Grants hit by budget review

Joanna Mather and James Massola

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 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.”
Unis told to act to meet Asia demand

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AUSTRALIAN universities and colleges need to rewrite the rules of international education to meet unprecedented demand from Asia’s surging middle classes, according to opposition policy heavyweight Andrew Robb.

Mr Robb told a Brisbane forum yesterday there were endless possibilities to engage students in their home countries “if only we have the courage and freedom to grasp it”.

The sheer numbers of potential students presented a market opportunity that needed to be seen as “a business problem that requires a business solution, not an academic solution”.

“Universities and vocational colleges have a terrific brand they can leverage and content they can adapt — they just need to view the opportunity through a different lens,” Mr Robb said.

“For the masses in India and elsewhere, the online environment would seem the only cost-effective, scalable solution.”

Mr Robb, a former vocational and further education minister, raised eyebrows in May when he said Australia could be teaching 10 million international students within a decade — up from about 700,000 at present. His office stood by the prediction, saying he had revised his original estimate of three to eight million following industry feedback.

He said “strangling red tape” and a “one-size-fits-all approach” were preventing Australian institutions from capitalising on extraordinary demographic change in the Asia Pacific, which would boast two-thirds of the world’s middle class by 2030 — up from just 28 per cent in 2009.

He said the educational systems of countries like India, China, Vietnam and Indonesia couldn’t possibly meet the demand for education and skills.

Burgeoning internet take-up, India’s rollout of the “world’s cheapest tablet” and exploding enrolments in massive online open courses, or MOOCs, all pointed to an online future for much of the world’s tertiary education.

Mr Robb said Australia needed to identify the “largest profit pools”, develop products to satisfy their needs and “get assurance that they will purchase the product in principle — no ‘build it and they will come’ approaches”.

Open Universities Australia chief executive Paul Wappett said the estimate of 10 million international students was “certainly ambitious but undeniably feasible”.

Jim Barber, vice-chancellor of the University of New England, one of Australia’s most progressive online universities, said 10 million international students was feasible but “not using the current business model”.

Professor Barber said inflexible industrial agreements and a regulatory obsession with “bricks-and-mortar” educational models were preventing universities from participating in the offshore education explosion.

But Central Queensland University international education specialist Alison Owens said 10 million international students was a “pipedream” and that fully online education was only suitable for mature, postgraduate students with advanced English.

A spokesman for Tertiary Education Minister Chris Evans said the government was developing “the right infrastructure to deliver next-generation educational services. This starts with the National Broadband Network.”