



Australian Government
Department of Education

Finance 2022: Financial Reports of Higher Education Providers

Summary Information



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The document must be attributed as Finance 2022: Financial Reports of Higher Education Providers.

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Introduction

The Finance 2022 publication contains the results of the 42 higher education providers (HEPs) listed in Table A and Table B of the *Higher Education Support Act 2003* (the Act) for the 2022 reporting period.

The data was extracted from the audited financial statements of these 42 institutions as provided to the Department of Education (department). The adjusted financial statements are presented in a format consistent with that outlined in the department's *Financial Statement Guidelines for Australian Higher Education Providers for the 2022 Reporting Period* (Guidelines).

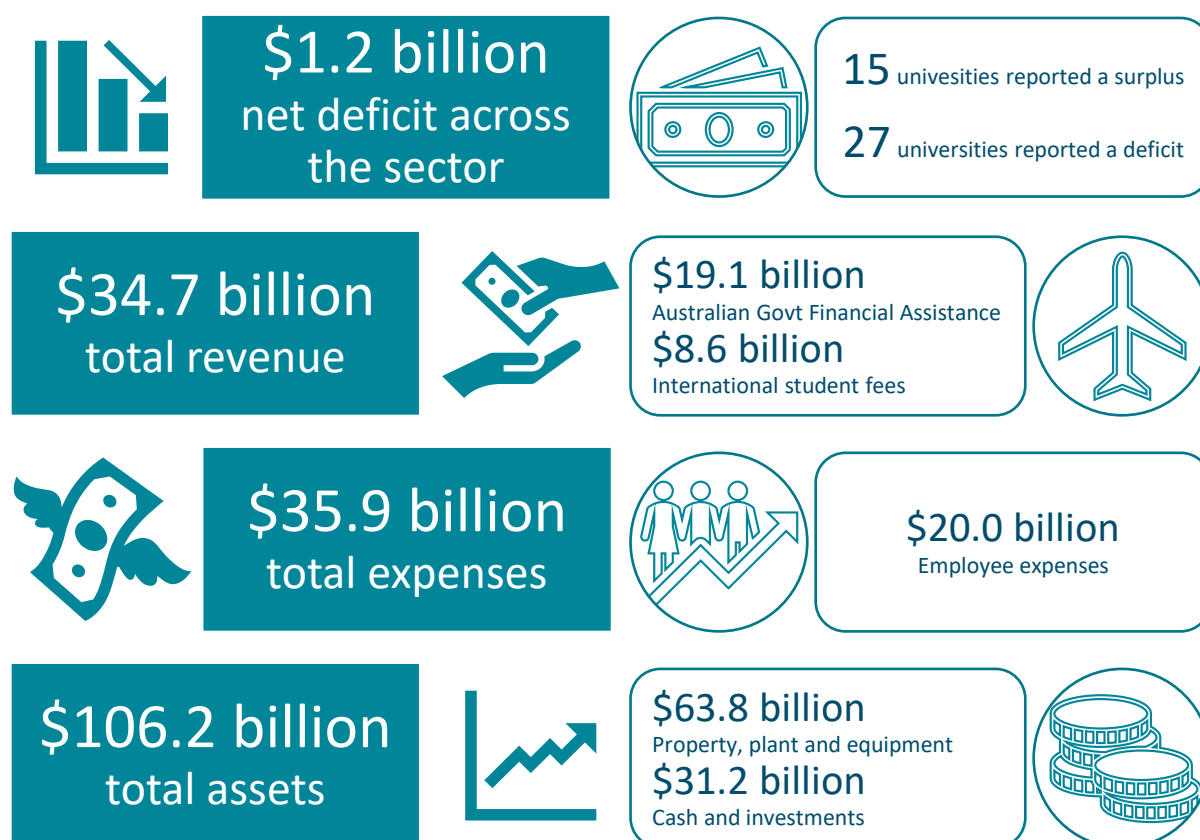
The Finance 2022 publication is available in Microsoft Excel table format on the department's website. A data dashboard has also been developed as an interactive visualisation tool to provide an option for viewing the data. The dashboard includes charts and graphs with historical data dating back to 2011. Both the tables and the dashboard are available at <https://www.education.gov.au/higher-education-publications/finance-publication>.

Changes from previous publications

Table B institutions were added to the publication series in 2021 to provide a more comprehensive overview of the financial performance and position of the higher education sector. Previous versions of this report before 2021 contained the results of the 39 Table A institutions only. This should be considered when comparing sector total results from one year to the next.

All prior period comparative figures contained in this summary report relate to those published in previous versions of the Finance publication. These may be different in some cases from the comparative figures published in each university's audited financial statements due to changes in presentation.

2022 Summary Results



Financial Performance

2022 was a challenging year for the Australian university sector, with the financial effects of the COVID-19 pandemic and difficult economic conditions continuing to impact most institutions. Many universities reported a decline in revenue when compared to 2021, with international student numbers remaining below pre-pandemic levels, and substantial investment losses reported across the sector following continued volatility in global equity markets. An increase in operating costs was also reported as campus operations returned to normal following the easing of pandemic restrictions, and rising inflation put upward pressure on prices.

The overall net result reported across the sector in 2022 was a deficit of \$1.2 billion. This is down from a record surplus of \$5.3 billion reported in 2021, and a surplus of \$0.7 billion reported during the first year of the pandemic in 2020. This is the first time since 2000 that an overall deficit has been reported across the sector, following a \$4.2 billion decline in revenue and \$2.3 billion increase in expenses during 2022.

At the individual university level results were varied. A total of 15 universities reported an overall surplus and 27 reported a deficit. The average net operating margin across the sector was -3.5 per cent, down from 13.6 per cent in 2021, and 2.0 per cent in 2020.

