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Dear Professor Sheil

### **ARC Linkage Projects Scheme – Consultation Paper**

Universities Australia is the peak body representing Australia's 39 universities in the public interest both nationally and internationally. Universities Australia is pleased to provide a submission in response to the ARC Linkage Projects (LP) scheme Consultation Paper.

The *Linkage Projects* scheme is a vitally important element of Australia's competitive grants programs because it enables collaborative research and development projects to occur between universities and industry. As the ARC quite correctly outlines in the consultation paper, the scheme is directly relevant to the Australian Government's National Innovation Priority 5 which aims to encourage a culture of collaboration within the research sector and its broader industry partners.

Universities Australia has significant concerns with a number of changes proposed by the ARC to the *Linkage Projects* scheme. Specifically, rather than have two rounds of the LP scheme, the ARC is proposing that there will be an Australian Postgraduate Award (Industry) (APA(I)) only round closing in July, and the full Linkage Projects round which would close in November. The changes which you propose are intended to complement an evaluation of the benefits from the scheme that accrue to key stakeholders, such as higher education institutions and their researchers and partnering organisations.

From what we understand, the rationale to streamline operational processes is to reduce the administrative burden on the ARC. However there is little evidence provided to support the reduction of the LP rounds from two to one other than a potential overlap in the Discovery Grant application process. Furthermore, no evidence is provided in the consultation paper to imply that the administrative burden of the current process has resulted in poor program outcomes.

Universities Australia believes that lengthy grant approval processes are particularly unfortunate in Linkage grants because institutions may lose their industry partners and therefore the eligibility of the grants if they are not able to progress applications in a timely manner. The government's expectations of more and

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better collaborative university research under its *Powering Ideas* innovation agenda are simply inconsistent with the reduced capacity to deliver on such partnerships that the proposed changes imply. Under the ARC's proposals, there could well be an 18 month delay from a business taking a collaborative idea to a university to learning of the success of a grant application, which would discourage many businesses from even pursuing university collaborations.

Furthermore, the proposed changes to the Linkage Project scheme will also reduce the flexibility currently available to university research offices. Moving from two LP funding rounds per year to one would substantially reduce the opportunity for academic staff to modify unsuccessful Discovery Project or round one LP applications.

Business and industry partners consider that the current timelines for the LP scheme are already inflexible, and are not "business friendly". Universities Australia is therefore strongly opposed to the proposal to reduce the LP rounds from two to one per annum at this time. Universities Australia would in fact propose that the ARC *increases* the number of LP rounds to four per year, with different assessors to those used in other major ARC grant schemes, to build greater flexibility and responsiveness in the system.

If the ARC is not resourced to run two (or preferably four) rounds per year, then Universities Australia would support a review of the capacity of the ARC to deliver the requirements of the *Powering Ideas* innovation agenda, with a view to realigning ARC processes to the innovation agenda, rather than attempting to fit the innovation agenda into the existing ARC resources.

In relation to APA(I)s, Universities Australia seeks greater clarification of the proposed selection process. A new process brings with it ambiguity and room for varied interpretations. Therefore Universities Australia proposes that the ARC establish a working party to produce a discussion paper on APA(I) funding and processes, as a basis for further consultation and a view to implementing any changes by 2012.

Importantly, Universities Australia seeks clarification regarding the funding levels. While the Consultation Paper states that the ARC will attempt to achieve a success rate for APA(I)s above the current level, there is no discussion regarding the level of funding for Linkage Projects. Will the total funding for the two current rounds of LP be reduced or maintained under the proposed scheme?

We would be pleased to discuss this matter with you at your earliest convenience and I can be contacted on the telephone at (02) 6285 8104.

Yours sincerely

A handwritten signature in black ink that reads "Glenn Withers". The signature is written in a cursive, flowing style.

Dr Glenn Withers AO  
Chief Executive Officer