAN RESEARCH COUNCIL

Dr Nathan English,
a **Discovery Early Career
Researcher Award** recipient
at **James Cook University**, is
modelling El Nino's effects on
drought and floods in Australia.
(Photo courtesy of James Cook University)

ROLE AND FUNCTIONS

The ARC is a non-corporate Commonwealth entity established under the *Australian Research Council Act 2001* (ARC Act). The Australian Government's expected Outcome for the ARC (as identified in the Portfolio Budget Statements) is 'growth of knowledge and innovation through managing research funding schemes, measuring research excellence and providing advice'.

The ARC is responsible for:

- funding excellent research and research training
- evaluating the quality of research
- providing policy advice on research matters.

Funding excellent research and research training

The ARC supports excellent research and research training, across all disciplines, through the National Competitive Grants Programme (NCGP). The NCGP, which has two streams—Discovery and Linkage, provides funding for basic and applied research, research training, research collaboration and infrastructure. The excellence of research proposals is determined by competitive peer review processes involving national and international assessors. Further information about the Discovery and Linkage programmes is provided in Part 5, Appendices 2 and 3 respectively.

Evaluating the quality of research

The ARC evaluates the quality of research in Australia through Excellence in Research for Australia (ERA). ERA is an evaluation framework which identifies research excellence in eligible Australian higher education institutions by comparing Australia's research effort against international benchmarks. ERA assesses research quality using a combination of indicators and expert review by experienced, internationally recognised experts.

Providing policy advice on research matters

The ARC provides policy advice on research matters to the Australian Government, including how research funding schemes can be targeted to produce maximum benefits for the Australian research community and to society and the economy more broadly; and how ERA results can be used to inform policy and programmes. In providing advice, the ARC emphasises the role of university research in the broader research and interconnected spheres of social, health, economic, commercial and environmental benefits that will be delivered to the wider community.

STAKEHOLDERS

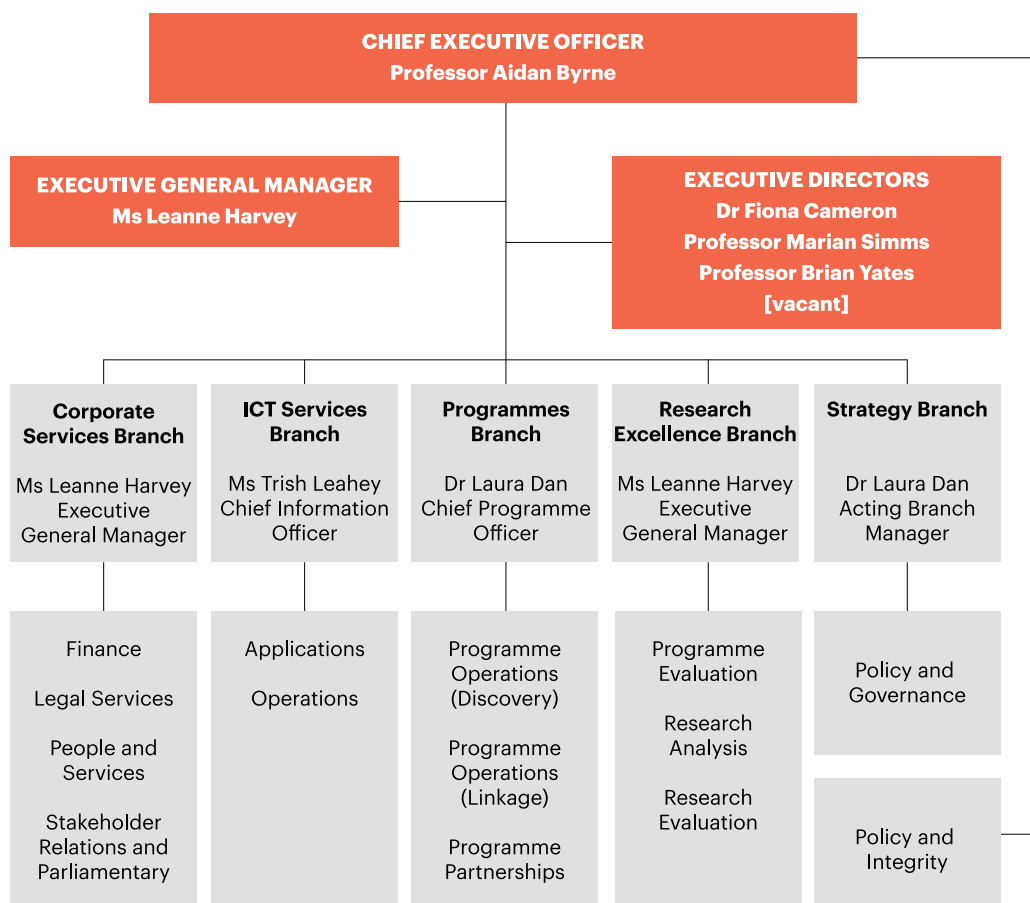
In delivering its programmes, the ARC engages with a diverse group of key stakeholders with differing expectations and interests.

- The ARC Chief Executive Officer (CEO) is supported in his responsibilities by a number of committees involving external members including the ARC Advisory Council, the ARC College of Experts, the ARC Audit Committee and the ERA Research Evaluation Committees (as required).
- The ARC is located within the Education and Training portfolio of the Australian Government and is responsible to the Minister for Education and Training. The ARC provides an annual report on its performance to the Australian Parliament.
- The Australian Government defines the policy framework within which the ARC works in pursuing its programme and policy responsibilities. The ARC works closely with the Department of Education and Training, which is responsible for research policy, as well as other departments and agencies such as the Department of Industry and Science, which is responsible for industry and science policy, and the National Health and Medical Research Council.
- Through the NCGP, the ARC awards funding to eligible organisations which are mainly Australian universities. Researchers located within these organisations are eligible to be Chief Investigators on ARC grants.
- The Linkage programme of the NCGP encourages university researchers to partner with researchers from other organisations in the conduct of end-user focused research. Partner organisations include industry, government (international, Australian, state and local), not-for-profit organisations and international organisations.
- Funding under all schemes is awarded on the basis of a competitive peer review process conducted by Australian and international assessors.
- Through ERA, the ARC evaluates the quality of research activity undertaken at all eligible higher education institutions. In developing and implementing ERA, the ARC liaises closely with these institutions.
- The ARC engages with both Australian and international peak bodies (e.g. Learned Academies, university peak bodies) as well as international research agencies, including the peak body for this group, the Global Research Council.
- The ARC also plays a role in advocating the benefits of research to the media and the Australian community at large.

ORGANISATIONAL STRUCTURE

The structure of the ARC at 30 June 2015 is illustrated in Figure 2.1.

Figure 2.1: Structure of the Australian Research Council (at 30 June 2015)



EXECUTIVE STAFF

The ARC's executive staff at 30 June 2015 are pictured below.



**Professor Aidan Byrne,
Chief Executive Officer**

Professor Byrne has statutory responsibilities for managing and leading the agency in accordance with the requirements of relevant legislation. Under the ARC Act, the CEO must: make recommendations to the Minister in relation to which proposals should be approved for funding; administer the financial assistance for research provided through the NCGP; provide advice to the Minister on research matters; and any other functions conferred on the CEO by the ARC Act or any other Act.



**Ms Leanne Harvey,
Executive General
Manager**

Ms Harvey is responsible for the Research Excellence Branch and the Corporate Services Branch. The Research Excellence Branch, which comprises three sections, administers the Excellence in Research for Australia programme and undertakes evaluations of NCGP funding schemes. The Corporate Services Branch has four sections with responsibility for financial management; legal services; people and services (including property and facilities management); and corporate communications and parliamentary and ministerial liaison.



**Dr Fiona Cameron,
Executive Director,
Biological Sciences and
Biotechnology**

Dr Cameron has responsibility for discipline activities in the biological sciences and biotechnology. She also has oversight of the ARC Centres of Excellence scheme, the Industrial Transformation Research Programme and the Linkage Projects scheme.



**Professor Marian Simms,
Executive Director,
Social, Behavioural
and Economic Sciences**

Professor Simms has responsibility for discipline activities in the social, behavioural and economic sciences. She also has oversight of the Discovery Indigenous and Discovery Projects schemes.



**Professor Brian
Yates, Executive
Director, Engineering,
Mathematics and
Information Sciences**

Professor Yates has responsibility for discipline activities in the engineering, mathematics and information sciences. He also has oversight of the Discovery Early Career Researcher Award, Future Fellowships and Linkage Infrastructure, Equipment and Facilities schemes.



**Dr Laura Dan, Branch
Manager, Strategy Branch
and Chief Programme
Officer**

As Branch Manager, Dr Dan has responsibility for development of policy advice in relation to the NCGP; coordination of the ARC's planning and reporting responsibilities; NCGP data analysis; the ARC Advisory Council, Australian Research Integrity Committee and ARC Audit Committee; and coordination of internal audit and risk management activities. As Chief Programme Officer Dr Dan has oversight of the Programmes Branch which administers the funding schemes of the NCGP, including activities at all stages of the grants process.

PERFORMANCE REPORTING

Overview

The ARC is required to provide a report against:

- the Outcome and Programmes structure outlined in the Portfolio Budget Statements (PBS)
- the performance indicators set out in the corporate plan (previously strategic plan).

These requirements are set out in the *Public Governance, Performance and Accountability Act 2013* and the *Australian Research Council Act 2001*.

ARC Outcome and Programmes structure

The ARC's 2014–15 Outcome and Programmes structure comprised one Outcome and three Programmes: Discovery, Linkage and ERA (see Figure 2.2). Each Programme comprises Objectives, Deliverables and Key Performance Indicators (KPIs).

ARC strategic plan

The ARC *Strategic Plan 2014–15 to 2016–17* identified three Programmes and four Enabling Functions. To facilitate consistent reporting, the three Programmes and their performance indicators are aligned with the Programmes and KPIs in the PBS. The strategic plan identified additional KPIs for each of the Enabling Functions.

Figure 2.2: ARC Outcome and Programmes, 2014–15

| OUTCOME AND PROGRAMME STRUCTURE Portfolio Budget Statements | | | |
|---|--|--|--|
| Outcome 1: Growth of knowledge and innovation through managing research funding schemes, measuring research excellence and providing advice | | | |
| Programme 1.1 Discovery | Programme 1.2 Linkage | Programme 1.3 ERA | |
| Objectives Deliverables KPIs | Objectives Deliverables KPIs | Objectives Deliverables KPIs | |
| Administered expenses Departmental expenses | Administered expenses Departmental expenses | Administered expenses Departmental expenses | |

Performance information in this annual report

In accordance with the ARC's reporting requirements, the ARC reports in this annual report against the performance framework set out in the ARC's 2014–15 PBS and the *ARC Strategic Plan for 2014–15 to 2016–17*.

The report includes:

- the ARC Outcome (Part 2, Chapter 3)
- the deliverables, objectives and KPIs of Programme 1.1 Discovery (Part 2, Chapter 4)
- the deliverables, objectives and KPIs of Programme 1.2 Linkage (Part 2, Chapter 5)
- the deliverables, objectives and KPIs of Programme 1.3 Excellence in Research for Australia (Part 2, Chapter 6)
- a summary of the ARC's performance against the framework in the ARC strategic plan (which includes the Programme KPIs as well as additional KPIs identified for the ARC's Enabling Functions) (Part 5, Appendix 1).



Ms Tess Reynolds, a PhD student at the ARC Centre of Excellence for Nanoscale BioPhotonics, examining prototype laser equipment in preparation for use in biochemical sensing.

(Photo courtesy of The University of Adelaide)

PART 2

PERFORMANCE

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|--|-----------|
| CHAPTER 3: OUTCOME | 18 |
| A report on the ARC's effectiveness in achieving its outcome | |
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CHAPTER 3

OUTCOME

Professor Kerry Mengersen, an Australian Laureate Fellow at Queensland University of Technology, is using mathematics to help solve complex problems in the real world.

(Photo courtesy of Queensland University of Technology)

DESCRIPTION

The ARC's Outcome statement is: 'Growth of knowledge and innovation through managing research funding schemes, measuring research excellence and providing advice'. The case studies in this chapter provide examples of new knowledge and innovation arising from the three activities.

Managing research funding schemes

By funding excellent research through a range of research funding schemes, the ARC supports the achievement of:

- economic, environmental, social, health and cultural benefits to Australia
- growth in Australia's research capacity (through support for research training, national and international collaboration, and building scale and focus in areas of priority).

The funding scheme case studies are drawn from both the Discovery and Linkage programmes of the National Competitive Grants Programme (NCGP). Unless otherwise indicated, they relate to research projects awarded funding under the NCGP in previous years that have achieved outcomes in 2014–15.

Measuring research excellence

By measuring research excellence through Excellence in Research for Australia (ERA), the ARC supports the achievement of strategic research outcomes for Australia.

In this report one ERA case study is provided as the outcomes of the evaluation currently underway (ERA 2015) will not be announced until 2015–16. The case study outlines how the outcomes of previous ERA evaluations have been used to inform policy development during 2014–15.

Providing advice

By providing advice on research matters, the ARC supports the effective and efficient delivery of its responsibilities for managing research funding schemes and measuring research excellence. The policy case studies describe areas of ARC policy analysis during 2014–15 aimed at ensuring the NCGP continues to contribute to building research capacity in Australia.

A guide

Activities

Discovery



Linkage



ERA



Policy





Professor Veena Sahajwalla;
The University of New
South Wales

Scheme: Australian Laureate
Fellowships

Building research capacity— Inspiring women: Science 50:50

Using funding from her Georgina Sweet Fellowship and with support from The University of New South Wales, ARC Australian Laureate Fellow, Professor Veena Sahajwalla, has established a new campaign (Science 50:50) aimed at changing attitudes to science for young women and reinforcing that science and technology offer great opportunities for girls.

Girls are still under-represented in the STEM fields of science, technology, engineering and mathematics. This has a lot to do with their perception of science as a career. To secure Australia's future prosperity girls need to hear real stories from women whose own pathways to success make it abundantly clear that science and technology really is for girls.

Named after a distinguished and inspiring female researcher, the Georgina Sweet Australian Laureate Fellowship for science and technology is offered to outstanding female researchers. This prestigious fellowship, along with the Kathleen Fitzpatrick Australian Laureate Fellowship for the humanities, arts and social sciences, provides additional funding to support an ambassadorial role for the recipient to promote women in research and to mentor early career researchers, particularly women, to encourage them to enter and establish careers in research in Australia.

Aimed at encouraging more young women to take up STEM degrees and careers, the Science 50:50 programme is focused on networking, mentoring and industry engagement opportunities. This includes a New Innovators Competition offering university scholarships to the girls who submit the most original and innovative ideas for solving real world problems. The programme will also showcase extraordinary women in research, industry, media and politics through videos and its web portal as well as engaging girls with science and technology via school visits. The initiative was launched on 15 January 2015 at the National Youth Science Forum in Canberra.

ABOVE: 'Baxter' the robot with Professor Veena Sahajwalla and Year 9 students at The University of New South Wales (Photo courtesy of Joanne Hallis)

Building research capacity— Attracting and retaining the world's best researchers



Professor Michelle Simmons;
The University of New South Wales
Schemes: Australian Laureate
Fellowships; ARC Centres of Excellence

Professor Michelle Simmons is a Scientia professor and ARC Australian Laureate Fellow at The University of New South Wales, where she leads the ARC Centre of Excellence for Quantum Computation and Communication Technology. Quantum computing is recognised as having the potential to transform information processing, by calculating solutions to incredibly complex problems infinitely faster than ever before. It also has many applications, including: medical diagnostics, drug design, new materials, energy, logistics and big data analytics.



Professor Simmons and her team of 170 researchers from six universities have become global leaders in quantum computing. They are the only group in the world that can make precise electronic devices atom by atom in silicon. Professor Simmons plans to capitalise on her centre's international lead in this area to develop new commercial opportunities and industries for Australia. Professor Simmons was initially attracted to Australia to pursue her postdoctoral research through the award of an ARC Research Fellowship in 1999 and in 2003 she became a founding member of the ARC Centre of Excellence for Quantum Computer Technology at The University of New South Wales. Her ground-breaking research in quantum computing has long been recognised and supported by the ARC through the award of two ARC Federation Fellowships, her current Australian Laureate Fellowship and numerous research projects funded under the ARC's Discovery and Linkage programmes.

Professor Simmons has been widely recognised for her research and has received numerous prizes and awards for her outstanding research achievements. Most recently, in 2014, she received the 2015 Thomas Ranken Lyle Medal for research in mathematics or physics from the Australia Academy of Science.

ABOVE: Dr Bent Weber and Professor Michelle Simmons from the ARC Centre of Excellence for Quantum Computation and Communication Technology (Photo courtesy of Grant Turner)



Professor Len Collard; The University of Western Australia
Scheme: Discovery Indigenous Researchers Development

Generating benefits for Australia— Providing insight into Indigenous place names

The south-western corner of Western Australia is known as Nyungar Boodjar to the local Nyungar people. Over 50 per cent of town names in the region, as well as numerous geographical features, are indigenous in origin. Very few people, however, know what these place names actually mean.

Professor Len Collard, from The University of Western Australia, has developed an online resource from his research into Nyungar place names and their meanings as part of a project funded under the Discovery Indigenous Researchers Development scheme. The website which is named 'Boodjar', meaning 'Country', has an interactive map of the area where many names are Nyungar, even today (<http://www.boodjar.sis.uwa.edu.au>). The map is divided into the ancient Nyungar regions and visitors can click on places to find the meanings of place-names and to learn more about the contribution made to history of that region by Australia's Indigenous peoples.

The meaning behind Nyungar place names often reveals cultural and environmental features of the location. 'Karrinyup' is 'the place of spiders', while Dwellingup means 'foggy and misty place'. Professor Collard's research redresses the lack of information about indigenous place names and creates a common ground for understanding the local Indigenous geographical heritage.

ABOVE: Road signs with Indigenous place names (Image courtesy of Len Collard)



Dr Scott Cummins; University
of the Sunshine Coast

Scheme: Future Fellowships

Generating benefits for Australia— Managing pests on the Great Barrier Reef

Sections of the Great Barrier Reef have been decimated in recent years by outbreaks of Crown-of-Thorns starfish. It is estimated that the starfish is responsible for 42 per cent of coral cover loss on the reef in the past 30 years. Researchers from the University of the Sunshine Coast and researchers from the Australian Institute of Marine Science have recently discovered that the scent of one the predators of the Crown of Thorns starfish is enough to scare them away.

Dr Scott Cummins, an ARC Future Fellow at the University of the Sunshine Coast and an expert in marine animal chemical communication, said the confirmation that the Crown-of-Thorns starfish was terrified by the scent of the giant triton snail could provide a breakthrough in the management of the pest.

‘Giant tritons only eat about one Crown-of-Thorns starfish a week, so breeding enough of them to control big populations is not really feasible,’ says Dr Cummins. ‘But we know the giant tritons release this scent that makes starfish scurry away. We hope to identify exactly what the scent molecule is and chemically synthesise it, then use slow release baits to disperse the scent compound to control the movements of the starfish. It won’t kill the starfish, but if we can disperse aggregations, particularly during spawning season where they need to be near each other to breed, that might significantly reduce numbers.’

ABOVE: Dr Scott Cummins collecting marine field samples. His research is relevant to Environmental outcomes.



Dr Thomas Haselhorst and
Professor Mark von Itzstein;
Griffith University

Schemes: Future Fellowships;
Federation Fellowships

Generating benefits for Australia—Improving health outcomes for children

Rotavirus is a common cause of viral gastroenteritis for babies and young children, with all children having had at least one infection by the age of five. While the introduction of rotavirus vaccines has significantly reduced the number of hospital presentations in Australia, the virus remains prevalent and can have significant socioeconomic impact on communities. Internationally the virus kills up to half a million children each year.

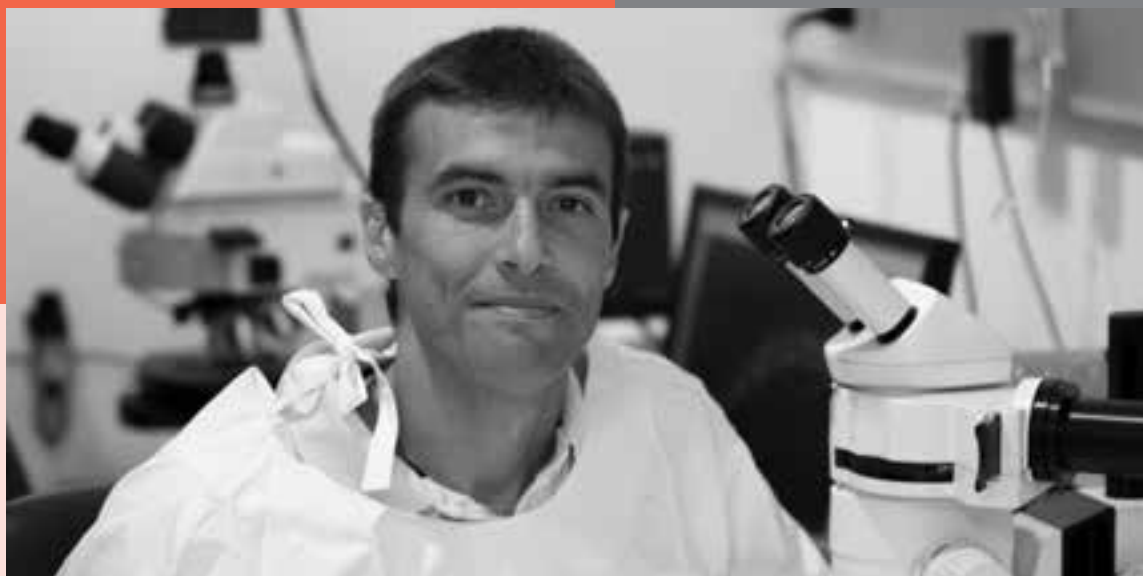
A multidisciplinary team involving researchers from Griffith University and The University of Melbourne is significantly advancing understanding of how the rotavirus causes infection. They have published a paper in the international journal, *Nature Communications*, to reveal their findings about how the virus attacks cells through carbohydrate receptors present on a child's intestinal cells. The group, which is jointly funded by the ARC and National Health and Medical Research Council, includes ARC Future Fellow, Dr Thomas Haselhorst, and ARC-funded researcher, Professor Mark von Itzstein (a former ARC Federation Fellow).

Through a better understanding of which carbohydrates are important for the virus to attach to for successful infection, the research is providing a new direction in potential drug discovery. This is an important step in developing novel anti-rotaviral vaccines and improving health and socioeconomic outcomes associated with childhood susceptibility to rotavirus disease.

Generating benefits for Australia—Molecular biology discovery could lead to better treatment of nerve injuries



A/Professor Massimo Hilliard,
Queensland Brain Institute,
The University of Queensland
Scheme: Future Fellowships



Nerve injuries, which can take on many forms, may permanently or temporarily impair a person's sensory and motor control functions. Until now, neurosurgery—where broken nerves are stitched back together—alone has had limited success in treating injuries of the nervous system or neurodegenerative diseases.

ARC Future Fellow, Dr Massimo Hilliard and his team at The University of Queensland's Queensland Brain Institute are undertaking research aimed at developing more successful approaches to treat nerve injuries. As a critical first step, Dr Hilliard has successfully led an ARC-funded project aiming to discover, using a genetic approach and a simple animal model system, the molecular mechanisms underlying nerve degeneration and regeneration. In January 2015, in a paper published in the renowned scientific journal *Nature*, Dr Hilliard and his team revealed the discovery of the molecular mechanisms that allow severed nerves in roundworms to fuse back together.

His fundamental research will now be built upon to transfer this knowledge to mammalian neurons. By delivering molecules that act as a glue to enable nerve healing, they hope to produce an environment that is much more conducive for nerve regeneration. In the long term, Dr Hilliard's discovery is expected to lead to improved clinical outcomes for patients with nerve injuries, including those with spinal cord injuries or vascular damage to healthy neurons.

ABOVE: Associate Professor Massimo Hilliard in his laboratory. His research is relevant to Health outcomes. (Photo courtesy of Darius Koreis and Nick Valmas)



Dr Joelle Gergis; The University of Melbourne

Schemes: Discovery Early Career Researcher Award, Linkage Projects

Generating benefits for Australia— Looking back to predict future climate patterns

Official climate records in Australia commenced in 1908. So, until now, natural weather occurrences during Australia's early settlement period had been missing from our nation's climate history. However, a world-first interdisciplinary research project—spanning the sciences and the humanities—brought together a team of leading climate scientists, water managers and historians to uncover historical weather records for south-eastern Australia dating as far back as 1788.

Dr Linden Ashcroft, Dr Joelle Gergis and Professor David Karoly have used historical records, including First Fleet logbooks, farm records, newspapers and government gazettes, to reconstruct the weather experienced by settlers from 1788 to 1859. In their paper, published during 2014 in the *Geoscience Data Journal*, they reveal over 70 years of additional natural climate patterns and identify prolonged dry and wet periods as well as anomalously cold periods, including the first snowfall recorded in Sydney since European settlement in 1836.

The study was part of an ARC-supported Linkage project—South-Eastern Australia Recent Climate History (SEARCH)—led by Dr Gergis, an ARC Discovery Early Career Researcher Award recipient at The University of Melbourne. The results provide a broader historical context in which to understand Australia's natural climate variability, providing Australia's water managers with crucial information for managing future water security and more complete data to inform climate modelling studies.

Dr Gergis and her SEARCH team won the 2014 *University of New South Wales Eureka Prize for Excellence in Interdisciplinary Scientific Research* for their success in mapping a thousand years of Australia's climate history.

ABOVE: Dr Joelle Gergis with William Dawes' original weather journal. Her research is relevant to **Environmental outcomes**.

Generating benefits for Australia—Low-cost, super-efficient offshore wind turbines



Dr Shahriar Hossain; University of Wollongong

Scheme: Discovery Early Career Researcher Award



A conventional offshore wind turbine currently costs around \$15 million to build. They are also extremely heavy and difficult to ship to their final location and require extensive maintenance due to a complicated gearbox. However, each offshore wind turbine can harness energy to power over 3000 households.

A team at the Institute for Superconducting and Electronic Materials at the University of Wollongong has developed a new super-conductor turbine which could significantly improve current turbines. Their design replaces the existing turbine gearbox with a magnesium diboride superconducting coil. This innovation is expected to significantly improve the efficiency of turbines to capture wind energy and convert it into electricity, as well as reduce the size and weight of turbines by 40 per cent and lower manufacturing and maintenance costs by up to two thirds. Unlike conventional copper wire, where 7 to 10 per cent of energy in an electric current is lost due to resistance, a superconducting material like magnesium diboride can conduct electricity with no resistance and therefore no loss of energy. Magnesium diboride is also cheap and easy to manufacture, with the estimated cost for the new super-conductor turbines to cost around \$3–5 million per turbine.

The team includes Dr Shahriar Hossain, from the University of Wollongong, who received a Discovery Early Career Researcher Award in 2013.

ABOVE: Dr Shahriar Hossain from the University of Wollongong. His research is relevant to Industry outcomes. (Photo courtesy of Paul Jones)



Adjunct Professor Suzanne Franzway; University of South Australia

Scheme: Discovery Projects

Generating benefits for Australia— Impact of domestic violence

In 2013 the ARC-funded a three-year study by researchers at the University of South Australia and Curtin University under the Discovery Projects scheme to investigate the impact of domestic violence on mental health, housing and employment.

The research team, led by Adjunct Professor Suzanne Franzway from the University of South Australia, surveyed 658 women from across Australia who had experienced domestic violence. They found that the majority of women reported that they did not regain the levels of mental health, the quality of housing or the employment status, which they had achieved before their experiences of domestic violence.

Domestic violence was experienced for a range of one-to-seven years with an average time of 3.25 years. The majority (79 per cent) of the women surveyed had children and almost half were forced to live in temporary dwellings immediately after leaving a violent relationship. Just over 42 per cent reported having to make a significant move because of domestic violence. During domestic violence 50.8 per cent owned their home, however, after leaving domestic violence only 13.4 per cent owned their home.

“Many women indicated that domestic violence had made it difficult for them to keep a job and 30 per cent of women could not continue in their place of employment because of safety reasons” Professor Franzway said. The results of this research are informing housing, health, employment and domestic violence systems and services in Australia.

Generating benefits for Australia—Changing the understanding of the origins of art



Dr Maxime Aubert and Dr Adam Brumm; Griffith University

Scheme: Discovery Early Career Researcher Award

Ground breaking research conducted by Dr Maxime Aubert and Dr Adam Brumm from Griffith University has been included in the journal *Science*'s 'top ten scientific achievements of 2014' for revolutionising current thinking on symbolic art and human evolution.

Supported by the Discovery Early Career Researcher Award scheme, Drs Aubert and Brumm have discovered that paintings of hands and animals from limestone caves in southern Sulawesi are

contemporaneous with, or even older, than the earliest European cave art. This discovery has challenged current theories of Europe as the birthplace of modern human creative expression and enhanced understanding of a key stage of development of the human mind.

The researchers examined 12 images of hands and two figurative animals using a technique, known as U-series dating, which uses uranium decay to date small stalactite-like growths called 'cave popcorn' which had formed a crust over the art. The minimum dates produced ranged from 39 900 to 17 400 years ago and make the art up to four times older than originally thought. These results make the hand images the oldest known stencilled outlines of human hands in the world, while the painting of a babirusa, a pig deer, is comparable or even older than the earliest figurative cave paintings from France. These findings dispute the long held view that Western Europe was the centre for a creative explosion in the development of human artistic expression. Rather it suggests that the ability to create representational art had its origins further back in human history in Africa, before modern humans spread out across the rest of the world or even that it evolved independently in the region.

ABOVE LEFT: Fellow Dr Adam Brumm from Griffith University. [Photo courtesy of D. McGahan]. His research is relevant to Safeguarding Australia outcomes, specifically understanding our region and the world.

ABOVE RIGHT: Hand stencils and modified outlines of human hands from a cave site in the Maros karsts of Sulawesi, Indonesia. [Photo courtesy of Y. Perston]





Professor Richard Arculus;
The Australian National University
Scheme: Linkage Infrastructure,
 Equipment and Facilities

Generating benefits for Australia—Investigating the depths of the ocean

Scientific drilling of the ocean floor is one of the Earth Sciences' longest running and most successful international collaborations. The International Ocean Discovery Program (IODP) was built on the scientific success and international partnerships associated with previous international drilling programmes and now has an annual operating budget of \$180 million funded by 26 member countries. The ARC has supported Australian membership in the programme under the Linkage Infrastructure, Equipment and Facilities scheme since 2001 (the first year of ARC funding).

Australia, forming a consortium with New Zealand, has been very successful in attracting drilling expeditions in our region. In 2014, eight Australian scientists took part in six IODP expeditions.

Professor Richard Arculus from The Australian National University has been instrumental in attracting expeditions, writing scientific proposals that led to three expeditions in the region and was invited to be co-chief scientist on one of them. The expedition investigated the origins of the Izu-Bonin-Mariana volcanic arc, which is of particular interest in establishing how continental crusts are formed and subduction zones are initiated.

ABOVE: Professor Richard Arculus from The Australian National University sorting samples collected on an IODP expedition. His research is relevant to Environmental outcomes.

Ongoing collaboration— university-industry success story



Dr Mainak Majumder;
Monash University
Scheme: Linkage Projects

Strategic Energy Resources Ltd is a publicly owned company and the major shareholder in the only graphite producing mine in Australia, which makes it an ideal partner for the Monash research team led by Associate Professor Mainak Majumder. Dr Majumder and his team are investigating the uses of graphite derived graphene including outcomes for medicine, energy generation and storage, and environmental decontamination.

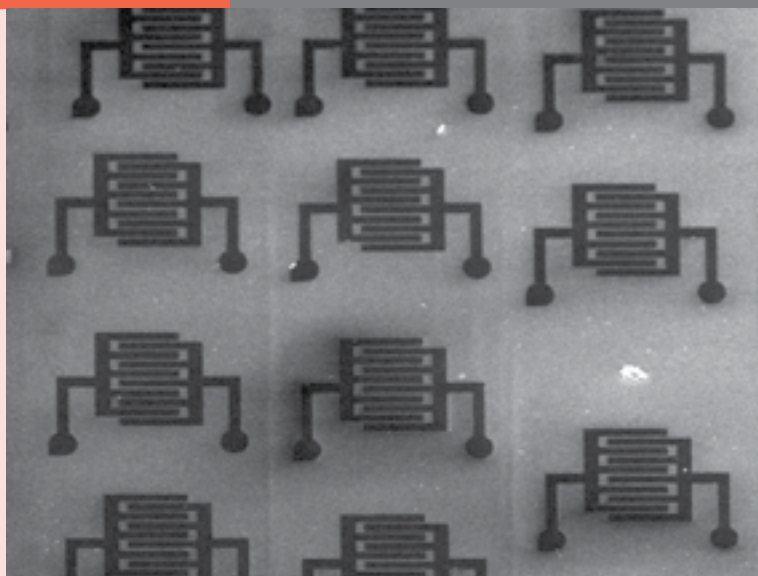
Graphene is one of the strongest materials known to man. A

two-dimensional sheet of carbon one atom thick, graphene's honeycomb structure makes it 100 times stronger than steel, as well as highly conductive and flexible. Last year the team discovered that graphene oxide sheets can change structure to become liquid crystal droplets spontaneously, without any specialist equipment. This opens up possibilities for its use in drug delivery and disease detection.

The team is also working on supercapacitor miniaturisation, predominantly used in consumer electronics, but with increasing applications in transport, construction, medicine, food and defence. Supercapacitors enable electronic devices to hold much more energy in the same or lesser volume, deliver higher peak power and can be recharged in minutes.

Monash University and Strategic Energy Resources Ltd have a five year research collaboration partnership supported by two ARC Linkage Projects grants awarded in 2011 and 2014. The partnership is going so well that it is expected that Ionic Industries will demerge from Strategic Energy Resources Ltd to form a new company, Ionic Industries, and a new pilot plant facility for production of graphene will be established.

ABOVE: Microsupercapacitors. This research is relevant to Industry outcomes. [Image courtesy of Derrek Lobo et al]





Professor Bill Heath; ARC Centre
of Excellence for Advanced
Molecular Imaging
Scheme: ARC Centres of Excellence

Generating benefits for Australia—Taking advantage of disease to study immunity

If you ask Professor Bill Heath what he does, he'll tell you he works on infectious diseases, particularly malaria and Herpes simplex, the virus that causes cold sores. But that's only half the answer. Professor Heath, a former ARC Federation Fellow, is actually an immunologist, who uses these infectious diseases to study how the immune system functions.

With the support of ARC Discovery Projects and Linkage, Infrastructure, Equipment and Facilities funding, Professor Heath's research group at The University of Melbourne, working closely with long-term collaborator Professor Frank Carbone and his team, have been involved in changing the view of how the immune system's foot soldiers, the T cells, 'remember' an infection—so they can fight it more efficiently if it recurs. Professor Heath is also a chief investigator involved in the ARC Centre of Excellence for Advanced Molecular Imaging, so has access to technology and collaborators which allow him to probe the interactions of the major players of the adaptive immune system and directly see what happens.

It used to be thought that all memory T cells circulated around the body to be on hand if the same microorganism attempted to reinvade. Professor Heath's group has found that a previously unrecognised group of 'memory' T cells remains at the site of the original infection or can be localised within specific organs. These resident memory T cells are located at the coal-face where reinfections are likely to occur and are able to mount a stronger response when it happens.

One practical outcome of this research could be the development of more effective vaccines. Vaccines work by prodding the immune system to generate these memory T cells, typically by initiating an easily overcome infection—if a vaccine was able to target development of resident memory T cells it would be more effective.

Generating benefits for Australia—Revolutionising Australia's sewer systems



Professor Zhiguo Yuan, Professor Jurg Keller; The University of Queensland

Scheme: Linkage Projects

Australia's sewer infrastructure is worth more than \$35 billion, but sewer corrosion and odour emissions cost Australian water utility companies hundreds of millions of dollars a year. In collaboration with eleven industry partners (who collectively provide wastewater services to around two-thirds of Australians), Professor Zhiguo Yuan and his team from The University of Queensland and four other Australian universities have been developing sustainable solutions to support the cost-effective management of complex sewer corrosion and odour problems.



The project team developed a tool called 'Sewex'. Using sophisticated mathematical modelling, Sewex can pinpoint corrosion or odour 'hotspots' in sewer infrastructure, determine the service life of sewers, and optimise mitigation strategies. This gives utilities the ability to tackle potential problems before they become catastrophic failures. The impact of their research on the water industry has been recognised worldwide, including, most recently, by the International Water Association which awarded their project the 2014 Global Project Innovation Award (Applied Research).

The team is now working on 'Cloevis', a patented mix of chemicals that kills bacteria associated with both odour and corrosion. Using Sewex modelling, the chemicals can be delivered to targeted areas where it is most needed, further substantially reducing sewer maintenance costs and lessening environmental impact.

Collaborators include The University of New South Wales, The University of Newcastle, The University of Sydney, Curtin University of Technology, Barwon Region Water Corporation, CH2MHILL, City of Gold Coast, Hunter Water Corporation, Melbourne Water Corporation, South Australian Water Corporation, Sydney Water Corporation, South East Water Limited, Veolia Water Australia and New Zealand, Water Research Australia Limited, and Western Australia Water Corporation.

ABOVE: Dr Barry Cayford worked on the project. This research is relevant to Environmental outcomes.



Scientia Professor Dennis
Del Favero; The University
of New South Wales
Scheme: Linkage Projects

Generating benefits for Australia— **iLetter: digital communication and the war experience**

A major collaboration between researchers from The University of New South Wales (UNSW) and ABC Radio has resulted in an innovative digital archive which captures the personal experiences of Australian Defence Force veterans. The archive explores the impact of the war in Afghanistan on defence personnel and their families to create a unique portrayal of how war is experienced in the era of digital communication.

The *Retrospect: War, Family, Afghanistan* website examines the impacts of the war in Afghanistan, and is part of a larger collaborative project, *iLetter*, led by Scientia Professor Dennis Del Favero. The project explores new digital forms of war memorial and new ways of incorporating the experiences of veterans and their families into the national story of war at a time when the ‘conventional letter home’ has been replaced by interactive forms of digital communication.

With defence personnel no longer producing the letters and diaries that documented the experiences of the conflicts of earlier generations, *iLetter* is creating a major interactive and immersive war archive which collates the next generation of ‘oral history’ for conflicts in the 21st century. These interactive databases will be accessible by both specialist researchers and the veteran community, which will be an invaluable resource for historians in the future and will increase public understanding of the veteran experience.

The project has a dedicated website and series of six radio documentaries broadcast on ABC Radio, a partner organisation on the project. There is also an interactive cinema exhibition set to be launched on Armistice Day 2015 at UNSW’s iCinema that will allow access to a huge digital database of veteran and family memories which can be collated using artificial intelligence in the 360 degree three-dimensional cinema.

ABOVE: Captain Andrew Wegener (Liaison Officer, Provincial Reconstruction Team) on deployment in Afghanistan. (Photo courtesy of Andrew Wegener)



Using ERA results

In 2014–15 ERA data and results were used to inform policy advice across government, as well as the strategic research agendas of higher education institutions.

During the period, ERA data and results were used to inform policy advice across government and more broadly, including:

- Research Engagement for Australia: Measuring Research Engagement between Universities and End Users, by the Academy of Technological Sciences and Engineering (ATSE)
- mapping Australia's Science and Research Priorities (Department of Industry and Science)
- development of the Defence Trade Controls Act (Department of Defence).

ATSE project

This project explored options for developing metrics to measure Australian universities' research engagement with private and public sector partners.

The report focussed on developing metrics from existing data collections of Australian university research that could serve as indicators for research engagement, knowledge transfer and/or collaboration. The key and simplifying principle used in the report was to use external dollars attracted to support research from industry and other end users, as a direct measure of research engagement. Using existing data that is submitted by universities to the ARC for inclusion in ERA, three metrics were developed: a metric for 'Engagement per Full Time Equivalent (FTE)', a metric demonstrating the 'Share of National Engagement Activity' and a metric of 'Engagement Intensiveness'. These three metrics are derived by using income that is earned by university researchers for research done in collaboration with and/or for public and private sector partners.

Using the Australia and New Zealand Standard Research Classification Field of Research (FoR) codes, each metric was applied to two-digit research disciplines (e.g. Mathematical Sciences – FoR 01) for each Australian university, using de-identified data provided by the ARC.



Research Integrity and Misconduct

The ARC expects the highest standards of integrity in all aspects of research it funds. Research must be conducted according to appropriate ethical, legal and professional frameworks, obligations and standards in a research environment underpinned by a culture of integrity. Instances of research misconduct have the potential to undermine public confidence in ARC processes, funding recommendations, research outcomes and the value of publicly funded research.

Under the *Australian Code for the Responsible Conduct of Research*, institutions are responsible for the investigation of allegations of breaches of the code and research misconduct.

To strengthen its ability to monitor and, where appropriate, take action on research integrity and research misconduct matters related to ARC-funded researchers, in 2014–15 the ARC released a revised *Research Integrity and Research Misconduct Policy*. Previously, research misconduct procedures were embedded in the ARC Complaints Handling Policy and Procedures.

The *ARC Research Integrity and Research Misconduct Policy* provides guidance to institutions on reporting requirements, outlining what information should be provided to the ARC and when it should be provided; as well as to report allegations of research integrity breaches or research misconduct to the ARC. The policy also outlines the circumstances in which sanctions—for example, ceasing funding or the progression of ARC grant proposals—can be considered by the ARC.

ARC funding agreements made after the release of this policy will include clauses to reflect the new requirements. The policy is published on the ARC website.



Conflict of Interest

In order to maintain and promote public confidence in the ARC's processes the ARC released a revised *Conflict of Interest and Confidentiality Policy* in December 2014.

The revised policy aims to ensure that conflicts of interest are identified, disclosed and managed in a transparent and rigorous way. The policy applies to individuals involved in ARC business including, but not limited to, committee members, reviewers, researchers, ARC employees and contractors.

The policy's content enables streamlined and effective communication of the ARC's management of conflict of interest across the agency. In acknowledging the differences between ARC business areas, the policy is underpinned by standard operating procedures for Corporate Services; ICT Services; Programmes; Research Excellence; and Strategy branches. These procedures outline the responsibilities and processes specific to each area, in order to ensure compliance with the policy across all areas of the agency's business.

A review of the *Conflict of Interest and Confidentiality Policy* will be undertaken in 2016.



Gender equity

In 2014–15 the ARC continued to contribute to public policy formulation in regard to gender equity for women in research.

Representatives of the ARC attended national forums including, the Science in Australia Gender Equality Forum and the National Health and Medical Research Council Women in Health Sciences Workshop.

Substantial progress was made towards the development of an ARC Women in Research Statement and Gender Equality Action Plan which details the mechanisms the ARC has in place as well as actions planned for the coming year.

A key policy change was introduced into the Discovery Early Career Researcher Award (DECRA) scheme funding rules (for funding commencing in 2016). Specifically the window of eligibility for DECRA candidates was adjusted to recognise caring responsibilities and their impact on a researcher's career. The new provisions allow researchers with career interruptions due to caring for dependent children, to extend their eligibility by up to two years for a dependent child and up to a maximum of four years for two or more dependent children.

Additionally the ARC Centres of Excellence scheme introduced a requirement in the most recent funding round (for funding commencing in 2017) for the development of a centre-specific equity plan to position the centre as a flexible and family friendly work environment.



CHAPTER 4

PROGRAMME 1.1

DISCOVERY

Professor Shari Forbes, an ARC Future Fellow at the University of Technology Sydney, is investigating the decomposition process in the local Sydney environment. (Photo courtesy of Shari Forbes)

DESCRIPTION

Overview

The Discovery programme supports the growth of Australia's research and innovation capacity by supporting research and research training, which generates new knowledge, technologies, products and ideas, the creation of jobs, economic growth and an enhanced quality of life in Australia.

It aims to deliver outcomes of benefit to Australia and build Australia's research capacity through support for:

- excellent, internationally competitive research by individuals and teams
- research training and career opportunities for the best Australian and international researchers
- international collaboration
- research in priority areas.

Discovery performance data, unless otherwise indicated, relates to funding commencing in the 2014–15 financial year (regardless of the date of announcement). Further information about Discovery schemes, grant statistics and additional performance data is provided in Part 5, Appendix 2.

2014–15 highlights

Performance

During the year the ARC:

- awarded 150 Future Fellowships commencing in 2014. The Future Fellowships scheme was subsequently identified as an ongoing programme
- awarded 16 Australian Laureate Fellowships, including one Kathleen Fitzpatrick and two Georgina Sweet Laureate Fellowships.

Operating context

During the year:

- the Australian Government announced a new set of Science and Research Priorities (on 26 May 2015). In this report, the ARC's performance in supporting Discovery research in areas of priority (Measure 10) is measured against the previous Strategic Research Priorities which were in place for the majority of the 2014–15 reporting period. Further information on the priorities is provided in the Glossary.

SUMMARY OF PERFORMANCE

2014–15 performance is summarised in Table 4.1.

Table 4.1: Discovery, performance summary

| Elements of performance | Performance | Page |
|--|---|-------|
| Deliverables | | |
| Provision of grants | | |
| Number of applications | 6035 | 44 |
| Number of new grants | 1041 | 44 |
| Total value of new grants | \$482 075 544 | 44 |
| Number of researchers supported | 2261 | 46 |
| Management of grants | | |
| Number of new and ongoing grants | 4864 | 46 |
| Total value of new and ongoing grants | \$534 758 792 | 46 |
| Policy advice | | |
| Strategic policy advice on research and research training | Achieved | 46 |
| Key performance indicators | | |
| Outcomes of benefit to Australia | 2/2 targets met | 47 |
| Building Australia's research capacity—knowledge generation | 1/1 target not measured | 48 |
| Building Australia's research capacity—research training and careers | 3/4 targets met 1/4 targets to be identified | 49–50 |
| Building Australia's research capacity—international collaboration | 1/1 target met | 51 |
| Building Australia's research capacity—research in areas of priority | 1/2 targets met | 52–53 |

The performance framework identified in the 2014–15 Portfolio Budget Statements incorporates a number of changes from the framework used in 2013–14:

- the deliverables were expanded to include management of grants in addition to provision of grants
- one performance measure was added under the Key Performance Indicator (KPI) 'Outcomes of benefit to Australia'—Proportion of completed Discovery research projects that report their objectives were met
- one performance measure was removed from the KPI 'Building Australia's research capacity: research training and careers'—Evidence of impact of research conducted by ARC-funded fellows.

DELIVERABLES

2014–15 deliverables are summarised in Table 4.2. Discovery schemes providing funding (new and/or ongoing) in 2014–15 were:

- Australian Laureate Fellowships
- Discovery Early Career Researcher Award
- Discovery Indigenous
- Discovery Projects
- Future Fellowships.

