

## 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. E432\_06**

Senator Carr asked on 2 June 2005, EWRE Hansard page 67.

#### **Question:**

- a) Could you establish how Monash University is financing the losses being made by its South African campus?
- b) Did the original business plan propose that this campus would be making a profit by 2005?
- c) What steps has the University taken to ensure the campus breaks even by 2007?

#### **Answer:**

##### *Monash University South Africa campus*

- a) The Victorian Auditor General reports (Auditor General's Report, May 2005) that the losses are being financed via loans from Monash University. These loans will be interest free from 2004. The University advises that it considers the South African campus to be a long-term strategic investment with the potential for a high return, both for the University and for the economy, and has factored in losses in the initial years. The University informs us that its international income is being reinvested in further international activities (i.e. South Africa, Malaysia).
- b) The University advises us that the original business plan expected that profits would be made by 2005 and break-even reached by 2008.
- c) The University advises that it has taken a number of steps to reduce costs and increase student numbers. In the assessment of the Victorian Auditor-General (Victorian Auditor General's Report, May 2005), the campus will not meet the original break-even date, though its losses should decline due to the actions that the University has taken.