



Australian Government
Department of Education,
Skills and Employment

University Finance 2020

Summary Information



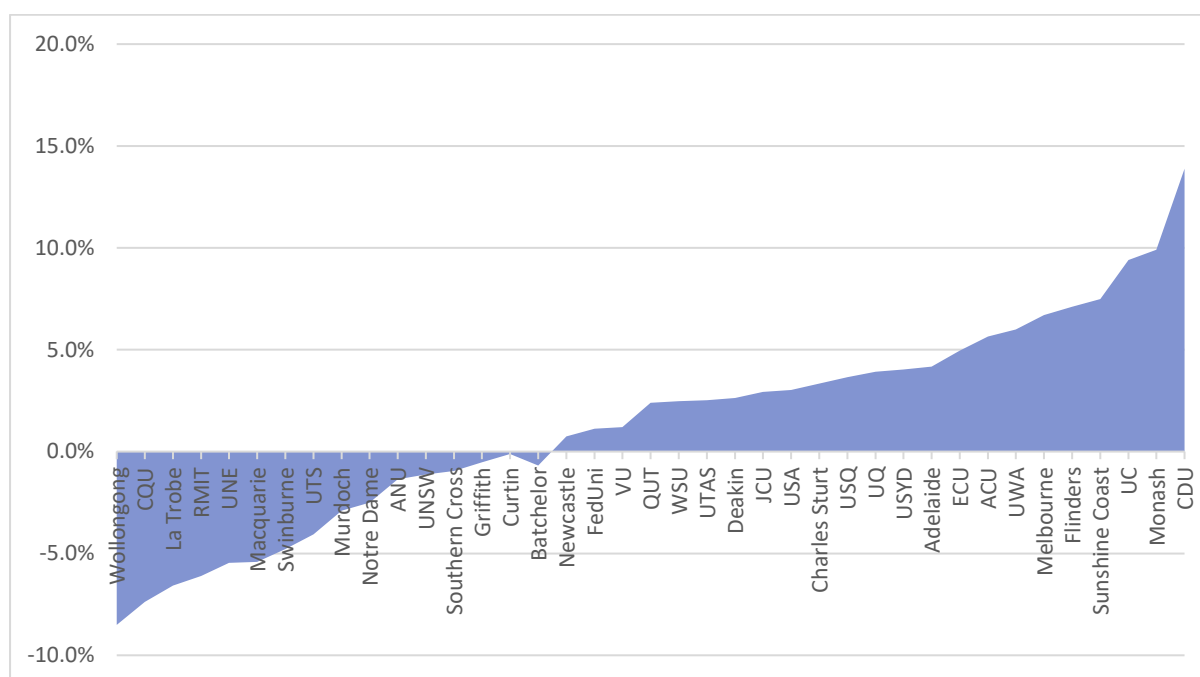
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Financial Performance Summary

- The net operating result across the sector was a surplus of \$668.8 million, down from a surplus of \$2.3 billion in 2019.
- 23 universities recorded a net operating surplus and sixteen reported a net operating deficit.
- The average net operating margin across the university sector for 2020 was 1.9 per cent, down from 6.2 per cent in 2019.
- The highest net operating margin reported across the sector was a surplus of 13.9 per cent and the lowest was a deficit of 8.5 per cent.
- Overall revenue decreased by 5.1 per cent to \$34.7 billion in 2020.
- Expenses declined by 0.7 per cent to \$34.0 billion in 2020. The largest expense for universities was employee benefits, totalling \$20.1 billion in 2020. This increased by 5.2 per cent, up from \$19.2 billion in 2019, partly due to separation costs incurred by some universities.
- The net assets of universities increased by 1.9 per cent to \$62.7 billion in 2020.
- University cash and investments now stand at \$24.6 billion, increasing by 9.8 per cent since 2019.

Figure 1: 2020 Net Operating Margin across the university sector



Impact of the COVID-19 Pandemic

- 2020 financial results from across the sector shows that the impact of the COVID-19 pandemic has been mixed. Some universities have reported positive results and in some cases an increase in revenue when compared to 2019, while others have reported a decline in revenue and in some cases an overall net deficit.
- In general, 2020 outcomes across the sector were significantly better than was first anticipated at the beginning of the pandemic.
- Media reports from mid-2020 projected an overall sector-wide revenue decline of \$4.8 billion for 2020, however actual results show a decrease of \$1.9 billion or 5.1 per cent from 2019.
- A reduction in investment revenue was the primary driver of revenue decline across the sector, with total investment income of \$927.4 million reported in 2020, down \$1.3 billion or 57.7 per cent from 2019. This decrease was due to the weaker performance across global equity markets following exceptionally strong returns in 2019.
- International student fees were impacted to a lesser extent, with total revenue from international students of \$9.2 billion, down \$755.8 million or 7.6 per cent from 2019. Universities are expected to report further declines in revenue from international student fees in 2021 as Australia's international borders remain closed to new arrivals.
- Increases in Australian Government financial assistance helped to offset the effects of border closures and reduced international student numbers, with total funding increasing to a record \$18.2 billion in 2020, up \$403.7 million or 2.3 per cent from 2019.
- In response to the pandemic, most universities implemented cost containment measures to reduce discretionary expenditure and ensure sufficient working capital to weather the effects of a reduction in revenue. This resulted in a decrease in total operating expenses, down \$255.1 million or 0.7 per cent to \$34.0 billion in 2020.
- Employee expenses continue to be the most significant cost for universities with a total of \$20.1 billion reported in 2020. This represents a substantial increase of \$989.0 million or 5.2 per cent over 2019 and was likely due to a combination of scheduled salary increases and termination payments made to staff.
- Aggressive cost reductions were noted across the sector in other sources of expenditure, particularly in areas such as travel, marketing and promotional expenses, and consultants and contractors, as universities worked to actively reduce their discretionary expenses.

