



FINANCIAL AUDIT REPORT

10 June 2024

# Education 2023

## Report 13: 2023–24

As the independent auditor of the Queensland public sector, including local governments, the Queensland Audit Office:

- provides professional audit services, which include our audit opinions on the accuracy and reliability of the financial statements of public sector entities
- provides entities with insights on their financial performance, risk, and internal controls; and on the efficiency, effectiveness, and economy of public service delivery
- produces reports to parliament on the results of our audit work, our insights and advice, and recommendations for improvement
- supports our reports with graphics, tables, and other visualisations, which connect our insights to regions and communities
- conducts investigations into claims of financial waste and mismanagement raised by elected members, state and local government employees, and the public
- shares wider learnings and best practice from our work with state and local government entities, our professional networks, industry, and peers.

We conduct all our audits and reports to parliament under the *Auditor-General Act 2009* (the Act). Our work complies with the *Auditor-General Auditing Standards* and the Australian standards relevant to assurance engagements.

- Financial audit reports summarise the results of our audits of over 400 state and local government entities.
- Performance audit reports cover our evaluation of some, or all, of the entities' efficiency, effectiveness, and economy in providing public services.

Learn more about our publications on our website at [www.qao.qld.gov.au/reports-resources/fact-sheets](http://www.qao.qld.gov.au/reports-resources/fact-sheets).

The Honourable C Pitt MP  
Speaker of the Legislative Assembly  
Parliament House  
BRISBANE QLD 4000

10 June 2024

This report is prepared under Part 3 Division 3 of the *Auditor-General Act 2009*.



Brendan Worrall  
Auditor-General



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## Acknowledgement

The Queensland Audit Office acknowledges the Traditional and Cultural Custodians of the lands, waters, and seas across Queensland. We pay our respects to Elders past, present, and emerging.

# Report on a page

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This report summarises the results of our audits of the entities in Queensland’s education sector, including the Department of Education; the Department of Employment, Small Business and Training; TAFE Queensland; 7 universities; 8 grammar schools; and other statutory bodies.

## Financial statements are reliable

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All education entities’ financial statements are reliable and comply with relevant reporting requirements. The entities have efficient and effective financial statement processes, and they prepared good quality financial statements.

## Entities still need to improve their systems and processes

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We continue to identify weaknesses in entities’ internal controls (systems and processes), particularly regarding their information systems. While the entities are addressing deficiencies identified in prior years and improving the security of their information systems, the risk of cyber attacks continues to increase. The sensitive nature of information the entities hold about students and research makes them an attractive target. They must continuously review and strengthen all their information systems to respond to changes within their entity and to the evolving cyber security risk.

We also found issues with controls for payroll, and for recording building construction costs that have not yet been paid for.

## Universities are facing financial challenges

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Most universities continued to make a loss in 2023, despite recording higher investment revenue. Their costs are escalating due to rising inflation, increased wages, and expenses associated with the return of international students and the reopening of borders. In addition, domestic enrolments continue to decline, as students defer or reduce studies to work to manage their costs of living. Some universities are impacted by the need to fix wage underpayments.

Universities’ higher investment revenue was due to a recovery in market conditions this year. This may not be guaranteed in the future. The reopening of borders in 2022 also saw an increase in revenue in 2023 from international student numbers nearing pre-pandemic levels. However, this growth may be affected by the Australian Government’s proposed introduction of caps to international students announced alongside the May 2024 federal budget.

## TAFE Queensland’s financial sustainability remains a risk

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TAFE Queensland’s financial results have been deteriorating for several years, and based on current projections, this is expected to continue. It faces significant financial challenges in meeting government’s service expectations and will need to continue assessing its cost of service delivery. TAFE Queensland is also working with the Queensland Government on strategies to support its financial sustainability.

## Departments have not met their budgeted capital spend

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Both departments faced challenges in achieving their capital expenditure targets in 2022–23, with actual expenditure that was (averaged over both departments’ figures) 22.6 per cent less than planned. This was due to shortages in materials and labour, which impacted on the timing of work being performed, causing delays in some projects. Capital underspend can mean assets may not be replaced when required.



# 1. Recommendations

This year, we are making the following recommendations for all education entities.

## Strengthen information system controls (Chapter 3)

1. With the evolving security threats, we recommend that all education entities:
  - limit information system access to only those employees and third-party users (for example, contractors) who require this to perform their jobs
  - monitor activities performed by employees and third-party users who have access to sensitive data and can make changes within the system
  - update security settings in line with updated risk assessments, security policies, and better practices. Ensure third-party users comply with these.

## Improve processes to capture and record ongoing building project costs that have not been paid for by the year-end date (capital accruals) (Chapter 3)

2. All education entities should:
  - develop a formal methodology to standardise the calculation of these costs, and include it as part of their policy framework
  - provide refresher training to the relevant business areas on how to record these costs, and the type of supporting information required (for example, quantity surveyor reports for buildings being constructed)
  - ensure they support the review of these costs (as part of the month-end process) with appropriate documentation.

## Assess employment agreements and historical pay practices to identify potential wage underpayments (Chapter 3)

3. All education entities should:
  - assess the risk of underpayment of staff based on the complexity of their enterprise agreements, how they were paid historically, and the number of casual staff they employ
  - based on their assessed risk of underpayment, perform a detailed review of employment contracts and enterprise agreements, ensuring they match the payroll system setup for different wage types. Assess whether specialised external support is needed to assist with the review
  - establish and maintain adequate measures and controls to identify shortfalls in payment
  - provide training to key staff on how to interpret the different awards and employee entitlements in enterprise agreements
  - consider the need to invest in contemporary payroll and timekeeping systems to ensure accurate and thorough record-keeping practices. As part of their decision-making process, entities will need to perform an analysis of costs and benefits before making any investments.



## Prior year recommendations require further action

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Education entities need to take further action to address the recommendations made in our *Education 2020* (Report 18: 2020–21), and *Education 2021* (Report 19: 2021–22) reports. We continue to identify weaknesses in the security of their information systems.

The Department of Education; the Department of Employment, Small Business and Training; and TAFE Queensland still need to take further action on 2 other recommendations as listed in [Appendix D](#).

We have included a full list of prior year recommendations and their status in [Appendix D](#).

## Reference to comments

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In accordance with s.64 of the *Auditor-General Act 2009*, we provided a copy of this report to relevant entities. In reaching our conclusions, we considered their views and represented them to the extent we deemed relevant and warranted. Any formal responses from the entities are at [Appendix A](#).

