

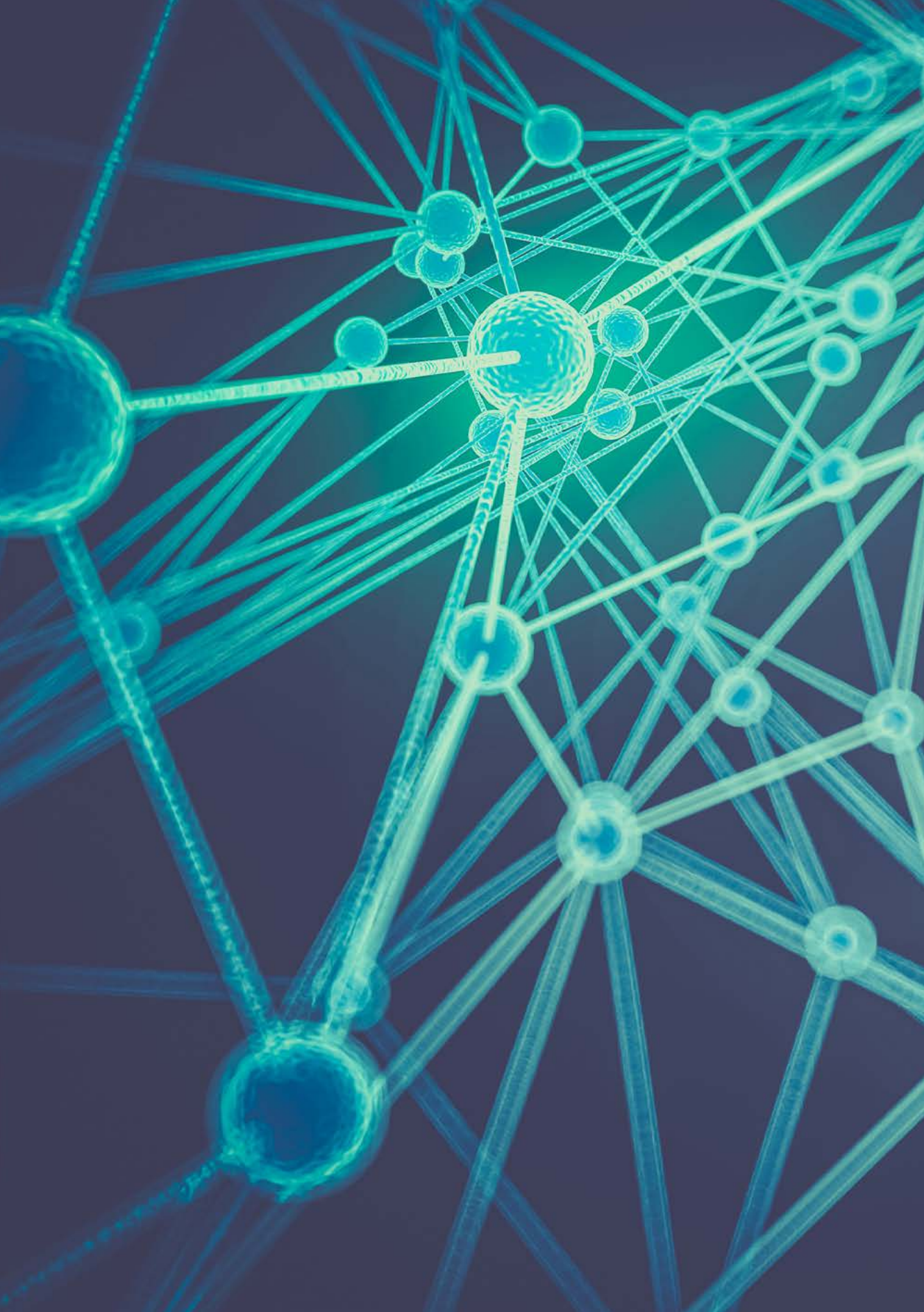


Australian Government  
Australian Research Council

# ARC

ANNUAL REPORT

2019-20





# Australian Research Council Annual Report 2019–20

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

*Please note: Aboriginal and Torres Strait Islander people should be aware that this publication contains the names and images of deceased persons.*

## AUSTRALIAN RESEARCH COUNCIL ANNUAL REPORT

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23 September 2020

The Hon Dan Tehan MP  
Minister for Education  
Parliament House  
CANBERRA ACT 2600

Dear Minister

It is with great pleasure that I present the *Australian Research Council Annual Report 2019–20*.

This report has been prepared for the purposes of:

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

There were no relevant matters to be dealt with in the Annual Report 2019–20 as required under section 46 of the ARC Act.

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

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

Yours sincerely



**Professor Sue Thomas**  
Chief Executive Officer



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## A guide to this report

### Style conventions

The following style conventions are used in the report:

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

# ARC Snapshot

**Vision** Research for a creative, innovative and productive Australia

**90%**

of Units of Evaluation  
were rated as being at

**WORLD  
STANDARD**

or better in the ERA  
2018 assessment



The ERA 2018  
assessment included

**506,294**

Research outputs from

**76,261**

researchers

**5,000+**

The ARC receives  
and processes



applications  
each  
year

The ARC's Research  
Management System  
(RMS) supports over

**110,144**

active users



The ARC funds

**1,110+ NEW**

research projects  
per year

**78.3%**

of the ARC's 2019–20  
research projects involved

**INTERNATIONAL  
COLLABORATION**



The ARC is  
administering

**13 GRANT  
SCHEMES**



In 2019–20 the  
ARC funded research  
projects worth

**\$1 BILLION**




The ARC administered

**8.2%** 

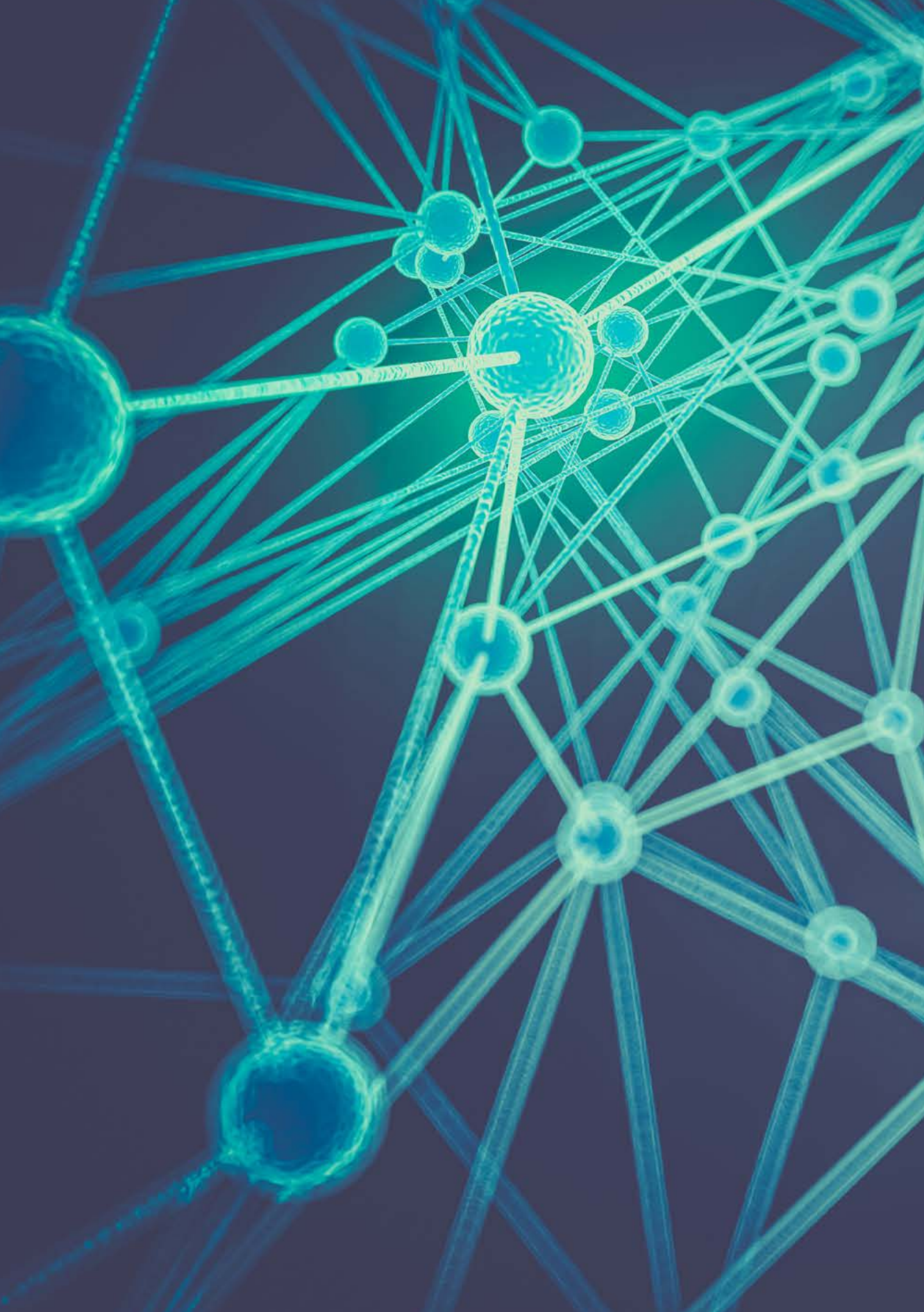
of the Australian Government's  
2019–20 investment in

**RESEARCH AND  
DEVELOPMENT**

The ARC has

**14**   
**POLICIES**

supporting the NCGP





# Part 1

## Review by the Accountable Authority

- |            |                                  |   |
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# 1.1 From the Chief Executive Officer

## Introduction

As the Chief Executive Officer of the Australian Research Council (ARC), I am pleased to present the *ARC Annual Report 2019–20*.

At the ARC we take great pride in our people and culture which shapes who we are and how we work. Like all Australian businesses and government agencies, the COVID-19 disruptions tested our business continuity plans and in particular our capacity to relocate staff to home-based working arrangements and to deliver many of our functions online in a new or different way. This was critical to enabling the vital business and processes of the ARC to continue.

I am very pleased to report that as an agency we have demonstrated that the ARC is agile and adaptable. This is largely due to robust business systems and agency investment in autonomous staff, and would of course not have been possible without the ongoing support and adaptability of the university sector—including the assessor community for the continuation of the peer review processes that will ensure delivery of funding outcomes to support Australian research in the recovery period and beyond.

2020 is an important year for the ARC as it celebrates 55 years of competitive grants delivery to the research sector. The agency was established in May 1965 and was known as the Australian Research Grants Committee. It has existed in its current legislated form as the ARC since 2001. The agency has seen many changes over this time and continues to play a significant role in delivering economic, environmental, social, health and/or cultural research benefits for all Australians.

Throughout the year, the ARC has contributed to the growth of knowledge and innovation for the benefit of the Australian community. We continued to fund the highest quality research through the National Competitive Grants Program (NCGP), a core component of the Australian Government's investment in research and innovation. We analysed and disseminated data from Excellence in Research for Australia (ERA) and the Engagement and Impact (EI) assessment, to provide valuable insights to Government, universities and other stakeholders, and commenced a review of both programs. We worked with the Australian Bureau of Statistics (ABS) and partner agencies to deliver a revised Australian and New Zealand Standard Research Classification (ANZSRC), which will help to provide more current and detailed research data into the future. We provided timely, impartial and expert research policy advice, and actively sought opportunities to improve the effectiveness and efficiency of our processes.



Professor Sue Thomas, ARC CEO

The Annual Report is a key opportunity for the ARC to document the outcomes it has achieved, and to reflect on opportunities for future growth.

## Funding the highest quality research

The ARC remains committed to funding nationally and internationally competitive research. In 2019–20 the NCGP supported 1,200 new research projects, involving 2,916 researchers.

The ARC recognises the importance of ensuring the funding we administer is returned to the community through benefits to Australia. The value of the NCGP reflects not only the benefits delivered through individual research projects, but also the underlying support it provides to the national research and innovation system. Our research grants support researchers at all career stages, and provide research training and mentoring opportunities.

Our schemes also invest in the infrastructure, equipment and facilities underpinning Australia's international research competitiveness, and encourage university researchers to productively partner with commercial, government, community and international stakeholders.

## Assessing the quality, engagement and impact of research

With the completion of four rounds of ERA, the ARC now holds detailed longitudinal data on the Australian university research sector spanning fourteen years. This increasingly rich dataset enables the ARC to provide in-depth and comprehensive information about the state of Australian university research. In October 2019, the ARC released *Gender and the Research Workforce: Excellence in Research for Australia (ERA) 2018*, an in-depth analysis of ERA data on the topic of gender. The report presents extensive staffing data and insights on gender in the workforce across Australia's universities and all research disciplines.

In March 2020, the ARC published more of the valuable data and information from the EI 2018 assessment on the ARC data portal. This included narratives on engagement and approaches to impact that received a high rating. Engagement narratives reveal how researchers are engaging with the end-users of their research such as industry, government and community. The approach to impact narratives outlines the ways in which universities are supporting their researchers to produce economic, environmental, social, health and/or cultural and other benefits. These best practice examples demonstrate the pathways Australian universities have taken—from conducting their research to delivering impacts with real world benefits.

The ARC is undertaking a comprehensive review of the ERA and EI programs. The review commenced in 2019–2020. Due to the COVID-19 pandemic, the timeframe for the review has been extended. It is expected the review will be completed in 2021. The ARC values the participation of its stakeholders in this review, and has lengthened the timeframe to ensure there is adequate opportunity for consultation.

## Providing advice on research matters

The ARC engages in a range of research policy development activities to underpin program delivery. During 2019–20 the ARC:

- launched the *ARC's Reconciliation Action Plan 2019–2021*, the agency's first at the Innovate level
- reviewed the *ARC Research Opportunity and Performance Evidence (ROPE) Statement*
- finalised revisions to the *ARC Policy Statement Eligibility and Career Interruptions*
- reviewed and updated the *ARC Conflict of Interest and Confidentiality Policy*, [www.arc.gov.au](http://www.arc.gov.au) > *Policies-Strategies > Policy > arc-conflict-interest-and-confidentiality-policy*
- continued to actively monitor and engage with global developments in Open Access
- partnered in the development and delivery of guides supporting the *Australian Code for the Responsible Conduct of Research*
- reviewed and updated the *ARC Research Workforce Statement*.

## Building and sustaining a strong organisational capacity

The ARC managed resourcing of \$818.3 million in 2019–20, comprising \$795.7 million for the administered appropriation and \$22.7 million for the departmental appropriation. Of the ARC's administered expenditure, \$789.9 million was used to fund the NCGP. Further information on the financial performance of the agency is provided in Section 3.2.

A key achievement in 2019–20 was the proven capability of the ARC Information and Communication Technology (ICT) systems to quickly support all ARC staff to work from home in response to the COVID-19 pandemic. The ARC's ICT staff and systems responded to a critical change management task that was required in unprecedented timeframes and volume. The ARC has demonstrated that it has the capability to sustain organisational capacity successfully.

## Significant issues and developments

The ARC supported the review of the ANZSRC. This work was undertaken in collaboration with the Australian Bureau of Statistics (ABS), Stats NZ, and the New Zealand Ministry of Business, Innovation and Employment (MBIE). Released in June 2020, the changes ensure our research classifications remain contemporary and align with changes in the research sector. The ARC expects to use the updated classification for the next ERA and EI rounds, and will transition NCGP processes in due course.

The *Special Research Initiatives (SRI)* scheme provides funding to new and emerging fields of research, and builds capacity in strategically important areas. Over the reporting period, the ARC administered three programs within the SRI scheme with funding commencing in 2020. These were the *SRI for Per- and Poly-Fluoroalkyl Substances (PFAS) Remediation Research Program*, the *SRI for Excellence in Antarctic Science (SRIEAS)* and the *SRI for Australian Society, History and Culture*. The latter, established in 2020, provides up to \$12 million in total funding for up to three years. It will be available to support research grants with funding between \$20,000 and \$100,000 per year for research on Australian and Aboriginal and Torres Strait Islander society, history, culture, literature, art, music, politics and geography.

The Australian National Audit Office (ANAO) report No. 5 (2019–20) into the *Australian Research Council's Administration of the National Competitive Grants Program* was released on 1 August 2019. The report found that the ARC has mature and effective processes in place to assess grants and manage conflicts of interest. The ANAO also identified instances of good practice at the ARC. In the coming year, the ARC will remain committed to continuous improvement, identifying and implementing further enhancements to the systems and processes, which underpin our programs. The ANAO made three recommendations:

1. The ARC review the practice of issuing NCGP guidelines annually.
2. The ARC ensure that its Key Performance Indicators (KPIs) for the NCGP are reliable and include efficiency.
3. The ARC ensures that its monitoring and assurance activities, in particular institutional reviews, are risk-based and contribute to the ARC's assurance that NCGP objectives are being achieved.

The ARC accepted, and has been implementing, the three recommendations of the ANAO's performance audit. The first has been completed, the second and third are being undertaken and aim to be implemented in 2020–21.

The start of 2020 saw the impacts of the COVID-19 pandemic. The ARC displayed the ability to adapt quickly by moving all staff to home-based working to successfully continue its work with minimal impact. In response to the COVID-19 pandemic, the ARC continued to support researchers by progressing NCGP applications and peer review processes, and providing extended submission dates for some grant schemes and reporting dates for active research projects. ARC-funded researchers and fellows have also played a role in adding to the global understanding of the COVID-19 virus.

## Outlook for 2020–21

The ARC is looking forward to a busy 2020–21. With the release of ANZSRC 2020, we will support our stakeholders with the transition to, and adoption of, the revised classification.

The ARC will continue to implement the recommendations from the ANAO's performance audit of the NCGP in 2020–21.

We will continue our comprehensive review of the ERA and EI programs to ensure they continue to meet their purpose of promoting and encouraging research excellence in all disciplines, engagement with research end-users and impactful outcomes beyond the university sector. The views of our stakeholders—those who participate in the evaluations and those who use the data—are diverse and are a key focus of the review. Consultation will enable us to fully understand the strengths and challenges faced by the research sector when participating in, or accessing data from, ERA and EI. The review is also considering the wider context of Australia's research landscape including relevant Government reports and contemporary issues such as Big Data technology.

## Conclusion

The achievements documented within this Annual Report reflect the efforts of a diverse range of national and international stakeholders. It is also important to mention the achievements and contribution of ARC staff who were deployed to Services Australia from 7 April until 29 May this year, to assist in the efforts to combat the economic impacts in Australia of the COVID-19 pandemic.

Likewise, a mention for the efforts of staff who remained at the ARC and enabled work to continue while adapting to working from home and a loss of key team members.

I would also like to acknowledge our former two Executive Directors, Professor Therese Jefferson, who completed her term at the ARC in February 2020, and Professor Joanne Tompkins, who finished in June 2020.

The Australian research sector is a wonderful community to support, with new, incredible stories of innovation and discovery year on year. Our lives and culture are much richer for the work of our research community, and I thank them for what they give back to us all.

I look forward to the year ahead and achieving our 2020–21 goals, which reflect the ARC's purpose—to grow knowledge and innovation for the benefit of the Australian community.

# 1.2 Highlights of 2019–20



## Policy environment

### Australian society, history and culture

In January 2020, the Australian Government announced the establishment of the *SRI for Australian Society, History and Culture*. Between 2011 and 2020, just three per cent of Discovery grants were in the areas of Australian society, history or culture. To ensure funding in research benefits the broad Australian community, \$12 million was provided.

The scheme will look at the way in which Australians live today as well as how the past has contributed to Australian society and culture. One focus is how Aboriginal and Torres Strait Islander history and culture is understood and has impacted modern Australian society. It is anticipated by the Government that the new initiative will bring a greater understanding of Aboriginal and Torres Strait Islander history, heritage and the success of multiculturalism.

The *SRI for Australian Society, History and Culture* will fund approximately 40 projects providing between \$20,000 to \$100,000 per year for up to three years.

### Australian Antarctic Strategy and 20 Year Action Plan

The Australian Government's 2016 *Australian Antarctic Strategy and 20 Year Action Plan* called for a revitalisation of Antarctic science through the implementation of a coordinated Antarctic science funding model. To progress this, the Department of the Environment and Energy (now part of the Department of Agriculture, Water and the Environment as of 1 February 2020) commissioned the *Australian Antarctic Science Program Governance Review* to examine the governance arrangements supporting the Australian Antarctic Science Program, and to provide advice on a new model. This review made nine recommendations centered on institutionalising long-term collaborative science, ensuring coherent science leadership, integrating strategy and planning, and streamlining administration.

As part of its response to the *Australian Antarctic Strategy and 20 Year Action Plan*, the Australian Government announced \$56 million of funding over seven years to support the work of Antarctic researchers in Australian universities through the ARC's *SRIEAS* round under the SRI scheme.

On 21 April 2020, two projects were announced under the ARC's *SRIEAS*. Monash University will receive \$36 million over seven years to deliver unprecedented Antarctic research capability working with 29 research partners and collaborating universities. The University of Tasmania will receive \$20 million over three years to conduct world-leading research into changes that are happening in the Antarctic and Southern Ocean and the impact these changes are having on global climate systems.

These projects will support examinations of the strategic, economic, scientific and environmental significance of Antarctica to Australia.

## Linkage Projects scheme evaluation

In December 2019, changes to the ARC *Linkage Projects* scheme were introduced in response to the ARC *Evaluation of the Implementation of the continuous Linkage Projects process* report, [www.arc.gov.au](http://www.arc.gov.au) > News and Publications > Media > Network Messages > [Evaluation of the implementation of the continuous-Linkage Projects process](#). The *Linkage Projects* scheme round for funding commencing in 2020, whilst still open for applications continuously—to maintain opportunities for researchers, businesses and other end users to respond to time critical market or innovation opportunities—now provides clear deadlines for three assessment rounds per year.

## Streamlining NCGP grants administration

In 2019, the ARC undertook a range of streamlining activities for the NCGP grants administration processes. The streamlining outcomes included changes to Grant Guidelines (from annual to multi-year) and updates to application forms. The streamlined application forms reduced duplication, improved consistency across schemes (where appropriate) and removed some questions that were no longer required. The ARC also implemented further enhancements to the Research Management System's (RMS) functionality that auto-populates research outputs from researcher profiles into new NCGP application forms, taking into account feedback received from the research sector.

The streamlining of ARC grant applications and management processes is an ongoing business improvement activity for the ARC to maintain an efficient system that, as far as possible, minimises the administrative burden for researchers, research offices and ARC staff.

## Embargoed notification of funding outcomes

In October 2019, the Hon Dan Tehan MP, Minister for Education (Minister Tehan) introduced a new process for notifying Administering Organisations of their funding outcomes for NCGP schemes under strict embargo, in advance of the Minister's funding announcements. The notification of funding outcomes under embargo provides researchers with earlier certainty.

Through the ARC's RMS, Administering Organisation administrators are notified of their application funding outcomes (successful and unsuccessful) under embargo prior to the full Ministerial announcement.

For successful applications, researchers are able to commence their research projects more quickly, maintain their partner organisation commitments, undertake recruitment and proceed with employment contracts.

Where an application is unsuccessful, researchers are able to proceed with alternative plans for their research and careers, including preparing applications for new ARC scheme rounds, or seeking alternative sources of research funding and/or employment.

## Adopting new processes during the COVID-19 pandemic

An important role of the ARC is ensuring the delivery of funding outcomes in a timely manner. The ARC has constantly monitored the impact of the COVID-19 pandemic closely, while continuing to progress NCGP grant applications and peer review processes, and to support researchers in the recovery period and beyond.

The ARC was cognisant that the COVID-19 pandemic was affecting many ARC-funded researchers (current and prospective), research administrators, peer review assessors and selection advisory committee members in different ways. The ARC CEO issued a number of special Network Messages to the sector outlining ARC support for researchers impacted by COVID-19. The messages addressed the introduction of a number of measures to support researchers on active ARC projects, researchers planning applications and to ensure continuity of NCGP peer review processes.

### **Supporting applicants**

ARC Grant Guidelines make provisions for extensions to application submission dates on a case by case basis due to exceptional circumstances. However, due to the far-reaching impact of the COVID-19 pandemic, on 28 March 2020 the ARC extended the closing dates for all applications for the following NCGP schemes that were open for applications at the time:

- Linkage Infrastructure, Equipment and Facilities (LIEF) 2021 (application closing date extended from 1 April 2020 to 29 April 2020).
- Linkage Projects 2020 Assessment Round 1 (application closing date extended from 8 April 2020 to 22 April 2020).
- *SRI for Australian Society, History and Culture* (application closing date extended from 22 April 2020 to 6 May 2020).

### **Early and mid-career researchers**

To assist with the impacts on early and mid-career researchers who have specific eligibility timeframes to apply for the *Discovery Early Career Researcher Award (DECRA)* and *Future Fellowships* schemes, a one year, automatic eligibility extension for all researchers currently in their final year of eligibility was introduced for both schemes. Researchers in their final year of eligibility for DECRA were advised that they could choose to apply in 2020 (for DECRA 2022) within the existing eligibility timeframes or in 2021 (for DECRA 2023) utilising the automatic one-year extension. Similarly, researchers in their final year of eligibility for Future Fellowships were advised that they could choose to apply in 2020 (for *Future Fellows* scheme 2021) or utilise the automatic, one-year extension to apply in 2021 (for *Future Fellows* scheme 2022).

In conjunction with this change, the closing date for DECRA 2022 applications was extended.

### **Supporting peer review and selection meetings**

The ARC adopted changes to its Selection Advisory Committee (SAC) meetings to ensure that the process for peer review, which is critical to identifying excellence in research applications, could continue by adjusting to a virtual format via videoconference. All selection meetings from April 2020 were successfully conducted via video-conference.

### **Supporting researchers on active projects**

To assist researchers with active projects, already in receipt of ARC funding and which were affected by the COVID-19 pandemic, the ARC published post award guidance, [www.arc.gov.au](http://www.arc.gov.au) > [arc-post-award-guidance-including-major-investments-responding-impact-covid-19](#) material, in-line with Grant Agreement requirements, to provide a balance between accountability for expenditure of public money and to ease the burden on researchers and research offices.

The post award guidance covered streamlined mechanisms to notify some variations through the ARC's End of Year Report process, extensions to notification and reporting deadlines, other variations which would be considered due to the impact of COVID-19, and Frequently Asked Questions.

The ARC is continuing to monitor the impact of COVID-19, addressing issues as they transpire, developing contingencies and providing additional advice to the sector about post award arrangements, including for grants arising out of new selection rounds.

## Research evaluation

### *Gender and the Research Workforce report*

On 10 October 2019, Minister Tehan announced the release of the report, *Gender and the Research Workforce: Excellence in Research for Australia (ERA) 2018*. Using ERA 2018 data, as well as those from previous ERA rounds, where relevant, the report provides further understanding of the state of Australian university research. The report provides detailed information about gender across university researcher employment levels, employment type and field of research. Data has been included in the Government's monitoring of girls' and women's participation in science, technology, engineering and mathematics (STEM).

### *ERA and EI national outreach*

In December 2019, the ARC completed outreach visits to all 42 Australian universities to discuss the results and data from ERA 2018 and EI 2018. During the visits, ARC staff shared university specific data and insights, answered questions about ERA and EI and gained valuable feedback on both programs. Engagement with our stakeholders in this way provides opportunities for knowledge exchange and continues to build strong partnerships between the ARC and the university research sector. This is particularly important for the ongoing, successful development and implementation of ERA and EI, and the feedback from the outreach activities has helped shape the comprehensive review of the programs that commenced in 2020.

### *Australian and New Zealand Standard Research Classification 2020*

Over the past year, the ARC, ABS, New Zealand's MBIE and Stats NZ have jointly reviewed the ANZSRC. On 30 June 2020, the revised ANZSRC was released. It provides the research community with a classification system that is contemporary and reflects the changes in research practices over the past decade.

There was a high level of engagement from the Australian and New Zealand research communities throughout the extensive review process. The process involved two public consultations, as well as many workshops, webinars, individual discussions and other targeted consultations with discipline peak bodies.

Over the coming years, the new ANZSRC classifications will assist the ARC with administering a range of its programs, including the NCGP, ERA evaluation and EI assessment.

## People

The ARC was awarded the *2019 Organisational Champion of Flexible Work Award*, in the government category, from the FlexAgile Group, founder of the Flexible Working Day, established to celebrate and promote the benefits of flexible working practices. The evaluation panel, which included a member from the Diversity Council Australia, considered the ARC's promotion and top-down support of flexible working conditions as its prime reason for flexible working success.

At this time, the ARC had 139 staff, 24 per cent of whom worked part time, 11 per cent regularly worked from home, 5 per cent utilised compressed hours, and 2 per cent were on non-maternity leave without pay.

At the ARC, flexible work is promoted and supported through the organisation's *Flexible Work Policy*. All employees are issued with a laptop allowing the ease and flexibility to work from home or remotely at other locations. Staff are encouraged to consider flexible work arrangements to better suit their circumstances when they arise, for example, family caring responsibilities.

The prime reason for the ARC's flexible working success is support from the Senior Executive Service (SES). Eighty-five per cent of ARC staff in the 2019 State of the Service census responded that the SES actively support flexible work, compared to 62 per cent more generally across the Australian Public Service. Other important factors are a clear policy that supports flexible work, constant communication of the policy to staff, and communication between staff and managers who undertake flexible work.

## ARC media announcements

### July 2019

The ARC announced the official opening of the *ARC Training Centre in Fire Retardant Materials and Safety Technologies* at The University of New South Wales.

Minister Tehan announced funding of \$28.7 million for 66 research projects under the *Linkage Projects* scheme.

### August 2019

Minister Tehan launched the *ARC Research Hub for Digital Enhanced Living* at Deakin University.

Minister Tehan announced funding of:

- \$18.1 million for four new Industrial Transformation Research Hubs:
  - *ARC Research Hub for Sustainable Onshore Lobster Aquaculture* at the University of Tasmania
  - *ARC Research Hub to Combat Antimicrobial Resistance* at University of New South Wales
  - *ARC Research Hub for Microrecycling of Battery and Consumer Wastes* at University of New South Wales
  - *ARC Research Hub for Sustainable Crop Protection* at The University of Queensland
- \$3.7 million for the *ARC Training Centre for Integrated Operations for Complex Resources* at The University of Adelaide

- \$3.97 million for the *ARC Training Centre for Data Analytics for Resources and Environments* at The University of Sydney
- \$4.9 million for the *ARC Training Centre in Surface Engineering for Advanced Materials* at Swinburne University of Technology
- \$35 million for the *ARC Centre of Excellence for Dark Matter Particle Physics* to be led by The University of Melbourne.

## September 2019

Minister Tehan announced funding of \$53.8 million for 17 projects under the *Australian Laureate Fellowships* scheme.

Minister Tehan announced funding of \$34.9 million for the *ARC Centre of Excellence for the Digital Child* at Queensland University of Technology.

## October 2019

Minister Tehan announced the ARC would consult our options to address gender disparities in the ARC's NCGP selection rounds, assessment processes and panel memberships.

Minister Tehan announced funding of:

- \$35 million for the *ARC Centre of Excellence for Enabling Eco-Efficient Beneficiation of Minerals* at The University of Newcastle
- \$3.9 million for the *ARC Training Centre for the Transformation of Australia's Biosolids Resource* at the Royal Melbourne Institute of Technology (RMIT) University
- \$35 million for the *ARC Centre of Excellence for Plant Success in Nature and Agriculture* at The University of Queensland
- \$35 million for the *ARC Centre of Excellence in Synthetic Biology* at Macquarie University
- \$31.8 million for the *ARC Centre of Excellence for Automated Decision-Making and Society* at RMIT University
- \$3.99 million for the *ARC Training Centre for Joint Biomechanics* at Queensland University of Technology
- \$34.9 million for the *ARC Centre of Excellence for Transformative Meta-Optical Systems* at the Australian National University
- \$3.6 million for the *ARC Training Centre for Green Chemistry in Manufacturing* at Monash University
- \$5 million for the *ARC Training Centre for Cell and Tissue Engineering Technologies* at Monash University
- \$24.1 million for six new ITTCs (including those announced in August)
- \$87.8 million for 100 projects under the *Future Fellowships* scheme
- \$32.1 million for the *ARC Centre of Excellence for Children and Families over the Life Course* at The University of Queensland

- \$35 million for the *ARC Centre of Excellence for Innovations in Peptide and Protein Science* at The University of Queensland
- \$308.8 million for nine ARC Centres of Excellence (including those announced in August and September)
- \$1.3 million for a project under the *Linkage Projects* scheme for Indigenous rock art research.

## November 2019

Minister Tehan launched:

- the *ARC Research Hub for Medicinal Agriculture* at La Trobe University
- the *ARC Training Centre for Medical Implant Technologies* at The University of Melbourne
- the *ARC Training Centre for the Development of Tools for Fragment Based Design* at Monash University
- the *ARC Training Centre for Uniquely Australian Foods* at The University of Queensland.

Minister Tehan announced funding of:

- \$2.1 million for five projects under the DECRA scheme at Griffith University
- \$1.2 million for three projects under the DECRA scheme at University of Southern Queensland
- \$1.5 million for four projects under the DECRA scheme at University of New England
- \$2 million for five projects under the DECRA scheme at The University of Western Australia
- \$416,000 for a project under the DECRA scheme at James Cook University
- \$3.3 million for eight projects under the DECRA scheme at Queensland University of Technology
- \$4.5 million for eight projects under the *Linkage Projects* scheme
- \$81.8 million for 200 projects under the DECRA scheme.

## December 2019

Minister Tehan announced funding of \$285 million for 660 projects under the *Discovery Projects* scheme and \$4.7 million for seven projects under the *Discovery Indigenous* scheme.

Minister Tehan launched the *ARC Training Centre for Future Energy Storage Technologies* at Deakin University.

## January 2020

Minister Tehan announced funding of:

- \$9.5 million for 20 projects under the *Linkage Projects* scheme
- \$30.7 million for 47 projects under the LIEF scheme
- \$7.5 million for 18 projects under the *Linkage Projects* scheme.

Minister Tehan announced the new *SRI in Australian Society, History and Culture*.

## February 2020

Minister Tehan launched the *ARC Research Hub for Integrated Energy Storage Solutions* at The University of New South Wales.

## March 2020

Minister Tehan announced funding of:

- \$575,000 for a project under the *Linkage Projects* scheme for research into a new breed of pineapple at The University of Queensland
- \$573,068 for a project under the *Linkage Projects* scheme for research into rare earth mineral deposits at James Cook University
- \$4.2 million for 11 projects (including the two above) under the *Linkage Projects* scheme
- \$6.4 million for 16 projects under the *Linkage Projects* scheme.

## April 2020

Minister Tehan announced funding of:

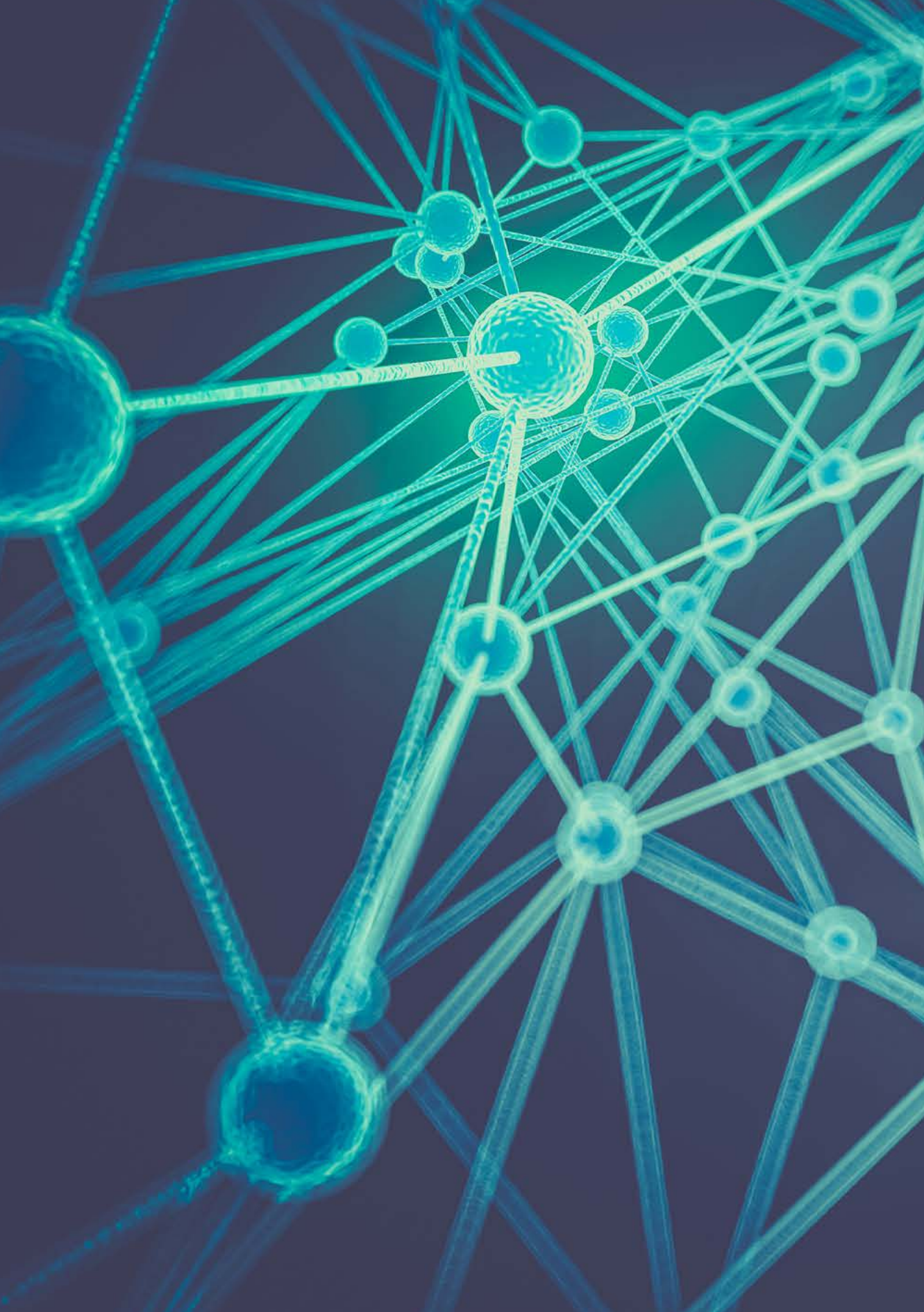
- \$10.9 million for 25 projects under the *Linkage Projects* scheme
- \$56 million for two projects under the SRIEAS.

