

Senate Committee: Education and Employment

QUESTION ON NOTICE Committee Inquiries 2017 - 2018

Outcome: Higher Education Research and International

Department of Education and Training Question No. SQ17-001045

Medicare Levy Amendment (National Disability Insurance Scheme Funding) Bill 2017

Questions from: Senator Jane Hume (Chair)

Question 1

What research infrastructure is funded through the National Collaborative Research Infrastructure Strategy (NCRIS)? How much funding is available through NCRIS? How much funding has been distributed through NCRIS since 2013?

Answer

Twenty-six research infrastructure projects distributed across Australia are currently receiving funding through NCRIS to support their operations and the maintenance of infrastructure.

The Government is providing \$150 million per year (indexed and ongoing) from 1 July 2017 to support the operation and maintenance of national collaborative research infrastructure established through NCRIS. Guidelines covering the period 1 July 2017 to 30 June 2019, during which the Government is providing \$309.06 million, were released on 24 May 2017. A list of projects and funding allocation for 2017-2019 is available at Table 1.

Table 1: NCRIS Operational Funding 2017-2019

Facilities and Projects	Lead agent	Funding
Astronomy	Astronomy Australia Ltd	\$18,300,786
Atlas of Living Australia	CSIRO	\$9,747,135
Animal Health Laboratory – Collaborative Bioresearch Facility	CSIRO	\$3,076,076
Australian Microscopy and Microanalysis Research Facility	University of Sydney	\$7,540,746
Australian National Data Service	Monash University	\$19,469,363
Australian National Fabrication Facility	Australian National Fabrication Facility Ltd	\$25,812,473
ANSTO Nuclear Science Facility	ANSTO	\$13,684,596
Australian Phenomics Network	Australian National University	\$9,246,909
Australian Plant Phenomics Facility	University of Adelaide	\$7,787,745
Australian Plasma Fusion Research Facility	Australian National University	\$761,575
Australian Urban Research Infrastructure Network	University of Melbourne	\$4,402,401
AuScope	AuScope Ltd	\$15,421,894
Bioplatforms Australia	Bioplatforms Australia Ltd	\$29,243,481
European Molecular Biology Laboratory (Australia's associate membership)	European Molecular Biology Laboratory	\$8,200,000
Groundwater	University of New South Wales	\$448,950
Heavy Ion Accelerators	Australian National University	\$3,300,244
Integrated Marine Observing System	University of Tasmania	\$29,563,127
National Computational Infrastructure	Australian National University	\$11,397,257
National Deuterium Facility	ANSTO	\$1,264,086
National eResearch Collaboration Tools and Resources	University of Melbourne	\$10,425,404
National Imaging Facility	University of Queensland	\$6,201,968
Pawsey Supercomputing Centre	CSIRO	\$12,001,264
Population Health Research Network	University of Western Australia	\$9,039,347
Research Data Services	University of Queensland	\$11,000,813
Terrestrial Ecosystem Research Network	University of Queensland	\$12,545,078
Translating Health Discovery	Therapeutic Innovation Australia Ltd	\$7,710,947

Between 1 July 2013 and 30 June 2017, the Government has provided \$678.8 million to support NCRIS projects. The Government announced in December 2015 that it would provide \$150 million per annum (indexed and ongoing) for NCRIS from 1 July 2017.

Question 2

Can the Department provide examples of universities funding capital research infrastructure projects over the last 5 years not involving Education Investment Fund (EIF) funding?

Answer

There have been a range of projects across the sector, with the following three provided as demonstrative examples.

Under a joint venture arrangement between La Trobe University (25 per cent) and Department of Primary Industries (75 per cent), formed to construct, manage and operate a biosciences research centre on university land, a 25 year build-operate-maintain contract was entered into with a private sector company.

Queensland University of Technology (QUT) has entered into a joint venture arrangement with University of Queensland, Mater Medical Research Institute and Queensland Health (each having equal holdings through a unit trust) for the Translational Research Institute Facility. QUT has a licence agreement, originally valued at \$25 million, to occupy the research building for 30 years with an option for a further 20 years at peppercorn rental. QUT makes an ongoing contribution to operational costs.

The University of Melbourne, which received contributions from third party institutes towards the construction of the Neuroscience Building in exchange for the right to occupy space at a peppercorn rental for 42 years. The capital contributions received by the university have been treated as rental in advance.

A key finding of the Higher Education Infrastructure Working Group (HEIWG) report was universities are in the main capable of relying on their own operations to fund and finance their capital investment.

Question 3

What funding is the government providing this year for higher education and research? How much of this funding is dedicated to building education and research infrastructure?

Answer

In 2017, \$17.2 billion will be provided for higher education and research.

Higher education and research funding allows substantial flexibility for providers who can choose to spend taxpayer funding on various activities, including capital infrastructure. As such, it is not possible to determine how much Commonwealth funding is dedicated by universities each year to building education and research infrastructure. However, as noted in Question 2 above, there are examples of higher education providers investing in research infrastructure.

The Government also provides funding for research through other portfolios. In 2016-17 an estimated \$10.1 billion was provided by the Australian Government for research and development across all portfolios, including for infrastructure.

Question 4

What is the estimated amount of government funding for higher education and research at the end of the forward estimates? How much of this funding is dedicated to building education and research infrastructure?