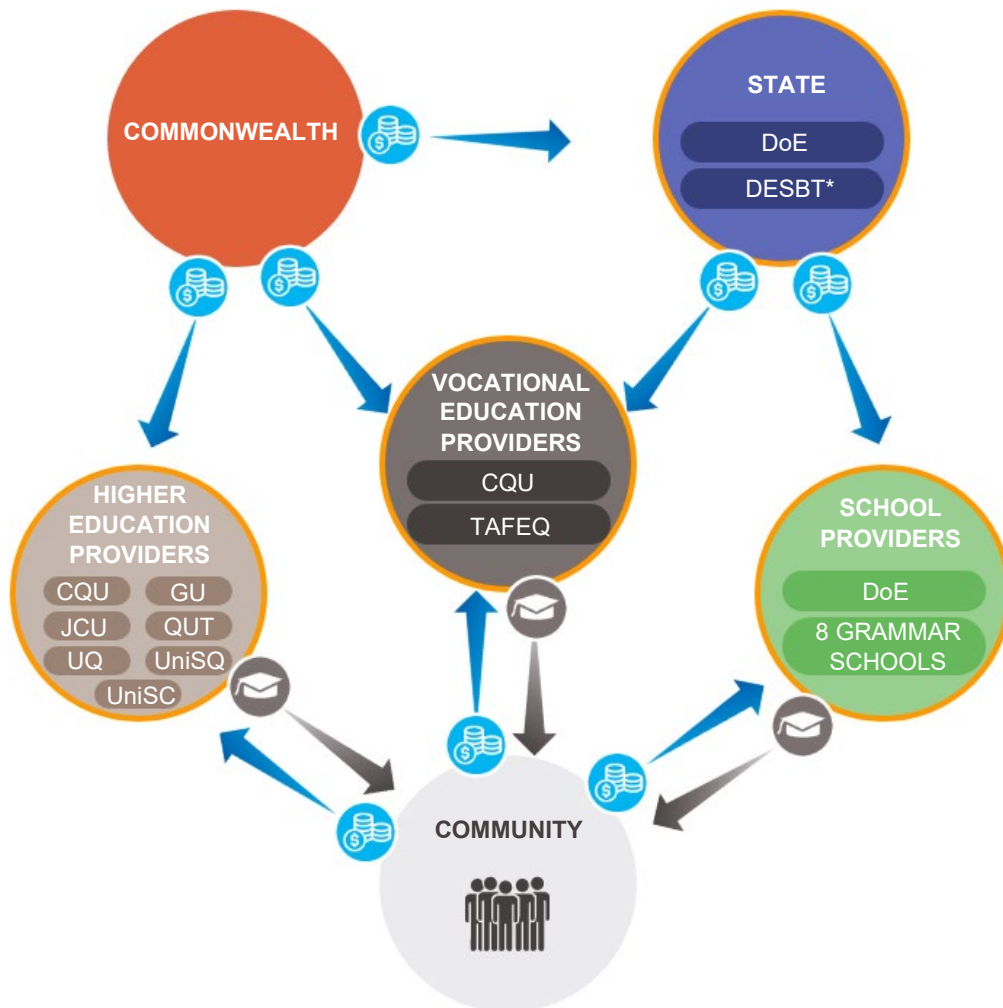


## 2. Entities in this report

This report summarises the financial audit results for education sector entities as at their year-end dates for preparing financial statements. For the Department of Education; the Department of Employment, Small Business and Training; TAFE Queensland; and some statutory bodies, this was 30 June 2023. For universities, grammar schools, and other statutory bodies, it was 31 December 2023.

We provide 37 opinions for this sector. Our analysis in this report focuses on the 18 entities highlighted in Figure 2A (some appear twice), representing 99.2 per cent of the revenue within the education sector.

**Figure 2A**  
Entities in the education sector



Notes: Yellow outer circles indicate the entities included in this report.

CQU – Central Queensland University; DoE – Department of Education; DESBT\* – Department of Employment, Small Business and Training; GU – Griffith University; JCU – James Cook University; QUT – Queensland University of Technology; TAFEQ – TAFE Queensland; UQ – The University of Queensland; UniSQ – University of Southern Queensland; UniSC – University of the Sunshine Coast.


\* The *Administrative Arrangements Order (No. 1) 2023* on 18 May 2023 and the *Administrative Arrangements Order (No. 2) 2023* on 15 December 2023, made by the Governor in Council, changed the department names and responsibilities. This report reflects the departments that existed during 2023. The Department of Employment, Small Business and Training (DESBT) was initially restructured to include the functions of Youth Justice to form the Department of Youth Justice, Employment, Small Business and Training (DYJESBT). This was the name of the department when we issued our audit opinion on the 2022–23 financial statements. In December 2023, DYJESBT was restructured again to form 2 departments – the Department of Youth Justice; and DESBT.

Source: Queensland Audit Office.

# 3. Results of our audits

In this chapter, we provide an overview of our audit opinions for entities in the education sector. We also evaluate the effectiveness of the systems and processes (internal controls) the entities use to prepare financial statements.


## Chapter snapshot



**36 unmodified opinions**  
The financial statements of all entities that we have audited this year are reliable.

**All entities** have well-developed (mature) financial statement preparation processes.

**4 new significant deficiencies** relating to the security of information systems, recording of ongoing building costs, and reviewing payroll. (2 in 2022)

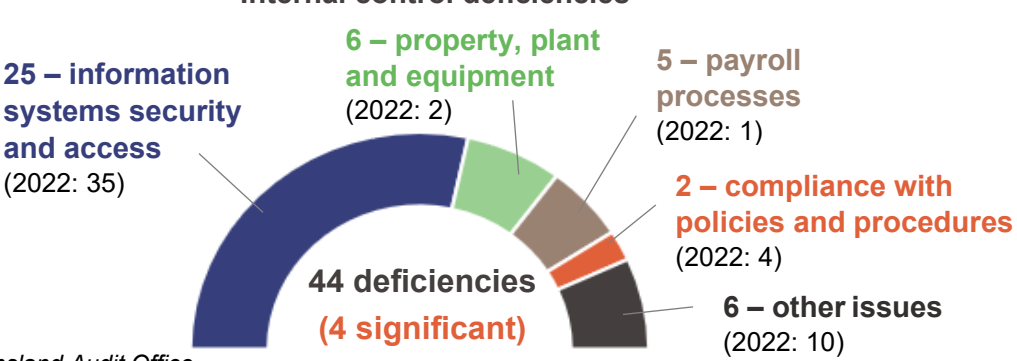


**40 new deficiencies** relating to the need to strengthen internal controls – more than half relate to information systems. (49 in 2022)

**51 deficiencies outstanding at year-end date** including 14 relating to prior years.

**Types of internal control deficiencies reported this year**  
The figure below summarises the nature of internal control deficiencies we identified. We discuss the main issues in this chapter.

**Figure 3A**  
**Internal control deficiencies**



Category	Count	2022 Count
Information systems security and access	25	35
Property, plant and equipment	6	2
Payroll processes	5	1
Compliance with policies and procedures	2	4
Other issues	6	10
<b>Total</b>	<b>44</b>	<b>4 significant</b>

*Source: Queensland Audit Office.*

**DEFINITION**

A **deficiency** arises when internal controls are ineffective or missing, and are unable to prevent, or detect and correct, misstatements in the financial statements. A deficiency may also result in non-compliance with policies and applicable laws and regulations and/or inappropriate use of public resources.

A **significant deficiency** is a deficiency, or a combination of deficiencies, in internal controls that requires immediate remedial action.





## Audit opinion results

We have issued unmodified opinions for all of the education entities in Queensland that we audited this year. This means users of the financial statements can rely on the results in them.

Four universities' financial statement preparations were affected by an accounting issue that was not resolved by their legislative deadline and they received an extension from the minister. All other education entities met their legislative deadlines (except for 2 that were not finalised at the date of this report).

### DEFINITION

We express an **unmodified opinion** when financial statements are prepared in accordance with the relevant legislative requirements and Australian accounting standards.

We provide the details of our audit opinions in [Appendix E](#).

## Entities not preparing financial statements

Not all Queensland public sector education entities produce financial statements. [Appendix F](#) provides the full list of entities not preparing financial statements and the reasons.