## May 2020

Minister Tehan announced funding of:

- \$35.1 million for 77 projects under the *Linkage Projects* scheme.







# Part 2

## Australian Research Council overview

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## 2.1 Role and functions

### Legislation

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

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

The funding caps in the ARC Act are regularly updated through an amendment bill, to allow continued funding under the National Competitive Grants Program (NCGP). The ARC Act was last amended in February 2020.

### Role and functions

The ARC administers the NCGP, assesses the quality, engagement and impact of research, and advises the Australian Government on research matters.

#### Funding the highest quality research

The NCGP supports the highest quality research and research training across all disciplines. The NCGP comprises two funding programs—Discovery and Linkage—each incorporating a range of complementary schemes that support basic and applied research, research training, collaboration and infrastructure.

Funding is awarded on the basis of a competitive peer review process.

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

The ARC administers two evaluation frameworks to assess the quality, engagement and impact of research.

Excellence in Research for Australia (ERA) provides a comprehensive evaluation of the quality of research produced by Australian universities against national and international benchmarks. The ARC has conducted four ERA evaluations, in 2010, 2012, 2015 and 2018.

The ARC is also responsible for administering the Engagement and Impact (EI) assessment of university research. EI assesses the engagement of researchers with research end-users and shows how universities are translating their research into economic, environmental, social, health and/or cultural and other impacts. The ARC conducted the inaugural EI assessment in 2018.

A review of the ERA and EI programs commenced in 2019–20 to inform the next ERA evaluation in 2023 and EI assessment in 2024. Findings from the review will be reported in 2021.

## Providing advice on research matters

The ARC provides advice to the responsible Minister on matters related to the portfolio, including research and research training, research partnerships, and the quality, engagement and impact of research in Australia.

## Resources

In 2019–20 the ARC:

- managed a total estimated budget of \$818.3 million, of which approximately \$789.9 million was provided to support research through the NCGP
- had an average staffing level of 129 employees.

## Stakeholders

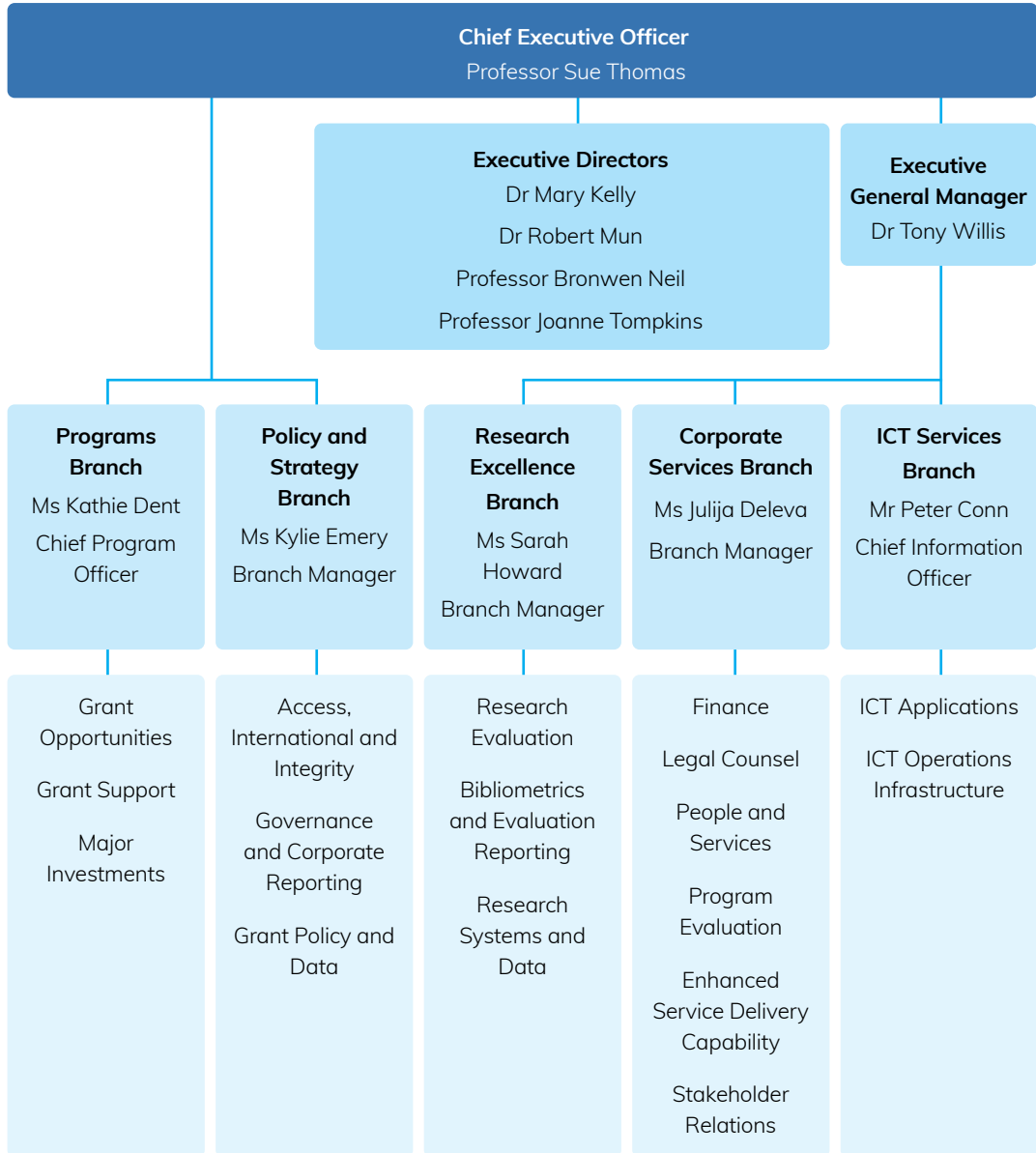
The ARC's key stakeholders are the Australian Government, Australian universities, research partner organisations, industry, government, not-for-profit entities, business, publicly funded research agencies, research peak bodies, the global research sector and Australian taxpayers.

The ARC maintains close relationships with a range of Australian Government agencies to support the national research and innovation system. It collaborates with the National Health and Medical Research Council (NHMRC) on matters relating to the joint administration of the Australian Research Integrity Committee, the implementation of the *Australian Code for the Responsible Conduct of Research* and the administration of competitive grant schemes. The ARC funds research across all disciplines (with the exception of clinical medicine), while the NHMRC provides funding for all areas of research relevant to human health and medicine.

The ARC works collaboratively with its portfolio agency, the Department of Education, Skills and Employment as well as the Department of Industry, Science, Energy and Resources. Areas of common interest include international engagement, and mechanisms of government support for building Australia's research capacity, for example, through funding infrastructure, research training and collaboration.

# 2.2 Organisational structure

Figure 1: Structure of the ARC, June 2020



**Table 1: Details of the Accountable Authority during 2019–20**

Name	Position title/Position held	Period as the Accountable Authority	
		Date of commencement	Date of cessation
Professor Sue Thomas	Chief Executive Officer	3-Jul-17	–



## 2.3 Performance framework

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

The ARC's performance measurement framework ensures a clear line of sight between the objectives, resources and criteria identified within the agency's Portfolio Budget Statements (PBS) and Corporate Plan, and the performance outcomes documented by the Annual Report.

Together, these three documents provide the ARC's complete performance story. In addition to the ARC's published performance information, the agency's performance measurement framework is supported by internal planning, monitoring and reporting processes.

### Portfolio Budget Statements

The ARC had one Outcome and three Programs in its 2019–20 PBS (Figure 2).

**Figure 2: ARC Outcome and Programs**

Outcome 1		
Growth of knowledge and innovation through managing research funding schemes, measuring research excellence and providing advice		
Program 1.1	Program 1.2	Program 1.3
Discovery—research and research training	Linkage—cross-sector research partnerships	Excellence in Research for Australia
Administered expenses \$508.214m	Administered expenses \$285.374m	Administered expenses \$3.556m
Departmental		
ARC Departmental		
Departmental expenses \$24.835m		

**Note:** Budgeted expenses are as published in the 2019–20 Portfolio Additional Estimates Statements.

# Corporate Plan

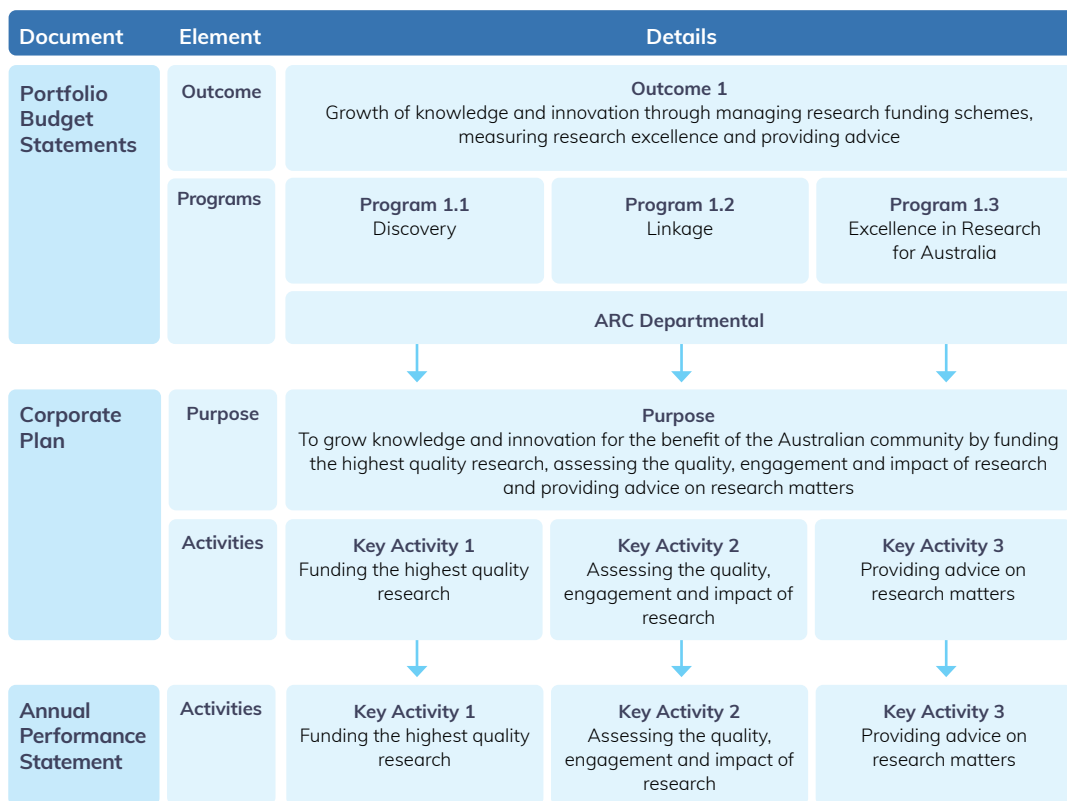
The *ARC Corporate Plan 2019–20* states that the agency’s purpose is:

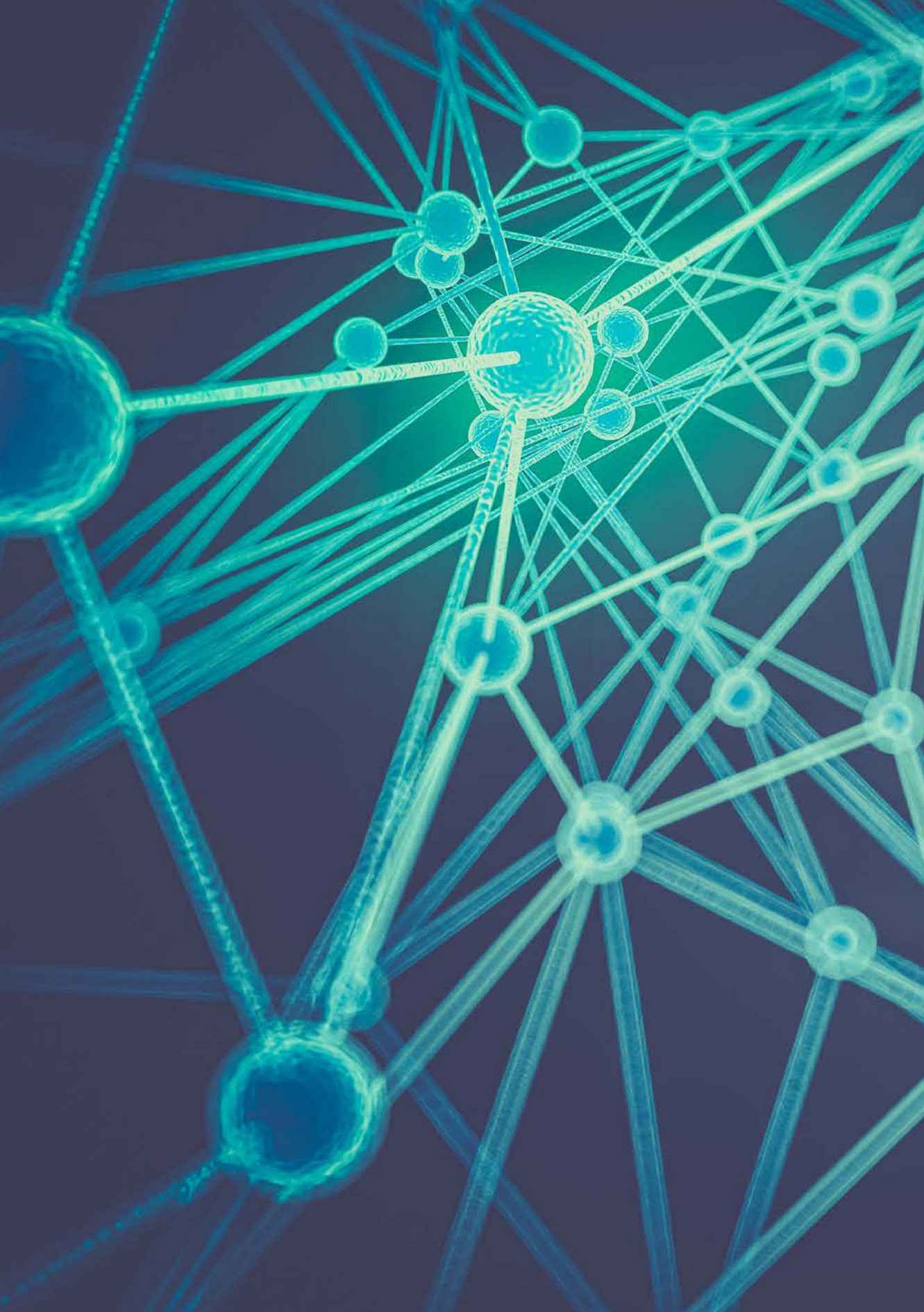
To grow knowledge and innovation for the benefit of the Australian community by funding the highest quality research, assessing the quality, engagement and impact of research and providing advice on research matters.

## Annual Performance Statement

The Annual Performance Statement in Section 3.1 documents the ARC’s achievements against its purpose in the Corporate Plan, and Outcome and Programs in the PBS.

**Figure 3: Mapping the ARC Outcome and Programs to the ARC’s purpose**







# Part 3

## Report on performance

**3.1** Annual Performance Statement

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**3.2** Financial performance

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# 3.1 Annual Performance Statement

## Introductory statement

I, as the Accountable Authority of the Australian Research Council (ARC), present the 2019–20 Annual Performance Statement of the ARC, as required under paragraph 39(1)(a) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and the *Australian Research Council Act 2001*. In my opinion, this Annual Performance Statement is based on properly maintained records, accurately reflects the performance of the entity, and complies with subsection 39(2) of the PGPA Act.



**Professor Sue Thomas**  
Chief Executive Officer

## Purpose

The ARC's purpose is to grow knowledge and innovation for the benefit of the Australian community by funding the highest quality research, assessing the quality, engagement and impact of research and providing advice on research matters (Outcome 1 from the ARC Portfolio Budget Statements (PBS)).

A statement is provided for each of the three key activities that support the ARC's purpose, as follows:

- Key Activity 1: Funding the highest quality research
- Key Activity 2: Assessing the quality, engagement and impact of research
- Key Activity 3: Providing advice on research matters.

The ARC's activities are primarily directed towards the achievement of a purpose that is fundamentally long-term in nature—the growth of knowledge and innovation in Australia. The following statement outlines the ARC's performance within a single financial year, reflecting a cross-sectional snapshot of the effectiveness of the agency in achieving its purpose.

To highlight the benefits being generated by ARC-funded research, and how these will be shaping Australia over coming years, case studies from the ARC's *Making a difference—Outcomes from ARC supported research 2019–20* booklet have been included. These case studies demonstrate how ARC-funded research is delivering economic, environmental, social, health and/or cultural outcomes to Australia.

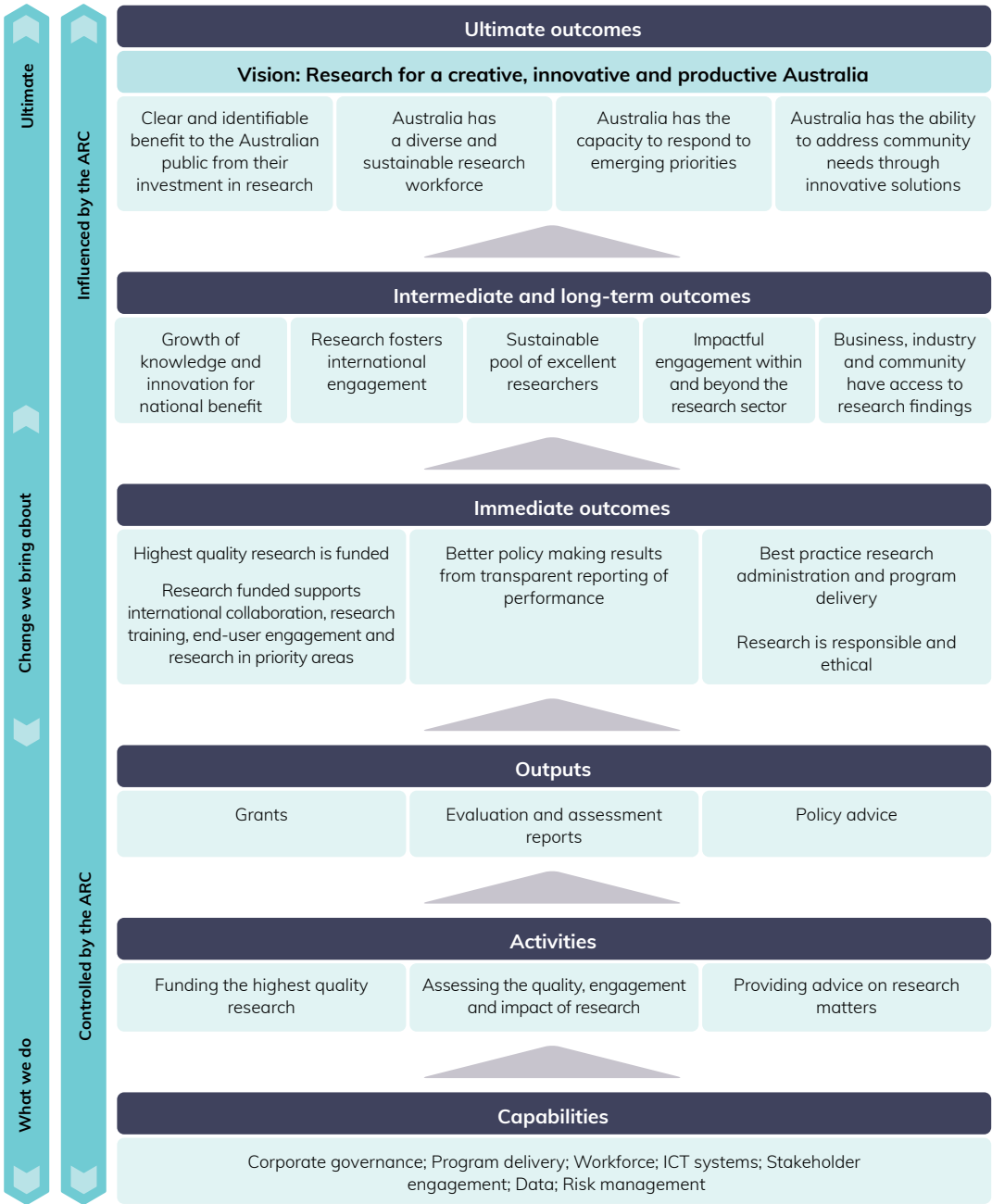
## Approach

For each key activity, the Annual Performance Statement includes:

- a description of the key activity
- a description of the key deliverables
- a description of performance against each indicator including a description of why it is important, the result(s), an analysis of the result(s) and additional context if appropriate
- a performance summary or overall analysis of performance against the key activity.

The Annual Performance Statement reports against the full set of performance indicators outlined in the ARC's PBS for 2019–20 and the *ARC Corporate Plan 2019–20*. The broad level logic model underpinning the ARC's performance framework is outlined in Figure 4. A report on the ARC's performance against the full set of indicators is provided on pages 29–43 for Key Activity 1, pages 43–46 for Key Activity 2 and pages 47–53 for Key Activity 3.

**Figure 4: Performance measurement framework** (*ARC Corporate Plan 2019–20*, page 10)



# Key Activity 1: Funding the highest quality research

## Description

The ARC administers the National Competitive Grants Program (NCGP), which comprises the Discovery Program and the Linkage Program. Each program includes a range of research funding schemes. In 2019–20, the ARC administered the following schemes (see Appendix 1 for description):

- **Discovery Program:** Australian Laureate Fellowships (FL); Discovery Early Career Researcher Award (DECRA); Discovery Indigenous (DI); Discovery Projects; and Future Fellowships (FT)
- **Linkage Program:** ARC Centres of Excellence (CoE); Industrial Transformation Research Program (ITRP) (which includes Industrial Transformation Research Hubs (ITRH) and Industrial Transformation Training Centres (ITTC)); Linkage Infrastructure, Equipment and Facilities (LIEF); Linkage Learned Academies Special Projects (LASP); Linkage Projects; Special Research Initiatives (SRI); and Supporting Responses to Commonwealth Science Council Priorities.

During the reporting period, the ARC administered the *SRI: Per- and Poly-Fluoroalkyl Substances (PFAS) Remediation Research Program*. This program funds research to: minimise PFAS in the environment; develop technologies that can be applied to remediate PFAS contaminated soil, waterways, waste, debris and/or large volumes of groundwater; and support the application of these technologies in the field. In 2019–20 the ARC announced funding for the second round of the SRI: PFAS.

In 2019–20, the ARC administered the *SRI in Excellence in Antarctic Science (SRIEAS)*. The research funded will support some of Australia's best researchers and scientists to conduct world-leading research to transform environmental forecasting, optimise decision-making and support biodiversity in Antarctica.

In 2019–20, the ARC sought applications for the *SRI for Australian Society, History and Culture*. This program will support research on Australian and Aboriginal and Torres Strait Islander society, history, culture, literature, art, music, politics and geography. Research under this scheme will advance understanding into the formation, development and standing of Australian society, history and culture; and increase research capacity in Australia.

By supporting excellent internationally competitive research through NCGP funding schemes, the ARC aims to deliver outcomes of national benefit and to build Australia's research capacity.

## Deliverables

The key deliverables for the NCGP, as identified in the PBS 2019–20 (pages 119–122), were that the ARC:

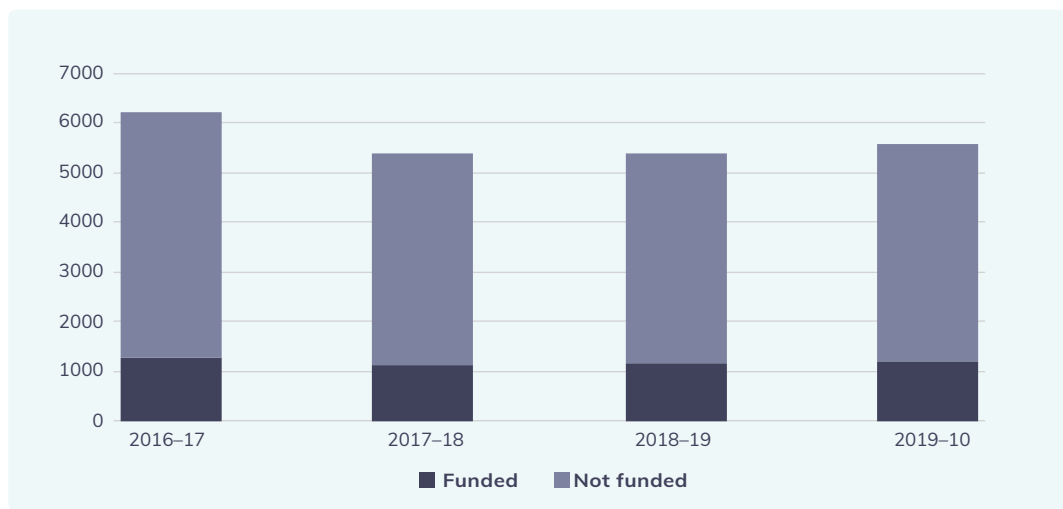
- awards research grants through a competitive peer review process
- manages the administration of ARC-funded research grants
- provides strategic policy advice on research, research training and research partnerships.

In 2019–20 the ARC:

- conducted selection processes that considered 5,586 applications for NCGP funding and awarded 1,200 grants for research projects (Figure 5), involving 2,916 researchers (Chief Investigators), worth \$1 billion

- administered 4,610 new and ongoing grants under the NCGP, providing \$707 million to administering organisations (based on planned allocations recorded at the time of grant award)
- undertook a range of NCGP-related policy development activities (page 48).

**Figure 5: Applications received and projects funded, 2016–17 to 2019–20**



## Performance

Key indicators of the NCGP’s success in meeting the *ARC Corporate Plan 2019–20* (pages 12–14) strategies relate to:

- the sustainability of Australia’s research workforce
- engagement between universities, industry and other research sectors
- support received from the university sector
- ongoing international engagement
- the extent to which research projects address Australian Government research priorities
- providing economic, environmental, social, health and/or cultural benefits to Australia.

## Explanatory notes

- Some measures relate to matters which are outside the ARC’s influence, potentially impacting the agency’s ability to achieve the targets identified. For instance, economic conditions may impact both the capacity of partner organisations to financially contribute to research projects, as well as the realisation of research benefits.
- Measuring performance against a target of maintaining or increasing certain performance levels is done in the context of multiple year trends rather than single year results.
- Figures used in Part 3.1 to assess performance outcomes reflect data collected on the basis of grants awarded, and do not directly correspond to financial statement information provided elsewhere in this report.

## Data notes

- Unless otherwise stated, data for the Discovery and Linkage Programs for 2019–20 relate to new funding from the following scheme rounds:
  - Discovery Program: FL (2019), DECRA (2020), DI (2020), Discovery Projects (2020) and FT (2019)
  - Linkage Program: CoE (2020), ITRH (2020), ITTC (2020), LIEF (2020), Linkage Projects (2018, 2019) and SRI (2020).
- Data and information are drawn from Final Reports that have been submitted to the ARC for research projects commencing in 2014 (noting that most ARC projects involve multi-year funding).
- Key Activity 1 performance measurement data identified as incorporating 'new and ongoing' funding includes all projects that received funding in 2019–20 (that is, projects commencing in 2019–20 as well as projects that commenced in a previous year and continued to receive funding in 2019–20).
- In the below performance reporting against Key Activity 1, a number of Key Performance Indicator (KPI) performance figures are different to those previously reported in the ARC 2018–19 Annual Report. As noted in last year's Annual Report, some of the 2018–19 figures did not include ITRP data. This was due to the outcomes and data of ITRP rounds not yet being finalised and available for inclusion in the report. The ITRP data has now been included in the 2018–19 figures reported in the current 2019–20 Annual Report. The inclusion of this data now shows an accurate reflection of the ARC's performance in 2018–19 and provides comparable data to assess against this year's performance.

## Extent to which ARC-funded research results in improved engagement between universities, industry and other research sectors

### Why is this important?

The Linkage Program promotes national and international research partnerships between researchers and business, industry, community organisations and other publicly funded research agencies.

By supporting the development of partnerships, the ARC encourages the transfer of skills, knowledge and ideas as a basis for securing commercial and other benefits of research.

Volume/efficiency of activity and outputs – as indicated by:				
KPI 1.1		Length of Linkage Projects scheme application and assessment process		
Metric/Outcome	Immediate			
Methodology	ARC data collection.			
Source	Corporate Plan (CP) 2019–20 page 12, PBS 2019–20 pages 121–122			
Target	100 per cent of recommendations are made to the Minister within six months of submission.			
Results	2019–20	2018–19	2017–18	2016–17
	99.1%	100%	n/a	n/a

## Analysis of results

In 2016, the ARC introduced a continuous application process for the *Linkage Projects* scheme. This was announced as part of the Australian Government's 2015 *National Innovation and Science Agenda Initiative*, and aimed to shorten the duration of the assessment process. In 2019–20, 99.1 per cent of applications received under the relevant selection rounds for the *Linkage Projects* scheme had recommendations made to the Minister within six months of submission. One batch of recommendations was delayed due to the 2019 election caretaker period. In response to recommendations from the *Evaluation of the implementation of the continuous Linkage Projects process* final report, in December 2019, the ARC introduced three assessment rounds per year. The commencement of the first of three rounds opened for applications on 20 December 2019—Linkage Projects for funding applied for in 2020.

## Extent to which ARC-funded research is recognised for excellence

### Why is this important?

The NCGP contributes to the growth of knowledge and innovation in Australia by funding excellent research and researchers, research training and career development, international collaboration, and research in areas of priority. It produces outcomes that improve our fundamental understanding of the world and/or provide economic, environmental, social, health and/or cultural benefits to Australia.

ARC funding supports excellent researchers – as indicated by:

#### KPI 1.2 External recognition of the achievements of ARC-funded researchers

**Metric/Outcome** Immediate/intermediate outcome

**Methodology** Qualitative—Development of prizes and awards database by ARC.

**Source** CP 2019–20 page 12

**Target** Prizes and awards are won by ARC-funded researchers.

Results	2019–20	2018–19	2017–18	2016–17
	Met	Met	Met	n/a

## Analysis of results

The ARC has determined that KPI 1.2 has been met because external acknowledgment is considered to be a proxy indicator of the excellence of the researchers supported by the ARC. The metric is a qualitative one. The agency's rigorous peer review processes provide assurance that funding is directed to high quality researchers and research. The ARC has developed in consultation with the learned academies a comprehensive database of prizes and awards that key research sector stakeholders regard as demonstrations of research excellence. ARC-funded researchers have a strong record of winning prizes and awards and this continued in 2019–20 (see Appendix 3).

The criteria the ARC uses for this performance indicator are:

- prizes and awards are awarded within the relevant financial year
- awardees have been previous recipients of ARC-funding (over the last 5 years)
- prizes are not necessarily for ARC-funded research
- fellowships/scholarships/grants are not included
- awards must meaningfully and convincingly demonstrate the excellence of ARC-funded researchers.

## Extent to which ARC-funded research supports the sustainability of Australia's research workforce

### Why is this important?

Research performance is critically dependent on access to highly qualified and skilled personnel. The ARC's aim is to foster research training and career development opportunities through its funding schemes, including opportunities under its Linkage Program for researchers to spend time in industry organisations.

ARC funding supports research training and career development – as indicated by:				
<b>KPI 1.3</b>	<b>Proportion of Discovery Program funding allocated to support early career researchers under the DECRA scheme</b>			
<b>Metric/Outcome</b>	Immediate/intermediate outcome			
<b>Methodology</b>	Takes into account new and ongoing funding for DECRA and the Discovery Program. Data extracted from the ARC NCGP administrative database.			
<b>Source</b>	CP 2019–20 page 12, PBS 2019–20 pages 119–120			
<b>Target</b>	Maintain, $\pm 5\%$ of the three year rolling average.			
<b>Results</b>	2019–20	2018–19	2017–18	2016–17
	16.1%	16.4%	16.3%	16.0%

ARC funding supports research training and career development – as indicated by:				
<b>KPI 1.4</b>	<b>Proportion of Linkage Program funding to support industrial research training under the ITTC scheme</b>			
<b>Metric/Outcome</b>	Immediate outcome			
<b>Methodology</b>	Takes into account new and ongoing funding for ITTC and the Linkage Program. Data extracted from the ARC NCGP administrative database.			
<b>Source</b>	CP 2019–20 page 12, PBS 2019–20 pages 121–122			
<b>Target</b>	Maintain, $\pm 5\%$ of the three year rolling average.			
<b>Results</b>	2019–20	2018–19	2017–18	2016–17
	11.2%	11.5%	8.1%	5.8%

### Analysis of results

In 2019–20, 16.1 per cent of Discovery Program funding (new and ongoing) was allocated to the DECRA scheme and 11.2 per cent of Linkage Program funding (new and ongoing) was allocated to the ITTC scheme.

The proportion of DECRA funding allocated under the Discovery Program has been maintained over the past four reporting periods. The ARC has a range of mechanisms to support early career researchers. The agency's Research Opportunity and Performance Evidence (ROPE) assessment criterion ensures that the research output of funding applicants is assessed within the context of their career stage.

The proportion of ITTC funding allocated under the Linkage Program in 2019–20 has been maintained and was in line with that in 2018–19. The ITTC scheme, funded as part of the ITRP, fosters opportunities for Higher Degree by Research candidates and postdoctoral fellows to pursue training in industrial priority areas identified by the ARC. These priorities reflect the six high-growth sectors established under the Industry Growth Centres Initiative. The ARC conducted a range of outreach and engagement activities with research and innovation sector stakeholders to support applications for the ITRP in 2019–20.

The more consistent results for the DECRA scheme may reflect the nature of the support provided, as the maximum number of fellowships that may be awarded is set, subject to the quality of applications.

Under the ITTC scheme, alternatively, the number of projects funded are dependent on the total funding available, the number of applications received and the quality of those applications so the results are more variable.

### Additional context

In 2019–20 the ARC:

- provided direct salary support for 321 new awards and fellowships encompassing every research career stage, from early career researchers to senior researchers
- funded 1,200 new projects, involving 2,916 researchers across the NCGP. This funding support enabled the employment of additional research personnel and contributed significantly to the development of Australia’s research capacity.

ARC funding supports research training and career development – as indicated by:

#### KPI 1.5 Number of ARC-funded researchers who are fellows or awardees

**Metric/Outcome** Immediate outcome

**Methodology** Total number of researchers who are awarded DECRA, FT scheme, FL scheme or DAATSIA for funding commencement year. Data extracted from the ARC NCGP administrative database.

**Source** CP 2019–20 page 12

**Target** Maintain.

Results	2019–20	2018–19	2017–18	2016–17
	321	320	309	320

### Analysis of results

Under the Discovery Program, the ARC administers fellowship and award schemes supporting early career researchers, mid-career researchers, established researchers and Aboriginal and Torres Strait Islander researchers. The 2019–20 outcome is broadly consistent with fellow and awardee numbers from previous reporting periods.

ARC funding supports research training and career development – as indicated by:

**KPI 1.6** Number of researchers (unique individuals) on ARC-funded research projects who identified as Aboriginal and Torres Strait Islander peoples

<b>Metric/Outcome</b>	Immediate outcome			
<b>Methodology</b>	Quantitative—Data mining from the ARC's NCGP administrative database.			
<b>Source</b>	CP 2019–20 page 13			
<b>Target</b>	Maintain or increase.			
<b>Results</b>	2019–20	2018–19	2017–18	2016–17
NCGP	33 (1.2%)	28 (1.1%)	29 (1.2%)	28 (1.0%)
Discovery	24	25	27	17
Linkage	9	3	2	12

### Analysis of results

The proportion of Aboriginal and Torres Strait Islander researchers has remained constant at approximately 1.0 per cent. The ARC's ongoing commitment to supporting Aboriginal and Torres Strait Islander researchers and research is set out in the ARC's *Statement of Support and Action Plan for Aboriginal and Torres Strait Islander Researchers and Research and Reconciliation Action Plan*.

ARC funding supports research training and career development – as indicated by:

**KPI 1.7** Proportion of researchers on ARC-funded research projects who are women

<b>Metric/Outcome</b>	Immediate outcome			
<b>Methodology</b>	Takes into account the number of unique Chief Investigators who identified as female and the total number of unique Chief Investigator researchers. Data extracted from the ARC NCGP administrative database.			
<b>Source</b>	CP 2019–20 page 13			
<b>Target</b>	Maintain or increase.			
<b>Results</b>	2019–20	2018–19	2017–18	2016–17
NCGP	926 (31.8%)	794 (30.9%)	736 (29.2%)	784 (26.7%)
Discovery	598	571	530	477
Linkage	383	257	224	343

### Analysis of results

Both the total number and proportion of women researchers working on ARC-funded research projects has steadily increased over the past four reporting periods. The ARC implements a series of policies and programs supporting women researchers funded under the NCGP and the research sector more broadly.

## Extent to which ARC-funded research results in improved international engagement

### Why is this important?

Research is a global activity with researchers seeking access to the best partners and facilities worldwide. The ARC's aim in supporting international research collaboration is to maximise Australia's contribution to, and benefits from, international research collaborations, partnerships, developments and policy.