Net Result

- The net result reported across the sector in 2020 was a surplus of \$668.8 million, down from a surplus of \$2.3 billion in 2019.
- At the individual institution level, 23 universities reported a net operating surplus, down from 35 in 2019. Sixteen universities reported a net operating deficit, up from four in 2019.

Table 1: Net result by university

	Net Operating Result (\$'000)		Increase / Decrease	
	2020	2019	\$'000	%
Monash University	267,277	229,999	37,278	16.2%
The University of Melbourne	178,222	351,140	-172,918	-49.2%
The University of Sydney	106,563	177,856	-71,293	-40.1%
The University of Queensland	82,928	131,810	-48,882	-37.1%
The University of Western Australia	58,089	111,682	-53,593	-48.0%
Charles Darwin University	42,806	-8,762	51,568	588.5%
University of Adelaide	40,816	42,037	-1,221	-2.9%
Flinders University	37,795	25,080	12,715	50.7%
Deakin University	32,112	107,345	-75,233	-70.1%
Australian Catholic University	31,374	45,034	-13,660	-30.3%
University of Canberra	29,363	19,207	10,156	52.9%
Queensland University of Technology	25,218	88,391	-63,173	-71.5%
University of the Sunshine Coast	24,085	19,909	4,176	21.0%
Edith Cowan University	23,662	36,491	-12,829	-35.2%
Western Sydney University	21,979	19,084	2,895	15.2%
University of South Australia	21,085	21,129	-44	-0.2%
Charles Sturt University	18,986	4,709	14,277	303.2%
University of Tasmania	18,019	72,371	-54,352	-75.1%
James Cook University	13,953	10,383	3,570	34.4%
University of Southern Queensland	12,580	5,580	7,000	125.4%
The University of Newcastle	5,861	64,974	-59,113	-91.0%
Victoria University	5,724	30,336	-24,612	-81.1%
Federation University Australia	3,871	36,724	-32,853	-89.5%
Batchelor Institute of Indigenous Tertiary Education	-214	-2,732	2,518	92.2%
Curtin University of Technology	-1,098	82,054	-83,152	-101.3%
Southern Cross University	-2,780	15,787	-18,567	-117.6%
The University of Notre Dame Australia	-4,995	-5,062	67	1.3%
Griffith University	-5,057	52,775	-57,832	-109.6%
Murdoch University	-10,961	19,904	-30,865	-155.1%
Australian National University	-17,699	302,339	-320,038	-105.9%
The University of New England	-18,995	-4,845	-14,150	-292.1%
The University of New South Wales	-24,167	31,199	-55,366	-177.5%
Central Queensland University	-33,172	3,413	-36,585	-1071.9%
Swinburne University of Technology	-35,666	33,749	-69,415	-205.7%
University of Technology, Sydney	-43,075	27,599	-70,674	-256.1%
La Trobe University	-51,450	19,338	-70,788	-366.1%
Macquarie University	-52,723	1,412	-54,135	-3833.9%
University of Wollongong	-52,780	17,667	-70,447	-398.7%
RMIT University	-78,773	43,088	-121,861	-282.8%
TOTAL – All Institutions	668,763	2,280,194	-1,611,431	-70.7%