## Entities should further strengthen their internal controls

We assess whether the internal controls entities use to prepare financial statements are reliable, and we report any weaknesses in their design or operation to management for action. We rate these weaknesses as either significant deficiencies (higher risk that require immediate action by management) or deficiencies (lower risk that can be corrected over time).

Overall, we found that the internal controls education sector entities have implemented to ensure reliable financial reporting are generally effective but can be improved. We were able to rely on the internal controls for the purposes of our audits, but identified 4 new significant deficiencies and 40 new deficiencies in the current financial year.

The significant deficiencies were for:

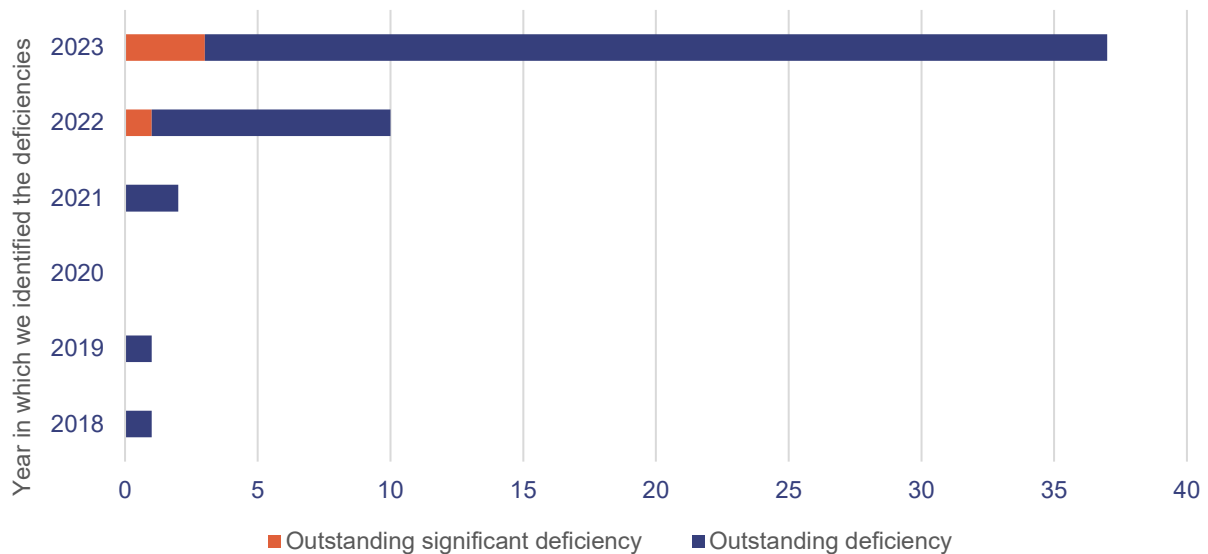
- not adequately monitoring the activities of internal and third-party users (for example, contractors) who had been given unrestricted (full-system) access to information systems. In addition, the security settings (for example, password settings) for third-party users were not in line with the entity's internal policies
- not performing reviews of the access of users for some information systems applications
- not having appropriate processes to accurately capture and record ongoing costs for building projects at the year-end date
- not adequately reviewing payroll data integration and reports between 2 separate payroll systems.

As part of our audits, we monitor how entities resolve the weaknesses we have identified. Entities have strengthened their internal controls by resolving most long-outstanding issues. In 2023, they resolved 42 (86 per cent) of the issues outstanding from previous years (2018 to 2022).

Figure 3B shows the number of internal control deficiencies we have identified since 2018 that were unresolved as at the 2023 year-end date. All issues we raised before 2018 are resolved.



**Figure 3B**  
**Outstanding internal control deficiencies in education entities**  
**as at the 2023 year-end date**



Notes: We identified 4 new significant deficiencies and 40 new deficiencies in the 2023 financial year. Education entities had addressed 7 of these issues at the 2023 year-end date, with 3 significant deficiencies and 34 deficiencies outstanding.

Source: Queensland Audit Office.

Proactive and timely resolution of deficiencies indicates a strong foundation for the effective operation of internal controls. At present, 4 significant deficiencies (1 from last year) and 47 deficiencies (13 from prior years) remain outstanding. The open issues mainly relate to information systems (51 per cent), and entities expect to resolve these within the next 12 months.

## Entities need to be proactive in identifying and addressing security weaknesses in their information systems

The *Annual Cyber Threat Report 2023* from the Australian Cyber Security Centre again identified education as one of the 5 sectors most vulnerable to cyber security incidents. The threat to this sector is significant, as the entities hold attractive personal information on their students and employees, as well as intellectual property associated with research. They must continually assess cyber risk vulnerabilities and exposures. Those charged with governance need to oversee this and be kept well informed.

Most of the deficiencies we reported to entities in 2023 (60 per cent) related to internal control weaknesses regarding information systems. These included 2 significant deficiencies relating to how users access systems and how this is monitored (access management); and how security settings are implemented (security configuration). The most common weaknesses we identified related to entities:

- not securing high-risk accounts, such as those for people who have highly privileged/full-system access
- not adequately monitoring the activities of accounts for staff and third-party users (for example, contractors) who can access sensitive data and make changes within the system
- not restricting the access provided to staff and third-party users to only what they require to perform their jobs
- not updating security settings (for example, password settings) in line with each entity's updated risk assessment, policies, and better practices.



Most education entities have taken steps in recent years to strengthen their information systems, but we continue to identify weaknesses as we look at more of their systems, databases, and networks. Some of the contributing factors include high staff turnover, lack of staff awareness of existing policies, and higher reliance on third-party providers. Our prior year recommendation – to strengthen the security of their information systems – remains relevant. [Appendix D](#) provides the full recommendation and its status.

The nature and the causes of the weaknesses we identified in information system controls highlight that education entities cannot ‘set and forget’ security controls. They should continuously review, improve, and strengthen controls to maintain their effectiveness. It is important that entities apply the appropriate security principles and recommendations to *all* systems they use to ensure all their information systems are properly secured.

As highlighted in our forward work plan for 2023–26, we plan to undertake an audit on managing third-party cyber security risks. It will examine how effectively the Queensland Government identifies third parties with access to its data and networks, assesses related security vulnerabilities, establishes relevant controls, and minimises the impact of third-party security breaches.

Also, in *State entities 2023* (Report 11: 2023–24), we have included a recommendation for all entities to manage the cyber security risks associated with services provided by third parties. We encourage education entities to consider this recommendation. Education entities should also action all relevant recommendations in *Responding to and recovering from cyber attacks* (Report 12: 2023–24).

#### Recommendation for all education entities

##### Strengthen information system controls

1. With the evolving security threats, we recommend that all education entities:
  - limit information system access to only those employees and third-party users (for example, contractors) who require this to perform their jobs
  - monitor activities performed by employees and third-party users who have access to sensitive data and can make changes within the system
  - update security settings in line with updated risk assessments, security policies, and better practices. Ensure third-party users comply with these.

## Entities need to accurately record ongoing costs for building projects

Education entities manage large building portfolios (worth \$31.5 billion in 2023) that are fundamental to the delivery of education, with the 2 departments accounting for 79 per cent of the total value. All entities need to ensure they are accurately recording the cost to build and maintain these assets.

