



DISTINCTIVE BY DESIGN

Committee Secretary
Senate Finance and Public Administration Legislation Committee
PO Box 6100
Parliament House
Canberra ACT 2600

via: fpa.sen@aph.gov.au

25 September 2019

Dear Secretary,

*Re: Emergency Response Fund Bill 2019 and
Emergency Response Fund (Consequential Amendments) Bill 2019*

The University of Canberra welcomes the opportunity to provide a submission to the Committee's Inquiry into the *Emergency Response Fund Bill 2019* and the *Emergency Response Fund (Consequential Amendments) Bill 2019*.

The University of Canberra acknowledges government need to support Australians following a natural disaster, to enable relief efforts and provide financial assistance to affected individuals and communities.

However, the University strongly opposes closing the Education Investment Fund (EIF) and transferring the remaining \$4 billion of funds.

It is critical that the balance of the EIF be maintained as an investment to fund university infrastructure into the future. There is no other public funding stream dedicated for this purpose.

The University of Canberra calls on the Government to preserve the EIF and recommends that the Senate reject the Bills.

Attached is our submission, outlining some of the concerns that the University would like to raise regarding this matter.

Please do not hesitate to contact Ms Fiona Sutherland, Committee wish to discuss further.

should the

Kind regards

Professor Deep Saini
Vice-Chancellor and President

University of Canberra
Locked Bag 1 ACT 2601 Australia

canberra.edu.au

University of Canberra
Registered Provider Number: CRP001-00000000

Senate Finance and Public Administration Legislation Committee

Inquiry into the Emergency Response Fund Bill 2019

Submission from the University of Canberra

September 2019

The University of Canberra welcomes the opportunity to provide a submission to the Committee's Inquiry into the *Emergency Response Fund Bill 2019* and the *Emergency Response Fund (Consequential Amendments) Bill 2019*.

In introducing these Bills, the Australian Government seeks to establish a dedicated investment vehicle to fund emergency response and recovery following declared natural disasters in Australia which have catastrophic impact.

The Bills would enact the closure of the Education Investment Fund (EIF) with the remaining balance of funds, of around \$4 billion, transferred to the Emergency Response Fund.

The University of Canberra acknowledges government need to support Australians following a natural disaster, to enable relief efforts and provide financial assistance to affected individuals and communities.

However, the University strongly opposes closing the EIF and repurposing the remaining \$4 billion of funds to create the Emergency Response Fund.

In 2007 Treasurer Peter Costello announced \$5 billion in the Higher Education Endowment Fund (HEEF), which later became the EIF. The HEEF was established as a Future Fund, a perpetual investment to generate earnings specifically for capital works and infrastructure in universities.

Since established, the HEEF/EIF has funded over 100 nation-building projects in higher education with a total investment of \$4.2 billion. These public investments have been crucial for Australian universities to update campus infrastructure and build world class facilities to support excellence in teaching and research.

In 2008 the University of Canberra was awarded \$11 million in HEEF funding to build a research and professional development facility for the National Centre for Social and Economic Modelling (NATSEM). Included in this submission is the experience of how the University of Canberra utilised this funding to support NATSEM, now one of Australia's leading economic and policy research centres.

It is critical that the balance of the HEEF/EIF be maintained as an investment to fund university infrastructure into the future. Australian higher education facilities must continue to meet global standards. There is no other public funding stream dedicated for this purpose.

The University of Canberra calls on the Government to preserve the Education Investment Fund and recommends that the Senate reject the Bills.

The University of Canberra

The University is incorporated under the University of Canberra Act 1989 of the Australian Capital Territory.

It is committed to serving the people of Canberra and the region through professional education and applied research.

The University of Canberra is ranked among top universities globally by both Times Higher Education (THE) and QS World University Rankings and appears in the 2019 THE rankings as one of the top 50 universities under the age of 50 years, and one of the top 50 universities in the Asia-Pacific.

The University of Canberra's Strategic Plan 2018-2022, *Distinctive by Design*, provides an ambitious blueprint to position the organisation as a sector-leading university for the professions, guided by the principles of entrepreneurship, innovation, equity and diversity.

Higher Education Endowment Fund (HEEF) and the Education Investment Fund (EIF)

The Education Investment Fund (EIF) was built on the foundation of the Higher Education Endowment Fund (HEEF), a visionary nation-building initiative put in place by the Howard Government.