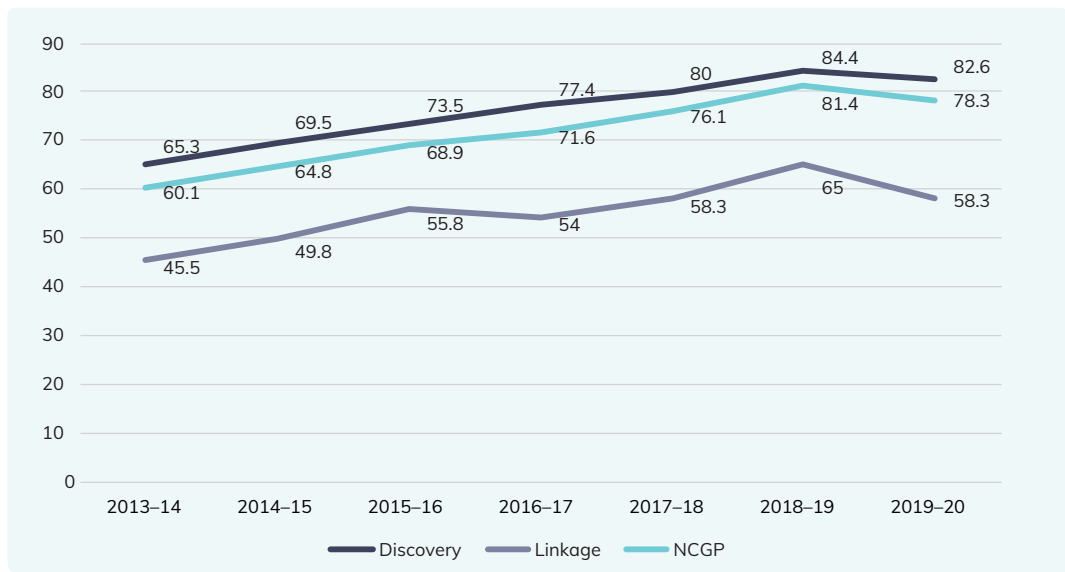
ARC funding supports international collaboration – as indicated by:

KPI 1.8		Proportion of ARC-funded research projects that involve international collaboration			
Metric/Outcome	Immediate outcome				
Methodology	Takes into account the number of projects indicating international collaboration will be undertaken in the application and the total number of funded projects. Data extracted from the ARC NCGP administrative database.				
Source	CP 2019–20 page 13, PBS 2019–20 pages 121–122				
Target	Maintain or increase the proportion of ARC research that involves international collaboration.				
Results	2019–20	2018–19	2017–18	2016–17	
NCGP	78.3%	81.4%	76.1%	71.6%	
Discovery	82.6%	84.4%	80.0%	77.4%	
Linkage	58.3%	65.0%	58.3%	54.0%	

### Analysis of results

Despite a slight decrease in the proportion of projects in 2019–20 international collaboration continued to be a strong feature of the NCGP. The reduction in international collaboration in the Linkage Program may indicate a greater focus on Australian outcomes.

**Figure 6: Proportion of projects involving international collaboration by program, 2013–14 to 2019–20**



### Additional context

In supporting international collaboration, the ARC seeks to build the capacity of Australia’s research workforce by facilitating engagement with outstanding researchers overseas, as well as drawing on best practice and research developments internationally. These opportunities strengthen Australia’s research capacity, and maintain and expand upon Australia’s position as a world leader in research.

NCGP funding schemes use a variety of mechanisms to support international research collaboration, including:

- all NCGP schemes are open to overseas researchers as long as they apply through an Australian eligible organisation. If successful, Chief Investigators, fellows and awardees must reside predominantly in Australia for the duration of the project
- as appropriate, researchers located overseas may participate in ARC-funded projects as Partner Investigators without any residency requirements
- project funding can be requested to support international travel by Chief Investigators, fellows, awardees and Partner Investigators associated with a project, to foster and strengthen collaborations between researchers in Australia and overseas
- organisations based overseas (including higher education, companies, not-for-profit and government) are eligible to participate in projects funded under the NCGP, as a partner, host or ‘other’ organisation
- international subscriptions are an eligible budget item under the LIEF scheme.

In relation to projects awarded funding commencing in 2019–20:

- 2,210 instances of potential international collaboration were identified with 87 countries. The five countries most commonly identified were the United States of America, the United Kingdom, Germany, China and Canada

- 841 cases of international participating organisations (comprising 506 unique international organisations) were identified (including host and ‘other’ organisations under the Discovery Program, and partner and ‘other’ organisations under the Linkage Program)
- 60 cases of international partner organisations (comprising 58 unique international partner organisations) were identified on projects awarded funding under the *Linkage Projects* scheme
- the top five fields of international collaboration were: materials engineering; pure mathematics; astronomical and space sciences; biochemistry and cell biology and historical studies.

## Extent to which ARC-funded research results in improved engagement between universities, industry and other research sectors

### Why is this important?

Research is a collaborative activity with successful researchers and research organisations working together, partnering and networking to generate multiplier effects. The ARC’s aim in supporting engagement between universities and other sectors is to maximise opportunities to build the scale and focus of research involving end-users, resulting in direct benefits to Australia.

ARC funding supports expanded engagement between researchers and end-users – as indicated by:

#### KPI 1.9 Level of co-funding from partner organisations involved in ARC-funded research projects (*Linkage Projects* scheme)

**Metric/Outcome** Immediate outcome

**Methodology** Takes into account total contributed (cash and in-kind) by Partner Organisations and total ARC funding. Data extracted from the ARC NCGP administrative database.

**Source** CP 2019–20 page 13, PBS 2019–20 pages 121–122

**Target** Maintain or increase the level of co-funding from partner organisations under the *Linkage Projects* scheme [ $\geq$  \$1 for every ARC dollar].

Results	2019–20	2018–19	2017–18	2016–17
Linkage	\$1.64	\$1.91	\$1.76	\$1.98

ARC funding supports expanded engagement between researchers and end-users – as indicated by:

#### KPI 1.10 Proportion of participating organisations satisfied with the research partnerships supported through the Linkage Program (*Linkage Projects* scheme)

**Metric/Outcome** Intermediate outcome

**Methodology** Quantitative—Data mining from Linkage Projects scheme final reports.

**Source** CP 2019–20 page 13, PBS 2019–20 pages 121–122

**Target** Maintain stakeholder satisfaction with the research partnerships supported through *Linkage Projects* scheme research [with baseline based on four year rolling average].

Results	2019–20	2018–19	2017–18	2016–17
Linkage	94.8%	96.0%	97.0%	98.0%

## Analysis of results

Under the *Linkage Projects* scheme, the combined cash and in-kind contributions pledged by partner organisations are required to match, at least, the funding sought from the ARC. In 2019–20 this requirement was exceeded with every ARC dollar attracting \$1.64 from partner organisations. This is a reduction from previous years which may be a reflection of the economic circumstances for partner organisations. In 2019–20 increased funding was provided under the *Linkage Projects* scheme, for more projects than previous years and a greater number of partner organisations.

A partner organisation's commitment of funding and other resources to a research project indicates an expectation of a return from that investment. Analysis of partner organisation feedback conducted for this Annual Report showed that despite a slight decrease in the levels of satisfaction in 2019–20, a majority of partners (95 per cent) that provided feedback on final reports found that the collaborative research project had been either 'very beneficial' or 'beneficial' to their organisation.

The feedback also showed that:

- 28 per cent of partner organisations were entering into a new collaborative relationship and 72 per cent were building on a previously established relationship
- 87 per cent indicated that they would be willing to conduct a collaborative research project again, depending on the circumstances.

## Additional context

The Linkage Program comprises a range of schemes aimed at building collaborative research partnerships between researchers in universities and other organisations. These schemes are targeted at different elements of end-user engagement:

- the *Linkage Projects* scheme aims to support innovation at all levels, involving end-users from government, not-for-profit organisations and both domestic and international industry
- the ITRP aims to support the development of solutions for industry, and train future researchers, through partnerships between universities and industry in identified industrial transformation priority areas
- the CoE scheme aims to build linkages across all sectors including a strong international focus
- the LIEF scheme aims to support collaborative use of infrastructure, primarily between universities, but also involving partner organisations from outside the sector where appropriate.

## Extent to which ARC-funded research addresses areas of Australian Government priority

### Why is this important?

Through the identification of priority areas, the Australian Government aims to focus research on areas that address challenges facing Australia. The ARC contributes to this aim by funding research in priority areas under the NCGP.

ARC funding grows Australia's research capacity in priority research areas – as indicated by:

**KPI 1.11** Proportion of ARC-funded research projects that involve research in one of the Australian Government's Science and Research Priority areas

<b>Metric/Outcome</b>	Immediate outcome
<b>Methodology</b>	Takes into account the number of projects indicating their research is a Science and Research Priority area and the total number of projects. Data extracted from the ARC NCGP administrative database.
<b>Source</b>	CP 2019–20 page 13, PBS 2019–20 pages 119–122
<b>Target</b>	Maintain the proportion of ARC-funded research projects, fellowships and awards that involve research in one of the Australian Government's Science and Research Priority areas [with baseline based on four year rolling average].

Results	2019–20	2018–19	2017–18	2016–17
NCGP	64.2%	61%	60.4%	66%
Discovery	61.2%	56.9%	56.1%	59.7%
Linkage	77.8%	83.1%	79.9%	85.4%

### Analysis of results

Approximately 64.2 per cent of projects awarded funding commencing in 2019–20 involved research relevant to the Australian Government's Science and Research Priority areas. This figure is consistent with the outcome achieved in the last three years.

The result recorded for the Discovery Program is lower than the result recorded for the Linkage Program, reflecting the different objectives of the two programs. The Discovery Program is aimed at supporting fundamental research, while the Linkage Program has a greater focus on supporting research partnerships between universities and organisations that will result in the applied use of research.

### Additional context

The Australian Government announced the National Science and Research Priority areas in May 2015. The nine cross-disciplinary priorities are food, soil and water, transport, cybersecurity, energy, resources, advanced manufacturing, environmental change and health. These are supported by 30 Practical Research Challenges at the Practical Research Challenge level.

The ARC does not have any specific initiatives targeted at research in areas of Science and Research priorities. In applying for NCGP funding, researchers are asked to indicate if their project falls within a priority area. While funding is not specifically directed to these areas, most schemes ask assessors to consider whether the research will address or has the potential to address these areas. Individual NCGP funding schemes reference priority areas in their objectives where appropriate

In addition to the National Science and Research Priority areas, in 2019–20 the ARC:

- administered an SRI scheme to support the development of innovative technologies to investigate and remediate PFAS contaminated areas, including soil and other solid contaminated debris, groundwater, waterways and marine systems. Funding from the first round of the PFAS Remediation Research Program was announced, and the selection process for the second round commenced, within this reporting period.

- administered the SRIEAS. This program was developed as part of the Australian Government's response to the *Australian Antarctic Strategy and 20 Year Action Plan*. It funds research to examine the strategic, economic, scientific and environmental significance of Antarctica to Australia, as well as foster collaboration between Australian researchers, industry and international stakeholders.
- began the selection process for the *SRI for Australian Society, History and Culture*. This program will support research on Australian and Aboriginal and Torres Strait Islander society, history, culture, literature, art, music, politics and geography. Research under this program will advance understanding into the formation, development and standing of Australian society, history and culture; and increase research capacity in Australia.
- continued to support Industrial Transformation Priorities under the ITRP. The priorities for funding commencing in 2020 were advanced manufacturing, cyber security, food and agribusiness, medical technologies and pharmaceuticals, mining equipment, technology and services, and oil, gas and energy resources. These priorities are consistent with the six high-growth sectors established under the Australian Government's Industry Growth Centres initiative.

## Extent to which ARC-funded research results in outcomes of benefit to Australia

### Why is this important?

In a tight fiscal government environment, it is important that the positive outcomes of the Australian Government's investment in research can be clearly demonstrated. ARC-funded research provides economic, environmental, social, health and/or cultural benefits to Australia.

ARC funding grows knowledge and innovation – as indicated by:				
KPI 1.12	Proportion of established ARC research centres demonstrating growth of knowledge and innovation			
Metric/Outcome	Intermediate/long-term outcome			
Methodology	Quantitative—Data mining from ARC CoE scheme annual reports.			
Source	CP 2019–20 page 14			
Target	100 per cent.			
Results	2019–20	2018–19	2017–18	2016–17
Linkage	100%	100%	100%	n/a

### Analysis of results

Each year research centres provide information on knowledge and innovation activities through an annual report provided to the ARC. These reports act as public governance mechanisms demonstrating how CoE are meeting their objectives. Copies of these reports may be found on the websites of individual centres.

The CoE annual reports that were assessed in 2019–20 were for CoE activities in 2018, reported on in 2019. The assessment quantitative data indicated that all CoE annual reports were assessed as satisfactory and all reported growth of knowledge and innovation in their highlights section of the report.

ARC-funded research produces outcomes of benefit – as indicated by:

**KPI 1.13 Proportion of ARC-funded research projects that meet their objectives**

**Metric/Outcome** Intermediate outcome

**Methodology** Quantitative—Data mining from NCGP final reports.

**Source** CP 2019–20 page 14

**Target** Maintain.

Results	2019–20	2018–19	2017–18	2016–17
NCGP	98.5%	99.4%	97.0%	n/a

**Analysis of results**

Of the final reports received for ARC-funded research projects commencing in 2014, 98.5 per cent indicated that they had either met all the objectives of their research or met over half of their objectives. The ARC’s peer review process considers methodological rigour and researcher capabilities for all proposed research projects, to ensure funded applications will be capable of successfully fulfilling their objectives.

ARC-funded research produces outcomes of benefit – as indicated by:

**KPI 1.14 NCGP funded projects contribute towards the growth of knowledge and innovation in Australia and produce outcomes that improve our fundamental understanding of the world and/or provide economic, environmental, social, health and/or cultural benefits to Australia**

**Metric** Intermediate/long-term outcome

**Methodology** Qualitative—Case studies from *Making a difference—Outcomes of ARC supported research* booklet.

**Source** CP 2019–20 page 14, PBS 2019–20 pages 119–122

**Target** Evidence of impact arising from NCGP research projects, fellowships and awards improving our fundamental understanding of the world and/or providing economic, environmental, social, health and/or cultural benefits to Australia illustrated by published case studies.

Results	2019–20	2018–19	2017–18	2016–17
Discovery	Met	Met	Met	Met
Linkage	Met	Met	Met	Met

**Analysis of results**

The ARC delivers a broad and diverse range of benefits to the Australian community through research funded under the NCGP. These include economic benefits through opportunities for commercialisation, the promotion of environmental sustainability and ecological responsibility, improvements to social well-being, support for positive health outcomes, and enhanced cultural and historical awareness. The ARC believes that KPI 1.14 has been met because while the full scope of the impacts delivered through ARC-funded research is difficult to quantify, case study methodologies can usefully exemplify the positive outcomes delivered through NCGP funding.

The ARC released the *Making a difference—Outcomes of ARC supported research 2019–20* booklet, an annual publication that demonstrates the economic, environmental, social, health and/or cultural benefits arising from a sample of the research supported under the NCGP. A selection of case studies from this publication has been used to exemplify some of the benefits stemming from ARC-funded research (see pages 54–60). *Making a difference* can be accessed via the ARC website, [www.arc.gov.au](http://www.arc.gov.au) > News > Publications > [Making a difference](#). Case studies from the *Making a difference* booklet are drawn from the ARC’s Research Highlights stories, which are published regularly on the ARC’s website and social media, [www.arc.gov.au](http://www.arc.gov.au) > News > Media > [Research Highlights](#).

## Performance summary

There were no changes in the ARC’s activities, organisational capability or environment that impacted significantly on its performance in delivering Key Activity 1: Funding the highest quality research.

## Key Activity 2: Assessing the quality, engagement and impact of research

### Description

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

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

### Deliverables

The key deliverables for ERA and EI, as identified in the PBS 2019–20 (page 123), were:

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

ERA and EI are periodic exercises that were last conducted in 2018. The next round of ERA is scheduled for 2023 and the next round of EI for 2024. Therefore, the priorities for the ARC in 2019–20, as identified in the PBS 2019–20 (page 112), in relation to ERA and EI were:

- analysing and disseminating data and insights arising from the ERA and EI exercises for the benefit of Government, universities and other stakeholders
- reviewing the ERA and EI exercises.

In 2019–20 the ARC:

- released the report, *Gender and the Research Workforce: Excellence in Research for Australia (ERA) 2018*, which presents fine grained information from longitudinal data about gender and the university research workforce across employment levels, employment type and research discipline
- conducted extensive outreach—visiting all 42 of Australia’s universities and a range of other stakeholders—to discuss the outcomes of ERA and EI 2018, the data available and hear feedback that shaped the ERA and EI review
- commenced a comprehensive review of ERA and EI which included establishing an external, expert Advisory Committee comprising leaders from the university and research end-user communities
- publicly released EI engagement and approach to impact narratives that received a ‘high’ rating, to demonstrate how universities are engaging with the end-users of their research and how they are facilitating research translation into impacts beyond the university sector
- provided policy advice on a wide range of research matters relating to research quality, engagement and impact.

## ERA provides assurance of the quality of research in Australia

### Why is this important?

The ERA program informs stakeholders about the performance of each university by discipline and helps promote Australia’s research strengths on the world stage. It incorporates both the ERA and EI frameworks and provides assurance of the quality, engagement and impact of research through the transparent reporting of performance. This assists universities with their strategic planning and the Australian Government with policy development. The ERA program contributes to the strengthening of Australia’s research capabilities.

Outcomes—as indicated by:				
KPI 2.1	Use of ERA program data to inform Australian Government Policies			
Metric/Outcome	Immediate/intermediate outcome			
Methodology	Qualitative—Information gathering. Items are included where they provided input into policy matters relevant to other government agencies.			
Source	CP 2019–20 page 16, PBS 2019–20 pages 123–124			
Target	ERA program reports and activities inform Australian Government policy.			
Results	2019–20	2018–19	2017–18	2016–17
	Met	Met	Met	Met

### Analysis of results—ERA informs Australian Government policy

The ARC has determined that KPI 2.1 in the above table has been met because, in 2019–20, the longitudinal data from ERA and the new data on the engagement and impact of university research were used in a wide range of material to inform Government policy, as demonstrated by the key examples listed below. In 2019–20, there were also two new major releases of ERA and EI program data—the *Gender and the Research Workforce: Excellence in Research for Australia (ERA) 2018* report and the publication of high rated EI 2018 engagement narratives and approach to impact studies.

The *Gender and the Research Workforce* report has been a particularly important release that provides fine-grained information about gender and the university research workforce across employment levels, employment type and field of research. A major use of this report for Government has been the inclusion of the data in the Department of Industry, Science, Energy and Resources *Science, Technology, Engineering and Mathematics (STEM) Equity Monitor*, which provides a “national data report on girls’ and women’s participation in science, technology, engineering and mathematics (STEM)... [and] a baseline for measuring change and trends over time in key sectors and career phases of girls’ and women’s engagement with STEM.”<sup>1</sup>

Other contributions of ERA and EI program reports and activities in 2019–20 include:

- A submission on regional university research quality, workforce, engagement and impact data for ‘Enhancing research outcomes from Australia’s regional, rural and remote universities’, a review conducted by the Australian Council of Learned Academies, and commissioned by the Department of Education, Skills and Employment. The aim of the review is to better understand the opportunities and barriers to improving research potential and outcomes at universities in regional, rural and remote areas.
- A submission on university research quality, workforce, engagement and impact data as it related to the Agricultural and Rural Research and Development Corporations (RDCs) as part of a Department of Agriculture (now the Department of Agriculture, Water and the Environment as of 1 February 2020) review on Modernising the RDC system.
- Policy data for the 2019 European Commission–Organisation for Economic Co-operation and Development Science, Technology and Innovation Policy Survey.
- Information and links to data resources for the Department of Industry, Science, Energy and Resources ‘Partnering with Australia on Innovation, Science and Research’ publication.

## ERA encourages excellent, internationally competitive research

### Why is this important?

Improvements in research quality lead to a better social rate of return on research.<sup>2</sup> The ARC’s aim is to ensure these outcomes can be realised for Australia through the conduct of a best practice assessment of the engagement, impact and quality of research at Australian universities.

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1 <https://www.industry.gov.au/data-and-publications/stem-equity-monitor>

2 Benefits Realisation Review of Excellence in Research for Australia, September 2013, ACIL Allen Consulting

Outcomes—as indicated by:				
<b>KPI 2.2</b>	<b>Use of ERA program data to inform the strategic planning documents of eligible Australian higher education institutions</b>			
<b>Metric/Outcome</b>	Immediate/intermediate outcome			
<b>Methodology</b>	Quantitative/Qualitative—Desktop survey and analysis of Australian university strategic plans, annual reports and websites. These documents were examined for their use of ERA/EI program data, and whether university strategic planning aligned with or referred to ERA/EI program objectives.			
<b>Source</b>	CP 2019–20 page 16, PBS 2019–20 pages 123–124			
<b>Target</b>	ERA program reports and activities inform strategic planning at eligible Australian higher education institutions.			
<b>Results</b>	2019–20	2018–19	2017–18	2016–17
	Met	Met	Met	Met

### Analysis of results

To determine whether KPI 2.2 in the table above was met, the ARC conducted a desktop survey of the publicly available strategic plans, annual reports and websites of all 42 universities that were eligible to participate in ERA and EI 2018. The results from this survey, as described below, show that the ARC met the KPI target as in 2019–20 ERA program reports and activities informed strategic planning at eligible Australian higher education institutions.

The survey found that 95 per cent of universities listed their ERA results or referred to ERA as a measure of success in either their websites, strategic plans or annual reports. This included 62 per cent of universities making such references in their strategic plans or annual reports alone. The survey also examined whether the universities made general reference to their research strengths, building and identifying opportunities relating to research excellence, or use of research excellence as a key performance indicator—these being behaviours that are consistent with the ERA objectives. There were 86 per cent of universities that made such references in their strategic plans or annual reports. This increased to 98 per cent when websites were also considered.

In terms of EI, the survey found that 76 per cent of universities listed their EI results or referred to EI as a measure of success in either their websites, strategic plans or annual reports. This included 26 per cent of universities making such references in their strategic plans or annual reports alone. When considering the more general reference to strengths in engagement and impact, building and identifying opportunities relating to engagement and impact, or using engagement and impact as a form of performance indicator—that is, behaviours that are consistent with the objectives of EI—the survey found that 62 per cent of universities made such mentions in their strategic plans or annual reports. This increased to 98 per cent when websites were also considered.

## Key Activity 3: Providing advice on research matters

### Description

The ARC's commitment and contribution to policy development plays an essential role in facilitating excellent research outcomes for Australia. The ARC takes an active and collegiate approach to identifying and responding to emerging issues and challenges within Australia's research sector.

Through policy development and advice, the ARC aims to:

- reflect current Australian Government priorities and initiatives in its operations
- contribute to the development of national research and innovation policy
- provide advice on research matters to the Australian Government
- support the effective delivery of ARC programs.

### Deliverables

In addition to contributing to broader policy developments, policy advice underpins the ARC's core functions—delivery of the NCGP, ERA and the EI assessment—as identified in the PBS 2019–20 (pages 119–124).

In 2019–20 the ARC:

- reviewed research-related policies and consulted with stakeholders regarding potential changes
- partnered in the development of guides supporting the implementation of the *Australian Code for the Responsible Conduct of Research*, in conjunction with the National Health and Medical Research Council (NHMRC) and Universities Australia
- continued to look for ways to increase the efficiency, comprehensiveness and timeliness of data gathering and reporting
- continued to monitor emerging issues relevant to the research sector
- worked with the Australian Bureau of Statistics (ABS), Stats NZ, the New Zealand Ministry of Business, Innovation and Employment (MBIE) and relevant stakeholders to complete a review of the Australian and New Zealand Standard Research Classification (ANZSRC)
- monitored, incorporated and contributed to international developments in research and research funding.

### ARC policy advice contributes and responds to Australian Government policy development

#### Why is this important?

Integral to the achievement of the agency's purpose, the ARC develops research policies and policy advice that support the achievement of benefits for Australia.

Volume/efficiency of activity and outputs – as indicated by:

**KPI 3.1**      **Number of policies developed and reviewed**

**Metric/Outcome**    Activity

**Methodology**        Quantitative—internal assessment.

**Source**                CP 2019–20 page 18

**Target**                n/a (1).

Results	2019–20	2018–19	2017–18	2016–17
	8	6	5	n/a

(1) n/a targets cannot be identified for some activity and output metrics as they are demand or need driven.

### Analysis of results

During 2019–20 the ARC:

- continued to introduce the Australian Government’s National Interest Test (NIT) to all NCGP Grant Guidelines for grant opportunities
- supported research addressing key challenges facing Australia through the SRI scheme, and the review of the relationship between the Australian Government’s National Science and Research Priorities and the NCGP
- engaged with opportunities to improve the ARC’s grants administration processes, through the Australian National Audit Office (ANAO) performance audit of the NCGP and the Streamlining NCGP Project.

The ARC’s administration of the NCGP is supported by a range of policy documents. During 2019–20 the ARC reviewed and updated policy documents including:

- *ARC Research Workforce Statement*
- *ARC Conflict of Interest and Confidentiality Policy*
- *ARC Policy Statement Eligibility and Career Interruptions*
- *ARC Gender Equality in Research Statement*
- *ARC Statement of Support for Interdisciplinary Research*
- *ARC Statement of Support for Assessors within the National Competitive Grants Program.*

The ARC partnered in the development of guides supporting the implementation of the *Australian Code for the Responsible Conduct of Research*. The ARC also commenced its review of the *ROPE Statement*.

### National Interest Test (NIT)

On 31 October 2018 Minister Tehan announced a NIT to be applied to all future applications submitted for funding under the NCGP. The policy provides further assurance that ARC funding aligns with the national interest by providing economic, environmental, social, health and/or cultural benefits to Australia. All ARC Grant Guidelines for grant opportunities opening after the Minister’s announcement have been progressively updated to include the NIT. Projects funded under the following grant opportunities were subject to the NIT in 2019–20:

- Discovery Projects 2020
- Discovery Indigenous 2020
- Linkage, Infrastructure, Equipment and Facilities 2020
- Linkage Projects 2019
- SRI in Excellence in Antarctic Science 2020
- Industrial Transformation Research Program 2020.

Outcomes – as indicated by:				
KPI 3.2 ARC policy advice reflecting Australian Government priorities and policies				
Metric/Outcome	Immediate outcome			
Methodology	Qualitative—assessment of policy case studies.			
Source	CP 2019–20 page 18			
Target	ARC policy advice reflects Australian Government priorities and policies.			
Results	2019–20	2018–19	2017–18	2016–17
	Met	Met	Met	Met

### Analysis of results

To determine whether KPI 3.2 was met, the ARC conducted an internal assessment of its policy advice and activities. The examples below show that the ARC met the KPI target in 2019–20 as the policy advice and activities provided during this period supported and reflected the priorities and policy of the Australian Government.

During 2019–20 the ARC:

- supported research addressing key challenges facing Australia through the SRI scheme and the review of the relationship between the Australian Government’s National Science and Research Priorities and the NCGP
- engaged with opportunities to improve the ARC’s grants administration processes, following the ANAO performance audit of the NCGP
- undertook a review of the ANZSRC in collaboration with Australian and New Zealand government departments
- consulted with the research sector on issues related to gender parity in research.

### Special Research Initiative for Australian Society, History and Culture

On 26 January 2020, Minister Tehan announced the ARC would conduct an *SRI for Australian Society, History and Culture*, with grant funding totaling \$12 million over three years. This new SRI will provide support for small research grants on Australian and Aboriginal and Torres Strait Islander society, history, culture, literature, art, music, politics and geography, as well as building Australian research capacity in these fields. The Grant Guidelines for the new SRI were published on 27 February 2020, with the application period opening 28 February 2020 and closing 6 May 2020. The outcomes of the SRI are expected to be announced in September 2020.

## ANZSRC

The ARC, along with the ABS, Stats NZ and the New Zealand MBIE, completed a two-year review of the ANZSRC. The review was undertaken to ensure the research classification reflects current practice and remains responsive to change in the sector. As a result of the review, a revised classification—the ANZSRC 2020—was published by the ABS and Stats NZ on 30 June 2020. The ANZSRC is used in the measurement and analysis of research and development undertaken in Australia and New Zealand.

### Increasing women's participation in ARC grant processes

In October 2019, the Australian Government announced the ARC would take steps to address gender disparities in the ARC's NCGP selection rounds, assessment processes and panel memberships.

During 2019–20, the ARC developed a discussion paper and undertook a consultation with the research sector regarding the applicability and implementation of a range of gender initiatives. These included institutional application targets for women early career researchers by 2023, gender parity for membership of the ARC College of Experts by 2023 and Selection Advisory Committees by 2025, and public reporting by institution on the proportion of women included in applications for ARC funding.

## ARC policy advice supports best practice research

### Why is this important?

Best practice research is critical for the development of the robust evidence base required to drive discoveries that will benefit Australia. It provides the basis for high quality research training and career development, and delivers assurance to those who use outcomes of research for innovation. Best research practice also helps build public confidence in the research process and its outcomes.

Outcomes – as indicated by:

#### KPI 3.3 ARC policy advice supporting best practice research

**Metric/Outcome** Immediate/intermediate outcome

**Methodology** Qualitative—assessment of policy case studies.

**Source** CP 2019–20 page 18

**Target** ARC policy advice supports best practice research.

Results	2019–20	2018–19	2017–18	2016–17
	Met	Met	Met	Met

### Analysis of results

The ARC has determined that KPI 3.3 was met through an internal assessment of its policy documents relating to research practices. The assessment identified that the agency has continued to support best practice in research through the ARC's suite of policy initiatives which were reviewed and updated during 2019–20, including:

#### Statement of Support for Assessors

The ARC acknowledges the significant contribution of grant assessors in the delivery of the NCGP. The *ARC Statement of Support for Assessors within the National Competitive Grants Program* outlines the

ARC's commitment to, and expectations of, assessors to support best practice in peer review for its competitive grant process.

### Research workforce

The *ARC Research Workforce Statement* is a key part of a broader framework that demonstrates the ARC's support for a strong and sustainable research workforce in Australia. The ARC funds the highest quality research across STEM and Humanities, Arts and Social Sciences disciplines, and supports researchers at all career stages, from Australia and overseas, as well as from under-represented groups.

During 2019–20 the ARC implemented changes to eligibility extensions for DECRA and FT schemes as part of its commitment to support the research workforce and ensure that all eligible researchers have fair access to competitive funding through the NCGP.

### Australian Code for the Responsible Conduct of Research (the Code)

The ARC, in conjunction with the co-authors of the Code, has continued to develop guides to support best practice responsible research conduct. Guides on peer review, disclosure of interests and management of conflicts of interest, supervision and collaborative research were released during 2019–20.

## ARC policy advice engages researchers, both national and international

### Why is this important?

Involving stakeholders in policy development and evaluation processes helps to ensure policies and activities align with their expectations and needs. It increases the diversity of experience and knowledge available to the ARC in identifying relevant issues, analysing policy options and deciding on the appropriate policy instruments. Stakeholder feedback surrounding the implementation of policies gives the ARC exposure to valuable information about policy effects, resulting in more successful policy outcomes.

Outcomes – as indicated by:				
<b>KPI 3.4</b>	<b>Stakeholder engagement in ARC policy development activities (including international organisations and researchers)</b>			
<b>Metric/Outcome</b>	Immediate/intermediate outcome			
<b>Methodology</b>	Qualitative—internal assessment and case studies.			
<b>Source</b>	CP 2019–20 page 18			
<b>Target</b>	Stakeholder engagement in ARC policy development activities.			
<b>Results</b>	2019–20	2018–19	2017–18	2016–17
	Met	Met	Met	Met

### Analysis of results

The ARC conducted an internal assessment of Stakeholder engagement to determine whether KPI 3.4 was met. The results below show that the ARC met the KPI target in 2019–20 with significant and varied engagement of both domestic and international Stakeholders in the policy development activities of the agency.

During 2019–20 the ARC:

- continued to engage with a broad range of national and international stakeholders on research matters, including research integrity, open research, program evaluation and gender equality
- continued to provide evidence-based policy advice, including investigating different ways of interrogating data to help reveal trends or issues of concern
- communicated policy changes to stakeholders in Australia and internationally
- engaged with both national and international stakeholders to progress the review of the ANZSRC
- through its implementation and review activities for ERA and EI, engaged with a wide range of researchers, research leaders and other stakeholders.

### National engagement

In 2019–20 the ARC engaged with multiple stakeholders in relation to ERA and EI. All 42 universities that participated in ERA and EI were visited by the ARC to discuss outcomes from and seek feedback on the 2018 rounds. In addition, the ARC has engaged with government and other stakeholders in relation to ERA and EI processes and the key findings of the ERA and EI National Reports 2018. The ARC also engaged external experts and representatives from the university and research end-user sectors to commence work on a comprehensive review of the ERA and EI exercises. ARC also coordinated a national public consultation process as part of the ANZSRC Review.

### International engagement

During 2019–20 there were 14 international delegations that visited the ARC to explore opportunities available to international researchers and research organisations within the NCGP. In addition, there were 19 instances where the ARC attended or contributed to meetings, interviews or engagements with international stakeholders. Engagement with international delegations and stakeholders have been impacted by external factors including COVID-19 and the 2019–20 bushfires. In addition to these delegations and meetings, the ARC engaged regularly with Stats NZ and MBIE to deliver the ANZSRC Review.

Outcomes – as indicated by:

#### KPI 3.5 Stakeholder satisfaction with the quality of ARC policy advice

**Metric/Outcome** Immediate/intermediate outcome

**Methodology** Qualitative—Case studies, informal feedback and surveys.

**Source** CP 2019–20 page 18

**Target** Stakeholders are satisfied with the quality of ARC policy advice.

Results	2019–20	2018–19	2017–18	2016–17
	Met	Met	Met	Met

### Analysis of results

To determine whether KPI 3.5 was met, the ARC considered case studies, informal feedback and survey results. Feedback from Stakeholders through the engagement measures below regarding the quality of the ARC policy advice indicate that the ARC met the KPI target in 2019–20.

During 2019–20 the ARC:

- continued engagement with stakeholders about proposed changes to policy and programs
- maintained an evaluation plan for key program initiatives
- sought stakeholder feedback through forums and other external engagements.

The ARC engaged with stakeholders (both institutional and individual) through a variety of forums, webinars, seminars, inductions, surveys, evaluations and consultations throughout 2019–20 and received formal and informal feedback regarding ARC policy advice. In 2019 this included the ARC/NHMRC Research Administrators Seminar, Industrial Transformation Research Program (ITRP) forum and CoE 2020 induction.

## Program evaluation 2019–20

The ARC's approach to program evaluation, as outlined in the *ARC Evaluation Strategy*, is designed to support an organisational culture of continuous improvement, and ensure compliance with Australian Government standards of performance and accountability. In 2019–2020, two evaluations—examining the ITRP process and priorities and the continuous Linkage Projects process—were released publicly. Final reports from these evaluations are available through the ARC website, [www.arc.gov.au](http://www.arc.gov.au) > *Policies & Strategies* > *Strategy* > [Evaluation](#).

## Performance summary

There were no changes in the ARC's activities, organisational capability or environment that impacted its performance in delivering Key Activity 3: Providing advice on research matters.

Throughout the year, the ARC actively contributed to a range of research and higher education policy development activities, supporting work being conducted across the Australian Government. The agency also continued to refine the policy frameworks underpinning the NCGP and the ERA and EI assessment.

## Making a difference

### Outcomes of ARC supported research

The ARC's *Making a difference—Outcomes of ARC supported research* is an annual publication that demonstrates how research funded through the NCGP is making a real difference to Australia, and the world. The following case studies reflect a selection of the research projects captured by *Making a difference*, which demonstrate the economic, environmental, social, health and/or cultural benefits arising from ARC-funded research. The full publication can be accessed through the ARC website, [www.arc.gov.au](http://www.arc.gov.au) > News > Publications > *Making a difference*

## Examining the cultural legacy of Melbourne's first Archbishop

**Lead Investigators:** Prof Emeritus Jaynie Anderson, Shane Carmody, and Rev. Dr Max Vodola

**Institution:** The University of Melbourne

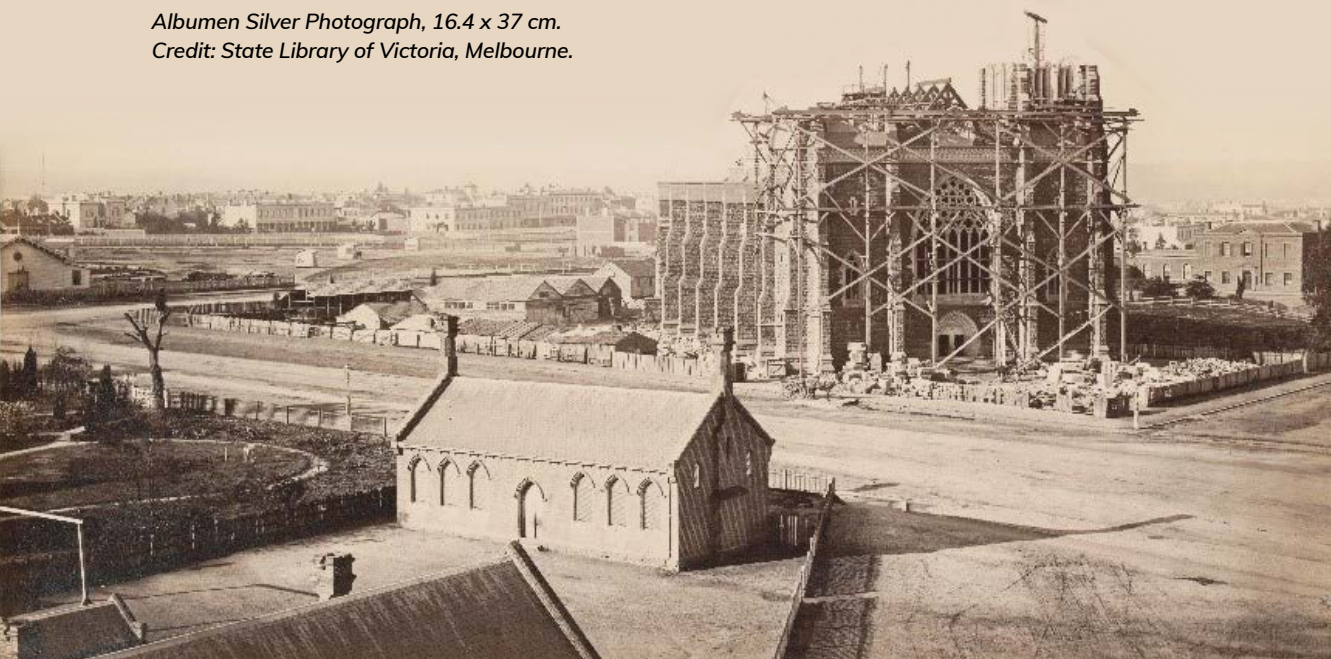
**Scheme:** *Discovery Project* scheme

James Goold, the first Catholic Archbishop of Melbourne, helped to shape the rapidly booming city with his architectural patronage. This culminated in the commissioning and construction of the iconic landmark, St Patrick's Cathedral—the largest Neo-Gothic Cathedral completed in the 19th century. An exploration into Goold's historically important personal collection of books and artworks as well as his relationship with his architect William Wardell, is helping researchers to better understand the cultural and architectural development of the city of Melbourne. A large portion of Goold's original collection has been rediscovered in libraries around Melbourne and examination of the remnants show that it was ranked amongst the most important private collections in the Colony.