In 2023, we identified a significant deficiency at one entity relating to the way it recorded its capital accruals at the year-end date. It recorded the total costs remaining on these building projects (based on their budgets) rather than the actual work completed by the year-end date. This misrepresented the actual progress of building works, and resulted in its assets and liabilities both being overstated by \$266 million (with no net effect on balance sheet). This was reported as an error in the prior-year balances (30 June 2022), which the entity corrected in its current year financial statements.

#### DEFINITION

**Capital accruals** refer to costs recorded at the year-end date, indicating the progress made on long-term projects (for example, constructing a building), even though payment for these costs has not been made yet.

We also identified weaknesses in the way some entities are managing these, and the type of information entities use to record these accruals at the year-end date. These include:

- lack of appropriate supporting evidence for recording the capital accruals
- the absence of a formal methodology to calculate capital accruals
- lack of training on managing projects that require budgeting, analysing costs, and monitoring of progress and costs.

#### **Recommendation for all education entities**

Improve processes to capture and record ongoing building project costs that have not been paid for by the year-end date (capital accruals)

2. All education entities should:

- develop a formal methodology to standardise the calculation of these costs, and include it as part of their policy framework
- provide refresher training to the relevant business areas on how to record these costs, and the type of supporting information required (for example, quantity surveyor reports for buildings being constructed)
- ensure they support the review of these costs (as part of the month-end process) with appropriate documentation.

## Entities need to comply with enterprise agreements

Some Queensland public universities have underpaid certain staff mainly due to incorrect interpretation of complex enterprise agreements. Over the last 3 years, they have either repaid staff or recorded a liability for staff they have identified as being underpaid – at a combined total of \$29.9 million.

All 7 universities have started reviews of their compliance with enterprise agreements. Some have substantially completed these reviews – in some cases going as far back as 2015 – while others are still in the process of assessing the extent of any historical underpayments of staff wages and entitlements.

From the reviews they have conducted, some universities have improved their systems and processes to reduce the risk of future staff underpayments.

In 2023, one university identified a significant shortfall relating to historical payment of staff wages and entitlements. This led to an error in the prior year's balances and operating result, which the university corrected in its current year financial statements.

The underpayment was due to several factors, including:

- not having systems to identify compliance with enterprise agreements
- poor record keeping
- inadequate payroll systems
- misclassification of the duties or roles of casual academics
- low awareness among senior staff of new or changed obligations in enterprise agreements.

Entities must prioritise compliance, or risk facing reputational damage, disputes, or legal action.



**Recommendation for all education entities**

Assess employment agreements and historical pay practices to identify potential wage underpayments

3. All education entities should:

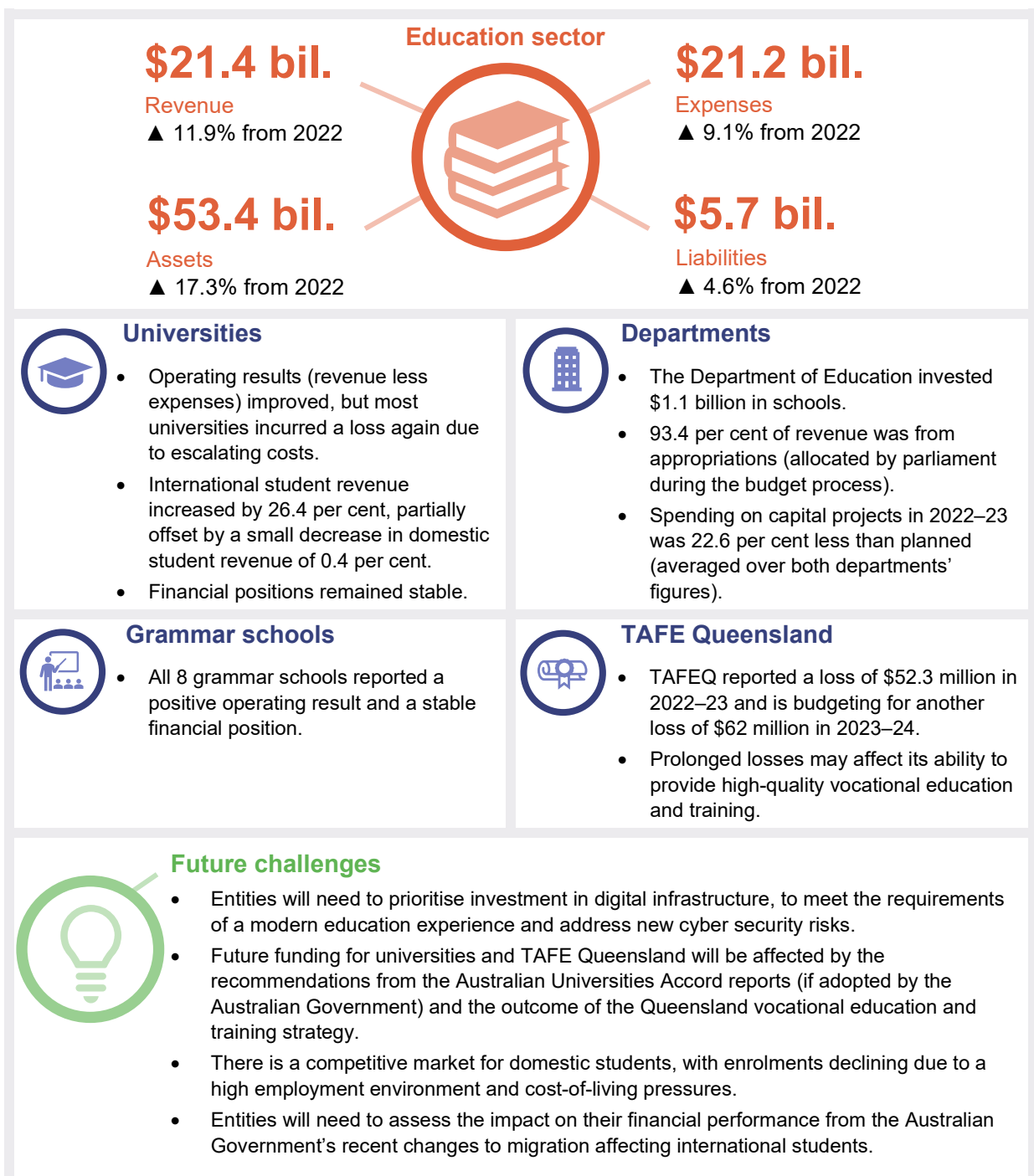
- assess the risk of underpayment of staff based on the complexity of their enterprise agreements, how they were paid historically, and the number of casual staff they employ
- based on their assessed risk of underpayment, perform a detailed review of employment contracts and enterprise agreements, ensuring they match the payroll system setup for different wage types. Assess whether specialised external support is needed to assist with the review
- establish and maintain adequate measures and controls to identify shortfalls in payment
- provide training to key staff on how to interpret the different awards and employee entitlements in enterprise agreements
- consider the need to invest in contemporary payroll and timekeeping systems to ensure accurate and thorough record-keeping practices. As part of their decision-making process, entities will need to perform an analysis of costs and benefits before making any investments.



# 4. Financial performance of education sector entities

In this chapter, we analyse the financial performance and position of education entities. We also discuss financial sustainability, and emerging issues relevant to the sector.