The HEEF was announced by Treasurer Peter Costello in the 2007-2008 Budget, with an initial \$5 billion investment in a future fund. The sole purpose of this protected investment was to generate earnings for capital works and key infrastructure in universities. The Government at that time recognised the ongoing and long-term imperative to invest in building universities that are first class by global standards.

In 2009 the HEEF was re-shaped by the Labor Government as the EIF. It retained its core purpose to provide a stream of capital funding for world class university infrastructure to support research and skilling outcomes.

Forever – in perpetuity

It was envisioned that the HEEF would 'future-proof' the need for capital investment in universities. By its very definition this future fund was designed as a long-term investment. HEEF would secure the future for universities and young Australians.

"We do not want to limit the future chances of young Australians, we want to build them. So tonight I announce another investment in the future. For the first time ever, the Australian Government will establish an endowment fund — the Higher Education Endowment Fund (HEEF) — as a perpetual fund to generate earnings for capital works and research facilities in our institutions of higher learning.

The earnings generated by this investment will be dedicated to building first class institutes of learning — first class by world standards — and put our Institutes of Higher Learning on a secure footing for ever."

Peter Costello, 2007-08 Budget Speech, 8 May 2007

Closure of the EIF is unacceptable to the very idea of a perpetual future fund and the express intentions of the previous Coalition Government.

HEEF in addition to recurrent funding

The Higher Education Endowment Fund was designed to generate a capital funding stream, distinct from other existing funding streams for teaching and research. This is of critical importance.

"This endowment fund is bold, innovative. This is an endowment fund which will invest for the future. This is not spending, this is investment. The capital cannot be touched. Only the earnings can be distributed between the Australian university sector and those earnings are in addition to recurrent funding. This is not a way of using earnings from the fund to cut other recurrent funding..."

This is setting up forever a fund which is bold, which invests in the future, which will be Australia's greatest ever educational endowment, and which will set Australia up for generations."

Peter Costello, 2007-08 Budget Lock-Up Press Conference, 8 May 2007

In the Bill's explanatory memorandum, the Australian Government has suggested that record investment in the university sector in 2019 is justification to close the EIF permanently.

The University of Canberra rejects this notion.

While total public funding has increased, this has been predominantly for direct costs against teaching and research. This funding is not for the purpose of capital and infrastructure. It is misleading to suggest that all universities have had access to public funding for campuses and buildings in 2019.

Under the demand driven system domestic student enrolments increased. With this came increased costs directly associated with students, such as recruitment and admissions, curriculum development, delivery of teaching and student support. Public funding under the Commonwealth Grant Scheme is not used by universities to largely invest in facility assets.

The HEEF/EIF provided a stream of capital investment "in addition to recurrent funding". There is no other public funding stream dedicated for this purpose.

Need to fund university infrastructure

Australian universities are recognised for their global standing, with many appearing prominently in world rankings. The global standing of Australian universities has also been important for the economy with international education Australia's third largest export.

While investment through the HEEF/EIF has contributed to this current success, there is a strong need to build and maintain world standards in university infrastructure into the future. Without a public funding stream for capital, many Australian universities are likely to fall behind the levels of investment needed to stay competitive internationally.

There are more domestic students enrolled in Australian universities than ever before. The nature of work is changing with more jobs of the future requiring tertiary qualification supported by new teaching methods and facilities that engage with changing student needs and demands.

Education Minister, the Hon Dan Tehan, has stressed the importance of Australian universities both now and in the future.

“A well-delivered higher education system is one of the most important things we can offer Australians to help them and their children prepare for the future...”

We must be confident that Australia’s higher education system is prepared to support Australians as they seek to thrive and succeed in the future.”

The Hon Dan Tehan, AFR Higher Education Summit, 27 August 2109.

Ongoing Australian Government commitment to university campuses and facilities is vital to ensuring that higher education is ‘well-delivered’.

The increasing role of universities as economic, social and civic partners has seen institutions open campuses and facilities to the community. Investing in universities benefits students, researchers, staff, businesses, industry, local governments, community groups, international visitors and the general public.

The University of Canberra raises the need for long-term funding security to allow education providers to plan responsibly into the future. This is particularly the case for young, place-based institutions, like the University of Canberra.