*Charles Nettleton. St Patrick's Cathedral in Construction. C. 1866.*

*Albumen Silver Photograph, 16.4 x 37 cm.*

*Credit: State Library of Victoria, Melbourne.*



# Including Indigenous stories in the Australian Dictionary of Biography

**Lead Investigator:** Dr Shino Konishi

**Institution:** The University of Western Australia

**Scheme:** *Discovery Indigenous scheme*

The Australian Dictionary of Biography (ADB) tells the stories of more than 13,000 Australians who have passed away, so that their stories are recorded into Australian history. Researchers are leading a project to double the number of Indigenous biographies within the online ADB, as well as producing a standalone published volume of Indigenous short biographies in the ADB.

Prior to this project only 210 biographies included in the ADB were of Aboriginal and Torres Strait Islander people, representing only 1.5 per cent of all entries. The project has sought to produce new biographies that are more representative of the demographic makeup of past and present Indigenous communities.

70 biographies and collective biographies of 103 Aboriginal and Torres Strait Islander individuals have now been commissioned, 16 articles have been published in the online ADB, and another 19 will soon be published.



(Top) Jack Dale, 'History painting', 2003.

Courtesy of Malcolm Allbrook and the family of Jack Dale.

(Above) Annie Brice, on far right, c.1869.

Credit: State Records of South Australia.

## For a fish, it's not just who you are, but where you are.

**Lead Investigator:** Professor Geoff Jones  
**Institution:** James Cook University  
**Scheme:** ARC Centre of Excellence for  
Coral Reef Studies

ARC-supported research has determined that the long-term success of clownfish has been found to depend more on living in a 'good neighbourhood' than it does on good genes. The reproductive success of these fish depends almost entirely on living in high-quality anemone, the natural home of the clownfish. Ten years of research on the coral reefs of Papua New Guinea has found that as long as anemones remain healthy, clownfish populations can persist. However, researchers note that anemones and coral reefs are under direct threat from the impacts of climate change.



*Coral in a reef at Febrina, Papua New Guinea. Credit: Morgan Bennett-Smith.*

## Understanding extreme bushfire behaviour and firestorm development

**Lead Investigator:** Professor Jason Sharples  
**Institution:** The University of New South Wales  
**Scheme:** *Discovery Indigenous scheme*

Research has been conducted into understanding extreme and dynamic fire behaviour and predicting firestorm events. Extreme wildfires are fires that exhibit deep or widespread flaming in unstable atmosphere conditions. Several factors have been found using mathematical models to influence whether deep flaming will occur. Some identified factors are strong winds, overzealous backburning, mass spotting, fire line merging, rugged terrain and more. The 'blow-up fire outlook model' condenses these findings into a predictive tool for fire managers. It integrates the various factors that contribute to deep flaming with measures of atmospheric instability to determine the likelihood of a fire developing into a firestorm.

*2013 Grampians Fire, Victoria, exhibiting a towering fire cloud or 'pyrocumulonimbus'. Credit: Randall Bacon.*



## ‘Whoopi’ the manta ray shows how healing’s done

**Lead Investigators:** Professor Anthony Richardson and Dr Christine Dudgeon

**Institution:** The University of Queensland

**Scheme:** Linkage Projects scheme

‘Whoopi’ the manta ray—a regular visitor to Western Australia’s Ningaloo Reef—has shown researchers the impressive ability of rays to heal. Whoopi was hit by a boat in 2015, suffering propeller cuts measuring up to 20 centimetres to the edge of her wing. Researchers have undertaken analysis of these cuts using laser photogrammetry, which showed that the wounds had healed by 50 per cent only 46 days after the boat strike, and had healed by 95 per cent by day 295. These impressive findings have implications for wound healing rates in other elasmobranchs (rays and sharks), and for policies to reduce the impact of vessels on manta rays and protect their critical habitat.



*Whoopi the Manta Ray.  
Credit: Alex Kydd.*

## Revealing the world’s biggest parrot: ‘Heracles’



**Lead Investigator:** Associate Professor Trevor Worthy

**Institution:** The Flinders University of South Australia

**Scheme:** Discovery Early Career Researcher Award scheme

The world’s largest parrot has been discovered from a fossil deposit in Central Otago, New Zealand. The fossil is approximately the size of the giant ‘dodo’ pigeon of the Mascarenes, and twice the size of the critically endangered flightless New Zealand kakapo, previously the largest known parrot. It is estimated that Heracles stood at one-metre-tall, weighing about seven kilograms. The new bird has been named *Heracles inexpectatus* to reflect its Herculean myth-like size and strength, and due to the massive size of its beak it would have been able to crack most food sources, including possibly dining on other parrots.

*Reconstruction of the giant parrot Heracles, dwarfing a bevy of 8cm high *Kuiornis*—small New Zealand wrens scuttling about on the forest floor. Illustration by Dr Brian Choo, Flinders University.*

# Gone with the wind—reducing agricultural methane emissions

**Lead Investigator:** Associate Professor Chris Greening

**Institution:** Monash University

**Scheme:** *Discovery Early Career Researcher Award* scheme

In the fight to help lower global agricultural methane emissions, researchers have identified what microbes and enzymes control methane production in the stomach of sheep and other ruminants. The microbes and enzymes that the researchers identified control the supply of hydrogen to microbes that produce methane and use hydrogen as their main energy source. These methane producing microbes were found to be the main hydrogen users in high-emitting sheep and non-methane producing microbes and enzymes were also found to be dominant in low-emitting sheep. This discovery will allow scientists to manipulate the methane production process and form strategies to reduce methane production from sheep, cattle and deer.

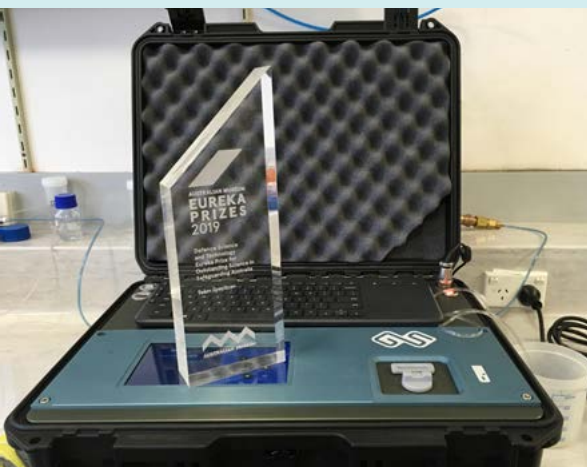


# 20 years of research leads to airport explosives detector

**Lead Investigator:** Professor Michael Breadmore

**Institution:** University of Tasmania

**Scheme:** *Discovery Projects* scheme/*Linkage Projects* scheme



A device to quickly and accurately identify inorganic explosives has been developed using techniques from separation science. Separation science is the study of fundamental processes and materials for the separation and measurement of specific molecules. This new device can quickly and accurately identify ingredients commonly used in improvised explosives devices in under a minute. It has not been possible until now to detect the full range of inorganic explosives materials with speed and accuracy. The new device is being globally marketed for use by first responders and checkpoint operatives in a variety of detection scenarios.

*The GreyScan device can identify organic explosives in under a minute. Credit: GreyScan Pty Ltd.*



## Exploring cognitive ageing and its impacts on individuals

**Lead Investigators:** Scientia Professor Kaarin Anstey, Scientia Professor John Piggott AO, Professor Hazel Bateman, Rafal Chomik et al.

**Institution:** The University of New South Wales

**Scheme:** ARC Centre of Excellence in Population Ageing Research

Dementia is the leading cause of disability among Australians over 65 and the second leading cause of death in Australia. In 2016, the direct costs alone of dementia were close to \$9 billion, with a predicted increase to \$12 billion by 2025. Extensive research has been undertaken on cognitive ageing trends in Australia, much of which has been summarised in a research brief to inform government, industry and the public. The research insights highlight seven key modifiable lifestyle factors which are attributed to dementia; the rising numbers of people with dementia; and the increasing cost to families, carers, and the economy.

*Credit: iStock.com/mihailomilovanovic*

## Ancient hyena poo sheds new light on human evolution

**Lead Investigator:**

Associate Professor Mike Morley

**Institution:** Flinders University

**Scheme:** Future Fellowships scheme / ARC Centre of Excellence for Australian Biodiversity and Heritage

International collaborative research has unearthed new details of life in the famous

Denisova Cave complex in Siberia's Altai Mountains. Modern geoarchaeological techniques have been used to do microscopic analysis of sedimentary deposits in the caves. The analysis of these deposits suggest large carnivores competed with ancient humans for shelter in the cave over 300,000 years. The research reveals new information about the climate inside the cave through prehistoric time, the use of fire, and implies that these ancient humans probably came and went from the caves for short-lived periods of time.

*Reconstruction of a cave hyena (Crocota crocuta spelaea) which went extinct around 11,000 years ago or so at the end of the Pleistocene. Credit: Heinz-Werner Weber, Germany CC BY-SA 2.0.*



# The making of a superplume: Huge underground mountains of hot rock

**Lead Investigator:** Professor Zheng-Xiang Li

**Institution:** Curtin University

**Scheme:** ARC Australian Laureate Fellowships scheme



Researchers have analysed rock samples that reveal the movements of mountains of rock deep within the earth to investigate what drives the formation and separation of supercontinents like Pangaea and plate tectonics.

These mountains of hot, dense rock are known as Large Low Shear Velocity Provinces, or 'superplumes'. 'Superplumes' are nearly 3,000 kilometres below the Earth's surface, hundreds of kilometres high and thousands of kilometres in diameter.

They have been found to form and disintegrate in a cyclical manner over hundreds of millions of years, and be almost exactly synchronised with a 500 to 700 million-years-long cycle of supercontinents forming and separating over the last two billion years.

*Image: Kilauea is the most active shield volcano in the world, and sits above a superplume. (Public Domain).*

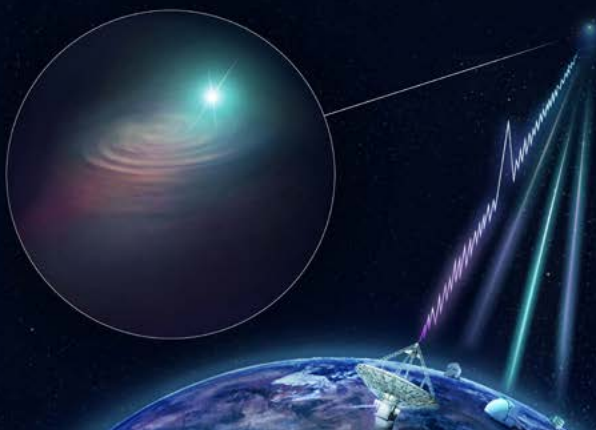
## Millisecond radio reflexes field a curveball from deep space

**Lead Investigator:** Associate Professor Jean-Pierre Macquart, Associate Professor Adam Deller

**Institution:** Curtin University and Swinburne University of Technology

**Scheme:** Discovery Projects scheme / Future Fellowships scheme / Linkage Infrastructure, Equipment and Facilities scheme

A team of researchers have determined the location of a one-off 'fast radio burst'. The cause of intense radio bursts from outer space is currently unknown by scientists, but pinpointing the origin of a 'one-off' burst is a significant technical achievement that has never before been achieved. The discovery, made using the Commonwealth Scientific and Industrial Research Organisation's (CSIRO) Australian Square Kilometre Array Pathfinder (ASKAP) radio telescope in Western Australia, was located in the outskirts of a Milky Way-sized galaxy about 3.6 billion light-years away. This new discovery may help explain the mysterious cause of the phenomena.



*Artist's impression of CSIRO's ASKAP radio telescope finding a fast radio burst and determining its precise location. The KECK, VLT and Gemini South optical telescopes joined ASKAP with follow-up observations to image the host galaxy. Credit: CSIRO/Dr Andrew Howells.*



## 3.2 Financial performance

### Summary

This section provides an overview of the ARC's financial performance during 2019–20 for both departmental and administered activities. It should be read in conjunction with the information on financial performance provided in Part 5, which includes:

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

The ARC Resource Statement is presented in Appendix 4, Table A4, followed by the ARC Expenses for Outcome 1 table, Table A5.

The ARC's total appropriated resources for 2019–20 were \$818.3 million. This comprised:

- \$795.7 million for the administered appropriation (\$789.9 million special appropriation, including the special account, for the NCGP and \$5.8 million for the annual administered appropriation)
- \$22.7 million for the departmental appropriation (\$21.2 million for operating expenses and \$1.4 million for the Departmental Capital Budget).

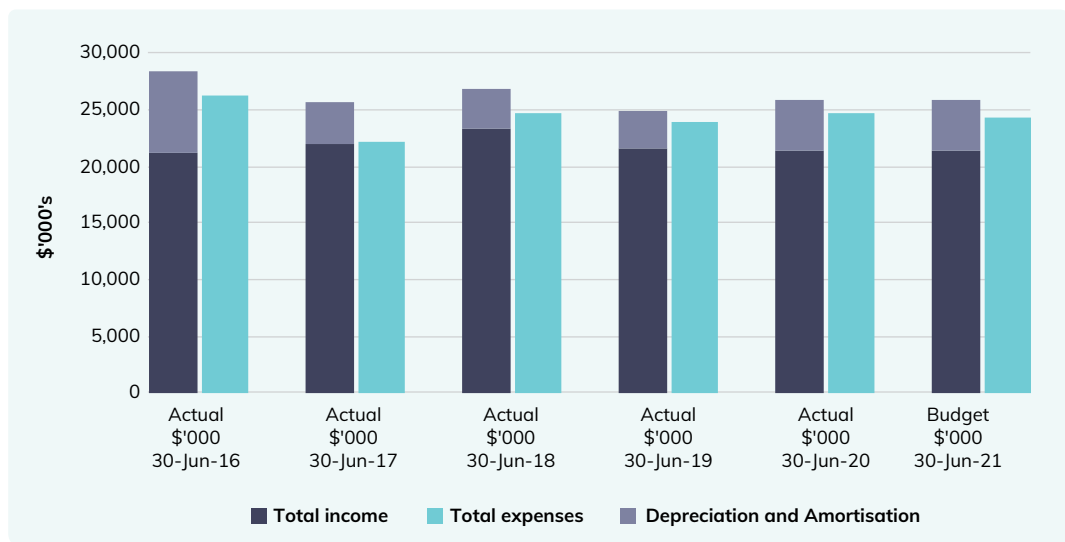
### Departmental activities

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

For 2019–20 the ARC recorded an operating deficit of \$3.5 million compared to the original budget position of \$3.3 million.

Figure 7 outlines the ARC's departmental financial performance over the past five years and the current budget for 2020–21. From 2019–20 Government funding is stable running at just over \$21 million per annum. Funding was higher in the years prior because of government relating to the *National Innovation and Science Agenda* and the PFAS Remediation Research Program. The increase in Depreciation and Amortisation expenses in 2019–20 and budgeted in 2020–21 compared to earlier years can be attributed to the adoption of the new leasing accounting standard which took effect from 1 July 2019.

**Figure 7: Departmental financial performance, 2015–16 to 2020–21**

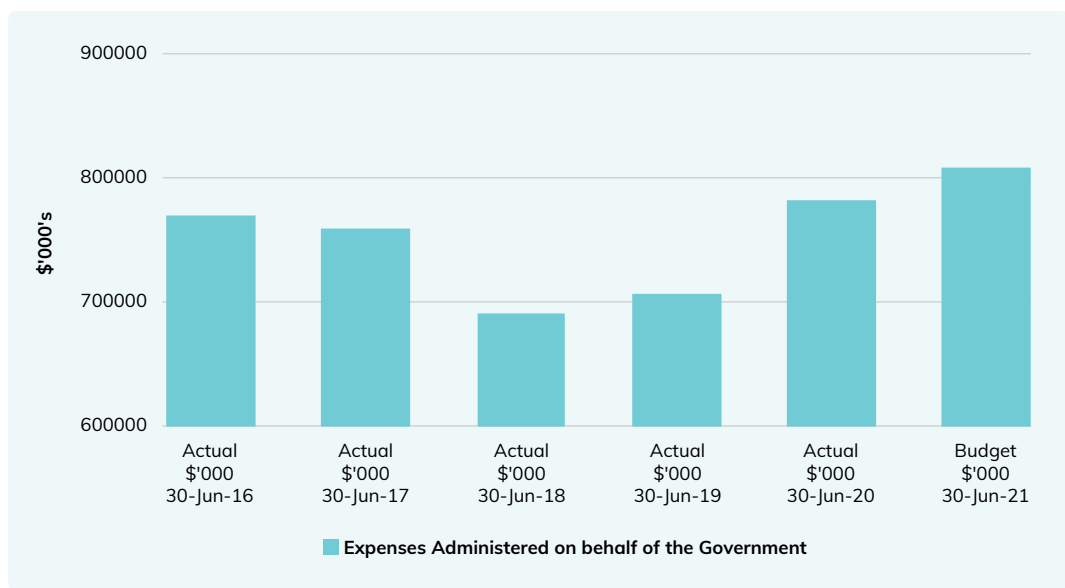


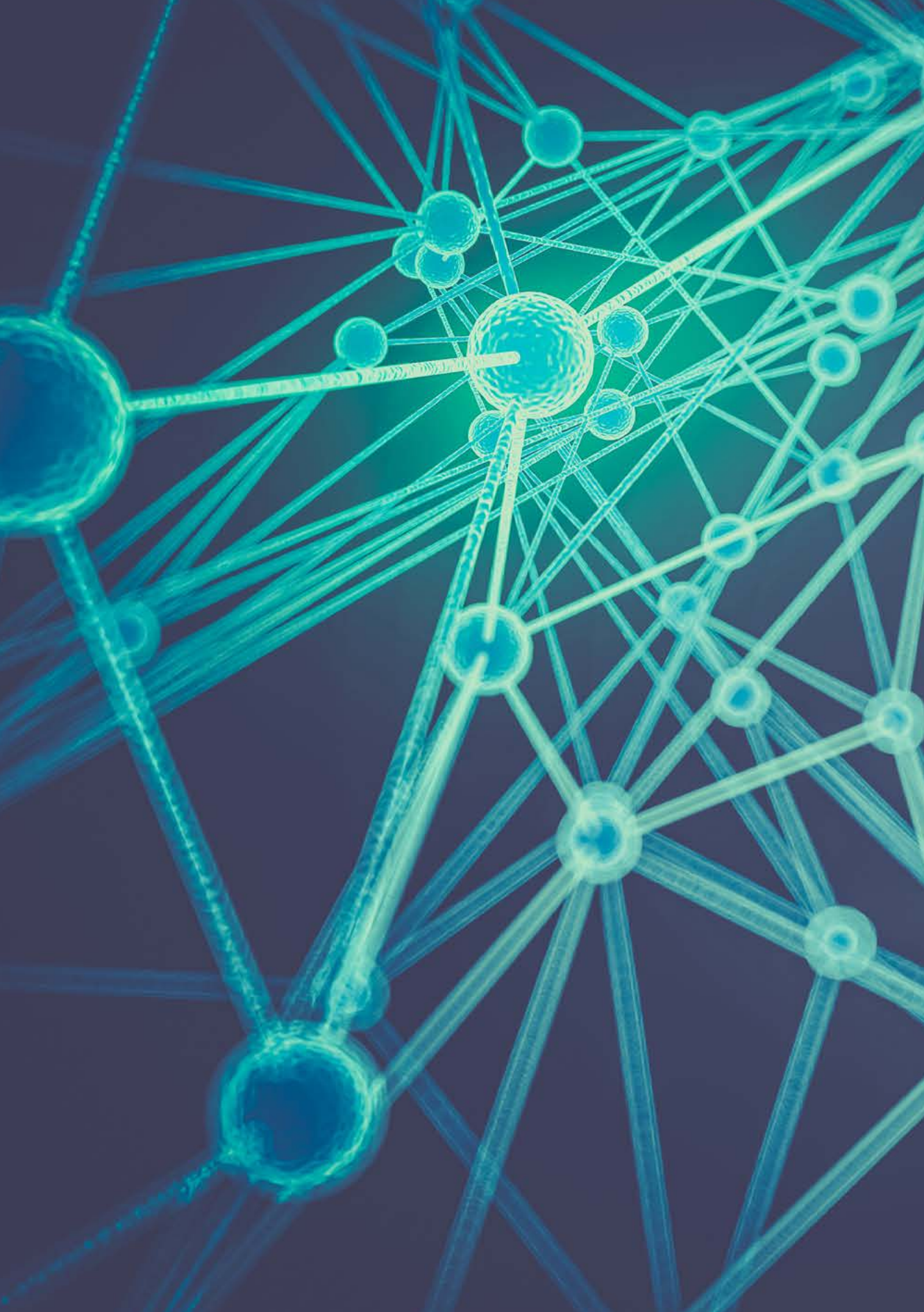
## Administered activities

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

Figure 8 outlines the ARC's administered financial expenditure over the past five years and the budget for 2020–21. The expenditure fluctuates from year to year and reflects the Government's priorities and the timing of when expenditure has been recognised.

**Figure 8: Administered financial performance, 2015–16 to 2020–21**







# Part 4

## Management and accountability

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## 4.1 Corporate governance

### Fraud management

In accordance with section 10 of the *Public Governance, Performance and Accountability Rule 2014* (PGPA Rule), the ARC CEO must take all reasonable measures to prevent, detect and deal with fraud relating to the agency. No instances of fraud were identified in 2019–20.

The ARC recognises the need for a sound and robust financial framework based on legal and ethical decision-making. Management has a key responsibility to ensure that the ARC's assets are safeguarded against loss by fraud or negligence. ARC staff are required to implement and adhere to fraud control procedures and report all instances of suspected fraud.

The *ARC Fraud Control Plan* complies with the *Australian/New Zealand Standard for Risk Management (AS/NZS ISO 31000: 2009)* and the *Commonwealth Fraud Control Framework 2017*. The plan was reviewed and updated in July 2020 and is due to be reviewed again in 2022. All potential fraud incidents are followed through until a resolution is achieved. The Chief Financial Officer reports all fraud and potential fraud incidents to the ARC Audit Committee meeting.

### Corporate governance structures and processes

#### Senior executive and their responsibilities

In 2019–20 the ARC's senior executive consisted of: the CEO; Executive General Manager; Branch Manager, Policy and Strategy; Branch Manager, Corporate Services and Branch Manager, Research Excellence. Two Executive Directors were appointed. The Executive Directors are academics drawn from the higher education and research sectors usually for a period of between three and five years. The ARC had three senior staff at 30 June 2020—the Chief Information Officer, Chief Financial Officer and Chief Program Officer.

There were four changes to the ARC's senior executive over the 2019–20 period. Dr Mary Kelly was engaged as the Executive Director for Biological Sciences and Biotechnology (BSB), Professor Bronwen Neil was engaged as the Executive Director for Humanities and Creative Arts (HCA) and Professor Therese Jefferson and Professor Joanne Tompkins ended their terms as Executive Directors.

## Responsibilities



### **Professor Sue Thomas—Chief Executive Officer**

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



### **Dr Tony Willis—Executive General Manager**

Dr Tony Willis plays a key senior leadership role in the organisation in support of the CEO, by providing advice on public service matters and by supporting a team of senior managers, with a particular focus on the Corporate Services, Research Excellence and Information and Communications Technology (ICT) Services branches. Other duties include being the agency's Chief Security Officer and Public Interest Disclosure Officer.



### **Ms Kylie Emery—Branch Manager, Policy and Strategy**

Ms Kylie Emery is responsible for the governance and corporate reporting, access, international and integrity policy, and grant policy and data sections. These areas involve responsibility for NCGP policy, non-financial corporate governance, risk management, research integrity, internal audit, ARC guidelines, and data provision and analysis activities. She is also currently the ARC's Diversity Champion.



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

Ms Julija Deleva oversees functions within the ARC relating to finance, legal services, people and services, program evaluation, stakeholder relations and parliamentary engagement. She became the ARC's Chief Financial Officer in 2009, and in September 2016 commenced in the role of Branch Manager, Corporate Services. She is also currently the ARC's Indigenous Champion.



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

Ms Sarah Howard is responsible for the ongoing implementation of the Excellence in Research for Australia (ERA) program, and the development and implementation of the Engagement and Impact (EI) assessment. Ms Howard oversees the management of the longitudinal datasets for these evaluation programs, as well as the provision of policy advice on research evaluation and the state of the Australian university research landscape more broadly.



**Professor Therese Jefferson—Executive Director, Social, Behavioural and Economic Sciences (SBE)**

Professor Therese Jefferson was responsible for SBE issues and NCGP funding schemes. Professor Jefferson joined the ARC in February 2017. Previously, Professor Jefferson was a Research Fellow at Curtin University of Technology, within the Curtin Business School. Professor Jefferson's research expertise lies in the gendered aspects of employment, economic security and labour markets, with a special interest in the economic well-being of people in later life and the use of mixed methodologies in economics. Professor Therese Jefferson ended her term as an Executive Director on 12 February 2020.



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

Dr Mary Kelly joined the ARC in February 2020. Prior to this, Dr Kelly has served as an Adjunct Executive Director for the ARC. In 2019 Dr Kelly was inaugural Director of the *Centre for Entrepreneurial Agri-Technology*, a joint initiative of the Australian National University and the Commonwealth Scientific and Industrial Research Organisation, and from 2015 to 2018 Dr Kelly was Deputy Vice-Chancellor Research, Development and Industry at Charles Sturt University.



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

Dr Robert Mun is responsible for EIS issues and NCGP funding schemes. Dr Mun joined the ARC in May 2018. Previously, Dr Mun was Branch Head at the Defence Science and Technology Group with the Australian Department of Defence, and Scientific Advisor to the Navy and also to the Defence Material Organisation. Dr Mun's research expertise relates to chemical engineering. He managed the Department of Defence's Capability and Technology Demonstrator Program, a grant funding scheme promoting innovative defence technologies.



**Professor Bronwen Neil—Executive Director, Humanities and Creative Arts (HCA)**

Professor Bronwen Neil joined the ARC in June 2020 as Executive Director of HCA. She is seconded from Macquarie University where she is Professor of Byzantine History in the Department of Ancient History. She joined Macquarie in 2017 while an ARC Future Fellow and in 2019 became the inaugural director of the university-funded research *Centre for Ancient Cultural Heritage & Environment (CACHE)*.



**Professor Joanne Tompkins—Executive Director, Humanities and Creative Arts (HCA)**

Professor Joanne Tompkins was responsible for HCA issues and NCGP funding schemes. Professor Tompkins joined the ARC in April 2017. Previously, she was Associate Dean (Research) in the Faculty of Humanities and Social Sciences at The University of Queensland. Professor Tompkins' research expertise lies in the humanities and creative arts, particularly in spatial theories and virtual reality, multicultural theories and drama, intercultural performance and feminist performance. Professor Joanne Tompkins's ended her term as an Executive Director on 30 June 2020.

## ARC committees and their roles

The ARC's committees support activities across four key areas:

- governance
- administration of the NCGP
- administration of ERA and the EI assessment
- research integrity matters arising from ARC-funded research.

### Governance

#### Senior Management Group

The Senior Management Group (SMG) supports the CEO to deliver her responsibilities under the ARC Act, the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and the *Public Service Act 1999* (PS Act). It oversees management of the ARC, monitors and reviews the agency's operations and ensures effective communication of the ARC's priorities to all business areas.

The SMG generally meets every two weeks and consists of: the CEO; Executive General Manager; Branch Manager, Policy and Strategy; Branch Manager, Corporate Services; Branch Manager, Research Excellence; Chief Information Officer; Chief Financial Officer; Chief Program Officer; and Director, People and Services.

To assist the SMG and the CEO to discharge their duties the ARC has a number of management committees and boards. They include:

- Business Continuity Committee, which ensures that the Business Continuity Plan (BCP) remains current and practical, and is tested on a scheduled basis to minimise the likelihood and/or consequence of any potential risk exposure to the ARC's core business processes
- Diversity Working Group, which integrates diversity and equity matters into workplace practice
- Information Technology (IT) Governance Committee, which reviews the ARC's ICT service requirements, and provides recommendations on priorities for the ICT Services Branch
- People Management and Development Committee, which provides a forum for the ARC to consult with employees and their representatives about workplace issues
- Planning and Reporting Committee, which provides advice on all elements of the ARC's planning and reporting framework
- Program, Strategy and Executive Committee, which provides advice and recommendations on policy and programs as they relate to the NCGP
- Security Governance Committee, which oversees adherence to physical, personal and IT security measures
- 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 ARC's work health and safety policies and practices.

## Audit Committee

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

The Audit Committee is established by the CEO in compliance with the PGPA Act and PGPA Rule (section 17). Its functions and responsibilities are detailed in the *ARC Audit Committee Charter*, which is reviewed annually or as required. The charter is available on the ARC web site, [www.arc.gov.au](http://www.arc.gov.au) > *About ARC* > *ARC Profile* > *ARC Committees* > [ARC Audit Committee](#). Members are a mix of internal and external appointments who collectively possess a broad range of skills and experience relevant to the operations of the ARC (Table 2). During 2019–20 the ARC Audit Committee held five meetings.

**Table 2: Membership of the ARC Audit Committee, 2019–20**

Member name	Qualifications, knowledge, skills or experience (include formal and informal as relevant)	Number of meetings attended / total number of meetings	Total annual remuneration
Mr G Rankin, External member (Chair)	Public service governance and management  Understanding of the higher education sector	4/4	\$10,725
Mr C Brookes, External member	Public service governance and management.  ICT and cyber security.	4/5	\$0
Ms J Satrapa, Internal member	Public service governance and management.  Strategic procurement, program management and grants administration	5/5	\$0
Mrs K Toole, External member	Accounting and financial management  Public sector and industry financial and audit experience	5/5	\$7,146.26
Mr J Withers, Internal member	Public service governance and management  Understanding of ARC processes and activities	5/5	\$0

## ARC Advisory Council

The ARC Advisory Council provides strategic advice to the CEO on issues relating to the purpose of the ARC. This includes feedback on strategic planning; policy matters relating to innovation, research and research training; and the evaluation of the quality and outcomes of research and research training in an international context.

The Advisory Council is chaired by the CEO and comprises up to nine additional members appointed by the CEO on the basis of their distinguished academic research records or achievements in business research and development (Table 3). Seven members of the Advisory Council continued their appointment in 2019–20. The Advisory Council met twice in 2019–2020, on 4 September 2019 and 17 March 2020.

**Table 3: Membership of the ARC Advisory Council, 2019–20**

Member, Institution	Date of appointment	Expiry of appointment
Professor S Thomas, ARC (Chair)	03/07/2017	30/07/2022
Professor K Hall, The University of Newcastle	01/07/2018	30/06/2020
Professor D Ivison, The University of Sydney	01/07/2018	30/06/2020
Professor D Lloyd, University of South Australia	01/07/2018	30/06/2020
Ms L Crosswell, Museums Victoria	01/07/2018	30/06/2020
Mr M McKenzie, Council of Small Business Australia	01/07/2018	30/06/2020
Professor C Shannon, Griffith University	01/07/2018	30/06/2020
Professor D Terry, Curtin University	01/07/2018	30/06/2020

## Administration of the National Competitive Grants Program

### ARC College of Experts

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

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

As at 30 June 2020, the College comprised 195 members, including 58 new members appointed for 2020. In the 2020 nomination round, strong emphasis was placed on multi-disciplinary and cross-disciplinary expertise, with high regard also placed on applicants with a strong assessor history. In addition, nominations from women, people of Aboriginal or Torres Strait Islander origin, and end-users

across the private, public and not-for-profit sectors were particularly encouraged. This year, to ensure that the available expertise reflects the range of applications received by the ARC, three existing members received extensions to continue as members of the College. Continuing to support the *ARC Reconciliation Action Plan*, ten Aboriginal and Torres Strait Islander College members were retained. A list of members is on the ARC website, [www.arc.gov.au](http://www.arc.gov.au) > About > ARC Profile > ARC Committees > [ARC College of Experts](#).

### Selection Advisory Committees

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

For most schemes, the SAC will be divided into three, four or five broad disciplinary panels. For specialist and highly prestigious schemes such as the *Australian Laureate Fellowships*, *Linkage Infrastructure, Equipment and Facilities*, *Linkage Projects*, *Industrial Transformation Training Centres*, *Industrial Transformation Research Hubs (ITRH)*, *Special Research Initiatives* and *ARC Centres of Excellence (CoE)* schemes, the SAC consists of a single interdisciplinary panel.

### National Competitive Grants Program 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 appeals should be allowed or dismissed. This committee also provides general advice to the ARC about modifications and improvements to the ARC's administrative processes. It consists of external members appointed by the CEO. The 2019 members were Emeritus Professor H Bachor, Dr K Anderson, Ms E Carroll and Emeritus Professor B Lohmann. In 2020 members were Dr K Anderson, Ms E Carroll, Emeritus Professor B Lohmann and Professor M Harding. The NCGP Appeals Committee met three times in 2019–20.

### National Competitive Grants Program Eligibility Committee

The NCGP Eligibility Committee considers all eligibility issues identified for applications submitted under the NCGP. The committee—comprising ARC Executive Directors and the Branch Manager, Policy and Strategy—provides eligibility recommendations to the CEO based on the eligibility criteria set out in the relevant Grant Guidelines.

### National Competitive Grants Program Scrutiny Committee

The NCGP Scrutiny Committee examines the probity of ARC assessment processes for applications submitted by SAC members and/or ARC staff. This committee comprises members appointed by the CEO. In 2019 and 2020 the members were Professor D Sharma, Professor D Siddle, Mr J Withers and Professor J Fitness. The NCGP Scrutiny Committee met twice in 2019–20.

## Medical Research Advisory Group

The ARC's Medical Research Advisory Group (MRAG) is responsible for providing additional technical advice regarding medical eligibility for selected applications under consideration by the NCGP Eligibility Committee. Where the NCGP Eligibility Committee considers that additional expertise is required to determine eligibility, the application is referred to at least two MRAG members for written advice. Once this technical advice has been received, the NCGP Eligibility Committee determines medical research eligibility recommendations.

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

## Administration of Excellence in Research for Australia and the Engagement and Impact assessment

### ERA EI Review Advisory Committee

The ARC established an Advisory Committee for the review of ERA and EI in 2019–20. The Committee, comprising experts from government, universities and research end-users, as well as experts in research evaluation, provides advice to the ARC CEO based on their expertise and in response to feedback received through the review consultation process.

### Australian Research Integrity Committee

The Australian Research Integrity Committee (ARIC) currently comprises seven expert members (Table 4) and reports to both the ARC and the National Health and Medical Research Council.

In 2019–20 Ms Patricia Kelly replaced Mr Ron Brent as Chair of ARIC. The appointments of Dr Kerry Breen and Emeritus Professor Shelia Shaver expired in December 2019 and Emeritus Professor John Finlay-Jones joined ARIC as a member in April 2020.

During 2019–20 the ARIC ARC secretariat received three requests for review. It also continued consideration of one case related to a request for review that was received in 2018–19. In relation to the four ARIC-ARC matters active in 2019–20:

- one review that commenced prior to 1 July 2019 was finalised and the outcome communicated to the relevant parties by the ARC
- three requests for review were determined to be within the scope of ARIC. One of these reviews was finalised and the outcome communicated to the relevant parties by the ARC
- the other two reviews remained ongoing as at 30 June 2020.

**Table 4: Membership of the Australian Research Integrity Committee, 2019–20**

Member	Year of current appointment	Expiry of current appointment
Ms P Kelly (Chair)	April 2020	March 2023
Ms J Hamblin (Deputy Chair)	April 2020	March 2023
Mr M Chilcott	April 2020	March 2023
Emeritus Professor A Lawson	April 2020	March 2023
Professor M Otlowski	April 2020	March 2023
Emeritus Professor J Reid	April 2020	March 2023
Emeritus Professor J Finlay-Jones	April 2020	March 2023
Mr R Brent (former Chair)	January 2017	March 2020
Dr K Breen (former member)	January 2017	December 2019
Emeritus Professor S Shaver (former member)	January 2017	December 2019

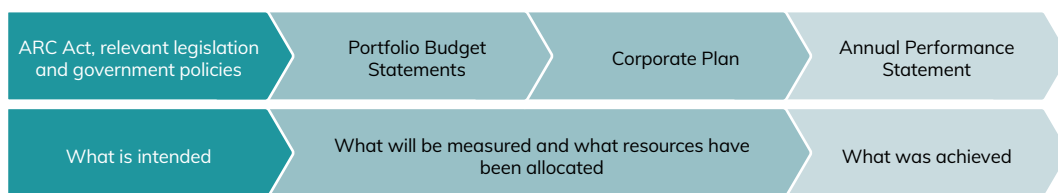
### Planning and reporting arrangements

The ARC's performance measurement framework is consistent with the requirements of the PGPA Act and the enhanced Commonwealth Performance Framework.

The ARC's performance measurement framework ensures there is a clear line of sight between the performance criteria published in the ARC's PBS and Corporate Plan, and the performance outcomes documented in the Annual Performance Statement. Together, these documents provide the ARC's complete performance story.

In addition to published performance information, the ARC's performance measurement framework is supported by internal operational planning, monitoring and reporting processes.

**Figure 9: External planning and reporting framework**



During 2019–20 the ARC:

- published the *ARC Annual Report 2018–19*
- published the *ARC Corporate Plan 2019–20*.