## Chapter snapshot



## Most universities are facing financial challenges

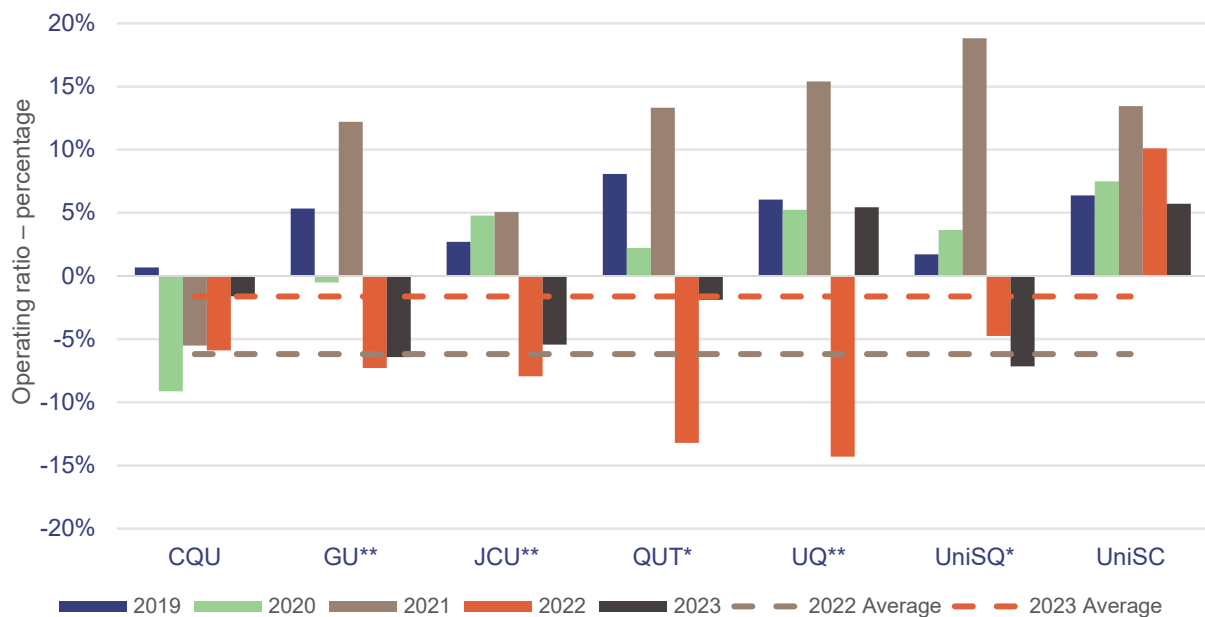
In 2023, most Queensland universities continued to make a loss, despite improving their operating results by \$554.5 million (99 per cent) compared to last year.

Higher investment returns played the most significant role in the universities' improved performance this year. Five universities incurred losses, largely because of continued cost escalations and challenging domestic conditions. These were offset to some extent by a recovery in revenue from international students.

To assess the long-term financial sustainability of universities, we calculate their operating ratios (revenue less expenses, expressed as a percentage of total revenue) as an average over time. As Figure 4A shows, the operating ratios for most universities have improved since last year. But the challenging conditions are expected to continue in the short term, with most of the universities budgeting for a loss again in 2024.

This highlights the importance of universities continuing to carefully manage their financial performance and prioritise investment in areas that are critical to achieving their strategic objectives – such as students and research activities.

**Figure 4A**  
Operating ratios for Queensland universities – 5-year trend



Notes: CQU – Central Queensland University; GU – Griffith University; JCU – James Cook University; QUT – Queensland University of Technology; UQ – The University of Queensland; UniSQ – University of Southern Queensland; UniSC – University of the Sunshine Coast. These ratios include controlled entities (whose finances and operations are controlled by one of the universities).

\* In 2021, the operating ratios for QUT and UniSQ included one-off gains following the restructuring of their investment in Education Australia Limited (see later section on franking credit claims), which they recorded as revenue. Other Queensland universities recorded this as equity (assets less liabilities).

\*\* In 2023, the operating ratios for GU, JCU, and UQ reflected a reduction in the value of a receivable from the Australian Taxation Office (ATO), which they recorded as an expense. It is because of an ongoing dispute with the ATO (see later section on franking credit claims).

Source: Queensland Audit Office.

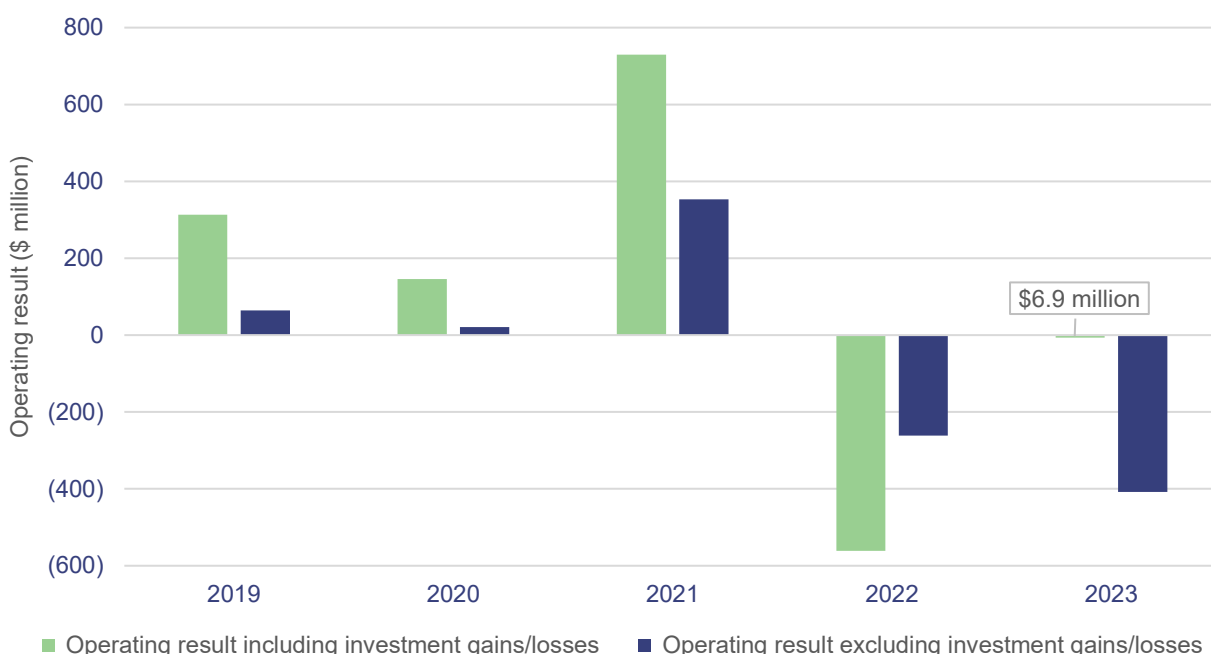
## Universities received higher returns on investments this year. This is not guaranteed in future

In 2022, universities' investments in managed funds (where monies are pooled together with that of other investors) performed poorly. However, because of a strong recovery in the domestic and global financial markets, investment income in 2023 significantly increased – by \$677 million (225 per cent). This can fluctuate from year to year, depending on market conditions that are outside of a fund manager's control.

Figure 4B shows the significant impact that investment market volatility can have on the universities' operating results. The negative investment returns of \$300 million in 2022 were a key reason for the sector's net loss position, while the positive investment returns of \$377 million this year have led to an improved position.

