

Senate Committee: Education and Employment

**QUESTION ON NOTICE
Additional Estimates 2016 - 2017**

Outcome: Higher Education Research and International

Department of Education and Training Question No. SQ17-000045

Senator Carr, Kim asked on 01 March 2017, Proof Hansard page 62

HEIWG (University finances)

Question

Senator KIM CARR: Did you concur, as a result of that study, with the statement that Clark-Bradley made that smaller universities are less financially robust, less able to generate cash flows and have less capacity to access the capital markets like, for instance, the Group of Eight?

Mr Learmonth: I will take that on notice. I am not sure the financial analysis went to that direct point, but certainly, when we look at the analysis, there is undoubtedly a scale.

Senator KIM CARR: I am surprised that you would not have an understanding of that.

Certainly you used to have the understanding of that level of borrowings that the universities were undertaking. That was part of your financial health assessments. I am particularly interested in this assertion that smaller universities are less financially robust and less able to generate the cash flows to service any loans. Have you examined that proposition, which is clearly stated in the Clark-Bradley review?

Mr Learmonth: I will take it on notice.

Answer

Universities (Higher Education Providers - HEPs) listed in Table A of the *Higher Education Support Act 2003* and the University of Notre Dame Australia, which is listed in Table B of the Act, are required to report financial information to the department based on their audited financial statements. The audited financial statements are prepared in accordance with the department's Financial Statement Guidelines. The Department of Education and Training published this information in the Annual Finance Publication. The publication contains financial information including financial performance, financial position and cash flows for each HEP. The department assesses the financial viability of each HEP on an institution-by-institution basis.

In the event that the assessment identifies any significant matter, the department would engage directly with the institution.