## Internal audit arrangements and risk management

### Internal audit

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

The ARC’s internal audit function is managed by the Head, Internal Audit, who is the Branch Manager, Policy and Strategy. The internal auditor role is outsourced to an independent service provider and reports to the Audit Committee through the Head, Internal Audit. In 2019–20 the ARC’s internal auditor was McGrathNicol Advisory Partnership.

McGrathNicol assisted in the development of an annual internal audit work plan and undertook the following audits during 2019–20:

- Review of NCGP Assurance Framework
- Business Continuity Planning
- Declarations/Conflict of Interest.

A fourth audit on fraud control was commenced but due to COVID-19 was unable to be finalised. It is anticipated this audit will be completed in 2020–21.

### Risk

#### Framework

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

In line with the RM Policy, the ARC’s Risk Management Framework (the risk framework) is a comprehensively designed package underpinned by six key components—a Risk Management Policy, a Risk Management Plan and Toolkit, an operational risk register, a strategic risk register, a fraud risk

register and a network of risk champions. The risk framework is designed to minimise the possibility of loss or damage to operations, staff, property, reputation and assets, while recognising opportunities to meet the stated objectives of the entity within a good corporate governance framework.

The annual review of the risk framework by SMG, included the ARC adopting principles of risk management to communicate the value, intention and purpose of the risk framework and its associated processes. The principles of risk management at the ARC are:

- integrated—embedded in all organisational activities
- structured and comprehensive—contributing to consistent and comparable results
- customised—to be proportionate to the ARC's context
- inclusive—of the ARC's internal and external stakeholders capturing their knowledge, and improving awareness
- dynamic—anticipating and responding to change in the ARC's context in an appropriate and timely manner
- utilising the best information available—taking into account historical and current information as well as future expectations and any limitations associated with the information
- human and cultural factors— these are considered as significant influences in all aspects of risk management
- continual improvement—through education and increasing experience.

### Contribution of risk management to achieving objectives

The ARC Strategic Risks for 2019–20 were reviewed by SMG and established in May 2019. The ARC identified four strategic risks aligned to the three key activities outlined in the ARC Corporate Plan. In March 2020 SMG conducted a mid-year review of the ARC's strategic risks for 2019–20 to ensure that they remained relevant for any emerging risks that could impact on the ARC achieving its outcomes, priorities and objectives. Controls, causes and consequences for each risk were updated to ensure the strategic risks remained relevant, effective and appropriate.

The ARC reviewed its operational risks in September 2019 and May 2020. This biannual activity is designed to ensure that business areas have a risk approach embedded into processes and planning aimed to deliver against the activities outlined in the Corporate and Operational Plans.

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

## Business continuity and disaster recovery

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

In 2019–20 the ARC:

- conducted disaster recovery testing in accordance with the DRP
- enhanced data protection capabilities
- held seven meetings of the BCP Committee
- tested the capability of ARC staff to work from home
- enacted the BCP in relation to ARC critical functions and redeployed internal staff to assist in these functions.

## Ethical standards

### As a public service agency

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

- the ARC's guiding principles, which include 'accountability through transparent, efficient and effective processes and adherence to ethical standards'
- the incorporation of ethical standards into ARC governance policies and guidelines
- the incorporation of ARC values into performance agreements
- an Ethics, Integrity and Fraud page on the ARC intranet site, as well as the Australian Public Service Commission (APSC) Ethics Advisory Service, [www.apsc.gov.au](http://www.apsc.gov.au) > *Working in the APS > Integrity > Ethics Advisory Service*
- an ARC Ethics Contact Officer.

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

Data collected for the State of the *Service Report Census*, conducted by the APSC in 2019, showed that 80 per cent of ARC staff believed that ARC senior executives act in accordance with the APS values, compared to 73 per cent APS-wide.

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

## As a research funding agency

### ARC Research Integrity and Research Misconduct Policy

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

The ARC was notified of, or identified, 40 new matters relating to actual or potential breaches of the Code or research misconduct in 2019–20. This included matters reported by institutions, as well as concerns identified through ARC business or by members of the public. In addition, 20 matters reported or identified prior to 1 July 2019 were still active or re-opened in 2019–20.

Of the 60 matters that were active in 2019–20, 40 were finalised as at 30 June 2020. This included:

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

As at 30 June 2020, 20 active matters were being assessed or investigated by institutions, and/or considered by the ARC.

### National codes and statements on research ethics

All ARC-funded research projects must adhere to the Code. In June 2018 the ARC, the NHMRC and Universities Australia (UA) released a revised version of the Code and the Investigation Guide. In 2019–20 the ARC has continued to work closely with the NHMRC and UA to promote the new *Code and the Investigation Guide*. Further supplementary guidance documents have been developed to support implementation of the principles and responsibilities in the Code.

From 1 July 2019 all institutions have been required to comply with the expectations of the 2018 Code. Where applicable, ARC-funded research projects must also comply with:

- *The National Statement on Ethical Conduct in Human Research (2007, updated in 2018)*
- *Ethical Conduct in Research with Aboriginal and Torres Strait Islander Peoples and Communities (2018)*
- *Australian Council for Arts, Indigenous Cultural Protocols for Producing Indigenous Australian Music, Writing, Visual Arts, Media Arts and Performing Arts (2007)*
- *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).*

### Service delivery and complaints handling

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

The *ARC Complaints Handling and Appeals Policy* assists clients to make a general complaint about the ARC or submit an appeal about the administrative processes of the NCGP. In 2019–20 the ARC received:

- one general complaint about the ability to add and link into the ARC's Research Management System publications to applications
- one complaint about an assessor's comments on a research application
- thirty-seven appeals relating to applications submitted for funding under the NCGP, two of which were upheld.

## Non-compliance with finance law

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



## 4.2 External scrutiny

### Judicial decisions, decisions of administrative tribunals and by the Australian Information Commissioner

There were no decisions from any Court during 2019–20 that had, or may have, a significant impact on the operations of the ARC.

There were also no decisions from administrative tribunals or the Office of the Australian Information Commissioner during 2019–20 that had, or may have, a significant impact on the operations of the ARC.

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

During 2018–19 the Australian National Audit Office (ANAO) undertook a performance audit of the ARC's administration of the NCGP. In the ANAO's report No. 5 (2019–20) on the *Australian Research Council's Administration of the National Competitive Grants Program*, released on 1 August 2019, three recommendations were made. The ARC has completed one of the recommendations and is implementing the other remaining two.

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

### Parliamentary Services and reporting to Parliamentary Committees

The ARC provides high-quality parliamentary services to support the agency and the Minister in fulfilling their accountability requirements. These services include: processing, monitoring and quality-assuring ministerial correspondence and briefings; coordinating Question Time Briefs and Senate Estimates; liaising; and supporting the senior executive and the Minister's office.

In February 2020 the Senate Education and Employment Legislation Committee released its report on Annual Reports for the agencies for which it is responsible, titled *Annual Reports (No. 1 of 2020)*. The committee assessed the *ARC Annual Report 2018–19* as meeting all requirements under the PGPA Rule relating to the letter of transmittal, the inclusion of audit reports, style and formatting, and the assessment of performance against targets.

During 2019–20 the ARC appeared before the Senate Education and Employment Legislation Committee for:

- Supplementary Estimates—October 2019
- Additional Estimates—March 2020.

From these hearings, the ARC received 90 Questions on Notice, all of which were tabled on time.

Budget Estimates were scheduled to take place in May 2020 but have been postponed until October 2020 due to the COVID-19 pandemic.

## Reports to Parliamentary Committees

### Joint Committee of Public Accounts and Audit (JCPAA)

In November 2019, the Joint Committee of Public Accounts and Audit (JCPAA) ) commenced an inquiry into the Administration of Government Grants: Inquiry into Auditor-General's Reports No.5, 12 and 23 (2019–20). Report No.5 was the ARC's Administration of the National Competitive Grants Program. The ARC provided evidence and a submission.

### Submissions and Inquiries

The ARC also prepared submissions to parliamentary committee inquiries during the year. ARC submissions were lodged directly to the relevant committees, or input was provided to the responsible department.

## Reports on ARC operations by the Commonwealth Ombudsman

During 2019–20 there were no investigations commenced by the Commonwealth Ombudsman's Office into ARC business.

## Agency capability reviews

No capability reviews of the ARC were conducted or released during 2019–20.



## 4.3 Management of human resources

### Effectiveness in managing and developing staff

#### Workforce planning, staff retention and turnover

During 2019–20 the ARC reviewed its priorities for the year and the need for staff in particular areas to support those priorities. The ARC maximised opportunities to develop a flexible and responsive workforce by:

- enabling staff rotations to support staff development
- encouraging staff to assist with NCGP and ERA processes during peak periods of activity
- providing targeted training opportunities
- providing opportunities to work at higher levels during staff absences
- ensuring relevant knowledge management and sharing processes were in place.

In 2019–20 staff turnover figures were much lower than in previous years, with 14 separations recorded compared to 31 in 2018–19. Seven of these separations were for career opportunities inside or outside the APS.

#### Employment agreements

During 2019–20 the ARC employed non-Senior Executive Service (SES) staff under the following arrangements:

- **ARC Enterprise Agreement 2017–2020:** Under this agreement ARC employees receive a productivity salary increase of two per cent upon commencement of the agreement, two per cent after 12 months, and two per cent after 24 months service.
- **Australian Workplace Agreements (AWAs):** AWAs are formalised individual agreements negotiated by the employer and employee. Changes to the *Workplace Relations Act 1996* stipulated that no new AWAs could be entered into on or after 13 February 2008. The ARC has a small number of staff on AWAs that were negotiated before those changes were enacted.
- **Individual Flexibility Arrangements (IFAs):** Employees covered by the *ARC Enterprise Agreement 2017–2020* may agree to make an IFA to vary the effect of terms of the agreement. IFAs within the ARC generally deal with retention allowances or remuneration, allowing the CEO to ensure the employment conditions of specialised employees reflect market forces and experience.

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

## Training and development

ARC training and development activities are conducted within the framework of the agency's *Learning and Development Strategy 2019–2020*. This strategy aims to equip ARC staff with appropriate training opportunities to ensure the agency has access to the skills and knowledge required to achieve its objectives.

In the 2019 APS Employee Census, 83 per cent of ARC staff indicated that they believed the ARC provided access to effective learning and development opportunities compared to 69 per cent for the APS as a whole.

In 2019–20 the ARC's People and Services Section coordinated access to a range of training opportunities including eLearning, in-house training, and external opportunities such as coaching and studies assistance.

### In-house training

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

- Data Literacy Module 1 — Using Data in the APS
- Data Literacy Module 2 — Undertaking Research
- Data Literacy Module 3 — Using statistics
- Data Literacy Module 4 — Visualising information
- Data Literacy Module 5 — Providing evidence to decision makers
- Introduction to Risk in the Commonwealth
- Managing Projects with Microsoft Teams.

In 2019–20 all new starters to the ARC also participated in the APSC's APS Induction Portal trial.

The ARC also provided staff with access to a range of further training opportunities, including:

- Bystander to Upstander training
- The Art of Conversation
- APS Career Coaching
- Management in Action
- Responding to Expressions of Interest
- How to prepare for Interviews
- Essential Writing (APS 5/6 staff)
- Cyber and Data Security
- Deconstructing, Decoding and Demystifying ARC Committee Contracts
- Mental Health: Managing for Team Wellbeing
- Public Information Disclosure
- Aboriginal insights: Engaging with Aboriginal communities
- Career coaching (APS 6 staff).

## Work health and safety performance

The ARC's Workplace Health and Safety (WHS) arrangements, provided in accordance with Schedule 2, Part 4 of the *Work Health and Safety Act 2011* (WHS Act), are reported in Appendix 5.

## Productivity gains

During 2019–20 the ARC continued to review its procedures to streamline administrative processes and systems for ARC staff and NCGP, ERA and EI stakeholders. In addition, the ARC:

- streamlined grant guidelines and grant agreements to multi-year documents
- streamlined NCGP application forms
- enhanced the automated population of research output data into NCGP application forms
- improved functionality and automation for eligibility management in NCGP application forms
- introduced establishment toolkits to assist new cohorts of ARC CoE and the ITRH scheme
- increased the amount of ERA and EI data which is publicly available and searchable through the ARC Data Portal.

## Diversity

The ARC Workforce Diversity Program provides the framework for a number of diversity plans and policies including the *Multicultural Access and Equity Plan*, *Discrimination and Harassment-Free Workplace Policy* and *ARC Reconciliation Action Plan*.

In 2019–20 the ARC:

- required all staff to complete Bystander to Upstander training
- enabled several staff to attend Aboriginal insights: Engaging with Aboriginal communities training
- discussed diversity, and assessed agency outcomes, through the ARC Diversity Working Group's Diversity Program
- required all staff to take part in online National Reconciliation Week activities
- participated in National Aborigines and Islanders Day Observance Committee week activities
- publicised R U OK? Day to raise awareness of the importance of meaningful conversations with colleagues to foster mental health
- continued to encourage use of the Employee Assistance Program
- participated in 'Wear it Purple Day' morning tea to foster supportive, safe and accepting environments for the young LGBTIQ+ community.

# Staff statistics

## Overview

**Table 5: All ongoing employees, current reporting period (as at 30 June 2020)**

	Male			Female			Indeterminate			Total
	Full Time	Part Time	Total	Full Time	Part Time	Total	Full Time	Part Time	Total	
NSW	0	0	0	0	0	0	0	0	0	0
QLD	0	0	0	0	0	0	0	0	0	0
SA	0	0	0	0	0	0	0	0	0	0
TAS	0	0	0	0	0	0	0	0	0	0
VIC	0	0	0	0	0	0	0	0	0	0
WA	0	0	0	0	0	0	0	0	0	0
ACT	37	2	39	74	22	96	0	0	0	135
NT	0	0	0	0	0	0	0	0	0	0
External Territories	0	0	0	0	0	0	0	0	0	0
Overseas	0	1	1	0	0	0	0	0	0	1
<b>Total</b>	<b>37</b>	<b>3</b>	<b>40</b>	<b>74</b>	<b>22</b>	<b>96</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>136</b>

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

**Table 6: All non-ongoing employees, current reporting period (as at 30 June 2020)**

	Male			Female			Indeterminate			Total
	Full Time	Part Time	Total	Full Time	Part Time	Total	Full Time	Part Time	Total	
NSW	0	0	0	0	0	0	0	0	0	0
QLD	0	0	0	0	0	0	0	0	0	0
SA	0	0	0	0	0	0	0	0	0	0
TAS	0	0	0	0	0	0	0	0	0	0
VIC	0	0	0	0	0	0	0	0	0	0
WA	0	0	0	0	0	0	0	0	0	0
ACT	1	0	1	8	2	10	0	0	0	11
NT	0	0	0	0	0	0	0	0	0	0
External Territories	0	0	0	0	0	0	0	0	0	0
Overseas	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>8</b>	<b>2</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>11</b>

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

**Table 7: All ongoing employees, previous reporting period (as at 30 June 2019)**

	Male			Female			Indeterminate			Total
	Full Time	Part Time	Total	Full Time	Part Time	Total	Full Time	Part Time	Total	
NSW	0	0	0	0	0	0	0	0	0	0
QLD	0	0	0	0	0	0	0	0	0	0
SA	0	0	0	0	0	0	0	0	0	0
TAS	0	0	0	0	0	0	0	0	0	0
VIC	0	0	0	0	0	0	0	0	0	0
WA	0	0	0	0	0	0	0	0	0	0
ACT	35	4	39	68	27	95	0	0	0	134
NT	0	0	0	0	0	0	0	0	0	0
External Territories	0	0	0	0	0	0	0	0	0	0
Overseas	0	1	1	0	0	0	0	0	0	1
<b>Total</b>	<b>35</b>	<b>5</b>	<b>40</b>	<b>68</b>	<b>27</b>	<b>95</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>135</b>

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

**Table 8: All non-ongoing employees, previous reporting period (as at 30 June 2019)**

	Male			Female			Indeterminate			Total
	Full Time	Part Time	Total	Full Time	Part Time	Total	Full Time	Part Time	Total	
NSW	0	0	0	0	0	0	0	0	0	0
QLD	0	0	0	0	0	0	0	0	0	0
SA	0	0	0	0	0	0	0	0	0	0
TAS	0	0	0	0	0	0	0	0	0	0
VIC	0	0	0	0	0	0	0	0	0	0
WA	0	0	0	0	0	0	0	0	0	0
ACT	1	0	1	1	1	2	0	0	0	3
NT	0	0	0	0	0	0	0	0	0	0
External Territories	0	0	0	0	0	0	0	0	0	0
Overseas	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>

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

## Gender

**Table 9: Number of ongoing employees by gender, current reporting period (as at 30 June 2020)**

	Male			Female			Indeterminate			Total
	Full Time	Part Time	Total	Full Time	Part Time	Total	Full Time	Part Time	Total	
SES 3	0	0	0	0	0	0	0	0	0	0
SES 2	1	0	1	0	0	0	0	0	0	1
SES 1	0	0	0	3	0	3	0	0	0	3
EL 2	10	0	10	9	2	11	0	0	0	21
EL 1	11	0	11	18	6	24	0	0	0	35
APS 6	10	1	11	25	8	33	0	0	0	44
APS 5	2	2	4	14	5	19	0	0	0	23
APS 4	3	0	3	4	1	5	0	0	0	8
APS 3	0	0	0	0	0	0	0	0	0	0
APS 2	0	0	0	1	0	1	0	0	0	1
APS 1	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>37</b>	<b>3</b>	<b>40</b>	<b>74</b>	<b>22</b>	<b>96</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>136</b>

Note: CEO is not included in this table

**Table 10: Number of non-ongoing employees by gender, current reporting period (as at 30 June 2020)**

	Male			Female			Indeterminate			Total
	Full Time	Part Time	Total	Full Time	Part Time	Total	Full Time	Part Time	Total	
SES 3	0	0	0	0	0	0	0	0	0	0
SES 2	0	0	0	0	0	0	0	0	0	0
SES 1	0	0	0	0	0	0	0	0	0	0
EL 2	0	0	0	1	0	1	0	0	0	1
EL 1	0	0	0	1	0	1	0	0	0	1
APS 6	0	0	0	3	0	3	0	0	0	3
APS 5	0	0	0	0	0	0	0	0	0	0
APS 4	1	0	1	2	0	2	0	0	0	3
APS 3	0	0	0	0	1	1	0	0	0	1
APS 2	0	0	0	1	1	2	0	0	0	2
APS 1	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>8</b>	<b>2</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>11</b>

Note: CEO is not included in this table

**Table 11: Number of ongoing employees by gender, previous reporting period (as at 30 June 2019)**

	Male			Female			Indeterminate			Total
	Full Time	Part Time	Total	Full Time	Part Time	Total	Full Time	Part Time	Total	
SES 3	0	0	0	0	0	0	0	0	0	0
SES 2	1	0	1	0	0	0	0	0	0	1
SES 1	1	0	1	3	0	3	0	0	0	4
EL 2	8	1	9	8	1	9	0	0	0	18
EL 1	11	2	13	21	5	26	0	0	0	39
APS 6	10	1	11	19	9	28	0	0	0	39
APS 5	2	1	3	17	5	22	0	0	0	25
APS 4	2	0	2	5	1	6	0	0	0	8
APS 3	0	0	0	0	0	0	0	0	0	0
APS 2	0	0	0	1	0	1	0	0	0	1
APS 1	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>35</b>	<b>5</b>	<b>40</b>	<b>74</b>	<b>21</b>	<b>95</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>135</b>

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

**Table 12: Number of non-ongoing employees by gender, previous reporting period (as at 30 June 2019)**

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

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

## Full-time/part-time employment arrangements

**Table 13: Employees by full-time and part-time status, current reporting period (as at 30 June 2020)**

	Ongoing			Non-Ongoing			Total
	Full Time	Part Time	Total	Full Time	Part Time	Total	
SES 3	0	0	0	0	0	0	0
SES 2	1	0	1	0	0	0	1
SES 1	3	0	3	0	0	0	3
EL 2	19	2	21	1	0	1	22
EL 1	29	8	37	1	1	2	39
APS 6	35	9	44	3	0	3	47
APS 5	16	5	21	0	0	0	21
APS 4	7	1	8	3	0	3	11
APS 3	0	0	0	0	0	0	0
APS 2	1	0	1	1	1	2	3
APS 1	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0
<b>Total</b>	<b>111</b>	<b>25</b>	<b>136</b>	<b>9</b>	<b>2</b>	<b>11</b>	<b>147</b>

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

**Table 14: Employees by full-time and part-time status, previous reporting period (as at 30 June 2019)**

	Ongoing			Non-Ongoing			Total
	Full Time	Part Time	Total	Full Time	Part Time	Total	
SES 3	0	0	0	0	0	0	0
SES 2	1	0	1	0	0	0	1
SES 1	4	0	4	0	0	0	4
EL 2	16	2	18	0	0	0	18
EL 1	29	10	39	0	0	0	39
APS 6	29	10	39	1	0	1	40
APS 5	16	9	25	0	0	0	25
APS 4	7	1	8	1	0	1	9
APS 3	0	0	0	0	1	1	1
APS 2	1	0	1	0	0	0	1
APS 1	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0
<b>Total</b>	<b>103</b>	<b>32</b>	<b>135</b>	<b>2</b>	<b>1</b>	<b>3</b>	<b>138</b>

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

## Location

**Table 15: Employment type by location, current reporting period (as at 30 June 2020)**

	Ongoing	Non-Ongoing	Total
NSW	0	0	0
QLD	0	0	0
SA	0	0	0
TAS	0	0	0
VIC	0	0	0
WA	0	0	0
ACT	135	11	146
NT	0	0	0
External Territories	0	0	0
Overseas	1	0	1
<b>Total</b>	<b>136</b>	<b>11</b>	<b>147</b>

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

**Table 16: Employment type by location, previous reporting period (as at 30 June 2019)**

	Ongoing	Non-Ongoing	Total
NSW	0	0	0
QLD	0	0	0
SA	0	0	0
TAS	0	0	0
VIC	0	0	0
WA	0	0	0
ACT	134	3	137
NT	0	0	0
External Territories	0	0	0
Overseas	1	0	1
<b>Total</b>	<b>135</b>	<b>3</b>	<b>138</b>

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

## Indigenous employment

**Table 17: Indigenous employment, current reporting period (as at 30 June 2020)**

	Total
Ongoing	1
Non-Ongoing	3
<b>Total</b>	<b>4</b>

**Table 18: Indigenous employment, previous reporting period (as at 30 June 2019)**

	Total
Ongoing	1
Non-Ongoing	0
<b>Total</b>	<b>1</b>

## Employment arrangements

### Number of staff by employment arrangement

**Table 19: Employment arrangements, current reporting period (as at 30 June 2020)**

	SES	Non-SES	Total
ARC Enterprise Agreement	0	143	143
Australian Workplace Agreements	0	1	1
Individual Flexibility Arrangements	0	15	15
Common Law Contract	4	0	4
<b>Total</b>	<b>4</b>	<b>159</b>	<b>163</b>

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

## Salary ranges

**Table 20: Employment salary ranges by classification level, current reporting period (as at 30 June 2020)**

	Minimum Salary (\$)	Maximum Salary (\$)
SES 3	-	-
SES 2	230,000	250,000
SES 1	170,000	229,380
EL 2	123,845	176,868
EL 1	103,215	145,656
APS 6	80,812	95,000
APS 5	72,989	79,405
APS 4	67,185	70,999
APS 3	59,763	63,154
APS 2	53,512	58,133
APS 1	49,500	50,766
Other	-	-
<b>Total (Minimum/Maximum)</b>	<b>49,500</b>	<b>250,000</b>

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

## Performance pay

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

## Non-salary benefits

The ARC offered a range of non-salary benefits to employees in 2019–20 including:

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

## Senior Executive Service remuneration

Terms and conditions for ARC SES staff are set out by common law contracts. As at 30 June 2020 there were four common law contracts in place for ARC SES staff.

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

At 30 June 2020 the notional salary range for SES Band 1 and Band 2 officers was between \$170,000 and \$250,000. Further information about the ARC's remuneration of key management personnel (Table 21) and senior executives (Table 22) is provided below.

**Table 21: Information about remuneration for key management personnel, 2019–20**

Name	Position title	Short-term benefits				Post-employment benefits			Termination benefits (\$)	Total remuneration (\$)
		Base salary (\$)	Bonuses (\$)	Other benefits and allowances (\$)	Annual Leave	Superannuation contributions (\$)	Long service leave (\$)	Other long-term benefits (\$)		
Sue Thomas	Chief Executive Officer	405,197	0	0	33,057	72,169	10,846	0	0	521,269
Tony Willis	Executive General Manager	218,213	0	25,169	17,563	42,634	5,742	0	0	309,321
Kylie Emery	Branch Manager	228,647	0	22,098	17,516	43,332	5,709	0	0	317,302
Julija Deleva	Branch Manager	187,517	0	22,098	16,565	37,179	7,621	0	0	270,980
Sarah Howard	Branch Manager	185,900	0	22,098	16,045	37,613	7,037	0	0	268,693
<b>Total</b>		<b>1,225,474</b>	<b>0</b>	<b>91,463</b>	<b>100,746</b>	<b>232,927</b>	<b>36,955</b>	<b>0</b>	<b>0</b>	<b>1,687,565</b>

Table 22: Information about remuneration for other highly paid staff

Total remuneration bands	Number of other highly paid staff	Short-term benefits			Post-employment benefits			Other long-term benefits		Termination benefits	Total remuneration
		Average Base salary (\$)	Average Bonuses (\$)	Average other benefits and allowances (\$)	Annual Leave	Average Superannuation contributions (\$)	Average Long service leave (\$)	Average other long-term benefits (\$)	Average termination benefits (\$)		
\$225,001 – \$245,000	0	0	0	0	0	0	0	0	0	0	0
\$245,001 – \$270,000	0	0	0	0	0	0	0	0	0	0	0
\$270,001 – \$295,000	1	196,871	0	22,348	20,783	38,647	15,036	0	0	0	293,685
\$295,001 – \$320,000	0	0	0	0	0	0	0	0	0	0	0

**Notes:** Table 22 does not include staff already recognised in Table 21: Information about remuneration of key management personnel, 2019–20. The ARC had no Senior Executive during 2019–20 under the definition outlined in the Department of Finance’s RMG-138: Commonwealth entities Executive Remuneration Reporting Guide for Annual Reports.

## 4.4 Assets management



The ARC does not have any significant asset holdings.

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

The ARC reviews its asset holdings annually to ensure cost effectiveness and whole-of-life utilisation. The ARC conducted its annual stocktake in March 2020 and also undertook a materiality review of its assets as at the end of the financial year.



## 4.5 Purchasing

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

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

# 4.6 Consultants



## Expenditure

During 2019–20 the ARC entered into 182 consultancy contracts involving total actual expenditure of \$0.450 million (inclusive of Goods and Services Tax [GST]). In addition, 282 ongoing consultancy contracts were active during the period, involving total actual expenditure of \$2.331 million (inclusive of GST). A summary of the ARC’s engagements with consultants for 2019–20 is provided in Table 23.

**Table 23: Consultancy contracts and expenditure, 2019–20**

	Total
Number of new contracts entered into during the period	182
Total actual expenditure during the period on new contracts (incl. GST)	\$0.450 million
Number of ongoing contracts engaging consultants that were entered into during a previous period	282
Total actual expenditure during the period on ongoing contracts (incl. GST)	\$2.331 million

**Notes:** The contract numbers are as per all consultancy contracts that have been entered into not just those that are reportable on AusTender. The number of ongoing contracts is all active consultancy contracts during the period that were entered into prior to the 2019–20 period. The expenditure on consultancy contracts represents the actual cash expenditure during the period but does not include any accrued expenses.

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

## Policy on selection and engagement

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

The ARC engages consultants primarily for independent research or assessment, or where specialist skill or expertise is required. Consultants are engaged through a merit selection or procurement process. The majority of the ARC’s consultancy expenditure relates to the engagement of independent members for selection and evaluation committees.

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



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

### Australian National Audit Office access clauses

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

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

### Exempt contracts

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

## 4.8 Procurement initiatives to support small business



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

The ARC recognises the importance of ensuring that small businesses are paid on time. The results of the *Australian Government Payments to Small Business Performance Report* are available on the Department of Industry, Science, Energy and Resources website, [www.industry.gov.au](http://www.industry.gov.au) > *strategies-for-the-future* > *helping Australian-small-and-family-businesses-thrive*.

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

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



## 4.9 Other mandatory information

### Grant programs

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

Information on grants awarded by the ARC during the period 2019–20 is available on the ARC website, [www.arc.gov.au](http://www.arc.gov.au) > Grants > [Grant Outcomes](#). The ARC also provides access to NCGP data through ARC Grants Search, which forms part of the agency's Data Portal, [www.arc.gov.au](http://www.arc.gov.au) > Grants > [Grants Dataset](#).

### Disability reporting mechanism

From 1994 Australian Government departments and agencies 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 APSC's State of the Service reports and the *APS Statistical Bulletin*. These reports are available on the APSC website, [www.qpsc.gov.au](http://www.qpsc.gov.au) > Media and Events > Publications > [Archived](#). From 2010–11 entities have not been required to report on these functions.

The *Commonwealth Disability Strategy* has been replaced by the *National Disability Strategy 2010–2020*, which sets out a 10-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 *Progress Report to the Council of Australian Governments 2016* can be found at the Department of Social Services website, [www.dss.gov.au](http://www.dss.gov.au) > Our Responsibilities > Disability and Carers > Supporting People with Disability > [Resources](#).

Web versions of the ARC Annual Report 2019–20 conform with WCAG 2.1 AA accessibility requirements.

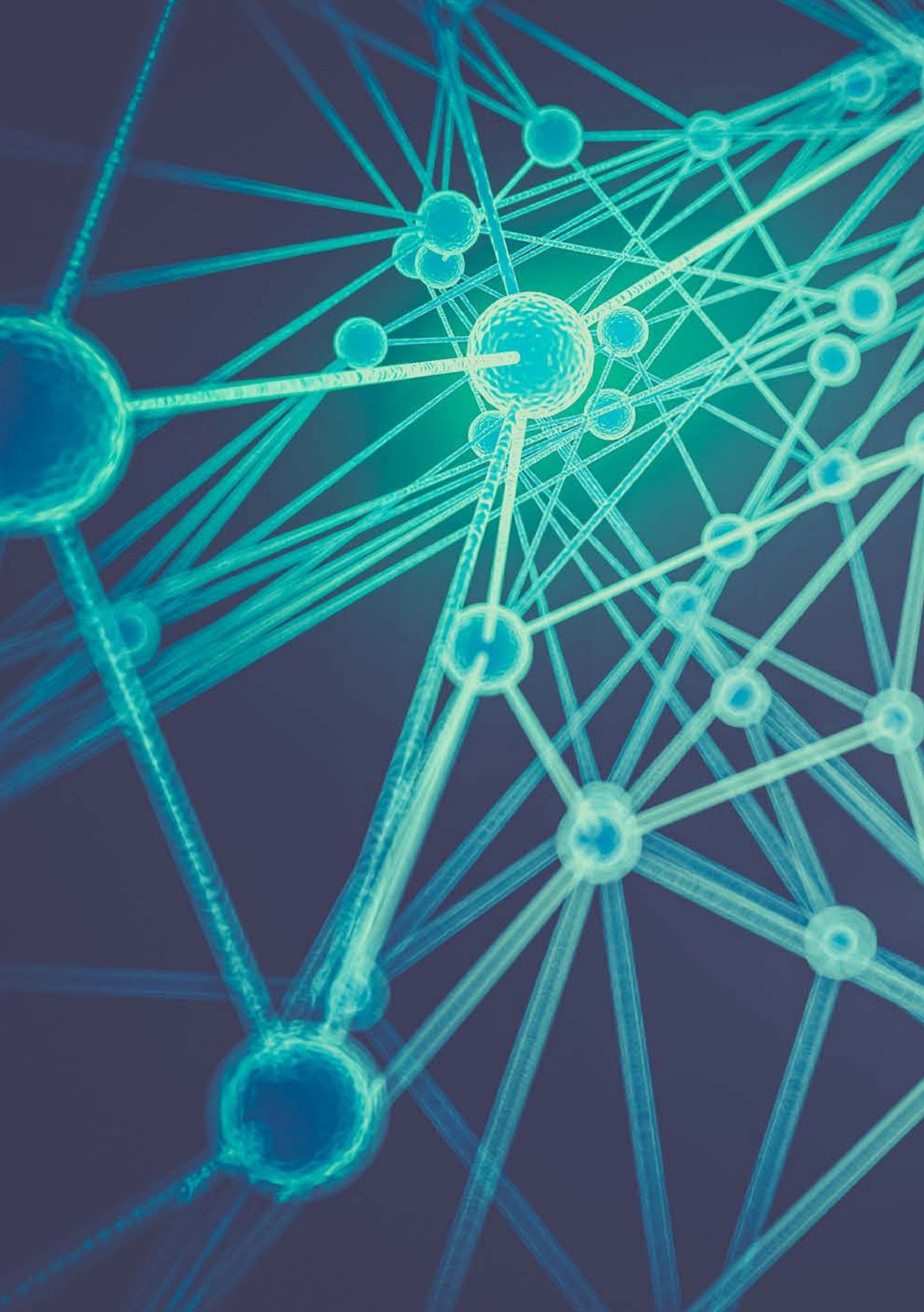
### Information Publication Scheme

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

### Correction of information published in previous Annual Reports

No significant errors have been identified within the *ARC Annual Report 2018–19*.







# Part 5

## Financial statements

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## INDEPENDENT AUDITOR'S REPORT

### To the Minister for Education

#### Opinion

In my opinion, the financial statements of the Australian Research Council (the Entity) for the year ended 30 June 2020:

- (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Entity as at 30 June 2020 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following as at 30 June 2020 and for the year then ended:

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

#### Basis for opinion

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

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

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

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

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

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

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

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

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

Australian National Audit Office



Rahul Tejani  
Executive Director  
Delegate of the Auditor-General

Canberra  
7 September 2020

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**Australian Research Council**  
**STATEMENT BY THE ACCOUNTABLE AUTHORITY AND CHIEF FINANCIAL OFFICER**

In our opinion, the attached financial statements for the year ended 30 June 2020 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

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



Sue Thomas  
Chief Executive Officer

7 September 2020



Luke Cattle  
Chief Financial Officer

7 September 2020

**Australian Research Council**  
**Statement of Comprehensive Income**  
*for the period ended 30 June 2020*

	Notes	2020 \$'000	2019 \$'000	Original Budget \$'000
<b>NET COST OF SERVICES</b>				
<b>Expenses</b>				
Employee benefits <sup>1</sup>	1.1A	16,961	15,812	16,376
Suppliers <sup>2</sup>	1.1B	2,828	4,376	5,213
Depreciation and amortisation <sup>3</sup>	3.2A	4,494	3,349	2,767
Finance costs <sup>4</sup>	1.1C	459	284	197
Write-down and impairment of other assets	3.2A	15	10	-
<b>Total expenses</b>		<b>24,757</b>	<b>23,831</b>	<b>24,553</b>
<b>Own-Source Income</b>				
<b>Own-source revenue</b>				
Other revenue	1.2A	61	61	60
<b>Total own-source revenue</b>		<b>61</b>	<b>61</b>	<b>60</b>
<b>Total own-source income</b>		<b>61</b>	<b>61</b>	<b>60</b>
<b>Net (cost of)/contribution by services</b>		<b>(24,696)</b>	<b>(23,770)</b>	<b>(24,493)</b>
Revenue from government	1.2B	21,226	21,440	21,226
<b>Deficit on continuing operations</b>		<b>(3,470)</b>	<b>(2,330)</b>	<b>(3,267)</b>

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

The footnotes link to the budget variance commentary which follows the primary financial statement.

**Australian Research Council**  
**Statement of Financial Position**  
*as at 30 June 2020*

	Notes	2020 \$'000	2019 \$'000	Original Budget \$'000
<b>ASSETS</b>				
<b>Financial assets</b>				
Cash and cash equivalents <sup>5</sup>	3.1A	811	362	281
Trade and other receivables <sup>6</sup>	3.1B	19,551	21,012	18,432
<b>Total financial assets</b>		<b>20,362</b>	<b>21,374</b>	<b>18,713</b>
<b>Non-financial assets*</b>				
Buildings <sup>7</sup>	3.2A	10,640	1,390	1,236
Plant and equipment	3.2A	910	631	1,070
Computer software <sup>8</sup>	3.2A	9,413	9,711	8,424
Prepayments		209	414	421
<b>Total non-financial assets</b>		<b>21,172</b>	<b>12,146</b>	<b>11,151</b>
<b>Total assets</b>		<b>41,534</b>	<b>33,520</b>	<b>29,864</b>
<b>LIABILITIES</b>				
<b>Payables</b>				
Suppliers	3.3A	543	2,344	591
Other payables	3.3B	266	189	248
<b>Total payables</b>		<b>809</b>	<b>2,533</b>	<b>839</b>
<b>Interest bearing liabilities</b>				
Leases <sup>9</sup>	3.4A	11,266	2,009	1,661
<b>Total interest bearing liabilities</b>		<b>11,266</b>	<b>2,009</b>	<b>1,661</b>
<b>Provisions</b>				
Employee provisions <sup>10</sup>	6.1A	5,605	4,905	4,826
Other provisions	3.5A	387	415	362
<b>Total provisions</b>		<b>5,992</b>	<b>5,320</b>	<b>5,188</b>
<b>Total liabilities</b>		<b>18,067</b>	<b>9,862</b>	<b>7,688</b>
<b>Net assets</b>		<b>23,467</b>	<b>23,658</b>	<b>22,176</b>
<b>EQUITY</b>				
Contributed equity		38,739	37,301	38,739
Asset revaluation reserves		76	43	42
Accumulated deficit		(15,348)	(13,686)	(16,605)
<b>Total equity</b>		<b>23,467</b>	<b>23,658</b>	<b>22,176</b>

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

The footnotes link to the budget variance commentary which follows the primary financial statement.