Figure 1: 2022 Net Margin across the university sector

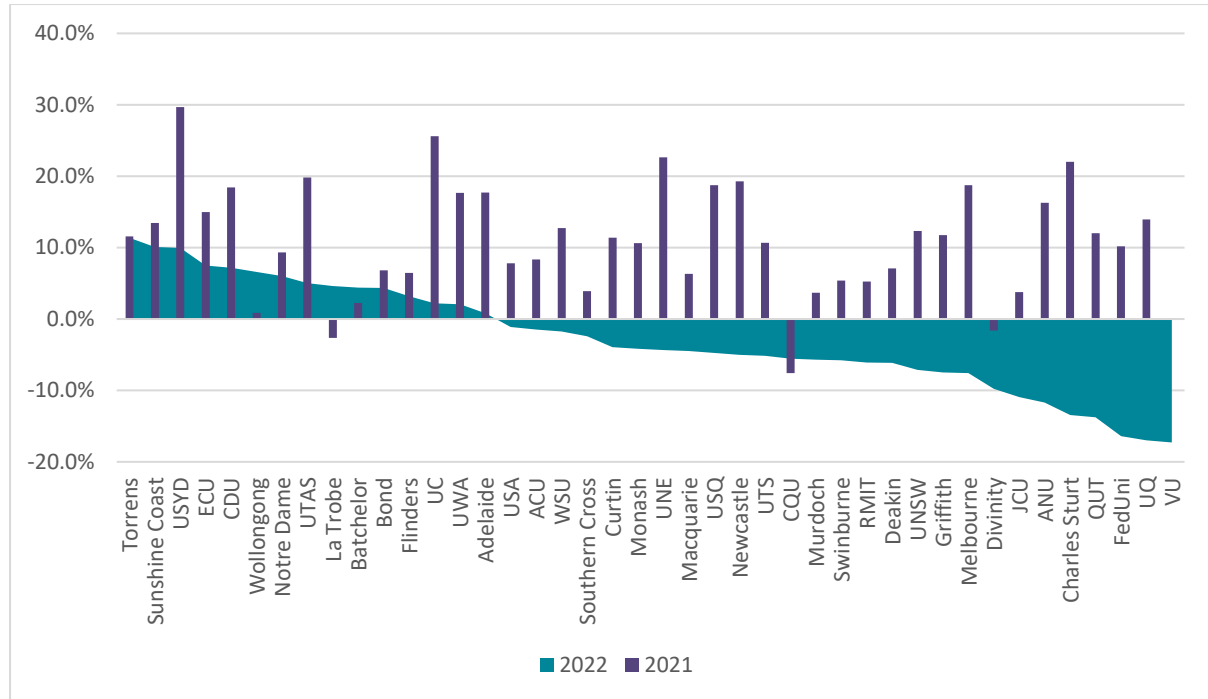
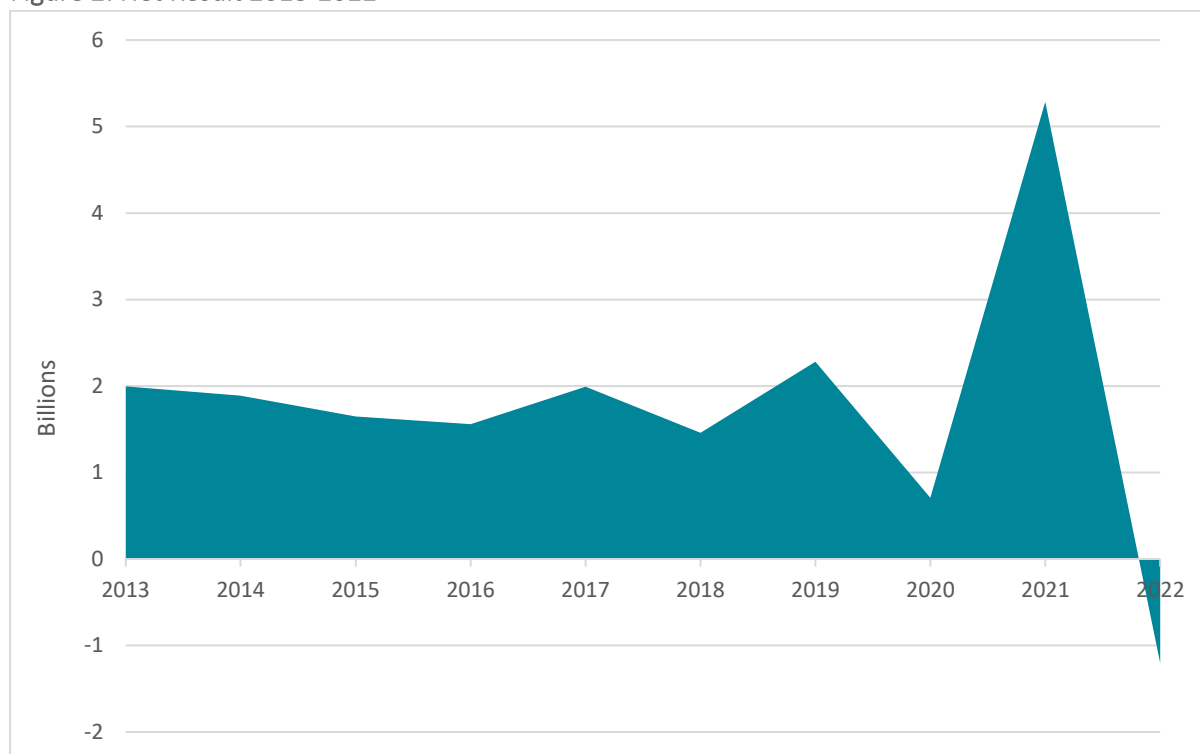


