

Committee Inquiry into the Higher Education Endowment Fund Bill 2007 (HEEF) ATN Submission

The ATN welcomes this opportunity to provide a submission to the Senate Committee for Employment, Workplace Relations and Education inquiry into the provision of the Higher Education Endowment Fund Bill, 2007 (HEEF).

In making this submission, the ATN acknowledges both the Government's initial \$5billion commitment to the Fund and the recent announcement to increase the fund by \$1billion. The ATN also acknowledges the Federal Opposition's commitment that a Labor Government would retain the HEEF.

Given the bipartisan support for the fund, the ATN is seeking a commitment to continue to grow the fund by an additional \$4billion by 2009.

The HEEF Bill outlines the current parameters of the fund which includes the following:

1. Funding to support activities in relation to capital expenditure and research facilities.
2. Funding to be in addition to existing programmes
3. The establishment of an interim Advisory Board to assist the Federal Education Minister with designing programme guidelines for capital expenditure and research purposes.

The ATN makes the following comments in relation to the Bill.

Competitive Process

The ATN notes that the legislation does not outline any detail about how the fund will be distributed. The Federal Education Minister, in a Media Release dated 8 May indicated that the funds would be distributed through a competitive process.

The ATN would strongly recommend that the fund is allocated on a strategic and targeted basis, where rationalisation and economies of scale are maximised. It is imperative that the Advisory Board is comprised of individuals with an advanced understanding of the sector to contextualise proposals. Applications should be assessed in light of their potential to build on existing infrastructure and deliver benefits to significant parts of university activity.

Government Policy

The Bill allows for the establishment of an interim Advisory Board. This interim board will "consult widely.....with the sector.....to determine the most appropriate design for grants from the Endowment Fund."

When assessing proposals, the Advisory Board will also consider the degree to which funding will support Government policy with respect to excellence, quality and specialisation.

Given the national need to focus on addressing skill shortages, it would be logical to ensure that proposals which improve the quality of teaching and research facilities and infrastructure for discipline areas identified as experiencing such skill shortages, including the National Priority Areas of nursing and engineering are encouraged.

In identifying Australia's research infrastructure needs, consideration must also be given to the kind of industry sectors that will emerge over the next decade and beyond. The National Research Priorities attempt to address this issue, however new industry sectors such as the creative industries, new media and the service sector such as transport and logistics are inadequately referenced in the existing identified priorities. It follows then that their omission from the research priorities is resulting in a national research infrastructure strategy that may fail to reflect the needs and demands placed on the sector by industry.

Co-Investment

The Minister, in her second reading speech to this Bill, indicated that the issue of earmarking funds for institutions based on co-investment will 'require careful consideration.'

The extent to which universities have been able to attract co-investment for proposals from state or territory governments, industry, alumni or members of the public is not evenly spread across institutions given different histories and current resources.

The ATN acknowledges the Minister's position that although the HEEF will not be contingent on philanthropy, it is meant to act as a catalyst to encourage a culture of philanthropy. Currently, less than 2% of total university income comes from philanthropic donations, whereas overseas it can be as high as 15-20%.

The ATN would therefore support the Minister's position that funding should not be contingent upon the extent to which universities are able to attract co-investment.

Conclusion

In summary, the ATN recommends that the guidelines which will follow this legislation incorporate the following principles:

- A broad and flexible definition of "capital works and research facilities" be adopted to incorporate ongoing upgrade and refurbishment for both teaching and research infrastructure.
- Priority also be given to upgrading existing critical teaching and research facilities in addition to funding new capital works projects.
- Funding decisions are strategic and targeted at areas where rationalisation and economies of scale are maximised.
- The Advisory Board is comprised of individuals with an advanced understanding of the sector to contextualise proposals.
- Proposals which improve the quality of teaching and research facilities for discipline areas identified as experiencing shortages, such as the National Priority Areas of nursing and engineering, are to be encouraged.
- Funding should not be contingent upon the extent to which universities are able to attract co-investment from alumni.