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

**Australian Research Council**  
**Statement of Changes in Equity**  
*for the period ended 30 June 2020*

	<b>2020</b>	2019	Original Budget
	<b>\$'000</b>	\$'000	\$'000
<b>CONTRIBUTED EQUITY</b>			
<b>Opening balance</b>			
Balance carried forward from previous period	<b>37,301</b>	36,283	37,511
<b>Transactions with owners</b>			
<b>Distributions to owners</b>			
Returns on capital			
Returns of appropriation	-	(210)	-
<b>Contributions by owners</b>			
Departmental capital budget	<b>1,438</b>	1,228	1,228
<b>Total transactions with owners</b>	<b>1,438</b>	1,018	1,228
<b>Closing balance as at 30 June</b>	<b>38,739</b>	37,301	38,739
<b>RETAINED EARNINGS</b>			
<b>Opening balance</b>			
Balance carried forward from previous period	<b>(13,686)</b>	(11,356)	(13,338)
Adjustment on initial application of AASB 16	<b>1,808</b>	-	-
<b>Adjusted opening balance</b>	<b>(11,878)</b>	(11,356)	(13,338)
<b>Comprehensive income</b>			
Surplus/(Deficit) for the period	<b>(3,470)</b>	(2,330)	(3,267)
<b>Total comprehensive income</b>	<b>(3,470)</b>	(2,330)	(3,267)
<b>Closing balance as at 30 June</b>	<b>(15,348)</b>	(13,686)	(16,605)
<b>ASSET REVALUATION RESERVE</b>			
<b>Opening balance</b>			
Balance carried forward from previous period	<b>43</b>	43	42
<b>Asset Revaluation</b>			
Change in the measurement of provision to make good	<b>33</b>	-	-
<b>Closing balance as at 30 June</b>	<b>76</b>	43	42
<b>TOTAL EQUITY</b>			
<b>Opening balance</b>			
Balance carried forward from previous period	<b>23,658</b>	24,970	24,215
Adjustment for changes in accounting policies	<b>1,808</b>	-	-
<b>Adjusted opening balance</b>	<b>25,466</b>	24,970	24,215

**Statement of Changes in Equity (continued)***for the period ended 30 June 2020*

	2020 \$'000	2019 \$'000	Original Budget \$'000
<b>Comprehensive income</b>			
Surplus/(Deficit) for the period	(3,470)	(2,330)	(3,267)
<b>Total comprehensive income</b>	<b>(3,470)</b>	<b>(2,330)</b>	<b>(3,267)</b>
<b>Asset Revaluation</b>			
Change in the measurement of provision to make good	33	-	-
<b>Total Asset revaluation</b>	<b>33</b>	<b>-</b>	<b>-</b>
<b>Transactions with owners</b>			
<b>Distributions to owners</b>			
Returns on capital			
Returns of appropriation	-	(210)	-
<b>Contributions by owners</b>			
Departmental capital budget	1,438	1,228	1,228
<b>Total transactions with owners</b>	<b>1,438</b>	<b>1,018</b>	<b>1,228</b>
<b>Closing balance as at 30 June</b>	<b>23,467</b>	<b>23,658</b>	<b>22,176</b>

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

The footnotes link to the budget variance commentary which follows the primary financial statement.

**Accounting Policy***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.

**Australian Research Council**  
**Cash Flow Statement**  
*for the period ended 30 June 2020*

	Notes	2020 \$'000	2019 \$'000	Original Budget \$'000
<b>OPERATING ACTIVITIES</b>				
<b>Cash received</b>				
Appropriations		21,793	20,757	22,198
GST received		547	816	704
Other		78	75	-
<b>Total cash received</b>		<b>22,418</b>	<b>21,648</b>	<b>22,902</b>
<b>Cash used</b>				
Employees		16,184	15,818	16,257
Suppliers		2,800	4,502	5,153
Borrowing costs		-	231	197
Interest payments on lease liabilities		454	-	-
GST paid		684	678	704
<b>Total cash used</b>		<b>20,122</b>	<b>21,229</b>	<b>22,311</b>
<b>Net cash from/(used by) operating activities</b>		<b>2,296</b>	<b>419</b>	<b>591</b>
<b>INVESTING ACTIVITIES</b>				
<b>Cash used</b>				
Purchase of property, plant and equipment		598	184	850
Purchase of intangibles <sup>11</sup>		1,793	1,900	621
<b>Total cash used</b>		<b>2,391</b>	<b>2,084</b>	<b>1,471</b>
<b>Net cash from/(used by) investing activities</b>		<b>(2,391)</b>	<b>(2,084)</b>	<b>(1,471)</b>
<b>FINANCING ACTIVITIES</b>				
<b>Cash received</b>				
Contributed equity <sup>12</sup>		2,391	2,114	1,228
<b>Total cash received</b>		<b>2,391</b>	<b>2,114</b>	<b>1,228</b>
<b>Cash used</b>				
Repayment of finance leases		-	368	-
Principal payments of lease liabilities <sup>13</sup>		1,847	-	348
<b>Total cash used</b>		<b>1,847</b>	<b>368</b>	<b>348</b>
<b>Net cash from/(used by) financing activities</b>		<b>544</b>	<b>1,746</b>	<b>880</b>
<b>Net increase/(decrease) in cash held</b>		<b>449</b>	<b>81</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period		362	281	281
<b>Cash and cash equivalents at the end of the reporting period</b>	3.1A	<b>811</b>	<b>362</b>	<b>281</b>

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

The footnotes link to the budget variance commentary which follows the primary financial statement.

**Australian Research Council**  
**Administered Schedule of Comprehensive Income**  
*for the period ended 30 June 2020*

	Notes	2020 \$'000	2019 \$'000	Original Budget \$'000
<b>NET COST OF SERVICES</b>				
<b>Expenses</b>				
Suppliers <sup>1</sup>	2.1A	3,560	6,997	6,248
Grants <sup>2</sup>	2.1B	779,317	700,099	791,342
<b>Total expenses</b>		<b>782,877</b>	<b>707,096</b>	<b>797,590</b>
<b>Income</b>				
<b>Revenue</b>				
<b>Non-taxation revenue</b>				
Other revenue <sup>3</sup>	2.2A	10,066	10,437	9,500
<b>Total non-taxation revenue</b>		<b>10,066</b>	<b>10,437</b>	<b>9,500</b>
<b>Total revenue</b>		<b>10,066</b>	<b>10,437</b>	<b>9,500</b>
<b>Total income</b>		<b>10,066</b>	<b>10,437</b>	<b>9,500</b>
<b>Net (cost of)/contribution by services</b>		<b>(772,811)</b>	<b>(696,659)</b>	<b>(788,090)</b>
<b>Surplus/(Deficit)</b>		<b>(772,811)</b>	<b>(696,659)</b>	<b>(788,090)</b>
<b>Total comprehensive loss</b>		<b>(772,811)</b>	<b>(696,659)</b>	<b>(788,090)</b>

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

The footnotes link to the budget variance commentary which follows the primary financial statement.

**Australian Research Council**  
**Administered Schedule of Assets and Liabilities**  
*as at 30 June 2020*

	Notes	2020 \$'000	2019 \$'000	Original Budget \$'000
<b>ASSETS</b>				
<b>Financial assets</b>				
Trade and other receivables	4.1A	279	295	289
<b>Total financial assets</b>		<b>279</b>	<b>295</b>	<b>289</b>
<b>Non-financial assets</b>				
Prepayments	4.2A	118	417	78
<b>Total non-financial assets</b>		<b>118</b>	<b>417</b>	<b>78</b>
<b>Total assets administered on behalf of the Australian Government</b>		<b>397</b>	<b>712</b>	<b>367</b>
<b>LIABILITIES</b>				
<b>Payables</b>				
Grants <sup>4</sup>	4.3A	194,024	181,401	239,057
Other payables	4.3B	153	388	225
<b>Total payables</b>		<b>194,177</b>	<b>181,789</b>	<b>239,282</b>
<b>Total liabilities administered on behalf of the Australian Government</b>		<b>194,177</b>	<b>181,789</b>	<b>239,282</b>
<b>Net assets/(liabilities)</b>		<b>(193,780)</b>	<b>(181,077)</b>	<b>(238,915)</b>

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

The footnotes link to the budget variance commentary which follows the primary financial statement.

**Australian Research Council**  
**Administered Reconciliation Schedule**  
*for the period ended 30 June 2020*

	Notes	2020 \$'000	2019 \$'000
<b>Opening assets less liabilities as at 1 July</b>		<b>(181,077)</b>	(238,288)
<b>Net (cost of)/contribution by services</b>			
Income		<b>10,066</b>	10,437
Expenses		<b>(782,877)</b>	(707,096)
<b>Transfers (to)/from the Australian Government</b>			
Appropriation transfers from Official Public Account (OPA)			
Annual appropriations	5.1A	<b>7,179</b>	13,069
Special appropriations (limited)	5.1C	<b>762,541</b>	753,351
Special accounts	5.2	<b>4,461</b>	4,718
Administered GST Appropriations		<b>649</b>	1,020
Appropriation transfers to OPA			
Appropriations		<b>(10,255)</b>	(10,746)
Special accounts		<b>(3,684)</b>	(6,525)
Return of GST Appropriations to OPA		<b>(784)</b>	(1,016)
<b>Closing assets less liabilities as at 30 June</b>		<b>(193,781)</b>	(181,077)

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

The footnotes link to the budget variance commentary which follows the primary financial statement.

**Accounting Policy**

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

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

**Australian Research Council**  
**Administered Cash Flow Statement**  
*for the period ended 30 June 2020*

	2020	2019
	\$'000	\$'000
<b>OPERATING ACTIVITIES</b>		
<b>Cash received</b>		
GST received	784	1,016
Other	10,255	10,746
<b>Total cash received</b>	<b>11,039</b>	<b>11,762</b>
<b>Cash used</b>		
Suppliers	3,495	6,544
Grants	767,002	758,069
GST paid	649	1,020
<b>Total cash used</b>	<b>771,146</b>	<b>765,633</b>
<b>Net cash from/(used by) operating activities</b>	<b>(760,107)</b>	<b>(753,871)</b>
<b>Cash from Official Public Account</b>		
Appropriations	769,720	766,420
Special Accounts	4,461	4,718
Administered GST appropriations	649	1,020
<b>Total cash from official public account</b>	<b>774,830</b>	<b>772,158</b>
<b>Cash to Official Public Account</b>		
Appropriations	10,255	10,746
Special Accounts	3,684	6,525
Return of GST appropriation to OPA	784	1,016
<b>Total cash to official public account</b>	<b>14,723</b>	<b>18,287</b>
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>-</b>	<b>-</b>

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

The footnotes link to the budget variance commentary which follows the primary financial statement.

## Budget Variances

The following commentary provides a high-level commentary of major variances between the original budget as published in Education and Training's 2019-20 Portfolio Budget Statements (PBS) to the 2019-20 actuals. Note the Budget is not audited.

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

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

Explanation of major variances	Variance to Budget	Variance to Budget	Affected line items
	\$'000	%	
<b>Departmental</b>			
<b>1. Employee benefits</b> - employee benefits are higher than budgeted because the actual average cost of an ASL was higher than budgeted average cost. This can be attributed to staff taking less leave than usual and increased superannuation costs in 2019-20.	585	4%	Expenses – Employee benefits Consequential Impacts Liabilities - Employee provisions Cashflow - Employees
<b>2. Suppliers</b> – expenses and cashflows were less than budgeted which is mainly attributable to the change in leasing accounting standard. The change in the standard resulted in approximately \$1.7 million in operating lease rental expenses no longer being recognised as an expense. Supplier expenditure was also less than budgeted which can be linked to impacts of COVID such as reduced travel expenditure, reduce expenditure relating to meetings.	-2,385	-46%	Expenses – Suppliers Consequential Impacts Cashflow - Suppliers
<b>3. Depreciation and amortisation</b> - variance compared to budget is attributable to the change in the lease accounting standard. This has added approximately \$1.7 million additional depreciation costs.	1,727	62%	Expenses - Depreciation and amortisation Consequential Impacts Assets - Buildings
<b>4. Finance costs</b> – variance compared to budget is attributable to the change in the lease accounting standard. This has added approximately \$0.2 million additional finance costs.	262	133%	Expenses – Finance costs Consequential Impacts Liability – Other provisions
<b>5. Cash and cash equivalents</b> - the ARC cash holdings position has increased. A decision was taken to ensure cash holdings were sufficient to cover a typical fortnight of Departmental expenditure.	530	189%	Assets - Cash and cash equivalents Cashflow - Cash and cash equivalents at the end of the reporting period

<p><b>6. Trade and other receivables</b> - the variance arose mainly due to the timing of when departmental budgets are prepared and that departmental budgets are prepared on the assumption that all operating and capital expenditure are expensed within the financial year, that is all funding received is budgeted to be spent. Due to the prior year surplus, 2018-19, excluding depreciation, and delays in capital expenditure resulted in the budgeted appropriation receivable being understated by \$2.6 million (\$18.4 million vs \$21.0 million) which had a flow on impact to the 2019-20 budget because the opening budget balance was also understated by that amount. This has been offset by increasing the cash balance in 2019-20 and the use of prior year appropriations (see note 5.1).</p>	1,119	6%	Assets - Trade and other receivables
<p><b>7. Buildings</b> - variance compared to budget is attributable to the change in the lease accounting standard. The net impact of this is has added approximately \$9.4 million to the ARC's building assets.</p>	9,404	761%	Assets - Buildings Consequential Impacts Liability - Leases
<p><b>8. Computer software</b> - the original budget had assumed capital purchases for the year would match the appropriations made available in 2019-20. Actual expenditure in 2019-20 though utilised unspent capital funds from prior years and as such the budget was understated.</p>	989	12%	Assets - Computer software Consequential Impacts Cashflow - Purchase of intangibles
<p><b>9. Leases</b> - variance compared to budget is attributable to the change in the lease accounting standard. The net impact of this is has added approximately \$9.6 million to the ARC's building assets.</p>	9,605	578%	Liability - Leases Consequential Impacts Assets - Buildings
<p><b>10. Employee provisions</b> - actuals are higher than budgeted mainly due to staff not taking as much leave as typically anticipated. Transfers of leave entitlements relating to staff transfers between public service entities has also increased the value of the provision.</p>	779	16%	Liabilities - Employee provisions Consequential Impacts Expenses - Employee benefits
<p><b>11. Purchase of intangibles</b> - the original budget had assumed capital purchases for the year would match new appropriations made available in 2019-20 and unspent prior year appropriations not being utilised. As a result the budget was understated.</p>	1,172	189%	Assets - Computer software Cashflow - Purchase of intangibles
<p><b>12. Contributed equity</b> - higher due to the use of prior year capital appropriation. See explanation for Computer Software/Purchase of Intangibles.</p>	1,163	95%	Assets - Computer software Cashflow - Purchase of Intangibles Cashflow - Contributed equity
<p><b>13. Principal payments of lease liabilities</b> - variance compared to budget is attributable to the change in the lease accounting standard.</p>	1,499	431%	Liability - Leases Assets - Buildings Cashflow - Repayment of finance leases Cashflow - Principal payments of lease liabilities

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

Explanation of major variances	Variance to Budget	Variance to Budget	Affected line items
	\$'000s	%	
<b>Administered</b>			
<b>1. Suppliers</b> - the supplier underspend against budget is mainly attributable to the Excellence in Research for Australia program (ERA), \$2.5 million. ERA expenditure fluctuates in line with when ERA and Engagement and Impact (EI) assessment rounds are conducted. The next rounds are to run in 2023 for ERA and 2024 for EI.	-2,688	-43%	Expenses – Suppliers Consequential Impacts Cashflow - Suppliers
<b>2. Grants</b> - grant expenses and the movement of grant liabilities are budgeted to match the appropriations and cash expenditure for the financial year. This has historically been used as the best estimate of expenses to be recognised in each financial year. However, the majority of grant expenses and liabilities are recognised at the beginning of each calendar year and represents the commitment for the year consistent with the reporting periods of the education sector. Therefore the grant expense and initial liability recognised in the 2019-20 financial year is mainly for payments to be made over the 2020 calendar year. This differs from appropriations and cash expenditure which are both reported as they occur. Also, following additional estimates a measure was introduced, the Special Research Initiative - Australian Society, History and Culture, which reduced funding in 2019-20 by \$12.5 million and reprofiled it across the forward estimates.	-12,025	-2%	Expenses – Grants Consequential Impacts Payables - Grants payable
<b>3. Other revenue</b> - other revenue arose from the recovery of prior year unspent grant payments returned by the research sector. Under the ARC Act, grant recipients are required to return unspent grant money to the ARC unless otherwise approved. The amount of returns is not predictable as it is contingent on activities in the research sector and as a result it is difficult to derive a reliable budget amount. The amount returned is not material in relation to the amount of grants provided.	566	6%	Revenue – Other revenue Consequential Impacts Cashflow - Cash to the OPA
<b>4. Grants payable</b> - variance arose mainly due to the timing of when administered budgets are prepared assumptions used to derive the budgets. As described above, grant expenses and the movement of grant liabilities are budgeted to match the appropriations and cash expenditure for the financial year. Because the actual 2018-19 closing grant liability was less than anticipated by \$57.5 million (\$181.8 million vs \$239.3 million) this had flow on impact to the 2019-20 budget. That is, the opening grant liability for 2019-20 budget was overstated by that amount. The remainder of the variation can be attributed to some cash payment being brought forward prior to end of financial year.	45,033	19%	Liability – Grants payable

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

## Overview

### Objectives of the Entity (Non-corporate Commonwealth entities only)

The Australian Research Council (ARC) is an Australian Government controlled entity. It is a not-for-profit entity. The ARC has only one outcome which is 'Growth of knowledge and innovation through managing research funding schemes, measuring research excellence and providing advice'.

### The Basis of Preparation

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

The financial statements have been prepared in accordance with:

- a) *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* (FRR); and
- b) Australian Accounting Standards and Interpretations – Reduced Disclosure Requirements issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

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

### New Accounting Standards

A number of new standards came into effect from 1 July 2019 the details of which and if applicable the impact on the ARC's accounts is detailed below. The new leasing standard issued prior to the sign-off date and that is applicable to the current reporting period had a material effect on the ARC's financial statements.

Standard/ Interpretation	Nature of change in accounting policy, transitional provisions, and adjustment to financial statements
<p>AASB 15 <i>Revenue from Contracts with Customers</i> / AASB 2016-8 <i>Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities</i> and AASB 1058 <i>Income of Not-For-Profit Entities</i></p>	<p>AASB 15, AASB 2016-8 and AASB 1058 became effective 1 July 2019.</p> <p>AASB 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including AASB 118 <i>Revenue</i>, AASB 111 <i>Construction Contracts</i> and Interpretation 13 <i>Customer Loyalty Programmes</i>. The core principle of AASB 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.</p> <p>AASB 1058 is relevant in circumstances where AASB 15 does not apply. AASB 1058 replaces most of the not-for-profit (NFP) provisions of AASB 1004 <i>Contributions and applies to transactions where the consideration to acquire an asset is significantly less than fair value principally to enable the entity to further its objectives, and where volunteer services are received</i>.</p> <p>The change in this accounting policy did not impact the ARC's financial statements.</p>

AASB 16 Leases	<p>AASB 16 became effective on 1 July 2019. This new standard has replaced AASB 117 Leases, Interpretation 4 Determining whether an Arrangement contains a Lease, Interpretation 115 Operating Leases—Incentives and Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.</p> <p>AASB 16 provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, together with options to exclude leases where the lease term is 12 months or less, or where the underlying asset is of low value. AASB 16 substantially carries forward the lessor accounting in AASB 117, with the distinction between operating leases and finance leases being retained. The details of the changes in accounting policies, transitional provisions and adjustments are disclosed below and in the relevant notes to the financial statements.</p>
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### ***Application of AASB 16 Leases***

The ARC adopted AASB 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 July 2019. Accordingly, the comparative information presented for 2019 is not restated, that is, it is presented as previously reported under AASB 117 and related interpretations.

The ARC elected to apply the practical expedient to not reassess whether a contract is, or contains a lease at the date of initial application. Contracts entered into before the transition date that were not identified as leases under AASB 117 were not reassessed. The definition of a lease under AASB 16 was applied only to contracts entered into or changed on or after 1 July 2019.

AASB 16 provides for certain optional practical expedients, including those related to the initial adoption of the standard. The ARC applied the following practical expedients when applying AASB 16 to leases previously classified as operating leases under AASB 117:

- Apply a single discount rate to a portfolio of leases with reasonably similar characteristics;
- Exclude initial direct costs from the measurement of right-of-use assets at the date of initial application for leases where the right-of-use asset was determined as if AASB 16 had been applied since the commencement date;
- Reliance on previous assessments on whether leases are onerous as opposed to preparing an impairment review under AASB 136 Impairment of assets as at the date of initial application; and
- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term remaining as of the date of initial application.

As a lessee, the ARC previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under AASB 16, the ARC recognises right-of-use assets and lease liabilities for most leases.

On adoption of AASB 16, the ARC recognised right-of-use assets and lease liabilities in relation to leases of office space and pool vehicle, which had previously been classified as operating leases.

The lease liabilities were measured at the present value of the remaining lease payments, discounted using the ARC's incremental borrowing rate as at 1 July 2019. The ARC's incremental borrowing rate is the rate at which a similar borrowing could be obtained from an independent creditor under comparable terms and conditions. The weighted-average rate applied was 1.0%.

The right-of-use assets were measured as follows:

- a) Office space: measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.
- b) All other leases: the carrying value that would have resulted from AASB 16 being applied from the commencement date of the leases, subject to the practical expedients noted above.

**Impact on transition**

On transition to AASB 16, the ARC recognised additional right-of-use assets and additional lease liabilities, recognising the difference in retained earnings. The impact on transition is summarised below:

	<b>1/07/2019</b>
<b>Departmental</b>	<b>\$'000</b>
Right-of-use assets - buildings, plant and equipment	11,256
Lease liabilities	(1,808)
Retained earnings	1,808

**The following table reconciles the Departmental minimum lease commitments disclosed in the ARC's 30 June 2019 annual financial statements to the amount of lease liabilities recognised on 1 July 2019:**

	<b>1/07/2019</b>
	<b>\$'000</b>
Minimum operating lease commitment at 30 June 2019	12,067
Less: short-term leases not recognised under AASB 16	-
Less: low value leases not recognised under AASB 16	-
Plus: effect of extension options reasonable certain to be exercised	-
<b>Undiscounted lease payments</b>	<b>12,067</b>
	811
Less: effect of discounting using the incremental borrowing rate as at the date of initial application	
<b>Lease liabilities recognised at 1 July 2019</b>	<b>11,256</b>

**Taxation**

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

**Reporting of Administered activities**

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

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

## Events After the Reporting Period

### COVID Pandemic

The spread of novel coronavirus (COVID-19) was declared a public health emergency by the World Health Organisation on 31 January 2020 and upgraded to a global pandemic on 11 March 2020. The rapid rise of the virus has seen an unprecedented global response by governments, regulators and numerous industry sectors. The Australian Federal Government enacted its emergency plan on 29 February 2020. This has led to the closure of Australian borders from 20 March, an increasing level of restrictions on corporate Australia's ability to operate, significantly volatility and instability in financial markets and the release of a number of government stimulus packages to support individuals and businesses as the Australian and global economies face significant slowdown and uncertainties.

The pandemic has affected the way the ARC goes about its business but it has not affected the ongoing financial viability of the ARC as the ARC's source of operating funding solely relies upon funding from Government appropriations. With the declaration of the pandemic the ARC closed its office and staff commenced working from home. The continuation of the delivery of the National Competitive Grants Program was considered critical to provide certainty to the research sector and as such the assessment, awarding and payment of grants has not changed. Grant selection meetings which were previously performed via face to face meetings have transitioned to virtual meetings. This has resulted in reduced travel and meeting costs but in turn has resulted in the ARC looking to upgrade its virtual meeting capability in 2020-21. Given the ARC's functions have not been impacted by the pandemic there has been no change in the ARC's workforce.

The ARC continues to monitor developments in the COVID-19 pandemic and the measures being implemented on the economy to control and slow the outbreak. This does not only include the ARC assessing how it performs its business but also includes monitoring the impacts on the research sector and how it is responding to the pandemic. To date the ARC has not provided research funding targeted towards COVID -19 research in response to the pandemic, noting the ARC does not fund clinical medical research.

### Departmental

Noting the COVID comments above no departmental events have occurred after the reporting period that have the potential to significantly affect the ongoing structure and financial activities of the ARC.

### Administered

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

# Financial Performance

This section analyses the financial performance of Australian Research Council for the period ended 2020.

## 1.1 Expenses

	2020 \$'000	2019 \$'000
<b>1.1A: Employee benefits</b>		
Wages and salaries	12,110	11,516
Superannuation		
Defined contribution plans <sup>1</sup>	1,436	1,414
Defined benefit plans <sup>2</sup>	1,291	943
Leave and other entitlements	1,851	1,494
Separation and redundancies	-	83
Other employee entitlements	273	362
<b>Total employee benefits</b>	<b>16,961</b>	<b>15,812</b>

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

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

Increase in expenditure attributable to compulsory payment made to Department of Finance in relation to CSS and PSS schemes.

### Accounting Policy

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

## 1.1B: Suppliers

### Goods and services supplied or rendered

Consultants	605	633
Contractors	794	622
Travel	146	207
IT services	467	433
Other <sup>1</sup>	643	774
<b>Total goods and services supplied or rendered</b>	<b>2,655</b>	<b>2,669</b>
Goods supplied	714	696
Services rendered	1,941	1,973
<b>Total goods and services supplied or rendered</b>	<b>2,655</b>	<b>2,669</b>

**1.1 Expenses (continued)**

	2020	2019
	\$'000	\$'000
<b>Other suppliers</b>		
Workers compensation expenses	70	133
Operating lease rentals <sup>2</sup>	-	1,574
Variable lease payments	103	-
<b>Total other suppliers</b>	<b>173</b>	<b>1,707</b>
<b>Total suppliers</b>	<b>2,828</b>	<b>4,376</b>

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

2. The ARC has applied AASB 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under AASB 117.

The above lease disclosures should be read in conjunction with the accompanying notes 1.1C, 3.2, 3.3A and 3.4A.

**1.1C: Finance costs**

Finance leases <sup>1</sup>	-	231
Interest on lease liabilities	454	-
Other interest payments	-	44
Unwinding of discount	5	9
<b>Total finance costs</b>	<b>459</b>	<b>284</b>

1. The ARC has applied AASB 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under AASB 117.

The above lease disclosures should be read in conjunction with the accompanying notes 1.1B, 3.2, 3.3A and 3.4A.

**Accounting Policy**

All borrowing costs are expensed as incurred.

## 1.2 Own-Source Revenue and gains

	2020	2019
	\$'000	\$'000

### Own-Source Revenue

#### 1.2A: Other revenue

Resources received free of charge

Remuneration of auditors	61	61
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<b>Total other revenue</b>	<b>61</b>	<b>61</b>
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#### **Accounting Policy**

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

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

#### 1.2B: Revenue from government

Appropriations

Departmental appropriations	21,226	21,440
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<b>Total revenue from government</b>	<b>21,226</b>	<b>21,440</b>
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#### **Accounting Policy**

##### *Revenue from Government*

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

# Income and Expenses Administered on Behalf of the Australian Government

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

## 2.1 Administered - Expenses

	2020 \$'000	2019 \$'000
<b>2.1A: Suppliers</b>		
<b>Goods and services supplied or rendered</b>		
Consultants	1,560	4,157
Contractors	1,036	945
Travel	355	922
Other	609	973
<b>Total goods and services supplied or rendered</b>	<b>3,560</b>	<b>6,997</b>
Goods supplied	205	253
Services rendered	3,355	6,744
<b>Total goods and services supplied or rendered</b>	<b>3,560</b>	<b>6,997</b>
<b>2.1B: Grants</b>		
Public sector		
Australian Government entities (related parties)	-	-
State and Territory Governments	716,830	636,525
Commonwealth educational institutions (related parties)	62,424	62,908
Private sector		
Other research organisations	63	666
<b>Total grants</b>	<b>779,317</b>	<b>700,099</b>

### Accounting Policy

The ARC administers the National Competitive Grants Program on behalf of the Australian Government. Grant liabilities are recognised to the extent that the grant eligibility criteria have been satisfied, but payments due have not been made. When the Minister approves grants within the limits of the ARC Act but services have not been performed or criteria satisfied, this is considered a commitment.

## 2.2 Administered - Income

	2020 \$'000	2019 \$'000
<b>Revenue</b>		
<b>2.2A: Other revenue</b>		
Recovery of prior year unspent grant payments	10,066	10,437
<b>Total other revenue</b>	<b>10,066</b>	<b>10,437</b>

### **Accounting Policy**

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

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

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

## Departmental Financial Position

This section analyses the Australian Research Council's assets used to conduct its operations and the operating liabilities incurred as a result.  
Employee related information is disclosed in the People and relationships section.

### 3.1 Financial Assets

	2020 \$'000	2019 \$'000
<b>3.1A: Cash and cash equivalents</b>		
Cash on hand or on deposit	811	362
<b>Total cash and cash equivalents</b>	<b>811</b>	<b>362</b>

#### Accounting Policy

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

### 3.1B: Trade and other receivables

#### Goods and services receivables

Goods and services	-	35
Other	35	9
<b>Total goods and services receivables</b>	<b>35</b>	<b>44</b>

#### Appropriations receivables

Appropriation receivable	19,448	20,968
<b>Total appropriations receivables</b>	<b>19,448</b>	<b>20,968</b>

#### Other receivables

GST receivable from the Australian Taxation Office	68	-
<b>Total other receivables</b>	<b>68</b>	<b>-</b>
<b>Total trade and other receivables (gross)</b>	<b>19,551</b>	<b>21,012</b>

<b>Total trade and other receivables (net)</b>	<b>19,551</b>	<b>21,012</b>
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Receivables for goods and services, which have 30 days terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at the end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

#### Accounting Policy

##### Loans and Receivables

Trade receivables, loans and other receivables that have fixed or determinable payments and 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.

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

## 3.2 Non-Financial Assets

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

	Buildings <sup>1</sup> \$'000	Plant and equipment \$'000	Computer Software <sup>2</sup> \$'000	Total \$'000
<b>As at 1 July 2019</b>				
Gross book value	2,966	1,758	27,825	32,549
Accumulated depreciation, amortisation and impairment	(1,576)	(1,127)	(18,114)	(20,817)
<b>Total as at 1 July 2019</b>	<b>1,390</b>	<b>631</b>	<b>9,711</b>	<b>11,732</b>
Recognition of right of use asset on initial application of AASB 16	11,236	20	-	11,256
<b>Adjusted total as at 1 July 2019</b>	<b>12,626</b>	<b>651</b>	<b>9,711</b>	<b>22,988</b>
Additions				
Purchase	51	547	-	598
Internally developed	-	-	1,886	1,886
Depreciation and amortisation	(29)	(192)	(2,184)	(2,405)
Depreciation on right-of-use assets	(1,995)	(94)	-	(2,089)
Disposals				
Other (gross book value)	(31)	(18)	(12,667)	(12,716)
Other (accumulated depreciation)	18	16	12,667	12,701
<b>Total as at 30 June 2020</b>	<b>10,640</b>	<b>910</b>	<b>9,413</b>	<b>20,963</b>
<b>Total as at 30 June 2020 represented by</b>				
Gross book value	14,222	2,307	17,044	33,573
Accumulated depreciation, amortisation and impairment	(3,582)	(1,397)	(7,631)	(12,610)
<b>Total as at 30 June 2020</b>	<b>10,640</b>	<b>910</b>	<b>9,413</b>	<b>20,963</b>
<b>Carrying amount of right-of-use assets</b>	<b>10,433</b>	<b>79</b>	<b>-</b>	<b>10,512</b>

1. The carrying amount of buildings includes \$10,433,000 of leased assets.

2. The carrying amount of computer software included \$58,635 purchased software and \$9,354,383 internally generated software.

No indicators of impairment were found for plant and equipment and intangibles.

The ARC will dispose of its current laptop assets in the next 12 months as a replacement program takes effect in early 2020-21. Noting the current laptops are fully depreciated.

#### Revaluations of non-financial assets

All revaluations were conducted in accordance with the revaluation policy stated at Note 7.4. On 30 June 2020, an independent valuer conducted a revaluation. The result of the valuation was less than a 1% variance between carrying amount and fair value in fixed assets, due to this being immaterial the asset values have not been revised.

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

Contractual commitments for IT systems under development are predominately for ICT contractors. The GST inclusive amount is \$1,495,429 (2018-19: \$1,774,868). The GST exclusive amount is \$1,359,481 (2018-19: \$1,613,516).

Contractual commitments are also in place for office fitout. The GST inclusive amount is \$223,643 (2018-19: \$0). The GST exclusive amount is \$203,312 (2018-19: \$0).

### Accounting Policy

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

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

#### Asset Recognition Threshold

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

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

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

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

On initial adoption of AASB 16 the ARC has adjusted the ROU assets at the date of initial application by the amount of any provision for onerous leases recognised immediately before the date of initial application. Following initial application, an impairment review is undertaken for any right of use leased asset that shows indicators of impairment and an impairment loss is recognised against any right of use leased asset that is impaired. Leased ROU assets continue to be measured at cost after initial recognition in Commonwealth agency, General government sector (GGS) and Whole of Government financial statements.

#### Revaluations

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

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

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

#### Depreciation

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

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

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

	2020-21	2019-20
Buildings	Lease Term	Lease Term
Plant and	2 to 10 years	2 to 10 years

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

**Accounting Policy (continued)**

Impairment

All assets were assessed for impairment at 30 June 2020. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

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

Derecognition

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

Computer Software

The ARC's computer software 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. The ARC has a capitalisation threshold of \$50,000 for internally developed software.

Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of the entity's software are 2 to 10 years (2019: 2 to 10 years).

All software assets were assessed for indications of impairment as at 30 June 2020.

### 3.3 Payables

	2020	2019
	\$'000	\$'000
<b>3.3A: Suppliers</b>		
Trade creditors and accruals	543	536
Operating lease rentals <sup>1</sup>	-	1,808
<b>Total suppliers</b>	<b>543</b>	<b>2,344</b>

Settlement was usually made within 30 days.

1. The ARC has applied AASB 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under AASB 117.

The above lease disclosures should be read in conjunction with the accompanying notes 1.1B, 3.2 and 3.4A.

### 3.3B: Other payables

Salaries and wages	228	101
Superannuation	38	17
Separations and redundancies	-	2
GST payable to the Australian Taxation Office	-	69
<b>Total other payables</b>	<b>266</b>	<b>189</b>

### 3.4 Interest Bearing Liabilities

	2020	2019
	\$'000	\$'000
<b>3.4A: Leases</b>		
Finance Leases <sup>1</sup>	-	2,009
Lease Liabilities <sup>2</sup>	11,266	-
<b>Total leases</b>	<b>11,266</b>	<b>2,009</b>

1. The ARC has applied AASB 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under AASB 117.

2. The ARC has applied AASB 16 and recognised additional leases. Of these the office accommodation leases are material, non-cancellable and for a fixed term of 15 years (since September 2010). They account for \$11,085,162 of the current lease liability. The remaining lease liability relates to backup server space, computer equipment and pool vehicle.

Total cash outflow for leases for the year ended 30 June 2020 was \$1,998,791.

#### Accounting Policy

Refer Overview section for accounting policy on leases.

### 3.5 Other Provisions

#### 3.5A: Other provisions

	Provision for make good	
	2020	2019
	\$'000	\$'000
<b>As at 1 July 2019</b>	<b>415</b>	<b>362</b>
Unwinding of discount	5	9
Change in discount rate and estimated costs to restore buiding	(33)	44
<b>Total as at 30 June 2020</b>	<b>387</b>	<b>415</b>
<b>Other provisions expected to be settled</b>		
More than 12 months	387	415
<b>Total other provisions</b>	<b>387</b>	<b>415</b>

The ARC currently has one (2018-19: 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.

## Assets and Liabilities Administered on Behalf of the Australian Government

This section analyses assets used to conduct operations and the operating liabilities incurred as a result the Australian Research Council does not control but administers on behalf of the Australian Government. Unless otherwise noted, the accounting policies adopted are consistent with those applied for departmental reporting.

### 4.1 Administered - Financial Assets

	2020	2019
	\$'000	\$'000
<b>4.1A: Trade and other receivables</b>		
GST Receivable from the Australian Taxation Office	160	295
Grant Receivables	119	-
<b>Total trade and other receivables (net)</b>	<b>279</b>	<b>295</b>

Credit terms for goods and services were within 30 days (2019: 30 days).

All receivables are current assets and not overdue.

### 4.2 Administered - Non-Financial Assets

	2020	2019
	\$'000	\$'000
<b>4.2A: Other non-financial assets</b>		
Prepayments	118	417
<b>Total other non-financial assets</b>	<b>118</b>	<b>417</b>

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

### 4.3 Administered - Payables

	2020	2019
	\$'000	\$'000
<b>4.3A: Grants</b>		
State and Territory Governments	178,553	165,289
Commonwealth educational institutions (related parties)	15,471	16,112
<b>Total grants</b>	<b>194,024</b>	<b>181,401</b>

Settlement is in accordance with the terms and conditions of each grant which is consistent with the payment schedule determined by the Minister under the *Australian Research Council Act 2001*.

#### **Accounting Judgements and Estimates**

##### Grants

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

### 4.3B: Other payables

Other <sup>1</sup>	153	388
<b>Total other payables</b>	<b>153</b>	<b>388</b>

1. Other payables mainly include accruals for the program assessment fees and committee member sitting fees.

## Funding

This section identifies the Australian Research Council's funding structure.