Table 4.2: Discovery, deliverables

| Deliverable | Result |
|--|--|
| Provision of grants | |
| Number of applications | 2014–15: 6035 2013–14: 6374 2012–13: 5449 |
| Number of new grants | 2014–15: 1041 2013–14: 1131 2012–13: 1168 |
| Total value of new grants | 2014–15: \$482 075 544 2013–14: \$538 033 432 2012–13: \$528 838 000 |
| Number of researchers supported (investigators named in new grants) | 2014–15: 2261 2013–14: 2294 2012–13: 2283 |
| Management of grants | |
| Number of new and ongoing grants | 2014–15: 4864 2013–14: 5029 2012–13: 5052 |
| Total value of new and ongoing grants | 2014–15: \$534 758 792 2013–14: \$556 665 486 2012–13: \$544 101 000 |
| Policy advice | |
| Strategic policy advice on research and research training | 2014–15: Achieved 2013–14: Achieved 2012–13: Achieved |

Provision of grants

Through the Discovery programme, the ARC delivers funding for individual research projects and research fellowships and awards. Funding is awarded to administering organisations on the basis of competitive peer review processes involving Australian and international experts.

Number of applications

The ARC considered 6035 Discovery proposals for funding commencing in 2014–15 comprising:

- 90 proposals under the Australian Laureate fellowships scheme
- 1394 proposals under the Discovery Early Career Researcher Award scheme
- 32 proposals under the Discovery Indigenous scheme
- 3689 proposals under the Discovery Projects scheme
- 830 proposals under the Future Fellowships scheme.

The total was less than the figure recorded in 2013–14, primarily due to a drop in the number of proposals received under the Future Fellowships scheme (down from 1234 in 2013–14). More applications were received in 2013–14 because it was then expected to be the final selection round under the scheme. The establishment of the Future Fellowships scheme as an ongoing scheme was announced in the 2014–15 budget.

Number of new grants (Figure 4.1)

The ARC awarded 1041 new Discovery grants for funding commencing in 2014–15 comprising:

- 16 Australian Laureate Fellowships
- 200 Discovery Early Career Researcher Awards
- 10 Discovery Indigenous grants
- 665 Discovery Projects grants
- 150 Future Fellowships.

The total number of new grants awarded was slightly below previous years reflecting a drop in the number of grants awarded under the Discovery Projects scheme (down from 703 in 2013–14) and Future Fellowships scheme (down from 201 in 2013–14).

Total value of new grants (Figure 4.2)

Total funding of \$482.1 million was awarded by the ARC to 1041 new Discovery grants commencing in 2014–15. The total funding awarded comprised:

- \$42.2 million over five years for the Australian Laureate Fellowships scheme
- \$70.6 million over three years for the Discovery Early Career Researcher Award scheme
- \$4.4 million over three years for the Discovery Indigenous scheme
- \$250.0 million over five years for the Discovery Projects scheme
- \$114.9 million over four years for the Future Fellowships scheme.

The total amount of funding awarded is slightly less than previous years for the reasons outlined under 'Number of new grants' above.

Figure 4.1: Discovery programme, number of new grants funded by scheme, 2012–13 to 2014–15

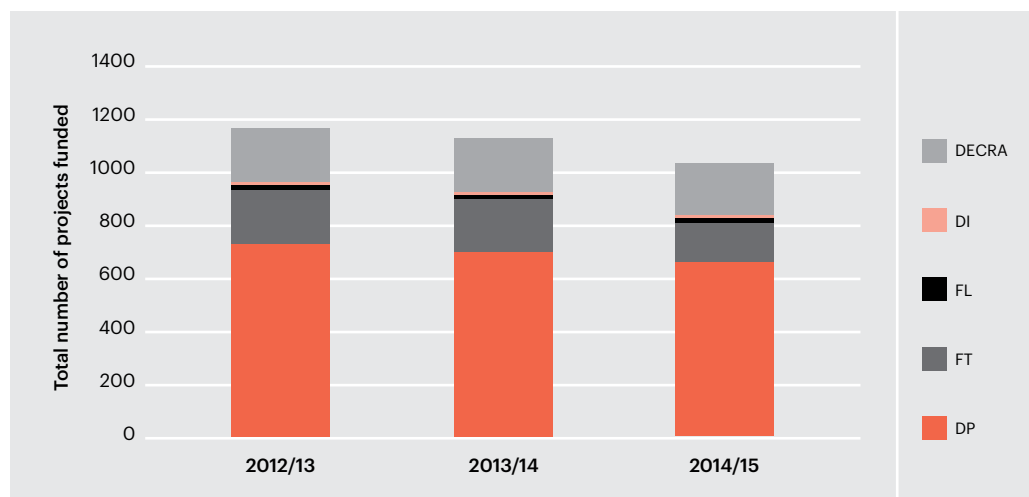
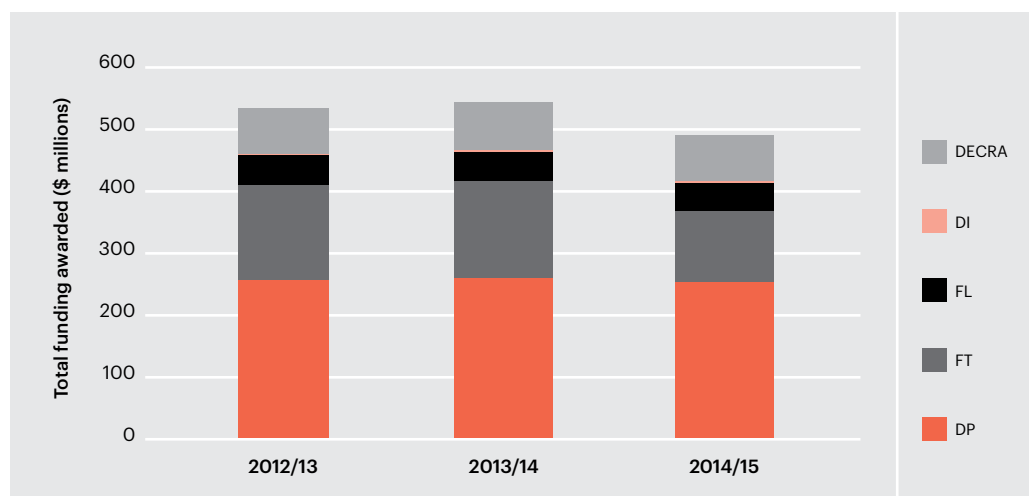


Figure 4.2: Discovery programme, total value of new grants, 2012–13 to 2014–15



Schemes: DECRA (Discovery Early Career Researcher Award) DI (Discovery Indigenous), DP (Discovery Projects), FL (Australian Laureate Fellowships), FT (Future Fellowships)

Number of researchers supported (investigators named in new grants)

A total of 2261 named researchers were supported on new grants awarded funding commencing in 2014–15, comprising recipients of individual fellowships and awards, chief investigators and partner investigators. The number of named investigators has remained relatively constant in recent years. Note that the figures in Table 4.2 for 2012–13 and 2013–14 are different to those provided in previous years due to a change in calculation method. In this year's calculation, named researchers have only been counted once.

Management of grants

In addition to administering the peer review processes which support the award of Discovery programme grants, the ARC also administers the grants once awarded—making payments in relation to agreed schedules and managing accountability mechanisms, for example, receipt of progress, end-of-year and final reports.

Number of new and ongoing grants

In 2014–15 the ARC administered 4864 new and ongoing Discovery grants.

Total value of new and ongoing grants

The total value of funding awarded to new and ongoing grants in 2014–15 was \$534 758 792. All grant payments were made to administering organisations.

Policy advice relating to research and research training

In 2014–15 the ARC provided policy advice on a range of research and research training matters relating to the Discovery programme. Case studies in Chapter 3 provide examples of policy activities undertaken during 2014–15.

OBJECTIVE—TO SUPPORT EXCELLENT, INTERNATIONALLY COMPETITIVE RESEARCH

Description

Through Discovery funding, the ARC aims to deliver outcomes of benefit to Australia and build Australia's research capacity through support for excellent, internationally competitive research by individuals and teams.

In 2014–15 the ARC:

- continued to administer a better practice peer review process aimed at ensuring the highest quality funding proposals receive government support. In the first half of 2015, the ARC made a series of presentations to assessors about the ARC's assessment process to improve the quality of assessments and transparency of the processes.

Performance

Key Performance Indicator 1: Outcomes of benefit to Australia

| Measure 1 | Evidence of economic, environmental, social, health and/or cultural benefits to Australia arising from Discovery research | |
|-----------------------|---|------------|
| Target ⁽¹⁾ | 2014–15: Document ten case studies demonstrating benefits arising from the research | |
| Result | 2014–15: Met | Target met |
| | 2013–14: Met | Target met |
| | 2012–13: Met | Target met |

(1) 2014–15 was the first year that a quantitative target was identified for this measure, that is, ten case studies.

During 2014–15 the ARC published a range of research case studies on its website, identified links to research outcomes reported directly by universities on its website, and monitored research outcomes reported elsewhere in the media and through final reports. Ten case studies are provided in Chapter 3 (pages 21–30).

| Measure 2 | Proportion of completed Discovery research projects that report their objectives were met ⁽¹⁾ | |
|-----------|--|------------|
| Target | Greater than 95 per cent | |
| Result | 2014–15: 98.5 per cent | Target met |

(1) A new measure in 2014–15

Data collected from final reports submitted to the ARC during 2014–15 showed that 98.5 per cent of completed Discovery research projects reported the objectives of the research project had been met. Note this measure takes into account changes to objectives required as a result of reduced funding or other post-award changes.

Key Performance Indicator 2: Building Australia's research capacity—knowledge generation

| | | |
|-----------------------------|--|------------|
| Measure 3 | Share of the outputs of Discovery research projects that are rated at world standard or above | |
| Target⁽¹⁾ | Greater than 80 per cent | |
| Result | 2014–15: Not measured | n/a |
| | 2013–14: Met | Target met |

(1) This measure was first introduced in 2013–14; a new target was set for 2014–15

This measure was not assessed in 2014–15.

In 2013–14 the ARC used the Excellence in Research for Australia (ERA) 2012 results as an indicative measure of the quality of ARC-funded research. The ERA results showed that over 95 per cent of Category 1 research income was associated with assessed units of evaluation rated at or above world standard. Category 1 research income includes all research income universities receive from Australian Competitive Grants. The funds awarded by the ARC (through both Discovery and Linkage) and the National Health and Medical Research Council form the bulk of this income. The ERA 2015 evaluation is currently underway, with outcomes expected to be released at the end of 2015. Once the outcomes have been released, the ARC will use the results as an indicative measure of the quality of ARC-funded research.

During 2014–15 the ARC continued to collect information on the outputs of ARC-funded research projects from final reports submitted to the agency. Under the Discovery programme, research projects and fellowships initially funded in 2010 produced on average 12.1 academic outputs per research project, and a total of 111 commercialisation outputs (see Table A2.3).

OBJECTIVE—TO SUPPORT RESEARCH TRAINING AND CAREER OPPORTUNITIES

Description

Under the Discovery programme, the ARC aims to deliver outcomes of benefit to Australia and build Australia's research capacity through support for research training and career opportunities for the best Australian and international researchers.

In 2014–15 the ARC:

- supported researchers at all career stages through fellowships and awards administered under the Discovery programme
- supported research training (including funding provided for up to two Postdoctoral Research Associates and two Postgraduate Researchers under the Australian Laureate Fellowships scheme)
- continued to allow research project funding to be used for the stipends of Higher Degree by Research students and postdoctoral researchers under the Discovery Projects scheme.

Further details on personnel supported by Discovery funding can be found in Part 5, Appendix 2.

Performance

Key Performance Indicator 3: Building Australia's research capacity—research training and careers

| Measure 4 | Winning of prestigious prizes and awards by Discovery researchers | |
|-----------|--|------------|
| Target | Prestigious prizes and awards are received by ARC-funded researchers | |
| Result | 2014–15: Met | Target met |
| | 2013–14: Met | Target met |
| | 2012–13: Met | Target met |

In 2014–15 ARC-funded researchers, from all career levels, were awarded prestigious national and international prizes and awards recognising their contribution. A list of examples is provided in Part 5, Appendix 4.

| Measure 5 | Proportion of Discovery researchers who are early career researchers | |
|-----------|--|------------|
| Target | Greater than 20 per cent | |
| Result | 2014–15: 21.5 per cent | Target met |
| | 2013–14: 22.3 per cent | Target met |
| | 2012–13: 21.2 per cent | Target met |

In 2014–15, 331 researchers (or 21.5 per cent) of all researchers funded under the Discovery programme were early career researchers (ECR). Of this total, 200 researchers were supported by the ARC's dedicated funding scheme for early career researchers—the Discovery Early Career Researcher Award scheme. The remaining ECRs were chief investigators within five years of completion of their PhD funded through other Discovery schemes. The proportion of ECRs under the Discovery programme has remained relatively constant in recent years, reflecting the ongoing efforts by the ARC to ensure they are not disadvantaged when competing against more established researchers in the peer review process.

| Measure 6 ⁽¹⁾ | Proportion of completed Discovery research projects that report the research supported Higher Degree by Research students | |
|---------------------------------|--|-----|
| Target | To be set after benchmarking | |
| Result | 2014–15: 79.5 per cent | n/a |

(1) A new measure in 2014–15

During 2014–15 the ARC continued to collect information from final reports about Higher Degree by Research (HDR) students supported by ARC-funded research projects. Of the Discovery programme grants initially funded in 2010 for which final report data was available, 79.5 per cent reported that they supported HDR students. Discovery Projects grants commencing in that year supported an average of 3.9 HDR students (domestic and international) per grant (see Part 5, Appendix 2, Table A2.4).

| Measure 7 | Proportion of fellowships and awards awarded to international applicants (foreign nationals and returning Australians) | |
|-----------------------------|---|------------|
| Target⁽¹⁾ | 2014–15: Greater than 20 per cent | |
| Result | 2014–15: 35.5 per cent | Target met |
| | 2013–14: 26.8 per cent | Target met |
| | 2012–13: 24.4 per cent | Target met |

(1) A new target was introduced for this measure in 2014–15.

In 2014–15 35.5 per cent of Discovery fellowships and awards were awarded to international applicants (including returning Australians and foreign nationals). This is above the target set for 2014–15 and commensurate with the number of applications received from international applicants (31.9 per cent of considered applicants).

OBJECTIVE—TO SUPPORT INTERNATIONAL COLLABORATION

Description

Under the Discovery programme, the ARC aims to deliver outcomes of benefit to Australia and build Australia's research capacity through support for international collaboration. International collaboration is identified as an input to the conduct of excellent research.

In 2014–15 the ARC:

- awarded International Collaboration Awards under the Discovery Projects scheme to increase opportunities for collaboration between researchers, research teams and/or research centres in Australia and overseas
- funded (up to a specified limit) overseas travel by chief investigators, fellows and other project personnel and by partner investigators based overseas to travel to Australia
- continued to encourage Future Fellows to develop international linkages by inviting them to identify Host Organisations for the conduct of their research.

Performance

Key Performance Indicator 4: Building Australia's research capacity—international collaboration

| Measure 8 | Proportion of Discovery research projects that involve international collaboration | |
|-----------|--|------------|
| Target | Greater than 65 per cent | |
| Result | 2014–15: 69.5 per cent | Target met |
| | 2013–14: 65.3 per cent | Target met |
| | 2012–13: 65.0 per cent | Target met |

Almost 70 per cent of the 1041 new Discovery research projects funded in 2014–15 indicated that the project would involve international collaboration, with the Australian Laureate Fellowships scheme indicating the highest level of international engagement (94 per cent). A total of 1532 instances of international collaboration with over 60 countries were anticipated. In addition, 100 proposals were awarded one or more International Collaboration Awards under the Discovery Projects scheme.

OBJECTIVE—TO SUPPORT RESEARCH IN PRIORITY AREAS

Description

The Discovery programme aims to deliver outcomes of benefit to Australia and build Australia's research capacity through support for research in identified areas of priority. When applying for funding, researchers are invited to indicate whether their research addresses an area of Government priority. In addition, under the Future Fellowships scheme proposals are encouraged in targeted priority areas.

In 2014–15:

- the ARC implemented the Australian Government's Strategic Research Priorities (SRPs) through the Discovery programme. The Priorities were: living in a changing environment; promoting population health and wellbeing; managing our food and water assets; securing Australia's place in a changing world; and lifting productivity and economic growth.
- the targeted research areas of national significance identified for the 2014 Future Fellowships selection round were: bioinformatics; computer system security; Indigenous health and wellbeing; managing innovation, renewable energy and green technology; pattern recognition and data mining; safeguarding Australia (especially electronic security, surveillance and detection); understanding culture and communities.

Performance

Key Performance Indicator 5: Building Australia's research capacity—research in areas of priority

| Measure 9 | Evidence of economic, environmental, social, health and/or cultural benefits to Australia arising from Discovery research in areas of priority | |
|-----------------------|--|------------|
| Target ⁽¹⁾ | 2014–15: Document five case studies demonstrating benefits arising from the research | |
| Result | 2014–15: Met | Target met |
| | 2013–14: Met | Target met |
| | 2012–13: Met | Target met |

(1) 2014–15 was the first year that a quantitative target for this measure was identified, that is, five case studies.

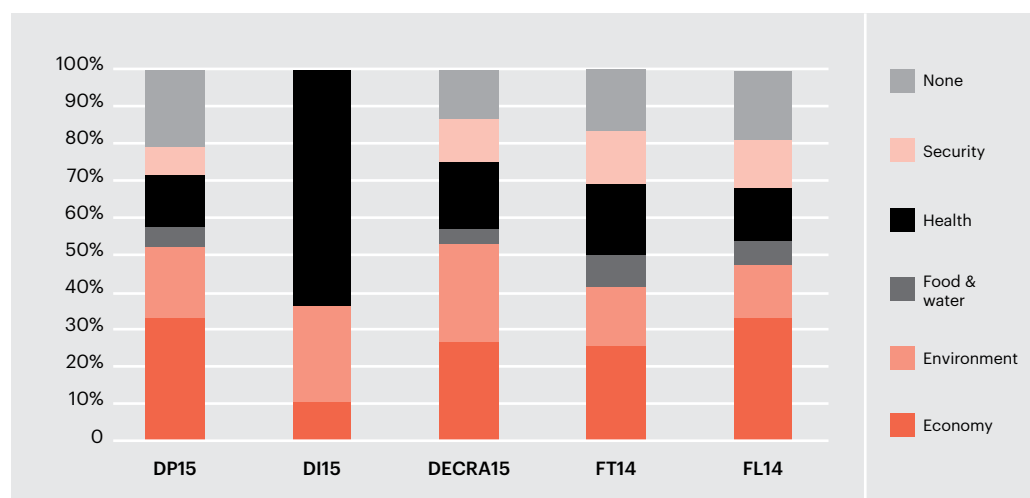
Examples of outcomes arising from ARC-funded research in priority areas are provided in the case studies in Chapter 3 (pages 21–30).

| Measure 10 | Proportion of Discovery research projects in areas of priority | |
|------------|--|----------------|
| Target | Greater than 85 per cent | |
| Result | 2014–15: 81.7 per cent | Target not met |
| | 2013–14: 91.5 per cent | Target met |
| | 2012–13: 92.0 per cent | Target met |

A total of 81.7 per cent of new Discovery research projects funded in 2014–15 indicated their project was relevant to an Australian Government SRP, with the largest proportion (35.3 per cent) addressing the SRP ‘lifting productivity and economic growth’. The relative proportions of SRPs supported by each Discovery funding scheme is illustrated in Figure 4.3 below.

The total is slightly lower than the target of 85 per cent set for 2014–15. This may be a result of a change in reporting between SRPs (which were in effect in 2014–15) and the previous set of Australian Government National Research Priorities (NRPs) (which were in effect in 2013–14). 2014–15 was the first year that all Discovery funding schemes collected data about SRPs rather than NRPs.

Figure 4.3: Discovery programme, proportion of new grants by Strategic Research Priority, 2014–15





New funding commencing in 2014–15— Australian Laureate Fellowships



The *Australian Laureate Fellowships* scheme aims to attract world-class researchers and research leaders to key positions, and create new rewards and incentives for the application of their talents in Australia. The ARC awarded 16 Australian Laureate Fellowships with funding commencing in 2014. Over the next five years the Fellows will be working to:

- develop new biomonitoring technologies which will enable the assessment of the health of Australia's marine ecosystems
- develop systems that will harness solar energy to transform carbon dioxide into sustainable fuels
- transform toxic electronic waste into value added metals and alloys
- help ensure Australia's leadership in observational cosmology and instrumentation
- transform understanding of the structure and function of the brain as a complex physical system



- unravel the molecular mechanisms of DNA replication, providing the knowledge required to understand disease mechanisms and catalysing drug development
- understand how nanoparticles interact with biological systems so that advances can be made in using nanotechnology for therapeutic applications
- develop a new paradigm in algorithm testing, creating novel test instances and tools to elicit insights into algorithm strengths and weaknesses
- generate understandings of the impact and experiences of child refugees in Australia through the twentieth century and early 21st century
- develop long-term terrestrial records of environmental change, before, during and after the arrival of humans in Australian savannas
- address the relations between religion, science and modernisation
- reveal how the visual systems of marine creatures from the Great Barrier Reef receive and interpret colour and polarisation information
- use ancient microbiomes and genomes to reconstruct human history
- controlling gene expression with synthetic RNA binding proteins
- establishing the history of Pacific archaeology as a new sub-discipline within world archaeology
- increase understanding of deliberative democratic processes and their capacity to address global challenges.

OPPOSITE PAGE: The Hon Christopher Pyne MP and ARC CEO with the 2014 Australian Laureate Fellows. (Image courtesy of Russel Millard Photography)

ABOVE: Professor Veena Sahajwalla and Professor Alan Cooper speaking at the announcement of the 2014 fellowships. (Image courtesy of Russel Millard Photography)



CHAPTER 5

PROGRAMME 1.2

LINKAGE

Dr Scott Draper, PhD student Qin Zhang, and Professor David White examine the self-burial of seabed pipelines in The University of Western Australia's large O-tube flume.
(Image courtesy of The University of Western Australia)

DESCRIPTION

Overview

The Linkage programme supports research collaboration by encouraging partnerships between university-based researchers and researchers in industry and other sectors in Australia and overseas that will generate new knowledge, technologies and innovations.

The Linkage programme aims to deliver outcomes of benefit to Australia and build Australia's research and innovation capacity through support for:

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

Linkage performance data, unless otherwise indicated, relates to funding commencing in the 2014–15 financial year (regardless of the date of announcement). Further information on the Linkage schemes, grant statistics and additional performance data is provided in Part 5, Appendix 3.

2014–15 highlights

Performance

During the year the ARC:

- conducted a selection round for the Special Research Initiative for Antarctic Gateway Partnership.
- commenced preparations for the conduct of the next ARC Centres of Excellence selection round (for funding commencing in 2017).

Operating context

During the year:

- the Australian Government announced a number of reviews aimed at strengthening opportunities for industry to engage with universities in research, including the Boosting the Commercial Returns of Research strategy (May 2015).
- the Australian Government announced a new set of Science and Research Priorities (on 26 May 2015). In this report, the ARC's performance in supporting Linkage research in areas of priority (Measure 13) is measured against the previous Strategic Research Priorities which were in place for the majority of the 2014–15 reporting period. Further information on the priorities is provided in the Glossary.

SUMMARY OF PERFORMANCE

2014–15 performance is summarised in Table 5.1.

Table 5.1: Linkage, performance summary

| Element of performance | Performance | Page |
|--|---|-------|
| Deliverables | | |
| Provision of grants | | |
| Number of applications | 891 | 60 |
| Number of new grants | 327 | 60 |
| Total value of new grants | \$180 727 850 | 60 |
| Number of researchers supported | 2200 | 62 |
| Management of grants | | |
| Number of new and ongoing grants | 1048 | 62 |
| Total value of new and ongoing grants | \$274 997 689 | 62 |
| Policy advice | | |
| Strategic policy advice on research partnerships | Achieved | 62 |
| Key performance indicators | | |
| Outcomes of benefit to Australia | 2/2 targets met | 63 |
| Building Australia's research capacity—knowledge generation | 1/1 target not measured | 64 |
| Building Australia's research capacity—collaboration | 4/5 targets met or partially met 1/5 targets to be benchmarked | 64–67 |
| Building Australia's research capacity—research training and careers | 2/3 targets met 1/3 targets to be benchmarked | 68–69 |
| Building Australia's research capacity—research in areas of priority | 2/2 targets met | 70–75 |

This summary reflects the framework identified in the 2014–15 Portfolio Budget Statements (PBS) which incorporates a number of changes from that used in 2013–14. In particular:

- deliverables were expanded to include management of grants in addition to the provision of grants
- three performance measures were added (Proportion of completed Linkage research projects that report their objectives were met; Proportion of Linkage funding allocated to research projects that involve collaboration with industry; Proportion of completed Linkage research projects that report the research supported higher degree by research students).

DELIVERABLES

2014–15 deliverables are summarised in Table 5.2. Linkage schemes providing funding (new and/or ongoing) in 2014–15 were:

- ARC Centres of Excellence
- co-funded research centres
- Industrial Transformation Research Hubs
- Industrial Transformation Training Centres
- Linkage Infrastructure, Equipment and Facilities
- Linkage Learned Academies Special Projects
- Linkage Projects
- Special Research Initiatives.

Table 5.2: Linkage, deliverables

| Deliverable | Result |
|--|---|
| Provision of grants | |
| Number of applications | 2014–15: 891 2013–14: 996 2012–13: 702 |
| Number of new grants | 2014–15: 327 2013–14: 402 2012–13: 267 |
| Total value of new grants | 2014–15: \$180 727 850 2013–14: \$546 911 900 ⁽¹⁾ 2012–13: \$130 428 000 |
| Number of researchers supported (investigators named in new grants) | 2014–15: 2200 2013–14: 2851 2012–13: 1576 |
| Management of grants | |
| Number of new and ongoing grants | 2014–15: 1048 2013–14: 1194 2012–13: 1303 |
| Total value of new and ongoing grants | 2014–15: \$274 997 689 2013–14: \$232 170 656 2012–13: \$230 189 500 |
| Policy advice | |
| Strategic policy advice on research partnerships | 2014–15: Achieved 2013–14: Achieved 2012–13: Achieved |

(1) Includes ARC Centres of Excellence commencing in 2014

Provision of grants

Through the Linkage schemes, the ARC delivers funding for individual research projects, infrastructure, hubs and centres. Funding is awarded to administering organisations on the basis of competitive peer review processes involving Australian and international experts.

Number of applications

The ARC considered 891 proposals for funding under Linkage schemes in 2014–15 comprising:

- 15 proposals under the Industrial Transformation Research Hubs scheme
- 17 proposals under the Industrial Transformation Training Centres scheme
- 159 proposals under the Linkage Infrastructure, Equipment and Facilities scheme
- 699 proposals under the Linkage Projects scheme
- one proposal under the Special Research Initiatives scheme.

This is less than the number considered in 2013–14 because a selection round for ARC Centres of Excellence was not conducted during 2014–15. Selection rounds for Centres are generally conducted every three years.

Number of new grants (Figure 5.1)

The ARC awarded 327 new Linkage grants for funding commencing in 2014–15 comprising:

- four Industrial Transformation Research Hubs
- five Industrial Transformation Training Centres
- 66 Linkage Infrastructure, Equipment and Facilities grants
- 251 Linkage Projects grants
- one initiative under the Special Research Initiatives scheme.

The total number of new Linkage grants awarded in 2014–15 was lower than the previous year, due mainly to the lower number of research projects awarded under the Linkage Projects scheme (down from 306 in 2013–14).

Total value of new grants (Figure 5.2)

The ARC awarded \$180.7 million in total funding for 327 new Linkage grants in 2014–15. The funding awarded comprised:

- \$18.7 million over five years for the Industrial Transformation Research Hubs scheme
- \$20.9 million over four years for the Industrial Transformation Training Centres scheme
- \$29.0 million for the Linkage Infrastructure, Equipment and Facilities scheme (predominantly one year grants)
- \$88.2 million over three years for the Linkage Projects scheme
- \$24.0 million over four years for the Special Research Initiatives scheme.

The total value of funding awarded under Linkage schemes was significantly lower than the previous year because a selection round for the ARC Centres of Excellence scheme was not conducted in 2014–15.

Figure 5.1: Linkage programme, number of new grants funded by scheme, 2012–13 to 2014–15

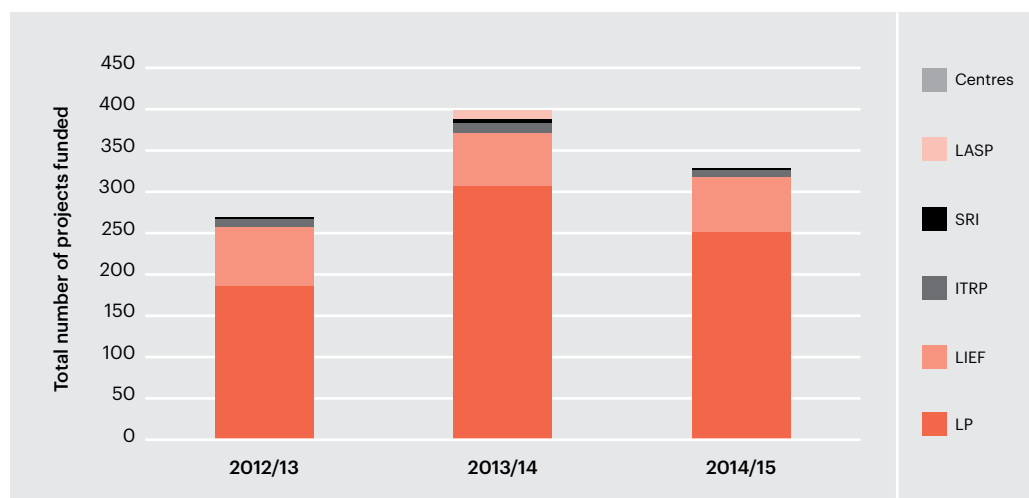
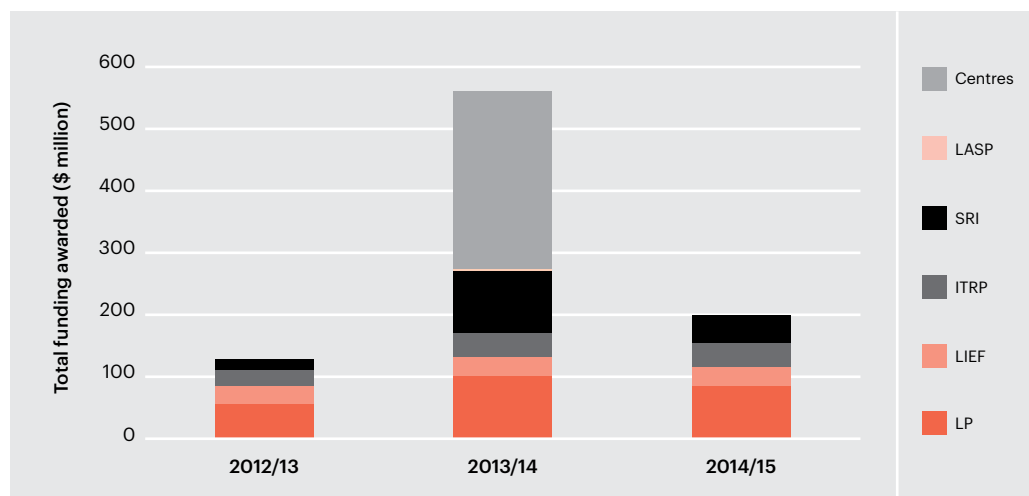


Figure 5.2: Linkage programme, total value of new grants funded by scheme, 2012–13 to 2014–15



Schemes: Centres (ARC Centres of Excellence); ITRP (Industrial Transformation Research Programme (which includes Industrial Transformation Research Hubs and Industrial Transformation Training Centres)); LASP (Linkage Learned Academies Special Projects); LIEF (Linkage Infrastructure, Equipment and Facilities); LP (Linkage Projects); SRIs (Special Research Initiatives)

Number of researchers supported (investigators named in new grants)

In 2014–15, the ARC supported 2200 investigators through new projects awarded funding under the Linkage programme comprising chief investigators and partner investigators. As with the Discovery programme, the number of named investigators has remained relatively constant in recent years. Note that the figures in Table 5.2 for 2012–13 and 2013–14 are different to those provided in previous years due to a change in calculation method. In this year's calculation, named researchers have only been counted once, although they may be participating on more than one grant.

Management of grants

In addition to administering the peer review processes which support the award of Linkage programme grants, the ARC also administers the grants once awarded—making payments in relation to agreed schedules and managing accountability mechanisms, for example, receipt of progress, end-of-year and final reports.

Number of new and ongoing grants

The ARC administered 1048 new and ongoing Linkage grants in 2014–15.

Total value of new and ongoing grants

The total amount of funding the ARC provided to new and ongoing Linkage grants in 2014–15 was \$274 997 689. All grant payments were made to administering organisations.

Policy advice relating to research partnerships

In 2014–15 the ARC provided policy advice on a range of research partnership matters relating to the Linkage schemes. This included analysis of the number and types of partner organisations participating in the Linkage programme funding schemes.

OBJECTIVE—TO SUPPORT EXCELLENT COLLABORATIVE RESEARCH

Description

The Linkage programme aims to deliver outcomes of benefit to Australia and build Australia's research and innovation capacity through support for collaborative research between university-based researchers and researchers in other sectors.

In 2014–15 the ARC:

- continued to administer a better practice peer review process aimed at ensuring the highest quality funding proposals receive government support.

Performance

Key Performance Indicator 1: Outcomes arising from ARC-supported research are of a high-quality and produce national benefits

| Measure 1 | Evidence of economic, environmental, social, health and/or cultural benefits to Australia arising from Linkage research | |
|-----------------------|---|------------|
| Target ⁽¹⁾ | Document five case studies demonstrating benefits arising from the research | |
| Result | 2014–15: Met | Target met |
| | 2013–14: Met | Target met |
| | 2012–13: Met | Target met |

(1) 2014–15 was the first year that a quantitative target was identified for this measure, that is, five case studies.

During 2014–15 the ARC published a range of research case studies on its website, identified links to research outcomes reported directly by universities on its website and monitored research outcomes reported elsewhere in the media and through final reports. Five case studies are provided in Chapter 3 (pages 31–35).

| Measure 2 ⁽¹⁾ | Proportion of completed Linkage research projects that report their objectives were met | |
|--------------------------|---|------------|
| Target | Greater than 95 per cent | |
| Result | 2014–15: 98.4 per cent | Target met |

(1) A new measure in 2014–15

Data collected from final reports submitted to the ARC during 2014–15, showed that 98.4 per cent of completed Linkage research projects reported the objectives of the research project had been met. Note that this measure takes into account changes to objectives required as a result of reduced funding or other post-award changes.

Key Performance Indicator 2: Building Australia's research capacity—knowledge generation

| Measure 3 ⁽¹⁾ | Share of the outputs of Linkage research that are rated at world standard or above | |
|--------------------------|--|-----|
| Target | Greater than 50 per cent | |
| Result | 2014–15: Not measured | n/a |

(1) A new measure in 2014–15

This measure was not assessed in 2014–15.

In 2013–14 the ARC used the Excellence in Research for Australia (ERA) 2012 results as an indicative measure of the quality of ARC-funded research. The ERA results showed that over 95 per cent of Category 1 research income was associated with assessed units of evaluation rated at or above world standard. Category 1 research income includes all research income universities receive from Australian Competitive Grants. The funds awarded by the ARC and the National Health and Medical Research Council form the bulk of this income. The ERA 2015 evaluation is currently underway, with outcomes expected to be released at the end of 2015. Once the outcomes have been released, the ARC will use the results as an indicative measure of the quality of ARC-funded research.

During 2014–15 the ARC continued to collect information on the outputs of ARC-funded research projects from final reports submitted to the agency. Under the Linkage programme, research projects initially funded in 2010 produced on average 10.0 academic outputs and a total of 61 commercialisation outputs (see Table A3.3).

Key Performance Indicator 3: Building Australia's research capacity—collaboration

| Measure 4 | Average number of organisations involved in Linkage research projects | |
|-----------------------|--|--|
| Target ⁽¹⁾ | Centres: Greater than 10 organisations/research project ITRP: Greater than 5 organisations/research project LIEF: Greater than 3 organisations/research project LP: Greater than 2 organisations/research project | |
| Result | 2014–15: Centres: N/A ⁽²⁾ ITRP: 5.6 LIEF: 5 LP: 1.9 | Centres: N/A ITRP: Target Met LIEF: Target Met LP: Target Not Met |
| | 2013–14: LIEF 5.2 | Target met |
| | 2012–13: LIEF 4.3 | Target met |

(1) Targets were introduced for the Centres, ITRP and LP schemes in 2014–15

(2) No new grants were awarded under the ARC Centres of Excellence scheme in 2014–15

The Industrial Transformation Research Programme and Linkage Infrastructure, Equipment and Facilities scheme both exceeded the targets set for the average number of organisations involved per funded research project. At 1.9, the average number of partner organisations involved in research projects funded under the Linkage Projects scheme was slightly below the target for 2014–15.

| Measure 5 | Proportion of partner organisations that rate the research partnerships supported through Linkage research projects as beneficial or very beneficial | |
|------------------|---|------------|
| Target | LP: Greater than 90 per cent | |
| Result | 2014–15: 98.9 per cent (based on 2010 projects) | Target met |
| | 2013–14: 98.1 per cent (based on 2009 projects) | Target met |
| | 2012–13: 94.8 per cent (based on 2008 projects) | Target met |

Of the 360 partner organisations involved in completed research projects that commenced funding in 2010 under the Linkage Projects scheme, 98.9 per cent indicated in final reports that their involvement in the project was beneficial or very beneficial.

| Measure 6 | Financial commitment (cash and in-kind) of partner organisations to Linkage research projects (for every dollar contributed by the ARC) | |
|------------------|--|----------------|
| Target | Industrial Transformation Research Hubs (ITRH): Greater than \$1.50 Linkage Projects (LP): Greater than \$1.90 | |
| Result | 2014–15: ITRH: \$1.47 | Target not met |
| | 2014–15: LP: \$1.93 | Target met |
| | 2013–14: ITRH: \$1.61 | Target met |
| | 2013–14: LP: \$1.90 | Target met |
| | 2012–13: LP: \$1.87 | Target not met |

The Industrial Transformation Research Hubs and Linkage Projects schemes require partner organisations participating on a project to provide a significant financial commitment (cash and/or in-kind) to the project. The financial commitment leveraged from partner organisations (per dollar contributed by the ARC to successful projects) under the Linkage Projects scheme was slightly above target at \$1.93 and for the Industrial Transformation Research Hubs scheme was slightly below target at \$1.47.

Figure 5.3: Linkage Projects scheme, partner organisation contributions by type of organisation, 2014–15

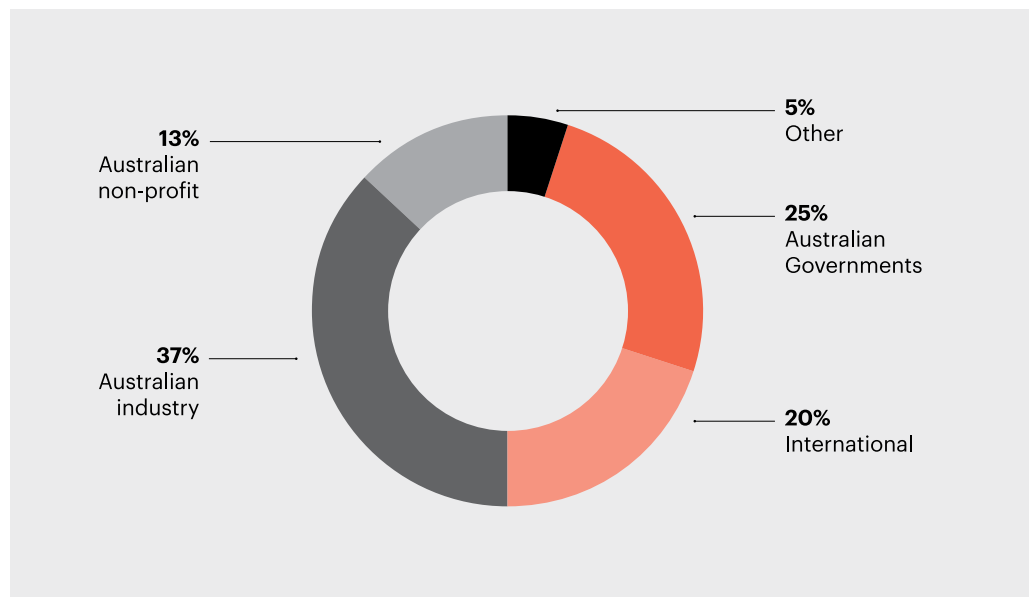
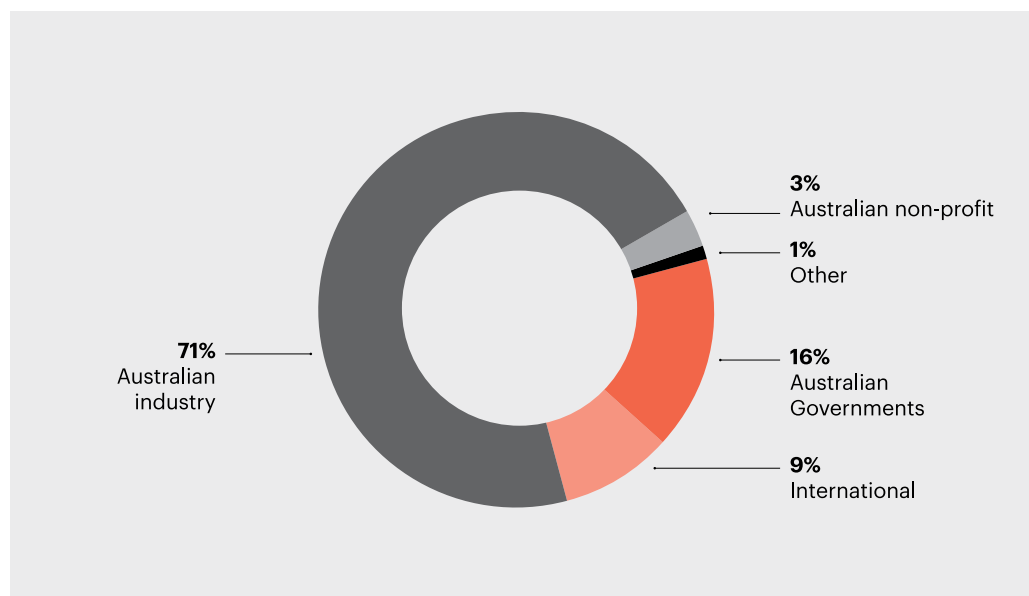


Figure 5.4: Industrial Transformation Research Programme, partner organisation contributions by type of organisation, 2014–15



| Measure 7 ⁽¹⁾ | Proportion of Linkage funding allocated to research projects that involve collaboration with industry |
|---------------------------------|--|
| Target | To be set after benchmark |
| Result | 2014–15: 63.4 per cent |

(1) A new measure in 2014–15

Linkage funding aims to support collaborative research between university-based researchers and researchers in other sectors, particularly industry. Projects that collaborated with industry partner organisations—Australian and international companies and industry bodies—received 63.4 per cent of overall Linkage funding allocated to research projects commencing in 2014–15.

| Measure 8 | Proportion of Linkage research projects that involve international collaboration |
|------------------|--|
| Target | ARC Centres of Excellence (Centres): 100 per cent Industrial Transformations Research Hubs (ITRH): Greater than 80 per cent Industrial Transformation Teaching Centres (ITTC): Greater than 70 per cent Linkage Infrastructure, Equipment and Facilities (LIEF): Greater than 40 per cent Linkage Projects (LP): Greater than 40 per cent |
| Result | 2014–15: Centres N/A 2014–15: ITRH: 100 per cent 2014–15: ITTC: 80 per cent 2014–15: LIEF: 40.9 per cent 2014–15: LP: 50.6 per cent Target met |
| | 2013–14: 45.5 per cent Target met |
| | 2012–13: 44.6 per cent Target met |

(1) Targets for Centres, ITRH, ITTC and LIEF were introduced in 2014–15

Almost 50 per cent of the 327 new Linkage research projects funded in 2014–15 indicated that the project would involve international collaboration, ranging from 40.9 per cent under the Linkage Infrastructure, Equipment and Facilities scheme to 100 per cent under the Industrial Transformation Research Hubs scheme. A total of 332 instances of international collaboration with over 60 countries were anticipated.

OBJECTIVE—TO SUPPORT RESEARCH TRAINING AND CAREER OPPORTUNITIES

Description

Through Linkage funding, the ARC aims to deliver outcomes of benefit to Australia and build Australia's research and innovation capacity through support for research training and career opportunities that enable Australian and international researchers and research students to work with industry and other end-users.

In 2014–15 the ARC supported research training and career opportunities through stipends and project funds, including:

- allowing eligible researchers and research teams to apply for project support for themselves, research assistants, research technicians and postgraduate students under the Linkage Projects scheme
- awarding postgraduate and postdoctoral stipends under the Industrial Transformation Research Hubs and Training Centres schemes.

Further details on personnel supported by Linkage funding can be found in Part 5, Appendix 3.

Performance

Key Performance Indicator 4: Building Australia's research capacity—research training and careers

| Measure 9 | Proportion of Linkage researchers who are early career researchers | |
|-----------|--|----------------|
| Target | Greater than 12 per cent | |
| Result | 2014–15: LP only: 11.9 per cent | Target not met |
| | 2013–14: LP only: 12.7 per cent | Target met |
| | 2012–13: LP only: 13.2 per cent | Target met |

In 2014–15, 88 early career researchers (ECR) were funded through the Linkage Projects scheme, representing 11.9 per cent of funded researchers. ECRs are chief investigators named on the project who are within five years of completion of their PhD.

The number of early career researchers reported to have been supported by completed Linkage research projects has continued to increase in recent years (see Part 5, Appendix 3, Table A3.5). This suggests that ECRs are being supported by Linkage funding but are not being named on proposals.

| Measure 10 ⁽¹⁾ | Proportion of completed Linkage research projects that report the research supported higher degree by research students | |
|---------------------------|---|----------------|
| Target | To be set after benchmarking | |
| Result | 2014–15: 79.5 per cent | Not applicable |

(1) A new measure in 2014–15.

During 2014–15 the ARC continued to collect information about higher degree by research (HDR) students supported by ARC-funded research projects through final reports. HDR students include both domestic and international postgraduate students enrolled in a HDR programme at an eligible organisation.

Of the completed Linkage research projects initially funded in 2010, 43 per cent reported that they supported HDR students. Final report data for Linkage Projects grants initially funded in 2010 also showed that an average of 2.9 HDR students were supported by each project (Part 5, Appendix 3, Table A3.5).

| Measure 11 | Support for research training in areas of strategic importance to Australian industries | |
|-----------------------|--|------------|
| Target ⁽¹⁾ | Industrial Transformation Training Centres: At least 10 higher degree by research (HDR) and three postdoctoral positions funded per centre | |
| Result | 2014–15: 10 HDRs and four postdoctoral positions per centre | Target met |

(1) A new target was introduced for this measure in 2014–15.