Movements in investment income will not translate into actual cash until the universities receive payments (for example, dividends) from their investments or sell them.

**Figure 4B**  
Queensland universities' operating results before and after investment gains and losses



Source: Queensland Audit Office.

## Universities' costs continue to rise

In 2023, total expenses recorded by the university sector increased by \$616 million (10.2 per cent) (2022: \$429 million – 7.6 per cent). This was mainly because of higher employee expenses, which continue to be their biggest cost – 55.4 per cent of total expenses. They increased by \$282 million (8.2 per cent) (2022: \$107 million – 3.2 per cent), primarily due to salary increases under enterprise bargaining agreements, and growth in the number of employees. Some universities also incurred costs relating to addressing historical wage underpayments during the year.

The university sector also had higher expenses associated with the return of international students, including paying commissions to agents as international student enrolments grew. Other increased expenses included scholarships to attract and retain students, and higher travel and conference expenses once travel restrictions lifted. Rising inflation has also led to cost escalations across the university sector.

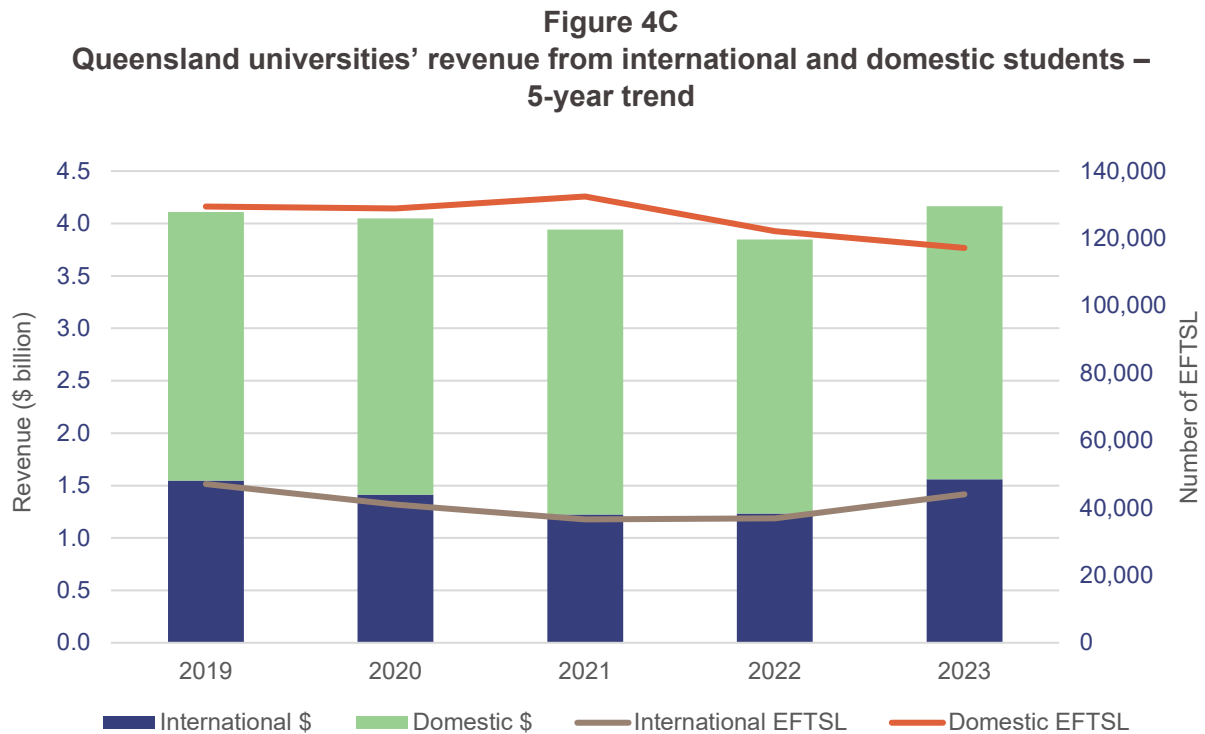


## International student numbers are returning to pre-pandemic levels, but revenue from domestic students continues to decline

In 2023, total revenue recorded by the university sector from international students significantly increased by \$326 million (26.4 per cent) (2022: \$10.3 million – 0.8 per cent), due to the reopening of international borders in 2022. The certainty regarding border settings enabled international students to make longer-term decisions about their studies and resulted in a strong increase in enrolments, which neared pre-pandemic levels.

The Australian Government made recent changes to migration that may impact future international student numbers. They include updates to the visa application criteria (for example, new tests to ensure students are coming primarily to study) and the proposed introduction of caps to international students announced alongside the May 2024 federal budget. Other risks (such as delays in visa processing times, geopolitical tensions, and wars) could also affect future enrolments.

Figure 4C shows the breakdown between international and domestic revenue and the equivalent full-time student load (EFTSL) over the last 5 years.



Notes: Not all students study full time for a whole year. Equivalent full-time student load (EFTSL) is a way of representing the various study loads as a proportion of the study load the students would have if they were studying full time for one year. 'Number of EFTSL' adds them all together.

Source: Queensland Audit Office.

The decline in domestic student enrolments continues to be challenging, with total revenue recorded by the university sector from domestic students decreasing by \$9.3 million (0.4 per cent) (2022: \$106 million – 3.9 per cent). The low unemployment rate is reducing demand for university places, as more students defer study or take smaller study loads so they can enter the workforce and cope with increasing cost-of-living pressures.

The weak domestic demand is expected to continue in the short to medium term, and universities will need to effectively manage their strategies to attract and retain domestic students.

## Universities are disputing their franking credit claims with the Australian Taxation Office

The 7 Queensland universities, along with 31 other Australian universities, owned shares in Education Australia Limited (a private company). In 2021, it went through a major restructure, and paid a cash dividend, transferred a portion of its shares in IDP Education Limited (a listed company), and distributed the associated franking credits (see below) to each university.

In *Education 2022* (Report 16: 2022–23), we reported that the Australian Taxation Office (ATO) was reviewing the eligibility of franking credit claims for the 38 Australian universities. The claim for each university was \$22.8 million. For Queensland public universities, this totalled \$159.6 million.

### DEFINITION

**Franking credits** represent the tax a business pays on its profits. This saves its investors from having to pay tax on their share of the profits, which are known as dividends. Universities seek a refund from the Australian Taxation Office for the franking credits on their investments.

In 2023, the ATO issued a notice stating the universities were not eligible to receive a refund of their claims. All 38 Australian universities have lodged a formal objection with the ATO, disagreeing with its decision. They are awaiting a further response. If the ATO stands by its decision, the universities will assess their options, including the possibility of taking the matter to court for a decision.

Due to uncertainty regarding this issue, 3 of the 7 Queensland universities recorded an impairment expense for the full amount in 2023. In this case, the impairment expense represents a reduction in the value of their franking credit claims while waiting for the matter to be resolved. Other Queensland universities continued to record it as an amount owing from the ATO.

We also sought additional audit evidence from our own independent tax expert. Assessing the technical position taken by both the ATO and the different positions taken by universities on this matter required significant judgement, due to a lack of legal precedent (previous similar cases). As a result, we concluded we had sufficient and appropriate audit evidence to support each university's financial reporting treatment.

In our audit report for the universities who continued to record the franking credit claims as being owed from the ATO, we included a key audit matter. We did this to highlight the additional procedures we conducted to audit this balance and to emphasise the uncertainty surrounding the ATO refund.

