

MEDIA RELEASE

FEDERAL BUDGET “SAVINGS” CREATE MORE UNCERTAINTY WITHOUT A PLAN

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Today’s announcement by the Australian Government that \$1.5 billion in funds for research and development will be cut or redirected in next week’s Federal Budget creates uncertainty at a time when the research and development (R&D) industry is desperate for a plan.

Finance Minister Katy Gallagher has confirmed Australia’s Economic Accelerator (AEA) program will be axed and \$800 million in funds redirected to support Australian science and research.

Savings measures also include \$405 million from uncommitted grants from the Climate Change, Energy, the Environment and Water portfolio and \$276 million from the Industry portfolio.

STA Chief Executive Officer, Ryan Winn, said these changes come as a shock to the R&D industry.

“Change and reform for the research and development system is necessary, but it needs to come with certainty and a plan. The blueprint for a revitalised R&D and innovation sector – the [Ambitious Australia](#) report – was released just over a month ago. As yet, we have no plan for implementation and no clarity on where this redirected money is going. I’m worried we’re throwing out the baby with the bathwater,” said Mr Winn.

STA is also extremely concerned about the future for the AEA projects whose applications for funding are currently being assessed.

“This is such a waste of time for researchers who have submitted strong applications to carry out research in the national interest for a program that’s now being scrapped.”

“I’m worried that we’re turning off the tap, then potentially have to wait 12 months for the design of any new program and processes. Some projects will be left dead in the water. Critical relationships with industry partners, built up over months and years, are in jeopardy.” Mr Winn said.

The [Ambitious Australia](#) report released by the Australian Government earlier this year provides a blueprint for the future of research and development. STA has asked the Government, including in the recent ministerial roundtable, to work collaboratively with the sector on a planned and timely implementation. This announcement runs completely counter to this.

“The R&D industry is facing unsustainable strain. We have a third of the workforce telling us they are planning to leave the sector. R&D investment has fallen to 1.68 per cent, well below the OECD average.”

“The last thing we need is more uncertainty. We need the Australian Government to work with the R&D industry on implementation of Ambitious Australia to create a clear plan for the future of our sector.”

“We look forward to more details in next week’s Budget and hope that it marks the start of a collaborative process for the effective R&D and innovation reform Australia needs,” Mr Winn said.

About Science & Technology Australia

Science & Technology Australia is the nation’s peak body representing more than 235,000 scientists and technologists. We’re the leading policy voice on science and technology. Our flagship programs include [Science Meets Parliament](#), [Science Meets the Economy](#) and [Superstars of STEM](#).

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