

The Council of Deans of Nursing and Midwifery (Australia and New Zealand) sends this response to the Consultation Paper on the Higher Education Endowment Fund. We note that the grants are not the same as the usual grants for immediate needs. The grants “should reflect the long-term goals of the higher education sector [and] be strategic in nature... [and] should show long term relevance to the national priorities and/or the industries related to the proposals”

The first questions are:

1. What factors can be used to guide an assessment of strategic merit?
2. How can the strategic merit of a project be established relative to other projects?

CDNM response: Will the project, if successful, lead to lasting change of understanding (of a field or problem) or process (in education, training, practice?). Will it produce techniques or equipment which can be used throughout the profession, and may be exported? In short, will it produce lasting change from where we are to where we ought to be? The project should be preferred to other projects if it is likely to produce more extensive and lasting consequences in understanding or practice.

The next two questions are:

3. What types of projects should be funded given the broad requirement that the HEEF support capital expenditure and research facilities?
4. Would it be useful and/or appropriate to undertake a priority identification process, in the vein of the National Collaborative Research Infrastructure Strategy (NCRIS) Strategic Roadmap? If so, what use would this serve?

CDNM response: The CDNM has already argued for the establishment of simulation labs in every school of N&M in Australian universities. One could hardly argue against a “priority identification process” – it seems inevitable in the work of the Fund.

The government already has a number of grant schemes supporting infrastructure, e.g. Research Infrastructure Block Grants (RIBG); the Capital Development Pool (CDP); the National Collaborative Research Infrastructure Strategy (NCRIS); the ARC Linkage Infrastructure, Equipment and Facilities grants; and the NHMRC Independent Research Institute Infrastructure Support Scheme. HEEF will operate in addition to these. So -

5. What issues do you see for your institution in managing applications for infrastructure under existing grants programmes and HEEF grants?
6. What design suggestions can you provide that might maximise the outcomes for institutions across existing grants programmes and HEEF grants?

CDNM response: There is the potential for duplication of effort in applying for grants and managing those won. However most (all?) universities now have D/PVCs (Research) and Research Offices through whom such applications would go and to whom grants would come. The HEEF grants would be an extra task for these officers, but not

unmanageable. There may well be synergies between a HEEF grant project and other grants.

(7) Would an open selection or a priority analysis approach, or a mixture of both, deliver the best outcomes in identifying and supporting strategic investments from HEEF grants?

CDNM response: Priority analysis means that the priorities, and therefore the grant recommendations, are more likely to be widely acceptable to the sector and other stakeholders. The danger is that in adding another consultation period it could lead to serious delays. We presume that with open selection the Advisory Board has already determined its criteria, which would obviate any delays; however, the Board can always influence the priority analysis, and has the last word with the Minister. Therefore on balance we prefer the priority analysis approach.

(8) What selection criteria should be used by the Advisory Board to select proposals to recommend to the Minister?

CDNM response: Our response should be read in conjunction with our response to qq.1&2. Within those broad parameters of strategic merit, further criteria for awards should be: the likelihood of the project being completed satisfactorily (which therefore means an assessment of the quality of the project team and their track record); the range of beneficiaries of the completed project; the uniqueness or innovatory quality of the project. We explicitly urge against purely commercial criteria.

The Consultation Paper proposes that the selection process be conducted once a year, to minimise demands on applicants' time, and further proposes a two-stage process. In the first stage applicants submit short expressions of interest; in stage two a short list of applicants are invited to develop their proposals in more detail. Under open selection, applicants determine the subject of the proposal; under priority analysis, priority areas are determined in advance and applications for specific proposals are sought. This two-stage process is likely to be more efficient, and could identify possible synergies and potential duplications after the first stage.

(9) Would you prefer a two-stage process as suggested above?

(10) What advantages and disadvantages do you consider would arise from this process?

CDNM response: We prefer such a process and see no disadvantages as long as it can be handled in a reasonable time.

The Consultation Paper says: "It is important to strive to have selection processes that are as transparent as possible to ensure fairness... Transparency could be achieved by having a brief summary of all Expressions of Interest placed on the HEEF website for at least a month before being considered by the Advisory Board. Comments received on these would not be made public, but rather those making comments would be asked to agree to their comments being fully attributable and made available to the proponents for response".

Questions: (11) What are the issues that may need to be addressed to ensure transparency in the allocation of HEEF grants, while protecting commercial-in-confidence information and maximising value?