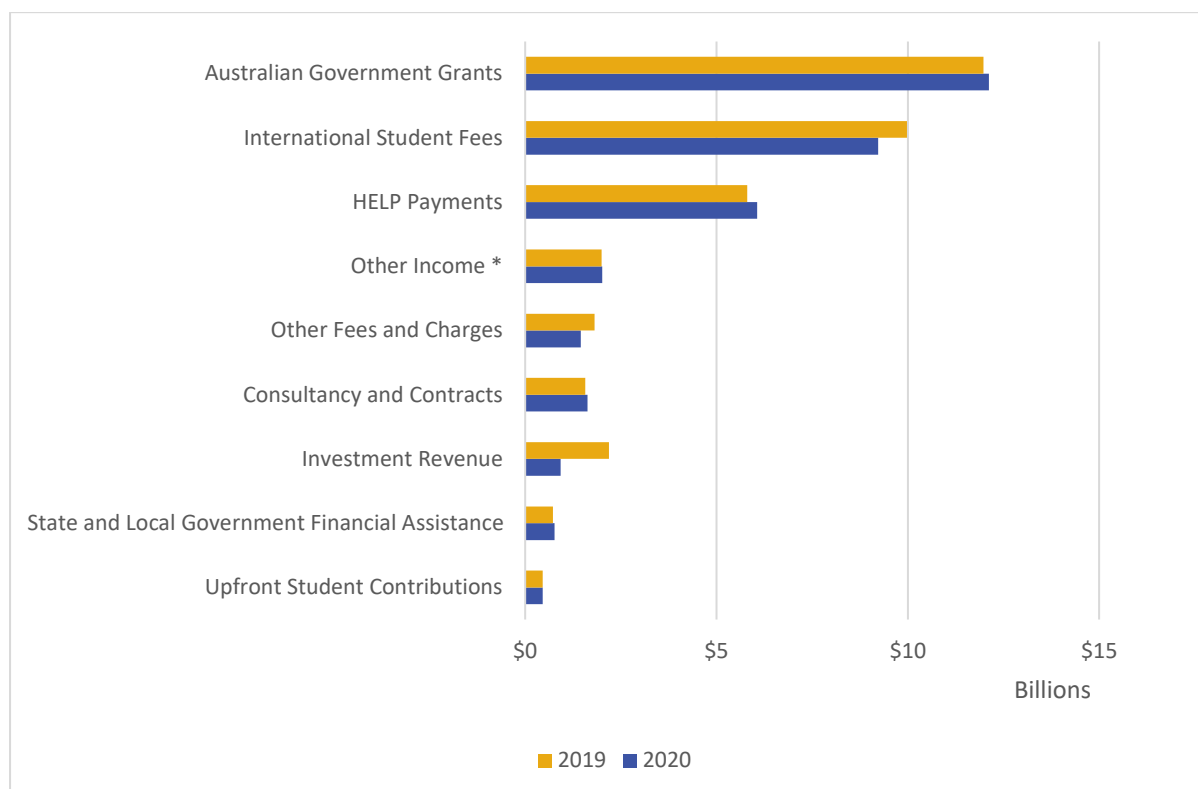
Revenue

Table 2: Summary of 2019 and 2020 Revenue

Operating Revenue	2020	2019	Change	
	\$'000	\$'000	\$'000	%
Australian Government Grants	12,122,312	11,976,440	145,872	1.2%
HELP Payments	6,063,971	5,806,178	257,793	4.4%
Australian Government Financial Assistance	18,186,283	17,782,618	403,665	2.3%
State and Local Government Financial Assistance	763,738	725,351	38,387	5.3%
Upfront Student Contributions	455,532	459,066	(3,534)	-0.8%
International Student Fees	9,222,983	9,978,794	(755,811)	-7.6%
Other Fees and Charges	1,454,207	1,814,300	(360,093)	-19.8%
Investment Revenue	927,414	2,191,312	(1,263,898)	-57.7%
Consultancy and Contracts	1,628,787	1,567,755	61,032	3.9%
Other Income *	2,012,149	2,000,053	12,096	0.6%
Total Revenues from Continuing Operations	34,651,093	36,519,249	(1,868,156)	-5.1%

* 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 2: 2019 and 2020 Revenue by Source



- Australian Government financial assistance continued to represent the largest source of income for Australian universities during 2020 at \$18.2 billion, up from \$17.8 billion in 2019.

- During 2020 the sector derived 52.5 per cent of total revenue from Australian Government sources, up from 48.7 per cent in 2019. This is due to a combination of increased funding from the Government and a decline in other sources of income.
- At the individual institution level, the reliance on Australian Government funding ranged from a high of 83.2 per cent to a low of 35.7 per cent.
- International student fees contributed the second largest proportion of revenue at \$9.2 billion, down from \$10.0 billion in 2019 due to the closure of international borders during the pandemic, and giving rise to a reversal in the trend of increasing reliance on international student fees that has been reported across the sector in recent years. It is expected that revenue from international students will continue to be impacted going forward while international borders remain closed to new arrivals.
- The sector derived 26.6 per cent of its total revenue from international student fees during 2020, down from 27.3 per cent in 2019, although still higher than 26.2 per cent in 2018.
- At the individual institution level, the reliance on international student fees ranged from a high of 41.8 per cent to a low of 0.0 per cent.
- A significant decrease in investment revenue was reported across the sector in 2020, down \$1.3 billion to \$927.4 million, a 57.7 per cent decrease from \$2.2 billion in 2019. This decrease was driven by the weaker performance across global equity markets when compared to 2019, with 2019 being an exceptionally strong year for investment returns.