Table 1: Net result and net margin by university

University	Net Result (\$'000)		Increase / Decrease	2022 Net Margin
	2022	2021	\$'000	%
The University of Sydney	298,497	1,048,062	-749,565	10.0%
University of Wollongong	47,100	5,360	41,740	6.6%
La Trobe University	37,672	-19,494	57,166	4.6%
University of Tasmania	37,644	170,002	-132,358	5.0%
Edith Cowan University	35,460	79,316	-43,856	7.5%
University of the Sunshine Coast	34,940	45,005	-10,065	10.1%
Torrens University	33,640	34,731	-1,091	11.4%
Charles Darwin University	23,285	62,185	-38,903	7.2%
The University of Western Australia	19,359	202,548	-183,189	2.1%
Flinders University	17,411	35,627	-18,216	3.2%
The University of Notre Dame Australia	13,205	20,222	-7,017	6.0%
Bond University	9,082	13,335	-4,255	4.3%
University of Adelaide	7,731	200,034	-192,303	0.8%
University of Canberra	7,104	98,361	-91,257	2.2%
Batchelor Institute of Indigenous Tertiary Education	1,509	757	752	4.4%
University of Divinity	-1,330	-256	-1,074	-9.7%
Southern Cross University	-6,761	10,613	-17,374	-2.4%
University of South Australia	-7,379	52,849	-60,228	-1.1%
Australian Catholic University	-7,997	47,315	-55,312	-1.4%
The University of New England	-14,773	99,419	-114,192	-4.3%
Western Sydney University	-15,368	122,638	-138,006	-1.8%
University of Southern Queensland	-15,543	79,388	-94,931	-4.8%
Murdoch University	-20,768	14,046	-34,814	-5.7%
Central Queensland University	-22,833	-30,632	7,799	-5.6%
Curtin University of Technology	-36,120	113,311	-149,431	-3.9%
The University of Newcastle	-37,877	182,261	-220,138	-5.0%
Swinburne University of Technology	-40,660	39,858	-80,518	-5.8%
Macquarie University	-42,358	63,291	-105,649	-4.5%
Federation University Australia	-43,811	33,148	-76,959	-16.4%
James Cook University	-48,953	18,609	-67,562	-11.0%
University of Technology, Sydney	-52,542	121,954	-174,496	-5.1%
Charles Sturt University	-59,753	140,463	-200,216	-13.5%
Deakin University	-67,539	89,757	-157,296	-6.1%
Griffith University	-69,732	122,742	-192,474	-7.5%
Victoria University	-73,190	493	-73,683	-17.3%
RMIT University	-75,784	71,305	-147,089	-6.1%
Monash University	-113,593	305,738	-419,331	-4.1%
Queensland University of Technology	-130,421	139,875	-270,296	-13.8%
Australian National University	-139,568	232,429	-371,997	-11.7%
The University of New South Wales	-162,649	302,170	-464,819	-7.1%
The University of Melbourne	-202,632	584,078	-786,710	-7.6%
The University of Queensland	-318,589	332,899	-651,488	-17.0%
All Institutions	-1,204,884	5,285,812	-6,490,696	-3.5%

Financial performance trends

Figure 2: Net Result 2013-2022



The pandemic period has proven to be a turbulent time for university financial performance, with significant variability in results reported each period over the past 3 years, defying the longer-term trend of relatively consistent performance. This variability has been driven by several market forces, most notably:

- Changes in international student enrolments due to the closure of international borders during the pandemic.
- Australian Government temporary pandemic relief, with an additional \$1 billion in research grants provided to the sector in 2021.
- Instability in investment markets.
- The contraction and subsequent expansion of discretionary operating costs to minimise the financial effects of the pandemic.

Looking ahead it is likely that universities will continue to be impacted by the prolonged closure of international borders throughout 2020 and 2021, due to the pipeline effect of international student enrolments. However, it is expected that international student enrolments will recover in time, with some universities recovering at a faster rate than others.

With challenging economic conditions continuing to impact universities, including weaker domestic enrolments due to a strong labour market, rising inflationary pressures, and continued volatility in global investment markets, it is expected that the difficult conditions of recent years will continue in the short term. Some universities have commented in the media that they expect to be in a deficit position again in 2023, before returning to surplus in 2024 or 2025.

Despite these challenges, most universities remain in a good financial position, with sufficient resources and reserves to support operations as they continue to recover from the effects of the

pandemic, bolstered by the strong surpluses reported in 2021, a strong net asset base, and overall good liquidity. Universities are well placed to weather these challenges and emerge from the effects of the pandemic in a strong and healthy financial position with the continued support of the Australian Government and ongoing careful management of operating costs.

Revenue

Table 2: Summary of 2022 and 2021 Revenue

	2022	2021	Change	
	\$'000	\$'000	\$'000	%
Australian Government Grants	13,076,751	14,054,602	-977,851	-7.0%
HELP Payments	6,025,744	6,177,235	-151,491	-2.5%
Australian Government Financial Assistance	19,102,495	20,231,837	-1,129,342	-5.6%
State and Local Government	929,300	836,014	93,286	11.2%
Upfront Student Contributions	481,553	459,142	22,411	4.9%
International Student Fees	8,572,901	8,724,947	-152,046	-1.7%
Other Fees and Charges	1,851,282	1,598,765	252,517	15.8%
Investment Revenue	-396,783	3,222,463	-3,619,246	-112.3%
Consultancy and Contracts	2,039,413	1,734,591	304,822	17.6%
Other Income *	2,132,573	2,085,079	47,494	2.3%
Total Revenue	34,712,734	38,892,838	-4,180,104	-10.7%

* Other income includes royalties, trademarks and licenses and the share of net result of associates and joint ventures accounted for using the equity method.

