

## 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. E344\_06**

Senator Carr provided in writing.

#### **Question:**

- a) Can you enlarge upon the analysis of the expenditure of institutions on pp.5 - 6?
- b) What is the purpose of attempting to delve into the category “other expenses”?
- c) What point is being made when the report comments that the reliance of the five largest institutions on “advanced equipment, information technology, research infrastructure and international book and periodical stocks” is not high?

#### **Answer:**

##### *Expenditure – analysis*

- a) The analysis on pp 5-6 is estimating the breakdown of the category ‘other expenses’ for all higher education providers (HEPs). This category has comprised a significant proportion of total expenditures for all HEPs in recent years. Due to the significant variation between publicly funded HEPs in their financial reporting of expense items under this category, the Department has sought to estimate, through sampling, the distribution of expense items under this category.
- b) In reviewing the indexation arrangements, the Department sought to have a reasonable understanding of how HEPs spent their funds. The large amount reported under the broad heading ‘other expenses’, did not give a full indication of their spending breakdown.
- c) The terms of reference directed that the review consider the reliance of higher education providers on advanced equipment, IT, research infrastructure and international publications. In the context of the terms of reference, the point made is simply a factual one. As noted in the Report, data based on the 2003 financial statements of the five largest HEPs, indicates that expenditure on advanced equipment, information technology, research infrastructure and international book and periodical stocks is not high in comparison to employee benefits and general administration costs.