### 5.1 Appropriations

#### 5.1A: Annual appropriations ('recoverable GST exclusive')

##### Annual Appropriations for 2020

	Annual Appropriation <sup>1</sup> \$'000	Adjustments to appropriation <sup>2</sup> \$'000	Total appropriation \$'000	Appropriation applied in 2020 (current and prior years) \$'000	Variance <sup>3</sup> \$'000
<b>Departmental</b>					
Ordinary annual services	21,226	2	21,228	21,346	(118)
Capital Budget <sup>4</sup>	1,438	-	1,438	2,335	(897)
Other services					
Equity Injections	-	-	-	56	(56)
<b>Total departmental</b>	<b>22,664</b>	<b>2</b>	<b>22,666</b>	<b>23,737</b>	<b>(1,071)</b>
<b>Administered</b>					
Ordinary annual services					
Administered items	9,457	-	9,457	7,179	2,278
<b>Total administered</b>	<b>9,457</b>	<b>-</b>	<b>9,457</b>	<b>7,179</b>	<b>2,278</b>

1. Departmental and Administered Ordinary annual services budgets are appropriated through Appropriation and Supply Acts (No.1,3,5). \$1.446 million of Administered annual appropriation was withheld in 2019-20 which reduced the appropriation from \$10.903 million.

2. Retained revenue receipts under Section 74 of the PGPA Act.

3. Administered appropriation applied in 2019-20 was less than the total appropriation received. This relates to the underspend in ERA program. ERA expenditure fluctuates with the timing of when ERA and EI assessment rounds are conducted. The next rounds are to run in 2023 for ERA and 2024 for EI.

Capital Budgets and Equity Injections appropriations applied in 2019-20 were greater than appropriations provided in 2019-20. This is because prior year funding was drawn to continue developing approved capital projects and upgrading existing capital.

4. Departmental capital budgets are appropriated through Appropriation Acts (No.1,3,5). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts.

##### Annual Appropriations for 2019

	Annual Appropriation <sup>1</sup> \$'000	Adjustments to appropriation \$'000	Total appropriation \$'000	Appropriation applied in 2019 \$'000	Variance <sup>2</sup> \$'000
<b>Departmental</b>					
Ordinary annual services	21,440	-	21,440	20,676	764
Capital Budget <sup>3</sup>	1,228	-	1,228	350	878
Other services					
Equity Injections	-	-	-	1,764	(1,764)
<b>Total departmental</b>	<b>22,668</b>	<b>-</b>	<b>22,668</b>	<b>22,790</b>	<b>(122)</b>
<b>Administered</b>					
Ordinary annual services					
Administered items	14,145	-	14,145	13,069	1,076
<b>Total administered</b>	<b>14,145</b>	<b>-</b>	<b>14,145</b>	<b>13,069</b>	<b>1,076</b>

1. In 2018-19, there was \$2.472 million Administered funding held in Section 51 of the PGPA Act.

2. Equity Injection applied in 2018-19 was greater than the Equity Injection Appropriation. This was because prior year funding was drawn to continue developing capital projects approved in previous financial years.

3. Departmental Capital Budgets are appropriated through Appropriation Acts (No.1,3,5). They form part of ordinary annual services and are not separately identified in the Appropriation Acts.

**5.1B: Unspent annual appropriations ('recoverable GST exclusive')**

	<b>2020</b>	2019
	<b>\$'000</b>	\$'000
<b>Departmental</b>		
Appropriation Act (No. 1) 2016-17	-	210
Appropriation Act (No. 1) 2017-18	-	3,244
Appropriation Act (No. 2) 2017-18	-	56
Appropriation Act (No. 1) 2018-19	<b>213</b>	17,668
Appropriation Act (No. 1) 2019-20	<b>9,876</b>	-
Supply Act 2019-20	<b>9,358</b>	-
<b>Total departmental</b>	<b>19,447</b>	21,178
<b>Administered</b>		
Appropriation Act (No. 1) 2016-17	-	108
Supply Act 2016-17	-	9
Appropriation Act (No. 1) 2018-19	<b>1,017</b>	1,302
Appropriation Act (No. 1) 2019-20	<b>1,605</b>	-
Supply Act 2019-20	<b>957</b>	-
<b>Total administered</b>	<b>3,579</b>	1,419

In addition to the amounts listed above, the ARC held \$0.811 million cash as at 30 June 2020 (2018-19: \$0.362 million).

\$0.210 million Departmental 2016-17 annual appropriations, \$0.117 million of Administered 2016-17 annual appropriations and \$1.446k million of Administered 2019-20 annual appropriations have been withheld (Section 51 of the PGPA Act) and quarantined for administrative purposes.

**5.1C: Special appropriations ('recoverable GST exclusive')**

	<b>Appropriation applied</b>	
	<b>2020</b>	2019
<b>Authority</b>	<b>\$'000</b>	\$'000
<i>Australian Research Council Act 2001</i> s.49, Administered, limit \$786,212,000 for the current reporting period, remaining appropriation lapsed on 1 July 2020.	<b>762,541</b>	753,351
<b>Total special appropriations applied</b>	<b>762,541</b>	753,351

## 5.2 Special Accounts

ARC Research Endowment Account (Administered) <sup>1</sup>	2020 \$'000	2019 \$'000
<b>Balance brought forward from previous period</b>	<b>1,807</b>	-
<b>Increases</b>		
Appropriation credited to special account	<b>3,684</b>	6,525
<b>Available for payments</b>	<b>5,491</b>	6,525
<b>Decreases</b>		
Payments made to research organisations	<b>4,461</b>	4,718
<b>Total balance carried to the next period</b>	<b>4,461</b>	4,718
<b>Balance represented by:</b>		
Cash held in the Official Public Account	<b>1,030</b>	1,807
<b>Total balance carried to the next period</b>	<b>1,030</b>	1,807

1. Appropriation: *Public Governance, Performance and Accountability Act 2013* section 80.  
Establishing Instrument: *Australian Research Council Act 2001* section 62.

Purpose: The purpose of the ARC Research Endowment Account is to provide assistance to organisations for eligible research programs. Currently, the Endowment Account is being used for the Special Research Initiative - Per and Poly-Fluoroalkyl Substances (PFAS) Remediation Research Program.

### 5.3 Net Cash Appropriation Arrangements

	2020	2019
	\$'000	\$'000
<b>Total comprehensive income/(loss) less depreciation/amortisation expenses previously funded through revenue appropriations</b>	<b>(823)</b>	1,019
Plus: depreciation/amortisation expenses previously funded through revenue	<b>(2,405)</b>	(3,349)
Plus: depreciation right-of-use assets	<b>(2,089)</b>	-
Less: principal repayments - leased assets	<b>1,847</b>	-
<b>Total comprehensive income/(loss) - as per the Statement of Comprehensive Income</b>	<b>(3,470)</b>	(2,330)

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.

The inclusion of depreciation/amortisation expenses related to ROU leased assets and the lease liability principle repayment amount reflects the cash impact on implementation of AASB 16 Leases, it does not directly reflect a change in appropriation arrangements.

## People and relationships

This section describes a range of employment and post employment benefits provided to our people and our relationships with other key people.

### 6.1 Employee Provisions

	2020	2019
	\$'000	\$'000
<b>6.1A: Employee provisions</b>		
Leave	5,605	4,905
<b>Total employee provisions</b>	<b>5,605</b>	<b>4,905</b>

#### **Accounting policy**

Liabilities for short-term employee benefits and termination benefits expected within twelve months of the end of reporting period are measured at their nominal amounts.

Other long-term employee benefits are measured as net total of the present value of the defined benefit obligation at the end of the reporting period minus the fair value at the end of the reporting period of plan assets (if any) out of which the obligations are to be settled directly.

#### Leave

The liability for employee benefits includes provision for annual leave and long service leave.

The leave liabilities are calculated on the basis of employees remuneration at the estimated salary rates that will be applied at the time the leave is taken, including the entity's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at 30 June 2020. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

#### Separation and Redundancy

Provision is made for separation and redundancy benefit payments. The entity recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

As at 30 June 2020 the ARC did not have any provisions for separation and redundancy benefit payments.

#### Superannuation

The ARC's staff are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), or the PSS accumulation plan (PSSap), or other superannuation funds held outside the Australian Government.

The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap is a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported in the Department of Finance's administered schedules and notes.

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

The liability for superannuation recognised as at 30 June represents outstanding contributions.

#### **Accounting Judgements and Estimates**

Employee provisions are dependent on management assumptions for their measurement.

No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next reporting period.

## 6.2 Key Management Personnel Remuneration

Key Management Personnel (KMP) are those persons having authority and responsibility for planning, directing and controlling the activities of the ARC, directly or indirectly, including any director (whether executive or otherwise) of the ARC. In 2019-20, there are five individuals considered KMP in the ARC that include Chief Executive Officer (CEO), Executive General Manager (EGM) and Branch Managers. Key management personnel remuneration is reported in the table below:

	2020 \$'000	2019 \$'000
Short-term employee benefits	1,418	1,388
Post-employment benefits	233	222
Other long-term employee benefits	37	68
<b>Total key management personnel remuneration expenses<sup>1</sup></b>	<b>1,688</b>	<b>1,678</b>

The total number of key management personnel (KMP) that included in the above table are five individuals (2018-19: six individuals).

1. The above KMP remuneration excludes the remuneration and other benefits of the Portfolio Minister. The Portfolio Minister's remuneration and other benefits are set by the Remuneration Tribunal and are not paid by the ARC.

## 6.3 Related Party Disclosures

### Related party relationships:

The ARC is an Australian Government controlled entity. Related parties to the ARC are Key Management Personnel including the Portfolio Minister and other Australian Government entities.

### Transactions with related parties:

Given the breadth of Government activities, related parties may transact with the government sector in the same capacity as ordinary citizens. Such transactions have not been separately disclosed in this note. In 2019-20, no Grants were to KMP or their related parties under AASB 124 Related Party Disclosures.

### The following transactions with related parties occurred during the financial year:

The ARC transacts with other Australian Government controlled entities consistent with normal day-to-day business operations provided under normal terms and conditions, including the payment of workers compensation, insurance premiums and the payment of superannuation to the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), and the PSS accumulation plan (PSSap). These are not considered individually significant to warrant separate disclosure as related party transactions.

Grants paid and grants owing to other Australian Government controlled entities are disclosed under Notes 2.1B and 4.3A.

## Managing uncertainties

This section analyses how the Australian Research Council manages financial risks within its operating environment.

### 7.1 Contingent Assets and Liabilities

There were no Departmental and Administered contingent assets and liabilities in 2019-20 for the ARC (2018-19: nil).

#### Accounting Policy

Contingent liabilities and contingent assets are not recognised in the statement of financial position but are reported in the notes. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

### 7.2 Financial Instruments

	2020	2019
	\$'000	\$'000
<b>7.2A: Categories of financial instruments</b>		
<b>Financial assets at amortised cost</b>		
Cash and cash equivalents	811	362
Goods and services receivables	35	44
<b>Total financial assets at amortised cost</b>	<b>846</b>	<b>406</b>
<b>Total financial assets</b>	<b>846</b>	<b>406</b>
<b>Financial Liabilities</b>		
<b>Financial liabilities measured at amortised cost</b>		
Suppliers	543	2,344
Other payables	266	189
Finance leases	11,266	2,009
<b>Total financial liabilities measured at amortised cost</b>	<b>12,075</b>	<b>4,542</b>
<b>Total financial liabilities</b>	<b>12,075</b>	<b>4,542</b>
<b>7.2B: Net gains or losses on financial liabilities</b>		
<b>Financial liabilities measured at amortised cost</b>		
Interest expense	459	284
<b>Net losses on financial liabilities measured at amortised cost</b>	<b>459</b>	<b>284</b>
<b>Net losses from financial liabilities</b>	<b>459</b>	<b>284</b>

The interest expense from financial liabilities not at fair value through profit or loss is \$459,668 (2018-19: \$284,288).

## Accounting Policy

### Financial Assets

With the implementation of AASB 9 *Financial Instruments* for the first time in 2019, the entity classifies its financial assets in the following categories:

- a) financial assets at fair value through profit or loss;
- b) financial assets at fair value through other comprehensive income; and
- c) financial assets measured at amortised cost.

The classification depends on both the entity's business model for managing the financial assets and contractual cash flow characteristics at the time of initial recognition. Financial assets are recognised when the entity becomes a party to the contract and, as a consequence, has a legal right to receive or a legal obligation to pay cash and derecognised when the contractual rights to the cash flows from the financial asset expire or are transferred upon trade date.

Comparatives have not been restated on initial application.

### Financial Assets at Amortised Cost

Financial assets included in this category need to meet two criteria:

1. the financial asset is held in order to collect the contractual cash flows; and
2. the cash flows are solely payments of principal and interest (SPPI) on the principal outstanding amount.

Amortised cost is determined using the effective interest method.

### Effective Interest Method

Income is recognised on an effective interest rate basis for financial assets that are recognised at amortised cost.

### Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI)

Financial assets measured at fair value through other comprehensive income are held with the objective of both collecting contractual cash flows and selling the financial assets and the cash flows meet the SPPI test.

Any gains or losses as a result of fair value measurement or the recognition of an impairment loss allowance is recognised in other comprehensive income.

### Financial Assets at Fair Value Through Profit or Loss (FVTPL)

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

either doesn't meet the criteria of financial assets held at amortised cost or at FVOCI (i.e. mandatorily held at FVTPL) or may be designated.

Financial assets at FVTPL are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest earned on the financial asset.

### Impairment of Financial Assets

Financial assets are assessed for impairment at the end of each reporting period based on Expected Credit Losses, using the general approach which measures the loss allowance based on an amount equal to *lifetime expected credit losses* where risk has significantly increased, or an amount equal to *12-month expected credit losses* if risk has not increased.

The simplified approach for trade, contract and lease receivables is used. This approach always measures the loss allowance as the amount equal to the lifetime expected credit losses.

A write-off constitutes a derecognition event where the write-off directly reduces the gross carrying amount of the financial asset.

### Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

### Financial Liabilities at Fair Value Through Profit or Loss

Financial liabilities at fair value through profit or loss are initially measured at fair value. Subsequent fair value adjustments are recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

### Financial Liabilities at Amortised Cost

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

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

### 7.3 Administered - Financial Instruments

	2020	2019
	\$'000	\$'000
<b>7.3A Categories of financial instruments</b>		
<b>Financial assets at amortised cost</b>		
Goods and services receivable	279	296
<b>Total financial assets at amortised cost</b>	<b>279</b>	<b>296</b>
<b>Total financial assets</b>	<b>279</b>	<b>296</b>
<b>Financial Liabilities</b>		
<b>Financial liabilities measured at amortised cost</b>		
Grants payables	194,024	181,401
Other Payables	153	388
<b>Total financial liabilities measured at amortised cost</b>	<b>194,177</b>	<b>181,789</b>
<b>Total financial liabilities</b>	<b>194,177</b>	<b>181,789</b>

## 7.4 Fair Value Measurement

### Accounting Policy

The ARC tests the procedures of the valuation model as an asset materiality review at least once every 12 months. If a particular asset class is subject to significant and volatile changes in fair value (i.e. where indicators suggest that the value of the class has changed materially since the previous reporting period), that class is subject to specific valuation in the reporting period, where practicable, regardless of the timing of the last specific valuation. The ARC engaged a valuer to undertake a valuation of plant and equipment assets and confirm that the models developed comply with AASB13.

### 7.4A: Fair value measurement

	Fair value measurements at the end of the reporting period	
	2020 \$'000	2019 \$'000
<b>Non-financial assets<sup>1</sup></b>		
Buildings <sup>2</sup>	10,640	1,390
Plant and Equipment	910	429
<b>Total non-financial assets</b>	<b>11,550</b>	<b>1,819</b>

1. The ARC did not measure any non-financial assets (NFAs) at fair value on a non-recurring basis as at 30 June 2020.

2. The ARC has applied AASB 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under AASB 117.

The remaining assets and liabilities reported by the ARC are not measured at fair value in the Statement of Financial Position.

## Other information

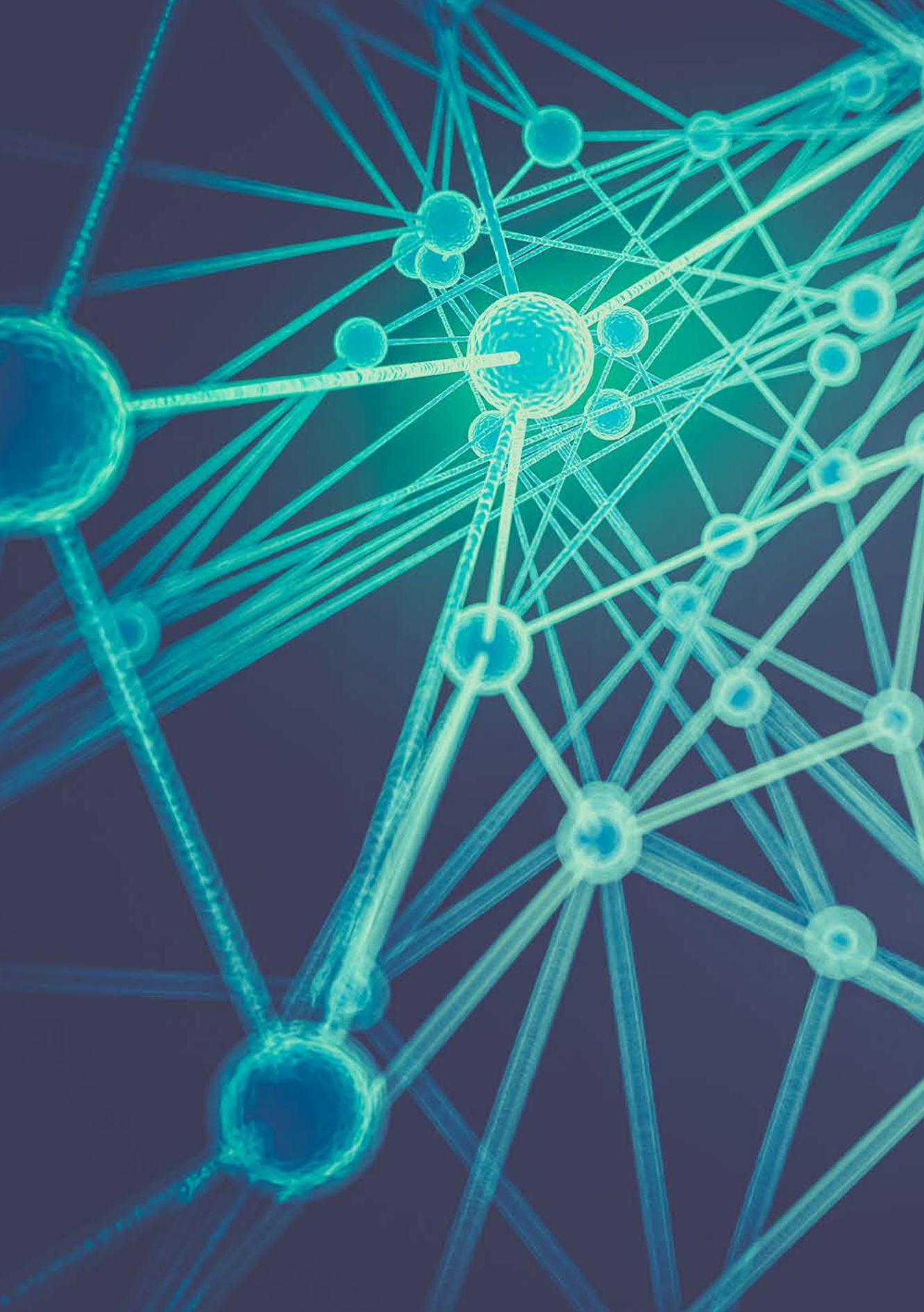
### 8.1 Aggregate Assets and Liabilities

#### 8.1A: Aggregate assets and liabilities

	2020 \$'000	2019 \$'000
<b>Assets expected to be recovered in:</b>		
No more than 12 months	20,571	21,788
More than 12 months	20,963	11,732
<b>Total assets</b>	<b>41,534</b>	<b>33,520</b>
<b>Liabilities expected to be settled in:</b>		
No more than 12 months	7,560	5,532
More than 12 months	10,507	4,330
<b>Total liabilities</b>	<b>18,067</b>	<b>9,862</b>

#### 8.1B: Administered - aggregate assets and liabilities

	2020 \$'000	2019 \$'000
<b>Assets expected to be recovered in:</b>		
No more than 12 months	397	712
More than 12 months	-	-
<b>Total assets</b>	<b>397</b>	<b>712</b>
<b>Liabilities expected to be settled in:</b>		
No more than 12 months	194,177	181,789
More than 12 months	-	-
<b>Total liabilities</b>	<b>194,177</b>	<b>181,789</b>





# Part 6

## Appendices

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# Appendix 1

## National Competitive Grants Program

This appendix provides information to support the Annual Performance Statement for Key Activity 1: Funding the highest quality research. The Discovery Program and the Linkage Program are funded under the National Competitive Grants Program (NCGP).

### Discovery Program

#### Australian Laureate Fellowships (FL)

First selection round	Funding commencing in 2009
Frequency	Annual
Description	The FL scheme reflects the Australian Government's commitment to excellence in research by supporting world-class researchers to conduct research in Australia.

#### Discovery Early Career Researcher Award (DECRA)

First selection round	Funding commencing in 2012
Frequency	Annual
Description	The DECRA scheme provides focused research support for early career researchers in both teaching and research, and research-only positions.

#### Discovery Indigenous (DI)

First selection round	Funding commencing in 2002 (DI Researchers Development); Funding commencing in 2012 (DI)
Frequency	Annual
Description	The DI scheme provides grant funding to support research projects led by an Australian Aboriginal or Torres Strait Islander researcher. The DI scheme also funds fellowships through the Discovery Indigenous Aboriginal and Torres Strait Islander Award.

#### Discovery Projects

First selection round	Funding commencing in 2002
Frequency	Annual
Description	The <i>Discovery Projects</i> scheme provides grant funding to support research projects that may be undertaken by individual researchers or research teams.

#### Future Fellowships (FT)

First selection round	Funding commencing in 2009
Frequency	Annual
Description	The FT scheme provides support for excellent mid-career researchers to undertake high quality research in areas of national and international benefit.

# Linkage Program

## ARC Centres of Excellence (CoE)

First selection round	Funding commencing in 2003
Frequency	Periodic
Description	The ARC CoE scheme facilitates significant collaboration which allows the complementary resources of universities, publicly funded research organisations, other research bodies, government and business to be concentrated to support outstanding research in all fields (except medical research).

## Industrial Transformation Research Hubs (ITRH)

First selection round	Funding commencing in 2012
Frequency	Annual
Description	The ITRH scheme engages Australia's best researchers to develop collaborative solutions to Industrial Transformation Priority areas and to train the future research workforce. Research Hubs support joint research activity between the Australian higher education sector and industry, and are designed to focus on strategic outcomes that cannot be realised independently of each other.

## Industrial Transformation Training Centres (ITTC)

First selection round	Funding commencing in 2013
Frequency	Annual
Description	The ITTC scheme fosters close partnerships between university-based researchers and other researchers. Training Centres deliver innovative Higher Degree Research and postdoctoral training. The focus is on creating end-user research capability that is vital to Australia's future by developing solutions relevant to the Industrial Transformation Priorities.

## Linkage Infrastructure, Equipment and Facilities (LIEF)

First selection round	Funding commencing in 2002
Frequency	Annual
Description	The LIEF scheme provides funding for research infrastructure, equipment and facilities to Eligible Organisations. It enables researchers to participate in cooperative initiatives so that expensive research infrastructure, equipment and facilities can be shared between higher education organisations and industry. The scheme also fosters collaboration through its support of the cooperative use of national or international research facilities.

## Linkage Learned Academies Special Projects (LASP)

First selection round	Funding commencing in 2002
Frequency	Periodic
Description	The LASP scheme funds the Australian Council of Learned Academies (ACOLA) and the Learned Academies to undertake research projects.

## Linkage Projects

First selection round	Funding commencing in 2002
Frequency	Annual from funding commencing in 2013; continuous from 1 July 2016
Description	The <i>Linkage Projects</i> scheme supports projects which initiate or develop long-term strategic research alliances to apply advanced knowledge to problems, acquire new knowledge and as a basis for securing commercial and other benefits of research.

## Special Research Initiatives (SRI)

First selection round	Funding commencing in 2002
Frequency	As required
Description	Under the SRI scheme, new or emerging areas of research for funding are identified. Applications for funding may be submitted only through ARC invitation by means of a call for proposal(s).

## Supporting Responses to Commonwealth Science Council Priorities

First selection round	Funding commencing in 2018
Frequency	As required
Description	The <i>Supporting Responses to Commonwealth Science Council Priorities</i> scheme aims to support the development of Australian research in priority areas as set by the Commonwealth Science Council. Organisations eligible to administer funding under the scheme are the ACOLA and the Learned Academies.

# Appendix 2 National Competitive Grants Program statistics



This appendix provides information to support the Annual Performance Statement for Key Activity 1: Funding the highest quality research.

**Table A1: Discovery Program funding commencing in 2017–18 to 2019–20**

Scheme	2017–18	2018–19	2019–20
<b>Australian Laureate Fellowships</b>	2017	2018	2019
Number of applications	112	134	149
Number of awards	17	16	17
Success rate (%)	15.2	11.9	11.4
Total funding (\$)	47,025,969	46,414,107	53,753,052
<b>Discovery Early Career Researcher Award</b>	2018	2019	2020
Number of applications	1212	1162	1248
Number of awards	197	200	200
Success rate (%)	16.3	17.2	16
Total funding (\$)	70,940,411	76,912,659	81,838,415
<b>Discovery Indigenous</b>	2018	2019	2020
Number of applications	38	31	29
Number of awards	13	12	7
Success rate (%)	34.2	38.7	24.1
Total funding (\$)	7,210,045	6,749,419	4,688,884
<b>Discovery Projects</b>	2018	2019	2020
Number of applications	3,136	2,921	2,875
Number of awards	594	654	660
Success rate (%)	18.9	22.4	23
Total funding (\$)	225,661,033	262,590,367	284,952,924
<b>Future Fellowships</b>	2017	2018	2019
Number of applications	294	509	589
Number of awards	91	100	100
Success rate (%)	31	19.6	17
Total funding (\$)	77,004,106	84,723,377	87,843,444

**Table A2: Linkage Program funding commencing in 2017–18 to 2019–20**

Scheme	2017–18	2018–19	2019–20
<b>ARC Centres of Excellence</b>	2018	2019	2020
Number of Expressions of Interest (EOI)	n/a	n/a	93
Number of EOI shortlisted	n/a	n/a	20
EOI success rate (%)	n/a	n/a	21.5
Number of applications funded	n/a	n/a	9
Application success rate (%)	n/a	n/a	45
Total funding (\$)	n/a	n/a	308,790,287
<b>Industrial Transformation Research Hubs</b>	2018	2019	2020
Number of applications	9	13	16
Number of awards	4	4	5
Success rate (%)	44.4	30.8	31.3
Total funding (\$)	17,971,900	18,104,299	24,950,000
<b>Industrial Transformation Training Centres<sup>1</sup></b>	2018	2019 <sup>8</sup>	2020
Number of applications	28	25	31
Number of awards	7	6	5
Success rate (%)	25	24	16.1
Total funding (\$)	28,922,441	24,072,165	24,334,385
<b>Linkage Infrastructure, Equipment and Facilities</b>	2018	2019	2020
Number of applications	171	144	164
Number of awards	50	36	47
Success rate (%)	29.2	25	28.7
Total funding (\$)	28,576,391	27,421,223	30,672,752
<b>Linkage Learned Academies Special Projects<sup>2</sup></b>	2018	2019	2020
Number of applications	10	n/a	n/a
Number of awards	5	n/a	n/a
Success rate (%)	50	n/a	n/a
Total funding (\$)	1,149,565	n/a	n/a
<b>Linkage Projects<sup>3 4 5</sup></b>	2017	2018	2019 <sup>8</sup>
Number of applications	417	448	432
Number of awards	132	140	175
Success rate (%)	31.7	31.3	40.5
Total funding (\$)	53,330,220	60,550,623	78,187,269

**Table A2: Linkage Program funding commencing in 2017–18 to 2019–20**

Scheme	2017–18	2018–19	2019–20
Special Research Initiatives <sup>6 7</sup>	2017–18 <sup>5</sup>	2018–19 <sup>5 8</sup>	2019–20 <sup>6</sup>
Number of applications	31	22	20
Number of awards	9	4	2
Success rate (%)	29	18.2	10
Total funding (\$)	8,166,350	2,664,878	56,000,000
Supporting Responses to Commonwealth Science Council Priorities	2018	2019	2020
Number of applications	n/a	2	n/a
Number of awards	n/a	2	n/a
Success rate (%)	n/a	100	n/a
Total funding (\$)	n/a	417,941	n/a

**Notes**

1 Outcomes for IC19 had not been announced in time for publication in the ARC Annual Report 2018–19. The results have been included in this report in 2018–19.

2 No funding round was scheduled for 2019 or 2020.

3 Linkage Projects 2019 includes all applications received for funding under the 2019 selection round. Funding for projects in the 2019 selection round may commence in 2019 or 2020.

4 Linkage Projects 2017 includes all applications received for funding under the 2017 selection round. Funding for projects in the 2017 selection round may commence in 2017 or 2018.

5 Linkage Projects 2018 includes all applications received for funding under the 2018 selection round. Funding for projects in the 2018 selection round may commence in 2018 or 2019.

6 The Special Research Initiative reported in 2018–19 is the Per- and Poly-Fluoroalkyl Substances (PFAS) Remediation Research Program. Outcomes for the second round of SR18 had not been announced in time for publication in the ARC Annual Report 2018–19. The results have been included in this report in 2018–19.

7 The Special Research Initiative reported in 2019–20 is the Excellence in Antarctic Science (SRIEAS) Program.

8 In the above performance reporting against Key Activity 1 a number of KPI performance figures are different to those previously reported in the 2018–19 Annual Report. As noted in last year's Annual Report, some of the 2018–19 figures did not include ITRP data. This was due to the outcomes and data of ITRP rounds not yet being finalised and available for inclusion in the report. The ITRP data has now been included in the 2018–19 figures reported in the current 2019–20 Annual Report. The inclusion of this data now shows an accurate reflection of the ARC's performance in 2018–19 and provides comparable data to assess against this year's performance.



## Appendix 3 Prizes and awards

This appendix provides information to support the Key Activity 1 performance indicator—External recognition of the achievements of ARC-funded researchers (see page 32). External recognition of the achievements of ARC-funded researchers through the receipt of prizes and awards is considered to be a proxy indicator of the excellence of the researchers being funded under the NCGP.

The following list of prizes and awards (Table A3) has been developed in consultation with key stakeholders within the research and innovation sector to highlight the research excellence of recipients. It reflects a selection of the prizes and awards won by recipients of ARC funding. Those listed were funded under the NCGP for projects commencing between July 2015 and June 2020.

**Table A3: ARC-funded recipients of prizes and awards, 2019–20**

Award category	Prize or award	Name	Institution	ARC Role
<b>Australian Government—Prime Minister’s Prizes for Science</b>	<i>Prime Minister’s Prize for Science</i>	Emeritus Professor Cheryl Praeger	The University of Western Australia	Chief Investigator
	<i>Frank Fenner Prize for Life Scientist of the Year</i>	Professor Laura Mackay	University of Melbourne	Chief Investigator
	<i>Malcolm McIntosh Prize for Physical Scientist of the Year</i>	Associate Professor Elizabeth New	The University of Sydney	Chief Investigator
<b>NSW State Government—NSW Premier’s Prizes for Science &amp; Engineering</b>	<i>Scientist of the Year</i>	Professor Rose Amal	The University of New South Wales	Chief Investigator
	<i>Excellence in Mathematics, Earth Sciences, Chemistry or Physics</i>	Professor Nalini Joshi	The University of Sydney	Chief Investigator
	<i>Excellence in Biological Sciences (Ecological, environmental, agricultural and organismal)</i>	Professor David Keith	The University of New South Wales	Chief Investigator

**Table A3: ARC-funded recipients of prizes and awards, 2019–20**

Award category	Prize or award	Name	Institution	ARC Role
	<i>Excellence in Engineering or Information and Communications Technology</i>	Professor Albert Zomaya	The University of Sydney	Chief Investigator
	<i>NSW Early Career Researcher of the Year (Physical Science)</i>	Dr Neeraj Sharma	The University of New South Wales	Chief Investigator
	<i>Victoria Prize for Science &amp; Innovation (life sciences)</i>	Professor Michael Berk	Deakin University	Chief Investigator
<b>South Australian Science Excellence Awards</b>	<i>South Australian Scientist of the Year</i>	Professor Jozef Gecez	University of Adelaide	Chief Investigator
	<i>Tall Poppy of the Year</i>	Dr Nigel Rogasch	The University of Adelaide	DECRA
<b>Australian Academy of Science</b>	<i>David Craig Medal</i>	Dr Graeme Moad	Commonwealth Scientific and Industrial Research Organisation	Partner Investigator
	<i>Haddon Forrester King Medal and Lecture</i>	Professor Ian Campbell	Australian National University	Chief Investigator
	<i>Mawson Medal and Lecture</i>	Professor Allen Nutman	University of Wollongong	Chief Investigator
	<i>Macfarlane Burnet Medal and Lecture</i>	Professor Marilyn Renfree	The University of Melbourne	Chief Investigator
	<i>Nancy Millis Medal for Women in Science</i>	Associate Professor Kate Schroder	University of Queensland	Chief Investigator
	<i>Anton Hales Medal</i>	Dr Jan Zika	The University of New South Wales	Chief Investigator
	<i>Dorothy Hill Medal</i>	Dr Rebecca Carey	University of Tasmania	Chief Investigator
	<i>Fenner Medal</i>	Associate Professor Michael Bode	Queensland University of Technology	Chief Investigator

**Table A3: ARC-funded recipients of prizes and awards, 2019–20**

<b>Award category</b>	<b>Prize or award</b>	<b>Name</b>	<b>Institution</b>	<b>ARC Role</b>
	<i>Gottschalk Medal</i>	Associate Professor Muireann Irish	The University of Sydney	Chief Investigator
	<i>John Booker Medal in Engineering Science</i>	Associate Professor Britta Bienen	The University of Western Australia	Chief Investigator
	<i>Pawsey Medal</i>	Associate Professor Adam Deller	Swinburne University of Technology	Chief Investigator
	<i>Christopher Heyde Medal</i>	Professor Ryan Loxton	Curtin University	Chief Investigator
<b>Australian Academy of the Social Sciences</b>	<i>Paul Bourke Awards for Early Career Research</i>	Dr David Frazier	Monash University	Chief Investigator
<b>Australian Academy of Technological Sciences and Engineering—Clunies Ross Awards</b>	<i>Batterham Award</i>	Professor Michael Milford	Queensland University of Technology	Chief Investigator
<b>National Stem Cell Foundation of Australia</b>	<i>Metcalf Prize</i>	Associate Professor James Hudson	QIMR Berghofer Medical Research Institute	Chief Investigator
<b>Royal Australian Chemical Institute</b>	<i>H. G. Smith Memorial Award</i>	Professor Richard Payne	The University of Sydney	Chief Investigator
	<i>Leighton Memorial Medal</i>	Emeritus Professor Leo Radom	The University of Sydney	Chief Investigator
	<i>Margaret Sheil Leadership Award</i>	Professor Frances Separovic	University of Melbourne	Chief Investigator
<b>APEC</b>	<i>APEC Science Prize for Innovation, Research and Education (ASPIRE Prize)</i>	Dr Yun Hau Ng	University of New South Wales	Chief Investigator

**Table A3: ARC-funded recipients of prizes and awards, 2019–20**

<b>Award category</b>	<b>Prize or award</b>	<b>Name</b>	<b>Institution</b>	<b>ARC Role</b>
<b>Ecological Society of Australia</b>	<i>Wiley Next Generation Ecologist Award</i>	Dr Caragh Threlfall	The University of Melbourne	DECRA
	<i>Australian Ecology Research Award</i>	Associate Professor Menna Jones	University of Tasmania	Chief Investigator
<b>The University of Melbourne</b>	<i>Ernest Scott Prize</i>	Professor Michelle Arrow	Macquarie University	Chief Investigator
<b>Australian Psychology Society</b>	<i>President's Award for Distinguished Contribution to Psychology in Australia</i>	Professor Patricia Dudgeon	University of Western Australia	Chief Investigator
	<i>President's Award for Distinguished Contribution to Psychology in Australia</i>	Professor Shane Thomas	Australian National University	Chief Investigator
	<i>Distinguished Contribution to Psychological Science Award</i>	Professor Martine Powell	Griffith University	Chief Investigator
<b>Australian Political Studies Association</b>	<i>Carole Pateman Gender and Politics Book Prize</i>	Professor Laura Shepherd	The University of Sydney	Future Fellow
<b>Australian Archaeological Association</b>	<i>John Mulvaney Book Award</i>	Associate Professor Alice Gorman	Flinders University	Chief Investigator
	<i>Bruce Veitch Award for Excellence in Indigenous Engagement</i>	Dr Noelene Cole	Griffith University	Partner Investigator
<b>Australian Housing and Urban Research Institute</b>	<i>Federal Minister's Award for Early Career Housing Researcher</i>	Dr Kathleen Flanagan	University of Tasmania	DECRA

**Table A3: ARC-funded recipients of prizes and awards, 2019–20**

<b>Award category</b>	<b>Prize or award</b>	<b>Name</b>	<b>Institution</b>	<b>ARC Role</b>
<b>Australian Meteorological and Oceanographic Society</b>	<i>Priestley Medal</i>	Professor Nerilie Abram	Australian National University	Chief Investigator
<b>Australian Mathematical Society</b>	<i>Australian Mathematical Society Medal</i>	Associate Professor David Harvey	The University of New South Wales	Future Fellow
<b>National Measurement Institute</b>	<i>Barry Inglis Medal</i>	Professor Warwick Bowen	The University of Queensland	Chief Investigator
<b>Engineers Australia</b>	<i>Peter Nicol Russell Memorial Medal</i>	Professor Brian Anderson	Australian National University	Chief Investigator
	<i>The Chemical Engineering Research Excellence Award</i>	Professor Lianzhou Wang	The University of Queensland	Chief Investigator
<b>Australian Institute of Policy &amp; Science—Tall Poppies</b>	<i>ACT</i>	Dr Lara Malins	Australian National University	Chief Investigator
	<i>NSW</i>	Professor Rebecca Guy	The University of New South Wales	Chief Investigator
		Dr Emma Camp	University of Technology Sydney	DECRA
		Associate Professor Sally Gainsbury	The University of Sydney	DECRA
		Dr Qilin Wang	University of Technology Sydney	DECRA
	<i>QLD</i>	Associate Professor Jyotsna Batra	Queensland University of Technology	Chief Investigator
		Dr Laura Fenlon	The University of Queensland	Chief Investigator
		Associate Professor Andrew Hoey	James Cook University	Chief Investigator

**Table A3: ARC-funded recipients of prizes and awards, 2019–20**

Award category	Prize or award	Name	Institution	ARC Role
		Associate Professor James Hudson	QIMR Berghofer Medical Research Institute	Partner Investigator
		Dr Carlos Salomon	The University of Queensland	Chief Investigator
SA		Associate Professor Sarah Cohen-Woods	Flinders University	Chief Investigator
		Associate Professor Jia Tina Du	University of South Australia	DECRA
		Dr Oren Griffiths	Flinders University	Chief Investigator
		Dr Giang Nguyen	The University of Adelaide	Chief Investigator
		Dr Nigel Rogasch	The University of Adelaide	DECRA
		Dr Daniel King	The University of Adelaide	DECRA
TAS		Dr Rebecca Carey	University of Tasmania	Chief Investigator
		Dr Amelie Meyer	University of Tasmania	DECRA
VIC		Associate Professor Heiko Dietrich	Monash University	Chief Investigator
		Dr Daniel Edgington-Mitchell	Monash University	Chief Investigator
		Associate Professor Kate Fox	RMIT University	Chief Investigator
WA		Dr Katarina Miljkovic	Curtin University	DECRA
		Dr Catherine Anne Boisvert	Curtin University	Chief Investigator
		Associate Professor Richard Norman	Curtin University	Chief Investigator

**Table A3: ARC-funded recipients of prizes and awards, 2019–20**

Award category	Prize or award	Name	Institution	ARC Role
		Associate Professor Debbie Silvester	Curtin University	Future Fellow
<b>The Australian Museum— Australian Museum Eureka Prizes</b>	<i>Environmental Research</i>	Associate Professor Kerrylee Rogers	University of Wollongong	Chief Investigator
	<i>Environmental Research</i>	Professor Neil Saintilan	Macquarie University	Chief Investigator
	<i>Excellence in Data Science</i>	Professor Longbing Cao	University of Technology Sydney	Future Fellow
	<i>Excellence in Interdisciplinary Scientific Research</i>	Associate Professor Thomas Oxley	The University of Melbourne	Partner Investigator
	<i>Excellence in Interdisciplinary Scientific Research</i>	Associate Professor Nicholas Opie	The University of Melbourne	Chief Investigator
	<i>Excellence in Interdisciplinary Scientific Research</i>	Dr Rahul Sharma	The University of Queensland	Chief Investigator
	<i>Innovative Use Of Technology</i>	Professor Hala Zreiqat	The University of Sydney	Chief Investigator
	<i>Outstanding Early Career Researcher</i>	Professor Laura Mackay	The University of Melbourne	Chief Investigator

# Appendix 4 Resource statement



This appendix provides information to support the financial information in Section 3.2: Financial performance.