Figure 3: 2013-2022 Revenue by Source

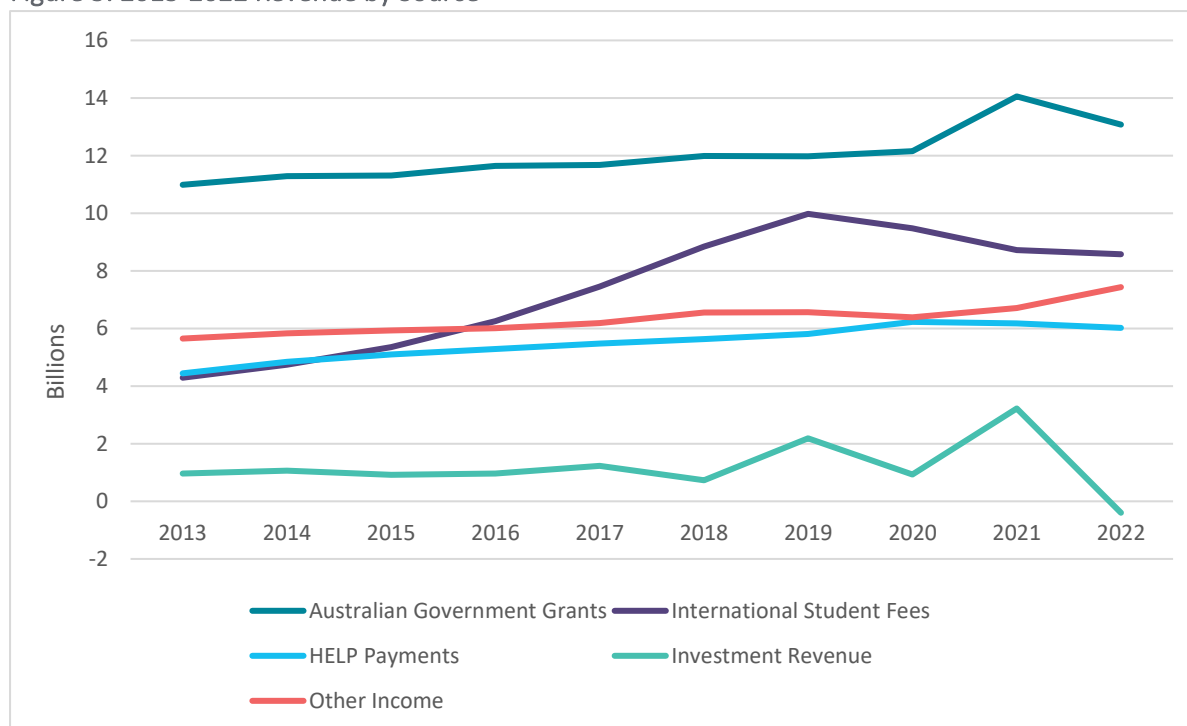
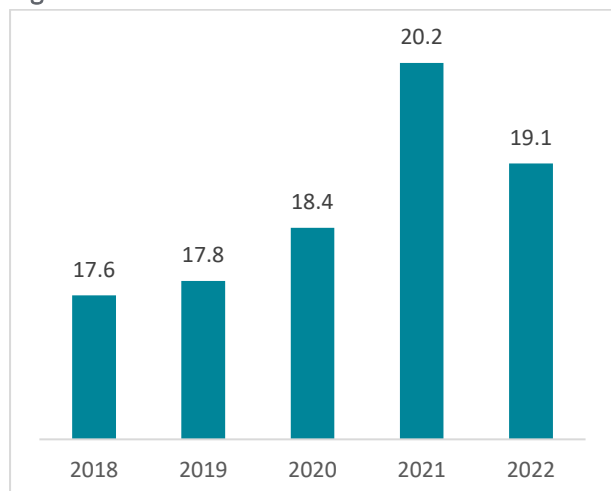
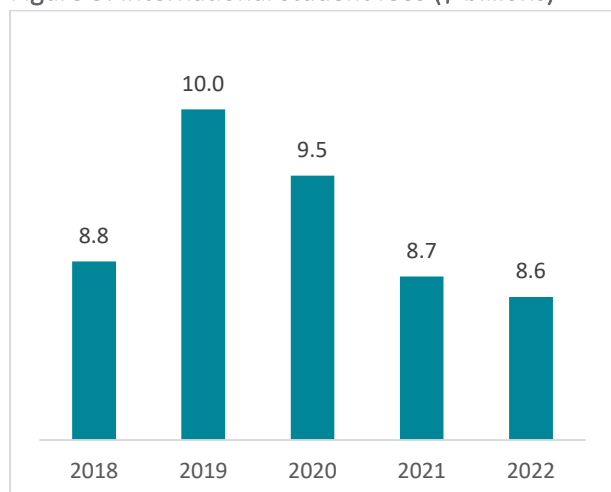


Figure 4: Australia Government Financial Assistance (\$ billions)



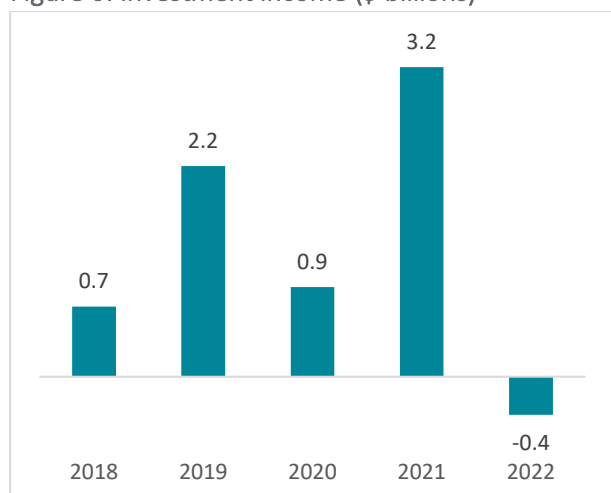
Australian Government Financial Assistance has grown substantially over the past 5 years, up from \$17.6 billion in 2018 to \$19.1 billion in 2022. The jump in revenue reported in 2021 was due to the Government's additional \$1 billion in research funding provided as pandemic support.

Figure 5: International student fees (\$ billions)



International student fee revenue has been significantly impacted by the closure of borders throughout the pandemic. International student numbers began to recover at many universities in 2022, although student numbers remained below pre-pandemic levels due to the pipeline effect of enrolments.

Figure 6: Investment income (\$ billions)

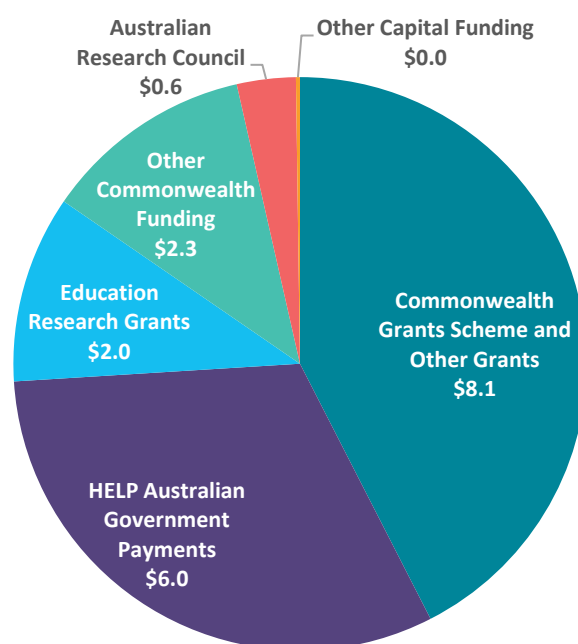


Instability in global investment markets has contributed to large fluctuations in investment income in recent years. Volatility will likely continue in the short term due to continued uncertainty in the current economic environment.

Australian Government Financial Assistance

Australian Government funding continued to represent the largest source of income for Australian universities during 2022 at \$19.1 billion, or 55.0 per cent of total revenue. This is down 5.6 per cent from \$20.2 billion in 2021 (52.0% of total revenue) due to the Government's one-off contribution of an additional \$1 billion in research grant funding provided to the sector in 2021 as pandemic support. Despite the decline, 2022 funding levels remain above the \$18.4 billion reported in 2020 prior to the provision of the pandemic relief. The increase in the proportion Australian Government funding in 2022 despite an overall decline in the amount of funding is due to the proportional decline in other revenue sources, notably investment income.

