



Australian Academy of Science

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8 September, 2017

Senate Standing Committee on Economics, Legislation Committee
PO Box 6100
Parliament House ACT 2600

By email: economics.sen@aph.gov.au

Dear Senator Hume and Members of the Committee,

Re: Inquiry into Medicare Levy Amendment (National Disability Insurance Scheme Funding) Bill 2017 and related bills.

Thank you for the opportunity to provide input into this inquiry.

The Australian Academy of Science would like to make a particular statement about the Nation Building Funds Repeal (National Disability Insurance Scheme Funding) Bill 2017 and its implications for the Education Investment Fund (EIF).

As the Committee will be aware, the Education Investment Fund was established under the Nation-building Funds Act 2008, replacing the Higher Education Endowment Fund which was established in 2007.

These funds were introduced with the specific objective of providing stable, long-term funding for infrastructure across the higher education, research and vocational education and training sectors. Disbursements from the fund have supported dozens of critical infrastructure initiatives including health and agriculture education facilities in regional Australia, a \$48 million National Geosequestration Laboratory at CSIRO, the National Institute for Nanoscience, a Centre of Excellence for Transport Technology, and projects designed to ensure sustainable energy for the Square Kilometre Array project in Western Australia.

The need for long-term funding for education and research infrastructure at both regional and national levels has never been greater, and they are identified by the Australian Government as clear priorities in the National Science Statement released by the Minister for Industry, Innovation and Science Senator the Hon Arthur Sinodinos AO in 2016, and in the 2016 National Research Infrastructure Roadmap led by Australia's Chief Scientist Dr Alan Finkel AO and released earlier this year.

Both the National Science Statement and the National Infrastructure Roadmap are key components of the Government's broader National Innovation and Science Agenda, announced by the Prime Minister in December 2015.

The National Research Infrastructure Roadmap in particular identifies the need for a research infrastructure investment plan to optimise available resources for a strategic and whole-of-government response to Australia's public research infrastructure investment priorities.

Both the corpus and the original intention of the Education Investment Fund are directly aligned with these investment priorities currently being considered by the Australian Government. The Australian Academy of Science therefore urges the Committee to consider whether the Education Investment Fund might be considered as a means of supporting Australia's critical research infrastructure needs.

More generally, the Academy believes that the value of a future fund such as the Education Investment Fund lies in the ability to insulate against unpredictable variations in funding availability due to internal and external factors. Such funds allow investment to drive capital development even in lean years without drain on the national budget, and they allow strategic decisions to be made based on what investments are necessary instead of what funds are available. For the research sector, a future fund allows the development of innovative research infrastructure and teaching and learning spaces without relying on the fluctuating operating surpluses of individual universities and research and education institutions.

The importance of Science, Technology, Engineering and Mathematics (STEM) to the Australian economy is well understood. Public investment in research infrastructure is repaid abundantly by the contribution of the sector to the economy.

For these reasons, the Australian Academy of Science recommends consideration of using Education Investment Fund to support the capacity of the research sector to respond to national research and education priorities and to develop and maintain national infrastructure facilities as outlined in the National Research Infrastructure roadmap.

The national value of the EIF was clear when it was established in 2007. Its value is clear now.

Yours sincerely,

Professor David Day FAA
Secretary, Science Policy
Australian Academy of Science