## Major reforms are proposed for the higher education sector

In *Education 2022* (Report 16: 2022–23), we highlighted that the Australian Government had established an Australian Universities Accord, to consult on a range of issues and provide recommendations to build a long-term reform plan for Australia's higher education system. On 19 July 2023, the Australian Universities Accord panel released its interim report, outlining 5 recommendations for immediate action by the Australian Government. These were supported by the government, and one recommendation led to a 2-year extension of an Australian Government grant that provides funding guarantees to universities (regardless of domestic student enrolments). It had been due to end in 2023.

The *Australian Universities Accord Final Report*, released on 25 February 2024, made 47 further recommendations for the Australian Government to consider. These will have significant and wide-ranging impacts across the higher education sector.

They include replacing the funding model under the existing Job-ready Graduates Package. Universities will need to continue working constructively and collaboratively with the Australian Government on what comes next, and consider the impact of all recommendations adopted by government on their longer-term strategy.



## TAFE Queensland’s financial sustainability remains at risk

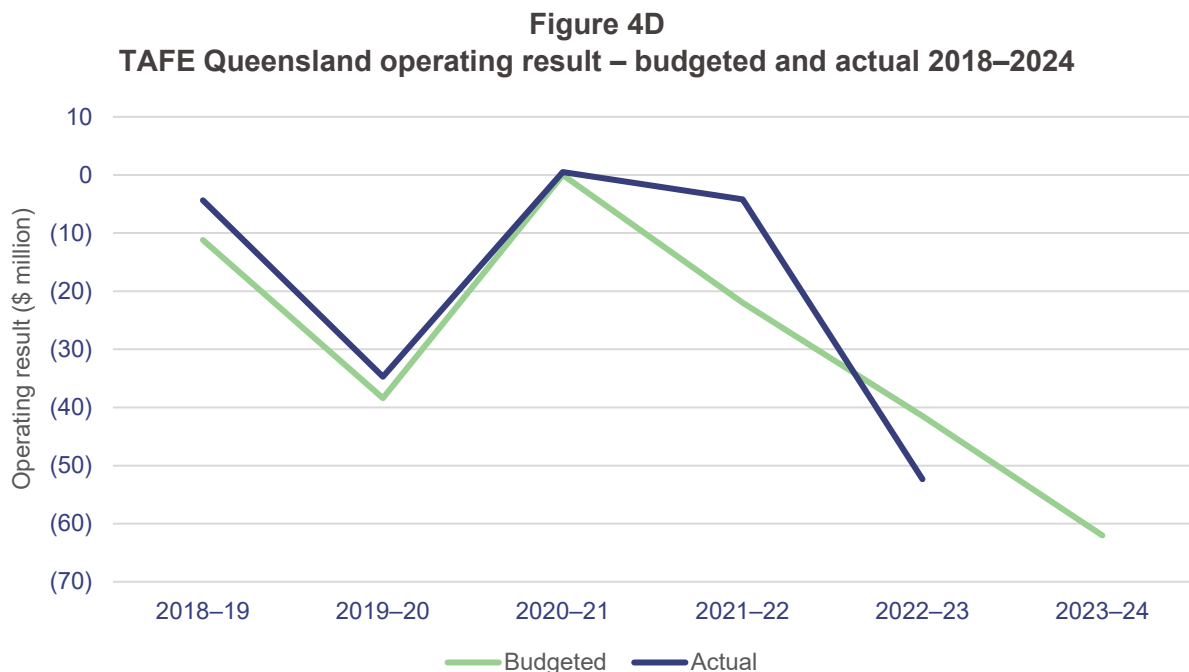
In *Education 2021* (Report 19: 2021–22) and *Education 2022* (Report 16: 2022–23), we reported on the significant financial challenges TAFE Queensland (TAFEQ) faces. We recommended that it continue to clarify how much it costs to provide each of its services, so it could make informed decisions about future services and efficiencies in operations.

It continues to work alongside Queensland Treasury and the Department of Employment, Small Business and Training to develop a Queensland vocational education and training (QVET) strategy that will assist with improving its sustainability through the formal recognition of its community service obligations. This will likely include a new funding model for TAFEQ that considers its training commitments and service expectations as a public provider. For example, it is required to run some programs that cannot make a profit. Its private sector competitors are not. The Queensland Government is expected to formally announce the QVET strategy in 2024.

Figure 4D shows the declining operating results TAFEQ has experienced in recent years. In 2020–21 and 2021–22, the Queensland Government provided significant additional funding to support its operations. Without this, its operating results would have been worse.

TAFEQ recorded an operating loss of \$52.3 million in 2022–23 as its expenses continue to increase at a higher rate than its revenue. It is budgeting for another operating loss of \$62 million in 2023–24. The losses are expected to continue in the future because of:

- cost increases from growing employee expenses under enterprise bargaining agreements
- TAFEQ continuing to provide training in many regional and remote campuses where the training demand is low, resulting in a high average cost per student
- ongoing low unemployment levels, which reduce overall training demand in the community. Many people do not actively seek vocational training if they already have a job.



Source: Queensland Audit Office.

TAFEQ continues to implement strategies to improve its operating efficiency. This includes developing an organisation-wide education planning tool, and undertaking a medium-term project to increase the conversion rate of student enquiries to enrolments.

## Asset management at education entities

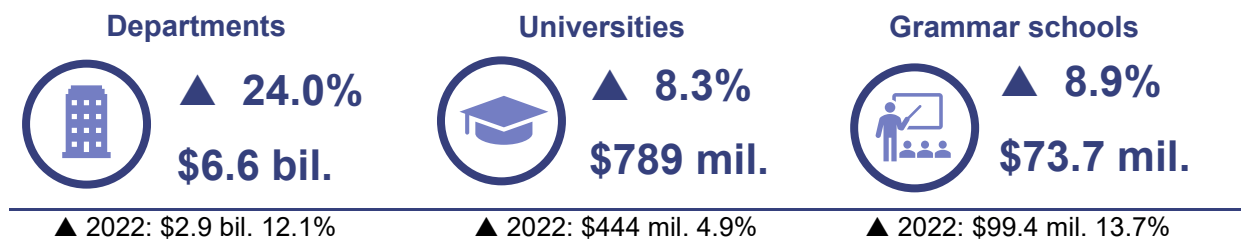
Property, plant and equipment (land and buildings) continues to be the most significant item on the balance sheet for education entities, accounting for 85 per cent (\$45 billion) of their total assets.

The increasing value of assets in the education sector, and their importance in the delivery of education services, means entities need to carefully plan for their maintenance, upgrade, or replacement. Well-developed asset management plans, linked to entities’ overall strategies, can help with investment decisions. They can also ensure assets continue to be fit for purpose and can respond to changing learning styles.

### Asset values increased across the education sector

Measuring the value of some asset categories (such as land, buildings, and infrastructure) for education entities can be complex. It requires judgements and assumptions, and includes updating the fair value of their buildings (to represent how much it would cost to replace them at today’s prices). Various factors affect these updates, including construction costs and labour supply.

**Figure 4E**  
Movements for all asset categories



Source: Queensland Audit Office.

Consistent with last year, all entities across the sector saw increases in the value of their assets. There has been a 22.7 per cent increase in buildings across the education sector – by \$6.1 billion – following on from an increase of \$2.9 billion (12.3 per cent) in the previous year.