Figure 7: 2022 Revenue from Australian Government sources (\$ billions)



International Student Fees

International student fees contributed the second largest proportion of revenue in 2022 at \$8.6 billion or 24.7 per cent of total revenue, down slightly from \$8.7 billion (22.4 per cent of total revenue) in 2021 due to the ongoing closure of international borders throughout the pandemic. This amount remains well below the \$9.5 billion (26.9 per cent of total revenue) reported in 2020 and \$10.0 billion (27.6 per cent of total revenue) reported prior to the onset of the pandemic in 2019.

International students began a gradual return to Australian universities in 2022 once borders reopened, however this had little impact on revenue at the sector level due to the pipeline effect of almost two years of border closures. This is expected to improve in 2023 as international student enrolments begin to recover going forward, although it may take time for this revenue stream to return to pre-pandemic levels.

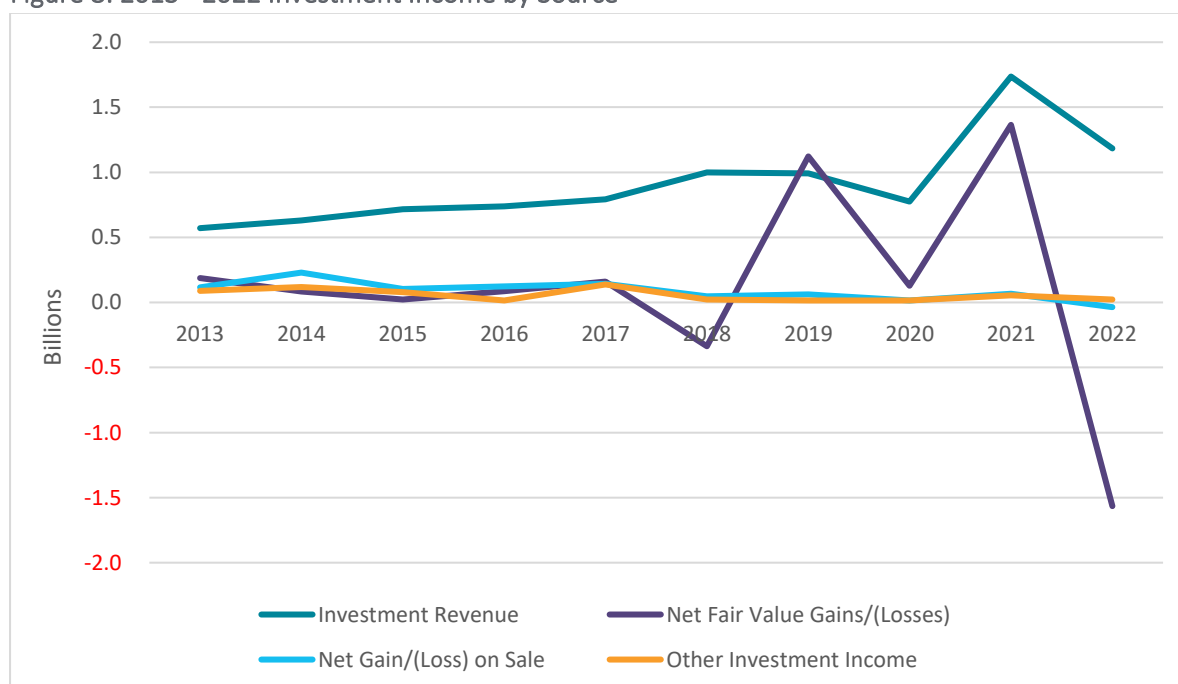
Investment Income and Other Revenue

Table 3: Summary of 2022 and 2021 Investment Income

	2022	2021	Change	
	\$'000	\$'000	\$'000	%
Investment Revenue (interest, dividends & distributions)	1,183,397	1,736,031	-552,634	-31.8%
Net Fair Value Gains/(Losses)	-1,565,426	1,364,815	-2,930,241	-214.7%
Net Gain/(Loss) on Sale	-36,111	66,894	-103,005	-154.0%
Other Investment Income	21,357	54,723	-33,366	-61.0%
Investment Income/(Loss)	-396,783	3,222,463	-3,619,246	-112.3%

Investment income declined by \$3.6 billion in 2022, with an overall loss of \$396.8 million reported across the sector following the poor performance of global financial markets. This amount consisted of realised income including distributions, dividends, and interest of \$1.2 billion, and was offset by unrealised losses on the fair value of underlying investments of \$1.6 billion. This follows total investment income of \$3.2 billion reported in 2021, which was an exceptionally strong year for investment performance, and \$0.9 billion in 2020.

Figure 8: 2013 - 2022 Investment Income by Source



Investment income is volatile in nature and fluctuations from one year to the next are to be expected. The COVID-19 pandemic has contributed to unprecedented instability in global financial markets over the past three years, and investment income has increasingly become a contributing factor to overall university results as universities have increased their financial asset bases, and economic conditions have fluctuated.

Other sources of income across the university sector increased by \$720.5 million in 2022, driven by increases in consultancy and contract revenue of \$304.8 million, and domestic fees and charges of \$252.5 million.