In total, 50 HDR candidates and 20 postdoctoral fellows were funded through the five Industrial Transformation Training Centres with funding commencing in 2015.

OBJECTIVE—TO SUPPORT RESEARCH IN PRIORITY AREAS

Description

The Linkage programme aims to deliver outcomes of benefit to Australia and build Australia's research and innovation capacity through support for research in priority areas. Under the Linkage schemes researchers are invited to indicate whether their research addresses an area of Government priority. In addition, under the Industrial Transformation Research Programme (ITRP) proposals must also address one of the Industrial Transformation Priorities identified for each funding round; and through the Special Research Initiatives and the Linkage Learned Academies Special Projects schemes the ARC provides funding opportunities for research projects with particular priorities or national importance.

In 2014–15:

- the Australian Government's Strategic Research Priorities (SRPs) were: living in a changing environment; promoting population health and wellbeing; managing our food and water assets; securing Australia's place in a changing world; and lifting productivity and economic growth.
- the Industrial Transformation Priorities for the Industrial Transformation Research Programme selection rounds were: manufacturing; food and agriculture; oil and gas, including petroleum; mining and mining services; and medical devices and biotechnology.

Performance

Key Performance Indicator 5: Building Australia's research capacity—research in areas of priority

| Measure 12 | Evidence of economic, environmental, social, health and/or cultural benefits to Australia arising from Linkage research in areas of priority | |
|-----------------------|--|------------|
| Target ⁽¹⁾ | Document three case studies demonstrating benefits arising from the research | |
| Result | 2014–15: Met | Target met |
| | 2013–14: Met | Target met |
| | 2012–13: Met | Target met |

(1) 2014–15 was the first year that a quantitative target was identified for this measure, that is, three case studies.

Examples of outcomes arising from ARC-funded research in Strategic Research Priority areas are provided in the case studies in Chapter 3 (pages 31–35).

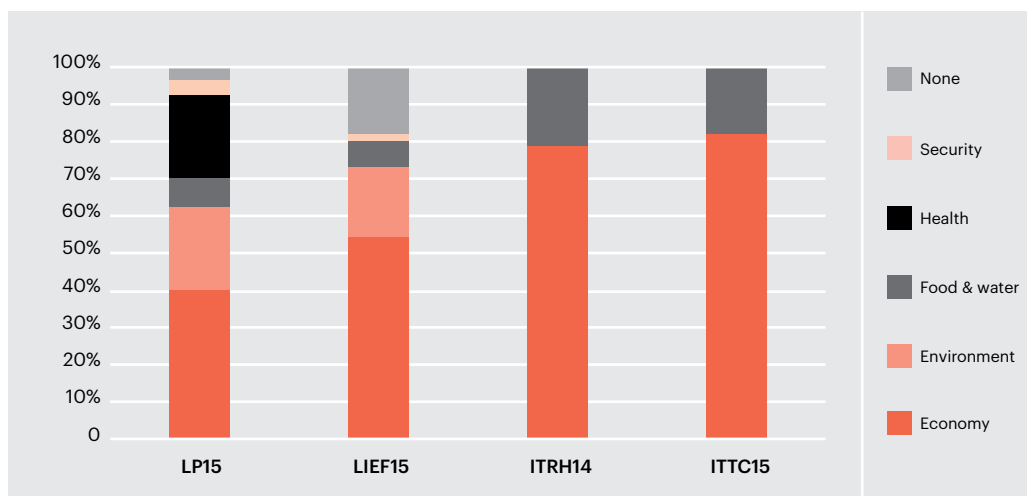
| Measure 13 | Proportion of Linkage research projects in areas of priority | |
|------------|--|------------|
| Target | Greater than 90 per cent | |
| Result | 2014–15: 91.4 per cent | Target met |
| | 2013–14: 97.8 per cent | Target met |
| | 2012–13: 98.1 per cent | Target met |

Strategic Research Priority areas

A total of 91.4 per cent of new Linkage research projects funded in 2014–15 indicated their project was relevant to an Australian Government SRP, with the largest proportion (42.1 per cent) addressing the SRP ‘lifting productivity and economic growth’. The relative proportions of SRPs supported by each Linkage funding scheme are illustrated in Figure 5.5 below.

The total is above the target but lower than the results recorded in 2013–14. As reported under the Discovery programme, this may be a result of a change in reporting between SRPs (which were in effect in 2014–15) and the previous set of Australian Government National Research Priorities (NRPs) (which were in effect in 2013–14).

Figure 5.5: Linkage programme, proportion of new grants by Strategic Research Priority, 2014–15



Other priority areas funded by the ARC

Industrial Transformation Priorities

Through the Linkage Industrial Transformation Research Programme (ITRP), proposals are sought in identified industrial transformation areas. The nine centres awarded funding under the ITRP for funding commencing in 2014–15 involved eight industrial transformation priority areas (see case study on pages 76–77).

Tropical Health and Medicine

Through the Special Research Initiative for Tropical Health and Medicine, the ARC awarded James Cook University \$42 million over four years (commencing January 2014) as part of the Australian Government's commitment to build Australia's research capacity in tropical health and biomedical sciences. In 2014–15 James Cook University commenced construction of purpose built laboratory, research and office infrastructure.

Antarctic

Through the Special Research Initiative for the Antarctic Gateway Partnership, the ARC awarded the University of Tasmania \$24 million over three years (commencing July 2014) as part of the Australian Government's commitment to boosting support for Tasmania and Antarctica. The Initiative aims to further enhance Tasmania as a global leader in Antarctic and Southern Ocean science and serve as a gateway for Antarctic research, education, innovation and logistics. Facilitating scientific collaboration between the University of Tasmania, CSIRO and the Australian Antarctic Division, the collaboration is promoting research that will ultimately lead to new developments in sea-ice forecasting and an understanding of the roles played by these environments in sea-level change.

Juvenile Diabetes

Through the Special Research Initiative for Type 1 Juvenile Diabetes, the ARC awarded the Juvenile Diabetes Research Foundation Australia (JDRF) \$35 million in 2014 as part of the Australian Government's commitment to support Type 1 Juvenile Diabetes research. JDRF will create a national collaborative network to coordinate team-based cross-disciplinary research projects with the core function of making significant progress towards finding a cure for Type 1 Diabetes.

Dementia

In 2014–15 the ARC and National Health and Medical Research Council (NHMRC) worked together to establish a new initiative to increase research capacity in dementia, as part of the 'Building the workforce' element of the Australian Government's Boosting Dementia Research Initiative. The ARC is contributing \$26 million in funding over three years which will ensure that the research takes into account the social, economic and cultural impacts and complex consequences of dementia. The joint NHMRC-ARC Dementia Research Development Fellowships scheme opened on 8 January 2015 and it is expected that the fellowships will commence later in 2015.

Science of Learning

Through the Special Research Initiative for a Science of Learning Research Centre, the ARC awarded \$16 million over four years (commencing 2012) to establish a Science of Learning Research Centre (SLRC) at The University of Queensland. Bringing together the diverse disciplines of education, psychology and neuroscience, this unique centre is investigating the complexities of the learning process to develop a scientific evidence base to inform teaching practice. In 2014–15, SLRC researchers investigated a range of learning areas such as feedback, attention and digital learning environments. Researchers also commenced working with Indigenous and remote communities to better understand and optimise learning outcomes in these locations.



Control room for the Science of Learning classroom

Australian Synchrotron

In 2012 the ARC awarded \$25 million over four years under the Special Research Initiative in Synchrotron Science to support researcher access to the Australian Synchrotron in collaboration with a large number of Australian universities. The Australian Synchrotron is the largest standalone piece of scientific infrastructure in the southern hemisphere, and can be used by almost any industry across a wide-range of research fields to study the most precise nature of any biological or industrial material.

Researchers from all career stages have accessed the Australian Synchrotron through the initiative, producing over 900 refereed publications since 2012. Another benefit has been close collaboration between Australian researchers using the Australian Synchrotron and industry. A recent research highlight is a fast, accurate and inexpensive test that uses infrared light to detect malaria in the early stages of its development.

Indigenous network

The National Indigenous Research and Knowledges Network (NIRAKN) was awarded \$3.2 million over four years (commencing 2012) under the Special Research Initiative for an Aboriginal and Torres Strait Islander Researchers' Network. Members of the Network represent over 50 Aboriginal nations from 21 Australian universities and across many research disciplines. NIRAKN is building the capacity of indigenous Australian researchers at all career stages through mentoring, training and providing opportunities to undertake cross-institutional and multidisciplinary research that will benefit communities.

Stem cells

Under the Special Research Initiative in Stem Cell Science, the ARC awarded The University of Melbourne \$21 million over seven years (commencing July 2011) to establish Stem Cells Australia to build Australia's capacity to conduct stem cell research. In 2014-15, Stem Cells Australia made technological advances and partnerships producing new insights into areas such as the generation and repair of heart muscle cells as well as 3D printing of kidney tissue. They also continued to be involved in international collaborations using stem cells to create new ways to understand diseases and test new drugs.

Bionic Vision

In 2010, the ARC awarded \$50 million to two research teams at Monash University and The University of Melbourne respectively to develop a bionic eye under the ARC's Research in Bionic Vision Science and Technology Initiative. Following an independent review in 2013 that found both research teams had made exceptional advances, the ARC extended the funding period for the research teams to continue their ground-breaking work into 2014. Bionic Vision Australia is developing technology that implants a device in the rear of the eye to enable vision to blind patients suffering from degenerative retinal conditions. In 2014 three people were successfully implanted with a prototype device. Monash Vision Group is developing a device to implant on the brain's visual cortex, providing treatment for progressive blindness. In 2014 the Group manufactured and bench tested the entire implant system enabling the Group's longer term plan, beyond ARC funding, to implant humans in 2016.

Australian Centre for Plant Functional Genomics

The Australian Centre for Plant Functional Genomics was established in 2002 as a co-funded initiative between the ARC and Grains Research and Development Corporation. From 2002 until the end of 2014, the centre received \$47.8 million jointly from the two agencies. In 2014, researchers at the centre continued to investigate and develop techniques to improve the resistance of wheat, barley and other crops to hostile environmental conditions such as drought salinity and mineral deficiencies or toxicities.

National Centre for Groundwater Research and Training

In June 2009, the National Centre for Groundwater Research and Training (NCGRT) was established as a joint funding initiative between the ARC and the National Water Commission (NWC) following a selection process conducted under the ARC's Special Research Initiatives scheme. The ARC and the NWC provided \$29.5 million to the centre over five years to undertake research in all aspects of groundwater and lead the training of a new generation of hydrogeologists and groundwater specialists—filling a significant gap in Australia's resource management capabilities. In 2014 the centre continued to investigate a range of groundwater issues that impact on industries such as mining and agriculture. In collaboration with national and international groundwater bodies, NCGRT also delivered training to industry members and researchers in Australia and across the world. The centre has established new partnerships to ensure its continuation beyond ARC and NWC funding.

National ICT Australia

National ICT Australia (NICTA) was established in 2002 as a co-funded centre between the ARC and the Department of Communications, to build capacity and strengthen investment in strategic information and communications technology research in Australia. The Australian Government has allocated total funding of \$606.5 million over 15 years (2002–2016) to the Centre which is currently Australia's largest organisation dedicated to ICT research.

In 2014–15 NICTA developed software that enables governments and geothermal companies to predict their chances of successfully drilling at selected sites. Released as open source, the software is expected to increase the returns from what are substantial investments when drilling a well. In the area of transport and infrastructure, the Port Botany project identified methods that allow better use of existing infrastructure and allow significant increase in load to be carried by rail. This represents a significant benefit as Port Botany handles one third of Australia's containerised trade.



New funding commencing in 2014–15— Research hubs and training centres

Industrial Transformation Research Hubs support Australia's best researchers to engage in cutting edge research on new technologies and economic and social transformation. The scheme supports collaborative research initiatives between the Australian higher education sector and industry to achieve strategic outcomes.

Industrial Transformation Training Centres support Higher Degree by Research (HDR) candidates and postdoctoral fellows to pursue industrial training and to enhance competitive research in collaboration between universities and organisations outside the Australian higher education sector.

The ARC awarded funding to four research hubs and five training centres commencing in 2014–15:

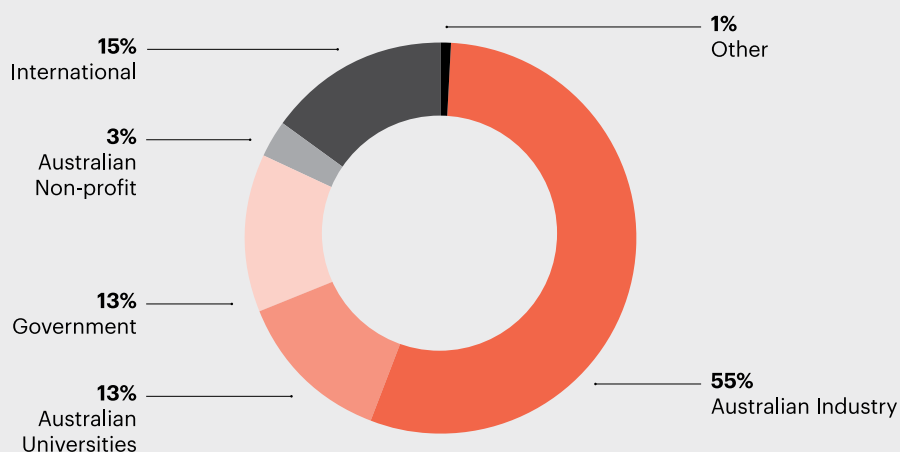
- ARC Research Hub for Legumes for Sustainable Agriculture, The University of Sydney
- ARC Research Hub for a World-class Future Fibre Industry, Deakin University
- ARC Research Hub for Offshore Floating Facilities, The University of Western Australia
- ARC Research Hub for Computational Particle Technology, Monash University
- ARC Training Centre for Mining Restoration, Curtin University of Technology
- ARC Training Centre for Liquefied Natural Gas Futures, The University of Western Australia
- ARC Training Centre for Advanced Manufacturing of Prefabricated Housing, The University of Melbourne
- ARC Training Centre for Forest Value, University of Tasmania
- ARC Training Centre for Fruit Fly Biosecurity Innovation, Macquarie University

Supporting research training and career opportunities within industry

The Industrial Transformation Training Centres awarded for funding commencing in 2014–15 will support 70 training positions in industry settings, 50 higher degree by research and 20 postdoctoral positions.

Supporting collaboration between sectors

The Industrial Transformation Research Hubs and Training Centres awarded for funding commencing in 2014-15 indicated that they will involve 98 organisations, including 31 industry partners. The collaborating organisations will contribute \$34.3 million and \$34.4 million in total over 3-5 years for the research hubs and training centres respectively. Over 50 per cent of this funding is contributed by Australian industry.





CHAPTER 6

PROGRAMME 1.3

EXCELLENCE IN RESEARCH FOR AUSTRALIA

Students and staff in the Hands on Learning program, partners in an ARC Linkage project titled *Building Futures for Young Australians at Risk*, at Mt Eliza Secondary College. (Photo courtesy of The University of Melbourne)

DESCRIPTION

Overview

Excellence in Research for Australia (ERA) evaluates the quality of research at Australian higher education institutions and informs government policy by identifying research strengths and disciplines that are internationally competitive and highlighting areas where there are opportunities for further development and investment.

ERA:

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

2014–15 highlights

Performance

During the year the ARC:

- finalised preparations for ERA 2015 which included extensive outreach visits to universities
- completed the ERA submission process
- recruited and trained members of the ERA 2015 Research Evaluation Committees and engaged the ERA 2015 peer reviewers.

Operating context

During the year:

- there were discussions about streamlining higher education data collections.

SUMMARY OF PERFORMANCE

2014–15 performance is summarised in Table 6.1.

Table 6.1: Excellence in Research for Australia, performance summary

| Elements of performance | Performance | Page |
|---|-----------------|-------|
| Deliverables | | |
| Development of the ERA 2015 evaluation | Achieved | 81 |
| Strategic policy advice on broad research matters related to the measurement of research quality. | Achieved | 81 |
| Key performance indicators | | |
| Establishment of a high-quality evaluation framework | 1/1 target met | 84 |
| Successful implementation of the 2015 ERA evaluation | 2/2 targets met | 84–85 |

This summary reflects the framework identified in the 2014–15 Portfolio Budget Statements which incorporates a number of changes from that used in 2013–14. In particular:

- the deliverables and Key Performance Indicators were revised to reflect current activities
- three performance measures were introduced (Evidence of stakeholder confidence in the ERA framework as indicated by use of ERA data and results to inform policy advice across government and the strategic research agendas of higher education institutions; Achievement of milestones for delivery of ERA 2015; Sector contribution to development of ERA 2015).

DELIVERABLES

2014–15 deliverables are summarised in Table 6.2.

Table 6.2: Excellence in Research for Australia, deliverables

| Deliverable | Result |
|--|---|
| Development of the ERA 2015 evaluation | Key milestones were met in the development of the ERA 2015 processes. |
| Strategic policy advice on broad research matters related to the measurement of research quality | The ARC has provided ongoing policy advice to a range of government stakeholders on issues related to the ERA process and outcomes. |

Development of the ERA 2015 evaluation

Through ERA, the ARC delivers regular evaluations of the excellence of research undertaken in eligible Australian higher education institutions (mainly universities). Each evaluation is conducted using a combination of indicators and expert review by committees comprised of experienced, internationally recognised experts. The 2015 ERA evaluation is currently underway with outcomes to be reported at the conclusion of the process in late 2015. The key milestones achieved during the process are described on page 84.

Strategic policy advice

During 2014–15 the ARC used ERA data to analyse research activity and outputs to provide ongoing policy advice to government, including the Department of Education and Training, the Department of Industry and Science, the Chief Scientist and other government stakeholders.

The results from ERA 2010 and ERA 2012 provide detailed information about the research landscape in the Australian university sector. Data on research outputs (including books, journal articles, conference papers and other non-traditional research outputs) submitted for ERA cover a six year reference period.

OBJECTIVE—TO IMPROVE RESEARCH OUTCOMES BY IDENTIFYING UNIVERSITIES AND DISCIPLINES THAT ARE INTERNATIONALLY COMPETITIVE

Description

ERA is an evaluation framework that gives government, industry, business and the wider community assurance of the excellence of research conducted in eligible Australian higher education institutions.

ERA collects a wide variety of indicators for evaluating research quality, research application and esteem measures. Outcomes of each ERA round are published in a national report. In addition to the national report, the ARC uses data collected through ERA to analyse research activity relating to specific areas of research.

The evaluations are conducted by ERA Research Evaluation Committees. The committees comprise distinguished and internationally-recognised researchers with expertise in research evaluation. Their judgements are informed by a range of indicators as well as more traditional measures of quality, such as citation analysis and peer review.

Committees are responsible for determining the rating given for each discipline in Australia's higher education institutions. Committees use the ERA information to determine ratings for a unit of evaluation (UoE). A UoE is a discipline area within a university.

The ERA rating scale is from 1 to 5, where:

- a rating of 1 is for research that is well below world standard
- a rating of 2 is for research that is below world standard
- a rating of 3 is for research that is at world standard
- a rating of 4 is for research that is above world standard
- a rating of 5 is for research that is well above world standard.

ERA methodology requires universities to submit comprehensive information about their research activities, including: information about staff; research outputs; awards; grants; patents; and commercial income. Using the information provided, the RECs make judgements about the quality of Australian research relative to world standards. Reports from previous ERA rounds have provided assurance about the quality of Australian university research against world benchmarks.

In 2014–15 the ARC commenced the 2015 evaluation after extensive preparations conducted during 2013–14.

Performance

ERA 2015 uses the evaluation methodology originally developed in 2008–09 by the ARC through extensive consultation with the sector and the advice of international experts in research evaluation. The methodology was specifically designed to identify excellence across the full spectrum of research performance. It uses discipline-specific performance indicators, which reflect discipline-specific research practices, and indicators which reflect a range of research activities, including basic and applied research.

In July 2014 the ARC released the guidance material for ERA 2015, which included refinements and a small number of improvements, informed by sector consultation, to ensure the methodology continues to identify excellence across the full spectrum of research performance. Changes to the methodology used for ERA 2015 included:

- reintroducing a conference list (not ranked) to ensure consistent reporting of conference data and identification of field of research codes for conferences
- introducing a book publisher list to ensure consistent reporting of book publisher data
- including a new research output type, ‘research report for an external body’, to capture research activity published in this format
- requiring that peer review research outputs must be in an ERA repository to ensure reviewer access to required information for evaluation
- tightening the requirements for evidence of the eligibility of staff with FTE of less than 0.4.

ERA methodology was specifically designed to allow for comparisons of research in Australia, nationally and internationally, for all discipline areas. It uses national and international benchmarks, and a range of moderation points are built into the expert and peer review processes to further allow for national and international benchmarking across disciplines.

The ARC ensures that results from the ERA 2010 and ERA 2012 evaluations (and the ERA 2015 results, when they are delivered at the end of 2015) are comparable, and performance can be tracked over time.

Key Performance Indicator 1: Establishment of a high-quality evaluation framework

| | | |
|------------------|--|------------|
| Measure 1 | Evidence of stakeholder confidence in the ERA framework as indicated by use of ERA data and results to inform policy advice across government and the strategic research agendas of higher education institutions | |
| Target | Feedback from stakeholders demonstrates confidence in ERA | |
| Result | 2014–15: Met | Target met |

Evidence of stakeholder confidence

In 2014–15 ERA data and results were used to inform policy advice across government, as well as the strategic research agendas of higher education institutions. Further details are provided in Chapter 3 (page 36).

During the year ongoing stakeholder confidence in the ERA framework was also observed during ARC interactions with the sector. The ARC conducted a range of outreach activities with university researchers, research office staff and university managers to assist them to prepare for ERA 2015. During these interactions these key stakeholders provided positive feedback on their confidence in the ERA framework.

Key Performance Indicator 2: Successful implementation of the 2015 ERA evaluation

| | | |
|------------------|---|------------|
| Measure 2 | Achievement of milestones for delivery of ERA 2015 | |
| Target | All milestones met | |
| Result | 2014–15: Met | Target met |

All 2014–15 milestones for the delivery of ERA 2015 were met, including:

- release of the ERA 2015 Submission Guidelines and associated technical guidance material to enable universities to prepare their data for submission for the ERA 2015 evaluation
- conducting outreach activities with university researchers, research office staff and university managers to assist them to prepare for ERA 2015
- seeking nominations from the research sector for membership of the Research Evaluation Committees and for peer review in ERA 2015
- appointing eight committee chairs and 142 committee members, as well as over 1300 peer reviewers (see also page 86)
- submission of ERA 2015 data from all 41 eligible higher education institutions (checked and collated by the ARC for evaluation)
- committee members and peer reviewers commencing their evaluations according to the timetable to ensure ERA 2015 results are available in December 2015.

| | | |
|------------------|--|------------|
| Measure 3 | Sector contribution to development of ERA 2015 | |
| Target | Sector is provided with opportunities to contribute | |
| Result | 2014–15: Met | Target met |

The release of ERA 2015 guidance material, in July 2014, was the culmination of extensive consultation with the sector regarding the development of ERA 2015. The ARC continued to ensure that all submission documentation for an ERA round is available six months prior to the opening of an ERA round. In 2014–15 the ARC continued to provide opportunities for the sector to contribute to ERA 2015 processes through a range of outreach activities with university researchers, research office staff and university managers in preparation for ERA 2015.



ERA Research Evaluation Committees

A key delivery milestone completed during 2014–15 was the establishment of ERA Research Evaluation Committees (RECs).

ERA evaluates the excellence of research undertaken in Australia's higher education institutions using a combination of indicators and expert review by RECs comprising experienced, internationally-recognised experts. For ERA 2015 there are eight RECs established according to broad discipline groupings.

In July 2014 the ARC invited eligible institutions and Learned Academies to nominate potential members from their organisations and overseas. The selection criteria for committee members included: research excellence; broad discipline expertise; professional and academic standing; and interpersonal and team skills and experience. Other considerations in the selection process included the spread of expertise, institution affiliation and geographical regions, workload, university cohort and gender.

The ARC undertook a rigorous process in the selection of REC Chairs and members to ensure the best quality outcomes for the evaluations and the integrity of the ERA process. A total of 152 distinguished researchers were appointed for ERA 2015 across the eight RECs from a pool of over 700 national and international researchers nominated by the sector.

As distinguished research leaders with broad discipline expertise REC Chairs had an important role in the selection of the members for their committees. The REC Chairs for ERA 2015 are:

- Physical, Chemical and Earth Sciences: Professor Stephen Buckman, The Australian National University
- Humanities and Creative Arts: Emeritus Professor Graeme Turner, The University of Queensland
- Engineering and Environmental Sciences: Professor Hugh Possingham, The University of Queensland
- Education and Human Society: Professor Brenda Cherednichenko, Deakin University
- Economics and Commerce: Professor Deborah Cobb-Clark, The University of Melbourne
- Mathematical, Information and Computing Sciences: Professor Leon Sterling, Swinburne University of Technology
- Biological and Biotechnological Sciences: Professor Merlin Crossley, The University of New South Wales
- Medical and Health Sciences: Professor Terry Nolan, The University of Melbourne

During 2014–15 REC Chairs and members were provided with detailed information about the full suite of ERA indicators and underwent thorough training conducted by the ARC.



Reducing red tape—Single Higher Education Research Data Collection

A key priority identified in the ARC Strategic Plan for 2014–15 to 2016–17 was to implement the government’s commitment to the reduction of red tape by: investigating, in consultation with the Department of Education and Training, options for a single higher education research data collection.

Following the *Review of the Reporting Requirements for Universities* (December 2013) the Government agreed that the ARC and the Department of Education and Training would work together on the development of a single higher education research data collection—with implementation planned for 2016–17.

In 2014–15 the ARC and the Department of Education and Training jointly consulted with universities regarding the sector’s views on combining the ERA data collection and the Higher Education Research Data Collection (HERDC).

In contrast to the periodic collection of data for ERA evaluations, HERDC collects research income and publications data from eligible higher education providers annually. HERDC data, along with higher degree by research student data, is used to inform the allocation of the Department of Education and Training’s Research Block Grants. Whereas, ERA outcomes do not feed into the competitive grants processes, but do moderate the allocation of the funding provided to universities through the Sustainable Research Excellence research block grant scheme.

A joint ARC-Department of Education and Training discussion paper *Combining Excellence in Research for Australia (ERA) and the Higher Education Research Data Collection (HERDC)* was released in December 2014. The paper outlined the aims of a single higher education research data collection and invited feedback on three possible options for reporting publications and income data to the ARC.

In total, 38 universities and 4 non-university organisations provided submissions to the ARC. The submissions identified a range of options and issues in relation to combining the data collections. The ARC and the Department of Education and Training are continuing to work with the sector, to address the issues and harmonise ERA and HERDC policy, eligibility and data requirements.



**Professor Maria Forsyth,
an Australian Laureate Fellow at
Deakin University, is researching
solutions to store power generated
from renewable energy sources.**

(Image courtesy of Deakin University)

PART 3

MANAGEMENT AND ACCOUNTABILITY

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CHAPTER 7

CORPORATE GOVERNANCE

Professor Emily Hilder, from the University of Tasmania, is Director of the ARC Industrial Transformation Training Centre for Portable Analytical Separation Technologies.
(Photo courtesy of the University of Tasmania)

DESCRIPTION

Overview

This chapter describes the corporate governance framework maintained by the ARC to support efficient and effective delivery of its policies and programmes.

Key elements of the framework include:

- a well-defined governance structure
- comprehensive planning and reporting arrangements (including performance measurement)
- well established arrangements for monitoring financial and service delivery
- sound risk management practices
- a strong framework of standards for ethical conduct
- commitment to engage stakeholders where appropriate
- monitoring of performance against service charter and complaints.

2014–15 highlights

Performance

During the year the ARC:

- implemented new requirements under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) which took effect from 1 July 2014
- reviewed the role of the ARC Advisory Council
- contributed to a review of the *Australian Code for the Responsible Conduct of Research* (2007)
- released a revised *ARC Research Integrity and Research Misconduct Policy*
- released a revised *ARC Conflict of Interest and Confidentiality Policy*.

Operating context

During the year:

- the *Australian Research Council Act 2001* (ARC Act) was amended to ensure consistency with the requirements of the PGPA Act.

GOVERNANCE STRUCTURE

Portfolio

Under Administrative Arrangements Orders issued by the Governor-General on 23 December 2014, the ARC is within the Education and Training portfolio. As at 30 June 2015, The Hon Christopher Pyne MP (the Minister) was the Minister for Education and Training and the Minister responsible for the ARC.

Legislation

The ARC is a non-corporate Commonwealth entity established under the ARC Act. The ARC is subject to the *Public Service Act 1999*, the PGPA Act, and various other legislation.

Australian Research Council Act 2001

Under the ARC Act, the Minister has a range of powers including approving the ARC's corporate plan, funding rules and proposals for expenditure under the National Competitive Grants Programme (NCGP). The Minister also has the power to:

- establish designated committees to assist in carrying out the functions of the Chief Executive Officer (CEO)
- direct the CEO about the performance of the CEO's functions
- provide notification of the general policies of the Australian Government that apply to the ARC or its components (that is, ARC committees and staff).

The ARC Act was amended (effective 1 July 2014) to incorporate changes in relation to the PGPA Act (see page 94 for further details). There were no Ministerial directions issued to the ARC during 2014–15.

Public Governance, Performance and Accountability Act 2013

The PGPA Act aims to establish a coherent system of governance and accountability for public resources, with an emphasis on planning, performance and reporting. As a Commonwealth entity, the ARC transitioned from the *Financial Management and Accountability Act 1997* to the PGPA Act when it took effect on 1 July 2014. In September 2014, the Department of Finance released the *Public Governance, Performance and Accountability Rule 2014* (PGPA Rule) to support the operation of the PGPA Act. In April 2015 the PGPA Rule was amended and finalised guidance on the Enhanced Commonwealth Performance Framework was released. The PGPA Rule and guidance material set out new requirements, to take effect from 1 July 2015, for Commonwealth entities to prepare corporate plans and annual performance statements (within annual reports).

The ARC's 2014–15 progress in implementing requirements identified in the PGPA Act is detailed in the case study on page 94.

Whole-of-government directions

Deregulation agenda

The Australian Government's deregulation agenda aims to reduce unnecessary red tape costs on individuals, businesses and community organisations. It applies to any mandatory obligations imposed by legislation, regulations or quasi regulations. This includes statutory instruments, standards, codes of practice, or any other aspect of regulator behaviour that has a measurable cost burden on business or individuals.

Elements of the Australian Government's deregulation agenda include:

- a commitment to cutting the burden of red and green tape by a net \$1 billion a year
- the establishment of Deregulation Units in each portfolio to implement the deregulation agenda
- the conduct of audits of the regulatory footprint within each portfolio
- the establishment of a Regulator Performance Framework to assess and audit the performance of individual regulators.

In addition to these overarching changes, the Australian Government made a number of specific, substantive commitments to reduce regulation in particular areas, including streamlining grant application processes.

Implementation of the Australian Government's deregulation agenda across the whole-of-government is coordinated by the Office of Deregulation, within the Department of the Prime Minister and Cabinet. The contribution made by the ARC during 2014–15 to the Australian Government's deregulation agenda is detailed in the case study on page 95.



Implementation of the PGPA Act

In 2014–15 the ARC updated its policies and procedures to comply with the requirements of the PGPA Act and the subsequently released rules and guidance material.

Specifically, the following activities were undertaken.

- The ARC Act was amended to incorporate relevant references to and terminology consistent with the PGPA Act and associated rules and requirements.
- The ARC updated terminology, internal controls and documentation, including the Audit Committee Charter, Financial Delegations, Accountable Authority Instructions and the ARC's standard contract templates, as well as policies and procedures regarding risk management, fraud control, travel, hospitality, the use of corporate credit cards and conflict of interest.
- ARC representatives attended government meetings and forums on the implementation of the PGPA Act and participated in the Department of Finance's Enhanced Commonwealth Performance Framework Community of Practice.
- An ARC Performance Working Group was established to review current performance measurement activities and explore more flexible approaches to performance measurement.
- The ARC's key performance indicators were updated in the 2015–16 Portfolio Budget Statements to provide flexibility for the transition to new performance measurement requirements in corporate plans.
- The ARC started developing a new performance measurement framework to improve planning and reporting processes and assist the ARC to meet PGPA Act requirements.
- The requirements of the PGPA Act were promoted to staff via all staff communications and the ARC's intranet.

During the year the ARC's Internal Auditors conducted a two-phase audit to review the ARC's implementation of the PGPA Act and compliance with the Accountable Authority Instructions. Phase One of the audit examined the ARC's progress and preparedness in meeting its requirements under the PGPA Act. Phase Two involved testing transactions to determine whether ARC practices for key business processes reflected the Accountable Authority Instructions.

The first phase of the audit found that at July 2014 the ARC was progressing well with its implementation plan to update processes and controls and meet the new requirements under the PGPA Act and rules. The second phase of the audit found that the ARC's overarching financial management framework was strong and staff were adhering to the PGPA Act requirements embedded in ARC policy, procedures and practices.



ARC's contribution to the deregulation agenda

The ARC's contribution to the Australian Government's deregulation agenda was identified by the ARC as a key priority for 2014–15 (ARC Strategic Plan 2014–15 to 2016–17, page 34).

Government-wide audit of regulations

The ARC contributed to the government-wide audit of regulations in 2014–15. In Phase One, the ARC identified all regulations administered under its programmes, their estimated compliance requirements and opportunities for reform. The overall regulatory burden of these programmes was assessed independently as being medium. In Phase Two, the ARC calculated that, in aggregate, the cost of regulatory compliance for organisations accessing its programmes was \$13.7 million per annum in 2014. This equates to 1.6 per cent of the ARC's administered budget of \$881.0 million in 2014–15.

ARC's progress in cutting red tape in 2014–15

Substantial progress was made in streamlining grant application processes and reducing the regulatory burden of programmes in 2014–15.

- Grants of up to five years in duration were introduced under the Discovery Projects and Linkage Projects schemes. Prior to funding commencing in 2015, proposals could only seek and be awarded funding for up to three years.
- One set of funding rules for the Discovery schemes and one set of rules for a number of Linkage schemes were introduced. Prior to funding commencing in 2014, funding rules for each funding scheme within each programme were released separately.
- Grant application procedures were streamlined. ICT systems changes were implemented to enable pre-population of application forms with information previously supplied by applicants and to reduce the number of application questions.
- Administration of funding agreements was streamlined for grant recipients. An ICT systems module for financial reporting was introduced, final project reporting was simplified by the introduction of one form of reduced length for all grant funding schemes, and procedures for varying funding agreements were simplified.
- In collaboration with the Department of Education and Training, the ARC consulted with the research sector about options for aligning the Higher Education Research Data Collection and the Excellence in Research for Australia (ERA) data collection.

Further details about the development of a single higher education research data collection are provided in a case study on page 87.

Organisational structure

The ARC comprises five functional units or branches: Corporate Services Branch; ICT Services Branch; Programmes Branch; Research Excellence Branch; and Strategy Branch (see Part 1, Chapter 2, page 11). There were no substantial changes to the ARC's organisational structure in 2014–15.

Executive and senior staff

The ARC had six executive staff at 30 June 2015 with one executive position vacant. The executive staff were:

- Professor Aidan Byrne, Chief Executive Officer
- Ms Leanne Harvey, Executive General Manager
- Dr Laura Dan, Acting Branch Manager, Strategy Branch and Chief Programme Officer
- Dr Fiona Cameron, Executive Director, Biological Sciences and Biotechnology
- Professor Marian Simms, Executive Director, Social, Behavioural and Economic Sciences
- Professor Brian Yates, Executive Director, Engineering, Mathematics and Information Sciences.

Senior staff were:

- Ms Julija Deleva, Chief Financial Officer
- Ms Trish Leahey, Chief Information Officer.

The responsibilities of the ARC's executive staff are described in Part 1, Chapter 2 (pages 12–13).

Committees

During 2014–15 the ARC had a number of committees in place to assist the CEO in meeting his responsibilities for managing the ARC and administering the NCGP and ERA. Committee membership is provided in Part 5, Appendix 5 (pages 223–238).

Governance committees

ARC Advisory Council

The ARC Advisory Council is charged with providing advice to the ARC CEO on strategic issues relating to the mission of the ARC including strategic planning; policy matters relating to innovation, research and research training; and matters relating to the evaluation of the quality and outcomes of research and research training in an international context. The council is chaired by the CEO of the ARC and comprises up to nine additional members who are appointed for periods of up to three years on the basis of their distinguished academic research records and/or achievements in business research and development.

Originally established by the Minister as a designated committee under the ARC Act, in February 2015 the Minister approved the reclassification of the council as a non-designated committee. Reclassification of the Council as a non-designated committee appointed by the ARC CEO is consistent with the Government's commitment to reduce the number of Government-appointed bodies.

Terms of appointment for the eight external council members expired at the end of 2014. A list of these members is provided in Part 5, Appendix 5, Table 5.1 (page 223). Arrangements for the appointment of new members were completed during the first half of 2015 with seven members appointed to the council effective 1 July 2015. No meetings of the council were held in 2014–15.

Audit Committee

The role of the ARC Audit Committee is to provide the CEO with independent assurance by reviewing the ARC's financial and performance reporting responsibilities; systems for internal control; risk management and corporate governance.

The committee is established by the Accountable Authority (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 was updated in 2014 to align with the PGPA Act, and again in 2015 to reflect the Australian National Audit Office's *2015 Public Sector Audit Committees Better Practice Guide*.

The ARC Audit Committee met five times in 2014–15.

Senior Management Group

The role of the ARC's Senior Management Group (SMG) is to provide advice and direction on strategic and operational issues and coordinate activities across the agency. In 2014–15, the committee comprised: the CEO; the Executive General Manager; Branch Manager, Strategy Branch; Chief Financial Officer; Chief Information Officer; and Chief Programme Officer.

Other committees

Other governance committees in place as at 30 June 2015 included the following:

ICT

- ARC Security Committee, which oversees the effective and efficient adherence to physical, personnel, and IT security measures within the ARC
- Business Continuity Plan Committee, which ensures that the Business Continuity Plan 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 core business processes of the ARC
- DELTA and SEER Project Boards, which provide oversight and operational management for project delivery, including scope, budget, risk management and scheduling
- ICT Change Control Committee, which oversees approval of change for ICT applications and infrastructure and coordinates the release of all changes
- ICT Governance Committee, which reviews the ICT services requirements for the ARC, acts as the project board on significant ICT projects, and provides guidance on priorities for ICT Services

People

- People Management and Development Committee, which provides advice on people management and development issues
- Salary Review Committee, which advises the CEO, supervisors and staff on salary and performance issues
- Work Health and Safety Committee, which develops and promotes initiatives to protect the health and safety of employees, contractors and visitors through the implementation and review of the effectiveness of the ARC's work health and safety policies and practices.

National Competitive Grants Programme

ARC College of Experts

ARC College of Experts selection panels assess and rank ARC proposals submitted under the NCGP, make funding recommendations to the CEO and provide strategic advice on emerging disciplines and cross-disciplinary developments.

ARC College of Experts members are experts of international standing drawn from the Australian research community—from higher education, industry and public sector research organisations. Members assign and moderate external assessments, attend selection meetings and implement peer review reforms.

Members are appointed by the CEO for up to three years. Through an annual competitive recruitment process, the ARC seeks nominations from suitably qualified and experienced individuals. Nominations from women, from people of Aboriginal or Torres Strait Islander origin, and from end-users across the private, public and not-for profit sectors are particularly encouraged. Additionally, the ARC also considers trends in ARC proposal research areas, institutional affiliations and state/territory representation in selecting members.

In November 2014, following a competitive selection process, the ARC appointed new members to the ARC College of Experts to participate in deliberations for 2015 onwards. As at 30 June 2015, there were 167 members of the ARC College of Experts.

Large multi-panel College of Experts meetings were held in September 2014 and April 2015 to assess proposals for funding under the Discovery Projects, Discovery Early Career Research Award, Discovery Indigenous, Linkage Projects and Linkage Infrastructure, Equipment and Facilities schemes. Inter-disciplinary Selection Advisory Committees were also convened at other times to meet scheme requirements (see below).

NCGP Selection Advisory Committees

The ARC CEO convenes Selection Advisory Committees (SACs) from time to time to assist with the selection processes of new schemes and special research initiatives. SACs are normally conducted in the same manner as the ARC College of Experts. For each SAC specific arrangements are agreed to by the CEO and set out in the terms of reference for that SAC. SACs may include members of the ARC College of Experts as well as other suitably experienced experts appointed by the ARC.

In 2014–15 SACs assessed proposals for funding under the Australian Laureate Fellowships scheme; the Industrial Transformation Research Programme; and the Special Research Initiatives scheme.

NCGP Appeals Committee

The NCGP Appeals Committee considers appeals submitted to the ARC in relation to the NCGP and makes recommendations to the CEO about whether each appeal should be upheld or dismissed. The committee also provides general advice to the ARC in relation to how administrative processes could be modified or improved. The committee consists of external members appointed by the CEO. The Appeals Committee met twice in 2014–15.

Further information about the outcomes of appeals submitted to the ARC in 2014–15 is provided on page 111.

NCGP Eligibility Committee

The NCGP Eligibility Committee considers eligibility issues under the funding schemes of the NCGP. The committee, comprising Executive Directors, the Chief Programme Officer and relevant Directors of the Programmes Branch, provides recommendations to the ARC CEO.

NCGP Scrutiny Committee

The NCGP Scrutiny Committee scrutinises the probity of ARC assessment processes in relation to funding proposals involving members of the ARC College of Experts and/or ARC staff. The committee comprises three external research managers with prior experience of the ARC College of Experts who are appointed by the CEO. The NCGP Scrutiny Committee met once during 2014–15.

Excellence in Research for Australia

Research Evaluation Committees

Evaluations in ERA are undertaken by Research Evaluation Committees (RECs) comprising distinguished Australian and international researchers drawn from nominations submitted to the ARC from the sector. REC members assess the quality of research in Australia using a range of metrics and peer review.

There are eight RECs for ERA 2015 covering the disciplines: Physical, Chemical and Earth Sciences; Humanities and Creative Arts; Engineering and Environmental Sciences; Education and Human Society; Economics and Commerce; Mathematical, Information and Computing Sciences; Biological and Biotechnological Sciences; and Medical and Health Sciences.

In 2014–15 the ARC invited the sector to submit nominations for the REC membership for ERA 2015. In excess of 700 nominations of researchers from Australia and overseas were submitted to the ARC. In November 2014 the ARC appointed eight distinguished researchers to chair each of the RECs and in February 2015 the ARC announced 149 REC members for ERA 2015. An additional three REC members were announced in May 2015.

ERA Scrutiny Committee

For each ERA evaluation an ERA Scrutiny Committee is appointed to scrutinise the processes followed by the ERA RECs in assessing the 'home' Unit of Evaluation (UoE) of each REC member. A REC member's 'home' UoE is the UoE associated with their institution and their primary area of expertise (by four-digit Field of Research). The committee which comprises experts drawn from previous ERA RECs is appointed by the ARC CEO. The current committee, appointed in June 2015, will meet in late 2015.

Australian Research Integrity Committee

The ARC and the National Health and Medical Research Council (NHMRC) jointly established the Australian Research Integrity Committee (ARIC) in February 2011.

On request, ARIC reviews whether an institution's response to an allegation of research misconduct is consistent with the *Australian Code for the Responsible Conduct of Research* (2007) and the institution's own policies and procedures. ARIC's role in reviewing institutional processes in response to allegations of research misconduct ensures institutions observe proper process in their investigations. In doing so, ARIC contributes to public confidence regarding the integrity of Australia's research effort.

ARIC comprises four expert members and reports to both the ARC and the NHMRC. The ARC provides secretariat support for ARIC matters relevant to any research (except health and medical research) conducted at institutions funded by the ARC. An important component of the ARC's involvement is to create an awareness of ARIC and its responsibilities.

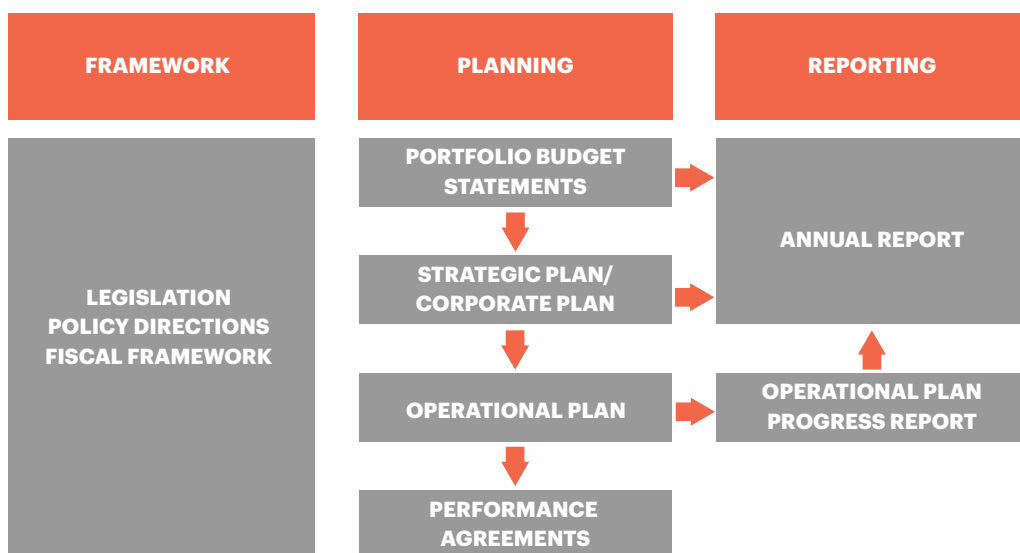
During 2014–15 the ARIC-ARC secretariat received one request for review, which it referred to ARIC for consideration. It was determined that this request was not within the scope of ARIC. Two reviews relating to requests received during 2013–14 were finalised in 2014–15 with ARIC reporting to the ARC CEO on the outcomes of both matters.

PLANNING AND REPORTING ARRANGEMENTS

Overview

The ARC's 2014–15 planning and reporting framework is illustrated in Figure 7.1. This framework will change in 2015–16 as the ARC transitions to meet the requirements of the PGPA Act for preparation of a corporate plan and annual performance statement.

Figure 7.1: ARC planning and reporting framework, 2014–15



Portfolio Budget Statements

The Portfolio Budget Statements are used to inform Senators and Members of Parliament of the proposed allocation of resources to Australian Government outcomes by agencies within the portfolio. In 2014–15 the ARC was included in the *Portfolio Budget Statements 2014–15 Budget Related Paper No 1.5, Education Portfolio*.

Strategic plan/corporate plan

Prior to the introduction of the PGPA Act, the ARC Act required the CEO to prepare a strategic plan each year that set out the goals, priorities, policies and strategies to be adopted by the ARC to achieve its objectives. In accordance with this requirement, the *ARC Strategic Plan for 2014–15 to 2016–17* was tabled in the Parliament of Australia on 26 August 2014. The plan comprised three programme goals based on the Discovery, Linkage and Excellence in Research for Australia programmes; and included four enabling functions: high-quality policy advice, effective stakeholder engagement; efficient and effective programme delivery and improved organisational capability.