(12) Would the process proposed, release of brief summaries of all expressions of interest, enhance transparency?

(13) If not, how would you propose a consistent and appropriate transparency process be achieved?

CDNM response: The central issue in achieving transparency is that people know why the decisions for or against particular proposals have been made. While we see no harm in releasing summaries of EOIs (with the proponents' permission) we do not see that this by itself achieves transparency. We believe that the only way to do this is to publish a statement with each award stating why that project was preferred to others, and to send a statement to each unsuccessful contender stating why that application was unsuccessful – which the contender may publish or not.

The Consultation Paper then addresses the issue of Funding Limits: “a case could be made that HEEF grants should only invest in projects of significant value”. The paper does not indicate its concept of ‘value’.

(14) Is a funding minimum appropriate?

(15) Should there be an upper limit to the programme funding range?

(16) Are funding value envelopes needed to ensure that significant strategic outcomes are achieved?

CDNM response: (14) Yes. Funds should not be frittered away.

(15) We believe that the Advisory Board should have maximum flexibility to support very expensive projects; hence we are reluctant to recommend an upper limit to funding. This brings the corollary that for a very expensive project, which hypothetically could consume the entire available funds for a given year, the reasons for the Board's recommendation must be published, and had better be very strong.

(16) We find this question unclear. What is the connection between ‘funding value envelopes’ (whatever they are) and ‘strategic outcomes’?

Duration of funding

Projects involving the creation of infrastructure (for instance, new buildings or major machines) can take some years to complete, even without delays. “A period of up to five years could be applied to HEEF projects”.

(17) Is a maximum period appropriate for the expenditure of allocations from HEEF grants?

(18) Should there be a requirement for projects to be completed within a certain time of a funding agreement with the government being signed?

CDNM response: A maximum period is appropriate, but should be large. Some projects require compilation of records, or fieldwork, or breeding, or other long-term processes.

A time should be set for completion but, in the case of long-term projects, regular progress reports should be required. The question arises: what sanctions can be applied in the case of non-completion?

The government may choose to fund proposals in full without requiring matching funding from the institution. However, co-funding by other parties is encouraged and may affect the assessment of a proposal. Recent examples of co-funding include Public-Private Partnerships (PPP) where an institution partners with private firms to develop a project jointly. A common model guarantees the private partner a percentage of the development for a stated time so as to receive an adequate return on investment.

Question (19) – What implications do you see emerging for HEEF grants and the design of programme guidelines where institutions may use PPPs?

CDNM response: We see possible benefits and disadvantages in use of PPPs. The experience and insights of the private partners may well refine or improve the proposal and the development of the project. The links established between the institution and the private partners may be of lasting benefits to both parties. There could be disadvantages if the project becomes distorted to meet the short-term commercial interests of the private party.

Philanthropy

“Currently less than two per cent of the income of Australian universities comes from philanthropic donations compared to 15 per cent for US universities”. The Government encourages such donations by making them tax-deductible. Generous donors of large sums frequently figure in the honours lists, though that is not government action. What incentives could HEEF offer to encourage such support?

(20) How might the HEEF encourage philanthropic support for universities from individuals and the corporate sector?

CDNM response: Donors frequently are glad to be publicly recognised. If HEEF could institute an annual award ceremony at which major donors were thanked and feted, perhaps receiving a medal, statuette (“Oscar”) or other visible memento, it might stimulate such philanthropy and even a competitive spirit in donors. Any way of publicising the donations and especially their outcomes, their benefits to society, would encourage the practice.

“In the first instance, only unconditional gifts of money may be contributed to the HEEF”. Later it may be possible for gifts to the Fund to be earmarked for a particular university or purpose.

(21) What issues might need to be addressed in enabling the HEEF to accept gifts designated for particular purposes?

CDNM response: Projects funded by the HEEF, whether from government grant, the fund’s own income, or earmarked donations, should all be of strategic importance and of

high quality. It would be harmful for there to be “first class” and “second class” projects, the latter funded by philanthropic donations. Also, with designated gifts, the purposes for which they are given should be in harmony with the purposes of the Fund and of the other funding decisions it makes.

(22) Are universities interested in having their endowments managed through the HEEF by the Future Fund Board? What issues might need to be addressed if this were to be done?

CDNM response: We consider this a question to be answered by the governing bodies and chief executives of universities. We make no comment on it.