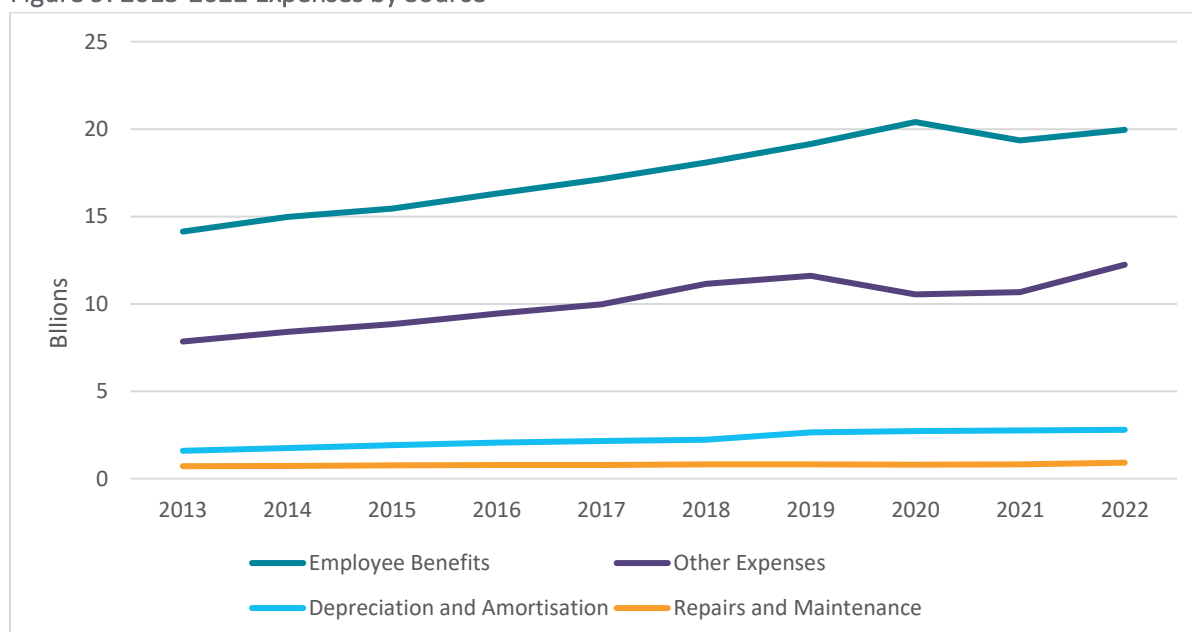
Expenses

Table 4: Summary of 2022 and 2021 Expenses

	2022	2021	Change	
	\$'000	\$'000	\$'000	%
Academic Employee Benefits	10,334,589	10,195,058	139,531	1.4%
Non-Academic Employee Benefits	9,616,373	9,160,572	455,801	5.0%
Total Employee Benefits	19,950,962	19,355,630	595,332	3.1%
Depreciation and Amortisation	2,794,451	2,751,690	42,761	1.6%
Repairs and Maintenance	914,704	821,474	93,230	11.3%
Other Expenses *	12,240,315	10,664,132	1,576,183	14.8%
Total Expenses	35,900,432	33,592,926	2,307,506	6.9%

* Other expenses include defined benefits expense, bad and doubtful debts and borrowing costs.

Figure 9: 2013-2022 Expenses by Source



Total expenses of \$35.9 billion were reported by Australian universities in 2022, up \$2.3 billion or 6.9 per cent from \$33.6 billion in 2021. Employee expenses continued to be the most significant cost for universities, increasing to \$20.0 billion in 2022, up \$0.6 billion or 3.1 per cent from \$19.4 billion in 2021 as wage and hiring freezes implemented during the height of the pandemic were lifted at many institutions. A total of 32 universities reported an increase in employee expenses in 2022, while 10 reported a decrease when compared to 2021.

Most other categories of operating expenses also increased during 2022 as pandemic restrictions eased, campus operations returned to normal, and rising inflation began to pressure prices. This was

expected and follows the two years of strict cost containment measures implemented by most universities in response to the pandemic, with many reducing their discretionary spending in areas such as travel, marketing and promotional activities, and consultants and contractors, as well as delaying non-essential repairs and maintenance and capital works.

Financial Position

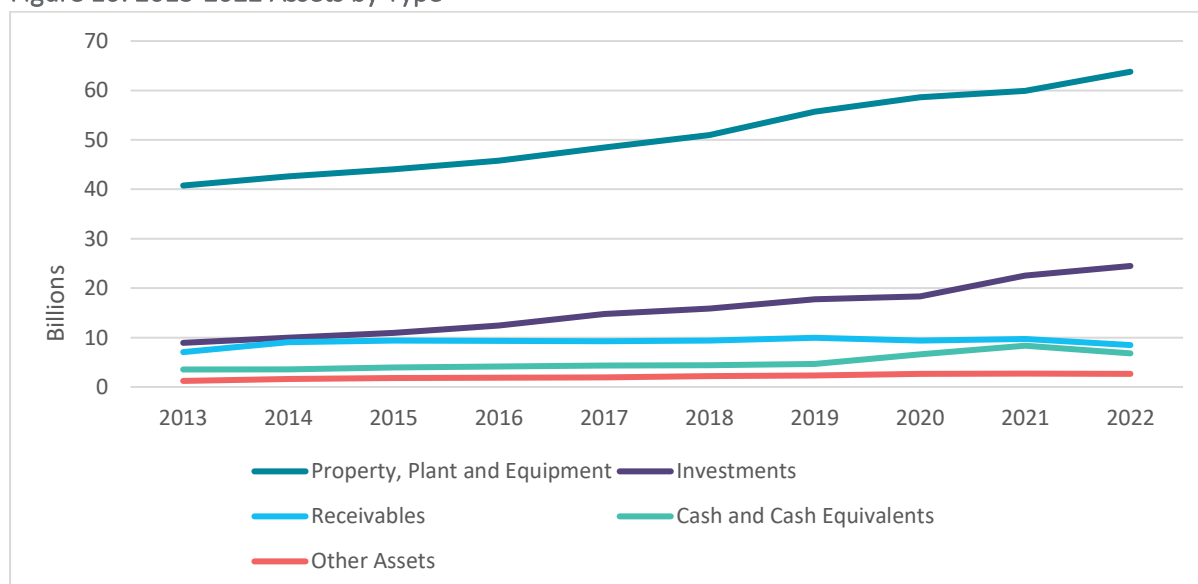
The financial position of universities remained strong throughout the 2022 reporting period, with net assets of \$72.0 billion reported across the sector as at 31 December 2021, up 2.6 per cent from \$70.1 billion in 2020.

Assets

Table 5: Summary of 2022 and 2021 Total Assets

	2022	2021	Change	
	\$'000	\$'000	\$'000	%
Property, Plant and Equipment	63,783,550	59,930,775	3,852,775	6.4%
Investments	24,478,720	22,525,539	1,953,181	8.7%
Receivables	8,492,816	9,710,764	(1,218,948)	-12.5%
Cash and Cash Equivalents	6,766,242	8,349,923	(1,583,681)	-19.0%
Other Assets	2,646,987	2,706,800	(59,813)	-2.2%
Total Assets	106,168,315	103,223,801	2,944,514	2.9%

Figure 10: 2013-2022 Assets by Type



Total assets across the sector were \$106.2 billion as at 31 December 2022, increasing by 2.9 per cent or \$2.9 billion from \$103.2 billion in 2021. Property, plant, and equipment represented the largest component at \$63.8 billion, up from \$59.9 billion in 2021. This was followed by investments at \$24.5 billion, up from \$22.5 billion in 2021.