Figure 3: Growth in Revenue over time

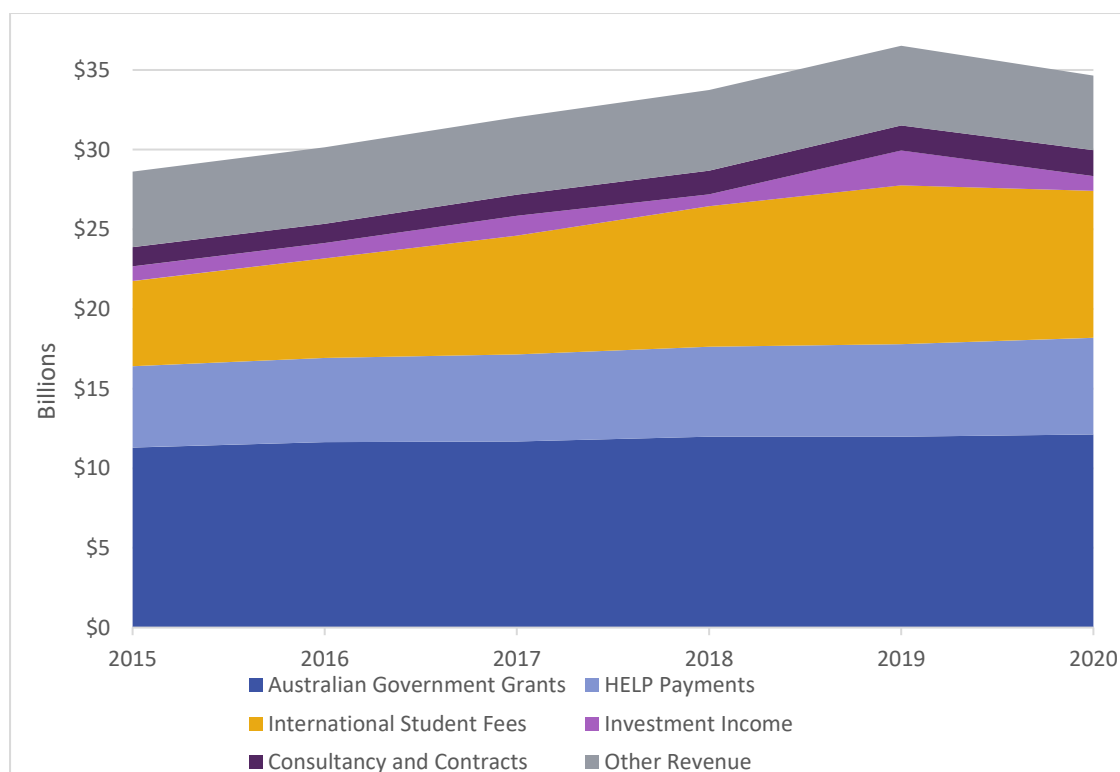


Table 3: 2019 and 2020 Revenue by University

	Total Revenue (\$'000)		Increase / Decrease		Investment Revenue (\$'000)		Increase / Decrease		International Student Fees (\$'000)		Increase / Decrease	
	2020	2019	\$'000	%	2020	2019	\$'000	%	2020	2019	\$'000	%
	Monash University	2,697,018	2,787,410	-90,392	-3.2%	59,398	146,907	-87,509	-59.6%	982,634	1,003,980	-21,346
The University of Melbourne	2,657,711	2,872,841	-215,130	-7.5%	170,087	337,278	-167,191	-49.6%	845,593	904,733	-59,140	-6.5%
The University of Sydney	2,644,430	2,740,320	-95,890	-3.5%	68,452	213,465	-145,013	-67.9%	1,105,160	1,061,940	43,220	4.1%
The University of New South Wales	2,162,665	2,333,982	-171,317	-7.3%	45,443	87,453	-42,010	-48.0%	671,350	767,565	-96,215	-12.5%
The University of Queensland	2,119,635	2,194,156	-74,521	-3.4%	86,332	143,991	-57,659	-40.0%	648,903	678,865	-29,962	-4.4%
Australian National University	1,297,514	1,508,535	-211,021	-14.0%	61,452	234,390	-172,938	-73.8%	248,071	328,942	-80,871	-24.6%
RMIT University	1,291,816	1,360,992	-69,176	-5.1%	7,603	14,155	-6,552	-46.3%	454,396	522,502	-68,106	-13.0%
Deakin University	1,224,003	1,320,511	-96,508	-7.3%	31,739	94,967	-63,228	-66.6%	395,830	412,658	-16,828	-4.1%
University of Technology, Sydney	1,058,767	1,097,766	-38,999	-3.6%	7,311	9,880	-2,569	-26.0%	366,814	405,079	-38,265	-9.4%
Queensland University of Technology	1,054,164	1,160,763	-106,599	-9.2%	19,190	98,626	-79,436	-80.5%	221,204	245,423	-24,219	-9.9%
University of Adelaide	976,906	971,780	5,126	0.5%	21,433	47,871	-26,438	-55.2%	254,148	254,730	-582	-0.2%
Macquarie University	974,088	1,024,889	-50,801	-5.0%	16,049	28,911	-12,862	-44.5%	301,880	323,688	-21,808	-6.7%
The University of Western Australia	968,870	1,057,625	-88,755	-8.4%	58,556	128,428	-69,872	-54.4%	139,737	151,018	-11,281	-7.5%
Griffith University	967,585	1,030,599	-63,014	-6.1%	16,291	45,396	-29,105	-64.1%	189,571	193,891	-4,320	-2.2%
Curtin University of Technology	902,715	969,944	-67,229	-6.9%	11,086	78,788	-67,702	-85.9%	160,909	166,046	-5,137	-3.1%
Western Sydney University	887,897	909,235	-21,338	-2.3%	16,430	46,414	-29,984	-64.6%	148,785	163,456	-14,671	-9.0%
The University of Newcastle	794,924	833,942	-39,018	-4.7%	31,711	65,690	-33,979	-51.7%	113,709	121,921	-8,212	-6.7%
La Trobe University	782,487	863,295	-80,808	-9.4%	8,807	3,348	5,459	163.1%	159,238	200,927	-41,689	-20.7%
Swinburne University of Technology	745,154	772,654	-27,500	-3.6%	29,857	41,722	-11,865	-28.4%	150,054	180,009	-29,955	-16.6%
University of Tasmania	713,244	769,330	-56,086	-7.3%	5,371	76,436	-71,065	-93.0%	130,101	139,636	-9,535	-6.8%
University of South Australia	696,051	684,676	11,375	1.7%	9,331	6,563	2,768	42.2%	150,019	147,047	2,972	2.0%
University of Wollongong	620,343	690,882	-70,539	-10.2%	3,906	50,364	-46,458	-92.2%	144,558	179,971	-35,413	-19.7%
Charles Sturt University	569,210	616,811	-47,601	-7.7%	19,455	32,736	-13,281	-40.6%	113,503	154,394	-40,891	-26.5%
Australian Catholic University	555,205	556,094	-889	-0.2%	7,066	6,391	675	10.6%	79,098	75,505	3,593	4.8%
Flinders University	532,198	527,561	4,637	0.9%	13,128	18,979	-5,851	-30.8%	102,395	98,577	3,818	3.9%
Edith Cowan University	477,218	481,528	-4,310	-0.9%	19,900	30,598	-10,698	-35.0%	119,767	116,744	3,023	2.6%
James Cook University	476,465	504,079	-27,614	-5.5%	9,352	15,606	-6,254	-40.1%	73,884	82,350	-8,466	-10.3%
Victoria University	474,294	484,406	-10,112	-2.1%	7,782	15,393	-7,611	-49.4%	98,973	107,865	-8,892	-8.2%
Central Queensland University	449,963	487,171	-37,208	-7.6%	7,446	6,550	896	13.7%	122,254	175,961	-53,707	-30.5%
Murdoch University	378,662	395,025	-16,363	-4.1%	622	9,529	-8,907	-93.5%	80,621	84,002	-3,381	-4.0%
The University of New England	347,924	341,209	6,715	2.0%	7,232	3,672	3,560	96.9%	28,187	27,923	264	0.9%
University of Southern Queensland	344,972	327,359	17,613	5.4%	6,462	4,892	1,570	32.1%	48,706	46,724	1,982	4.2%
Federation University Australia	343,309	408,228	-64,919	-15.9%	21,474	35,397	-13,923	-39.3%	125,225	183,287	-58,062	-31.7%
University of the Sunshine Coast	321,578	310,157	11,421	3.7%	7,086	3,528	3,558	100.9%	46,306	63,857	-17,551	-27.5%
University of Canberra	312,402	314,235	-1,833	-0.6%	5,041	2,833	2,208	77.9%	69,529	67,216	2,313	3.4%
Charles Darwin University	308,305	270,849	37,456	13.8%	4,475	2,377	2,098	88.3%	50,619	37,896	12,723	33.6%
Southern Cross University	291,286	314,245	-22,959	-7.3%	4,203	1,393	2,810	201.7%	74,974	98,320	-23,346	-23.7%
The University of Notre Dame Australia	198,876	189,932	8,944	4.7%	812	257	555	216.0%	6,278	4,146	2,132	51.4%
Batchelor Institute of Indigenous Tertiary Education	31,239	34,233	-2,994	-8.7%	43	138	-95	-68.8%	0	0	0	0
All Institutions	34,651,093	36,519,249	-1,868,156	-5.1%	927,414	2,191,312	-1,263,898	-57.7%	9,222,983	9,978,794	-755,811	-7.6%

