



Australian Academy of Science

A submission to

**Inquiry into the Higher Education Endowment Fund
Bill 2007 and the Higher Education Endowment
Fund (Consequential Amendments) Bill 2007**

Employment, Workplace Relations and Education Committee
The Senate
Parliament of Australia

22 August 2007

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1. The Australian Academy of Science, as the peak scientific body in Australia, welcomes the opportunity to present its views on the Committee Inquiry to the Higher Education Endowment Fund Bill 2007 to the Employment, Workplace Relations and Education Standing Committee of the Australian Senate.
2. The Academy considers the Higher Education Endowment Fund (HEEF) an appropriate response to the increasing costs of higher education capital expenditure and research facilities.
3. The Academy welcomes the establishment of a Higher Education Endowment Fund Advisory Board to advise the Education Minister in the authorisation of grants. The Academy trusts that members of the Advisory Board will be appointed for their knowledge of the Higher Education sector, and on the basis that there is no conflict on interest. The Academy, through the National Academies Forum, was pleased to propose members of the Advisory Board.
4. An early task for the Advisory Board will be to define how funding is to be distributed, the terms and conditions of grants, and how grants will be assessed. The distribution process should be competitive and transparent.
5. The Academy supports the Commonwealth Treasurer's announcement of 21 August 2007, that the Government has committed an additional \$1 billion capital in the HEEF, adding to the earnings available for distribution in future years. This brings the initial credit to \$6 billion.
6. In relation to the growth of the perpetual Higher Education Endowment Fund, the Academy welcomes Division 3 of the *Higher Education Endowment Fund Act 2007* which states that the responsible Minister can credit specified amounts to the Fund Account and authorise the acceptance of a gift of money made for the purposes of the Fund after the initial credit of \$5 billion (now \$6 billion). The Academy expects the Fund Account to grow substantially through this action.
7. The Academy of Science trusts that the Future Fund Board of Guardians and responsible Ministers will responsibly invest and manage the investments of the HEEF in the form of financial assets.
8. While the Academy welcomes the Higher Education Endowment Fund, it expects that the fund will not be established at the expense of existing funding schemes, including those related to capital expenditure and research facilities of higher education institutions. These include: the Capital Development Pool, the National Collaborative Research Infrastructure Scheme, the Institutional Grants Scheme, and the Research Infrastructure Block Grants Scheme.
9. The Australian Academy of Science would welcome the opportunity to appear before the Committee at a public hearing in Canberra should the Committee wish.