Overall growth in assets across the sector over the past 10 years has been driven by increases in property, plant and equipment and investments, with universities investing heavily in campus facilities and continuing to grow their financial asset bases over this period. In contrast, other asset categories have remained relatively consistent from one year to the next and make up a comparatively small component of overall asset bases.

Payments for property, plant and equipment were \$2.8 billion in 2022, up 7.2 per cent from \$2.6 billion in 2021 as universities began to reinvest in campus facilities and undertake capital works that had been delayed during the pandemic to reduce non-essential spending.

Cash and investments

Liquidity remains strong across the sector, with total cash and investments of \$31.2 billion as at 31 December 2022, up \$0.4 billion or 1.2 per cent from \$30.9 billion in 2021. This amount would be sufficient to cover university operating expenses, on average, for more than 10 months across the sector, with a range of between 6 weeks and 29 months at the individual institution level.

Cash reserves decreased slightly across the sector during 2022, down from \$8.3 billion in 2021 to \$6.8 billion, as universities began to invest the additional cash buffers built up during the pandemic into longer term investments or capital projects. Total cash holdings across the sector rose by nearly 80 per cent during the pandemic as universities implemented strategies to improve working capital and provide a buffer to weather the effects of the pandemic. It is expected that these additional cash reserves will return to more typical levels in the post-pandemic world.

Total investments grew by \$2.0 billion in 2022, up 8.7 per cent from \$22.5 billion in 2021 to \$24.5 billion. This was driven by additions made to financial asset bases, with a total of \$3.4 billion in net payments for financial assets made across the sector in 2022. However, this was offset by a decline in the fair value of underlying investments due to the weak performance across global equity markets in 2022 as previously outlined.