Expenses

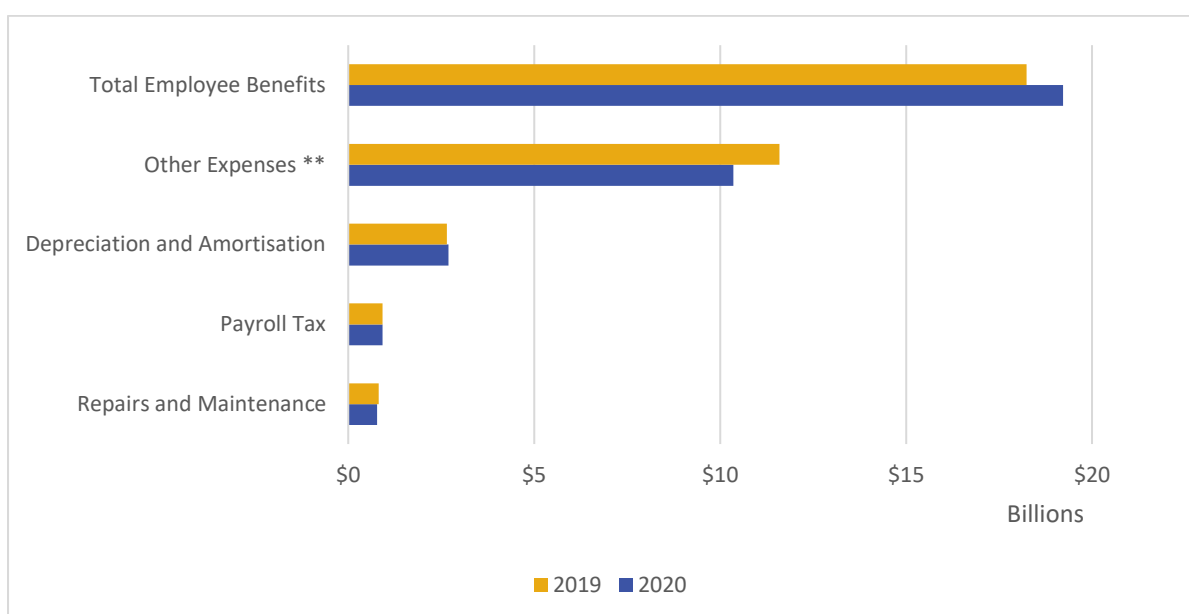
Table 4: Summary of 2019 and 2020 Expenses

Operating Expenses	2020	2019	Change	
	\$'000	\$'000	\$'000	%
Academic Employee Benefits *	10,069,653	9,546,310	523,343	5.5%
Non-Academic Employee Benefits *	9,154,627	8,690,215	464,412	5.3%
Payroll Tax	923,873	922,654	1,219	0.1%
Depreciation and Amortisation	2,696,808	2,655,470	41,338	1.6%
Repairs and Maintenance	778,849	820,986	(42,137)	-5.1%
Other Expenses **	10,355,588	11,598,842	(1,243,254)	-10.7%
Total Expenses from Continuing Operations	33,979,400	34,234,477	(255,077)	-0.7%

* Excluding payroll tax.

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

Figure 4: 2019 and 2020 Expenses by Source



- Total operating expenses decreased by 0.7 per cent from \$34.2 billion in 2019 to \$34.0 billion in 2020, as universities worked to constrain costs in response to the effects of the pandemic.
- Employee expenses continue to be the most significant cost for universities with a total of \$19.2 billion reported in 2020, excluding payroll tax. This represents a substantial increase of 5.4 per cent over the \$18.2 billion reported in 2019 and was driven by termination payments made to staff as universities reduced the size of their workforce in response to the pandemic. It is expected that these efforts will result in reduced employee expenses going forward.
- Aggressive costs reductions were noted across the sector in other expenditure, with universities actively constraining their discretionary spending, particularly in areas such as travel, marketing and promotional, and consultants and contractors.

