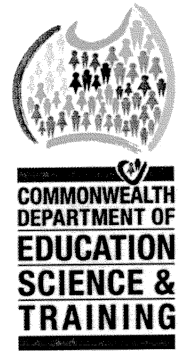


Appendix 2

**Attachment A – Attachment to DEST submission,
dated 13 December 2002**

OFFICE OF THE SECRETARY



Senator the Hon Kim Carr
 Shadow Minister for Science and Research
 Parliament House
 CANBERRA ACT 2600

Dear Senator

I refer to the notice of motion in relation to higher education you tabled in the Senate on 27 August 2002.

I am writing to explain the reason for the Department's refusal to provide certain documents in response to an order of the Senate dated 21 August 2002 (the Return to Order).

The Return to Order required that documents be provided relating to six particular categories of information.

Those categories were, in summary:

1. The four page report showing summary position, sent by the Department to each university to assist in the profile discussions in late 2001;
2. A copy of the formal minutes of the profile discussions for each university;
3. The summary report prepared by the Department in advance of the visit to each university as part of the profiling process, including forward projections to 2004;
4. Operating result for all universities for the year 2000;
5. Changes in the year 2000 operating result from the previous four year average for all universities;
6. A revenue analysis by source for the year 2000 for all universities, and a commentary on the financial standing of each institution including forward projections to 2004.

Senator Campbell made a statement in the Senate on 26 August 2002 on behalf of the Minister for Education in relation to the Return to Order. In the course of making that statement Senator

Campbell tabled information which answers the description of points four and five of the Return to Order. To that extent I believe the Return to Order has been complied with.

In relation to the material called for in points one, two, three and six of the Return to Order, Senator Campbell stated that it would be inappropriate to provide this information to the Senate, and provided reasons for taking this view.

I wish to clarify for you the information the Department prepares for the purposes of briefing the Minister on higher education funding which appears to be relevant to the Return to Order.

The Department prepares for the Minister an overview of the higher education sector, which sets out the aggregate financial performance and financial position of the universities. That material includes projections for the triennium outyears prepared by the Department. The material includes a comparative enrolment profile and an analysis of comparative research performance as between the universities. The overview also includes a revenue analysis and a commentary on the financial health of the universities in aggregate.

The Department also prepares for the Minister a summary chart setting out the operating result for all universities for the most recent financial year and another chart setting out the change in operating result for that year compared with the previous four year average.

The Department also prepares for the Minister an overview relating to each university, in the same format as the aggregate overview, and setting out the same kind of analysis, including projections for the triennium outyears.

You will be aware that the Higher Education Funding Act does not require universities to provide information other than information in a form requested by the Minister. There is no obligation in the Act to treat any information provided as public or to disclose it to the Parliament.

The information in these documents is in the nature of policy advice provided to the Minister and is prepared from information supplied to the Department by the universities. The Department makes it clear to the universities in collecting this information that universities' strategic and financial planning information and student load data will be regarded as commercial-in-confidence. The Department also makes it clear to the universities that the Department's own financial analysis of this data will be regarded as commercial-in-confidence. The Australian Vice Chancellor's Committee has indicated that they wish these assurances to be honoured.

Yours sincerely

Signed

Dr Peter Shergold

13 September 2002