Figure 11: Total cash and investments by university

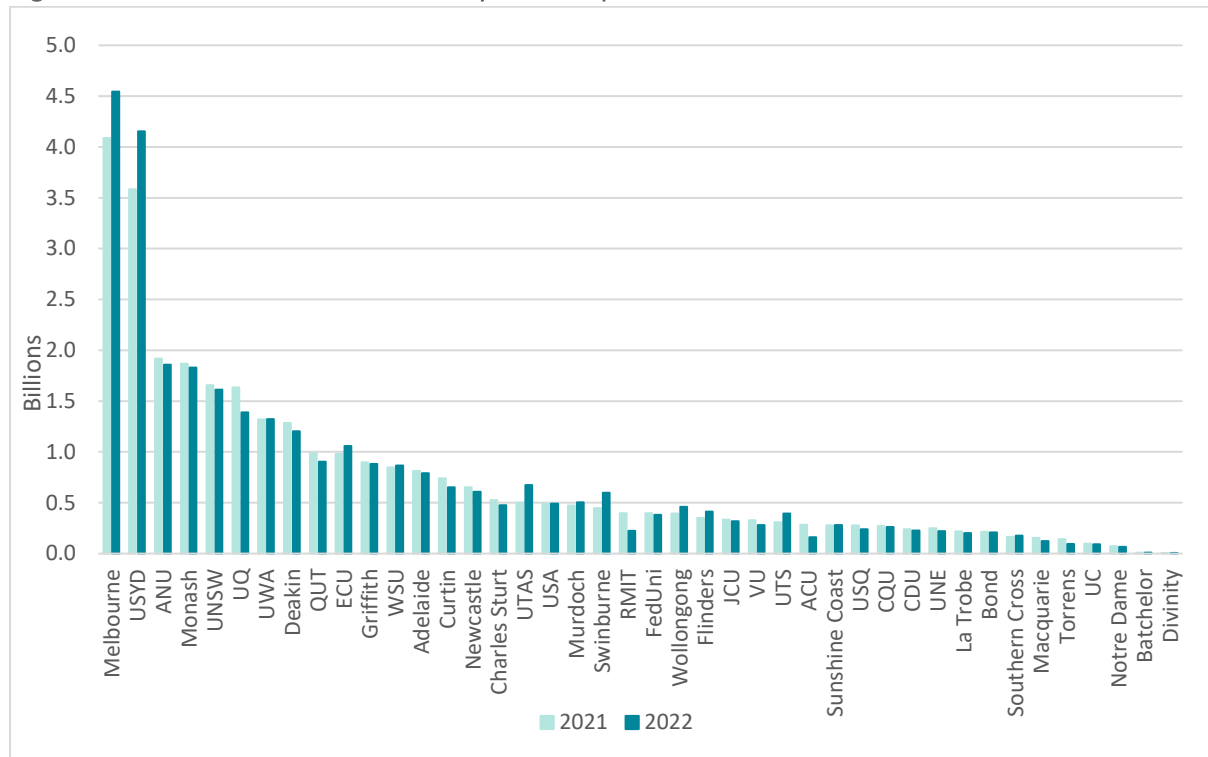


Table 6: 2022 Cash and Investments and Liquidity by university

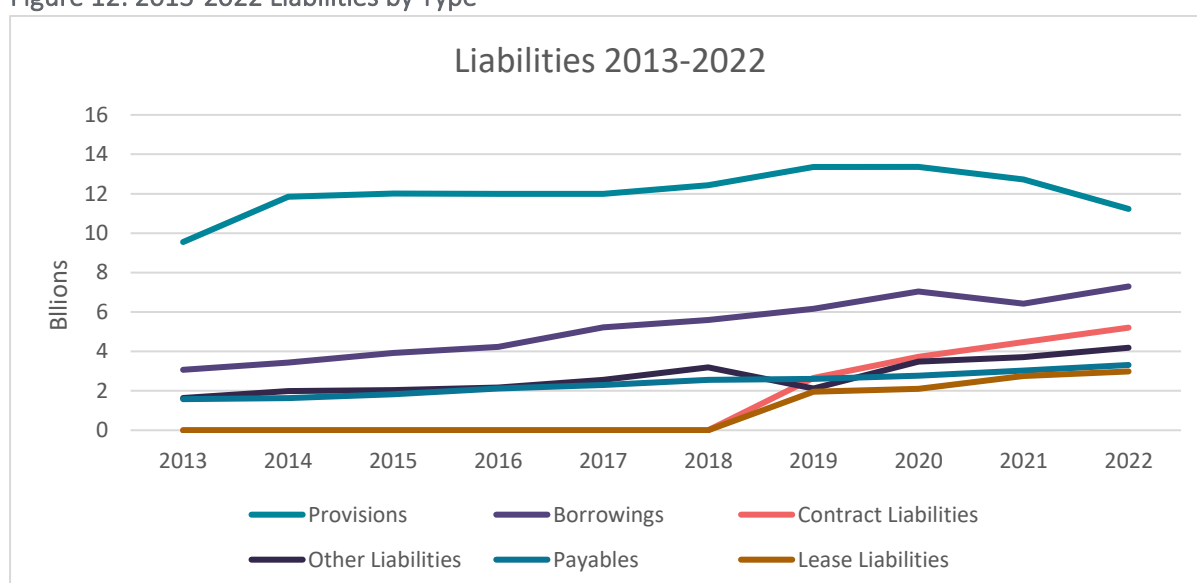
	Cash	Investments	Total Cash & Investments	Liquidity (Weeks Cash & Investments)
	\$'000	\$'000	\$'000	
Edith Cowan University	122,023	937,014	1,059,037	126.1
The University of Melbourne	288,664	4,254,760	4,543,424	82.3
The University of Sydney	1,426,272	2,726,520	4,152,792	80.1
The University of Western Australia	77,632	1,244,941	1,322,573	74.7
Australian National University	310,286	1,548,889	1,859,175	73.3
Murdoch University	97,041	407,309	504,350	68.0
Federation University Australia	58,684	323,620	382,304	64.0
Bond University	190,362	16,375	206,737	53.7
Deakin University	281,970	920,299	1,202,269	53.4
Western Sydney University	377,079	487,595	864,674	50.4
Charles Sturt University	20,749	455,073	475,822	49.1
University of Tasmania	128,800	543,773	672,573	49.0
University of the Sunshine Coast	234,161	46,852	281,013	47.0
Griffith University	322,788	560,172	882,960	45.7
Queensland University of Technology	124,344	778,157	902,501	43.6
University of Adelaide	51,801	739,965	791,766	42.8
Swinburne University of Technology	33,739	563,085	596,824	41.5
Flinders University	223,633	190,428	414,061	40.5
The University of Newcastle	39,396	569,220	608,616	39.9
Charles Darwin University	172,720	52,589	225,309	38.8
University of South Australia	450,473	39,459	489,932	37.8
University of Southern Queensland	29,055	210,316	239,371	36.3
University of Wollongong	107,290	352,685	459,975	35.7
Curtin University of Technology	122,603	528,475	651,078	35.6
The University of New South Wales	98,963	1,513,940	1,612,903	34.2
Monash University	260,240	1,567,955	1,828,195	33.3
James Cook University	87,185	229,419	316,604	33.2
The University of Queensland	49,271	1,338,090	1,387,361	32.9
The University of New England	55,133	166,158	221,291	32.3
Southern Cross University	56,804	120,264	177,068	32.2
Central Queensland University	182,020	79,652	261,672	31.5
Victoria University	28,047	252,439	280,486	29.4
Torrens University	82,007	11,390	93,397	19.6
University of Divinity	1,045	4,547	5,592	19.4
University of Technology, Sydney	219,024	176,123	395,147	19.1
University of Notre Dame Australia	62,529	3,455	65,984	16.6
Batchelor Institute	10,313	0	10,313	16.3
University of Canberra	19,256	73,137	92,393	15.4
Australian Catholic University	14,597	146,815	161,412	15.0
La Trobe University	126,987	73,211	200,198	13.4
RMIT University	65,625	158,451	224,076	8.8
Macquarie University	55,631	66,103	121,734	6.4
All Institutions (Table A and B)	6,766,242	24,478,720	31,244,962	45.3

Liabilities

Table 7: Summary of 2022 and 2021 Total Liabilities

	2022	2021	Change	
	\$'000	\$'000	\$'000	%
Provisions	11,234,018	12,727,147	(1,493,129)	-11.7%
Borrowings	7,296,194	6,415,127	881,067	13.7%
Contract Liabilities	5,205,320	4,470,869	734,451	16.4%
Other Liabilities	4,186,598	3,710,118	476,480	12.8%
Payables	3,311,645	3,022,373	289,272	9.6%
Lease Liabilities	2,984,084	2,749,193	234,891	8.5%
Total Liabilities	34,217,859	33,094,827	1,123,032	3.4%

Figure 12: 2013-2022 Liabilities by Type*



*Contract Liabilities and Lease Liabilities were recognised as a separate category from 2019 onwards due to changes in Australian Accounting Standards. There was no balance in these categories prior to 2019.

Total liabilities across the sector were \$34.2 billion as at 31 December 2022, an increase of 3.4 per cent from \$33.1 billion in 2021.

Provisions continue to represent the largest component of liabilities at \$11.2 billion and comprised mostly of provisions for employee benefits, including long service leave and retirement obligations. This amount decreased substantially during 2022, down \$1.5 billion or 11.7 per cent from 2021 following a decline in the value of defined benefit superannuation obligations across the sector. This was driven by an increase in the discount rate used to calculate the present value of the liability due to rising inflation, as well as a reduction in overall membership numbers in the legacy schemes.

Borrowings made up the second largest component of liabilities at \$7.3 billion, up 13.7 per cent from \$6.4 billion in 2021 as universities began to reinvest in campus development projects and made additional investments in financial assets.

HEPs Included in the Finance Publication

Table A

New South Wales

Charles Sturt University
Macquarie University
Southern Cross University
The University of New England
The University of New South Wales
The University of Newcastle
The University of Sydney
University of Technology Sydney
University of Wollongong
Western Sydney University

Victoria

Federation University Australia
Deakin University
La Trobe University
Monash University
RMIT University
Swinburne University
The University of Melbourne
Victoria University

Queensland

Central Queensland University
Griffith University
James Cook University
Queensland University of Technology
The University of Queensland
University of Southern Queensland
University of the Sunshine Coast

Western Australia

Curtin University of Technology

Edith Cowan University

Murdoch University

The University of Notre Dame Australia

The University of Western Australia

South Australia

The Flinders University of South Australia

The University of Adelaide

University of South Australia

Tasmania

University of Tasmania

Northern Territory

Batchelor Institute of Indigenous Tertiary Education

Charles Darwin University

Australian Capital Territory

The Australian National University

University of Canberra

Multi State

Australian Catholic University

Table B

Bond University Limited

University of Divinity

Torrens University Australia Ltd