Figure 5: Growth in Expenses over time

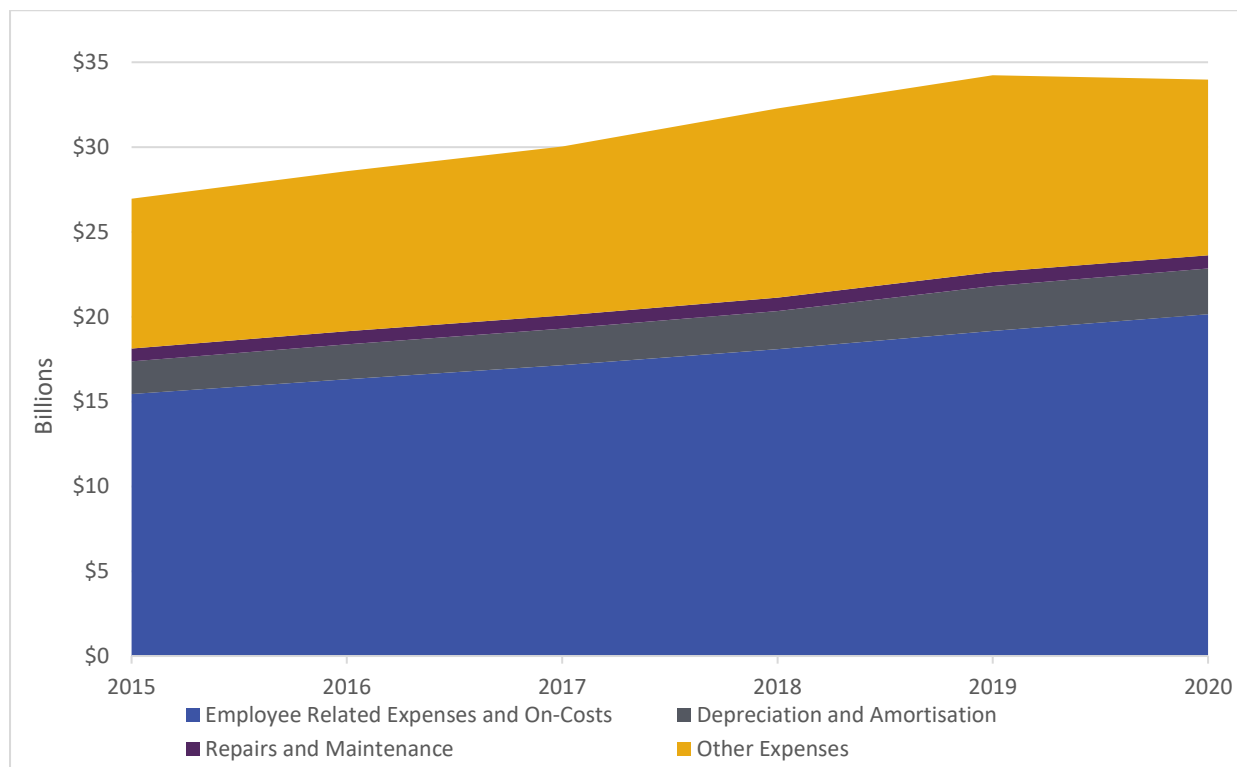


Table 5: 2019 and 2020 Expenses by University

	Total Expenses (\$'000)		Increase / Decrease		Employee Benefits (\$'000)		Increase / Decrease		Other Expenses (\$'000)		Increase / Decrease	
	2020	2019	\$'000	%	2020	2019	\$'000	%	2020	2019	\$'000	%
The University of Sydney	2,537,867	2,562,464	-24,597	-1.0%	1,509,630	1,435,179	74,451	5.2%	1,028,237	1,127,285	-99,048	-8.8%
The University of Melbourne	2,479,489	2,521,701	-42,212	-1.7%	1,488,473	1,380,482	107,991	7.8%	991,016	1,141,219	-150,203	-13.2%
Monash University	2,429,741	2,557,411	-127,670	-5.0%	1,310,305	1,240,755	69,550	5.6%	1,119,436	1,316,656	-197,220	-15.0%
The University of New South Wales	2,186,832	2,302,783	-115,951	-5.0%	1,283,224	1,266,157	17,067	1.3%	903,608	1,036,626	-133,018	-12.8%
The University of Queensland	2,036,707	2,062,346	-25,639	-1.2%	1,189,293	1,104,320	84,973	7.7%	847,414	958,026	-110,612	-11.5%
RMIT University	1,367,673	1,317,134	50,539	3.8%	854,912	761,355	93,557	12.3%	512,761	555,779	-43,018	-7.7%
Australian National University	1,315,213	1,206,196	109,017	9.0%	757,859	654,356	103,503	15.8%	557,354	551,840	5,514	1.0%
Deakin University	1,191,891	1,213,166	-21,275	-1.8%	733,996	724,575	9,421	1.3%	457,895	488,591	-30,696	-6.3%
University of Technology, Sydney	1,101,842	1,070,167	31,675	3.0%	670,876	623,100	47,776	7.7%	430,966	447,067	-16,101	-3.6%
Queensland University of Technology	1,028,946	1,072,372	-43,426	-4.0%	623,156	621,298	1,858	0.3%	405,790	451,074	-45,284	-10.0%
Macquarie University	1,026,811	1,023,477	3,334	0.3%	606,271	577,099	29,172	5.1%	420,540	446,378	-25,838	-5.8%
Griffith University	972,642	977,824	-5,182	-0.5%	604,396	587,515	16,881	2.9%	368,246	390,309	-22,063	-5.7%
University of Adelaide	936,090	929,743	6,347	0.7%	552,895	534,368	18,527	3.5%	383,195	395,375	-12,180	-3.1%
The University of Western Australia	910,781	942,203	-31,422	-3.3%	539,140	541,076	-1,936	-0.4%	371,641	401,127	-29,486	-7.4%
Curtin University of Technology	903,813	887,890	15,923	1.8%	571,747	540,836	30,911	5.7%	332,066	347,054	-14,988	-4.3%
Western Sydney University	865,918	890,151	-24,233	-2.7%	460,703	460,061	642	0.1%	405,215	430,090	-24,875	-5.8%
La Trobe University	833,937	843,957	-10,020	-1.2%	451,243	453,222	-1,979	-0.4%	382,694	390,735	-8,041	-2.1%
The University of Newcastle	789,063	768,968	20,095	2.6%	472,907	436,968	35,939	8.2%	316,156	332,000	-15,844	-4.8%
Swinburne University of Technology	780,820	738,905	41,915	5.7%	406,394	390,201	16,193	4.1%	374,426	348,704	25,722	7.4%
University of Tasmania	695,225	696,959	-1,734	-0.2%	420,177	405,813	14,364	3.5%	275,048	291,146	-16,098	-5.5%
University of South Australia	674,952	663,479	11,473	1.7%	432,898	413,450	19,448	4.7%	242,054	250,029	-7,975	-3.2%
University of Wollongong	673,123	673,215	-92	0.0%	382,677	371,344	11,333	3.1%	290,446	301,871	-11,425	-3.8%
Charles Sturt University	550,224	612,102	-61,878	-10.1%	319,680	306,551	13,129	4.3%	230,544	305,551	-75,007	-24.5%
Australian Catholic University	523,831	511,060	12,771	2.5%	347,490	332,205	15,285	4.6%	176,341	178,855	-2,514	-1.4%
Flinders University	494,403	502,481	-8,078	-1.6%	322,508	319,276	3,232	1.0%	171,895	183,205	-11,310	-6.2%
Central Queensland University	483,135	483,758	-623	-0.1%	292,011	274,556	17,455	6.4%	191,124	209,202	-18,078	-8.6%
Victoria University	468,570	454,070	14,500	3.2%	290,570	277,725	12,845	4.6%	178,000	176,345	1,655	0.9%
James Cook University	462,512	493,696	-31,184	-6.3%	249,883	254,838	-4,955	-1.9%	212,629	238,858	-26,229	-11.0%
Edith Cowan University	453,556	445,037	8,519	1.9%	275,463	263,784	11,679	4.4%	178,093	181,253	-3,160	-1.7%
Murdoch University	389,623	375,121	14,502	3.9%	246,987	226,294	20,693	9.1%	142,636	148,827	-6,191	-4.2%
The University of New England	366,919	346,054	20,865	6.0%	225,877	201,171	24,706	12.3%	141,042	144,883	-3,841	-2.7%
Federation University Australia	339,438	371,504	-32,066	-8.6%	178,352	159,584	18,768	11.8%	161,086	211,920	-50,834	-24.0%
University of Southern Queensland	332,392	321,779	10,613	3.3%	229,727	215,716	14,011	6.5%	102,665	106,063	-3,398	-3.2%
University of the Sunshine Coast	297,493	290,248	7,245	2.5%	188,940	171,791	17,149	10.0%	108,553	118,457	-9,904	-8.4%
Southern Cross University	294,066	298,458	-4,392	-1.5%	166,324	155,614	10,710	6.9%	127,742	142,844	-15,102	-10.6%
University of Canberra	283,039	295,028	-11,989	-4.1%	165,620	162,693	2,927	1.8%	117,419	132,335	-14,916	-11.3%
Charles Darwin University	265,499	279,611	-14,112	-5.0%	160,916	162,732	-1,816	-1.1%	104,583	116,879	-12,296	-10.5%
The University of Notre Dame Australia	203,871	194,994	8,877	4.6%	144,335	126,648	17,687	14.0%	59,536	68,346	-8,810	-12.9%
Batchelor Institute of Indigenous Tertiary Education	31,453	36,965	-5,512	-14.9%	20,300	24,471	-4,171	-17.0%	11,153	12,494	-1,341	-10.7%
All Institutions	33,979,400	34,234,477	-255,077	-0.7%	20,148,155	19,159,179	988,976	5.2%	13,831,245	15,075,298	-1,244,053	-8.3%

