

EDUCATION, SCIENCE AND TRAINING

SENATE LEGISLATION COMMITTEE - QUESTIONS ON NOTICE 2004-2005 ADDITIONAL ESTIMATES HEARING

Outcome: 2 & 3

Output Group: 2.4 – Funding for higher education

3.3 – Support for the Australian education and training export industry and international relationships.

DEST Question No. E786_05

Senator Carr provided in writing.

Question:

- (a) Has DEST discussed with universities the conditions associated with, and nature of, the loans they are making to prop up the organisation IDP Education Australia?
- (b) Is it the case that these are “soft” loans with a zero interest rate and an open-ended schedule for repayment?
- (c) How will DEST ensure that Commonwealth funds do not go into this?

Answer:

IDP and university loans

- (a) No. Universities generate significant levels of income from non-government sources (\$4.8 billion or 39% of sector revenue in 2003) and as autonomous institutions may enter into financial arrangements with third parties to either generate or promote the generation of such commercial income.
- (b) See response to (a) above.
- (c) In addition to meeting the programme requirements under which financial assistance is provided to universities, the universities acquit DEST financial assistance through their annual financial statements that are audited by the respective Commonwealth/State/Territory Auditor-General, and provide a declaration in the annual report from the Vice-Chancellor certifying that the Commonwealth financial assistance provided for the year was expended for the purposes for which they were provided.