In July 2014, the ARC Act was amended to incorporate new planning and reporting requirements prescribed under the PGPA Act and associated PGPA rule, including the requirement that the ARC publish a corporate plan in accordance with section 35 of the PGPA Act—that is, a corporate plan that sets out the purposes and significant activities the ARC will pursue and the results it intends to achieve over four reporting periods. In 2015, the ARC commenced developing an ARC Corporate Plan 2015–16 in replacement of a strategic plan.

Operational plan

Every year the ARC prepares an internal operational plan to assist the CEO and SMG to monitor performance across the ARC. The plan provides a valuable reference for the development of branch and section plans within the ARC.

In 2014–15 all ARC sections provided input into the development of the *ARC Operational Plan for 2014–15*. The plan, approved by SMG, detailed the main actions the ARC would undertake to address the objectives, priorities and key performance indicators outlined in the *ARC Strategic Plan for 2014–15 to 2016–17*. In December 2014 and June 2015 Directors and Executive Directors were asked to review and report on their progress against the plan. The information provided was reported to SMG and used to inform the development of this annual report.

Annual report

ARC annual reports provide an overview of the ARC's activities and performance against the deliverables and key performance indicator targets set out in the Portfolio Budget Statements. The annual report is the main instrument through which the ARC reports to the Parliament of Australia and also provides an opportunity to inform other stakeholders about the ARC's services and the diverse and valuable outcomes of ARC-funded research.

In accordance with the ARC Act and section 46 of the PGPA Act, the CEO must prepare an annual report and give it to the Minister for presentation to the Parliament by 31 October. The report must be prepared in accordance with the requirements and guidelines for annual reports published annually by the Department of the Prime Minister and Cabinet. The annual report must include annual financial statements (and from 2015–16 annual performance statements).

The *ARC Annual Report 2013–14* was tabled in Parliament on 22 October 2014. On 21 May 2015, the Institute of Public Administration Australia awarded the ARC a Silver Award for the hard-copy of this report.

MONITORING FINANCIAL AND SERVICE DELIVERY

Internal audit arrangements

Internal audit is an integral part of the ARC's corporate governance framework. The internal audit function provides an independent and objective review and advisory service to:

- provide assurance to the CEO that the ARC's financial and operational controls, designed to manage the organisation's risk and achieve the ARC's objectives, are operating in an efficient, effective, economical and ethical manner
- assist management in improving the ARC's business performance.

The Branch Manager, Strategy assumes the role of Head, Internal Audit, and is responsible for management of the ARC's internal audit function. The internal audit function is outsourced to an independent service provider and reports to the Audit Committee through the Head, Internal Audit. In 2014–15 the ARC's internal audit function was performed by KPMG in consultation with the Head, Internal Audit, the Audit Committee and the CEO.

KPMG assisted in the development of the annual internal audit work plan and undertook the following audits during 2014–15:

- Review of the implementation of the PGPA Act requirements and Accountable Authority Instructions compliance (Phase 1 and 2)
- People and Services/Business Operations Health Check
- Review of ARC's compliance with *Public Interest Disclosure Act 2013* requirements
- Ministerial and Parliamentary Processes Health Check.

Institutional reviews

During 2014–15 the ARC undertook reviews of two organisations that have responsibility for administering funding awarded under the NCGP. Through the reviews, the ARC aims to monitor, evaluate and address compliance with ARC funding agreement requirements under the NCGP.

MANAGING RISK

Framework

The ARC manages risk in accordance with the Australian/New Zealand Standard for Risk Management (AS/NZS ISO 31000: 2009). The ARC's risk management framework adheres to the PGPA Act and complies with the nine elements of the Commonwealth Risk Management Policy.

The framework is reviewed annually by the SMG to facilitate continual improvement and is underpinned by five key components:

- a risk management policy
- a risk management plan and toolkit
- strategic risk register
- operational risk register
- a network of risk champions.

Results from the 2015 Comcover Risk Management Benchmarking Programme found that the ARC has a comprehensive risk management framework that is embedded in the operations of the ARC and is part of the ARC's overarching governance and management practices. The results indicated that the framework is supported by a well-established risk management policy and a positive risk culture.

Contribution of risk management in achieving objectives

The ARC risk management 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 organisation within a good corporate framework.

In February 2015, SMG assessed whether the strategic risks identified for 2014–15 were still relevant and that controls for each were still effective. In May 2015, the SMG undertook a full review of the entity's strategic risks, identifying the key current and emerging risks for 2015–16 that could impact on the ARC achieving its objectives.

The ARC's network of risk champions reviewed the entity's operational risks in July 2014 and January 2015. This biannual activity helped to ensure that each business area was able to deliver against its objectives outlined in the ARC operational plan, and that the SMG, Audit Committee and CEO were aware of those business risks that posed a significant threat.

Business continuity and disaster recovery

The ARC's Business Continuity Plan (BCP) sets out the 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 ARC's ICT Disaster Recovery Plan, which is designed to safeguard and recover critical ICT systems. The BCP Committee ensures that the BCP remains current and practical, and is tested on a scheduled basis.

In 2014–15 the following activities were undertaken:

- membership of the BCP Committee was expanded
- four meetings of the BCP Committee were held
- the BCP and ICT Disaster Recovery Plan were reviewed and updated
- a Business Disruption Event register was established
- Business Disruption Event debrief meetings commenced.

Fraud

The ARC recognises the need for a sound and robust financial framework based on legal and ethical decision making. In accordance with section 10 of the PGPA Rule 2014 the ARC CEO must take all reasonable measures to prevent, detect and deal with fraud relating to the ARC. The *ARC Fraud Control Plan* sets out the responsibilities of the CEO, senior management and staff in relation to fraud control.

During 2014–15 the ARC reviewed and updated its *Fraud Risk Assessment Summary*. The *ARC Fraud Control Plan* is due to be reviewed and updated in 2015–16. The CEO has certified within the Letter of Transmittal (page iii) that the ARC has complied with the requirements of the Commonwealth Fraud Control Framework.

MAINTAINING ETHICAL STANDARDS

Public sector agency

The ARC is committed to high ethical standards. This commitment is promoted through:

- the *ARC Strategic Plan for 2014–15 to 2016–17* which includes among its guiding principles: ‘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 the ARC values into performance agreements
- an ARC intranet site and the Australian Public Service Commission (APSC) Ethics Advisory Service
- an ARC Ethics Contact Officer.

The ARC includes an overview and discussion of the Australian Public Service (APS) Values and Code of Conduct as part of induction training for new appointees. Copies of the values and the code are provided to new appointees, who are required to acknowledge that they understand and adopt these before their appointments are finalised. Furthermore, biannual individual performance reviews provide ongoing opportunities for staff and supervisors to address ethical issues.

The *State of the Service Report 2013–2014*, published by the APSC in December 2014, reported 89 per cent of ARC staff believed that ARC senior executives act in accordance with the APS values, compared to 74 per cent APS wide.

Peer review processes

As a public research funding body, the ARC is required to maintain a high standard of professionalism and ethical conduct in its operations. The ARC is committed to preserving public confidence in the integrity, legitimacy, impartiality and fairness of its business, and in particular its peer review process.

ARC committee members and assessors, as well as any other people undertaking ARC business, must comply with the *ARC Conflict of Interest and Confidentiality Policy*. A revised version of the policy was released by the ARC during 2014–15 (see case study on page 38 for further information).

ARC-funded research

ARC funding rules and funding agreements

The NCGP funding rules clearly state the ethical compliance requirements for ARC-funded researchers. All ARC-funded research projects must conform to the principles outlined in the *Australian Code for the Responsible Conduct of Research* (2007).

Where applicable, ARC-funded research projects must also conform with the:

- *National Principles of Intellectual Property Management for Publicly Funded Research* (published on the ARC website)
- *National Statement on Ethical Conduct in Human Research* (2007)
- *NHMRC Values and Ethics: Guidelines for Ethical Conduct in Aboriginal and Torres Strait Islander Health Research* (2003)
- *Australian Institute of Aboriginal and Torres Strait Islander Studies Guidelines for Ethical Research in Australian Indigenous Studies* (2012)
- *Australian Code for the Care and Use of Animals for Scientific Purposes* (2013).

Funding agreements between the ARC and any organisation in receipt of ARC funding also require those organisations to comply with the provisions of any relevant statutes, regulations, by-laws, and requirements of any Commonwealth, State, Territory or local authority; and acknowledge that Chapter 7 of the Criminal Code provides for offences which attract substantial penalties, including theft of Commonwealth property and other property offences, obtaining property or financial advantage by deception, offences involving fraudulent conduct, bribery, forgery and falsification of documents.

Australian Code for the Responsible Conduct of Research (2007)

The *Australian Code for the Responsible Conduct of Research* (2007) guides institutions and researchers in responsible research practices. The code—developed jointly by the NHMRC, the ARC and Universities Australia—has broad relevance across all research disciplines and all ARC-funded research must conform to the principles outlined in the code. It advocates and describes best practice and provides a framework for handling breaches of the code and research misconduct.

A review of the Code commenced in 2014–15. The review secretariat is based at the NHMRC with assistance provided by the ARC and Universities Australia (as co-authors of the code), and a Code Review Committee that is representative of the research sector. The review is incorporating targeted and broad consultation with the sector. The revised code is expected to be released in mid 2016.

National Statement on Ethical Conduct in Human Research

The *National Statement on Ethical Conduct in Human Research* (2007) consists of a series of guidelines made in accordance with the *National Health and Medical Research Council Act 1992*. The statement is intended for use by: any researcher conducting research with human participants; any member of an ethical review body reviewing that research; those involved in research governance; and potential research participants.

In 2014–15 the ARC was represented on the National Statement Review Working Group, led by the NHMRC, which undertakes rolling review of the National Statement on Ethical Conduct in Human Research. In 2014–15 the Review Working Group has focussed on ‘Section 3: Ethical considerations specific to research methods or fields of the National Statement’.

Human Research Ethics Application

In 2014–15 the ARC participated in an advisory group to develop a Human Research Ethics Application to replace the National Ethics Application Form, following a consultation commissioned by the NHMRC. A simplified and efficient form will support nationally consistent ethical review and site-assessment for all human research, in particular clinical trials. It is expected that the application will be finalised and released in 2015–16.

Research Integrity and Research Misconduct

In April 2015 the ARC released the *ARC Research Integrity and Research Misconduct Policy*. The ARC Research Integrity Officer is the point of contact for all matters within the scope of the policy. More information about the policy is provided in the case study on page 37.

In 2014–15, eight allegations of research integrity breaches or research misconduct were reported to the ARC. Three of these matters were pending finalisation as at 30 June 2015.

STAKEHOLDER ENGAGEMENT

Key stakeholders

In delivering its programmes, the ARC engages with a diverse group of stakeholders with differing expectations and interests. These stakeholders are described in Part 1, Chapter 2, on page 10.

Engagement activities

The ARC undertakes a range of activities to engage with its stakeholders and provide opportunities for input into ARC business processes, including through the ARC Centre Directors' Forum, the ARC/NHMRC Research Administrators' Seminar and various consultations. It also works closely with other Australian Government departments and various peak bodies on research policy issues.

ARC Centre Directors' Forum

The annual ARC Centre Directors' Forum was held in Canberra on 16–17 March 2015. Directors and Chief Operating Officers from over 100 ARC Centres of Excellence and Industrial Transformation Research Programme centres and hubs attended the two-day forum. Participants showcased centre achievements and shared best practise information on a range of topics relevant to large scale research centres, including: strategic planning, communication, building Industry relationships and supporting diversity. The forum provided participants with an important opportunity for networking, exchanging ideas and providing feedback to the ARC.

ARC/NHMRC Research Administrators' Seminar

The ARC, together with the Australasian Research Management Society and NHMRC, holds an annual research administrators' seminar. The ARC held the 2014 seminar on 3–4 December 2014 in Canberra. Approximately 300 people from 70 institutions attended the event. This event is important in providing information to the sector about changes to NCGP funding schemes, ERA and a range of other policy and programme matters.

ARC Centres of Excellence information sessions

The ARC released the ARC Centres of Excellence 2017 funding rules in May 2015. Following the release of the rules, information sessions were held at a number of institutions around Australia including the University of Canberra, University of South Australia, The University of Queensland, Murdoch University, The University of Sydney, Deakin University and the University of Tasmania. Administrators and potential Centre Directors from all interested institutions were invited to attend.

Consultations

The ARC undertook a number of stakeholder consultations during 2014–15 in relation to:

- Australian Laureate Fellowships scheme
- NCGP scheme funding rules
- ERA 2015 submission materials
- the ARC's draft new Research Integrity and Research Misconduct Policy
- ARC support for gender equality in the research workforce
- the assessment of open data requirements under the NCGP funding rules, the importance of data management more broadly and the potential benefits (and/or perceived risks) of strengthening the ARC's requirements.

Other government departments

In 2014–15 the ARC and NHMRC continued to meet regularly to discuss issues of common interest which included streamlining of grant application processes, the possible introduction of ORCID and implementation of the new joint NHMRC-ARC Dementia Research Development Fellowships scheme.

COMPLAINTS HANDLING

Complaints handling policy

The *ARC Complaints Handling and Appeals Policy* is published on the ARC website. This policy aims to assist clients and stakeholders who want to make a general complaint about the ARC or submit an appeal about the administrative processes of the NCGP. A report on general complaints and appeals was provided to the Senior Management Group in July 2014 and January 2015.

Client service charter

The *ARC Client Service Charter* sets out the standards of service clients and stakeholders should expect from the ARC and provides guidance for the process clients and stakeholders can follow if they are dissatisfied with the level of service they have received. The charter is available on the ARC website. In 2014–15 the ARC did not receive any complaints in relation to the client service charter. The ARC's performance against the service standards in the charter are reported in Part 5, Appendix 6, pages 237–8.

Appeals

NCGP funding rules make provision for an appeals process, designed to ensure that all applicants have been treated fairly and consistently during selection processes. The NCGP Appeals Committee considers all appeals submitted to the ARC to determine if there was an administrative error related to a selection process that adversely affected the proposal. Appeals are only considered against administrative process issues and cannot be made against committee decisions or assessor ratings and comments.

In 2014–15, the NCGP Appeals Committee met twice to consider six appeals submitted to the ARC in relation to NCGP proposals submitted under the Discovery Projects, Linkage Infrastructure, Equipment and Facilities and Future Fellowships schemes. Of these, no appeals were upheld.

Details about the NCGP Appeals Committee are provided on page 99.



CHAPTER 8

EXTERNAL SCRUTINY

Professor David Clarke
from the Science of Learning
Research Centre at The
University of Melbourne.
(Image courtesy of The University
of Melbourne)

DESCRIPTION

Overview

This chapter provides a report on the key external scrutiny mechanisms to which the ARC is subject as an entity of the Australian Public Service, including any developments during 2014–15.

The mechanisms include:

- activities of Parliamentary Committees
- activities of the Australian National Audit Office (ANAO)
- reporting requirements imposed by legislation and other government policies (including mandatory reporting requirements which must be dealt with in annual reports).

2014–15 highlights

Performance

During the year the ARC:

- participated in senate estimates hearings in October 2014, February 2015 and June 2015
- continued to monitor recommendations from relevant ANAO audit reports (that is, those dealing with cross-portfolio issues)
- had no complaints or investigations about it referred to external bodies
- continued to address the range of mandatory reporting requirements placed on public service agencies.

Operating context

There were no significant changes in the ARC's operating context in relation to external scrutiny.

EXTERNAL BODIES

Parliamentary Committees

The ARC appeared before the Senate Education and Employment Legislation Committee at estimates hearings held in October 2014, February 2015 and June 2015.

The ARC responded to 21 Questions on Notice arising from these hearings. It also provided input to 72 Questions on Notice directed to the ARC's portfolio department, the Department of Education and Training (previously titled the Department of Education), during 2014–15.

In March 2015 the Senate Education and Employment Legislation Committee released its report on annual reports for the agencies for which it is responsible (Annual reports—No. 1 of 2015). The committee assessed the *ARC Annual Report 2013–14* to be satisfactory—in terms of timeliness of presentation and compliance with relevant reporting requirements [as specified under section 63 of the *Public Service Act 1999* (PS Act), the *Financial Management and Accountability Act 1997* and the *Australian Research Council Act 2001*].

Australian National Audit Office

ANAO audited the ARC's annual financial statements for the year ended 30 June 2015. The report for this audit can be found in Part 4.

During 2014–15 the ARC reviewed and considered the recommendations made within a number of cross-portfolio ANAO audit reports, including:

- *Fraud Control Arrangements*, No. 3 tabled on 30 October 2014
- *Business Continuity Management*, No. 6 tabled on 6 November 2014
- *Limited Tender Procurement*, No. 48 tabled on 10 June 2015

In 2014–15 the ANAO released three Better Practice Guides relevant to ARC activities:

- *Successful Implementation of Policy Initiatives* (October 2014)
- *Public Sector Audit Committee: Independent assurance and advice for Accountable Authorities* (March 2015)
- *Public Sector Financial Statements: High-quality reporting through good governance and processes* (March 2015).

Other external bodies

During 2014–15:

- the Commonwealth Ombudsman's Office did not initiate any investigations about ARC business
- no complaints about the ARC were referred to the Office of the Australian Information Commissioner
- the ARC received no claims under the Compensation for Detriment for Defective Administration scheme (which allows people adversely affected by the maladministration of an Australian Government agency to receive compensation when they have no legal redress)
- there were no requests from the office of the Australian Information Commissioner to review ARC freedom of information decisions
- one matter before the Federal Court was finalised.

There were no judicial decisions involving the ARC under the *Administrative Decisions (Judicial Review) Act 1977* (which provides for judicial review of most administrative decisions made under the Commonwealth enactments on grounds relating to legality, rather than merits, of decisions).

MANDATORY REPORTING

Annual reports

Legislative requirements

In accordance with specific legislative requirements, annual reports must include matters in relation to:

- work health and safety (Schedule 2, Part 4 of the *Work Health and Safety Act 2011*)
- advertising and market research (section 311A, *Commonwealth Electoral Act 1918*)
- ecologically sustainable development and environmental performance (section 516A, *Environment Protection and Biodiversity Conservation Act 1999*)
- compliance with the agency's obligations under the *Carer Recognition Act 2010*.

In this annual report, information on the first three requirements is included in the following locations:

- work health and safety—Part 3, Chapter 9 (People management), page 124
- advertising and market research—Part 5, Appendix 7, page 239
- ecologically sustainable development and environmental performance—Part 5, Appendix 8, pages 240–43.

The ARC does not have any obligations with regard to the *Carer Recognition Act 2010*; that is, it is not an agency as defined in the PS Act that is responsible for the development, implementation, provision of evaluation of policies, programmes or services directed to carers or the persons for whom they care.

Other requirements

Grant programmes

The ARC administers a number of research funding schemes under the National Competitive Grants Programme. A full list of these schemes is in Part 5, Appendices 2 and 3. Further information on the grants awarded by the ARC during the period 1 July 2014 to 30 June 2015 is available on the ARC website.

Disability reporting

Since 1994, Commonwealth departments and agencies have reported on their performance as policy adviser, purchaser, employer, regulator and provider under the Commonwealth Disability Strategy. In 2007–08, reporting on the employer role was transferred to the Australian Public Service Commission's (APSC) *State of the Service Report* and the *APS Statistical Bulletin*. These reports are available on the APSC website: www.apsc.gov.au. From 2010–11, departments and agencies have no longer been required to report on these functions.

The Commonwealth Disability Strategy has been overtaken by the National Disability Strategy 2010–2020, which sets out a ten year national policy framework to improve the lives of people with disability, promote participation and create a more inclusive society. A high level two-yearly report will track progress against each of the six outcome areas of the Strategy and present a picture of how people with disability are faring. The first of these reports will be available in late 2014 on the Department of Social Services website: www.dss.gov.au.

Information Publication Scheme

Agencies subject to the *Freedom of Information Act 1982* (FOI Act) are required to publish information to the public as part of the Information Publication Scheme (IPS). This requirement is in Part II of the FOI Act and has replaced the former requirement to publish a section 8 statement in an annual report.

Each agency must display on its website a plan showing what information it publishes in accordance with the IPS requirements. ARC information relating to the IPS and the FOI disclosure log is published on the ARC website.

Correction of errors

Errors or omissions of fact that were identified in the *ARC Annual Report 2013–14* are detailed in Part 5, Appendix 9.

Other reporting

The Annual Report guidelines note that reporting and analysis in an annual report, as a document of record, is complementary to the ongoing availability of information through the internet. A range of information on the ARC website is published in accordance with formal reporting requirements including details of:

- all grants awarded
- freedom of information requests
- agency contracts.



CHAPTER 9

PEOPLE MANAGEMENT

Associate Professor Sally Gras and PhD candidate Ms Anita Pax from The University of Melbourne are researching improvements to dairy products.

(Image courtesy of Casamento Photography)

DESCRIPTION

Overview

This chapter provides an overview of people management activities within the ARC including the following:

- a profile of ARC staff, as at 30 June 2015
- workforce planning
- flexible conditions of employment
- access to training and development opportunities
- safe and healthy work environment
- development of a supportive workplace culture.

The ARC strives to constantly foster a highly performing and productive workforce that achieves results. In managing its human resources, the ARC aims to provide its employees with a workplace where:

- they know what is expected of them
- the workplace is safe and they are treated fairly
- their skills and contribution are recognised and valued
- training and development support career progression
- they can work harmoniously with others.

2014–15 highlights

Performance

During the year the ARC:

- received the results of the 2013–14 State of the Service census which showed that there was increased satisfaction in several areas of work compared to the previous year
- introduced an e-Learning capability
- launched the ARC Workplace Diversity Programme
- had no work health and safety notifications or investigations.

Operating context

During the year:

- there were specific staff hire arrangements in place for the Australian Public Service
- a new Public Sector Workplace Bargaining Policy was in place to guide preparation of new enterprise agreements across the Australian public service.

STAFF STATISTICS

Detailed staff statistics are provided in Part 5, Appendix 10, including: ARC employees by classification level, full-time/part-time status, gender and employment arrangements; and staff separations by classification level and employment category.

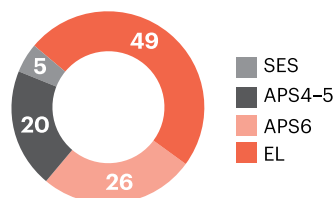
At 30 June 2015 the ARC had 115 staff, of which:

97%

WERE ONGOING
the same as at
30 June 2014

49%

**WERE AT THE
EL LEVEL**
compared to 45%
at 30 June 2014



68%

WERE FEMALE
compared to 66%
at 30 June 2014



0%

**IDENTIFIED
AS BEING
INDIGENOUS**

The ARC launched its
Reconciliation Action Plan in
June 2015 (see page 126).

96%

**WERE EMPLOYED
UNDER THE
ENTERPRISE
AGREEMENT**

WORKFORCE PLANNING AND EMPLOYMENT CONDITIONS

Workforce planning

The ARC undertakes a workforce planning exercise each year as part of internal budget deliberations. While the ARC is a small agency, it endeavours to maximise opportunities for staff by enabling staff rotations within the organisation, providing targeted training opportunities, ensuring relevant knowledge management and sharing processes are in place and succession planning. In 2014–15 staff turnover figures continued to improve with 10 separations compared to 16 in 2013–14 (Table A 10.4).

Employment arrangements

During 2014–15 the ARC employed staff under a range of different arrangements.

Non-SES staff

Enterprise agreement

The current ARC Enterprise Agreement expired on 30 June 2014. The Australian Government Public Sector Workplace Bargaining Policy was released in March 2014. Consultation with staff is currently underway in preparation for a new Enterprise Agreement.

Australian Workplace Agreements

At 30 June 2015, four non-Senior Executive Service (SES) staff continued to be covered by Australian Workplace Agreements (AWAs). These AWAs were in place prior to the changes to the *Workplace Relations Act 1996*, which stipulated that no new AWA may be entered into on or after 13 February 2008.

Individual flexibility arrangements

Employees covered by the *ARC Enterprise Agreement 2011–14* may agree to make an Individual Flexibility Agreement (IFA) to vary the effect of terms of the agreement. IFAs within the ARC generally deal with retention allowances or remuneration allowing the Chief Executive Officer (CEO) to remunerate specialised employees based on market forces and experience.

Section 24(1) determinations

Under Section 24(1) of the *Public Service Act 1999*, the CEO can make determinations to offer staff remuneration or conditions that supplement those available under an enterprise agreement or AWA in order to avoid disadvantage. Section 24(1) determinations used in the ARC are individual arrangements and in general provide for a specified retention allowance. *The ARC Enterprise Agreement 2011–14* obviates the need for new determinations, although existing determinations will continue.

SES staff

Common law contracts

Employee arrangements under common law contracts set the terms and conditions for SES staff. As at 30 June 2015 there were four Common Law Contracts in place for SES staff.

Remuneration

Non-SES staff

Salary ranges for non-SES staff reflect the various workplace arrangements outlined above. The 2014–15 salary ranges are listed in Table 9.1.

Table 9.1: Salary ranges of non-SES staff by classification (at 30 June 2015)

| Classification | Salary range |
|-------------------|-----------------------|
| Executive Level 2 | \$111 082 – \$166 794 |
| Executive Level 1 | \$92 557 – \$122 003 |
| APS 6 | \$72 483 – \$84 186 |
| APS 5 | \$65 467 – \$71 951 |
| APS 4 | \$60 261 – \$63 682 |
| APS 3 | \$53 604 – \$56 646 |
| APS 2 | \$47 997 – \$52 142 |
| APS 1 | \$45 730 – \$46 900 |

SES staff

Individual common law contracts determine the nature and amount of remuneration provided to SES employees. 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 2015 the notional salary range for SES Band 1 and Band 2 officers was between \$170 000 and \$285 000. In the Financial Statements, Note 15 provides additional information on executive remuneration in 2014–15 (see Part 4).

Performance pay

The ARC does not provide access to performance pay.

Non-salary benefits

The ARC offered a range of non-salary benefits in 2014–15 including: flu vaccinations, a health allowance, superannuation advice, and access to salary packaging arrangements.

TRAINING AND DEVELOPMENT

Activities

During the year all new employees were required to attend three induction programmes: Introduction to the ARC; Introduction to the APS; and Introduction to Administrative Law. The ARC also provided in-house training to staff on:

- financial management in the APS
- project management
- planning and managing change
- coaching and developing others
- Public Interest Disclosure
- security.

In May 2015 the ARC introduced eLearning, using a system called LearnHub created by the Australian Government's Shared Services Centre. More information about the LearnHub is provided in the case study on page 127.

Expenditure

The ARC spent a total of \$110 400 on learning and development activities, including formal training programmes and studies assistance, in 2014–15 (Table 9.2). On average the ARC spent \$961 per person (based on 115 employees) on training and development—with an average attendance of two days face to face training per person. The ARC spent a total of \$8 799 on studies assistance for 11 staff members to undertake studies approved under the *ARC Studies Assistance Guidelines* during 2014–15.

Table 9.2: Training and development by classification, 2014–15

| Classification | Staff (no.) | Days used (no.) | Expenditure (\$) |
|---------------------|-------------|-----------------|------------------|
| CEO and SES | 6 | 6.00 | 1 871 |
| Executive Level 1–2 | 56 | 131.25 | 66 481 |
| APS 1–6 | 53 | 95.50 | 33 249 |
| Total | 115 | 232.75 | 101 601 |

SAFE AND HEALTHY WORK ENVIRONMENT

Under the *Work Health and Safety Act 2011* (WHS Act), agencies are required to report in their annual report on the following matters:

- initiatives taken during the year to ensure the health, safety and welfare of workers who carry out work for the ARC
- health and safety outcomes achieved as a result of the initiatives mentioned
- statistics of any notifiable incidents of which the ARC became aware during the year that arose out of the conduct of businesses or undertakings by the agency
- any investigations conducted during the year that related to businesses or undertakings conducted by the ARC, including details of all notices given to the entity during the year under Part 10 of the WHS Act
- such other matters as are required by the guidelines approved on behalf of the Parliament by the Joint Committee of Public Accounts and Audit.

Health and safety initiatives

The ARC held Work Health and Safety Committee meetings and continued to provide: first aid training to nominated first aid officers within the ARC; employer-subsidised eyesight testing for screen-based work; training for fire wardens and health and safety representatives; influenza vaccinations to employees and contractors; workstation assessments; mental health awareness training; and health checks.

Health and safety outcomes

One incident was reported to the Director, People and Services, in accordance with the department's incident notification and reporting procedures.

Notifiable incidents

Under the WHS Act, a notifiable incident is one involving death of a person, serious injury or illness of a person, or a dangerous incident. The ARC had no notifiable incidents during 2014-15.

Investigations including details of all notices

Under the WHS Act, improvement, prohibition or non-disturbance notices may be issued to the agency. The ARC was not issued with any notices and there were no investigations undertaken during 2014-15.

Any other matters

There are no other matters required by the guidelines.



State of the Service census results

Each year the Australian Public Service Commission publishes a State of the Service report. The report draws on a range of information sources including a survey sent to all Australian Public Service (APS) agencies employing 20 or more staff under the Public Service Act 1999 and the results of an APS employee survey.

The results of the 2014 census highlighted the ARC's strengths and weaknesses compared to other APS agencies. The profile of staff, together with the results of the survey, provided the ARC with a valuable resource to assist in staff planning.

Eighty-three per cent of ARC staff participated in the 2014 State of the Service census. At the time the survey was conducted 76 per cent of staff indicated that they felt they were valued for their contribution (compared to an APS-wide percentage of 44).

Strengths

The ARC performed more strongly than the overall APS in most areas, but particularly in the following:

- 90 per cent of ARC respondents considered the ARC to provide access to effective learning and development (compared to an APS-wide average of 62 per cent)
- 73 per cent of ARC respondents felt that communication between senior leaders and employees was effective (compared to an APS-wide average of 42 per cent)
- 88 per cent of ARC respondents regarded the ARC's workplace culture supports people to achieve a good work-life balance (compared to an APS-wide average of 66 per cent)
- 79 per cent of ARC respondents believed ARC senior leaders engaged with staff on how to respond to future challenges (compared to an APS-wide average of 47 per cent).

Opportunities for improvement

The 2014 census identified the following areas for improvement in the agency:

- supervisor training
- time management.



ARC Workplace Diversity Programme

A key priority in the ARC Strategic Plan for 2014–15 to 2016–17 was to build a positive, forward thinking and sustainable agency, including by: recognising and valuing staff skills and contributions.

The *ARC Workplace Diversity Programme (WDP) 2015–19* was published on the ARC intranet in February 2015. It is an overarching programme that incorporates the ARC's diversity policies and plans, including the *Discrimination and Harassment-free Workplace Policy*, *Reconciliation Action Plan* and *Agency Multicultural Plan*.

Implementation of the ARC's WDP and its strategies is the responsibility of all ARC employees. The three key strategies are:

- improve our ability to attract, recruit and retain people of diverse backgrounds and targeted under-represented diversity groups
- strengthen a respectful and positive work environment and culture through awareness, promoting diversity events and work life balance
- improve our understanding of workplace diversity issues through consultation, leadership and teamwork.

In February 2015, the ARC made significant progress in addressing each of the above strategies when it launched its *REFLECT Reconciliation Action Plan*. The plan recognises the value of the diverse skills and backgrounds of ARC employees, consultants, suppliers and the Australian community, including those of Aboriginal and Torres Strait Islander descent.

The official launch was celebrated at an ARC all-staff meeting where Aunty Agnes Shea, Ngunnawal elder and traditional custodian of the ACT and surrounding region, conducted an official Welcome to Country. At the event the ARC CEO Professor Aidan Byrne discussed the details of the *REFLECT Reconciliation Action Plan* and guest speaker, Mr Russell Taylor, Principal of the Australian Institute of Aboriginal and Torres Strait Islander Studies, discussed the importance of the plan to our community.

As a part of the celebrations, ARC staff were invited to contribute to creating a memento by placing their hand print on a canvas to represent their commitment to diversity. Greg Joseph, an artist from the Yidinji Peoples, completed the memento by adding a painting overlay of 'The Dance of the Brolga' and 'Corroboree'. The two artworks were unveiled during National Reconciliation Week and now hang in two meetings rooms of the ARC.



Learnhub

A key priority in the ARC Strategic Plan for 2014–15 to 2016–17 was to build a positive, forward thinking and sustainable agency, including by: providing training and development to support career progression.

In May 2015, the ARC introduced a new Learning Management System called Learnhub.

Learnhub is an APS-wide initiative created by the Shared Services Centre (Australian Government Department of Education and Training/Department of Employment partnership) that provides a suite of APS focused e-Learning, approved where possible by the relevant policy agency and accredited via the Open Badges Standard of recognition.

Learnhub has allowed the ARC to access a highly customisable and cost effective solution to deliver a range of training courses electronically. Learnhub is also cloud hosted, so it is readily accessible to ARC staff from any device in any location.

Through Learnhub, the ARC can now:

- deliver essential modules on APS and ARC policies and processes as part of a suite of APS Core Skills Corporate training
- use e-learning to support the ARC's Corporate Training Workshops
- deliver training to meet APS compliance obligations
- provide staff with access to a range of APS endorsed training resources.



CHAPTER 10

PURCHASING, ASSET MANAGEMENT, CONSULTANTS AND CONTRACTS



Professor Joshua Cinner
with fishers from Ahus Island,
Papua New Guinea. Professor
Cinner is researching human-
environment interactions.
(Photo courtesy of Tessa Hempson)

DESCRIPTION

Overview

This chapter provides details of the ARC's approach to purchasing, assets management and its use of consultants and contracts. It includes a brief statement on the ways in which the ARC's procurement practices support small and medium enterprises.

2014–15 highlights

Performance

During the year the ARC:

- implemented the latest Australian Government financial management requirements.

Operating context

During the year:

- there were changes to Australian Government procurement requirements resulting from the PGPA Act.

PURCHASING AND ASSET MANAGEMENT

Purchasing

Policy

The ARC's approach to purchasing is consistent with the *Commonwealth Procurement Rules*. Detailed policy and procedures relating to procurement are also set out in the ARC's *Accountable Authority Instructions (AAIs)* and other specific policy and procedure guides (such as those for travel and use of Commonwealth credit cards), all of which are reviewed and updated periodically.

The *Commonwealth Procurement Rules* represent the Australian Government's policy framework under which agencies govern and undertake procurement. The key rules are: value for money; encouraging competition; efficient, effective, economical and ethical procurement; accountability and transparency in procurement; procurement risk; and procurement method.

The ARC Finance Section has overall responsibility 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 ARC's procurement plan, available from the AusTender website: www.tenders.gov.au. This plan gives potential suppliers early notice of significant planned procurements for the coming year. All procurements over \$10,000 are published on AusTender.

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/procurement/statistics-on-commonwealth-purchasing-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: www.treasury.gov.au. The ARC incorporates a number of procurement practices to support SMEs, including the use of standard contract templates with clear and simple language and electronic payment systems, including credit cards, to facilitate on-time payment.

Asset management

Asset management is not a significant part of the ARC's strategic business. The ARC's assets include office fit out, furniture, IT software and 'portable and attractive' equipment held at the ARC office. The ARC reviews its asset holdings annually to ensure cost effectiveness and whole-of-life asset utilisation. In 2014-15 the annual stocktake was conducted in February 2015.

CONSULTANTS AND CONTRACTS

Consultants

Policy on selection and engagement of consultants

The ARC's policy on selecting and engaging consultants is set out in the ARC's AAI/s and in related procurement instructions and guidance material. The ARC engages consultants primarily where there is a need for independent research or assessment or where a specialist skill or expertise is required. Consultants are engaged through a meritorious selection or procurement process.

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. By contrast, other (non-consultancy) contracts for services are typically far more restrictive in the degree of latitude afforded to the contractor. Details of contracts for services are available from the AusTender website.

Expenditure

During 2014–15 the ARC entered into 199 new consultancy contracts involving total actual expenditure of \$5 248 938. In addition, 178 ongoing consultancy contracts were active during the 2014–15 year, involving total actual expenditure of \$10 072 553. The majority of the new consultancy contracts in 2014–15 were for services relating to membership of ARC committees. Over the past three years the ARC's expenditure on consultancy contracts was:

- \$2 714 027 in 2014–15
- \$1 722 263 in 2013–14
- \$2 929 267 in 2012–13.

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.

Contracts

Australian National Audit Office access clauses

All contracts let for goods and services during the reporting period of \$100 000 or more (inclusive of GST) provided for the Auditor-General to have access to the contractor's premises.

Exempt contracts

The ARC Chief Executive Officer did not exempt any contracts from publication on the AusTender website.



Dr Vanessa Kellermann from Monash University works with different species of *Drosophila* to understand the role of climate in shaping current species distributions.

(Photo courtesy of L'Oreal Australia)

PART 4

FINANCIAL PERFORMANCE

CHAPTER 11: FINANCIAL OVERVIEW AND STATEMENTS

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Discussion and analysis of the ARC's financial performance for the year and a copy of the audited financial statements



CHAPTER 11

FINANCIAL OVERVIEW AND STATEMENTS

Professor Alister Graham and PhD candidate Ms Giulia Savorgnan from Swinburne University of Technology are researching black holes.

(Image courtesy of Alister Graham)

DESCRIPTION

This chapter provides a summary of the ARC's 2014–15 financial performance. The Parliament of Australia provides the ARC with two types of funding, administered and departmental, where:

- administered funding is managed by agencies on behalf of government, including for example, grants, subsidies and benefits
- departmental items are assets, liabilities, revenues and expenses that are controlled by the agency in providing its outputs, including for example, employee expenses, supplier expenses, and other operational expenses.

SUMMARY OF PERFORMANCE

The ARC's total annual appropriated resources for 2014–15 were \$904.7 million. This comprised:

- \$881.0 million for the administered appropriation (\$875.6 million special appropriation for the National Competitive Grants Programme and \$5.4 million for the annual administered appropriation)
- \$23.7 million for the departmental appropriation (\$19.8 million for operating expenses, \$1.3 million for the Departmental Capital Budget and \$2.6 million for an equity injection).

In 2014–15 the ARC disclosed an operating deficit of \$1.655 million due to the removal of depreciation funding as part of the net cash appropriations arrangement.

A resource summary of the ARC's administered and departmental expenses is provided in Part 5, Appendix 11. The 2014–15 departmental operating expenses are \$1.800 million less than the budget estimate. This is due to the implementation of a range of strategies to manage departmental expenditure.

Further information on the financial performance of the ARC is in the financial statements and accompanying notes. The Australian National Audit Office found that the ARC's financial statements, including lead schedules and reconciliations, were appropriate for the needs of the audit.

FINANCIAL STATEMENTS

This section provides the financial statements for the ARC for the financial period ended 30 June 2015.

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INDEPENDENT AUDITOR'S REPORT

To the Minister for Education and Training

I have audited the accompanying annual financial statements of the Australian Research Council for the year ended 30 June 2015, which comprise:

- Statement by the Chief Executive and Chief Financial Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement;
- Schedule of Commitments;
- Administered Schedule of Comprehensive Income;
- Administered Schedule of Assets and Liabilities;
- Administered Reconciliation Schedule;
- Administered Cash Flow Statement;
- Schedule of Administered Commitments; and
- Notes comprising a Summary of Significant Accounting Policies and other explanatory information.

Chief Executive's Responsibility for the Financial Statements

The Chief Executive of the Australian Research Council is responsible under the *Public Governance, Performance and Accountability Act 2013* for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards and the rules made under that Act. The Australian Research Council is also responsible for such internal control as is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I have conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. These auditing standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial

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statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Accountable Authority of the entity, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

In conducting my audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the requirements of the Australian accounting profession.

Opinion

In my opinion, the financial statements of the Australian Research Council:

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

Australian National Audit Office



Carla Jago

Executive Director

Delegate of the Auditor-General

Canberra

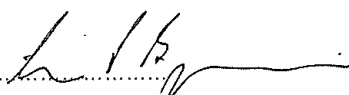
9 September 2015

Australian Research Council
Statement by the Chief Executive and Chief Financial Officer

In our opinion, the attached financial statements for the year ended 30 June 2015 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.

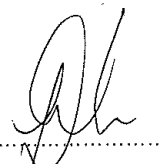
In our opinion, at the date of this statement, there are reasonable grounds to believe that the Australian Research Council will be able to pay its debts as and when they fall due.

Signed.....



Aidan Byrne
Accountable Authority
9 September 2015

Signed.....



Julija Deleva
Chief Financial Officer
9 September 2015

Statement of Comprehensive Income
for the period ended 30 June 2015

| | | 2015 | 2014 |
|--|-------|----------------|----------------|
| | Notes | \$'000 | \$'000 |
| NET COST OF SERVICES | | | |
| Expenses | | | |
| Employee benefits | 4A | 13,212 | 13,814 |
| Suppliers | 4B | 4,554 | 4,148 |
| Depreciation and amortisation | 4C | 3,487 | 3,364 |
| Finance costs | 4D | 283 | 295 |
| Write-down and impairment of assets | 4E | - | 3 |
| Total expenses | | 21,536 | 21,624 |
| Own-Source Income | | | |
| Own-source revenue | | | |
| Sale of goods and rendering of services | 5A | - | 105 |
| Total own-source revenue | | - | 105 |
| Gains | | | |
| Other gains | 5B | 131 | 67 |
| Total gains | | 131 | 67 |
| Total own-source income | | 131 | 172 |
| Net cost of services | | 21,405 | 21,452 |
| Revenue from Government | 5C | 19,750 | 19,776 |
| Surplus/(Deficit) | | (1,655) | (1,676) |
| Total comprehensive income/(loss) | 3 | (1,655) | (1,676) |

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

Statement of Financial Position
as at 30 June 2015

| | Notes | 2015 \$'000 | 2014 \$'000 |
|---|-------|----------------|----------------|
| ASSETS | | | |
| Financial assets | | | |
| Cash and cash equivalents | 7A | 295 | 299 |
| Trade and other receivables | 7B | 11,003 | 8,893 |
| Total financial assets | | 11,298 | 9,192 |
| Non-financial assets | | | |
| Land and buildings | 8A,C | 2,247 | 2,460 |
| Property, plant and equipment | 8B,C | 197 | 214 |
| Intangibles | 8D,E | 16,066 | 15,565 |
| Other non-financial assets | 8F | 293 | 318 |
| Total non-financial assets | | 18,803 | 18,557 |
| Total assets | | 30,101 | 27,749 |
| LIABILITIES | | | |
| Payables | | | |
| Suppliers | 9A | 400 | 453 |
| Other payables | 9B | 440 | 397 |
| Total payables | | 840 | 850 |
| Interest bearing liabilities | | | |
| Leases | 10 | 2,452 | 2,575 |
| Total interest bearing liabilities | | 2,452 | 2,575 |
| Provisions | | | |
| Employee provisions | 11A | 3,523 | 3,197 |
| Other provisions | 11B | 267 | 322 |
| Total provisions | | 3,790 | 3,519 |
| Total liabilities | | 7,082 | 6,944 |
| Net assets | | 23,019 | 20,805 |
| EQUITY | | | |
| Contributed equity | | 25,762 | 21,893 |
| Reserves | | 43 | 43 |
| Accumulated deficit | | (2,786) | (1,131) |
| Total equity | | 23,019 | 20,805 |

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

Statement of Changes in Equity
for the period ended 30 June 2015

| | Accumulated Deficit | | Asset revaluation surplus | | Contributed equity/capital | | Total equity | |
|--|---------------------|----------------|---------------------------|-----------|----------------------------|----------------|----------------|----------------|
| | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Opening balance | | | | | | | | |
| Balance carried forward from previous period | (1,131) | 545 | 43 | 43 | 21,893 | 24,551 | 20,805 | 25,139 |
| Adjusted opening balance | (1,131) | 545 | 43 | 43 | 21,893 | 24,551 | 20,805 | 25,139 |
| Comprehensive income | | | | | | | | |
| Surplus/(Deficit) for the period | (1,655) | (1,676) | | | | | (1,655) | (1,676) |
| Other comprehensive income | - | - | - | - | - | - | - | - |
| Total comprehensive income | (1,655) | (1,676) | - | - | - | - | (1,655) | (1,676) |
| Transactions with owners | | | | | | | | |
| Distributions to owners | | | | | | | | |
| Returns on capital | - | - | - | - | - | (5,467) | - | (5,467) |
| Contributions by owners | | | | | | | | |
| Equity injection - Appropriation | - | - | - | - | 1,264 | 1,861 | 1,264 | 1,861 |
| Departmental capital budget | - | - | - | - | 2,605 | 948 | 2,605 | 948 |
| Total transactions with owners | - | - | - | - | 3,869 | (2,658) | 3,869 | (2,658) |
| Closing balance as at 30 June | (2,786) | (1,131) | 43 | 43 | 25,762 | 21,893 | 23,019 | 20,805 |

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

Cash Flow Statement*for the period ended 30 June 2015*

| | Notes | 2015 \$'000 | 2014 \$'000 |
|---|-------|----------------|----------------|
| OPERATING ACTIVITIES | | | |
| Cash received | | | |
| Appropriations | | 18,142 | 16,878 |
| Sale of goods and rendering of services | | - | 115 |
| Net GST received | | 767 | 574 |
| Other | | 129 | 286 |
| Total cash received | | 19,038 | 17,853 |
| Cash used | | | |
| Employees | | 13,021 | 13,433 |
| Suppliers | | 5,493 | 4,799 |
| Section 74 receipts transferred to OPA | | - | 115 |
| Other | | 274 | 286 |
| Total cash used | | 18,788 | 18,633 |
| Net cash from/(used by) operating activities | 13 | 250 | (780) |
| INVESTING ACTIVITIES | | | |
| Cash used | | | |
| Purchase of property, plant and equipment | | 100 | 49 |
| Purchase of intangibles | | 3,456 | 2,542 |
| Total cash used | | 3,556 | 2,591 |
| Net cash (used by) investing activities | | (3,556) | (2,591) |
| FINANCING ACTIVITIES | | | |
| Cash received | | | |
| Contributed equity | | 3,425 | 2,945 |
| Total cash received | | 3,425 | 2,945 |
| Cash used | | | |
| Repayment of borrowings | | 123 | 112 |
| Total cash used | | 123 | 112 |
| Net cash from/(used by) financing activities | | 3,302 | 2,833 |
| Net increase/(decrease) in cash held | | (4) | (538) |
| Cash and cash equivalents at the beginning of the reporting period | | 299 | 837 |
| Cash and cash equivalents at the end of the reporting period | 7A | 295 | 299 |

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

Schedule of Commitments*as at 30 June 2015*

| | 2015 \$'000 | 2014 \$'000 |
|---|----------------|----------------|
| BY TYPE | | |
| Commitments receivable | | |
| Net GST recoverable on commitments ¹ | (2,490) | (2,756) |
| Total commitments receivable | (2,490) | (2,756) |
| Commitments payable | | |
| Capital commitments | | |
| Intangibles ² | 3,071 | 2,752 |
| Total capital commitments | 3,071 | 2,752 |
| Other commitments | | |
| Operating leases ³ | 17,305 | 18,802 |
| Other ⁴ | 7,010 | 8,758 |
| Total other commitments | 24,315 | 27,560 |
| Total commitments payable | 27,386 | 30,312 |
| Net commitments by type | 24,896 | 27,556 |
| BY MATURITY | | |
| Commitments receivable | | |
| Other Commitments receivable | | |
| Within 1 year | (909) | (954) |
| Between 1 to 5 years | (785) | (838) |
| More than 5 years | (796) | (964) |
| Total other commitments receivable | (2,490) | (2,756) |
| Total commitments receivable | | |
| Commitments payable | | |
| Capital commitments | | |
| Within 1 year | 3,025 | 2,752 |
| Between 1 to 5 years | 46 | - |
| More than 5 years | - | - |
| Total capital commitments | 3,071 | 2,752 |
| Operating lease commitments | | |
| Within 1 year | 1,605 | 1,528 |
| Between 1 to 5 years | 6,945 | 6,673 |
| More than 5 years | 8,755 | 10,601 |
| Total operating lease commitments | 17,305 | 18,802 |
| Other commitments | | |
| Within 1 year | 5,367 | 6,217 |
| Between 1 to 5 years | 1,643 | 2,541 |
| More than 5 years | - | - |
| Total other commitments | 7,010 | 8,758 |
| Total commitments payable | 27,386 | 30,312 |
| Net commitments by maturity | 24,896 | 27,556 |

Schedule of Commitments*as at 30 June 2015*

Note: Commitments are GST inclusive where relevant.

