

EDUCATION, SCIENCE AND TRAINING

SENATE LEGISLATION COMMITTEE - QUESTIONS ON NOTICE 2005-2006 BUDGET ESTIMATES HEARING

Outcome: 2

Output Group: 2.4 – Funding for Higher Education

DEST Question No. E331_06

Senator Carr provided in writing.

Question:

How would you describe, in a parallel way, the performance of those institutions that were in deficit in 2003? Would you call their performance “weak”?

Answer:

Financial position of higher education sector – performance of institutions

There could be a several reasons why an institution is in deficit. These include factors such as the timing of certain expenses, one-off adjustments and abnormal items. As such, the performance of all institutions reporting a deficit in a year cannot be considered necessarily as “weak”. However, if an institution has been reporting deficits for more than two consecutive years, it would generally indicate a cause for concern.