While the Australian university sector has achieved much of the past two decades – in terms of student numbers, international income and research excellence – it is important to recognise the enormous diversity across institutions, from scale and focus through to investment capacity. The EIF is a much-needed source of capital to assist a diverse university to make strategic investments that support both organisational and nation building objectives, and with place-based diversity.

The need for public funding of university infrastructure remains and will so into the future.

HEEF building for the University of Canberra

The Higher Education Endowment Fund (HEEF) enabled the University of Canberra to build a world class facility on campus that has been extensively used by both the University, partner organisations and the public.

In December 2008 the University of Canberra was awarded \$11 million from the HEEF for the *International Microsimulation Centre: a research and professional development facility for the National Centre for Social and Economic Modelling (NATSEM)*. The complete building footprint is around 2000 square metres and is positioned in an accessible and visible part of the University's campus.

Over the past 25 years NATSEM has played a critical role in public policy development across Australia, providing unique research support, data analysis and evidence-based policy advice across many issues facing the Australian community. It has also worked to build skills and capability in government and partner agencies and bring new perspectives to policy making and analysis in turn, NATSEM has helped build the reputation of the University of Canberra and attract world class academics to support the University's core teaching and research missions.

Officially opened in August 2010, Building 24 provides contemporary research and office space for staff and PhD students of the Institute of Governance and Policy Analysis (IGPA), including those from NATSEM, the Centre for Change Governance and the 50/50 Foundation.

The building contains a range of linked and integrated spaces, including professional office space; facilities for equipment and data storage; training space for PhD research students; a conference centre, garden and accommodation units; and an exhibition hall and gallery space. Sustainable design is a feature of the building, a requirement under the HEEF.

Within Building 24, the Ann Harding Conference Centre includes a 250-seat auditorium and two seminar rooms with theatre style seating and the latest audio-visual and computer equipment. The Conference Centre is attached to the exhibition space. Conference facilities are used all year round by both the University and the wider community, for national and international conferences; professional training; university exams; functions and events; and even the occasional wedding reception. Artwork within the exhibition and gallery space changes regularly.

The four short term and medium term executive style units provide on-campus accommodation for visiting fellows or athletes in residence.

For NATSEM, HEEF funding and the opening of Building 24 signalled much more than new office space. Prior to the build, NATSEM was housed off-campus in a nearby business park. The move to campus provided NATSEM greater visibility within the University and increased both the profile and connection of its research. An on-campus presence facilitated greater integration and collaboration with other University of Canberra research centres. A physical presence on-campus has also raised the public profile of NATSEM.

Consistent with UC's approach to bringing the general community on to campus, Building 24 has also been positioned as a public facing facility for appropriate use by the community and outside organisations.

About NATSEM

The National Centre for Social and Economic Modelling (NATSEM) is one of Australia's leading economic and social policy research centres and is regarded as one of the world's foremost centres of excellence for micro-data analysis, microsimulation modelling and policy evaluation.

NATSEM is one of three research centres within the Institute for Governance and Policy Analysis (IGPA) at the University of Canberra. The Centre is a key contributor to social and economic policy debate and analysis by undertaking independent and impartial research of the highest quality, including supplying valued commissioned research services.

NATSEM PhD graduates occupy key positions in Australia and overseas, including high profile roles within governments. NATSEM alumni include some of Australia's leading economic and social data modellers who are shaping contemporary public policy in Australia. NATSEM's research activities aim to have significant policy impact and lead to social and economic change.

NATSEM's impact is evident, having conducted over 70 major pieces of commissioned policy analysis across the breadth of social and economic policy in Australia in the last five years alone.

Key areas of work for NATSEM include:

- STINMOD+ independent modelling of the Federal Budget made public
- City and Regional Modelling
- Informing Social Equity
- Wellbeing and Disadvantage
- Tax and Transfer Modelling
- Health, Disability and Aged Care
- Environmental and Community Governance in Regional Australia
- Indonesia Program

Recent models produced by NATSEM include:

- A farm microsimulation model to estimate the impact of government drought assistance on farmer financial stress
- A transport microsimulation model to estimate the impact of changes in motor vehicle use
- A housing model to estimate the impacts of changes in housing policy on small areas

Prominent recent research reports produced by NATSEM include

- Inequalities in Standards of Living: Evidence for Improved Income Support for People with Disability
- The Child Social Inclusion Index
- NSW Poverty Map