

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. E336_06

Senator Carr provided in writing.

Question:

The report goes on to describe operating margins as “a useful indication of the financial health and flexibility of publicly funded HEPs.”

What, using this indicator, would amount to a verdict of poor financial health? What kind of operating margin are we talking about?

Answer:

Financial position of the higher education sector – operating margins

Negative or consistently low operating margins (eg. 1 to 3%) over a period (eg. 2 or more years) may indicate grounds for concern.