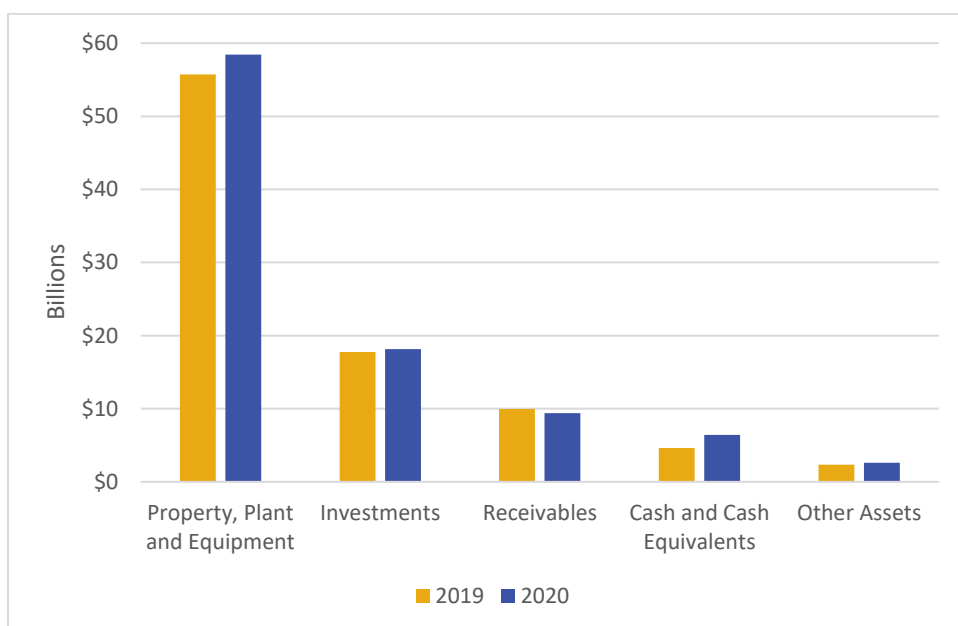
Financial Position

- The financial position of universities remained strong throughout the 2020 reporting period, with net assets of \$62.7 billion reported across the sector as at 31 December 2020, up 1.9 per cent from \$61.6 billion in 2019.
- At the individual institution level, the majority of universities reported a rising net asset position, with 27 reporting an increase in their total net assets in 2020.
- Twelve universities reported a decline in net assets due to an increase in liabilities, a decline in assets, or combination of the two. Most of these universities incurred a net deficit during 2020, and the decline in net assets is a reflection of that.