Answer

Funding for higher education and research is projected to increase to \$20.2 billion by 2020.

As noted in Question 3 above, higher education and research funding allows substantial flexibility for providers who can choose to spend taxpayer funding on various activities, including capital infrastructure. As such, it is not possible to determine how much Commonwealth funding is dedicated by universities each year to building education and research infrastructure. However, as noted in Question 2 above, there are examples of higher education providers investing in research infrastructure.

Question 5

Are universities effectively funding their education and research infrastructure needs currently through internal funding and borrowings? Is this an indication that universities are looking to become more innovative and efficient in how they utilise their assets, as the Higher Education Infrastructure Working Group suggested they should?

Answer

The Higher Education Infrastructure Working Group (HEIWG) identified that infrastructure across universities was primarily funded through retained surpluses and depreciation. It found that less than 20 per cent of infrastructure funding came from capital grants from government, with 79 per cent of universities' \$10.6 billion investment in infrastructure in the 2011-2013 triennium coming from operating surpluses, net of capital grants and after depreciation is added back.

Overall the Australian university sector is in a good financial position to continue this practice, with an increase in revenues, solid operating surpluses, and significant cash and investment reserves reported across the sector in 2015. Base funding across the sector has grown from \$7 billion in 2009 to \$12 billion in 2017, an increase of more than 70 per cent. University funding will continue to grow year-on-year (just at a slower rate) and teaching funding (including loans) will increase by 23 per cent over the next four years.

The HEIWG found that, for most universities, their strong balance sheets, richness of assets and low gearing, make these institutions attractive to the capital markets sector.

The Government continues to encourage universities to become innovative and efficient in how they utilise their assets, including investigating capital markets.

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Department of Education and Training Question No: SQ17-001045

Questions from: Senator Chris Ketter (Deputy Chair)

Question 1

When it comes to research infrastructure, can you tell us what the role of the Commonwealth has been since 2006?

Answer

The Department of Education and Training has administered two streams of direct funding for research infrastructure:

- supporting institutions through Education Investment Fund (EIF) competitive rounds
- supporting national facilities through the National Collaborative Research Infrastructure Strategy (NCRIS).

The EIF funded institutional research infrastructure projects through the following competitive rounds:

- EIF Round 1
- EIF Round 2
- EIF Round 3
- EIF Sustainability Round (including the Clean Energy Initiative).

Through NCRIS, the Australian Government has funded the national level research infrastructure, i.e. excluding institutional and landmark infrastructure, which includes the assets, facilities and services that support organised research and development across the innovation cycle and that maintain the capacity of researchers to undertake organised research. This has encompassed not just physical assets, but also enabling infrastructure (such as information and communications technologies) and skilled support staff.

Ongoing funding for the operations and maintenance of NCRIS projects was secured by the announcement of \$150 million per annum (indexed) from 1 July 2017 as part of the Government's National Innovation and Science Agenda (NISA). Announced by the Prime Minister on 5 December 2015, the ongoing funding gives the long term certainty necessary for the optimal operation of NCRIS projects. The NISA funding followed a series of short term funding programs.

Question 2

What that level of funding has been for each year since 2006?

Answer

Funding for NCRIS and EIF since 2006

Program	2006-07 (\$,000)	2007-08 (\$,000)	2008-09 (\$,000)	2009-10 (\$,000)	2010-11 (\$,000)	2011-12 (\$,000)	2012-13 (\$,000)	2013-14 (\$,000)	2014-15 (\$,000)	2015-16 (\$,000)	2016-17 (\$,000)	TOTAL (\$,000)
NCRIS and EIF	78,196	120,597	121,400	516,938	625,622	506,701	474,157	223,100	100,100	150,000	150,000	3,066,811

Question 3

What is the budgeted total Commonwealth funding related to research infrastructure over the forward estimates?

Answer

The Government is providing \$150 million per annum (indexed and ongoing) for NCRIS from 1 July 2017. Because of their value to the research sector, NCRIS projects have also been invested in by a range of stakeholders, including universities, publicly funded research agencies, state and territory governments, and medical research institutes.

Research block grant funding provided to universities can be used for a range of research related expenses that may include non-capital infrastructure investment, consumables and staff salaries. In addition other portfolio program funding such as the ARC Linkage, Infrastructure, Equipment and Facilities scheme provides funding for research infrastructure, equipment and facilities which may be accessed by higher education institutions.

Question 5

Are you aware of any work progressing on implementing the roadmap?

Answer

The Department of Education and Training and the Department of Industry, Innovation and Science are currently developing a Research Infrastructure Investment Plan, informed by the 2016 National Research Infrastructure Roadmap (2016 Roadmap).

The consideration of the 2016 Roadmap and the Research Infrastructure Investment Plan are a matter for Government.

Question 6

What financing arrangements are being looked at in terms of the infrastructure roadmap?

Answer

Consideration of the 2016 Roadmap is a matter for Government.

Question 7

When is it planned that the investment based on this infrastructure roadmap will start occurring?

Answer

See answer to Question 6.

Question 8

What is the quantum of funding needed over the next decade for the National Research Infrastructure Roadmap? Have you been asked to do some work in relation to the Roadmap?

Answer

See answer to Question 6.