



Australian Research Council Amendment Bill 2008

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Social Policy Section

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Australian Research Council Amendment Bill 2008

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Links: The [relevant links](#) to the Bill, Explanatory Memorandum and second reading speech can be accessed via BillsNet, which is at <http://www.aph.gov.au/bills/>. When Bills have been passed they can be found at ComLaw, which is at <http://www.comlaw.gov.au/>.

Purpose

The Bill amends the *Australian Research Council Act 2001* (the Act) to provide increased funding in the financial years 2008–09, 2009–10, 2010–11; and provide funding for the new financial year 2011–12.

Background

The Australian Research Council (ARC) was originally created through the *Employment, Education and Training Act 1988*, but subsequently became an independent statutory body under the Act. Governance of the ARC was reformed through the *Australian Research Council Amendment Act 2006*.¹

The ARC provides advice to the Government on research matters; makes recommendations to the Minister on the allocation of funds within the National Competitive Grants Program (NCGP); and administers the NCGP.²

The National Competitive Grants Program (NCGP)

In 2006–07 NCGP grants amounted to \$570.3 million, nine per cent of the total Australian Government assistance for research and development.³ The NCGP comprises two main elements: Discovery and Linkage. **Discovery Projects** fund individual researchers and

1. For background see Angus Martyn and Matthew James '[Australian Research Council Amendment Bill 2006](#)', *Bills Digest*, no. 127, Parliamentary Library, Canberra, 2005–06.
2. Australian Research Council, *Annual Report*, 2006–07, p. 12.
3. *ibid.*, p. 13; Details of the National Competitive Grants Program (NCGP) can be found at <http://www.arc.gov.au/ncgp/default.htm>, accessed on 12 September 2008.

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projects across a broad range of disciplines. **Linkage Projects** support cooperative research between higher education providers and industry, government and community organisations.

Future Fellowships

At the last election, the Government promised to introduce a **Future Fellowships** funding scheme to promote research in areas of critical national importance by giving world class researchers incentives to keep doing their research in Australia.

In the 2008–09 Budget the Government met the election commitment through the budget measure *Future Fellowships – establishment*, estimated at \$326.2 million over four years to 2011–12.⁴

Future Fellowships will be administered as a new scheme under the Discovery element of the National Competitive Grants Program (NCGP).

Commencing in 2009, up to 200 new Future Fellowships will be awarded per year. Over a five-year period (2009–13), Future Fellowships will offer four-year Fellowships of up to \$140,000 a year to 1000 Australian and international top researchers in the middle of their career. In addition, each researcher’s administering organisation will receive funding of up to \$50,000 per year to support related infrastructure, equipment, travel and relocation costs.⁵

Financial implications

The Hon. Julia Gillard MP, Minister for Education representing the relevant Minister, says the Bill ‘provides approximately an extra \$950 million over the forward estimates’.⁶

The Bill appropriates an extra \$943.1 million over four years, the majority of which is the \$731.6 million appropriated through **proposed paragraph 49(i)** for the newly inserted forward estimate year 2011–12.

If the appropriations in the four years, 2007–08 to 2010–11, in existing paragraphs 49(h), (i), (j) and (k) of the Act are compared with the proposed four years of appropriations in the Bill, the Bill provides an extra \$371.3 million. This increased appropriation will meet the Government’s commitment to establish the new *Future Fellowships*.

4. Australian Government, ‘Part 2: Expense Measures’, *Budget Paper No. 2: Budget Measures 2008–09*, Commonwealth of Australia, Canberra, 2008, p. 271.

5. [Future Fellowships: Consultation Paper](#), May 2008. See also: ARC website http://www.arc.gov.au/ncgp/futurefel/future_default.htm

6. Julia Gillard, Minister for Education, ‘[Second Reading Speech](#)’, House of Representatives, *Debates*, 4 September 2008, p. 2.

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Main provisions

Schedule 1

Existing section 49 of the Act sets out the annual cap on ARC grants funding for future years. **Item 2** repeals paragraphs 49(i), (j) and (k) and substitutes **new paragraphs 49(i), (j), (k) and (l)** which set out the funding caps for the financial years starting 1 July 2008 up to 1 July 2011. **New paragraph 49(l)** adds an additional year of funding – the 2011–12 financial year. That year has a cap of \$731.649 million.

Concluding comments

The Bill provides for total additional appropriations of \$943.1 million to fund the ARC's existing competitive grants scheme, indexation and meet the Government's election commitment to establish a new competitive grant category—*Future Fellowships*—estimated to cost \$326.2 million over four years.

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