



Grants hit by budget review

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Close to \$1 billion in grants across the innovation, research and higher education portfolios are on hold ahead of Treasury's Mid Year Economic and Fiscal Outlook due soon.

A \$500 million round of education infrastructure spending earmarked for the regions has been caught in the freeze, along with spending on the key programs through which the government supports research and development by universities and industry.

One of the programs under a cloud as part of the freeze on Australian Research Council spending is the \$236 million Industrial Transformation Research Program, which is meant to embed doctoral research students in industry to solve real-world problems.

The Co-operative Research Centre program, which is due to receive \$150 million this year, is also affected.

Officials from the Department of Industry, Innovation, Science and Research revealed they had been ordered to freeze all grants on August 28 by the Department of Finance.

Manufacturing division chief Mike Lawson confirmed the department-wide measures. "The general understanding that we have is that all competitive programs are subject to a review," he said.

About \$35 million over four years allocated to the Automotive New Markets Initiative, announced in

March to assist car component manufacturers, is also frozen, as is \$27.5 million allocated to small business advisory services. A range of medical and science grant worth about \$75 million are also paused.

The freeze could be resolved as soon as next week, once MYEFO was handed down, Minister for Tertiary Education, Skills, Science and Research Chris Evans said.

"The government will make a decision about each program and there will be an announcement about whether the program is fully funded, partially funded or not funded," he said. MYEFO is now tipped to be released as soon as Monday.

The comments come after weeks of speculation about which programs could face cuts as the government attempts to make billions worth of savings. Universities Australia chief executive Belinda Robinson said the sector had been forced to react to the freeze by backtrack on the recruitment of researchers and further investment in infrastructure.

Ms Robinson said the guidelines for the industrial transformation program had been due out in March and decisions made around now.

"A number of universities have got industry partners who they're keeping on the leash and have done so for 18 months. There is only so long you can keep those partners on the leash before they go elsewhere."