1. GST credit on commitments receivable from the ATO.
2. Outstanding contractual payments for IT systems under development.
3. Operating leases included are effectively non-cancellable and comprise:

| | |
|---|---|
| Leases for office accommodation | Lease payments are subject to annual increase of 4.25%. The last increase was in September 2014. |
| Agreements for the provision of motor vehicles to senior executive officers | No contingent rentals exist. There are no renewal or purchase options available to the ARC. |

4. Other commitments primarily consist of provision of information technology products and services, office suppliers, consultants and contractors.

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

Administered Schedule of Comprehensive Income*for the period ended 30 June 2015*

| | Notes | 2015 \$'000 | 2014 \$'000 |
|--|-------|------------------|------------------|
| NET COST OF SERVICES | | | |
| Expenses | | | |
| Suppliers | 18A | 11,916 | 2,383 |
| Grants | 18B | 835,552 | 914,889 |
| Total expenses | | 847,468 | 917,272 |
| Income | | | |
| Revenue | | | |
| Non-taxation revenue | | | |
| Other revenue | 19 | 8,106 | 6,758 |
| Total non-taxation revenue | | 8,106 | 6,758 |
| Total revenue | | 8,106 | 6,758 |
| Net cost of services | | 839,362 | 910,514 |
| Surplus/(Deficit) | | (839,362) | (910,514) |
| OTHER COMPREHENSIVE INCOME | | | |
| Total comprehensive income/(loss) | | (839,362) | (910,514) |

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

Administered Schedule of Assets and Liabilities*as at 30 June 2015*

| | Notes | 2015 \$'000 | 2014 \$'000 |
|---|-------|------------------|------------------|
| ASSETS | | | |
| Financial assets | | | |
| Cash and cash equivalents | 20A | - | - |
| Trade and other receivables | 20B | 477 | 1,315 |
| Total financial assets | | 477 | 1,315 |
| Non-financial assets | | | |
| Other non-financial assets | 21 | 192 | 248 |
| Total non-financial assets | | 192 | 248 |
| Total assets administered on behalf of Government | | 669 | 1,563 |
| LIABILITIES | | | |
| Payables | | | |
| Grants | 22A | 348,764 | 362,476 |
| Other payables | 22B | 1,405 | 4 |
| Total payables | | 350,169 | 362,480 |
| Total liabilities administered on behalf of Government | | 350,169 | 362,480 |
| Net assets/(liabilities) | | (349,500) | (360,917) |

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

Administered Reconciliation Schedule

| | 2015 \$'000 | 2014 \$'000 |
|--|------------------|------------------|
| Opening assets less liabilities as at 1 July | (360,917) | (338,806) |
| Net cost of services | | |
| Income | 8,106 | 6,758 |
| Expenses | (847,468) | (917,272) |
| Transfers (to)/from the Australian Government | | |
| Appropriation transfers from Official Public Account (OPA) | | |
| Administered assets and liabilities appropriations | | |
| Annual appropriations | 2,474 | 2,731 |
| Special appropriations (limited) | 859,564 | 893,282 |
| Administered GST Appropriations | 4,166 | 4,588 |
| Appropriation transfers to OPA | | |
| Appropriations | (8,434) | (7,944) |
| Special Accounts | (2,000) | - |
| Return of GST Appropriation to OPA | (4,991) | (4,254) |
| Closing assets less liabilities as at 30 June | (349,500) | (360,917) |

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

Australian Research Council
Administered Cash Flow Statement
for the period ended 30 June 2015

| | Notes | 2015 \$'000 | 2014 \$'000 |
|---|-------|------------------|------------------|
| OPERATING ACTIVITIES | | | |
| Cash received | | | |
| Net GST received | | 4,977 | 4,238 |
| Other | | 8,106 | 6,759 |
| Total cash received | | 13,083 | 10,997 |
| Cash used | | | |
| Grants | | 852,792 | 896,354 |
| Suppliers | | 11,070 | 3,046 |
| Total cash used | | 863,862 | 899,400 |
| Net cash from/(used by) operating activities | | (850,779) | (888,403) |
| Cash and cash equivalents at the beginning of the reporting period | | - | - |
| Cash from Official Public Account: | | | |
| Appropriations | | 862,038 | 896,013 |
| Administered GST Appropriations | | 4,166 | 4,588 |
| Total cash from official public account | | 866,204 | 900,601 |
| Cash to Official Public Account | | | |
| Appropriations | | (8,434) | (7,944) |
| Special Accounts | | (2,000) | - |
| Return of GST Appropriation to OPA | | (4,991) | (4,254) |
| Total cash to official public account | | (15,425) | (12,198) |
| Cash and cash equivalents at the end of the reporting period | 20A | - | - |

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

Australian Research Council
Schedule of Administered Commitments
as at 30 June 2015

| | 2015 \$'000 | 2014 \$'000 |
|---|------------------|------------------|
| BY TYPE | | |
| Commitments receivable ¹ | | |
| Net GST recoverable on commitments ¹ | (14,541) | (11,866) |
| Total commitments receivable | (14,541) | (11,866) |
| Commitments payable | | |
| Other commitments | | |
| Other | 2,950 | 1,026 |
| ARC National Competitive Grants ² | 1,060,310 | 1,207,773 |
| Total commitments payable | 1,063,260 | 1,208,799 |
| Net commitments by type | 1,048,719 | 1,196,933 |
| BY MATURITY | | |
| Commitments receivable | | |
| Other commitments receivable | | |
| Within 1 year | (4,227) | (4,898) |
| Between 1 to 5 years | (10,023) | (6,474) |
| More than 5 years | (291) | (494) |
| Total commitment receivable | (14,541) | (11,866) |
| Commitments payable | | |
| Other commitments | | |
| Within 1 year | 297,040 | 312,790 |
| Between 1 to 5 years | 744,581 | 832,516 |
| More than 5 years | 21,639 | 63,493 |
| Total commitments payable | 1,063,260 | 1,208,799 |
| Net commitments by maturity | 1,048,719 | 1,196,933 |

Note: Commitments are GST inclusive where relevant.

1. GST credit on commitments receivable from the ATO.

2. ARC National Competitive Grants relate to grant amounts payable under agreements in respect of which the grantee has yet to provide the services required under the agreement. It comprises mainly grants under the ARC National Competitive Grants programmes.

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

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Note 1. Summary of Significant Accounting Policies

1.1 Objectives of the Australian Research Council

The Australian Research Council (ARC) is an Australian Government controlled entity. It is a not-for-profit entity. The mission of the ARC is to deliver policy and programmes that advance Australian research and innovation globally and benefit the community.

The ARC is structured to meet one outcome which is '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 programmes is dependent on Government policy and on continuing funding by Parliament for the ARC's administration and programmes.

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 ARC in its own right. Administered activities involve the management or oversight by the ARC, on behalf of the Government, of items controlled or incurred by the Government.

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

- advancing Australian research and innovation by providing strategic policy advice to Government;
- managing the National Competitive Grants Programme; and
- measuring research excellence at Australia's universities by conducting research evaluations.

1.2 Basis of Preparation of the Financial Statements

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

The financial statements have been prepared in accordance with:

- Finance Reporting Rule (FRR) for reporting periods ending on or after 1 July 2014; and
- Australian Accounting Standards and Interpretations 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 are 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 and values are rounded to the nearest thousand dollars unless otherwise specified.

Unless an alternative treatment is specifically required by an accounting standard or the FRR, assets and liabilities are recognised in the Statement of Financial Position when and only when it is probable that future economic benefits will flow to the ARC or a future sacrifice of economic benefits will be required and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under executory contract are not recognised unless required by an accounting standard. Liabilities and assets that are unrecognised are reported in the Schedule of Commitments. The ARC did not have any contingencies at 30 June 2015.

Unless alternative treatment is specifically required by an accounting standard, income and expenses are recognised in the Statement of Comprehensive Income when and only when the flow, consumption or loss of economic benefits has occurred and can be reliably measured.

Administered revenues, expenses, assets and liabilities and cash flows reported in the Schedule of Administered Items and related notes are accounted for on the same basis and using the same policies as for departmental items, except where otherwise stated in Note 1.21.

1.3 Significant Accounting Judgements and Estimates

In the process of applying the accounting policies listed in this note, the ARC has made the following judgment that has the most significant impact on the amounts recorded in the financial statements: the fair value of leasehold improvements has been taken to be the Depreciated Replacement Cost (DRC) of similar properties as determined by an independent valuer.

The ARC has a number of material balances in the financial statements that are dependent on management assumptions for their measurement. The most significant of these relate to depreciation/amortisation and employee provisions.

The ARC recognises a liability for grant funding which is unpaid as at reporting date. Management has made a significant judgement that there are limited options not to pay out the entire remaining grant or enforce recovery until the recipient acquits the funds.

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.

1.4 Change in Australian Accounting Standards

Adoption of New Australian Accounting Standard Requirements

No accounting standard has been adopted earlier than the application date as stated in the standard.

The following new standards were issued prior to the signing of the statements by the accountable authority and chief financial officer, were applicable to the current reporting period and had a material effect on the ARC's financial statements:

| Standard/ Interpretation | Nature of change in accounting policy, transitional provisions ¹ , and adjustment to financial statements |
|--------------------------------------|--|
| AASB 1055 <i>Budgetary Reporting</i> | This standard requires reporting of budgetary information and explanation of significant variance between actual and budgeted amounts by not-for-profit entities within the General Government Sector. |

1. When transitional provisions apply, all changes in accounting policy are made in accordance with their respective transitional provisions.

All other new/revised/amending standards and interpretations that were issued prior to the sign-off date and are applicable to the current reporting period did not have a material effect, and are not expected to have a future material effect, on the ARC's financial statements.

Future Australian Accounting Standard requirements

The following new standard was issued by the Australian Accounting Standards Board prior to the signing of the statements by the accountable authority and the chief financial officer, which is expected to have a material impact on the ARC's financial statements for future reporting periods:

| Standard/ Interpretation | Application date for the ARC ¹ | Nature of impending change/s in accounting policy and likely impact on initial application |
|-------------------------------------|---|--|
| AASB 9 <i>Financial Instruments</i> | 1 January 2017 | <p>This revised Standard represents the first phase of a three phase project to replace AASB 139 Financial Instruments: Recognition and Measurement. The amendments reduce the four categories of financial asset to two - amortised cost and fair value. Under AASB 9, assets are to be measured at fair value unless they are held to collect cash flows and solely comprise the payment of interest and principal on specified dates. Gains and losses on assets carried at fair value are taken to profit and loss, unless they are equity instruments not held for trading and the entity initially elects to recognise gains/losses in other comprehensive income.</p> <p>Likely impact: May have an impact on the recognition and measurement of financial instruments. Final outcome will be considered once the project is completed.</p> |

1. The ARC's expected initial application date is when the accounting standard becomes operative at the beginning of the reporting period.

All other new standards, interpretations and amending standards that were issued prior to the sign-off date and are applicable to future reporting periods are not expected to have a future material impact on the ARC's financial statements.

1.5 Revenue

Revenue from the sale of goods is recognised when:

- the risks and rewards of ownership have been transferred to the buyer;
- the ARC retains no managerial involvement or effective control over the goods;
- the revenue and transaction costs incurred can be reliably measured; and
- it is probable that the economic benefits associated with the transaction will flow to the ARC.

Revenue from rendering of services is recognised by reference to the stage of completion of contracts at the reporting date. The revenue is recognised when:

- the amount of revenue, stage of completion and transaction costs incurred can be reliably measured; and
- the probable economic benefits associated with the transaction will flow to the ARC.

The stage of completion of contracts at the reporting date is determined by reference to the proportion that costs incurred to date bear to the estimated total costs of the transaction.

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 end of reporting period. Allowances are made when collectability of the debt is no longer probable.

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 ARC gains control of the appropriation. Appropriations receivable are recognised at their nominal amounts.

1.6 Gains

Resources Received Free of Charge

Resources received free of charge are recognised as gains 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.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as gains at their fair value when the asset qualifies for recognition, unless received from another Government entity as a consequence of a restructuring of administrative arrangements (Refer to Note 1.7).

Sale of Assets

Gains from the disposal of assets are recognised when control of the asset has passed to the buyer.

1.7 Transactions with the Government as Owner

Equity Injections

Amounts appropriated which are designated as 'equity injections' for a year (less any formal reductions) and Departmental Capital Budgets (DCBs) are recognised directly in contributed equity in that year.

1.8 Employee Benefits

Liabilities for 'short-term employee benefits' (as defined in AASB 119 *Employee Benefits*) and termination benefits expected within twelve months of the end of the reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits are measured as the 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. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of the ARC is estimated to be less than the annual entitlement for sick 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 ARC'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 2015. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Separation and Redundancy

As at 30 June 2015 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).

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 by the Department of Finance's administered schedules and notes.

The ARC makes employer contributions to the employees' superannuation schemes at rates determined by an actuary to be sufficient to meet the current cost to the Government. The ARC accounts for the contributions as if they were contributions to defined contribution schemes.

The liability for superannuation recognised as at 30 June 2015 represents outstanding contributions for the final fortnight of the year.

1.9 Leases

A distinction is made between finance leases and operating leases. Finance leases effectively transfer from the lessor to the lessee substantially all the risks and rewards incidental to ownership of leased assets. An operating lease is a lease that is not a finance lease. In operating leases, the lessor effectively retains substantially all such risks and benefits.

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

The ARC has only one finance lease, this is for the office fitout. This lease is non-cancellable.

Operating lease payments are expensed on a straight line basis which is representative of the pattern of benefits derived from the leased assets.

1.10 Borrowing Costs

All borrowing costs are expensed as incurred.

1.11 Fair Value Measurement

The ARC deems transfers between levels of the fair value hierarchy to have occurred at the end of the reporting period.

1.12 Cash

Cash is recognised at its nominal amount. Cash and cash equivalents include:

- cash on hand; and
- demand deposits in bank accounts with an original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

1.13 Financial Assets

The ARC classifies its financial assets in the following categories:

- financial assets at fair value through profit or loss;
- held-to-maturity investments;
- available-for-sale financial assets; and
- loans and receivables.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Financial assets are recognised and derecognised upon trade date.

Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognised on an effective interest rate basis except for financial assets that are recognised at fair value through profit or loss.

Financial Assets at Fair Value Through Profit or Loss

Financial assets are classified as financial assets at fair value through profit or loss where the financial assets:

- have been acquired principally for the purpose of selling in the near future; or
- are parts of an identified portfolio of financial instruments that the ARC manages together and has a recent actual pattern of short-term profit-taking.

Assets in this category are classified as current assets.

Financial assets at fair value through profit or loss 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.

Loans and Receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

Impairment of Financial Assets

Financial assets are assessed for impairment at the end of each reporting period.

- *Financial assets held at amortised cost* - if there is objective evidence that an impairment loss has been incurred for loans and receivables or held-to-maturity investments held at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount is reduced by way of an allowance account. The loss is recognised in the Statement of Comprehensive Income.

- *Available-for-sale financial assets* - if there is objective evidence that an impairment loss on an available-for-sale financial asset has been incurred, the amount of the difference between its cost, less principal repayments and amortisation, and its current fair value, less any impairment loss previously recognised in expenses, is transferred from equity to the Statement of Comprehensive Income.
- *Financial assets held at cost* - if there is objective evidence that an impairment loss has been incurred, the amount of the impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate for similar assets.

1.14 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.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. These financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Supplier and other payables are expected to be settled within 12 months. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

1.15 Contingent Liabilities and Contingent Assets

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the relevant 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.

At 30 June 2015 the ARC did not have any contingent liabilities and assets (2014: nil).

1.16 Financial guarantee contracts

As at 30 June 2015 the ARC held no financial guarantee contracts (2014: nil).

1.17 Acquisition of Assets

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 ARC where there exists an obligation to restore the property to its original condition. These costs are included in the value of ARC's leasehold improvements with a corresponding provision for the 'make good' recognised.

Revaluations

Following initial recognition at cost, property, plant and equipment are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets.

Revaluation adjustments are made on a class basis. Any revaluation increment was 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 was eliminated against the gross carrying amount of the asset and the asset was 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 ARC 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:

Australian Research Council

| | 2015 | 2014 |
|-------------------------------|---------------|---------------|
| Leasehold improvements | Lease term | Lease term |
| Property, plant and equipment | 2 to 10 years | 2 to 10 years |

Impairment

All assets were assessed for impairment at 30 June 2015. 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 ARC 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.

The ARC's intangibles comprise internally developed and purchased software for internal use. These assets are carried at cost less accumulated amortisation and accumulated impairment losses. The ARC's internally developed software includes directly attributable overhead costs which meet the recognition criteria in AASB 138.

Software is amortised on a straight-line basis over its anticipated useful life. Amortisation rates were calculated based on the following useful lives:

| | 2015 | 2014 |
|-----------------|---------------|---------------|
| Software assets | 2 to 10 years | 2 to 10 years |

All software assets were assessed for indications of impairment as at 30 June 2015.

1.20 Taxation

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

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

1.21 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 below, 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.

Administered Cash Transfers to and from the Official Public Account

Revenue collected by the ARC 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 the Government. These transfers to and from the OPA are adjustments to the administered cash held by the ARC on behalf of the Government and reported as such in the schedule of administered cash flows and in the administered reconciliation schedule.

Revenue

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 that oversees distribution or expenditure of the funds as directed.

Other revenues relate to the recovery of unspent grant money from previous years' grant payments. Under the *Australian Research Council Act 2001*, grant recipients are required to return unspent grant money to the ARC unless otherwise approved.

Administered revenues are recognised when unspent grant money is identified during the acquittal process. When these revenues are collected by the ARC they are then returned to the OPA.

Grants

The ARC administers a number of grant schemes on behalf of the Government.

Grant liabilities are recognised to the extent that the grant eligibility criteria or reporting requirements have been satisfied, but payments due have not been made (Refer to Note 1.3). A commitment is recorded to the extent that research projects have been approved by the Minister within the limits of the *Australian Research Council Act 2001* but services have not been performed or criteria satisfied.

Note 2. Events after the Reporting Period

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.

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.

Note 3: Net Cash Appropriation Arrangements

| | 2015 \$'000 | 2014 \$'000 |
|---|----------------|----------------|
| Total comprehensive income/(loss) less depreciation/amortisation expenses previously funded through revenue appropriations¹ | 1,832 | 1,688 |
| Plus: depreciation/amortisation expenses previously funded through revenue appropriation | (3,487) | (3,364) |
| Total comprehensive income/(loss) - as per the Statement of Comprehensive Income | (1,655) | (1,676) |

1. From 2010-11, the Government introduced net cash appropriation arrangements, where revenue appropriations for depreciation/amortisation expenses ceased. Entities now receive 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.

Note 4: Expenses

| | 2015 \$'000 | 2014 \$'000 |
|--|----------------|----------------|
| <u>Note 4A: Employee Benefits</u> | | |
| Wages and salaries | 9,363 | 9,966 |
| Superannuation: | | |
| Defined contribution plans | 307 | 352 |
| Defined benefit plans | 1,644 | 1,727 |
| Leave and other entitlements | 1,147 | 1,223 |
| Separation and redundancies | 227 | 11 |
| Other employee benefits | 524 | 535 |
| Total employee benefits | 13,212 | 13,814 |

Note 4B: Suppliers**Goods and services supplied or rendered**

| | | |
|-------------|-------|-----|
| Consultants | 1,185 | 897 |
| Contractors | 411 | 34 |
| Travel | 441 | 344 |
| IT services | 368 | 351 |
| Other | 734 | 955 |

Total goods and services supplied or rendered

| | |
|--------------|--------------|
| 3,139 | 2,582 |
|--------------|--------------|

Goods supplied in connection with

| | | |
|------------------|-----|-----|
| Related parties | 30 | 25 |
| External parties | 657 | 707 |

Total goods supplied

| | |
|------------|------------|
| 687 | 732 |
|------------|------------|

Services rendered in connection with

| | | |
|------------------|-------|-------|
| Related parties | 189 | 130 |
| External parties | 2,263 | 1,720 |

Total services rendered

| | |
|--------------|--------------|
| 2,452 | 1,850 |
|--------------|--------------|

Total goods and services supplied or rendered

| | |
|--------------|--------------|
| 3,139 | 2,582 |
|--------------|--------------|

Other suppliers

Operating lease rentals in connection with

| | | |
|-------------------------------|-------|-------|
| External parties | | |
| Minimum lease payments | 1,210 | 1,397 |
| Workers compensation expenses | 204 | 169 |

Total other suppliers

| | |
|--------------|--------------|
| 1,414 | 1,566 |
|--------------|--------------|

Total suppliers

| | |
|--------------|--------------|
| 4,554 | 4,148 |
|--------------|--------------|

Note 4C: Depreciation and Amortisation**Depreciation:**

| | | |
|----------------------------------|-----|-----|
| Property, plant and equipment | 104 | 143 |
| Assets held under finance leases | 226 | 225 |

Total depreciation

| | |
|------------|------------|
| 330 | 368 |
|------------|------------|

Amortisation:

| | | |
|-------------|-------|-------|
| Intangibles | 3,157 | 2,996 |
|-------------|-------|-------|

Total amortisation

| | |
|--------------|--------------|
| 3,157 | 2,996 |
|--------------|--------------|

Total depreciation and amortisation

| | |
|--------------|--------------|
| 3,487 | 3,364 |
|--------------|--------------|

Note 4: Expenses (continued)

| | 2015 | 2014 |
|--|------------|------------|
| | \$'000 | \$'000 |
| <u>Note 4D: Finance Costs</u> | | |
| Finance leases | 274 | 286 |
| Unwinding of discount | 9 | 9 |
| Total finance costs | 283 | 295 |
| <u>Note 4E: Write-Down and Impairment of Assets</u> | | |
| Impairment of property, plant and equipment | - | 3 |
| Total write-down and impairment of assets | - | 3 |

Note 5: Own-Source Income

| | 2015 | 2014 |
|--|---------------|---------------|
| | \$'000 | \$'000 |
| Own-Source Revenue | | |
| <u>Note 5A: Sale of Goods and Rendering of Services</u> | | |
| Rendering of services in connection with | | |
| Related parties | - | 105 |
| Total sale of goods and rendering of services | - | 105 |
| Gains | | |
| <u>Note 5B: Other Gains</u> | | |
| Gain from revaluation of makegood provision | 64 | - |
| Resources received free of charge - Audit fees | 67 | 67 |
| Total other gains | 131 | 67 |
| <u>Note 5C: Revenue from Government</u> | | |
| Appropriations: | | |
| Departmental appropriations | 19,750 | 19,776 |
| Total revenue from Government | 19,750 | 19,776 |

Note 6: Fair Value Measurements

The following tables provide an analysis of assets and liabilities that are measured at fair value. The different levels of the fair value hierarchy are defined below.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the ARC can access at measurement date.
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: Unobservable inputs for the asset or liability.

Note 6A : Fair Value Measurements, Valuation Techniques and Inputs Used

| | Fair value measurements at the end of the reporting period | | | For Levels 2 and 3 fair value measurements | | |
|---|--|----------------|---|--|--|---|
| | 2015 \$'000 | 2014 \$'000 | Category (Level 1, 2 or 3) ¹ | Valuation techniques ² | Inputs used | Range (weighted average) Sensitivity of the fair value measurement to changes in unobservable inputs |
| Non-financial assets ³ | | | | | | |
| Leasehold improvements (Fitout) | | 2,014 | 2,204 | Level 3 Depreciated Replacement Cost (DRC) | Replacement Cost New (price per square metre) Consumed economic benefit / Obsolescence of asset | 10.00% - 10.00% A significant increase (decrease) in this consumed economic benefit / asset obsolescence would result in a significantly lower (higher) fair value measurement. |
| Leasehold improvements (Makegood) | 233 | 256 | Level 3 | Net Present Value | Current obligation costs (price per square metre) | \$100 - \$250 |
| Other property, plant and equipment | 197 | 214 | Level 2 | Market Approach | Adjusted market transactions | |
| Total non-financial assets | 2,444 | 2,674 | | | | |
| Total fair value measurements of assets in the statement of financial position | 2,444 | 2,674 | | | | |

Note that:

- The ARC did not measure any non-financial assets at fair value on a non-recurring basis as at 30 June 2015.
- There has been no changes to valuation techniques.
- Fair value measurements - highest and best use differs from current use for non-financial assets (NFAs).

The ARC's assets are held for operational purposes and not held for the purposes of deriving a profit. The current use of all controlled assets is considered their highest and best use.

4. Recurring and non-recurring Level 3 fair value measurements - valuation processes.

The ARC procured the service of the Australian Valuation Solutions to undertake a comprehensive valuation of all non-financial assets at 30 June 2013. The ARC tests the procedures of the valuation model as an internal management review at least once every 12 months. If a particular asset class experiences 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 has engaged Australian Valuation Solutions to provide written assurance that the models developed comply with AASB 13.

Note 6: Fair Value Measurements(continued)**Note 6B: Level 1 and Level 2 transfers for recurring fair value measurements**

There were no transfers between levels during 2015 (2014: nil).

Note 6: Fair Value Measurements (continued)**Note 6C: Reconciliation for recurring Level 3 fair value measurements****Recurring Level 3 fair value measurements – reconciliation for assets**

| | Non-financial assets | | | |
|--|---------------------------------|---------------|---------------|---------------|
| | Leasehold improvements (Fitout) | | Total | |
| | 2015 S'000 | 2014 S'000 | 2015 S'000 | 2014 S'000 |
| As at 1 July | 2,460 | - | 2,460 | - |
| Total gains/(losses) in accumulated depreciation | (226) | - | (226) | - |
| Purchases | 13 | - | 13 | - |
| Sales | - | - | - | - |
| Issues | - | - | - | - |
| Settlements | - | - | - | - |
| Transfers into Level 3 | - | - | - | - |
| Transfers out of Level 3 | - | - | - | - |
| Total as at 30 June | 2,247 | 2,460 | 2,247 | 2,460 |
| Changes in unrealised gains/(losses) recognised | - | - | - | - |

The ARC's policy for determining when transfers between levels are deemed to have occurred can be found in Note 1.

Note 7: Financial Assets

| | 2015 \$'000 | 2014 \$'000 |
|---|----------------|----------------|
| <u>Note 7A: Cash and Cash Equivalents</u> | | |
| Cash on hand or on deposit | 295 | 299 |
| Total cash and cash equivalents | 295 | 299 |
| <u>Note 7B: Trade and Other Receivables</u> | | |
| Goods and services receivables in connection with | | |
| Related parties | 21 | - |
| External parties | 14 | - |
| Total goods and services receivables | 35 | - |
| Appropriations receivables: | | |
| Existing programmes | 10,887 | 8,835 |
| Total appropriations receivables | 10,887 | 8,835 |
| Other receivables: | | |
| GST receivable from the Australian Taxation Office | 81 | 58 |
| Total other receivables | 81 | 58 |
| Total trade and other receivables (gross) | 11,003 | 8,893 |
| Total trade and other receivables (net) | 11,003 | 8,893 |
| Trade and other receivables (net) expected to be recovered | | |
| No more than 12 months | 11,003 | 8,893 |
| More than 12 months | - | - |
| Total trade and other receivables (net) | 11,003 | 8,893 |
| Trade and other receivables (gross) aged as follows | | |
| Not overdue | 11,003 | 8,893 |
| Total trade and other receivables (gross) | 11,003 | 8,893 |

Note 8: Non-Financial Assets

| | 2015 \$'000 | 2014 \$'000 |
|---|----------------|----------------|
| <u>Note 8A: Land and Buildings</u> | | |
| Leasehold improvements | | |
| Fair value | 2,916 | 2,904 |
| Accumulated depreciation | (669) | (444) |
| Total leasehold improvements | 2,247 | 2,460 |
| Total land and buildings | 2,247 | 2,460 |

No leasehold improvements are expected to be sold or disposed of within the next 12 months.

No indicators of impairment were found for leasehold improvements.

Note 8B: Property, Plant and Equipment

| | | |
|--|------------|------------|
| Other property, plant and equipment | | |
| Fair value | 607 | 520 |
| Accumulated depreciation | (410) | (306) |
| Total other property, plant and equipment | 197 | 214 |
| Total property, plant and equipment | 197 | 214 |

No property, plant or equipment is expected to be sold or disposed of within the next 12 months.

No indicators of impairment were found for property, plant and equipment.

Note 8: Non-Financial Assets (continued)**Note 8C: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment****Reconciliation of the opening and closing balances of property, plant and equipment for 2015**

| | Buildings | Other property, plant & equipment | Total |
|--|--------------|---|--------------|
| | \$'000 | \$'000 | \$'000 |
| As at 1 July 2014 | | | |
| Gross book value | 2,904 | 520 | 3,424 |
| Accumulated depreciation and impairment | (444) | (306) | (750) |
| Total as at 1 July 2014 | 2,460 | 214 | 2,674 |
| Additions | 13 | 87 | 100 |
| Depreciation | (226) | (104) | (330) |
| Total as at 30 June 2015 | 2,247 | 197 | 2,444 |
| Total as of 30 June 2015 represented by | | | |
| Gross book value | 2,917 | 607 | 3,524 |
| Accumulated depreciation and impairment | (670) | (410) | (1,080) |
| Total as 30 June 2015 | 2,247 | 197 | 2,444 |

Reconciliation of the opening and closing balances of property, plant and equipment for 2014

| | Buildings | Other property, plant & equipment | Total |
|---|--------------|---|--------------|
| | \$'000 | \$'000 | \$'000 |
| As at 1 July 2013 | | | |
| Gross book value | 2,881 | 500 | 3,381 |
| Accumulated depreciation and impairment | (219) | (166) | (385) |
| Total as at 1 July 2013 | 2,662 | 334 | 2,996 |
| Additions | 23 | 26 | 49 |
| Depreciation expense | (225) | (143) | (368) |
| Disposals: | | | |
| Other (gross book value) | - | (6) | (6) |
| Other (accumulated depreciation) | - | 3 | 3 |
| Total as at 30 June 2014 | 2,460 | 214 | 2,674 |
| Total as at 30 June 2014 represented by: | | | |
| Gross book value | 2,904 | 520 | 3,424 |
| Accumulated depreciation and impairment | (444) | (306) | (750) |
| Total as at 30 June 2014 | 2,460 | 214 | 2,674 |

Note 8: Non-Financial Assets (continued)

| | 2015 \$'000 | 2014 \$'000 |
|------------------------------------|----------------|----------------|
| Note 8D: Intangibles | | |
| Computer software | | |
| Internally developed – in progress | 1,676 | 1,244 |
| Internally developed – in use | 27,897 | 24,672 |
| Purchased | 439 | 438 |
| Accumulated amortisation | (13,946) | (10,789) |
| Total computer software | 16,066 | 15,565 |
| Total intangibles | 16,066 | 15,565 |

No indicators of impairment were found for intangible assets.

No intangibles are expected to be sold or disposed of within the next 12 months.

Note 8E: Reconciliation of the opening and closing balances of intangibles**Reconciliation of the opening and closing balances of intangibles for 2015**

| | Computer software internally developed \$'000 | Computer software purchased \$'000 | Total \$'000 |
|---|---|---|-----------------|
| As at 1 July 2014 | | | |
| Gross book value | 25,916 | 438 | 26,354 |
| Accumulated amortisation and impairment | (10,380) | (409) | (10,789) |
| Total as at 1 July 2014 | 15,536 | 29 | 15,565 |
| Additions | | | |
| Purchase or internally developed | 3,658 | - | 3,658 |
| Amortisation | (3,138) | (19) | (3,157) |
| Total as at 30 June 2015 | 16,056 | 10 | 16,066 |
| Total as at 30 June 2015 represented by: | | | |
| Gross book value | 29,574 | 438 | 30,012 |
| Accumulated amortisation and impairment | (13,518) | (428) | (13,946) |
| Total as at 30 June 2015 | 16,056 | 10 | 16,066 |

Note 8: Non-Financial Assets (continued)**Note 8E (Cont'd): Reconciliation of the Opening and Closing Balances of Intangibles 2014**

| | Computer software internally developed \$'000 | Computer software purchased \$'000 | Total \$'000 |
|--|---|---|-----------------|
| As at 1 July 2013 | | | |
| Gross book value | 23,401 | 411 | 23,812 |
| Accumulated amortisation and impairment | (7,421) | (372) | (7,793) |
| Total as at 1 July 2013 | 15,980 | 39 | 16,019 |
| Additions | | | |
| Purchase or internally developed | 2,515 | 27 | 2,542 |
| Amortisation | (2,959) | (37) | (2,996) |
| Total as at 30 June 2014 | 15,536 | 29 | 15,565 |
| Total as at 30 June 2014 represented by | | | |
| Gross book value | 25,916 | 438 | 26,354 |
| Accumulated amortisation and impairment | (10,380) | (409) | (10,789) |
| Total as at 30 June 2014 | 15,536 | 29 | 15,565 |

| | 2015 \$'000 | 2014 \$'000 |
|--|----------------|----------------|
| Note 8F: Other Non-Financial Assets | | |
| Prepayments | 293 | 318 |
| Total other non-financial assets | 293 | 318 |

All non-financial assets are expected to be recovered in no more than 12 months.

No indicators of impairment were found for other non-financial assets.

Note 9: Payables

| | 2015 \$'000 | 2014 \$'000 |
|------------------------------|----------------|----------------|
| Note 9A: Suppliers | | |
| Trade creditors and accruals | 400 | 453 |
| Total suppliers | <u>400</u> | <u>453</u> |

Suppliers expected to be settled

| | | |
|------------------------|------------|------------|
| No more than 12 months | 400 | 453 |
| Total suppliers | <u>400</u> | <u>453</u> |

Suppliers in connection with

| | | |
|------------------------|------------|------------|
| External parties | 400 | 453 |
| Total suppliers | <u>400</u> | <u>453</u> |

Settlement was usually made within 30 days.

Note 9B: Other Payables

| | | |
|-----------------------------|------------|------------|
| Wages and salaries | 357 | 334 |
| Superannuation | 66 | 62 |
| Other | 17 | 1 |
| Total other payables | <u>440</u> | <u>397</u> |

Other payables expected to be settled

| | | |
|-----------------------------|------------|------------|
| No more than 12 months | 440 | 397 |
| More than 12 months | - | - |
| Total other payables | <u>440</u> | <u>397</u> |

The ARC received \$67,985 (2014: \$93,315) under the Paid Parental Leave Scheme.

Note 10: Interest Bearing Liabilities

| | 2015 \$'000 | 2014 \$'000 |
|--------------------------------------|----------------|----------------|
| <u>Note 10: Leases</u> | | |
| Finance leases | 2,452 | 2,575 |
| Total leases | 2,452 | 2,575 |
| Leases expected to be settled | | |
| Within 1 year | | |
| Minimum lease payments | 397 | 397 |
| Future finance charges | (259) | (274) |
| Between 1 to 5 years | | |
| Minimum lease payments | 1,590 | 1,590 |
| Future finance charges | (861) | (936) |
| More than 5 years | | |
| Minimum lease payments | 2,087 | 2,484 |
| Future finance charges | (502) | (686) |
| Total leases | 2,452 | 2,575 |

In 2015, Finance leases existed in relation to the ARC's office premises fitout (since September 2010). The leases are non-cancellable and for a fixed term of 15 years. The interest rate implicit in the leases is 11% (2014: 11%). The lease assets secure the lease liabilities. The ARC guarantees the residual values of all assets leased. There were no contingent rentals.

Note 11: Provisions

| | 2015 \$'000 | 2014 \$'000 |
|---|----------------|----------------|
| Note 11A: Employee Provisions | | |
| Leave | 3,523 | 3,197 |
| Total employee provisions | 3,523 | 3,197 |
| Employee provisions are expected to be settled | | |
| No more than 12 months | 2,786 | 2,475 |
| More than 12 months | 737 | 722 |
| Total employee provisions | 3,523 | 3,197 |
| Note 11B: Other Provisions | | |
| Provision for restoration | 267 | 322 |
| Total other provisions | 267 | 322 |

All other provisions are expected to be settled in more than 12 months.

| | Provision for restoration \$'000 | Total \$'000 |
|---------------------------------|--|-----------------|
| As at 1 July 2014 | 322 | 322 |
| Unwinding of discount | 9 | 9 |
| Revaluation | (64) | - |
| Total as at 30 June 2015 | 267 | 322 |

As at 30 June 2015 the ARC had one agreement for the leasing of premises which has a provision requiring the ARC to restore the premises to their original condition at the conclusion of the lease. The ARC has made a provision to reflect the present value of this obligation.

Note 12: Restructuring**Note 12A: Departmental Restructuring**

There were no Departmental restructures in 2014-15 and 2013-14 for the ARC.

Note 12B: Administered Restructuring

There were no Administered restructures in 2014-15 and 2013-14 for the ARC.

Note 13: Cash Flow Reconciliation

| | 2015 \$'000 | 2014 \$'000 |
|--|----------------|----------------|
| Reconciliation of cash and cash equivalents as per statement of financial position to cash flow statement | | |
| Cash and cash equivalents as per | | |
| Cash flow statement | 295 | 299 |
| Statement of Financial Position | 295 | 299 |
| Discrepancy | <u>-</u> | <u>-</u> |
| Reconciliation of net cost of services to net cash from/(used by) operating activities | | |
| Net cost of services | (21,405) | (21,452) |
| Revenue from Government | 19,750 | 19,776 |
| Adjustments for non-cash items | | |
| Depreciation/amortisation | 3,487 | 3,364 |
| Net write down of non-financial assets | - | 3 |
| Return on Capital & Capital Adjustment | 242 | (5,603) |
| Movements in assets and liabilities | | |
| Assets | | |
| (Increase)/Decrease in net receivables | (2,110) | 2,631 |
| Decrease/(Increase) in prepayments | 26 | (33) |
| Liabilities | | |
| Increase in employee provisions | 326 | 536 |
| (Decrease)/Increase in supplier payables | (53) | 316 |
| Increase/(Decrease) in other payables | 42 | (327) |
| (Decrease)/Increase in other provisions | (55) | 9 |
| Net cash from/(used by) operating activities | <u>250</u> | <u>(780)</u> |

Note 14: Contingent Assets and Liabilities

There were no Departmental contingent assets and liabilities in 2014-15 and 2013-14 for the ARC.

Note 15: Senior Management Personnel Remuneration

| | 2015 | 2014 |
|---|------------------|------------------|
| | \$ | \$ |
| Short-term employee benefits | | |
| Salary | 1,250,342 | 1,269,974 |
| Motor vehicle and other allowances | 131,381 | 157,017 |
| Total short-term employee benefits | 1,381,723 | 1,426,991 |
| Post-employment benefits | | |
| Superannuation | 229,025 | 227,613 |
| Total post-employment benefits | 229,025 | 227,613 |
| Other long-term employee benefits | | |
| Annual leave | 101,462 | 105,910 |
| Long-service leave | 33,051 | 21,478 |
| Total other long-term employee benefits | 134,513 | 127,388 |
| Total senior executive remuneration expenses | 1,745,261 | 1,627,862 |

The total number of senior management personnel that are included in the above table are 7 individuals (2014: 7 individuals).

Note 16: Financial Instruments

| | 2015 | 2014 |
|---|--------------|--------------|
| | \$'000 | \$'000 |
| Note 16A: Categories of Financial Instruments | | |
| Financial Assets | | |
| Loans and receivables | | |
| Cash and cash equivalents | 295 | 299 |
| Trade and other receivables | 35 | - |
| Total loans and receivables | 330 | 299 |
| Total financial assets | 330 | 299 |
| Financial Liabilities | | |
| Financial liabilities measured at amortised cost | | |
| Trade creditors | 400 | 453 |
| Other payables | 17 | 1 |
| Finance leases | 2,452 | 2,575 |
| Total financial liabilities measured at amortised cost | 2,869 | 3,029 |
| Total financial liabilities | 2,869 | 3,029 |
| Note 16B: Net Gains or Losses on Financial Liabilities | | |
| Financial liabilities measured at amortised cost | | |
| Interest expense | 283 | 295 |
| Net gains/(losses) on financial liabilities measured at amortised cost | 283 | 295 |

The total interest expense from financial liabilities not at fair value through profit or loss was \$283,000 (2014: \$295,000).

Note 16: Financial Instruments (continued)**Note 16C: Fair Value of Financial Instruments**

| | Carrying amount 2015 \$'000 | Fair value 2015 \$'000 | Carrying amount 2014 \$'000 | Fair value 2014 \$'000 |
|------------------------------------|--------------------------------------|---------------------------------|--------------------------------------|---------------------------------|
| Financial Assets | | | | |
| Cash at bank | 295 | 295 | 299 | 299 |
| Trade and other receivables | 35 | 35 | - | - |
| Total financial assets | 330 | 330 | 299 | 299 |
| Financial Liabilities | | | | |
| Trade creditors | 400 | 400 | 453 | 453 |
| Other payables | 17 | 17 | 1 | 1 |
| Leases | 2,452 | 2,452 | 2,575 | 2,575 |
| Total financial liabilities | 2,869 | 2,869 | 3,029 | 3,029 |

Note 16D: Credit Risk

The ARC's maximum exposures to credit risk at reporting date in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the Statement of Financial Position.

The ARC has no significant exposures to any concentrations of credit risk. The ARC manages its credit risk by undertaking background checks as required prior to allowing a debtor relationship. In addition, the ARC has policies and procedures that guide employees' debt recovery techniques that are to be applied.

The figures for credit risk do not take into account the value of any collateral or other security.

Credit quality of financial assets not past due or individually determined as impaired

| | Not past due nor impaired 2015 \$'000 | Not past due nor impaired 2014 \$'000 | Past due or impaired 2015 \$'000 | Past due or impaired 2014 \$'000 |
|-----------------------------|--|--|---|---|
| Cash at bank | 295 | 299 | - | - |
| Trade and other receivables | 35 | - | - | - |
| Total | 330 | 299 | - | - |

Note 16: Financial Instruments (continued)**Note 16E: Liquidity Risk**

The ARC's financial liabilities were payables and finance lease. The exposure to liquidity risk was based on the notion that the ARC will encounter difficulty in meeting its obligations associated with financial liabilities. This was highly unlikely as the ARC is appropriated funding from the Australian Government and the ARC manages its budgeted funds to ensure it has adequate funds to meet payments as they fall due. In addition, the ARC has policies in place to ensure timely payments were made when due and has no past experience of default.

Maturities for non-derivative financial liabilities in 2015

| | On demand | within 1 year | between 1 to 5 years | more than 5 years | Total |
|-----------------|-----------|------------------|-------------------------|----------------------|--------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Trade creditors | - | 400 | - | - | 400 |
| Other payables | - | 17 | - | - | 17 |
| Finance leases | - | 397 | 1,590 | 2,087 | 4,074 |
| Total | - | 814 | 1,590 | 2,087 | 4,491 |

Maturities for non-derivative financial liabilities in 2014

| | On demand | within 1 year | between 1 to 5 years | more than 5 years | Total |
|-----------------|-----------|------------------|-------------------------|----------------------|--------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Trade creditors | - | 453 | - | - | 453 |
| Other payables | - | 1 | - | - | 1 |
| Finance leases | - | 397 | 1,590 | 2,484 | 4,471 |
| Total | - | 851 | 1,590 | 2,484 | 4,925 |

The ARC has no derivative financial liabilities in both the current and prior year.

Note 16F: Market Risk

The ARC held basic financial instruments that did not expose the ARC to certain market risks. The ARC was not exposed to 'Currency risk' or 'Other price risk'.

Interest rate risk

The only interest-bearing item on the Statement of Financial Position was the 'Finance lease'. It bears interest at a fixed interest and did not fluctuate due to changes in the market interest rate.

Note 17: Financial Assets Reconciliation

| | | 2015 \$'000 | 2014 \$'000 |
|--|-------|----------------|----------------|
| | Notes | | |
| Total financial assets as per statement of financial position | | 11,298 | 9,192 |
| Less: Non-financial instrument components | | | |
| Appropriations receivable | 7B | 10,887 | 8,835 |
| Other receivables | 7B | 81 | 58 |
| Total non-financial instrument components | | 330 | 299 |
| Total financial assets as per financial instruments note | | 330 | 299 |

Note 18: Administered - Expenses

| | 2015 | 2014 |
|--|----------------|----------------|
| | \$'000 | \$'000 |
| Note 18A: Suppliers | | |
| Goods and services supplied or rendered | | |
| Consultants | 1,529 | 826 |
| Contractors | 1,543 | 926 |
| Travel | 347 | 338 |
| IT Services | 5 | 7 |
| Other | 8,492 | 286 |
| Total goods and services supplied or rendered | 11,916 | 2,383 |
| Goods supplied in connection with | | |
| External parties | 281 | 80 |
| Total goods supplied | 281 | 80 |
| Services rendered in connection with | | |
| Related parties | 8,000 | - |
| External parties | 3,635 | 2,303 |
| Total services rendered | 11,635 | 2,303 |
| Total goods and services supplied or rendered | 11,916 | 2,383 |
| Note 18B: Grants | | |
| Public sector | | |
| Australian Government entities (related entities) | 2,686 | 3,359 |
| State and Territory Governments | 730,936 | 786,298 |
| Commonwealth educational institutions (related entities) | 69,245 | 80,984 |
| Private sector | | |
| Other research organisations | 32,685 | 44,248 |
| Total grants | 835,552 | 914,889 |

Note 19: Administered - Income

| | 2015 | 2014 |
|---------------------------------|--------------|--------------|
| | \$'000 | \$'000 |
| Revenue | | |
| Non-Taxation Revenue | | |
| Note 19: Other Revenue | | |
| Recovery of unspent grant money | 8,106 | 6,758 |
| Total other revenue | 8,106 | 6,758 |

Note 20: Administered - Financial Assets

| | 2015 \$'000 | 2014 \$'000 |
|--|----------------|----------------|
| Note 20A: Cash and Cash Equivalents | | |
| Cash on hand or on deposit | - | - |
| Total cash and cash equivalents | - | - |
| Note 20B: Trade and Other Receivables | | |
| Other receivables | | |
| GST receivable from Australian Taxation Office | 477 | 1,315 |
| Total other receivables | 477 | 1,315 |
| Total trade and other receivables (net) | 477 | 1,315 |

All receivables are current assets and not overdue. Credit terms are net 30 days (2014: 30 days).