Assets

- Total assets across the sector were \$95.0 billion as at 31 December 2020, increasing from \$90.4 billion in 2019.
- Property, plant and equipment represented the largest component at \$58.5 billion followed by investments at \$18.2 billion.
- A 4.9 per cent increase in property, plant and equipment was reported across the sector in 2020. This was driven by the recognition of service concession assets following the introduction of new accounting standards, as well as additions made during the year as universities completed capital works that were already in progress at the start of the year.
- Payments for property, plant and equipment were \$3.3 billion in 2020, down 27.5 per cent from \$4.5 billion in 2019. This is to be expected as many universities chose to delay capital works where they were not already committed, in order to reduce spending in response to the pandemic.

Figure 4: Breakdown of 2019 and 2020 Assets

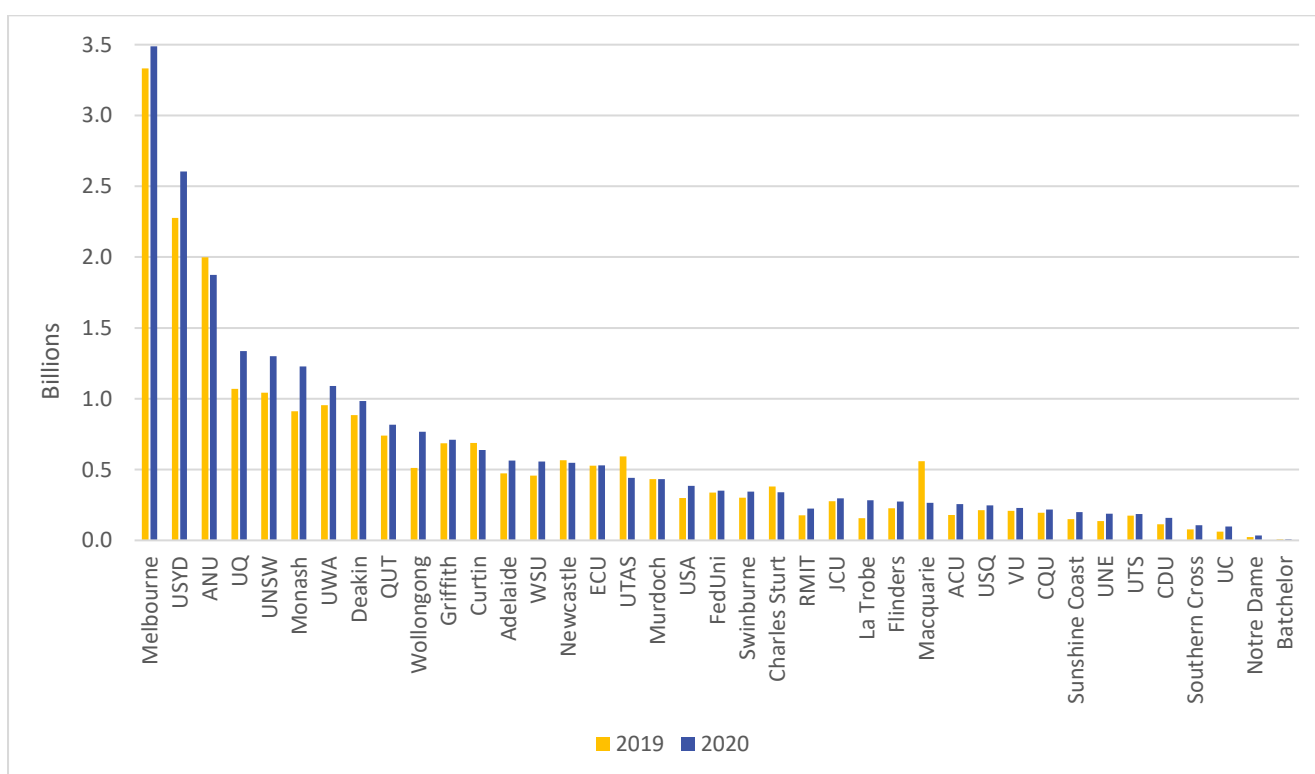


Cash and investment reserves

- Liquidity remains strong across the sector, with significant growth in cash and investment reserves reported by most universities. Total cash and investments of \$24.6 billion were held across the sector as at 31 December 2020, up 9.8 per cent from \$22.4 billion in 2019.
- This amount would be sufficient to cover the university operating expenses, on average, for more than eight months across the sector, with a range of between two and seventeen months.

- An increase in cash and cash equivalents was the main driver of this growth, with universities stockpiling cash that might previously have been slated for capital projects or other uses, and some choosing to liquidate investments or use the proceeds of borrowings in order to boost their cash holdings further, improve liquidity and provide a buffer to help weather the effects of the pandemic.
- Total cash held across the sector was \$6.4 billion as at 31 December 2020, up \$1.8 billion or 38.5 per cent from \$4.6 billion in 2019.
- Individually, a total of 31 universities increased their cash reserves during 2020, with nearly half of these increasing their cash by more than 50 per cent.
- The largest increase in cash and cash equivalents reported was \$551.8 million. The largest decline in cash and cash equivalents reported was \$356.8 million. In some cases, a decline was due to the university holding a significantly larger than usual amount of cash at the end of 2019, likely due to timing differences between the maturity and reinvestment of financial assets. Overall, nine universities reported a decline in their cash balances.
- The majority of universities continue to hold significant cash and investment reserves and relatively low borrowings.

Figure 5: Total Cash and Investments by University



Liabilities

- Total liabilities were \$32.3 billion at 31 December 2020 an increase of 12.0 per cent from \$28.9 billion in 2019.
- Provisions represented the largest component of liabilities at \$13.3 billion, comprised mostly of provisions for employee benefits. This was followed by other liabilities at \$7.1 billion, and borrowings at \$7.0 billion.
- The increase in other liabilities was driven by the recognition of service concession liabilities following the introduction of new accounting standards.

Figure 6: Breakdown of 2019 and 2020 Liabilities

