

EDUCATION, SCIENCE AND TRAINING

SENATE LEGISLATION COMMITTEE - QUESTIONS ON NOTICE 2006-2007 ADDITIONAL ESTIMATES HEARING

Outcome: 1
Output Group: ARC

DEST Question No. E999_07

Senator Carr asked on 14 February 2007, EWRE Hansard page 7.

Question:

Linkage International Scheme

Senator CARR—I see that the number of applications increased but the number of awards decreased.

Mr Harper—Between the 2004 and 2006 funding years, yes.

Senator CARR—Why was that?

Mr Harper—We do not have an answer for that today, but we will take that on notice.

Senator CARR—I see the funding amounts have declined. Would that be any part of the explanation?

Mr Harper—It would clearly be related. With the lower number of awards, it is unsurprising that the amount of funding is lower.

Senator CARR—It has dropped from \$2.1 million to \$815,000. Is that correct?

Mr Harper—Yes. In total for the awards, that is correct.

Senator CARR—Why did that happen?

Mr Harper—I think we have indicated that we will take that on notice.

Senator CARR—I thought you were taking on notice why the number of applications has fallen. I am interested to know why the amount allocated has fallen. I take it that is a policy decision, is it?

Mr Harper—The ARC in effect receives a one-line budget and is jockeying the distribution of that funding among its various funding schemes. As for the steps that would have led to that particular reduction in funding under this particular scheme, I think we will need to take that on notice.

Answer:

ARC has provided the following response:

The ARC's *Linkage International* scheme comprises 3 elements:

- *Linkage International Awards*
- *Linkage International Fellowships*; and
- *Linkage International Internationally Co-ordinated initiatives (ICIs).*

Each year, the ARC manages its *Linkage International* budget across these 3 categories of activities.

The summary figures in the *ARC Annual Report 2005–06* (page 210) relate to new projects announced in the 2003–04 (2004 column), 2004–05 (2005 column) and 2005–06 (2006 column) financial years. Reasons for the variation in figures across years include the following:

- (i) a variation in the number of rounds approved in the relevant reporting periods;
- (ii) an increase in the amount of funding allocated for Fellowships (in 2004–05); and
- (iii) the impact of funding commitments for previously approved projects which extend beyond one year's duration (that is, for Awards and ICIs).

i *A variation in the number of rounds approved in the relevant reporting periods*

Prior to 2006 there were no set closing dates for *Linkage International* Awards projects. Instead, proposals were submitted throughout the year and the ARC would batch proposals. On average, three selection rounds were conducted in each calendar year. The timing of the announcement of outcomes was, therefore, variable, depending upon when the batching occurred.

In the *ARC Annual Report 2005–06* (see Table 1 below):

- the Awards announced in 2003–04 (the 2004 column) comprise two funding rounds (Rounds 5 and 6),
- the Awards announced in 2004–05 (the 2005 column) comprise four funding rounds (Rounds 7 to 10 inclusive – with Round 9 including the introduction of Materials World Networks ICI applications); and
- the Awards announced in 2005–06 (the 2006 column) comprise two funding rounds (Rounds 11 and 12 – but do not include the second Materials World Networks ICI funding round which was approved on 4 July 2006).

Table 1: *Linkage International* new awards/fellowships – total funding over the life of the award/fellowship

Scheme	Grants approved in year ending 30 June		
	2004	2005	2006
<i>Linkage International Awards</i>	\$2,122,594 (Rounds 5 and 6)	\$2,988,247* (Rounds 7,8,9 & 10)	\$815,185** (Rounds 11 & 12)
<i>Linkage International Fellowships</i>	\$970,872	\$1,671,008	\$1,661,290 [#]
Total funding	\$3,093,466	\$4,659,255	\$2,476,475**

* Includes \$330,480 funding for two Materials World Networks proposals.

** Excludes funding of \$525,000 for Materials World Networks proposals which were approved 4 July 2006

[#] The 2006 Fellowships were approved on 28 June 2005.

The timing of the ICI announcements (for example, Materials World Networks) can have slight variances due to the need to coordinate with the collaborating partner country.

The ICIs category was first introduced in the 2004–05 financial year following the ARC's agreeing to co-fund projects in the area of the Materials World Networks with the United States' National Science Foundation. The ARC conducts one round of Materials World Networks applications per year, with the timing of the announcement dependent upon the timing of, and decisions made by, the collaborating partner country.

ii. *An increase in the amount of funding allocated for Fellowships (in 2004–05)*

The amount of funding directed towards *Linkage International* Fellowships was increased significantly for fellowships commencing in 2005, rising from \$0.97m in 2004 to \$1.67m in 2005 (see Table 1 above). The re-allocation of funding among the three *Linkage International* categories was mainly due to the increased demand for fellowships in that year (with the number of applications for fellowships having doubled in that year compared with the previous year). The ARC has maintained the funding of fellowships at this higher level.

The increase in the number of fellowship applications for funding commencing in 2006 (up by 72%) largely accounts for the decrease in success rate as roughly the same numbers of fellowships were awarded in 2005 and 2006.

iii. *Impact of funding commitments for previously approved projects which extend beyond one year's duration*

The figures in Table 1 above show the funding allocated for new projects. In allocating funding in a particular round, the ARC must take into account expenditure commitments for projects which were approved for funding in previous funding rounds for which funding extended beyond one year's duration (that is, for Awards and ICI projects). The actual total expenditure on *Linkage International* projects has increased in the period 2003–04 to 2005–06 (see Table 2).

Table 2. *Linkage International* – expenditure for all categories (new and prior projects)

Year ending 30 June	2004	2005	2006
Total expenditure	\$3.2m	\$3.6m	\$3.6m