Note 21: Administered - Non-Financial Assets

| | 2015 \$'000 | 2014 \$'000 |
|--|----------------|----------------|
| Other Non-Financial Assets | | |
| Prepayments | 192 | 248 |
| Total other non-financial assets | 192 | 248 |
| Other non-financial assets expected to be recovered | | |
| No more than 12 months | 192 | 248 |
| Total other non-financial assets | 192 | 248 |

Note 22: Administered - Payables

| | 2015 | 2014 |
|--|----------------|----------------|
| | \$'000 | \$'000 |
| Note 22A: Grants | | |
| Public sector | | |
| Australian Government entities (related entities) | 1,270 | 1,441 |
| State and Territory Governments | 311,777 | 312,684 |
| Commonwealth educational institutions (related entities) | 32,153 | 35,269 |
| Private sector | | |
| Other research organisations | 3,564 | 13,082 |
| Total grants | 348,764 | 362,476 |

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*.

Note 22B: Other Payables

| | | |
|-----------------------------|--------------|----------|
| Other | 1,405 | 4 |
| Total other payables | 1,405 | 4 |

All liabilities are expected to be settled within 12 months.

Settlement is usually made in 30 days.

Note 23: Administered - Cash Flow Reconciliation

| | 2015 \$'000 | 2014 \$'000 |
|---|------------------|------------------|
| Reconciliation of cash and cash equivalents as per administered schedule of assets and liabilities to administered cash flow statement | | |
| Cash and cash equivalents as per | | |
| Schedule of administered cash flows | - | - |
| Schedule of administered assets and liabilities | - | - |
| Discrepancy | - | - |
| Reconciliation of net cost of services to net cash used by operating activities | | |
| Net cost of services | (839,362) | (910,513) |
| Movements in assets and liabilities | | |
| Assets | | |
| Decrease/(Increase) in net receivables | 838 | (336) |
| Increase/(Decrease) in prepayments | 56 | (248) |
| Liabilities | | |
| (Decrease)/Increase in grants payable | (13,712) | 22,821 |
| Increase/(Decrease) in other payable | 1,401 | (127) |
| Net cash (used by) operating activities | (850,779) | (888,403) |

Note 24: Administered - Contingent Assets and Liabilities

As at 31 June 2015, the ARC did not have any administered contingent liabilities and assets (2014: Nil).

Note 25: Administered – Financial Instruments

| | 2015 \$'000 | 2014 \$'000 |
|---|----------------|----------------|
| Note 25A: Categories of Financial Instruments | | |
| Financial Assets | | |
| Loans and receivables | | |
| Cash and cash equivalents | - | - |
| Total loans and receivables | - | - |
| Total financial assets | - | - |
| Financial Liabilities | | |
| Financial liabilities measured at amortised cost | | |
| Grants payables | 348,764 | 362,476 |
| Trade creditors | 1,405 | 4 |
| Total financial liabilities measured at amortised cost | 350,169 | 362,480 |
| Total financial liabilities | 350,169 | 362,480 |

Note 25: Administered – Financial Instruments (continued)**Note 25B: Fair Value of Financial Instruments**

| | Carrying amount 2015 \$'000 | Fair value 2015 \$'000 | Carrying amount 2014 \$'000 | Fair value 2014 \$'000 |
|------------------------------------|--------------------------------------|---------------------------------|--------------------------------------|---------------------------------|
| Financial Liabilities | | | | |
| Grants payable | 348,764 | 348,764 | 362,476 | 362,476 |
| Payables/Trade creditors | 1,405 | 1,405 | 4 | 4 |
| Total financial liabilities | 350,169 | 350,169 | 362,480 | 362,480 |

Financial Liabilities

The net fair value for grants payables and trade creditors payables are short-term in nature and are approximated by their carrying amounts.

Note 25C: Credit Risk

The ARC's administered activities maximum exposures to credit risk at reporting date in relation to each class of recognised administered financial assets is the carrying amount of those assets as indicated in the Schedule of Administered Items.

The administered activities of the ARC have no significant exposures to any concentration of credit risk. The ARC manages its risk by undertaking background checks as required prior to allowing a debtor relationship. In addition, the ARC has policies and procedures that guide the employees debt recovery techniques that are to be applied.

The figures for credit risk do not take into account the value of any collateral or other security.

Note 25D: Liquidity Risk

The ARC's administered financial liabilities are grants payable and trade creditors. The ARC has a low liquidity risk due to appropriation funding from Government. In addition, the ARC has internal policies and procedures in place to ensure that there are appropriate resources to meet its financial obligations and timely payments are made when due.

The ARC's administered financial liabilities, which are only grants payable and trade creditor payables, will mature within 1 year.

Note 25E: Market Risk

The ARC holds basic financial instruments that do not expose the ARC to 'Currency risk', 'Interest rate risk' and 'Other price risk'.

Note 26: Administered - Financial Assets Reconciliation

| | Notes | 2015 \$'000 | 2014 \$'000 |
|--|-------|----------------|----------------|
| Total financial assets as per administered schedule of assets and liabilities | | 477 | 1,315 |
| Less: non-financial instrument components | | | |
| Other receivables | 20B | 477 | 1,315 |
| Total non-financial instrument components | | 477 | 1,315 |
| Total financial assets as per administered financial instruments note | 25A | - | - |

Note 27: Appropriations**Note 27A: Annual Appropriations (Recoverable GST exclusive)****Annual Appropriations for 2015**

| | <i>Appropriation Act</i> | | <i>PGPA Act</i> | | Appropriation applied in 2015 (current and prior years) \$'000 | Variance ³ \$'000 | Section 51 determinations \$'000 |
|---------------------------|--|------------|-------------------|-------------------|--|------------------------------|----------------------------------|
| | Annual Appropriation ¹ \$'000 | AFM \$'000 | Section 74 \$'000 | Section 75 \$'000 | Total appropriation ² \$'000 | | |
| Departmental | | | | | | | |
| Ordinary annual services | 21,025 | - | - | - | 21,025 | 1,615 | (11) |
| Other services | | | | | | | |
| Equity | 2,605 | - | - | - | 2,605 | 657 | - |
| Total departmental | 23,630 | - | - | - | 23,630 | 2,272 | (11) |
| Administered | | | | | | | |
| Ordinary annual services | | | | | | | |
| Administered items | 5,397 | - | - | - | 5,397 | 2,249 | - |
| Total administered | 5,397 | - | - | - | 5,397 | 2,249 | - |

1. In 2014-15, \$0.011 million of annual appropriations 2014-15 have been quarantined.

2. In 2014-15, there was no adjustment that met the recognition criteria of a formal addition or reduction in revenue (in accordance with FRR Part 6 Div 3) but at law the appropriations had not been amended before the end of the reporting period.

3. In 2014-15, appropriations reduced under Appropriation Acts, do not lapse at year-end for both Departmental and Administered.

Note 27: Appropriations (continued)**Table A: Annual Appropriations ('Recoverable GST exclusive')**

| Annual Appropriations for 2014 | <i>Appropriation Act</i> | | <i>PGPA Act</i> | | Total appropriation ² \$'000 | Appropriation applied in 2014 (current and prior years) \$'000 | Variance ³ \$'000 | Section 51 determinations \$'000 |
|--------------------------------|---|---------------|----------------------|----------------------|--|---|---------------------------------|-------------------------------------|
| | Annual Appropriation ¹ \$'000 | AFM \$'000 | Section 74 \$'000 | Section 75 \$'000 | | | | |
| Departmental | | | | | | | | |
| Ordinary annual services | 20,724 | - | 115 | - | 20,839 | 18,385 | 2,454 | - |
| Other services | | | | | | | | |
| Equity | 1,861 | - | - | - | 1,861 | 2,033 | (172) | - |
| Total departmental | 22,585 | - | 115 | - | 22,700 | 20,418 | 2,282 | - |
| Administered | | | | | | | | |
| Ordinary annual services | | | | | | | | |
| Administered items | 3,111 | - | - | - | 3,111 | 2,528 | 583 | - |
| Total administered | 3,111 | - | - | - | 3,111 | 2,528 | 583 | - |

1. In 2013-14, there were no appropriations that have been quarantined.

2. In 2013-14, there was no adjustment that met the recognition criteria of a formal addition or reduction in revenue (in accordance with FRR Part 6 Div 3) but at law the appropriations had not been amended before the end of the reporting period.

3. In 2013-14, appropriations reduced under Appropriation Acts do not lapse at year-end for Departmental only. Of the \$583 variance, \$482 relates to Administered appropriation reduced under Appropriation Act 1.

Note 27: Appropriations (continued)**Note 27B: Departmental and Administered Capital Budgets ('Recoverable GST exclusive')**

| 2015 Capital Budget Appropriations | | | | Capital Budget Appropriations applied in 2015 (current and prior years) | | |
|---|----------------------|--------------------------|-------|--|--------------------------|--------------------|
| <i>Appropriation Act</i> | <i>PGPA Act</i> | Total Capital Budget | | Payments for non-financial | | |
| Annual Capital Budget \$'000 | Section 75 \$'000 | Appropriations \$'000 | | assets ² \$'000 | Total payments \$'000 | Variance \$'000 |
| Departmental | | | | | | |
| Ordinary annual services - Departmental Capital Budget ¹ | 1,264 | - | 1,264 | 1,165 | 1,165 | 99 |
| Administered | | | | | | |
| Ordinary annual services - Administered Capital Budget ¹ | - | - | - | - | - | - |

1. 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*. For more information on ordinary annual services appropriations, please see Table A: Annual appropriations.

2. Payments made on non-financial assets include purchases of assets, expenditure on assets which has been capitalised, costs incurred to make good an asset to its original condition, and the capital repayment component of finance leases.

| 2014 Capital Budget Appropriations | | | | Capital Budget Appropriations applied in 2014 (current and prior years) | | |
|---|----------------------|--------------------------|-----|--|--------------------------|--------------------|
| <i>Appropriation Act</i> | <i>PGPA Act</i> | Total Capital Budget | | Payments for non-financial | | |
| Annual Capital Budget \$'000 | Section 75 \$'000 | Appropriations \$'000 | | assets ² \$'000 | Total payments \$'000 | Variance \$'000 |
| Departmental | | | | | | |
| Ordinary annual services - Departmental Capital Budget ¹ | 948 | - | 948 | 644 | 644 | 304 |
| Administered | | | | | | |
| Ordinary annual services - Administered Capital Budget ¹ | - | - | - | - | - | - |

1. 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*. For more information on ordinary annual services appropriations, please see Table A: Annual appropriations.

2. Payments made on non-financial assets include purchases of assets, expenditure on assets which has been capitalised, costs incurred to make good an asset to its original condition, and the capital repayment component of finance leases.

Note 27: Appropriations (continued)**Note 27C: Unspent Annual Appropriations ('Recoverable GST exclusive')**

| | 2015 | 2014 |
|-------------------------------|---------------|--------------|
| Authority | \$'000 | \$'000 |
| Departmental | | |
| Appropriation Act 1 (2012/13) | - | 346 |
| Appropriation Act 2 (2012/13) | - | 225 |
| Appropriation Act 1 (2013/14) | 12 | 8,211 |
| Appropriation Act 2 (2013/14) | - | 53 |
| Appropriation Act 1 (2014/15) | 10,135 | - |
| Appropriation Act 2 (2014/15) | 740 | - |
| Total departmental | 10,887 | 8,835 |
| Administered | | |
| Appropriation Act 1 (2013/14) | - | 583 |
| Appropriation Act 1 (2014/15) | 3,025 | - |
| Total administered | 3,025 | 583 |

Note 27D: Special Appropriations ('Recoverable GST exclusive')

| Authority | Type | Purpose | Appropriation applied | |
|--|----------------|--|-----------------------|----------------|
| | | | 2015 | 2014 |
| | | | \$'000 | \$'000 |
| Australian Research Council Act 2001 s.49, Administered, limit \$853,110,000 for the current reporting period, appropriation lapsed on 30 June 2015. | Limited Amount | To provide appropriation for the National Competitive Grants Programme | 852,898 | 883,284 |
| Total special appropriations applied | | | 852,898 | 883,284 |

Note 28: Special Accounts

| | 2015 | 2014 |
|--|----------|---------|
| ARC Research Endowment Account (Administered) ¹ | \$'000 | \$'000 |
| Balance brought forward from previous period | 6,667 | 16,664 |
| Increases | | |
| Appropriation credited to special account | 10,000 | - |
| Available for payments | 16,667 | 16,664 |
| Decrease | | |
| Payments made to research institutions | (14,667) | (9,997) |
| Total balance carried to the next period | 2,000 | 6,667 |

1. Appropriation: *Public Governance, Performance and Accountability Act 2013 section 78*; or *Public Governance, Performance and Accountability Act 2013 section 80*.

Establishing Instrument: *Australian Research Council Act 2001 section 62*.

Purpose: To provide financial assistance to organisations for eligible research programmes.

Note 29: Reporting of Outcomes

The ARC contributes to only one outcome as described in Note 1.1. All costs are attributed to this outcome.

Note 29A: Net Cost of Outcome Delivery

| | Outcome 1 | | Total | |
|--|------------------|------------------|------------------|------------------|
| | 2015 | 2014 | 2015 | 2014 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Departmental | | | | |
| Expenses | (21,536) | (21,624) | (21,536) | (21,624) |
| Own-source Income | 131 | 172 | 131 | 172 |
| Administered | | | | |
| Expenses | (847,468) | (917,272) | (847,468) | (917,272) |
| Income | 8,106 | 6,758 | 8,106 | 6,758 |
| Net cost/(contribution) of outcome delivery | (860,766) | (931,966) | (860,766) | (931,966) |

Note 29: Reporting of Outcomes (continued)**Note 29B: Major Classes of Departmental Expense, Income, Assets and Liabilities by Outcome**

| | Outcome 1 | | Total | |
|-------------------------------------|-----------------|-----------------|-----------------|-----------------|
| | 2015 | 2014 | 2015 | 2014 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Expenses | | | | |
| Employees | (13,212) | (13,814) | (13,212) | (13,814) |
| Suppliers | (4,554) | (4,148) | (4,554) | (4,148) |
| Depreciation and amortisation | (3,487) | (3,364) | (3,487) | (3,364) |
| Finance costs | (283) | (295) | (283) | (295) |
| Write-down and impairment of assets | - | (3) | - | (3) |
| Total expenses | (21,536) | (21,624) | (21,536) | (21,624) |
| Own-source income | | | | |
| Revenue from government | 19,750 | 19,776 | 19,750 | 19,776 |
| Other non-taxation revenues | 131 | 172 | 131 | 172 |
| Total own-source income | 19,881 | 19,948 | 19,881 | 19,948 |
| Assets | | | | |
| Cash and cash equivalents | 295 | 299 | 295 | 299 |
| Trade and other receivables | 11,003 | 8,893 | 11,003 | 8,893 |
| Land and buildings | 2,247 | 2,460 | 2,247 | 2,460 |
| Property, plant and equipment | 197 | 214 | 197 | 214 |
| Intangibles | 16,066 | 15,565 | 16,066 | 15,565 |
| Other non-financial assets | 293 | 318 | 293 | 318 |
| Total assets | 30,101 | 27,749 | 30,101 | 27,749 |
| Liabilities | | | | |
| Suppliers | (400) | (453) | (400) | (453) |
| Other payables | (440) | (397) | (440) | (397) |
| Employee provisions | (3,523) | (3,197) | (3,523) | (3,197) |
| Other provisions | (267) | (322) | (267) | (322) |
| Finance leases | (2,452) | (2,575) | (2,452) | (2,575) |
| Total liabilities | (7,082) | (6,944) | (7,082) | (6,944) |

Outcome 1 is described in Note 1.1.

Note 29: Reporting of Outcomes (continued)**Note 29C: Major Classes of Administered Expenses, Income, Assets and Liabilities by Outcome**

| | Outcome 1 | | Total | |
|---------------------------|------------------|------------------|------------------|------------------|
| | 2015 | 2014 | 2015 | 2014 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Expenses | | | | |
| Grants | (835,552) | (914,889) | (835,552) | (914,889) |
| Suppliers | (11,916) | (2,383) | (11,916) | (2,383) |
| Total expenses | (847,468) | (917,272) | (847,468) | (917,272) |
| Income | | | | |
| Other revenue | 8,106 | 6,758 | 8,106 | 6,758 |
| Total income | 8,106 | 6,758 | 8,106 | 6,758 |
| Assets | | | | |
| Cash and cash equivalents | - | - | - | - |
| Receivables | 477 | 1,315 | 477 | 1,315 |
| Total assets | 477 | 1,315 | 477 | 1,315 |
| Liabilities | | | | |
| Grant payables | (348,764) | (362,476) | (348,764) | (362,476) |
| Other payables | (1,405) | (4) | (1,405) | (4) |
| Total liabilities | (350,169) | (362,480) | (350,169) | (362,480) |

Outcome 1 is described in Note 1.1.

Note 30: Budgetary Reports and Explanations of Major Variances

The following tables provide a comparison of the original budget as presented in the 2014-15 Portfolio Budget Statements (PBS) to the 2014-15 final outcome as presented in accordance with Australian Accounting Standards for the ARC. The Budget is not audited.

Variances are considered to be 'major' based on the following criteria:

- the variance between Budget and actual is greater than 1 million dollars; and
- the variance between Budget and actual is greater than 1 million dollars of the relevant category (Income, Expenses and Equity totals); or
- an item below this threshold but is considered important for the reader's understanding or is relevant to an assessment of the discharge of accountability and to an analysis of performance of the Australian Research Council.

Note 30A: Departmental Budgetary Reports

Statement of Comprehensive Income

for the period ended 30 June 2015

| | Actual | Budget estimate | Reference |
|---|-----------------------|-----------------------|----------------|
| | Original ¹ | Variance ² | |
| | 2015 | 2015 | 2015 |
| | \$'000 | \$'000 | \$'000 |
| NET COST OF SERVICES | | | |
| Expenses | | | |
| Employee benefits | 13,212 | 13,955 | (743) |
| Suppliers | 4,554 | 5,620 | (1,066) |
| Depreciation and amortisation | 3,487 | 3,470 | 17 |
| Finance costs | 283 | 274 | 9 |
| Other expenses | - | - | - |
| Total expenses | 21,536 | 23,319 | (1,783) |
| Own-Source Income | | | |
| Gains | | | |
| Other gains | 131 | 88 | 43 |
| Total gains | 131 | 88 | 43 |
| Total own-source income | 131 | 88 | 43 |
| Net (cost of)/contribution by services | 21,405 | 23,231 | (1,826) |
| Revenue from Government | 19,750 | 19,761 | (11) |
| Surplus/(Deficit) | (1,655) | (3,470) | 1,815 |
| Total comprehensive income/(loss) | (1,655) | (3,470) | 1,815 |

1. The ARC's original budgeted financial statement that was first presented to parliament in respect of the reporting period (i.e. from the ARC's 2014-15 Portfolio Budget Statements (PBS)).

2. Between the actual and original budgeted amounts for 2015. Explanations of major variances are provided further below.

Statement of Financial Position
as at 30 June 2015

| | Actual | Budget estimate | Reference |
|---|-----------------------|-----------------------|-------------------|
| | Original ¹ | Variance ² | |
| | 2015 | 2015 | 2015 |
| | \$'000 | \$'000 | \$'000 |
| ASSETS | | | |
| Financial assets | | | |
| Cash and cash equivalents | 295 | 300 | (5) |
| Trade and other receivables | 11,003 | 12,061 | (1,058) |
| Total financial assets | 11,298 | 12,361 | (1,063) IV |
| Non-financial assets | | | |
| Land and buildings | 2,247 | 2,034 | 213 |
| Property, plant and equipment | 197 | 304 | (107) |
| Intangibles | 16,066 | 16,787 | (721) |
| Other non-financial assets | 293 | 285 | 8 |
| Total non-financial assets | 18,803 | 19,410 | (607) |
| Total assets | 30,101 | 31,771 | (1,670) V |
| LIABILITIES | | | |
| Payables | | | |
| Suppliers | 400 | 862 | (462) |
| Other payables | 440 | - | 440 |
| Total payables | 840 | 862 | (22) |
| Interest bearing liabilities | | | |
| Leases | 2,452 | 2,687 | (235) |
| Total interest bearing liabilities | 2,452 | 2,687 | (235) VI |
| Provisions | | | |
| Employee provisions | 3,523 | 2,660 | 863 |
| Other provisions | 267 | 313 | (46) |
| Total provisions | 3,790 | 2,973 | 817 |
| Total liabilities | 7,082 | 6,522 | 560 |
| Net assets | 23,019 | 25,249 | (2,230) |
| EQUITY | | | |
| Contributed equity | 25,762 | 31,229 | (5,467) |
| Reserves | 43 | 43 | - |
| Accumulated deficit | (2,786) | (6,023) | 3,237 |
| Total equity | 23,019 | 25,249 | (2,230) |

1. The ARC's original budgeted financial statement that was first presented to parliament in respect of the reporting period (i.e. from the ARC's 2014-15 Portfolio Budget Statements (PBS)).
2. Between the actual and original budgeted amounts for 2015. Explanations of major variances are provided further below.

Statement of Changes in Equity
for the period ended 30 June 2015

| | Accumulated Deficit | | | | Asset revaluation surplus | | | | Contributed equity/capital | | | | Total equity | | | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|---------------------------|-----------------------|-----------------------|-----------------------|----------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | Actual | | Budget estimate | | Actual | | Budget estimate | | Actual | | Budget estimate | | Actual | | Budget estimate | |
| | Original ¹ | Variance ² | Original ¹ | Variance ² | Original ¹ | Variance ² | Original ¹ | Variance ² | Original ¹ | Variance ² | Original ¹ | Variance ² | Original ¹ | Variance ² | Original ¹ | Variance ² |
| | 2015 | 2015 | 2015 | 2015 | 2015 | 2015 | 2015 | 2015 | 2015 | 2015 | 2015 | 2015 | 2015 | 2015 | 2015 | 2015 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Opening balance | | | | | | | | | | | | | | | | |
| Balance carried forward from previous period | (1,131) | (2,553) | 1,422 | 43 | 43 | 0 | 21,893 | 27,360 | 20,805 | (5,467) | 20,805 | 24,850 | (4,045) | | | |
| Adjusted opening balance | (1,131) | (2,553) | 1,422 | 43 | 43 | 0 | 21,893 | 27,360 | 20,805 | (5,467) | 20,805 | 24,850 | (4,045) | | | |
| Comprehensive income | | | | | | | | | | | | | | | | |
| Surplus/(Deficit) for the period | (1,655) | (3,470) | 1,815 | - | - | - | - | - | (1,655) | (3,470) | 1,815 | - | - | | | |
| Other comprehensive income | - | - | - | - | - | - | - | - | - | - | - | - | - | | | |
| Total comprehensive income | (1,655) | (3,470) | 1,815 | - | - | - | - | - | (1,655) | (3,470) | 1,815 | - | - | | | |
| Transactions with owners | | | | | | | | | | | | | | | | |
| Distributions to owners | | | | | | | | | | | | | | | | |
| Returns on capital | - | - | - | - | - | - | - | - | - | - | - | - | - | | | |
| Contributions by owners | | | | | | | | | | | | | | | | |
| Equity injection - Appropriations | - | - | - | - | - | - | 1,264 | 2,605 | 1,264 | (1,341) | 1,264 | 2,605 | (1,341) | | | |
| Departmental capital budget | - | - | - | - | - | - | 2,605 | 1,264 | 2,605 | 1,341 | 2,605 | 1,264 | 1,341 | | | |
| Total transactions with owners | - | - | - | - | - | - | 3,869 | 3,869 | 3,869 | - | 3,869 | 3,869 | - | | | |
| Closing balance as at 30 June | (2,786) | (6,023) | 3,237 | 43 | 43 | 0 | 25,762 | 31,229 | 23,019 | (5,467) | 23,019 | 25,249 | (2,230) | | | |

1. The ARC's original budgeted financial statement that was first presented to parliament in respect of the reporting period (i.e. from the ARC's 2014-15 Portfolio Budget Statements (PBS)).

2. Between the actual and original budgeted amounts for 2015. Explanations of major variances are provided further below.

Cash Flow Statement*for the period ended 30 June 2015*

| | Actual | Budget estimate | Reference |
|---|-----------------------|-----------------------|---------------------|
| | Original ¹ | Variance ² | |
| | 2015 | 2015 | 2015 |
| | \$'000 | \$'000 | \$'000 |
| OPERATING ACTIVITIES | | | |
| Cash received | | | |
| Appropriations | 18,142 | 19,761 | (1,619) |
| Sale of goods and rendering of services | - | - | - |
| Net GST received | 767 | 550 | 217 |
| Other | 129 | - | 129 |
| Total cash received | 19,038 | 20,311 | (1,273) VIII |
| Cash used | | | |
| Employees | 13,021 | 13,955 | (934) |
| Suppliers | 5,493 | 5,532 | (39) |
| Section 74 receipts transferred to OPA | - | - | - |
| Other | 274 | 824 | (550) |
| Total cash used | 18,788 | 20,311 | (1,523) IX |
| Net cash from/(used by) operating activities | 250 | - | 250 |
| INVESTING ACTIVITIES | | | |
| Cash used | | | |
| Purchase of property, plant and equipment | 100 | - | 100 |
| Purchase of intangibles | 3,456 | 3,869 | (413) |
| Total cash used | 3,556 | 3,869 | (313) |
| Net cash from/(used by) investing activities | (3,556) | (3,869) | 313 |
| FINANCING ACTIVITIES | | | |
| Cash received | | | |
| Contributed equity | 3,425 | 3,869 | (444) |
| Total cash received | 3,425 | 3,869 | (444) |
| Cash used | | | |
| Repayment of borrowings | 123 | - | 123 |
| Total cash used | 123 | - | 123 |
| Net cash from/(used by) financing activities | 3,302 | 3,869 | (567) |
| Net increase (decrease) in cash held | (4) | - | (4) |
| Cash and cash equivalents at the beginning of the reporting period | 299 | 300 | (1) |
| Cash and cash equivalents at the end of the reporting period | 295 | 300 | (5) |

1. The ARC's original budgeted financial statement that was first presented to parliament in respect of the reporting period (i.e. from the ARC's 2014-15 Portfolio Budget Statements (PBS)).

2. Between the actual and original budgeted amounts for 2015. Explanations of major variances are provided further below.

Note 30: Budgetary Reports and Explanations of Major Variances (continued)**Note 30B: Departmental Major Budget Variances for 2015**

| Reference | Explanations of major variances | Affected line items (and statement) |
|-------------------------|--|--|
| | <u>Suppliers</u> | |
| I,II,III,IV,VIII ,IX | Unforeseen delays in the implementation of the web redevelopment, reviews and committee meetings. | <i>Suppliers (Statement of Comprehensive Income), Total expenses ((Statement of Comprehensive Income), Total Financial Assets - Appropriation Receivable (Statement of Financial Position), Total assets ((Statement of Financial Position), Total cash received (Cash Flow Statement), Total cash used (Cash Flow Statement), Total comprehensive income (Statement of Changes in Equity), Total cash received (Cash Flow Statement)</i> |
| | <u>Total interest bearing liabilities</u> | |
| VI | Arises from recognition principles adopted in the budget being different from the recognition adopted in financial statements. | <i>Total interest bearing liabilities (Statement of Financial Position)</i> |
| | <u>Employee provisions</u> | |
| VII | Unforeseen decrease in staff taking leave. | <i>Employee provisions (Statement of Financial Position)</i> |
| | <u>Total cash received</u> | |
| IX | Due to changes in recognition of intangible assets - overheads. | <i>Total cash received (Cash Flow Statement)</i> |

Note 30: Budgetary Reports and Explanations of Major Variances (continued)**Note 30C : Administered Budgetary Reports****Administered Schedule of Comprehensive Income***for the period ended 30 June 2015*

| | Actual | Budget estimate | | Reference |
|---|------------------|-----------------------|-----------------------|-----------|
| | | Original ¹ | Variance ² | |
| | 2015 | 2015 | 2015 | |
| | \$'000 | \$'000 | \$'000 | |
| NET COST OF SERVICES | | | | |
| Expenses | | | | |
| Suppliers | 11,916 | 5,397 | 6,519 | I |
| Grants | 835,552 | 875,642 | (40,090) | II |
| Total expenses | 847,468 | 881,039 | (33,571) | |
| Income | | | | |
| Revenue | | | | |
| Non-taxation revenue | | | | |
| Other revenue | 8,106 | - | 8,106 | III |
| Total non-taxation revenue | 8,106 | - | 8,106 | |
| Total revenue | 8,106 | - | 8,106 | |
| Net (cost of)/contribution by services | 839,362 | 881,039 | (41,677) | |
| Surplus/(Deficit) | (839,362) | (881,039) | 41,677 | |
| OTHER COMPREHENSIVE INCOME | | | | |
| Total comprehensive income/(loss) | (839,362) | (881,039) | 41,677 | |

1. The ARC's original budgeted financial statement that was first presented to parliament in respect of the reporting period (i.e. from the ARC's 2014-15 Portfolio Budget Statements

2. Between the actual and original budgeted amounts for 2015. Explanations of major variances are provided further below.

Administered Schedule of Assets and Liabilities*as at 30 June 2015*

| | Actual | Budget estimate | | Reference |
|---|-----------|-----------------------|-----------------------|-----------|
| | | Original ¹ | Variance ² | |
| | 2015 | 2015 | 2015 | |
| | \$'000 | \$'000 | \$'000 | |
| ASSETS | | | | |
| Financial assets | | | | |
| Cash and cash equivalents | - | - | - | |
| Trade and other receivables | 477 | 979 | (502) | |
| Total financial assets | 477 | 979 | (502) | |
| Non-financial assets | | | | |
| Other non-financial assets | 192 | - | 192 | |
| Total non-financial assets | 192 | - | 192 | |
| Total assets administered on behalf of Government | 669 | 979 | (310) | |
| LIABILITIES | | | | |
| Payables | | | | |
| Grants | 348,764 | 339,655 | 9,109 | IV |
| Other payables | 1,405 | 131 | 1,274 | V |
| Total payables | 350,169 | 339,786 | 10,383 | |
| Total liabilities administered on behalf of Government | 350,169 | 339,786 | 10,383 | |
| Net assets/(liabilities) | (349,500) | (338,807) | (10,693) | |

1. The ARC's original budgeted financial statement that was first presented to parliament in respect of the reporting period (i.e. from the ARC's 2014-15 Portfolio Budget Statements (PBS)).

2. Between the actual and original budgeted amounts for 2015. Explanations of major variances are provided further below.

Note 30: Budgetary Reports and Explanations of Major Variances (continued)**Note 30D: Administered Major Budget Variances for 2015**

| Reference | Explanations of major variances | Affected line items (and schedule) |
|-----------|---|---|
| | <u>Grants</u> | |
| II, IV | The funding limit in <i>s.49 of the ARC Act 2001</i> was not increased by approximately \$22.5 million due to the <i>Higher Education and Research Reform Amendment Bill 2014</i> and associated <i>ARC Amendment Bill 2014</i> not passing through Parliament. | <i>Grants expense (Administered Schedule of Comprehensive Income), Grants payable (Administered Schedule of Assets and Liabilities)</i> |
| | <u>Suppliers</u> | |
| I, V | A supplier payment was paid for research funding to a non-corporate Commonwealth entity and therefore this was not treated as a grant payment. This was partially offset by an accrual for committee member expenditure. | <i>Suppliers expense (Administered Schedule of Comprehensive Income), Other Payable (Administered Schedule of Assets and Liabilities)</i> |
| | <u>Other revenue</u> | |
| III | This arises from the recovery of the prior year grant payments which are returned by the research sector. | <i>Other revenues (Administered Schedule of Comprehensive Income)</i> |

Note 31: Compliance with Statutory Conditions for Payments from the CRF

Section 83 of the Constitution provides that no amount may be paid out of the Consolidated Revenue Fund (CRF) except under an appropriation made by law.

The Department of Finance provided information to all agencies in 2013 regarding the need for risk assessments in relation to compliance with statutory conditions on payments from special appropriations, including special accounts.

During 2014-15 there were no known instances of non-compliance with section 83 of the Constitution.



Professor Ryan Lister, an ARC Future Fellow at The University of Western Australia, is researching epigenomes—the chemical compounds surrounding DNA.

(Photo courtesy of the University of Western Australia)

PART 5

APPENDICES

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APPENDIX 1: PERFORMANCE SUMMARY

Description

This appendix provides a summary report of the ARC’s performance against the *ARC 2014–15 to 2016–17 Strategic Plan*.

As reported on page 14, under the *Australian Research Council Act 2001*, the ARC must report in its annual report on the performance measures identified in the strategic plan (now corporate plan) (Figure A1.1). While the performance indicators and measures for the ARC’s three programmes—Discovery, Linkage and Excellence in Research for Australia—are the same in the Portfolio Budget Statements and strategic plan, the plan includes additional indicators for the ARC’s four enabling functions (Policy Advice, Stakeholder Engagement, Programme Delivery and Organisation). To facilitate a consolidated report, this appendix summarises performance against all indicators (with reference to details provided in the body of the report where appropriate).

In 2014–15 the ARC identified 45 indicators/measures in its strategic plan, 26 addressing its programme objectives and 19 addressing its enabling functions objectives. Of the 45 indicators, 40 had identified targets of which:

- 34 targets were met (or partially met)
- four targets were not met
- two measures were not assessed.

Further information is provided in Tables A1.1 to A1.7 below.

In addition progress was made against each of the key priorities identified for 2014–15 in the strategic plan (see Table A1.8).

Figure A1.1: ARC strategic plan performance reporting framework, 2014–15

| PROGRAMME | | | | | | PRIORITIES |
|--------------------|--|------------------------|--|--------------------|--------------|------------|
| Discovery | | Linkage | | ERA | | |
| KPIs | | KPIs | | KPIs | | |
| | | | | | | |
| ENABLING FUNCTIONS | | | | | | |
| Policy advice | | Stakeholder engagement | | Programme delivery | Organisation | |
| KPIs | | KPIs | | KPIs | KPIs | |

Source: *ARC 2014–15 to 2016–17 Strategic Plan*

Performance indicators

Programme 1.1: Discovery

Table A1.1: Discovery, key performance indicators

| Key Performance Indicator | 2014–15 Target | 2014–15 Result | Body of report |
|--|---|---|------------------|
| Outcomes of benefit to Australia | | | |
| Evidence of economic, environmental, social, health and/or cultural benefits to Australia arising from Discovery research | Document ten case studies demonstrating benefits arising from the research | Met: Ten case studies documented | Part 2 (page 47) |
| Proportion of completed Discovery research projects that report their objectives were met | > 95 per cent | Met: 98.4 per cent | Part 2 (page 47) |
| Building Australia's research capacity—knowledge generation | | | |
| Share of the outputs of Discovery research projects that are rated at world standard or above | > 80 per cent | Not measured | Part 2 (page 48) |
| Building Australia's research capacity—research training and careers | | | |
| Winning of prestigious prizes and awards by Discovery researchers | No target identified | Met: Evidence available of prizes won by Discovery researchers | Part 2 (page 49) |
| Proportion of Discovery researchers who are early career researchers | > 20 per cent | Met: 21.5 per cent | Part 2 (page 49) |
| Proportion of completed Discovery research projects that report the research supported higher degree by research students | No target identified; to be benchmarked | 79.5 per cent | Part 2 (page 50) |
| Proportion of fellowships and awards that are awarded to international applicants (foreign nationals and returning Australians) | > 20 per cent | Met: 35.5 per cent | Part 2 (page 50) |
| Building Australia's research capacity—international collaboration | | | |
| Proportion of Discovery research projects that involve international collaboration | > 65 per cent | Met: 69.5 per cent | Part 2 (page 51) |
| Building Australia's research capacity—research in areas of priority | | | |
| Evidence of economic, environmental, social, health and/or cultural benefits to Australia arising from Discovery research in areas of priority | Document five case studies demonstrating benefits arising from the research | Met: Five case studies documented | Part 2 (page 52) |
| Proportion of Discovery research projects in areas of priority | > 85 per cent | Not met: 81.7 per cent | Part 2 (page 53) |

Programme 1.2: Linkage

Table A1.2: Linkage, key performance indicators

| Key Performance Indicator | 2014–15 Target | 2014–15 Result | Body of report |
|--|---|--|------------------|
| Outcomes of benefit to Australia | | | |
| Evidence of economic, environmental, social, health and/or cultural benefits to Australia arising from Linkage research | Document five case studies demonstrating benefits arising from the research | Met: Five case studies documented | Part 2 (page 63) |
| Proportion of completed Linkage research projects that report their objectives were met | > 95 per cent | Met: 98.4 per cent | Part 2 (page 63) |
| Building Australia's research capacity—knowledge generation | | | |
| Share of the outputs of Linkage research projects that are rated at world standard or above | > 50 per cent | Not measured | Part 2 (page 64) |
| Building Australia's research capacity—collaboration | | | |
| Average number of organisations involved in Linkage research projects | Centres: > 10 ITRP: > 5 LIEF: > 3 LP: > 2 | Partially met: ITRP: 5.6 LIEF: 5.0 LP: 1.9 Centres: not av | Part 2 (page 64) |
| Proportion of partner organisations that rate the research partnerships supported through Linkage research projects as beneficial or very beneficial | LP: > 90 per cent | Met: 98.9 per cent | Part 2 (page 65) |
| Financial commitment (cash and in-kind) of partner organisations to Linkage research projects (for every dollar contributed by the ARC) | ITRH: > \$1.50 LP: > \$1.90 | Partially met: ITRH: \$1.47 LP: \$1.93 | Part 2 (page 65) |
| Proportion of Linkage funding allocated to research projects that involve collaboration with industry | No target identified; to be benchmarked | 63.4 per cent | Part 2 (page 67) |
| Proportion of Linkage research projects that involve international collaboration | Centres: 100 per cent ITRH: > 80 per cent ITTC: > 70 per cent LIEF: > 40 per cent LP: > 40 per cent | Met: Centres: n/a ITRH: 100 per cent ITTC: 80 per cent LIEF: 40.9 per cent LP: 50.6 per cent | Part 2 (page 67) |
| Building Australia's research capacity—research training and careers | | | |
| Proportion of Linkage researchers who are early career researchers | > 12 per cent | Not met: 11.9 per cent | Part 2 (page 68) |
| Proportion of completed Linkage research projects that report the research supported higher degree by research students | No target identified; to be benchmarked | 79.5 per cent | Part 2 (page 69) |

| Key Performance Indicator | 2014–15 Target | 2014–15 Result | Body of report |
|--|--|---|------------------|
| Support for research training in areas of strategic importance to Australian industries | ITTC: At least 10 higher degree by research and three postdoctoral positions funded per centre | Met: 10 HDRs and 4 postdoctoral positions per centre | Part 2 (page 69) |
| Building Australia's research capacity—research in areas of priority | | | |
| Evidence of economic, environmental, social, health and/or cultural benefits to Australia arising from Linkage research in areas of priority | Document three case studies demonstrating benefits arising from the research | Met: Three documented case studies | Part 2 (page 70) |
| Proportion of Linkage research projects in areas of priority | > 90 per cent | Met: 91.4 per cent | Part 2 (page 71) |

Programme 1.3: Excellence in Research for Australia

Table A1.3: ERA, key performance indicators

| Key Performance Indicator | 2014–15 Target | 2014–15 Result | Body of report |
|---|---|----------------|------------------|
| Establishment of a high-quality evaluation framework | | | |
| Evidence of stakeholder confidence in the ERA framework as indicated by use of ERA data and results to inform policy advice across government and the strategic research agendas of higher education institutions | Feedback from stakeholders demonstrates confidence in ERA | Met | Part 2 (page 84) |
| Successful implementation of the 2015 ERA evaluation | | | |
| Achievement of milestones for delivery of ERA 2015 | All milestones met | Met | Part 2 (page 84) |
| Sector contribution to development of ERA 2015 | Sector is provided with opportunities to contribute | Met | Part 2 (page 85) |

Enabling function: Policy advice

Table A1.4: Policy advice, key performance indicators

| Key Performance Indicator | 2014–15 Target | 2014–15 Result | Body of report |
|--|--|--|-----------------------------|
| Policies that support a strong research sector | | | |
| Evidence that policy advice supports the effective delivery of programme responsibilities | Feedback from stakeholders indicates they are satisfied with advice (assessed through formal and informal feedback mechanisms) | Met | n/a |
| Contribution to research policy through participation in key forums and committees and contribution to national policy discussions | Opportunities to participate are identified and taken up | Met During 2014–15 the ARC participated in a range of key forums and committees including the National Science, Technology and Research Committee, the Deputy Secretaries Working Group for Boosting the Commercial Returns of Research. | n/a |
| Policies that incorporate government priorities | | | |
| Extent to which government priorities are considered and reflected in ARC-related research policy and programme development | Government priorities are addressed in policy and programme development | Met In 2014–15 the Australian Government's Special Research Priorities were implemented under all funding schemes of the NCGP. | Part 2 (pages 52–53, 70–71) |

Enabling function: Stakeholder engagement

Table A1.5: Stakeholder engagement, key performance indicators

| Key Performance Indicator | 2014–15 Target | 2014–15 Result | Body of report |
|--|---|---|----------------|
| Stakeholder and community awareness of the outcomes and benefits of ARC-funded research | | | |
| Media coverage of ARC-funded outcomes | Evidence of coverage across a range of media | Met ARC-funded outcomes are regularly reported across all forms of media. | n/a |
| Media activities and events to publicise ARC support for research | Appropriate opportunities identified and acted on | Met Media activities conducted during 2014–15 included a number of grants announcement events. | n/a |
| ARC publications publicising ARC support for research | Publish ARChway, content of the ARC website and the ARC annual report | Met During 2014–15 the ARC published four issues of ARChway, reviewed the content of the ARC website in preparation for the launch of a new website in 2015–16 and published the ARC Annual Report 2013–14. | n/a |
| Number of ARC website hits | Increased number of hits compared to previous year | Not met The total number of sessions in 2014–15 was 1 052 130 compared to 1 143 666 in 2013–14. | n/a |

Enabling function: Programme delivery

Table A1.6: Programme delivery, key performance indicators

| Key Performance Indicator | 2014–15 Target | 2014–15 Result | Body of report |
|---|---|---|---------------------------|
| Efficient and effective development, implementation and delivery of programmes | | | |
| Number of appeals | Number of appeals received is less than one per cent of total NCGP proposals received | Met 0.1 per cent | Part 3 (page 111) |
| Achievement of our service standards | Client Service Charter service standards are met | Met No issues were identified during 2014–15. | Part 5 (pages 237–238) |
| Timeliness of delivery of programme milestones | Adherence to published timeframes (ERA and NCGP calendars) | Partially met Published deadlines were met, except for those for Future Fellowships which were outside the ARC control. | n/a |
| Consultation with stakeholders about possible changes to programmes | Stakeholders are provided with opportunities to comment on key changes | Met Consultations undertaken during 2014–15 included invitations to provide feedback on Discovery and Linkage funding rules, revisions to post-award documentation and End of Year functionality. | Part 3 (page 110) |

Enabling function: Organisation

Table A1.7: Organisation, key performance indicators

| Key Performance Indicator | 2014–15 Target | 2014–15 Result | Body of report |
|--|---|--|----------------|
| Effective corporate governance and organisational efficiency | | | |
| Volume of ministerial and parliamentary documents | No target identified | A total of 82 ministerial and parliamentary documents were finalised during 2014–15. | n/a |
| Timeliness of preparation of ministerial and parliamentary documents | All responses are submitted by deadline | Met | n/a |

| Key Performance Indicator | 2014–15 Target | 2014–15 Result | Body of report |
|--|--|---|-------------------------------|
| Compliance with legislative and government policy requirements | Comply with content and timing requirements | Met Requirements include planning and reporting framework and PGPA Act implementation | Part 3 (pages 92–111) |
| Risk management framework and processes applied consistently and appropriately | All key risks across all levels of the agency identified, treated (if required), and monitored | Met Audit Committee monitored ARC process for identification, treatment and monitoring of risks | Part 3 (page 104) |
| Appropriateness of response to internal audit | Address recommendations of internal and external audits, where appropriate | Met Audit Committee monitored appropriateness of ARC response to recommendations | Part 3 (page 103) |
| ICT systems | | | |
| Availability of ARC ICT systems | ARC systems will be available 98 per cent of business hours | Met ARC externally accessible systems (www, RMS, SEER and email) were available for 99.97 per cent of business hours | n/a |
| Attraction, retention and development of staff | | | |
| Staff turnover (proportion of ARC staff at 1 July 2014 who left the organisation before 1 July 2015) | Staff turnover is at an acceptable level (comparable with agencies of a similar size) | Met 2014–15 staff turnover rate was nine per cent, which is low. | Part 3 (pages 121 and 246) |
| Staff satisfaction with current job | Staff satisfaction is at an appropriate level (greater than 80 per cent) | Not met Staff satisfaction, as assessed by the 2014 APS Employee Engagement Model, is 74 per cent compared to the APS wide result of 65 per cent. | Part 3 (page 125) |

Key priorities

Table A1.8: Progress against 2014–15 key priorities

| Key priority | Progress | Body of report |
|---|--|-------------------------|
| 1. Fund excellent research and research training through the National Competitive Grants Programme | Fund excellent research and research training across all disciplines through the Discovery and Linkage programmes | Part 2 (pages 40–77) |
| 2. Deliver new funding initiatives aimed at boosting research into tropical health and medicine, dementia, diabetes and the Antarctic and Southern Ocean | <p>Through the Special Research Initiatives scheme deliver the Australian Government's commitment to support these areas of priority</p> <p>Following selection rounds, funding was awarded to the following organisations to administer these initiatives:</p> <ul style="list-style-type: none"> – Tropical health and medicine: James Cook University (\$42 million commencing in 2014) – Diabetes: the Juvenile Diabetes research Foundation (\$35 million in 2014) – Antarctic and Southern Ocean: University of Tasmania (\$24 million commencing in 2014). | Part 2 (page 72) |
| | The ARC delivered funding for dementia research in conjunction with the National Health and Medical Research Council. | Part 2 (page 72) |
| 3. Review the ARC's approach to identifying and reporting the benefits of ARC-funded research | <p>Improve the identification of research benefits to enhance the nation's competitiveness</p> <p>The ARC provided input into government consultations to support the formation of public policy and initiatives to enhance the nation's competitiveness, including Boosting the Commercial Returns from Research Strategy (May 2015) and the Department of Science and Industry's Cooperative Research Centres review.</p> | n/a |
| | <p>Review schemes to enhance links to industry</p> <p>The ARC considered industry participation issues when reviewing scheme funding rules and undertook data analytic work to demonstrate the significant networks that ARC funding supports between research organisations and industry.</p> | n/a |
| | <p>Provide clearer information on grant success, research quality and public benefit of research</p> <p>In 2014–15 the ARC continued to improve its capacity to capture and report the outcomes of research. As part of ARC activities to update the Research Management System (RMS), a new dynamic funding announcement page was developed to display funding outcomes following announcement of awarded grants. The announcement module is designed to make it easier for users, including industry partners, to obtain information on successful grants.</p> | n/a |

| Key priority | Progress | Body of report |
|--|--|-------------------------|
| 4. Implement the government's commitment to the reduction of red tape | Continue to upgrade and enhance the ICT systems the ARC has in place to support all phases of the granting process In August 2014 the ARC released the first stage of a new grants management system, Research Management System (RMS) 2.0. RMS 2.0 is designed to reduce the time taken by researchers and universities completing ARC funding proposals. In developing the system, the ARC considered ways to increase the efficiency of its grant application processes, specifically the format and content of its application forms. The ARC critically considered what information it must collect and how the information can be collected in the most efficient manner. As it becomes fully operational, RMS 2.0 will also allow for improved data use for reporting by the ARC. To date, feedback from the sector has been positive—users have expressed their satisfaction with the improved user experience provided by RMS 2.0, including quality of data captured, system reliability, ARC response time and ease of use. | n/a |
| | Investigate options for the development of a single higher education research data collection | Part 2 (page 87) |
| 5. Deliver ERA 2015 | Undertake a third ERA evaluation in 2015 The first stages of the ERA2015 evaluation were undertaken in the first half of 2015. | Part 2 (pages 78–87) |
| 6. Build a positive, forward thinking and sustainable agency | Ensure staff know what is expected of them During 2014–15 the ARC maintained a robust performance management framework. It communicated regularly with staff through a fortnightly internal newsletter and fortnightly morning tea. | n/a |
| | Ensure that the workplace is safe The ARC maintained appropriate work health and safety arrangements. | Part 3 (page 124) |
| | Ensure that staff skills and contributions are recognised and valued The ARC finalised its Workplace Diversity Programme. It also continued to participate in Australia Day Awards. | Part 3 (page 126) |
| | Ensure that training and development is provided to support career progression In the first half of 2015 the ARC established e-Learning capability within the agency. | Part 3 (page 127) |

APPENDIX 2: NATIONAL COMPETITIVE GRANTS PROGRAMME, DISCOVERY

This appendix provides additional information to support the performance data for the Discovery programme provided in Chapter 4.