**Table A4: ARC Entity Resource Statement 2019–20 (all figures \$'000)**

		Actual available appropriation \$'000 (a)	Payments made \$'000 (b)	Balance remaining \$'000 (a) – (b)
<b>Departmental</b>				
Annual appropriations – ordinary annual services <sup>1</sup>		43,939	23,681	20,258
Annual appropriations – other services – non-operating <sup>2</sup>		56	56	-
<b>Total departmental resourcing</b>	<b>A</b>	<b>43,995</b>	<b>23,737</b>	<b>20,258</b>
<b>Administered</b>				
Annual appropriations – ordinary annual services <sup>1</sup>		10,758	7,179	
<b>Total administered annual appropriation</b>	<b>B</b>	<b>10,758</b>	<b>7,179</b>	
<b>Administered special appropriations</b>				
<i>Australian Research Council Act 2001</i>		786,212	762,541	
<b>Total administered special appropriations</b>	<b>C</b>	<b>786,212</b>	<b>762,541</b>	
<b>Special accounts<sup>3</sup></b>				
Opening balance		1,807		
Appropriation receipts		3,684		
Payments made			4,461	
<b>Total special account</b>	<b>D</b>	<b>5,491</b>	<b>4,461</b>	<b>1,030</b>
<b>Total administered resourcing</b>	<b>B+C+D</b>	<b>802,461</b>	<b>774,180</b>	
less administered appropriations drawn from annual appropriations and credited to special accounts		3,684		
<b>Total resourcing and payments for the ARC</b>		<b>798,777</b>	<b>774,180</b>	

1. Appropriation Act (No.1 and No.3) 2019–20. This also includes prior-year departmental appropriation and section 74 external revenue.

Departmental capital budgets are not separately identified in Appropriation Bill (No.1, 3, 5) and form part of ordinary annual services items. For accounting purposes, this amount has been designated as a 'contribution by owner'.

2. Prior year Appropriation Act (No. 2) 2017–18.

3. Excludes trust moneys held in Services for Other Entities and Trust Moneys (SOETM) and other special accounts.

**Table A5: ARC Expenses for Outcome 1, 2019–20**

Outcome 1: Growth of knowledge and innovation through managing research funding schemes, measuring research excellence and providing advice	Budget* 2019–20 \$'000 (a)	Actual Expenses 2019–20 \$'000 (b)	Variation 2019–20 \$'000 (a) – (b)
<b>Program 1.1: Discovery—Research and Research Training</b>			
Administered expenses			
Ordinary annual services (Appropriation Act No.1 and 3)	1,170	970	200
Special appropriations	507,044	485,754	21,290
<b>Total for Program 1.1</b>	<b>508,214</b>	<b>486,724</b>	<b>21,490</b>
<b>Program 1.2: Linkage—Cross-Sector Research Partnerships</b>			
Administered expenses			
Ordinary annual services (Appropriation Act No.1 and 3)	1,522	1,486	36
Special appropriations	279,168	289,102	(9,934)
Special accounts	4,684	4,461	223
<b>Total for Program 1.2</b>	<b>285,374</b>	<b>295,049</b>	<b>(9,675)</b>
<b>Program 1.3: Excellence in Research for Australia</b>			
Administered expenses			
Ordinary annual services (Appropriation Act No.1 and No.3)	3,556	1,104	2,452
<b>Total for Program 1.3</b>	<b>3,556</b>	<b>1,104</b>	<b>2,452</b>
<b>Outcome 1: Totals by appropriation type</b>			
Administered Expenses			
Ordinary annual services (Appropriation Act No.1)	6,248	3,560	2,688
Special appropriations	786,212	774,856	11,356
Special accounts	4,684	4,461	223
Departmental expenses			
Departmental appropriation	21,226	20,195	1,031
s74 External Revenue <sup>1</sup>	-	2	(2)
Expenses not requiring appropriation in the budget year <sup>2</sup>	3,609	4,561	(952)
<b>Total expenses for Outcome 1</b>	<b>821,979</b>	<b>807,633</b>	<b>14,346</b>
	<b>Budget 2019–20</b>	<b>Actual 2019–20</b>	<b>Variation</b>
<b>Average staffing level (number)</b>	136	129	7

\* Full-year budget, including any subsequent adjustment made to the 2019–20 budget at 2019–20 Additional Estimates.

1. Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act 2013.

2. Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, make good expenses and audit fees.

# Appendix 5

## Other mandatory information



This appendix provides information required by other legislation, relating to:

- advertising and market research (section 311A of the *Commonwealth Electoral Act 1918*)
- ecologically sustainable development and environmental performance (section 516A of the *Environment Protection and Biodiversity Conservation Act 1999*)
- work health and safety (Schedule 2, Part 4 of the *Work Health and Safety Act 2011* [WHS Act]).

The ARC is not defined as a 'public service care agency' and has no obligations under the *Carer Recognition Act 2010*.

### Advertising and market research

During 2019–20 the ARC conducted no advertising campaigns.

Under section 311A of the *Commonwealth Electoral Act 1918*, agencies are required to report in their Annual Reports on payments made to advertising agencies, market research organisations, polling organisations, direct mail organisations and media advertising organisations.

The ARC paid \$3,329 (including Goods and Services Tax) for advertising costs to Universal McCann in 2019–20. The advertising consisted of non-campaign advertisements.

During 2019–20 the ARC did not employ the services of any market research, polling or direct mail organisations.

### Ecologically sustainable development and environmental performance

Under section 516A of the *Environment Protection and Biodiversity Conservation Act 1999*, Australian Government entities have a statutory requirement to report against two criteria in their Annual Reports:

- how they accord with and contribute to ecologically sustainable development (ESD)
- their environmental performance, that is, the impact their activities have on the natural environment, how these are minimised and how they will be further mitigated.

#### Accordance with and contribution to ecologically sustainable development

Under the NCGP the ARC provides funding support for research in all disciplines, including issues of national significance such as health, social welfare, defence, transport, communications and the environment. The accordance between the ARC's activities and the principles of ESD is outlined in Table A6.

**Table A6: Principles of ESD and ARC activities**

Principle	ARC activities
Integration: decision making processes should effectively integrate both long-term and short-term economic, environmental, social and equity considerations	Assessment criteria relating to the provision of economic, environmental, social, health and/or cultural benefits to Australia are employed across a range of NCGP schemes. Applications are assessed through a competitive peer review process.
Intergenerational: if there are threats of serious or irreversible environmental damage, lack of full scientific certainty should not be used as a reason for postponing measures to prevent environmental degradation	The NCGP provides funding for research in all disciplines including research relevant to ESD and environmental protection. Excellence in Research for Australia identifies and promotes excellence across all research fields in Australia's higher education institutions. One aim is to build research excellence resulting in better outcomes for Australia.
Biodiversity: the conservation of biological diversity and ecological integrity should be a fundamental consideration in decision-making	All ARC-funded projects must comply with ethics and research practice requirements including the Australian Code for the Responsible Conduct of Research. This includes the requirement that researchers should conduct research so as to minimise adverse effects on the wider community and the environment.
valuation: improved valuation, pricing and incentive mechanisms should be promoted	The ARC complies with the Commonwealth Procurement Rules ensuring that any procurement takes into consideration, among other factors, the environmental sustainability of the proposed goods and services.

### National Competitive Grants Program outcomes

Of the 1,190 NCGP projects awarded funding commencing in 2018–19, 157 involved research relevant to the Australian Government Science and Research Priority area 'environmental change'. These projects were allocated total funding of approximately \$141.2 million.

The ARC also continued to fund a range of ongoing environment-related research projects. Examples of larger scale projects funded include:

- the *ARC CoE for Integrated Coral Reef Studies* (established 2014), which aims to provide the scientific knowledge necessary for sustaining coral reef ecosystems and the goods and services they provide that support the livelihoods and food security of millions of people in the tropics
- the *ARC Training Centre for Mining Restoration* (established 2015), which aims to deliver integrated research projects and industry-ready professionals focused on the needs of the mining restoration industry
- the *ARC CoE for Australian Biodiversity and Heritage* (established 2017), which aims to track changes to Australia's environment, to examine the processes responsible for these changes and to identify the lessons that can be used to promote adaptation to Australia's changing environment
- the *ARC CoE for Climate Extremes* (established 2017), which is the world's first fully integrated centre focused explicitly on understanding and predicting climate extremes.

## Environmental performance

The ARC's daily operational activities have an impact on the environment through the use of electricity, vehicles, water, paper and other materials, and the generation of waste.

Measures to minimise this impact are outlined below.

### Building

The ARC leases office space at 11 Lancaster Place, Canberra Airport, Canberra. This location houses one of the largest tri-generation plants in Australia. Tri-generation is a process through which natural gas is used as the single input source of energy to generate electricity. Excess energy that would have been lost during the production of electricity is used to heat the buildings in winter and cool them in summer.

In addition to producing 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.

### Energy

ARC office lighting operates on motion sensors and automatically switches off if movement is not detected for a specified period of time.

The ARC undertakes an electrical audit of any personal devices to be used on ARC premises. The audit applies a reasonableness test, considering key priorities, including cost, productivity and environmental impact. Devices that do not meet the requirements of this test cannot be used on ARC premises.

ARC staff participated in Earth Hour on 28 March 2020. Earth Hour is a 'lights out' initiative designed to draw attention to tackling global warming. This year marked the thirteenth anniversary of the initiative as a global phenomenon.

### Information management

In accordance with the Australian Government's Digital Transformation Strategy the ARC has committed to digital information management practices and is transitioning to primarily digital record keeping.

In 2019–20 the ARC introduced 12 new digital human resources forms, replacing the use of paper forms.

### Information and Communication Technology (ICT) services

During this period the ARC continued to pursue the principles of the *Australian Government's ICT Sustainability Plan*, which ceased in 2015, including:

- sustainable procurement (for example, using recycled office paper and ensuring appropriate resource reuse or recovery for mobiles, toner cartridges and ICT equipment)
- managing resource consumption and demand (for example, monitoring computer to printer ratios)
- managing waste (for example, ensuring e-waste is used or recycled and ICT packaging is recycled).

# Work Health and Safety (WHS)

In accordance with the *Work Health and Safety Act 2011* (WHS Act), agencies must provide information relating to WHS matters in their Annual Reports.

## Health and safety initiatives

During the year the ARC continued to:

- hold WHS meetings
- provide first aid training to nominated first aid officers
- provide employer-subsidised eyesight testing for screen-based work
- provide training for fire wardens and health and safety representatives
- provide influenza vaccinations to employees and contractors
- organise workstation assessments where required
- provide online WHS training
- organise health checks.

## Health and safety outcomes

No incidents were reported to the Director, People and Services, in accordance with the ARC's incident notification and reporting procedures.

## Notifiable incidents

The ARC had no notifiable incidents during 2019–2020. Under the WHS Act, a notifiable incident is one involving the death of a person, the serious injury or illness of a person, or a dangerous incident.

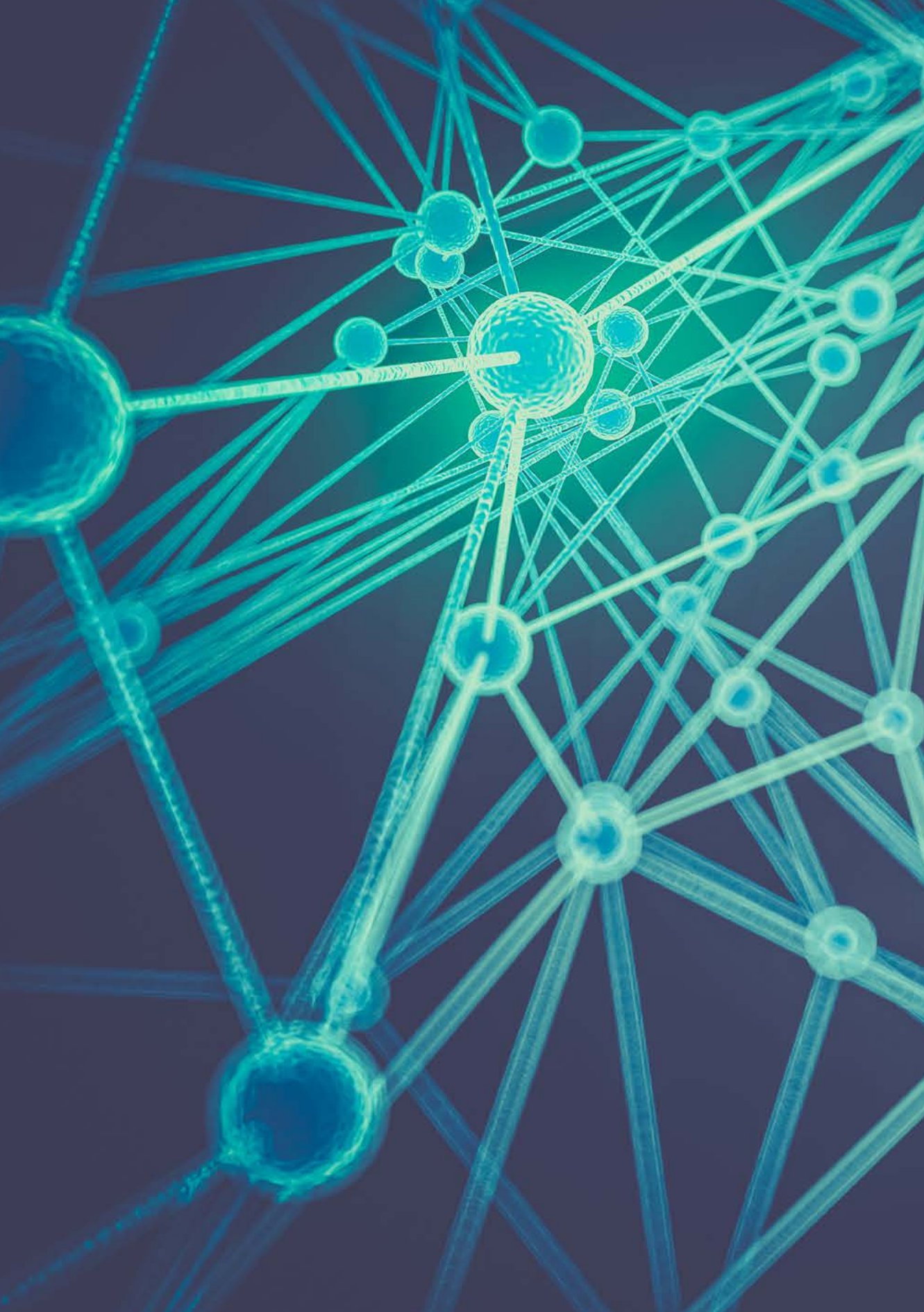
Investigations including details of all notices.

The ARC was not issued with any WHS notices and there were no WHS investigations undertaken during 2019–2020.

## Other matters

There are no other matters required by guidelines approved on behalf of the Parliament by the Joint Committee of Public Accounts and Audit.







# Part 7

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# Abbreviations and acronyms

A	
ABS	Australian Bureau of Statistics
ADB	Australian Dictionary of Biographies
ACOLA	Australian Council of Learned Academies
ANAO	Australian National Audit Office
ANZSRC	Australian and New Zealand Standard Research Classifications
APS	Australian Public Service
APSC	Australian Public Service Commission
ARC	Australian Research Council
ARC Act	<i>Australian Research Council Act 2001</i>
ARIC	Australian Research Integrity Committee
ASKAP	Australian Square Kilometre Array Pathfinder
AWA	Australian Workplace Agreement
B	
BCP	<i>Business Continuity Plan</i>
BSB	Biological Sciences and Biotechnology
C	
CACHE	Centre for Ancient Cultural Heritage & Environment
CEO	Chief Executive Officer
CoE	Centres of Excellence
CP	Corporate Plan
CSIRO	Commonwealth Scientific and Industrial Research Organisation
D	
DECRA	Discovery Early Career Researcher Award
DI	Discovery Indigenous
DRP	Disaster Recovery Plan
E	
EI	Engagement and Impact
EIS	Engineering and Information Sciences
ERA	Excellence in Research for Australia
ESD	Ecologically Sustainable Development
F	
FL	Australian Laureate Fellowships
FT	Future Fellowships
FOI Act	<i>Freedom of Information Act 1982</i>
G	
GST	Goods and Services Tax
H	
HCA	Humanities and Creative Arts
I	
ICT	Information and Communications Technology
IFA	Individual Flexibility Arrangements

IPS	Information Publication Scheme
IT	Information Technology
ITRH	Industrial Transformation Research Hubs
ITRP	Industrial Transformation Research Program
ITTC	Industrial Transformation Training Centres
<b>J</b>	
JCPAA	Joint Committee of Public Accounts and Audit
<b>K</b>	
KPI	Key Performance Indicator
<b>L</b>	
LASP	Linkage Learned Academies Special Projects
LIEF	Linkage Infrastructure, Equipment and Facilities
<b>M</b>	
MBIE	Ministry of Business, Innovation and Employment
MRAG	Medical Research Advisory Group
<b>N</b>	
NABERS	National Australia Building Environment Rating System
NCGP	National Competitive Grants Program
NHMRC	National Health and Medical Research Council
NIT	National Interest Test
<b>P</b>	
PBS	Portfolio Budget Statements
PFAS	Per- and Poly-Fluoroalkyl Substances
PGPA Act	<i>Public Governance, Performance and Accountability Act 2013</i>
PGPA Rule	<i>Public Governance, Performance and Accountability Rule 2014</i>
PS Act	<i>Public Service Act 1999</i>
<b>R</b>	
RDC	Rural Research and Development Corporations
RM Policy	Risk Management Policy
RMS	Research Management System
ROPE	Research Opportunity and Performance Evidence
RMIT	Royal Melbourne Institute of Technology
<b>S</b>	
SAC	Selection Advisory Committee
SBE	Social, Behavioural and Economic Sciences
SES	Senior Executive Service
SME	Small and Medium Enterprises
SMG	Senior Management Group
STEM	Science, Technology, Engineering and Mathematics
SRI	Special Research Initiatives
SRIEAS	SRI in Excellence in Antarctic Science
<b>U</b>	
UA	Universities Australia
<b>W</b>	
WHS	Work Health and Safety
WHS Act	<i>Work Health and Safety Act 2011</i>



# Glossary

## **Administered expenditure**

Funding that is managed by agencies on behalf of the Government.

## **Applied research**

Research that aims to address real-world problems by applying existing research theories or practices in a novel or innovative way.

## **Basic research**

Research that contributes to understanding the world through discoveries and the creation of new knowledge, theories and practices.

## **Chief Investigator**

A researcher who satisfies the eligibility criteria for a Chief Investigator under the Discovery Program or Linkage Program Grant Guidelines, and takes responsibility for the conduct of an ARC-funded project.

## **Discovery Program**

Funding for investigator-initiated research projects and research fellowships and awards. The Discovery Program comprises the *FL*, *DECRA*, *DI*, *Discovery Projects and FT* schemes.

## **Early career researcher**

A researcher who has held a PhD or equivalent qualification for a period of less than or equal to five years at the time of their application.

## **Eligible Organisation**

An organisation that satisfies the eligibility criteria for an Administering Organisation under the Discovery Program or Linkage Program Grant Guidelines.

## **EI assessment**

An assessment of researchers' engagement with end-users, and how universities are translating their research into economic, social, environmental, cultural and other impacts.

## **ERA**

Provides Australian Government, industry, business and the wider community with assurance of the excellence of research conducted in Australia's higher education institutions. The evaluation framework identifies universities and disciplines that are internationally competitive and highlights areas where there are opportunities for further development and investment.

## **Final report**

A report to the ARC that researchers must submit within 12 months of completing their research project. The report includes a range of data and information including a description of research outcomes, academic and commercialisation outputs, and details of collaboration.

## **Grant Agreement**

The agreement entered into by the ARC and an Administering Organisation when an application from that organisation is approved for funding.

**Grant Guidelines**

Documents published on the GrantConnect website for each grant opportunity that provide applicants with information about schemes, eligibility requirements, the application, selection and approval processes, and requirements for the administration of funding.

**Linkage Program**

Provides funding for research projects, infrastructure, hubs and centres that foster collaboration among researchers and research teams in Australia and internationally, and with industry and other research end-users. The Linkage Program comprises the ARC CoEs, ITRHs, ITTCs, LIEF, *Linkage Learned Academies Special Projects*, *Linkage Projects*, SRIs and *Supporting Responses to Commonwealth Science Council Priorities* schemes.

**Mid-career researchers**

A researcher with between five and fifteen years' research experience since the award of a PhD or equivalent qualification at the time of their application.

**NCGP**

The NCGP incorporates the Discovery Program and the Linkage Program, under which the ARC funds a range of complementary schemes to support the highest-quality basic and applied research, research training, research collaboration or partnerships, and infrastructure across all research disciplines.

**Partner Investigator**

A researcher who satisfies the eligibility criteria for a Partner Investigator under the Discovery Program or Linkage Program Grant Guidelines, and takes significant intellectual responsibility for the research.

**Partner Organisations**

National or international organisations that satisfy the eligibility criteria for a Partner Organisation as defined under Linkage Program Grant Guidelines, and contribute to the research project in accordance with the requirements of the scheme.

**Peer review**

Evaluation of research applications or outputs by experts who assess individual research applications within their field of research or across a broader disciplinary area on the basis of established selection criteria.

**Science and Research Priority areas**

A set of priority areas identified by the Australian Government that replaced the Strategic Research Priority areas in 2015. The priorities are designed to focus Australian Government support for science and research on the most important challenges facing Australia. The current Science and Research Priority areas are: food, soil and water, transport, cybersecurity, energy, resources, advanced manufacturing, environmental change and health. Each priority is associated with three to four Practical Research Challenges, which aim to prioritise the development of Australia's research and innovation capabilities in areas the Australian Government regards as pivotal to the nation's future.

**Success rate**

The number of awards made in a year or funding round as a percentage of the total number of applications. Withdrawn applications are excluded from calculations.



# Compliance index

## *Australian Research Council Act 2001*—List of requirements

ARC Act Reference	Part of report	Description	Requirement	Pages
<b>46</b>	Letter of transmittal	The Annual Report prepared by the CEO and given to the Minister under section 46 of the PGPA Act for a period must also deal with: (a) any matters required by other provisions of this Act to be dealt with in the report; and (b) any other matters that the Minister, by notice in writing to the CEO, requires to be dealt with in the report. Note: A provision of this Act that requires matters to be dealt with in the report is subsection 33C(3).	Mandatory	iii
<b>33(c)</b>	Letter of transmittal	Particulars of any directions given by the Minister under subsection (1) must be (b) included in the Annual Report prepared by the CEO and given to the Minister under section 46 of the PGPA Act, for the period in which the direction is given.	Mandatory	iii

# Annual Reports for non-corporate Commonwealth entities— List of requirements

PGPA Rule Reference	Part of Report	Description	Requirement	Pages
17AD(g)	Letter of transmittal			iii
17AI	Letter of transmittal	A copy of the letter of transmittal signed and dated by accountable authority on date final text approved, with statement that the report has been prepared in accordance with section 46 of the Act and any enabling legislation that specifies additional requirements in relation to the annual report.	Mandatory	iii
17AD(h)	Aids to access			
17AJ(a)	Contents	Table of contents.	Mandatory	iv-v
17AJ(b)	Alphabetical index	Alphabetical index.	Mandatory	188–193
17AJ(c)	Abbreviations and acronyms	Glossary of abbreviations and acronyms.	Mandatory	173–174
17AJ(d)	Compliance index	List of requirements.	Mandatory	177–187
17AJ(e)	A guide to this report	Details of contact officer.	Mandatory	ii
17AJ(f)	A guide to this report	Entity's website address.	Mandatory	ii
17AJ(g)	Copyright page	Electronic address of report.	Mandatory	ii
17AD(a)	Review by accountable authority			
17AD(a)	Review by the Accountable Authority	A review by the accountable authority of the entity.	Mandatory	2–15
17AD(b)	Overview of the entity			
17AE(1)(a)(i)	Roles and functions	A description of the role and functions of the entity.	Mandatory	19–20
17AE(1)(a)(ii)	Organisational structure	A description of the organisational structure of the entity.	Mandatory	21
17AE(1)(a)(iii)	Performance framework	A description of the outcomes and programmes administered by the entity.	Mandatory	23

PGPA Rule Reference	Part of Report	Description	Requirement	Pages
17AE(1)(a)(iv)	Performance framework	A description of the purposes of the entity as included in corporate plan.	Mandatory	24
17AE(1)(aa)(i)	Organisational structure	Name of the accountable authority or each member of the accountable authority.	Mandatory	22
17AE(1)(aa)(ii)	Organisational structure	Position title of the accountable authority or each member of the accountable authority.	Mandatory	22
17AE(1)(aa)(iii)	Organisational structure	Period as the accountable authority or member of the accountable authority within the reporting period.	Mandatory	22
17AE(1)(b)	n/a	An outline of the structure of the portfolio of the entity.	Portfolio departments mandatory	n/a
17AE(2)	n/a	Where the outcomes and programs administered by the entity differ from any Portfolio Budget Statement, Portfolio Additional Estimates Statement or other portfolio estimates statement that was prepared for the entity for the period, include details of variation and reasons for change.	If applicable, Mandatory	n/a
17AD(c)	<i>Report on the Performance of the entity</i> <i>Annual performance Statements</i>			
17AD(c)(i); 16F	Annual Performance Statement	Annual performance statement in accordance with paragraph 39(1)(b) of the Act and section 16F of the Rule.	Mandatory	26–60
17AD(c)(ii)	<i>Report on Financial Performance</i>			
17AF(1)(a)	Financial performance	A discussion and analysis of the entity's financial performance.	Mandatory	61–62
17AF(1)(b)	Appendix 4 Resource statement	A table summarising the total resources and total payments of the entity.	Mandatory	162–163

PGPA Rule Reference	Part of Report	Description	Requirement	Pages
17AF(2)	n/a	If there may be significant changes in the financial results during or after the previous or current reporting period, information on those changes, including: the cause of any operating loss of the entity; how the entity has responded to the loss and the actions that have been taken in relation to the loss; and any matter or circumstances that it can reasonably be anticipated will have a significant impact on the entity's future operation or financial results.	If applicable, Mandatory.	n/a
17AD(d)	Management and Accountability <i>Corporate Governance</i>			
17AG(2)(a)	Corporate governance	Information on compliance with section 10 (fraud systems).	Mandatory	65
17AG(2)(b)(i)	Letter of transmittal	A certification by accountable authority that fraud risk assessments and fraud control plans have been prepared.	Mandatory	iii
17AG(2)(b)(ii)	Letter of transmittal	A certification by accountable authority that appropriate mechanisms for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud that meet the specific needs of the entity are in place.	Mandatory	iii
17AG(2)(b)(iii)	Letter of transmittal	A certification by accountable authority that all reasonable measures have been taken to deal appropriately with fraud relating to the entity.	Mandatory	iii
17AG(2)(c)	Corporate governance	An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance.	Mandatory	65–78

PGPA Rule Reference	Part of Report	Description	Requirement	Pages
17AG(2)(d) – (e)	Corporate governance	A statement of significant issues reported to Minister under paragraph 19(1)(e) of the Act that relates to noncompliance with Finance law and action taken to remedy noncompliance.	If applicable, Mandatory	78
<i>Audit Committee</i>				
17AG(2A)(a)	Audit Committee	A direct electronic address of the charter determining the functions of the entity's audit committee.	Mandatory	69
17AG(2A)(b)	Audit Committee	The name of each member of the entity's audit committee.	Mandatory	69
17AG(2A)(c)	Audit Committee	The qualifications, knowledge, skills or experience of each member of the entity's audit committee.	Mandatory	69
17AG(2A)(d)	Audit Committee	Information about the attendance of each member of the entity's audit committee at committee meetings.	Mandatory	69
17AG(2A)(e)	Audit Committee	The remuneration of each member of the entity's audit committee.	Mandatory	69
<i>External Scrutiny</i>				
17AG(3)	External scrutiny	Information on the most significant developments in external scrutiny and the entity's response to the scrutiny.	Mandatory	79–80
17AG(3)(a)	External scrutiny	Information on judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner that may have a significant effect on the operations of the entity.	If applicable, Mandatory	79
17AG(3)(b)	External scrutiny	Information on any reports on operations of the entity by the AuditorGeneral (other than report under section 43 of the Act), a Parliamentary Committee, or the Commonwealth Ombudsman.	If applicable, Mandatory	79

PGPA Rule Reference	Part of Report	Description	Requirement	Pages
17AG(3)(c)	External scrutiny	Information on any capability reviews on the entity that were released during the period.	If applicable, Mandatory	80
<i>Management of Human Resources</i>				
17AG(4)(a)	Management of human resources	An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives.	Mandatory	81–83
17AG(4)(aa)	Management of human resources	<p>Statistics on the entity's employees on an ongoing and nonongoing basis, including the following:</p> <p>(a) statistics on fulltime employees;</p> <p>(b) statistics on parttime employees;</p> <p>(c) statistics on gender</p> <p>(d) statistics on staff location.</p>	Mandatory	84–89
17AG(4)(b)	Management of human resources	<p>Statistics on the entity's APS employees on an ongoing and nonongoing basis; including the following:</p> <ul style="list-style-type: none"> <li>• Statistics on staffing classification level;</li> <li>• Statistics on full-time employees;</li> <li>• Statistics on part-time employees;</li> <li>• Statistics on gender;</li> <li>• Statistics on staff location;</li> <li>• Statistics on employees who identify as Indigenous.</li> </ul>	Mandatory	84–91

PGPA Rule Reference	Part of Report	Description	Requirement	Pages
17AG(4)(c)	Management of human resources	Information on any enterprise agreements, individual flexibility arrangements, Australian workplace agreements, common law contracts and determinations under subsection 24(1) of the <i>Public Service Act 1999</i> .	Mandatory	81
17AG(4)(c)(i)	Management of human resources	Information on the number of SES and non-SES employees covered by agreements etc identified in paragraph 17AG(4)(c).	Mandatory	90
17AG(4)(c)(ii)	Management of human resources	The salary ranges available for APS employees by classification level.	Mandatory	91
17AG(4)(c)(iii)	Management of human resources	A description of non-salary benefits provided to employees.	Mandatory	91
17AG(4)(d)(i)	n/a	Information on the number of employees at each classification level who received performance pay.	If applicable, Mandatory	n/a
17AG(4)(d)(ii)	n/a	Information on aggregate amounts of performance pay at each classification level.	If applicable, Mandatory	n/a
17AG(4)(d)(iii)	n/a	Information on the average amount of performance payment, and range of such payments, at each classification level.	If applicable, Mandatory	n/a
17AG(4)(d)(iv)	n/a	Information on aggregate amount of performance payments.	If applicable, Mandatory	n/a
<i>Assets Management</i>				
17AG(5)	Assets management	An assessment of effectiveness of assets management where asset management is a significant part of the entity's activities.	If applicable, mandatory	94
<i>Purchasing</i>				
17AG(6)	Purchasing	An assessment of entity performance against the <i>Commonwealth Procurement Rules</i> .	Mandatory	95

PGPA Rule Reference	Part of Report	Description	Requirement	Pages
<i>Consultants</i>				
17AG(7)(a)	Consultants	A summary statement detailing the number of new contracts engaging consultants entered into during the period; the total actual expenditure on all new consultancy contracts entered into during the period (inclusive of GST); the number of ongoing consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting year on the ongoing consultancy contracts (inclusive of GST).	Mandatory	96
17AG(7)(b)	Consultants	A statement that " <i>During [reporting period], [specified number] new consultancy contracts were entered into involving total actual expenditure of \$[specified million]. In addition, [specified number] ongoing consultancy contracts were active during the period, involving total actual expenditure of \$[specified million]</i> ".	Mandatory	96
17AG(7)(c)	Consultants	A summary of the policies and procedures for selecting and engaging consultants and the main categories of purposes for which consultants were selected and engaged.	Mandatory	96
17AG(7)(d)	Consultants	A statement that " <i>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.</i> "	Mandatory	96

PGPA Rule Reference	Part of Report	Description	Requirement	Pages
<i>Australian National Audit Office Access Clauses</i>				
17AG(8)	Australian National Audit Office access clauses and exempt contracts	If an entity entered into a contract with a value of more than \$100 000 (inclusive of GST) and the contract did not provide the AuditorGeneral with access to the contractor's premises, the report must include the name of the contractor, purpose and value of the contract, and the reason why a clause allowing access was not included in the contract.	If applicable, Mandatory	97
<i>Exempt contracts</i>				
17AG(9)	Australian National Audit Office access clauses and exempt contracts	If an entity entered into a contract or there is a standing offer with a value greater than \$10 000 (inclusive of GST) which has been exempted from being published in AusTender because it would disclose exempt matters under the FOI Act, the annual report must include a statement that the contract or standing offer has been exempted, and the value of the contract or standing offer, to the extent that doing so does not disclose the exempt matters.	If applicable, Mandatory	97
<i>Small business</i>				
17AG(10)(a)	Procurement initiatives to support small business	A statement that "[Name of entity] supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises (SME) and Small Enterprise participation statistics are available on the Department of Finance's website."	Mandatory	98
17AG(10)(b)	Procurement initiatives to support small business	An outline of the ways in which the procurement practices of the entity support small and medium enterprises.	Mandatory	98

PGPA Rule Reference	Part of Report	Description	Requirement	Pages
17AG(10)(c)	Procurement initiatives to support small business	If the entity is considered by the Department administered by the Finance Minister as material in nature—a statement that “[Name of entity] recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury’s website.”	If applicable, Mandatory	98
<i>Financial Statements</i>				
17AD(e)	Australian Research Council financial report	Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act.	Mandatory	103–146
<i>Executive Remuneration</i>				
17AD(da)	Management of human resources	Information about executive remuneration in accordance with Subdivision C of Division 3A of Part 2-3 of the Rule.	Mandatory	91–93
17AD(f)	<i>Other Mandatory Information</i>			
17AH(1)(a)(i)	N/A	If the entity conducted advertising campaigns, a statement that “During [reporting period], the [name of entity] conducted the following advertising campaigns: [name of advertising campaigns undertaken]. Further information on those advertising campaigns is available at [address of entity’s website] and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the Department of Finance’s website.”	If applicable, Mandatory	n/a
17AH(1)(a)(ii)	Appendix 5 Other mandatory information	If the entity did not conduct advertising campaigns, a statement to that effect.	If applicable, Mandatory	164

PGPA Rule Reference	Part of Report	Description	Requirement	Pages
17AH(1)(b)	Other mandatory information	A statement that “ <i>Information on grants awarded by [name of entity] during [reporting period] is available at [address of entity’s website].</i> ”	If applicable, Mandatory	99
17AH(1)(c)	Other mandatory information	Outline of mechanisms of disability reporting, including reference to website for further information.	Mandatory	99
17AH(1)(d)	Other mandatory information	Website reference to where the entity’s Information Publication Scheme statement pursuant to Part II of FOI Act can be found.	Mandatory	99
17AH(1)(e)	Other mandatory information	Correction of material errors in previous annual report.	If applicable, mandatory	99
17AH(2)	Appendix 5 Other mandatory information	Information required by other legislation.	Mandatory	164–167

Source: Resource Management Guide No. 135 Annual reports for non-corporate Commonwealth entities (January 2020, Department of Finance).

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