

Minority Report by the Australian Democrats

1.1 The Australian Democrats welcome additional investment in higher education. These bills give effect to the key commitment of the Higher Education Endowment Fund and establish the broad mechanisms through which both the investments of the Fund and the grants to eligible higher education institutions will be managed.

1.2 The initial investment of \$5 billion, followed by a further investment of \$1 billion, is long overdue and will go some way towards redressing the many years of under-funding by the Government. It is important to see this amount in the context of cost-cutting to the sector by successive governments.

1.3 The Australian Democrats broadly support the concept of a fund that can provide grants for capital works or research infrastructure in perpetuity. There is an argument for investing the \$6 billion in the sector immediately to address maintenance backlogs and infrastructure demands, just as there are strong arguments that a reliable source of infrastructure funding is likely to be more beneficial in the long-run so long as it does not replace existing infrastructure funding programs.

1.4 There have been mixed messages from the Government in this regard. The Australian Democrats hope that more recent assurances that the HEEF will supplement, and not replace, existing infrastructure programs accurately reflects the Government's plans.

1.5 One of the apparent aims of this Fund is to attract higher levels of philanthropic support to the university sector. While this is a worthy goal, the Australian Democrats agree with evidence given at the Committee hearing by Professor Larkins that philanthropic donors tend to support specific activities that hold particular meaning for them. The more general a fund, the less likely it is to attract support. While the Democrats note the commitment by the Minister for Education, Science and Training, the Hon Julie Bishop MP, that further consultations on this would be held, the Fund currently does not allow for donors to have any say over how their contributions are spent. As such, we do not consider that this Fund will leverage significant philanthropic support.

1.6 The Australian Democrats also share the concerns of the National Tertiary Education Union, the Federation of Australian Scientific and Technological Societies, the Group of Eight, and the Australian Academy of the Humanities that there is a very high level of ministerial discretion at all key stages of this program. As written in these bills, the Minister of the day appoints the members of the Advisory Board, sets directions for the Board, signs off on program guidelines that are not even mentioned in these bills, and decides which applications are awarded funding, based on advice by the Advisory Board.

1.7 While we acknowledge that the Minister should have ultimate responsibility with regard to the disbursement of grants through this Fund, the Democrats want to ensure a higher level of transparency than these bills currently afford. We will seek to move amendments to clarify the composition of the Advisory Board and to require the Minister to make the recommendations of the Advisory Board publicly available.

1.8 The Democrats are also concerned that the likely impact of this Fund on the higher education sector cannot be estimated until issues such as the eligibility and merit criteria, the extent to which matching funding will be required, and whether grants will be linked to university implementation of broader government ideology, are all made clear. These will determine whether the Fund serves as a successful boost to infrastructure funding for the whole sector or instead generates unintended consequences and favours certain players over others.

1.9 These bills do not clarify the Government's position on these important issues and reflect a trend in behaviour by this Government to seek Parliamentary approval without giving the Parliament the kind of details that allow it to make informed decisions. The Democrats, therefore, will move another amendment to call for the program guidelines to be made a disallowable instrument, so that the Parliament can ensure that the funding it is being asked to approve will indeed have the effect that the higher education sector needs and wants.

1.10 Finally, while the Democrats support increased infrastructure funding for universities, it notes that this significant investment by the Commonwealth will not at all address the ballooning cost of higher education for students. This is just as pressing a concern and yet only a comparatively small allocation of \$222 million for student income support in the last Budget will have a direct impact on the affordability of higher education.

1.11 The Democrats reserve the right to move further amendments to this legislation when it is debated in the Senate.



Senator Natasha Stott Despoja