Discovery funding schemes

Table A2.1: Discovery, funding schemes

| Scheme | Description |
|--|---|
| Australian Laureate Fellowships | |
| First selection round | Funding commencing in 2009 |
| Frequency | Annual |
| Description | The Australian Laureate Fellowships scheme is aimed at attracting and retaining outstanding researchers in Australia. The scheme provides fellows with project funding in addition to a salary supplement and salary-related (on-cost) support. |
| Discovery Early Career Researcher Award | |
| First selection round | Funding commencing in 2012 |
| Frequency | Annual |
| Description | The Discovery Early Career Researcher Award scheme is aimed at supporting early career researchers. |
| Discovery Indigenous | |
| First selection round | Funding commencing in 2002 (Discovery Indigenous Researchers Development); funding commencing in 2012 (Discovery Indigenous) |
| Frequency | Annual |
| Description | The Discovery Indigenous scheme supports the development of Indigenous researchers' skills and expertise. |
| Discovery Projects | |
| First selection round | Funding commencing in 2002 |
| Frequency | Annual |
| Description | The Discovery Projects scheme provides funding for research projects undertaken by excellent individual researchers and research teams. |
| Future Fellowships | |
| First selection round | Funding commencing in 2009 |
| Frequency | Annual |
| Description | The Future Fellowships scheme is aimed at supporting mid-career researchers. |

Discovery grant statistics

Table A2.2: Discovery, funding commencing in 2012–13 to 2014–15

| Scheme | 2012–13 | 2013–14 | 2014–15 |
|--|-------------|-------------|-------------|
| Australian Laureate Fellowships | 2012 | 2013 | 2014 |
| Number of proposals | 108 | 112 | 90 |
| Number of awards | 17 | 17 | 16 |
| Total funding (\$) | 46 654 655 | 47 432 835 | 42 151 524 |
| Success rate (%) | 15.7 | 15.2 | 17.8 |
| Discovery Early Career Researcher Award | 2013 | 2014 | 2015 |
| Number of proposals | 1 281 | 1 468 | 1 394 |
| Number of awards | 200 | 200 | 200 |
| Total funding (\$) | 72 321 876 | 75 789 232 | 70 567 494 |
| Success rate (%) | 15.6 | 13.6 | 14.3 |
| Discovery Indigenous | 2013 | 2014 | 2015 |
| Number of proposals | 32 | 26 | 32 |
| Number of awards | 10 | 10 | 10 |
| Total funding (\$) | 4 320 000 | 4 886 142 | 4 392 609 |
| Success rate (%) | 31.3 | 38.5 | 31.3 |
| Discovery Projects | 2013 | 2014 | 2015 |
| Number of proposals | 3 425 | 3 534 | 3 689 |
| Number of awards | 732 | 703 | 665 |
| Total funding (\$) | 253 982 000 | 257 632 541 | 250 044 435 |
| Success rate (%) | 21.4 | 19.9 | 18.0 |
| Future Fellowships | 2012 | 2013 | 2014 |
| Number of proposals | 603 | 1 234 | 830 |
| Number of awards | 209 | 201 | 150 |
| Total funding (\$) | 151 559 267 | 152 292 682 | 114 919 482 |
| Success rate (%) | 34.7 | 16.3 | 18.1 |

Additional Discovery performance data

Table A2.3: Discovery programme, number of research outputs, funding commencing in 2008 to 2010⁽¹⁾

| Outputs | 2008 | 2009 | 2010 |
|----------------------------------|---------------|---------------|-------------|
| Academic outputs | | | |
| Books and book chapters | 1116 | 1362 | 633 |
| Journal articles | 8419 | 8385 | 4848 |
| Conference publications | 5518 | 3650 | 1802 |
| Other | 903 | 485 | 132 |
| Total | 15 956 | 13 882 | 7415 |
| Commercialisation outputs | | | |
| Invention disclosures | 39 | 23 | 24 |
| Licences executed | 5 | 8 | 7 |
| Patents filed | 74 | 76 | 39 |
| Patents pending | 29 | 32 | 35 |
| Plant breeder rights | 1 | 7 | 0 |
| Start-up companies | 6 | 11 | 6 |
| Total | 154 | 157 | 111 |
| Number of final reports | 819 | 835 | 611 |

Note

(1) Outputs arising from research projects funded under the Discovery programme for which final reports had been submitted to the ARC as at 30 June 2015.

Table A2.4: Discovery Projects scheme, number of research personnel outputs, funding commencing in 2010⁽¹⁾

| Personnel | 2010 |
|---|------------|
| Research | |
| PhD students receiving stipends and research support | 222 |
| Masters students receiving stipends and research support | 20 |
| PhD students receiving research support but not stipends | 858 |
| Masters students receiving research support but not stipends | 198 |
| Honours students receiving research support but not stipends | 762 |
| Overseas PhD students involved in the project | 375 |
| Overseas research Masters students involved in the project | 105 |
| Overseas Honours students involved in the project | 134 |
| Early career researchers (excluding those named in the application) | 616 |
| Other employed personnel | |
| Research associates/assistants funded (full-time) | 314 |
| Research associates/assistants funded (part-time) | 722 |
| Professional and/or technical officers | 187 |
| Industry partner employees | 13 |
| Other personnel involved | 388 |
| Number of final reports | 591 |
| Total number of research projects awarded funding | 925 |

Note

(1) Research personnel on projects funded under the Discovery Projects scheme for which final reports had been submitted to the ARC as at 30 June 2015.

APPENDIX 3: NATIONAL COMPETITIVE GRANTS PROGRAMME, LINKAGE

This appendix provides additional information to support the performance data for the Linkage programme provided in Chapter 5.

Linkage funding schemes

Table A3.1: Linkage, funding schemes

| Scheme | Description |
|---|--|
| ARC Centres of Excellence | |
| First selection round | Funding commencing in 2003 |
| Frequency | Periodic |
| Description | The ARC Centres of Excellence scheme is aimed at building critical mass in areas of research priority. Funding of between \$1 million and \$4 million per annum for up to seven years may be awarded for each ARC Centre of Excellence. |
| Industrial Transformation Research Hubs | |
| First selection round | Funding commencing in 2012 |
| Frequency | Periodic |
| Description | The Industrial Transformation Research Hubs scheme supports collaborative research activity between the Australian higher education sector and industry. |
| Industrial Transformation Training Centres | |
| First selection round | Funding commencing in 2013 |
| Frequency | Annual |
| Description | The Industrial Transformation Training Centres scheme fosters close partnerships between university-based researchers and other research end-users to provide innovative higher degree by research and postdoctoral training for the end-user focused research industries vital to Australia's future. |
| Linkage Infrastructure, Equipment and Facilities | |
| First selection round | Funding commencing in 2002 |
| Frequency | Annual |
| Description | The Linkage Infrastructure, Equipment and Facilities scheme encourages institutions to develop collaborative organisational arrangements to support research infrastructure. |

Table A3.1: (continued)

| Scheme | Description |
|---|---|
| Linkage Learned Academies Special Projects | |
| First selection round | Funding commencing in 2002 |
| Frequency | Every three years |
| Description | The Linkage Learned Academies Special Projects scheme funds the Australian Council of Learned Academies and the Learned Academies to undertake research projects. |
| Linkage Projects | |
| First selection round | Funding commencing in 2002 |
| Frequency | Annual (previously twice per year until 2012) |
| Description | The Linkage Projects scheme supports collaborative research and research training between universities and partner organisations. |
| Special Research Initiatives | |
| First selection round | Funding commencing in 2002 |
| Frequency | As required |
| Description | Under the Special Research Initiatives scheme, the ARC identifies new or emerging areas of research for funding. Applications for funding may be submitted only when invited by the ARC by means of a call for proposal(s). |

Linkage grant statistics

Table A3.2: Linkage, funding commencing in 2012–13 to 2014–15

| Scheme | 2012–13 | 2013–14 | 2014–15 |
|---|-------------------------|----------------|----------------|
| ARC Centres of Excellence¹ | 2013 | 2014 | 2015 |
| Number of proposals | n/a | 103 | n/a |
| Number of awards | n/a | 12 | n/a |
| Total funding (\$) | n/a | 284 999 996 | n/a |
| Success rate (%) | n/a | 11.7 | n/a |
| Industrial Transformation Research Hubs | 2012 | 2013 | 2014 |
| Number of proposals | 12 | 21 | 15 |
| Number of awards | 4 | 10 | 4 |
| Total funding (\$) | 14 500 000 | 34 619 005 | 18 681 869 |
| Success rate (%) | 33.3 | 47.6 | 26.7 |
| Industrial Transformation Training Centres | 2013 | 2014 | 2015 |
| Number of proposals | 13 | 13 | 17 |
| Number of awards | 4 | 7 | 5 |
| Total funding (\$) | 9 300 204 | 15 667 347 | 20 895 677 |
| Success rate (%) | 30.8 | 54.0 | 29.4 |
| Linkage Infrastructure, Equipment and Facilities | 2013 | 2014 | 2015 |
| Number of proposals | 169 | 148 | 159 |
| Number of awards | 72 | 63 | 66 |
| Total funding (\$) | 29 025 000 | 31 982 047 | 28 995 463 |
| Success rate (%) | 42.6 | 42.6 | 41.5 |
| Linkage Learned Academies Special Projects | 2013 | 2014 | 2015 |
| Number of proposals | n/a | 5 | n/a |
| Number of awards | n/a | 2 | n/a |
| Total funding (\$) | n/a | 834 160 | n/a |
| Success rate (%) | n/a | 40.0 | n/a |
| Linkage Projects² | 2012 (rd 2 only) | 2013 | 2014 |
| Number of proposals | 504 | 785 | 699 |
| Number of awards | 185 | 306 | 251 |
| Total funding (\$) | 58 404 739 | 101 809 345 | 88 154 841 |
| Success rate (%) | 36.7 | 39.0 | 35.9 |
| Special Research Initiatives³ | 2012–13 | 2013–14 | 2014–15 |
| Number of proposals | 4 | 2 | 1 |
| Number of awards | 2 | 2 | 1 |
| Total funding (\$) | 19 198 392 | 77 000 000 | 24 000 000 |

Notes

n/a not applicable

- 1 The ARC Centres of Excellence scheme includes a preliminary expression of interest (EOI) stage. The number of proposals recorded in Table A3.2 is the number of EOIs received for consideration in each selection round.
- 2 The Linkage Projects scheme was restructured in 2012 following the introduction of the Industrial Transformation Research Programme and now has only one selection round each year (for funding commencing on 1 July). Prior to and including 2012, two selection rounds were conducted each year under the Linkage Projects scheme. As a result 2012–13 only includes Linkage Projects for funding commencing in 2012 (round 2); and 2013 is the first year in which only one selection round was conducted.
- 3 Special Research Initiatives includes: the Special Research Initiative for an Aboriginal and Torres Strait Islander Researchers' Network (funding commencing in July 2012); the Special Research Initiative for a Science of Learning Research Centre (funding commencing in December 2012); the Special Research Initiative for Tropical Health and Medicine (funding commencing in 2014); the Special Research Initiative for Type 1 Juvenile Diabetes (funding commencing in 2014) and the Special Research Initiative for Antarctic Gateway Partnership (funding commencing in 2014).

Additional Linkage performance data

Table A3.3: Linkage programme, number of research outputs, funding commencing in 2008 to 2010⁽¹⁾

| Outputs | 2008 | 2009 | 2010 |
|----------------------------------|-------------|-------------|-------------|
| Academic outputs | | | |
| Books and book chapters | 368 | 315 | 164 |
| Journal articles | 2654 | 2185 | 1371 |
| Conference publications | 2103 | 1760 | 803 |
| Other | 1509 | 269 | 106 |
| Total | 6634 | 4529 | 2444 |
| Commercialisation outputs | | | |
| Invention disclosures | 16 | 14 | 16 |
| Licences executed | 36 | 5 | 3 |
| Patents filed | 19 | 33 | 19 |
| Patents pending | 10 | 11 | 13 |
| Patents unknown | 1 | 0 | 2 |
| Plant breeder rights | 4 | 1 | 3 |
| Start-up companies | 12 | 9 | 5 |
| Total | 86 | 73 | 61 |
| Number of final reports | 469 | 409 | 245 |

Note

- (1) Outputs arising from research projects funded under the Linkage programme for which final reports had been submitted to the ARC as at 30 June 2015.

Table A3.4: ARC Centres of Excellence, number of research outputs, 2014

| Outputs | 2011 Centres | 2014 Centres |
|---|--------------|--------------|
| Research | | |
| Books | 27 | 7 |
| Book chapters | 130 | 35 |
| Journal articles (articles in scholarly refereed journal) | 1558 | 840 |
| Journal articles (other) | 123 | 11 |
| Unpublished reports | 25 | 17 |
| Major reviews | 5 | 18 |
| Conference publications | 1442 | 414 |
| Audio-visual recording | 48 | 2 |
| Computer software | 16 | 4 |
| Patents filed | 5 | 4 |
| Patents pending | 18 | 0 |
| Creative works | 1 | 0 |
| Exhibition curatorship | 1 | 0 |
| Collaboration | | |
| Number of national collaborating institutions (average per centre) | 17 | 10 |
| Number of international collaborating institutions (average per centre) | 64 | 38 |
| Number of countries involved in collaboration (average per centre) | 20 | 13 |
| Number of countries from which international visitors originated (average per centre) | 16 | 8 |
| Number of international visitors (average per centre) | 65 | 23 |
| Number of overseas visits by Centre personnel (average per centre) | 94 | 31 |
| Training | | |
| Number of PhD students graduated | 110 | 36 |
| Number of Masters students graduated | 35 | 20 |
| Number of Honours students graduated | 127 | 24 |
| Number of PhD students enrolled | 698 | 341 |
| Number of Masters students enrolled | 76 | 51 |
| Number of Honours students enrolled | 158 | 49 |
| Number of early career researchers (within 5 years of PhD completion) | 350 | 122 |
| Training programmes/teaching packages conducted | 179 | 87 |
| Number of Centres | 11 | 13 |

Table A3.5: Linkage Projects scheme, number of research personnel outputs, funding commencing in 2010⁽¹⁾

| Personnel | 2010 |
|---|------------|
| Research | |
| PhD students receiving stipends and research support | 84 |
| Masters students receiving stipends and research support | 4 |
| PhD students receiving research support but not stipends | 139 |
| Masters students receiving research support but not stipends | 42 |
| Honours students receiving research support but not stipends | 173 |
| Overseas PhD students involved in the project | 57 |
| Overseas research Masters students involved in the project | 28 |
| Overseas Honours students involved in the project | 22 |
| Early career researchers (excluding those named in the application) | 157 |
| Other employed personnel | |
| Research associates/assistants funded (full-time) | 117 |
| Research associates/assistants funded (part-time) | 232 |
| Professional and/or technical officers | 71 |
| Industry partner employees | 194 |
| Other personnel involved | 115 |
| Number of final reports | 183 |
| Total number of research projects awarded funding | 429 |

Note

(1) Research personnel on projects funded under the Linkage Projects scheme for which final reports had been submitted to the ARC as at 30 June 2015.

APPENDIX 4: PRIZES AND AWARDS

This appendix supports the performance report provided for Measure 3 under the Discovery programme, that is, external recognition of the achievements of ARC-funded researchers (page 49). Prizes awarded to ARC-funded researchers in 2014–15 included those listed in the table below. Note that this list is not exhaustive.

Table A4.1: Prizes and awards, ARC-funded researchers, 2014–15

| Researcher, Institution | ARC support |
|--|--|
| 2014 Prime Minister's Science Prizes | |
| Professor Ingrid Scheffer, The University of Melbourne (2014 Prime Minister's Prize for Science) | Chief Investigator |
| Professor Ryan Lister, ARC Centre of Excellence in Plant Energy Biology, The University of Western Australia (2014 Frank Fenner Prize for Life Scientist of the Year) | ARC Future Fellow |
| Dr Matthew Hill, Commonwealth Scientific and Industrial Research Organisation (CSIRO) (2014 Malcolm McIntosh Prize for Physical Scientist of the Year) | ARC Future Fellow |
| 2014 Australian Museum Eureka Prizes | |
| Associate Professor Simon Ho, The University of Sydney (Macquarie University Eureka Prize for Outstanding Early Career Researcher Winner) | Queen Elizabeth II Fellow, Chief Investigator |
| Dr Joelle Gergis, SEARCH Project, The University of Melbourne (University of New South Wales Eureka Prize for Excellence in Interdisciplinary Scientific Research) | Discovery Early Career Researcher Award (DECRA) |
| Professor Graham Edgar and Dr Rick Stuart-Smith, University of Tasmania (NSW Office of Environment and Heritage Eureka Prize for Environmental Research) | Chief Investigators |
| 2015 Australian Academy of Science Awards | |
| Professor Kurt Lambeck, The Australian National University (2015 Matthew Flinders Medal and Lecture for scientific research of the highest standing in the physical sciences) | Chief Investigator |
| Professor Denis Evans, Australian National University (2015 David Craig Medal for outstanding contributions to chemical research) | Chief Investigator |
| Professor Gustav Lehrer, The University of Sydney (2015 Hannan Medal for research in pure mathematics, joint winner) | Australian Professorial Fellow, Chief Investigator |
| Professor Alan McIntosh, Australian National University (2015 Hannan Medal for research in pure mathematics, joint winner) | Chief Investigator |
| Professor Michelle Simmons, ARC Centre for Excellence for Quantum Computation and Communication Technology, The University of New South Wales (2015 Thomas Ranken Lyle Medal for research in mathematics or physics) | Australian Laureate Fellow, Centre Director |
| Dr Yingjie Yang, Macquarie University (2015 Anton Hales Medal for research in earth sciences) | ARC Future Fellow, Chief Investigator |
| Associate Professor Catherine Greenhill, The University of New South Wales (2015 Christopher Heyde Medal for research in pure mathematics, joint winner) | Chief Investigator |

| Researcher, Institution | ARC support |
|---|---|
| Dr Scott Morrison, The Australian National University (2015 Christopher Heyde Medal for research in pure mathematics, joint winner) | DECRA, Chief Investigator |
| Dr Nerilie Abram, The Australian National University (2015 Dorothy Hill Award for female researchers in the earth sciences) | Queen Elizabeth II Fellow, Chief Investigator |
| Dr Ian Wright, Macquarie University (2015 Fenner Medal for research in biology (excluding the biomedical sciences)) | ARC Future Fellow, Chief Investigator |
| Associate Professor Kylie Catchpole, The Australian National University (2015 Inaugural John Booker Medal in Engineering Science) | ARC Future Fellow, Chief Investigator |
| Professor Chengzhong Yu, The University of Queensland (2015 Le Fèvre Memorial Prize for research in basic chemistry) | Chief Investigator |
| Associate Professor Jean Yee Hwa Yang, The University of Sydney (2015 Moran Medal for research in statistics) | Chief Investigator |
| Associate Professor Tamara Davis, The University of Queensland (2015 Nancy Millis Medal for Women in Science) | ARC Future Fellow, Chief Investigator |
| Dr Jian Yang, The University of Queensland (2015 Ruth Stephens Gani Medal for research in human genetics) | Chief Investigator |
| Academy of Technological Sciences and Engineering Clunies Ross Awards 2015 | |
| Professor Zhiguo Yuan, The University of Queensland | Chief Investigator |
| 2014 Young Tall Poppy Science Awards | |
| ACT: Dr Colin Jackson, The Australian National University | ARC Future Fellow, Chief Investigator |
| NSW: Dr Heather Handley, Macquarie University | ARC Future Fellow, Chief Investigator |
| NSW: Dr Lawrence Lee, The University of New South Wales | DECRA, Chief Investigator |
| NSW: Dr Megan Lord, The University of New South Wales | Chief Investigator |
| NSW: Dr Muireann Irish, The University of New South Wales | DECRA |
| NSW: Dr Simon Ho, The University of Sydney | Queen Elizabeth II Fellow |
| NSW: Dr Thomas Whitford, The University of New South Wales | Chief Investigator |
| QLD: Dr Claudia Vickers, The University of Queensland | Chief Investigator |
| QLD: Dr Lara Herrero, Griffith University | DECRA |
| SA: Dr Michael Short, University of South Australia | Chief Investigator |
| TAS: Dr Stanislav Shabala, University of Tasmania | DECRA, Chief Investigator |
| VIC: Dr Jee Hyun Kim, The University of Melbourne | DECRA, Chief Investigator |
| VIC: Dr Marie Yap, Monash University | Chief Investigator |
| VIC: Dr Nikhil Medhekar, Monash University | Chief Investigator |
| VIC: Dr Kaye Morgan, Monash University | DECRA |
| VIC: Dr David McCarthy, Monash University | DECRA, Chief Investigator |
| VIC: Dr Allison Milner, The University of Melbourne | Chief Investigator |
| WA: Dr James Miller-Jones, Curtin University of Technology | ARC Future Fellow, Chief Investigator |

| Researcher, Institution | ARC support |
|--|--|
| 2014 Scopus Young Researcher Awards | |
| Associate Professor David Lubans, The University of Newcastle | ARC Future Fellow, Chief Investigator |
| Professor Ajayan Vinu, The University of Queensland | Chief Investigator |
| Dr Shulei Chou, University of Wollongong | Chief Investigator |
| Dr Kerrie Wilson, The University of Queensland | Chief Investigator |
| Dr Tracy Burrows, The University of Newcastle | Chief Investigator |
| 2014 State Scientists of the year | |
| NSW: Professor Mark Westoby, Macquarie University | Australian Laureate Fellow, Chief Investigator |
| SA: Professor Anthony Thomas, The University of Adelaide | Chief Investigator |
| WA: Professor Ian Small, The University of Western Australia | Australian Laureate Fellow, Chief Investigator |
| WA: Dr Ryan Loxton, Curtin University of Technology (2014 Woodside Early Career Scientist of the year) | Chief Investigator |
| International awards | |
| Professor Joshua Cinner, James Cook University (2015 Pew Marine Fellowship) | Australian Research Fellow |
| Other Australian awards | |
| Dr Cara Doherty, Commonwealth Scientific and Industrial Research Organisation (2014 L'Oreal for Women in Science Fellowship) | DECRA |
| Dr Vanessa Kellerman, Monash University (2014 L'Oreal for Women in Science Fellowship) | DECRA |

APPENDIX 5: MEMBERSHIP OF COMMITTEES

Governance

ARC Advisory Committee

Table A5.1: ARC Advisory Council, 2014–15

| Member, Institution | Date of appointment | Expiry of appointment |
|--|---------------------|-----------------------|
| Professor A Byrne, Australian Research Council (Chair) | 23/07/2012 | 23/07/2017 |
| Professor A Brungs, University of Technology, Sydney | 01/01/2013 | 31/12/2014 |
| Professor P Buckskin, University of South Australia | 01/01/2011 | 31/12/2014 |
| Dr L Farrell, d3 Medicine LLC | 01/01/2013 | 31/12/2014 |
| Professor S Garton, The University of Sydney | 01/01/2011 | 31/12/2014 |
| Professor S Harding, James Cook University | 01/01/2013 | 31/12/2014 |
| Professor P Johnson, The University of Western Australia | 01/01/2011 | 31/12/2014 |
| Professor S Miller, Queensland Museum Network | 01/01/2013 | 31/12/2014 |
| Professor S Thomas, Charles Sturt University | 01/01/2013 | 31/12/2014 |

ARC Audit Committee

Table A5.2: ARC Audit Committee, 2014–15

| Member | Date of appointment | Expiry of appointment |
|--|---------------------|-----------------------|
| Dr E Arthur, External | 01/11/2013 | 31/10/2015 |
| Mr C Gammon, Australian Research Council | 01/01/2014 | 31/12/2015 |
| Ms S Howard, Australian Research Council | 01/10/2014 | 30/09/2016 |
| Mr P Kennedy, External (Chair) | 01/01/2010 | 30/09/2016 |
| Mr G Rankin, External | 01/11/2013 | 31/10/2015 |
| Ms E Visser, Australian Research Council | 01/11/2012 | 30/09/2014 |

National Competitive Grants Programme

ARC College of Experts

Table A5.3: ARC College of Experts, 2014–15

| Discipline grouping; Member; Institution | Year of appointment | Expiry of appointment |
|--|---------------------|-----------------------|
| Biological Sciences and Biotechnology | | |
| Professor A Ammit, The University of Sydney | 2014 | 31/12/2016 |
| Professor A Ball, RMIT University | 2014 | 31/12/2016 |
| Professor M Bellgard, Murdoch University | 2012 | 31/12/2014 |
| Professor D Bowman, University of Tasmania | 2013 | 31/12/2015 |
| Professor J Boyages, Macquarie University | 2013 | 31/12/2015 |
| Professor J Buckley, University of South Australia | 2014 | 31/12/2016 |
| Professor HK Chan, The University of Sydney | 2013 | 31/12/2015 |
| Associate Professor M Doblin, University of Technology, Sydney | 2015 | 31/12/2017 |
| Professor A Dulhunty, The Australian National University | 2012 | 31/12/2014 |
| Professor M Elgar, The University of Melbourne | 2013 | 31/12/2015 |
| Professor D Ellsworth, University of Western Sydney | 2015 | 31/12/2017 |
| Professor G Fincher, The University of Adelaide | 2014 | 31/12/2016 |
| Professor K French, University of Wollongong | 2015 | 31/12/2017 |
| Professor L Griffiths, Queensland University of Technology | 2012 | 31/12/2014 |
| Professor C Grof, The University of Newcastle | 2013 | 31/12/2015 |
| Associate Professor F Gruetzner, The University of Adelaide | 2015 | 31/12/2017 |
| Professor G Hardy, Murdoch University | 2013 | 31/12/2015 |
| Dr C Helliwell, Commonwealth Scientific and Industrial Research Organisation (CSIRO) | 2015 | 31/12/2017 |
| Professor A Hill, La Trobe University | 2013 | 31/12/2015 |
| Professor M Hindell, University of Tasmania | 2013 | 31/12/2015 |
| Professor T Huber, The Australian National University | 2014 | 31/12/2016 |
| Associate Professor H Irving, Monash University | 2013 | 31/12/2015 |
| Winthrop Professor G Kendrick, The University of Western Australia | 2014 | 31/12/2016 |
| Professor B Kobe, The University of Queensland | 2013 | 31/12/2015 |
| Professor D Lambert, Griffith University | 2013 | 31/12/2015 |
| Associate Professor M Leishman, Macquarie University | 2012 | 31/12/2014 |
| Professor E McLaughlin, The University of Newcastle | 2013 | 31/12/2015 |
| Professor S Meikle, The University of Sydney | 2013 | 31/12/2015 |
| Professor D Miller, James Cook University | 2014 | 31/12/2016 |
| Professor J Mitchell, The Flinders University of South Australia | 2012 | 31/12/2014 |

| Discipline grouping; Member; Institution | Year of appointment | Expiry of appointment |
|---|---------------------|-----------------------|
| Professor P Newsholme, Curtin University of Technology | 2013 | 31/12/2015 |
| Professor B Nowak, University of Tasmania | 2014 | 31/12/2016 |
| Professor D Raftos, Macquarie University | 2013 | 31/12/2015 |
| Winthrop Professor Z Rengel, The University of Western Australia | 2013 | 31/12/2015 |
| Professor S Robinson, University of Wollongong | 2014 | 31/12/2016 |
| Professor M Rosa, Monash University | 2015 | 31/12/2017 |
| Professor C Saint, University of South Australia | 2014 | 31/12/2016 |
| Professor M Sleeman, Monash University | 2012 | 31/12/2014 |
| Professor W Stock, Edith Cowan University | 2013 | 31/12/2015 |
| Associate Professor D Traini, The University of Sydney | 2013 | 31/12/2015 |
| Professor P Visscher, The University of Queensland | 2015 | 31/12/2017 |
| Professor C Wade, The University of Sydney | 2015 | 31/12/2017 |
| Professor A Ward, Deakin University | 2014 | 31/12/2016 |
| Associate Professor P Young, The University of Sydney | 2013 | 31/12/2015 |
| Engineering, Mathematics and Informatics | | |
| Professor H Abbass, The University of New South Wales | 2013 | 31/12/2015 |
| Professor R Amal, The University of New South Wales | 2015 | 31/12/2017 |
| Professor S Armfield, The University of Sydney | 2012 | 31/12/2014 |
| Professor J Armstrong, Monash University | 2012 | 31/12/2014 |
| Professor J Bell, Queensland University of Technology | 2012 | 31/12/2014 |
| Winthrop Professor M Bennamoun, The University of Western Australia | 2013 | 31/12/2015 |
| Professor M Blumenstein, Griffith University | 2013 | 31/12/2015 |
| Professor J Cairney, The University of Sydney | 2015 | 31/12/2017 |
| Professor T Chandratilleke, Curtin University of Technology | 2015 | 31/12/2017 |
| Professor Y Chen, Deakin University | 2013 | 31/12/2015 |
| Professor ZY Dong, The University of Sydney | 2015 | 31/12/2017 |
| Professor Y Du, The University of New England | 2014 | 31/12/2016 |
| Professor G Evans, The University of Newcastle | 2013 | 31/12/2015 |
| Professor K Galvin, The University of Newcastle | 2013 | 31/12/2015 |
| Professor A Grant, University of South Australia | 2014 | 31/12/2016 |
| Dr A Grisogono, The Flinders University of South Australia | 2014 | 31/12/2016 |
| Professor J Grundy, Swinburne University of Technology | 2015 | 31/12/2017 |
| Professor H Hao, Curtin University of Technology | 2013 | 31/12/2015 |
| Professor B Kirk, Curtin University of Technology | 2013 | 31/12/2015 |
| Professor S Kitipornchai, The University of Queensland | 2013 | 31/12/2015 |
| Professor D Lewis, The Flinders University of South Australia | 2014 | 31/12/2016 |
| Professor C Lim, The University of Melbourne | 2014 | 31/12/2016 |

| Discipline grouping; Member; Institution | Year of appointment | Expiry of appointment |
|---|---------------------|-----------------------|
| Winthrop Professor Y Liu, The University of Western Australia | 2015 | 31/12/2017 |
| Professor A Lucey, Curtin University of Technology | 2012 | 31/12/2014 |
| Professor R Mahony, The Australian National University | 2013 | 31/12/2015 |
| Professor B Mans, Macquarie University | 2014 | 31/12/2016 |
| Professor P Mendis, The University of Melbourne | 2015 | 31/12/2017 |
| Professor R Middleton, The University of Newcastle | 2014 | 31/12/2016 |
| Professor M Miller, The University of Newcastle | 2014 | 31/12/2016 |
| Professor P Munroe, The University of New South Wales | 2015 | 31/12/2017 |
| Professor NT Nguyen, Griffith University | 2015 | 31/12/2017 |
| Professor P Pollett, The University of Queensland | 2013 | 31/12/2015 |
| Professor S Qiao, The University of Adelaide | 2014 | 31/12/2016 |
| Professor R Ramer, The University of New South Wales | 2014 | 31/12/2016 |
| Professor K Rasmussen, The University of Sydney | 2013 | 31/12/2015 |
| Professor T Robertson, University of Technology, Sydney | 2014 | 31/12/2016 |
| Professor J Roddick, The Flinders University of South Australia | 2015 | 31/12/2017 |
| Professor M Sanderson, RMIT University | 2012 | 31/12/2014 |
| Professor A Sharma, The University of New South Wales | 2013 | 31/12/2015 |
| Professor D Sheng, The University of Newcastle | 2013 | 31/12/2015 |
| Professor P Shi, The University of Adelaide | 2014 | 31/12/2016 |
| Professor L Sterling, Swinburne University of Technology | 2012 | 31/12/2014 |
| Professor P Strooper, The University of Queensland | 2015 | 31/12/2017 |
| Professor M Tade, Curtin University of Technology | 2014 | 31/12/2016 |
| Senior Professor K Tieu, University of Wollongong | 2015 | 31/12/2017 |
| Professor C Wang, RMIT University | 2013 | 31/12/2015 |
| Professor H Wang, Monash University | 2013 | 31/12/2015 |
| Professor A Whittaker, The University of Queensland | 2013 | 31/12/2015 |
| Professor S Winter, The University of Melbourne | 2015 | 31/12/2017 |
| Professor C Zhang, University of Technology, Sydney | 2012 | 31/12/2014 |
| Professor J Zhu, The University of Queensland | 2014 | 31/12/2016 |
| Humanities and Creative Arts | | |
| Professor L Barwick, The University of Sydney | 2014 | 31/12/2016 |
| Professor D Carter, The University of Queensland | 2014 | 31/12/2016 |
| Dr A Corn, The Australian National University | 2012 | 31/12/2014 |
| Professor D Del Favero, The University of New South Wales | 2014 | 31/12/2016 |
| Professor K Demuth, Macquarie University | 2014 | 31/12/2016 |
| Associate Professor P Edmonds, University of Tasmania | 2013 | 31/12/2015 |
| Professor T Flew, Queensland University of Technology | 2013 | 31/12/2015 |

| Discipline grouping; Member; Institution | Year of appointment | Expiry of appointment |
|---|---------------------|-----------------------|
| Associate Professor H Grehan, Murdoch University | 2015 | 31/12/2017 |
| Professor C Hilliard, The University of Sydney | 2015 | 31/12/2017 |
| Associate Professor H James, The Australian National University | 2014 | 31/12/2016 |
| Professor K London, RMIT University | 2015 | 31/12/2017 |
| Professor J Macarthur, The University of Queensland | 2014 | 31/12/2016 |
| Associate Professor M Macintyre, The University of Melbourne | 2012 | 31/12/2014 |
| Professor G Mackenzie, Southern Cross University | 2012 | 31/12/2014 |
| Associate Professor K Message, The Australian National University | 2014 | 31/12/2016 |
| Associate Professor J Moss, The University of Melbourne | 2014 | 31/12/2016 |
| Professor S O'Connor, The Australian National University | 2012 | 31/12/2014 |
| Professor B Opeskin, Macquarie University | 2013 | 31/12/2015 |
| Professor P Patton, The University of New South Wales | 2013 | 31/12/2015 |
| Professor L Ryan, The University of Newcastle | 2013 | 31/12/2015 |
| Professor E Scheer, The University of New South Wales | 2013 | 31/12/2015 |
| Professor B Sherman, The University of Queensland | 2014 | 31/12/2016 |
| Dr C Smith, La Trobe University | 2013 | 31/12/2015 |
| Associate Professor R Smith, The University of Newcastle | 2015 | 31/12/2017 |
| Professor J Thomas, Swinburne University of Technology | 2015 | 31/12/2017 |
| Professor D Trigger, The University of Queensland | 2015 | 31/12/2017 |
| Associate Professor S Ulm, James Cook University | 2013 | 31/12/2015 |
| Professor S Ware, The University of Newcastle | 2013 | 31/12/2015 |
| Professor J Willis, The University of Melbourne | 2013 | 31/12/2015 |
| Physics, Chemistry and Earth Sciences | | |
| Professor J Aitchison, The University of Queensland | 2013 | 31/12/2015 |
| Professor N Barnett, Deakin University | 2013 | 31/12/2015 |
| Professor P Bouwknecht, The Australian National University | 2014 | 31/12/2016 |
| Professor M Coffin, University of Tasmania | 2013 | 31/12/2015 |
| Professor M Coote, The Australian National University | 2013 | 31/12/2015 |
| Professor CM de Sterke, The University of Sydney | 2013 | 31/12/2015 |
| Professor S Dou, University of Wollongong | 2012 | 31/12/2014 |
| Professor C Easton, The Australian National University | 2013 | 31/12/2015 |
| Professor J Filar, The Flinders University of South Australia | 2013 | 31/12/2015 |
| Professor J Foden, The University of Adelaide | 2013 | 31/12/2015 |
| Professor J Gale, Curtin University of Technology | 2013 | 31/12/2015 |
| Professor K Glazebrook, Swinburne University of Technology | 2013 | 31/12/2015 |
| Professor D Jamieson, The University of Melbourne | 2012 | 31/12/2014 |
| Professor S Kable, The University of New South Wales | 2013 | 31/12/2015 |

| Discipline grouping; Member; Institution | Year of appointment | Expiry of appointment |
|---|---------------------|-----------------------|
| Professor G Lewis, The University of Sydney | 2013 | 31/12/2015 |
| Professor R Lewis, University of Wollongong | 2015 | 31/12/2017 |
| Dr D Mallants, CSIRO | 2014 | 31/12/2016 |
| Professor P Marriott, Monash University | 2013 | 31/12/2015 |
| Professor D McClelland, The Australian National University | 2013 | 31/12/2015 |
| Professor N McClure-Griffiths, CSIRO | 2012 | 31/12/2014 |
| Professor G Metternicht, The University of New South Wales | 2014 | 31/12/2016 |
| Professor L Morawska, Queensland University of Technology | 2014 | 31/12/2016 |
| Professor L Moresi, The University of Melbourne | 2012 | 31/12/2014 |
| Professor W Price, University of Wollongong | 2013 | 31/12/2015 |
| Professor G Pryde, Griffith University | 2015 | 31/12/2017 |
| Associate Professor L Rendina, The University of Sydney | 2014 | 31/12/2016 |
| Professor A Roberts, The Australian National University | 2015 | 31/12/2017 |
| Professor F Separovic, The University of Melbourne | 2014 | 31/12/2016 |
| Professor L Staveley-Smith, The University of Western Australia | 2013 | 31/12/2015 |
| Professor M Stenzel, The University of New South Wales | 2013 | 31/12/2015 |
| Professor A Stuchbery, The Australian National University | 2013 | 31/12/2015 |
| Professor L Sullivan, Southern Cross University | 2012 | 31/12/2014 |
| Professor D Thomas, The University of Melbourne | 2015 | 31/12/2017 |
| Associate Professor T Walsh, Deakin University | 2015 | 31/12/2017 |
| Professor A Williams, The University of Adelaide | 2012 | 31/12/2014 |
| Professor H Wiseman, Griffith University | 2012 | 31/12/2014 |
| Dr E Wolanski, James Cook University | 2014 | 31/12/2016 |
| Social, Behavioural and Economic Sciences | | |
| Professor J Baxter, The University of Queensland | 2012 | 31/12/2014 |
| Professor A Beer, The University of Adelaide | 2012 | 31/12/2014 |
| Associate Professor S Bennett, University of Wollongong | 2015 | 31/12/2017 |
| Professor K Beswick, University of Tasmania | 2015 | 31/12/2017 |
| Professor P Bordia, The Australian National University | 2013 | 31/12/2015 |
| Professor J Campbell, University of Canberra | 2015 | 31/12/2017 |
| Professor J Cashmore, The University of Sydney | 2015 | 31/12/2017 |
| Professor K Cornish, Monash University | 2013 | 31/12/2015 |
| Professor L Craig, The University of New South Wales | 2015 | 31/12/2017 |
| Professor P Creed, Griffith University | 2013 | 31/12/2015 |
| Professor M Drew, Griffith University | 2014 | 31/12/2016 |
| Professor D Fiebig, The University of New South Wales | 2014 | 31/12/2016 |
| Professor M Ford, The University of Sydney | 2015 | 31/12/2017 |

| Discipline grouping; Member; Institution | Year of appointment | Expiry of appointment |
|---|---------------------|-----------------------|
| Professor L Given, Charles Sturt University | 2012 | 31/12/2014 |
| Professor B Gleeson, The University of Melbourne | 2014 | 31/12/2016 |
| Professor P Gray, Monash University | 2015 | 31/12/2017 |
| Professor R Guest, Griffith University | 2015 | 31/12/2017 |
| Professor N Haslam, The University of Melbourne | 2013 | 31/12/2015 |
| Professor B Hayes, The University of New South Wales | 2013 | 31/12/2015 |
| Professor B Head, The University of Queensland | 2012 | 31/12/2014 |
| Professor A Holbrook, The University of Newcastle | 2014 | 31/12/2016 |
| Professor J Jetten, The University of Queensland | 2013 | 31/12/2015 |
| Associate Professor M Kelaher, The University of Melbourne | 2013 | 31/12/2015 |
| Professor T Lowrie, University of Canberra | 2012 | 31/12/2014 |
| Professor M Maddox, Macquarie University | 2015 | 31/12/2017 |
| Professor G Marston, Queensland University of Technology | 2014 | 31/12/2016 |
| Professor C McGarty, University of Western Sydney | 2013 | 31/12/2015 |
| Professor A Miller, Griffith University | 2015 | 31/12/2017 |
| Professor A Neal, The University of Queensland | 2013 | 31/12/2015 |
| Professor S Roach Anleu, The Flinders University of South Australia | 2013 | 31/12/2015 |
| Professor J Roberts, The University of New South Wales | 2013 | 31/12/2015 |
| Professor D Schofield, The University of Sydney | 2012 | 31/12/2014 |
| Professor J Sharman, Griffith University | 2014 | 31/12/2016 |
| Professor L Taksa, Macquarie University | 2014 | 31/12/2016 |
| Professor C Tilbury, Griffith University | 2014 | 31/12/2016 |
| Professor G Venville, The University of Western Australia | 2012 | 31/12/2014 |
| Professor S Ville, University of Wollongong | 2014 | 31/12/2016 |
| Professor E Wertheim, La Trobe University | 2013 | 31/12/2015 |

NCGP Selection Advisory Committees

Table A5.4: NCGP Selection Advisory Committees, 2014–15

| Member; Institution |
|---|
| Professor L Beazley |
| Professor J Bell, Queensland University of Technology |
| Professor A Cass, Charles Darwin University |
| Professor M Cassidy, The University of Western Australia |
| Professor D Chisholm, Garvan Institute of Medical Research |
| Professor D Coleman, The University of Melbourne |
| Professor A Cutler, University of Western Sydney |
| Emeritus Professor I Dawes, The University of New South Wales |
| Professor M Finnane, Griffith University |
| Dr E Finnegan, Commonwealth Scientific and Industrial Research Organisation |
| Dr C Foley, Commonwealth Scientific and Industrial Research Organisation |
| Professor R Goldie, National Health and Medical Research Council |
| Professor S Golding, The University of Queensland |
| Dr T Hanna, Fortescue |
| Dr A Hill, Commonwealth Scientific and Industrial Research Organisation |
| Mr D Hudson, AusBiotech |
| Emeritus Professor L Johnson, Australian Academy of the Humanities |
| Professor M Kendall, The University of Queensland |
| Professor P Lilly, The University of Western Australia |
| Dr J Luck, Plant Biosecurity Cooperative Research Centre |
| Professor T Makkai, The Australian National University |
| Professor Emeritus T J Martin, St Vincent's Institute of Medical Research |
| Professor B Messerle, Macquarie University |
| Professor D Muller, The University of Sydney |
| Professor R Norton, The George Institute for Global Health |
| Professor J Piggott, The University of New South Wales |
| Dr R Porteous, Department of Industry and Science |
| Dr J Ryan, Private Consultant |
| Professor K Smith-Miles, Monash University |
| Professor A Roberts, The Australian National University |
| Professor P Taylor, The University of Melbourne |
| Professor M Western, The University of Queensland |
| Mr R Wilkinson, The Australian Petroleum Production & Exploration Association Limited |

NCGP Appeals Committee

Table A5.5: NCGP Appeals Committee, 2014–15

| Member | Year of appointment | Expiry of appointment |
|---|---------------------|-----------------------|
| Ms K Campbell PSM (Chair 2015) | 2014 | 31/12/2015 |
| Professor A Cheetham | 2015 | 31/12/2015 |
| Professor B Kennett | 2015 | 31/12/2015 |
| Professor A Lawson | 2014 | 31/12/2014 |
| Emeritus Professor P Sheehan AO (Chair 2011–14) | 2008 | 31/12/2014 |

NCGP Scrutiny Committee

Table A5.6: NCGP Scrutiny Committee, 2014–15

| Member | Year of appointment | Expiry of appointment |
|--|---------------------|-----------------------|
| Professor W Couch, Australian Astronomical Observatory | 2013 | 31/12/2014 |
| Professor R Fitzgerald, University of Canberra | 2012 | 31/12/2014 |
| Ms V Hart, Department of Education | 2014 | 31/12/2014 |

