

EDUCATION, SCIENCE AND TRAINING

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

Outcome: 2

Output Group: 2.4 – Funding for Higher Education

DEST Question No. E128_05

Senator Tierney asked on 3 June 2004, EWRE Hansard page 68.

Question:

Is there any way we can check these university deficits to find out how many are because of special, one-off factors?

Answer:

The reason for university deficits in 2002

There were eight universities that reported deficit in 2002, the latest year for which audited financial statements for all universities are available.

| University | Deficit | Comments |
|---|---------|--|
| University of Newcastle | \$3.8m | There was an increase of \$4.6m in depreciation provisions (mainly for buildings & infrastructure). The University would have reported a surplus without this increase. |
| University of Western Sydney | \$1.2m | Changes in accounting policies have increased provisions by \$5.2m (depreciation on computer equipment of \$1.4m and provision for recreation leave of \$3.8m). The University would have reported a surplus without the changes to accounting policies. |
| Royal Melbourne Institute of Technology | \$17.7m | The deficit includes a \$13.1m write-off of the failed Academic Management System. |
| Central Queensland University | \$5.2m | Changes in accounting policies have increased depreciation expenses (for library collection) by \$2.0m. Also, difficulties with CQU's Fiji Campus causing increase of around \$15m in management fees. The University would have reported a surplus without these increased costs. |
| University of Western Australia | \$0.5m | There was an increase of \$3.9m in the University's grants to its affiliated activities (eg. Institute of Child Health Research). |
| Australian Maritime College | \$1.4m | Due to the nature of its operations, AMC has much higher levels of depreciation provisions (over 10% compared to sector average of less than 7%). |
| Northern Territory University (Charles Darwin University) | \$8.6m | The deficit included \$4.4m provision for decrease in value of NTU's interest in joint ventures. |
| Australian National University | \$11.9m | A \$13.3m loss in investments has changed a small surplus into a deficit. |