Excellence in Research for Australia

ARC Research Evaluation Committees

Table A5.7: ARC Research Evaluation Committees, 2014–15

| Panel; Member | Institution (Adjunct) |
|---|---|
| Biological and Biotechnological Sciences | |
| Professor Andrew Ball | RMIT University |
| Professor Michael Bull | The Flinders University of South Australia |
| Professor Merlin Crossley (Chair) | The University of New South Wales |
| Professor Abigail Elizur | University of the Sunshine Coast |
| Professor Fritz Geiser | The University of New England |
| Professor Bronwyn Gillanders | The University of Adelaide |
| Professor Christopher Grof | The University of Newcastle |
| Professor Lesley Hughes | Macquarie University |
| Professor Hans Lambers | The University of Western Australia |
| Professor Jon Lloyd | Imperial College London (JCU) |
| Professor Eleanor Mackie | The University of Melbourne |
| Professor Gottfried Otting | The Australian National University |
| Professor James Reid | University of Tasmania |
| Professor Leigh Simmons | The University of Western Australia |
| Professor Colin Simpfendorfer | James Cook University |
| Professor Ian Small | The University of Western Australia |
| Professor Michael Tausz | The University of Melbourne |
| Economics and Commerce | |
| Professor Pamela Jane Broadbent | Royal Holloway, University of London (USyd) |
| Professor Kenneth Clements | The University of Western Australia |
| Professor Deborah Cobb-Clark (Chair) | The University of Melbourne |
| Professor Tim Coltman | University of Wollongong |
| Professor Richard Dunford | The University of Newcastle |
| Professor Cynthia Fisher | Bond University |
| Professor Sidney Gray | The University of Sydney |
| Professor Roger Layton | The University of New South Wales |
| Professor Flavio Menezes | The University of Queensland |
| Professor Paul Patterson | The University of New South Wales |
| Professor Prasada Rao | The University of Queensland |
| Professor Elizabeth Savage | University of Technology, Sydney |
| Professor Jing Shi | RMIT University |
| Professor Geoffrey Soutar | The University of Western Australia |

| Panel; Member | Institution (Adjunct) |
|---|---|
| Professor Stephen Taylor | University of Technology, Sydney |
| Professor Terry Walter | The University of Sydney |
| Education and Human Society | |
| Professor James Albright | The University of Newcastle |
| Professor James Arvanitakis | University of Western Sydney |
| Professor Christine Bigby | La Trobe University |
| Professor Chris Chamberlain | RMIT University |
| Professor Brenda Cherednichenko (Chair) | Deakin University |
| Professor Carmel Diezmann | Australian Catholic University |
| Professor John Dryzek | University of Canberra |
| Professor Marilyn Goos | The University of Queensland |
| Emeritus Professor John Gray | The University of Adelaide |
| Professor Ross Homel | Griffith University |
| Professor Lori Lockyer | Macquarie University |
| Professor Robyn Longhurst | University of Waikato (Macquarie) |
| Professor Tom Lowrie | University of Canberra |
| Professor Pam Nilan | The University of Newcastle |
| Professor Haig Patapan | Griffith University |
| Professor Sharon Pickering | Monash University |
| Professor Phillip Taylor | Federation University Australia |
| Professor Matthew Tonts | The University of Western Australia |
| Professor Johanna Wyn | The University of Melbourne |
| Engineering and Environmental Sciences | |
| Professor Derek Abbott | The University of Adelaide |
| Professor Jean Armstrong | Monash University |
| Professor Melissa Knothe Tate | The University of New South Wales |
| Professor Qing Li | The University of Sydney |
| Professor Ralph Mac Nally | University of Canberra |
| Professor Guoqiang Mao | University of Technology, Sydney |
| Professor Daniel Murphy | The University of Western Australia |
| Professor Peter Nelson | Macquarie University |
| Professor Elena Pereloma | University of Wollongong |
| Professor Hugh Possingham (Chair) | The University of Queensland |
| Professor William Price | University of Wollongong |
| Professor Chris Rizos | The University of New South Wales |
| Professor Scott Sloan | The University of Newcastle |
| Professor Detlev Stöver | Forschungszentrum Jülich (Germany) (UQ) |

| Panel; Member | Institution (Adjunct) |
|---|---|
| Professor Brian Uy | The University of New South Wales |
| Professor Leslie Yeo | RMIT University |
| Professor Xiao-Ling Zhao | Monash University |
| Humanities and Creative Arts | |
| Professor Deirdre Coleman | The University of Melbourne |
| Professor Garrett Cullity | The University of Adelaide |
| Professor Joy Damousi | The University of Melbourne |
| Professor Iain Davidson | The University of New England |
| Professor Richard de Dear | The University of Sydney |
| Professor Robert Freestone | The University of New South Wales |
| Professor John Gascoigne | The University of New South Wales |
| Professor Andrew Goldsmith | The Flinders University of South Australia |
| Professor John Hajek | The University of Melbourne |
| Associate Professor Chris Healy | The University of Melbourne |
| Professor Isabel Karpin | University of Technology, Sydney |
| Professor Brian McNair | Queensland University of Technology |
| Professor Denise Meyerson | Macquarie University |
| Professor Martina Mollering | Macquarie University |
| Professor Peter Newton | Swinburne University of Technology |
| Professor Graham Oppy | Monash University |
| Professor Colin Rhodes | The University of Sydney |
| Professor Jennifer Milam | The University of Sydney |
| Professor Julian Thomas | Swinburne University of Technology |
| Professor Joanne Tompkins | The University of Queensland |
| Emeritus Professor Graeme Turner (Chair) | The University of Queensland |
| Professor Greg Walker | University of Edinburgh (USyd) |
| Professor Jen Webb | University of Canberra |
| Mathematical, Information and Computing Sciences | |
| Professor Deborah Bunker | The University of Sydney |
| Professor Edward (Norm) Dancer | The University of Sydney |
| Professor Pierre Del Moral | The University of New South Wales |
| Professor Graham Farr | Monash University |
| Professor Andrew Francis | University of Western Sydney |
| Professor David Green | Monash University |
| Professor Jane Hunter | The University of Queensland |
| Professor Michael Papazoglou | European Research Institute in Service Science, Univ. of Tilburg, The Netherlands (RMIT) |
| Professor Jacqui Ramagge | University of Wollongong |

| Panel; Member | Institution (Adjunct) |
|--|--|
| Professor Paul Roe | Queensland University of Technology |
| Professor Igor Shparlinski | The University of New South Wales |
| Professor Leon Sterling (Chair) | Swinburne University of Technology |
| Professor Markus Stumptner | University of South Australia |
| Professor Kok Lay Teo | Curtin University of Technology |
| Professor Alan Welsh | The Australian National University |
| Professor Yun Yang | Swinburne University of Technology |
| Medical and Health Sciences | |
| Professor Bart Anderson | The University of Sydney |
| Professor David Badcock | The University of Western Australia |
| Professor Hugh Barrett | The University of Western Australia |
| Professor David Bishop | Victoria University |
| Professor Paul Foster | The University of Newcastle |
| Professor Matthew Gillespie | Monash University |
| Professor Michael Horowitz | The University of Adelaide |
| Professor Peter Howe | The University of Newcastle |
| Professor Cheryl Jones | The University of Sydney |
| Professor Louisa Jorm | University of Western Sydney |
| Professor Richard Lindley | The University of Sydney |
| Professor John Lynch | The University of Adelaide |
| Professor Susan McDonald | La Trobe University/ Mercy Hospital for Women |
| Professor Nigel McMillan | Griffith University |
| Professor Howard Morris | University of South Australia |
| Professor Greg Murray | The University of Sydney |
| Professor Robert Newton | Edith Cowan University |
| Professor Terry Nolan (Chair) | The University of Melbourne |
| Professor Jane Phillips | University of Technology, Sydney |
| Professor Kathleen Rastle | Royal Holloway, University of London (Macquarie) |
| Professor Julie Stout | Monash University |
| Professor Jane Ussher | University of Western Sydney |
| Professor Robert Widdop | Monash University |
| Physical, Chemical and Earth Sciences | |
| Professor Neil Barnett | Deakin University |
| Professor Michael Bird | James Cook University |
| Professor Michael Brunger | The Flinders University of South Australia |
| Professor Stephen Buckman (Chair) | The Australian National University |
| Professor Mark Buntine | Curtin University of Technology |

| Panel; Member | Institution (Adjunct) |
|-----------------------------|--|
| Professor Amanda Ellis | The Flinders University of South Australia |
| Professor Peter Hannaford | Swinburne University of Technology |
| Professor Trevor Ireland | The Australian National University |
| Professor Carole Jackson | Curtin University of Technology |
| Professor Mark Jessell | The University of Western Australia |
| Winthrop Professor Paul Low | The University of Western Australia |
| Professor Adam McCluskey | The University of Newcastle |
| Professor John O'Connor | The University of Newcastle |
| Professor Suzanne O'Reilly | Macquarie University |
| Professor Timothy Ralph | The University of Queensland |
| Professor Frances Separovic | The University of Melbourne |
| Professor Leigh Sullivan | Southern Cross University |
| Professor Chris Tinney | The University of New South Wales |

ERA Scrutiny Committee

Table A5.8: ERA Scrutiny Committee, 2014–15

| Member | Year of appointment | Expiry of appointment |
|--|---------------------|-----------------------|
| Professor K Langfield-Smith, Monash University | 2015 | 31/12/15 |
| Professor H Nguyen, University of Technology, Sydney | 2015 | 31/12/15 |
| Professor V Taylor, The Australian National University | 2015 | 31/12/15 |
| Professor M von Itzstein (Chair), Griffith University | 2015 | 31/12/15 |

Other

Australian Research Integrity Committee

Table A5.9: Australia Research Integrity Committee, 2014–15

| Member | Year of appointment | Expiry of appointment |
|-----------------------------|---------------------|-----------------------|
| Dr K Breen | 2011 | 31/12/2016 |
| Mr R Brent (Chair) | 2011 | 31/12/2016 |
| Ms J Hamblin | 2011 | 31/12/2016 |
| Emeritus Professor S Shaver | 2011 | 31/12/2016 |

APPENDIX 6: CLIENT SERVICE CHARTER

Table A6.1: Summary of performance against the ARC client service charter, 2014–15

| Standard | 2014–15 performance |
|---|---|
| Communication | |
| In our dealings with you we will be courteous; treat you fairly and professionally; provide timely advice that is clear, concise, accurate and complete; and keep any confidential information provided to us as in confidence, except where disclosure is required by law. | The ARC did not receive any complaints in relation to the communication standards set out in the client service charter. |
| If you phone us we will answer phone calls promptly during normal business hours and identify ourselves; and aim to resolve your enquiry during the call, or if we can't, take your details and arrange for the appropriate person to return your call as soon as possible. | The ARC did not receive any complaints in relation to answering and/or resolving phone call queries. |
| If you write to us we will, for simple requests, aim to respond to you within ten working days; or for more complex enquiries, aim to respond within 20 working days. | The ARC did not receive any complaints in relation to response times to written requests. |
| Administration of NCGP | |
| We will make available on our website accurate advice and information about our funding schemes. | The ARC website contains extensive information about NCGP funding schemes including information about application processes and funding outcomes. The ARC reviewed the content on the ARC website extensively throughout 2014–15 in preparation for a new website in 2015–16. |
| We will promote equitable access to our schemes and services. | NCGP funding rules aim to provide equitable access to funding for eligible researchers. |
| We will act fairly, in accordance with our published guidelines, criteria, regulations or legislation. | NCGP funding rules make provision for an appeals process, whereby appeals will be considered against administrative process issues. Details of the number of appeals received in 2014–15 are provided in Chapter 7. |
| We will, when reviewing funding schemes and scheme funding rules, consult widely and provide reasonable timeframes for consultation with interested parties. | In 2014–15 the ARC consulted relevant stakeholders when reviewing and developing NCGP schemes (see page 110). |
| Administration of ERA | |
| We will make available on our website accurate advice and information about the initiative. | The ARC website contains extensive information about the ERA initiative and specific details about the ERA 2015 submission and assessment processes. See also note above about website development. |
| We will act fairly in accordance with our published guidelines. | The ARC did not receive any complaints in relation to the administration of ERA. |

| Standard | 2014–15 performance |
|---|---|
| We will, when reviewing ERA policy and processes, consult widely and provide reasonable timeframes for consultation. | ERA consultations were undertaken throughout 2014–15 with feedback informing the development of the rules and documentation for ERA 2015. |
| Policy advice | |
| We will consult with appropriate parties to ensure the views of all stakeholders are properly considered. | Where appropriate the ARC has consulted stakeholders when developing policy advice. |
| We will ensure policy decisions are evidence-based. | Wherever possible the ARC analyses collected data to inform policy decisions. NCGP analyses conducted in 2014–15, for example, included trends in salary on-costs and partner organisation types. |
| We will provide a reasonable timeframe for comments. | The ARC did not receive any complaints in relation to timeframes provided when seeking comments. |
| We will provide information about our decision. | Where appropriate the ARC provides information about decisions to stakeholders directly or by publishing on the ARC website. |
| Online services | |
| We will aim to have the ARC website accessible at least 98 per cent of the time. There may be times when it is not accessible due to technical upgrades or scheduled maintenance. The ARC will endeavour to keep 'down times' to a minimum. | The ARC website was available greater than 99.93 per cent of the time during 2014–15. |
| Privacy | |
| We will respect the confidentiality of your personal information and use it only in accordance with the law. We will give you access to your personal information if you request it. | The ARC has clearly defined procedures for dealing with any personal information gathered as part of the agency's responsibilities for the NCGP and ERA. |

APPENDIX 7: ADVERTISING AND MARKET RESEARCH

Under section 311(a) of the *Commonwealth Electoral Act 1918*, agencies are required to report in their annual report on payments made to advertising agencies, market research organisations, polling organisations, direct mail organisations and media advertising organisations.

During 2014–15, the ARC paid a total of \$11 267 (including GST) to Mitchell and Partners for advertising costs. The advertising was undertaken to advertise an Executive position and ARC programmes—specifically nominations for the ARC College of Experts. No advertising campaigns were undertaken by the ARC during 2014–15.

During 2014–15, the ARC did not employ the services of any market research, polling or direct mail organisations.

APPENDIX 8: ECOLOGICALLY SUSTAINABLE DEVELOPMENT

Under section 516(A) of the *Environment Protection and Biodiversity Conservation Act 1999*, agencies are required to include in their annual report ecologically sustainable development and environmental performance reporting.

Accordance of the activities of the organisation and the administration of legislation by the organisation with the principles of ecologically sustainable development

The NCGP provides funding for all disciplines including research relevant to ecologically sustainable development and environmental protection. 'Living in a changing environment' was one of five national research priorities of the Australian Government. A summary of research projects with funding commencing in 2014–15 in this priority area is provided in Table A8.1. Note that the National Research Priorities were replaced by Strategic Research Priorities in June 2013, and 2013–14 was nominated as a transition year to allow agencies to put processes in place to support the new priorities.

Contribution of the outcomes specified in a relevant appropriation act to ecologically sustainable development

The ARC receives its administered funding through an appropriation in the *Australian Research Council Act 2001*. This funding is reported in the Portfolio Budget Statements under a single outcome: *Growth of knowledge and innovation through managing research funding schemes, measuring research excellence and providing advice*.

Under the NCGP the ARC supports a research capability that addresses issues of national significance including health, social welfare, defence, transport, communications, and the environment.

Effect of the ARC's activities on the environment

As indicated in Table A8.1, under the NCGP the ARC supports a broad range of research relevant to ecologically sustainable development. The research outcomes will benefit Australians by increasing understanding of, and offering solutions to, problems such as how to use finite resources more efficiently and sustainably.

The ARC recognises its daily operational activities have a negative impact on the environment through the use of electricity, vehicles, water, paper and other materials, and the generation of waste. Measures to minimise such impact are outlined in the next section.

Table A8.1: New ARC-funded research projects in the area of 'Living in a changing environment', funding commencing in 2014–15

| Scheme | | Projects (no.) and % of total | Total funding (\$ and % of total |
|---|------------------------------|----------------------------------|--|
| Discovery | | | |
| Australian Laureate Fellowships 2014 | Environment proposals funded | 4 | 10 343 786 |
| | Total funded proposals | 16 | 42 151 524 |
| | Environment as % of total | 25.0 | 24.5 |
| ARC Future Fellowships 2014 | Environment proposals funded | 24 | 18 690 860 |
| | Total funded proposals | 150 | 114 919 482 |
| | Environment as % of total | 16.0 | 16.3 |
| Discovery Projects 2015 | Environment proposals funded | 125 | 47 972 334 |
| | Total funded proposals | 665 | 250 044 435 |
| | Environment as % of total | 18.8 | 19.2 |
| Discovery Early Career Researcher Award 2015 | Environment proposals funded | 52 | 18 591 850 |
| | Total funded proposals | 200 | 70 567 494 |
| | Environment as % of total | 26.0 | 26.3 |
| Discovery Indigenous 2015 | Environment proposals funded | 3 | 1 149 764 |
| | Total funded proposals | 10 | 4 392 609 |
| | Environment as % of total | 30.0 | 26.2 |
| Linkage | | | |
| Linkage Projects 2014 | Environment proposals funded | 54 | 17 668 156 |
| | Total funded proposals | 251 | 88 154 841 |
| | Environment as % of total | 21.5 | 20.0 |
| Linkage Infrastructure, Equipment and Facilities 2015 | Environment proposals funded | 13 | 5 519 852 |
| | Total funded proposals | 66 | 28 995 463 |
| | Environment as % of total | 19.7 | 19.0 |
| Special Research Initiatives 2014 (Antarctic Gateway Partnership) | Environment proposals funded | 1 | 24 000 000 |
| | Total funded proposals | 1 | 24 000 000 |
| | Environment as % of total | 100.0 | 100.0 |

Measures being taken to minimise the impact of the ARC's activities on the environment

Building

The ARC leases office space in 11 Lancaster Place, Canberra Airport, Canberra. This location houses one of the largest tri-generation plants in Australia. Tri-generation is a process wherein 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 three forms of energy, tri-generation provides efficiencies of 90 per cent. This far 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.

In 2014–15 ARC staff participated in the 'Earth Hour 2015' initiative held on 28 March 2015 by switching off computers and other electrical appliances. Staff were asked not to enter ARC offices during this period. The initiative aimed to raise awareness about energy usage.

Information Communication Technology (ICT) services

The *Australian Government ICT Sustainability Plan* provides target guidelines for agencies to measure against over five years in relation to procurement, resource consumption and demand, waste and energy consumption. The ARC's achievements against the summary measures of the plan are provided in Table A8.2.

Mechanisms for reviewing and increasing the effectiveness of measures

The ARC continues to improve its operational efficiency and undertakes regular reviews to evaluate the effectiveness of its measures to minimise the impact of the ARC's activities on the environment. Reporting against the measures in the ICT Sustainability Plan is an important part of the ARC's review framework.

Table A8.2: Australian Government ICT Sustainability Plan—summary of measures

| Measures | Target July 2015 | 2014–15 |
|---|--|--|
| Sustainable procurement | | |
| Relevant ICT equipment meets ISO14024 or ISO14021 standards at a level of EPEAT silver or equivalent as a minimum standard | Implemented in all procurement processes | Implemented in all procurement processes |
| ICT equipment complies with current energy star version | | |
| Product take-back and appropriate resource reused or recovery for mobiles; toner cartridges and ICT equipment covered by national e-waste recycling scheme of NWP | | |
| General use office copy paper | 100 per cent recycled | 100 per cent recycled |
| Managing resource consumption and demand | | |
| Internal copy paper per end user (reams per annum) | 9 | 9 |
| Desktop computers to printer ratio | 20:1 | 20:1 |
| Desktop devices per end user | 1.2:1 | 1.2:1 |
| Managing waste | | |
| e-waste reused or recycled | 75 per cent | 75 per cent |
| ICT packaging recycled | 65 per cent | 85 per cent |
| Managing energy consumption | | |
| Desktop energy per end user (kWh per annum and averaged across agency) | 250 | 105 |
| Power usage effectiveness ¹ in data centres and server room | 1.9 | 1.45 |
| Desktop computers off after hours | 90 per cent | 90 per cent |

Notes

1 Power usage effectiveness figures provided by Data Centre Provider (TransACT Communications).

APPENDIX 9: CORRECTION OF ERRORS

Under the Annual Report requirements, agencies are required to identify errors in their previous annual report. The ARC identified the following errors in the *ARC Annual Report 2013–14*:

- Page 218: Dr Zenobia Jacobs' research institution was incorrectly listed as The University of Western Australia. The correct institution was the University of Wollongong.
- Page 76: List of ARC Centres of Excellence commencing in 2014 should include one additional centre—ARC Centre of Excellence for Advanced Molecular Imaging, Monash University.

APPENDIX 10: STAFF STATISTICS

Under the Annual Report requirements, agencies are required to provide a range of staff statistics.

Classification level

Table A10.1: All staff by classification level (at 30 June 2013, 2014 and 2015)

| Classification | 2013 | 2014 | 2015 |
|-----------------------|------------|------------|------------|
| CEO | 1 | 1 | 1 |
| SES Band 2 | 1 | 1 | 1 |
| SES Band 1 | 4 | 4 | 4 |
| Executive Level 2 | 15 | 15 | 14 |
| Executive Level 1 | 40 | 38 | 42 |
| APS 6 (ARC Level 3) | 27 | 27 | 30 |
| APS 4–5 (ARC Level 2) | 34 | 33 | 23 |
| APS 1–3 (ARC Level 1) | 3 | 0 | 0 |
| Total | 125 | 119 | 115 |

Employment status

Table A10.2: All staff by employment category, employment status and gender (at 30 June 2014 and 2015)

| Employment category/ status | Male | | Female | | Total | | Females as % of total | |
|-----------------------------|-----------|-----------|-----------|-----------|------------|------------|-----------------------|-----------|
| | 2014 | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 | 2015 |
| Ongoing | | | | | | | | |
| Full-time | 38 | 35 | 68 | 64 | 106 | 99 | 64 | 65 |
| Part-time | 0 | 0 | 9 | 12 | 9 | 12 | 100 | 100 |
| Sub-total | 38 | 35 | 77 | 76 | 115 | 111 | 67 | 68 |
| Non-ongoing | | | | | | | | |
| Full-time | 2 | 2 | 2 | 2 | 4 | 4 | 50 | 50 |
| Part-time | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-total | 2 | 2 | 2 | 2 | 4 | 4 | 50 | 50 |
| Total | 40 | 37 | 79 | 78 | 119 | 115 | 66 | 68 |

Gender

Table A10.3: All staff by classification level and gender (at 30 June 2014 and 2015)

| Classification | Male | | Female | | Total | | Females as % of total | |
|-----------------------|-----------|-----------|-----------|-----------|------------|------------|-----------------------|-----------|
| | 2014 | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 | 2015 |
| CEO | 1 | 1 | 0 | 0 | 1 | 1 | 0 | 0 |
| SES Band 2 | 0 | 0 | 1 | 1 | 1 | 1 | 100 | 100 |
| SES Band 1 | 2 | 1 | 2 | 3 | 4 | 4 | 50 | 75 |
| Executive Level 2 | 6 | 5 | 9 | 9 | 15 | 14 | 60 | 64 |
| Executive Level 1 | 17 | 20 | 21 | 22 | 38 | 42 | 55 | 52 |
| APS 6 (ARC Level 3) | 7 | 5 | 20 | 25 | 27 | 30 | 74 | 83 |
| APS 4-5 (ARC Level 2) | 7 | 5 | 26 | 18 | 33 | 23 | 79 | 78 |
| APS 1-3 (ARC Level 1) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 40 | 37 | 79 | 78 | 119 | 115 | 66 | 68 |

Staff separations

Table A10.4: Staff separations by classification level and employment category (at 30 June 2014 and 2015)

| Classification | Ongoing | | Non-ongoing | | Total | |
|-----------------------|-----------|-----------|-------------|----------|-----------|-----------|
| | 2014 | 2015 | 2014 | 2015 | 2014 | 2015 |
| SES Bands 1-2 | 1 | 1 | 0 | 0 | 1 | 1 |
| Executive Level 2 | 2 | 1 | 0 | 0 | 2 | 1 |
| Executive Level 1 | 2 | 2 | 0 | 0 | 2 | 2 |
| APS 6 (ARC Level 3) | 2 | 3 | 0 | 0 | 2 | 3 |
| APS 4-5 (ARC Level 2) | 3 | 3 | 3 | 0 | 6 | 3 |
| APS 1-3 (ARC Level 1) | 1 | 0 | 2 | 0 | 3 | 0 |
| Total | 11 | 10 | 5 | 0 | 16 | 10 |

Employment arrangements

Table A10.5: Employment arrangements covering staff (at 30 June 2014 and 2015)⁽¹⁾

| Employment arrangement | Staff | 2014 (no.) | 2015 (no.) |
|-------------------------------------|------------------------|---------------|---------------|
| ARC Enterprise Agreement | SES | 0 | 0 |
| | Non-SES | 114 | 110 |
| Australian Workplace Agreements | SES | 0 | 0 |
| | Non-SES | 5 | 4 |
| Common Law Contracts | SES | 4 | 4 |
| | Non-SES | 0 | 0 |
| s. 24(1) Determinations | SES | 0 | 0 |
| | Non-SES | 1 | 1 |
| Individual Flexibility Arrangements | SES | 0 | 0 |
| | Non-SES ⁽²⁾ | 12 | 14 |

Notes

(1) The CEO is not included in these staffing figures.

(2) Non-SES employees with a section 24(1) Determination or Individual Flexibility Arrangement (IFA) are also covered by the ARC Enterprise Agreement. As a result the total number of agreements is higher than the total number of staff by the number of s. 24(1) Determinations and IFA.

APPENDIX 11: AGENCY RESOURCE STATEMENTS

Table A11.1: Agency Resource Statement, 2014–15

| | | Actual available appropriation for 2014–15 \$'000 (a) | Payments made 2014–15 \$'000 (b) | Balance remaining 2014–15 ⁴ \$'000 (a) – (b) |
|---|-------------------|---|--|---|
| Ordinary annual services | | | | |
| Departmental appropriation ¹ | | 29 560 | 19 410 | 10 150 |
| Total | | 29 560 | 19 410 | 10 150 |
| Administered expenses | | | | |
| Outcome ¹ | | 5 397 | 2 249 | 3 148 |
| Total | | 5 397 | 2 249 | 3 148 |
| Total ordinary annual services | A | 34 957 | 21 659 | 13 298 |
| Other services | | | | |
| Departmental non-operating | | | | |
| Equity injections ² | | 2 883 | 1 948 | 935 |
| Total | | 2 883 | 1 948 | 935 |
| Total other services | B | 2 883 | 1 948 | 935 |
| Total available annual appropriations and payments | | 37 840 | 23 607 | 14 233 |
| Special appropriations | | | | |
| Special appropriations limited by criteria/entitlement | | | | |
| ARC Act 2001 | | 875 642 | 852 898 | |
| Total special appropriations | C | 875 642 | 852 898 | |
| Special accounts | | | | |
| Opening balance | | 6 667 | | |
| Appropriation receipts | | 10 000 | | |
| Appropriation receipts – other agencies ³ | | | | |
| Payments made | | | 14 667 | |
| Total special account | D | 16 667 | 14 667 | 2 000 |
| Total resourcing and payments | A+ B+ C+ D | 930 149 | 891 172 | |

| | Actual available appropriation for 2014–15 \$'000 (a) | Payments made 2014–15 \$'000 (b) | Balance remaining 2014–15 ⁴ \$'000 (a) – (b) |
|---|---|--|---|
| Less appropriations drawn from annual or special appropriations above and credited to special accounts through annual appropriations | -10 000 | | |
| Total net resourcing and payments for ARC | 920 149 | 891 172 | |

Notes

1. Appropriation Bill (No.1) 2014–15. This includes Prior Year departmental appropriation and s.74 retained revenue receipts. Includes an amount of \$1.264m in 2014–15 for the Departmental Capital Budget. For accounting purposes this amount has been designated as 'contributions by owners'.
2. Appropriation Bill (No.2) 2014–15. This includes Prior Year departmental capital appropriation.
3. Appropriation receipts from other entities credited to ARC's Endowment Account (special account).
4. The remaining balance for 2014–15 differs from the unspent annual appropriations (as per Financial Statements Note 27C). This is due to the payments made in 2014–15 including payments from ARC's cash account in addition to the amounts drawn down, whereas note 27 considers only the drawdowns from the appropriations account.

Table A11.2: Expenses and Resources for Outcome 1

| Outcome 1: Growth of knowledge and innovation through managing research funding schemes, measuring research excellence and providing advice | Budget 2014–15 \$'000 | Actual expenses 2014–15 \$'000 | Variation 2014–15 \$'000 |
|--|--------------------------------------|---|---|
| | (a) | (b) | (a) – (b) |
| Programme 1.1: Discovery—Research and Research Training | | | |
| Administered expenses | | | |
| Ordinary annual services (Appropriation Bill No. 1) | 1 060 | 418 | 642 |
| Special appropriations | 549 879 | 534 294 | 15 585 |
| Departmental expenses | | | |
| Ordinary annual services (Appropriation Bill No. 1) | 7 463 | 6 820 | 643 |
| Expenses not requiring appropriation in the Budget year | 1 186 | 1 162 | 24 |
| Total for Programme 1.1 | 559 588 | 542 695 | 16 893 |
| Programme 1.2: Linkage—Cross-Sector Research Partnerships | | | |
| Administered expenses | | | |
| Ordinary annual services (Appropriation Bill No. 1) | 1 067 | 1 034 | 33 |
| Special appropriations | 319 096 | 286 591 | 32 505 |
| Special Accounts | 6 667 | 14 667 | -8 000 |
| Departmental expenses | | | |
| Ordinary annual services (Appropriation Bill No. 1) | 9 498 | 8 680 | 818 |
| Expenses not requiring appropriation in the Budget year | 1 186 | 1 162 | 24 |
| Total for Programme 1.2 | 337 514 | 312 134 | 25 380 |
| Programme 1.3: Excellence in Research for Australia | | | |
| Administered expenses | | | |
| Ordinary annual services (Appropriation Bill No. 1) | 3 270 | 2 464 | 806 |
| Departmental expenses | | | |
| Ordinary annual services (Appropriation Bill No. 1) | 2 789 | 2 549 | 240 |
| Expenses not requiring appropriation in the Budget year | 1 186 | 1 162 | 24 |
| Total for Programme 1.3 | 7 245 | 6 175 | 1 070 |

| Outcome 1: Growth of knowledge and innovation through managing research funding schemes, measuring research excellence and providing advice | Budget 2014–15 \$'000 (a) | Actual expenses 2014–15 \$'000 (b) | Variation 2014–15 \$'000 (a) – (b) |
|--|--|---|---|
| Outcome 1: Totals by appropriation type | | | |
| Administered expenses | | | |
| Ordinary annual services (Appropriation Bill No. 1) | 5 397 | 3 916 | 1 481 |
| Special appropriations | 868 975 | 820 885 | 48 090 |
| Special Accounts | 6 667 | 14 667 | -8 000 |
| Departmental expenses | | | |
| Ordinary annual services (Appropriation Bill No. 1) | 19 750 | 18 048 | 1 702 |
| Expenses not requiring appropriation in the Budget year | 3 558 | 3 487 | 71 |
| Total expenses for Outcome 1 | 904 347 | 861 003 | 43 343 |
| | 2013–14 | 2014–15 | |
| Average Staffing Level (number) | 116 | 108 | |

Note

* Full-year budget, including any subsequent adjustment made to the 2014–15 Budget.



**Professor Melanie Oppenheimer,
Chair of History at Flinders University
and a Discovery Projects grant holder.**
(Photo courtesy of Ashton Claridge)

PART 6

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ABBREVIATIONS AND ACRONYMS

A

| | |
|---------|--|
| AAI | Accountable Authority Instructions |
| ABS | Australian Bureau of Statistics |
| ANAO | Australian National Audit Office |
| APS | Australian Public Service |
| APSC | Australian Public Service Commission |
| ARC | Australian Research Council |
| ARC Act | Australian Research Council Act 2001 |
| ARIC | Australian Research Integrity Committee |
| ATSE | Australian Academy of Technological Sciences and Engineering |
| AWA | Australian Workplace Agreement |

B

| | |
|-----|------------------------------|
| BCP | ARC Business Continuity Plan |
|-----|------------------------------|

C

| | |
|---------|--|
| Centres | ARC Centres of Excellence scheme |
| CEO | Chief Executive Officer |
| CSIRO | Commonwealth Scientific and Industrial Research Organisation |

D

| | |
|-------|---|
| DI | Discovery Indigenous scheme |
| DECRA | Discovery Early Career Researcher Award |
| DP | Discovery Projects scheme |

E

| | |
|-----|--------------------------------------|
| ECR | early career researcher |
| EOI | expression of interest |
| ERA | Excellence in Research for Australia |

F

| | |
|---------|--|
| FL | Australian Laureate Fellowships scheme |
| FOI Act | Freedom of Information Act 1982 |
| FoR | Field of Research |
| FT | Future Fellowships scheme |
| FTE | full-time equivalent |

G

| | |
|-----|------------------------|
| GST | goods and services tax |
|-----|------------------------|

H

| | |
|-------|---|
| HDR | higher degree by research |
| HERDC | Higher Education Research Data Collection |

| I | |
|-----------|---|
| ICT | information and communications technology |
| IFA | Individual Flexibility Agreements |
| IODP | International Ocean Discovery Program |
| IPS | Information Publication Scheme |
| ITRH | Industrial Transformation Research Hub |
| ITRP | Industrial Transformation Research Programme |
| ITTC | Industrial Transformation Training Centres |
| J | |
| JCU | James Cook University |
| JDRF | Juvenile Diabetes Research Foundation |
| K | |
| KPI | key performance indicator |
| kWh | kilowatt hour |
| L | |
| LASP | Linkage Learned Academies Special Projects scheme |
| LIEF | Linkage Infrastructure, Equipment and Facilities scheme |
| LP | Linkage Projects scheme |
| M | |
| Macquarie | Macquarie University |
| N | |
| NABERS | National Australian Building Environment Rating System |
| NCGP | National Competitive Grants Programme |
| NCGRT | National Centre for Groundwater Research and Training |
| NHMRC | National Health and Medical Research Council |
| NICTA | National ICT Australia |
| NIRAKN | National Indigenous Research and Knowledges Network |
| NRP | national research priority |
| NWC | National Water Commission |
| O | |
| ORCID | Open Researcher and Contributor ID |
| P | |
| PBS | Portfolio Budget Statements |
| PGPA Act | Public Governance, Performance and Accountability Act 2013 |
| PGPA Rule | Public Governance, Performance and Accountability Rule 2014 |
| PhD | Doctor of Philosophy |
| PS Act | Public Service Act 1999 |

| R | |
|---------|--|
| R&D | research and development |
| RAP | Reconciliation Action Plan |
| REC | Research Evaluation Committee |
| RMIT | RMIT University |
| S | |
| SAC | Selection Advisory Committee |
| SEARCH | South-Eastern Australia Recent Climate History |
| SEER | System to Evaluate the Excellence of Research |
| SES | Senior Executive Service |
| SLRC | Science of Learning Research Centre |
| SME | Small to Medium Enterprises |
| SMG | Senior Management Group |
| SRP | strategic research priority |
| SRI | Special Research Initiatives scheme |
| STEM | science, technology, engineering and mathematics |
| U | |
| UNSW | The University of New South Wales |
| UoE | unit of evaluation |
| UQ | The University of Queensland |
| USyd | The University of Sydney |
| W | |
| WDP | ARC Workplace Diversity Programme |
| WHS Act | Work Health and Safety Act 2011 (Cth) |

GLOSSARY

Administered funding

Funding that is managed by agencies on behalf of the government.

Chief investigator

A researcher who: satisfies the eligibility criteria for a Chief Investigator under the Discovery programme or Linkage programme funding rules; and takes responsibility for the conduct of an ARC-funded project.

Citation

A reference to a research publication in another research publication. The number of citations received by a publication is considered to provide an indication of the potential use of a researcher's work by fellow researchers.

Departmental items

Those assets, liabilities, revenues and expenses controlled by agencies or authorities and used in producing their outputs.

Discovery

Programme 1.1 of the 2014–15 Portfolio Budget Statements, which provides funding for investigator-initiated research projects and research fellowships and awards. The Discovery programme comprises the Australian Laureate Fellowships, Discovery Early Career Researcher Award, Discovery Indigenous, Discovery Projects, Future Fellowships and Super Science Fellowships schemes.

Early career researcher

A researcher who has held a PhD or equivalent qualification for a period less than or equal to five years at the time of their application.

Excellence in Research for Australia

Programme 1.3 of the 2014–15 Portfolio Budget Statements, which provides Australian Government, industry, business and the wider community assurance of the excellence of research conducted in Australia's higher education institutions through an evaluation framework that identifies universities and disciplines that are internationally competitive and highlights areas where there are opportunities for further development and investment.

Field of Research (FoR) classification

A classification based on the methodology used in the R&D that is being considered. The Australian Bureau of Statistics (ABS) develops the FoR codes in consultation with stakeholders in the research sector. Full code descriptions are available on the ABS website <www.abs.gov.au>.

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.

Funding agreement

The agreement entered into by the ARC and an Administering Organisation when a proposal from that organisation is approved for funding.

Funding round

The year funding for new grants commences.

Funding rules

Documents published on the ARC website for each funding scheme which provide applicants with information about a scheme, eligibility requirements, the application, selection and approval processes, and requirements for the administration of funding.

Invention disclosure

That which occurs when a device, substance, method or process that is apparently new, useful and involves an inventive step is made known to personnel within an institution who have responsibility for managing the institution's patenting and research commercialisation activities.

Linkage

Programme 1.2 of the 2014–15 Portfolio Budget Statements, which 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 end-users of research. The Linkage programme comprises the ARC Centres of Excellence; Co-funded Research Centres; Industrial Transformation Research Hubs; Industrial Transformation Training Centres; Linkage Infrastructure, Equipment and Facilities; Linkage Learned Academies Special Projects; Linkage Projects and Special Research Initiatives 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.

National Competitive Grants Programme

Comprises Discovery and Linkage programmes, under which the ARC funds a range of complementary schemes to support the highest-quality fundamental and applied research, research training and collaboration or partnerships and infrastructure across all research disciplines.

National Research Priorities

A set of priority areas identified by the Australian Government. In 2012–13 the Australian Government's four National Research Priorities were: An environmentally sustainable Australia (Environment); Promoting and maintaining good health (Health); Frontier technologies for building and transforming Australian industries (Frontier technologies); and Safeguarding Australia. In 2013 the National Research Priorities were replaced by Strategic Research Priorities.

Non-traditional research outputs

Research outputs which do not take the form of traditional research books, book chapters, journal articles, conference publications.

Open access

The idea that research outcomes, particularly those arising from publicly funded research projects, should be available as broadly as possible.

Open data

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

Partner investigator

A researcher who: satisfies the eligibility criteria for a Partner Investigator under the Discovery programme or Linkage programme funding rules; 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 funding rules, and contribute to the research project in accordance with the requirements of the scheme.

Patent

An intellectual property right relating to inventions. A patent for an invention is granted to the applicant, and gives him or her the right for a limited period to stop others from making, using or selling the invention without permission.

Peer review

Evaluation of research proposals or outputs by experts in the same research discipline.

Start-up companies

Companies engaged in businesses that were dependent, for their formation, upon licensing or assignment of technology developed in ARC-funded research projects.

Strategic Research Priorities

A set of priority areas identified by the Australian Government that replaced the National Research Priorities in 2013.

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.

Units of evaluation

A discipline for a specific higher education institution at the two- or four-digit field of research level.

COMPLIANCE INDEX

Australian Research Council Act 2001

| Ref | Report section / description | Requirement | Page(s) |
|--|--|-------------|-----------|
| Description | | | |
| 33C | Particulars of any directions given by the Minister to the CEO about the performance of the CEO's functions | Mandatory | 92 |
| 45 | An assessment of the CEO's performance of his or her functions using the performance indicators set out in the corporate plan | Mandatory | 200-207 |
| 46 | Preparation in accordance with the provisions of the Public Governance, Performance and Accountability Act 2013 and any other matters the Minister requires to be dealt with | Mandatory | See below |
| Ministerial directions issued under the ARC Act | | | |
| | There were no Ministerial directions issued to the ARC under the ARC Act in 2014-15. | Mandatory | n/a |

Requirements for annual reports

| Ref ⁽¹⁾ | Part of report/ description | Requirement | Page(s) |
|--------------------|--|---------------------------------|---------|
| 8(3) & A.4 | Letter of transmittal | Mandatory | iii |
| A.5 | Table of contents | Mandatory | iv-v |
| A.5 | Index | Mandatory | 268-272 |
| A.5 | Glossary | Mandatory | 261-263 |
| A.5 | Contact officer(s) | Mandatory | 274 |
| A.5 | Internet home page address and Internet address for report | Mandatory | ii |
| 9 | Review by Chief Executive Officer | | |
| 9(1) | Review by Chief Executive Officer | Mandatory | 2-7 |
| 9(2) | Summary of significant issues and developments | Suggested | 3-5 |
| 9(2) | Overview of performance and financial results | Suggested | 3-5 |
| 9(2) | Outlook for following year | Suggested | 6-7 |
| 9(3) | Significant issues and developments-portfolio | Portfolio departments-suggested | n/a |
| 10 | Departmental overview | | |
| 10(1) | Role and functions | Mandatory | 9 |
| 10(1) | Organisational structure | Mandatory | 11 |
| 10(1) | Outcome and programme structure | Mandatory | 14 |

| Ref ⁽¹⁾ | Part of report/ description | Requirement | Page(s) |
|--------------------|---|---------------------------------|---------------------------------------|
| 10(2) | Where outcome and programme structures differ from PB Statements/PAES or other portfolio statements accompanying any other additional appropriation bills (other portfolio statements), details of variation and reasons for change | Mandatory | n/a |
| 10(3) | Portfolio structure | Portfolio departments–mandatory | n/a |
| 11 | Report on performance | | |
| 11(1) | Review of performance during the year in relation to programmes and contribution to outcomes | Mandatory | 17–87 |
| 11(2) | Actual performance in relation to deliverables and KPIs set out in PB Statements/PAES or other portfolio statements | Mandatory | 42–53 58–75 80–85 |
| 11(2) | Where performance targets differ from the PBS/PAES, details of both former and new targets, and reasons for the change | Mandatory | 42, 58, 80 |
| 11(2) | Narrative discussion and analysis of performance | Mandatory | 17–87 |
| 11(2) | Trend information | Mandatory | 43–53, 59–75, 81–85, 211–212, 216–217 |
| 11(3) | Significant changes in nature of principal functions/ services | Suggested | n/a |
| 11(3) | Performance of purchaser/provider arrangements | If applicable, suggested | n/a |
| 11(3) | Factors, events or trends influencing departmental performance | Suggested | 3–6 |
| 11(3) | Contribution of risk management in achieving objectives | Suggested | 104 |
| 11(4) | Performance against service charter customer service standards, complaints data, and the department's response to complaints | If applicable, mandatory | 111, 237–238 |
| 11(5) | Discussion and analysis of the department's financial performance | Mandatory | 135 |
| 11(6) | Discussion of any significant changes in financial results from the prior year, from budget or anticipated to have a significant impact on future operations. | Mandatory | 135 |
| 11(7) | Agency resource statement and summary resource tables by outcomes | Mandatory | 248–251 |
| 12 | Management and accountability | | |
| | Corporate governance | | |
| 12(1) | Agency heads are required to certify their agency's actions in dealing with fraud | Mandatory | iii |
| 12(2) | Statement of the main corporate governance practices in place | Mandatory | 92–111 |

| Ref ⁽¹⁾ | Part of report/ description | Requirement | Page(s) |
|--------------------------------------|---|--------------------------|--------------|
| 12(3) | Names of the senior executive and their responsibilities | Suggested | 12-13 |
| 12(3) | Senior management committees and their roles | Suggested | 96-100 |
| 12(3) | Corporate and operational plans and associated performance reporting and review | Suggested | 101-102 |
| 12(3) | Internal audit arrangements including approach adopted to identifying areas of significant financial or operational risk and arrangements to manage those risks | Suggested | 103-105 |
| 12(3) | Policy and practices on the establishment and maintenance of appropriate ethical standards | Suggested | 106-108 |
| 12(3) | How nature and amount of remuneration for SES officers is determined | Suggested | 122 |
| External scrutiny | | | |
| 12(4) | Significant developments in external scrutiny | Mandatory | 113 |
| 12(4) | Judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner | Mandatory | 114-115 |
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| 12(5) | Assessment of effectiveness in managing and developing human resources to achieve departmental objectives | Mandatory | 119 |
| 12(6) | Workforce planning, staff retention and turnover | Suggested | 121, 246 |
| 12(6) | Impact and features of enterprise or collective agreements, individual flexibility arrangements (IFAs), determinations, common law contracts and Australian Workplace Agreements (AWAs) | Suggested | 121-122 |
| 12(6) | Training and development undertaken and its impact | Suggested | 123 |
| 12(6) | Work health and safety performance | Suggested | 124 |
| 12(6) | Productivity gains | Suggested | n/a |
| 12(7) | Statistics on staffing | Mandatory | 120, 245-247 |
| 12(8) | Statistics on employees who identify as Indigenous | Mandatory | 120 |
| 12(9) | Enterprise or collective agreements, IFAs, determinations, common law contracts and AWAs | Mandatory | 121-122 |
| 12(10) & B | Performance pay | Mandatory | 122 |
| Assets management | | | |
| 12(11)-(12) | Assessment of effectiveness of assets management | If applicable, mandatory | 130 |
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| 12(13) | Assessment of purchasing against core policies and principles | Mandatory | 130 |

| Ref ⁽¹⁾ | Part of report/ description | Requirement | Page(s) |
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| Consultants | | | |
| 12(14)-(23) | The annual report must include a summary statement detailing the number of new consultancy services contracts let during the year; the total actual expenditure on all new consultancy contracts let during the year (inclusive of GST); the number of ongoing consultancy contracts that were active in the reporting year; and the total actual expenditure in the reporting year on the ongoing consultancy contracts (inclusive of GST). The annual report must include a statement noting that information on contracts and consultancies is available through the AusTender website. | Mandatory | 131 |
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| 12(24) | Absence of provisions in contracts allowing access by the Auditor-General | Mandatory | 131 |
| Exempt contracts | | | |
| 12(25) | Contracts exempted from publication in AusTender | Mandatory | 131 |
| Small business | | | |
| 12(26)-(28) | Procurement initiatives to support small business | Mandatory | 130 |
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| 13 | Financial Statements | Mandatory | 136-197 |
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| 14(1) & C.1 | Work health and safety (Schedule 2, Part 4 of the <i>Work Health and Safety Act 2011</i>) | Mandatory | 124 |
| 14(1) & C.2 | Advertising and Market Research (Section 311A of the <i>Commonwealth Electoral Act 1918</i>) and statement on advertising campaigns | Mandatory | 239 |
| 14(1) & C.3 | Ecologically sustainable development and environmental performance (Section 516A of the <i>Environment Protection and Biodiversity Conservation Act 1999</i>) | Mandatory | 240-243 |
| 14(1) | Compliance with the agency's obligations under the <i>Carer Recognition Act 2010</i> | If applicable, mandatory | n/a |
| 14(2) & D.1 | Grant programmes | Mandatory | 210, 214-215 |
| 14(3) & D.2 | Disability reporting – explicit and transparent reference to agency-level information available through other reporting mechanisms | Mandatory | 116-117 |
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