The current market conditions continue to escalate construction costs, resulting in significantly higher costs to upgrade or replace buildings than in the past.

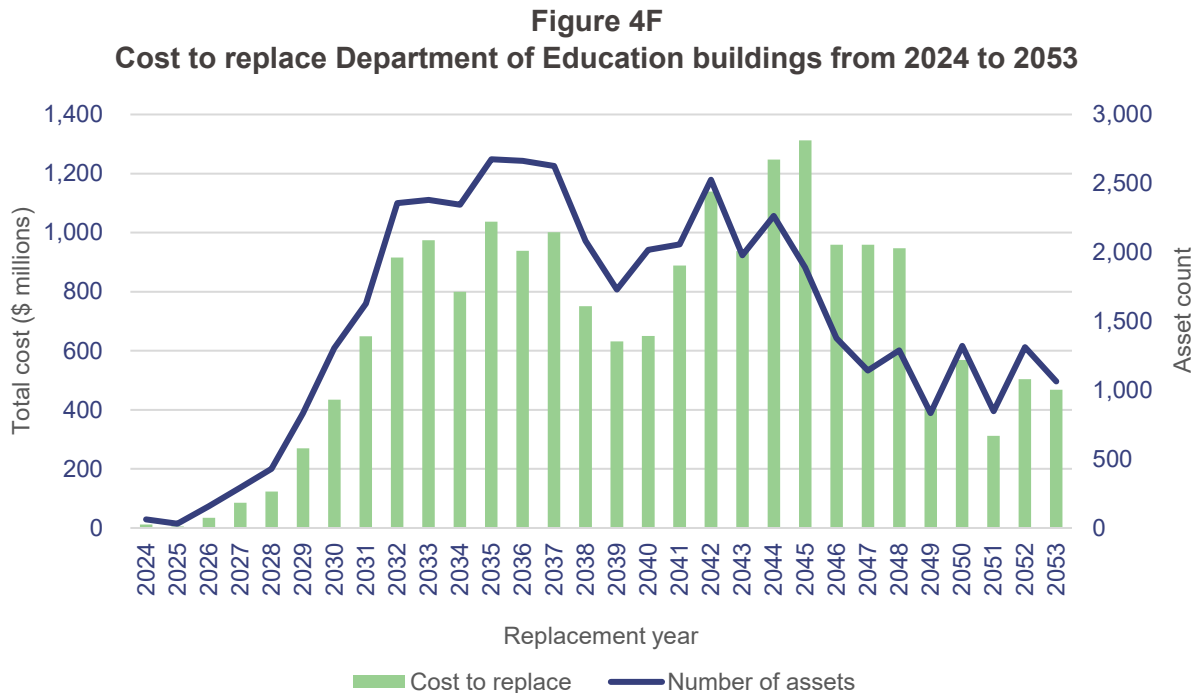
### Departments have challenges in spending their budgeted capital expenditure

The Department of Education has heavily invested in its property, plant and equipment (its capital assets – mostly schools and buildings) in the last 5 years (\$5.6 billion), to be prepared for the future and for growing student numbers. It plans to spend \$1.5 billion in 2023–24 on large expansion programs for both new and existing schools.

In 2022–23, the Department of Education faced challenges in achieving the desired outcomes from its capital investment programs, resulting in an underspend of \$448 million (28.8 per cent). The Department of Employment, Small Business and Training also underspent by \$14 million (16.5 per cent) compared to its planned capital program (this amount excludes the Youth Justice function that was briefly transferred into the department). Shortages in materials and labour have caused delays in some projects and affected their timings. When the departments can complete this work, they will likely face an environment where the construction costs are significantly higher than what they initially budgeted for.

If the capital underspending continues, there is a risk that assets will not be maintained, upgraded, or replaced when required. While the expansion of education infrastructure is ongoing, existing infrastructure is continuing to age.

Figure 4F shows the number of buildings the Department of Education owns, and the cost to replace them over the next 30 years. Approximately 14 per cent of buildings (equal to \$4 billion) will need to be replaced in the next decade due to their age.



Source: Queensland Audit Office and Department of Education asset registers 2023.

In our forward work plan for 2023–26, we have identified infrastructure investment as one of the focus areas for our future performance audits. Effective asset management and investment are critical to long-term financial sustainability. We encourage education sector entities with large infrastructure assets to also consider any recommendations contained in our related reports, such as our report on *Improving asset management in local government* (Report 2: 2023–24).

## Maintaining departmental assets

Education entities' building assets must be maintained to a minimum level, so they continue to support delivery of services to the broader community.

The Department of Education spent \$445 million on maintenance in 2022–23, while the Department of Employment, Small Business and Training spent \$43 million (this amount excludes the Youth Justice function that was briefly transferred into the department). Together, the departments increased their expenditure on repairs and maintenance in 2022–23 by \$84 million (21 per cent).

Over the last 5 years, both departments have adhered to Queensland Government policy by meeting their annual minimum maintenance requirements, being one per cent of the replacement cost of their building portfolios. However, despite spending the required amounts, rising costs mean the departments may not have completed all the expected maintenance that was needed.

The *Queensland Government Building Policy Framework* states that departments must develop and maintain a strategic maintenance plan. This plan should consider factors such as the age, functionality, maintenance requirements (both planned and unplanned), and condition of their buildings.

In *Education 2021* (Report 19: 2021–22) and *Education 2022* (Report 16: 2022–23) we reported that the Department of Education and the Department of Employment, Small Business and Training were in the process of assessing the condition of their assets (condition assessments) to support their future maintenance plans. We recommended that both departments complete regular and timely condition assessments. In the following sections, we provide an update on the progress each department has made.

## Department of Education

The Department of Education has completed its condition assessment program, consisting of 1,268 education sites (schools and education centres) and 173 early childhood centres. It did not cover education sites that opened after 2018 (for example, new schools). This involved fully inspecting and assessing all buildings and infrastructure at each site and identifying all required maintenance works.

By April 2024, the Department of Education had evaluated and integrated more than 60 per cent of the data from the condition assessments into its finance system. The remaining condition data is expected to be integrated by 30 June 2024. This data will form the basis of each school's multi-year maintenance plan.

At present, these plans only cover key preventative maintenance requirements. In future, condition data will be used in the department's asset management plans to support its future maintenance programs.

## Department of Employment, Small Business and Training

The Department of Employment, Small Business and Training is using a risk-based approach to assess the condition of its buildings and infrastructure assets (TAFE campuses). This initially involved reviewing the extent of inspections performed in previous years, identifying 30 building components and categories (for example, electrical switchboards) and allocating risk ratings to each.

The department's previous program (from 2018 to 2022) inspected and assessed 9 of these categories. Its current program, for 2022 to 2025, plans to inspect and assess another 4 asset categories, 3 of which have now been inspected.

The department's approach does not assess an entire building at the same time. Instead, it assesses similar components across the whole building portfolio together.

The documentation of the results of the inspections meets some, but not all, of the minimum requirements of a condition assessment report under the *Queensland Government Building Policy Guideline*. The department needs to do more work to appropriately capture, manage, and report on the asset condition data the assessments have collated. It is currently developing a way to centralise the recording of this data, in line with the minimum requirements, to inform the timing and cost of future maintenance.

## Enabling digital learning in state schools

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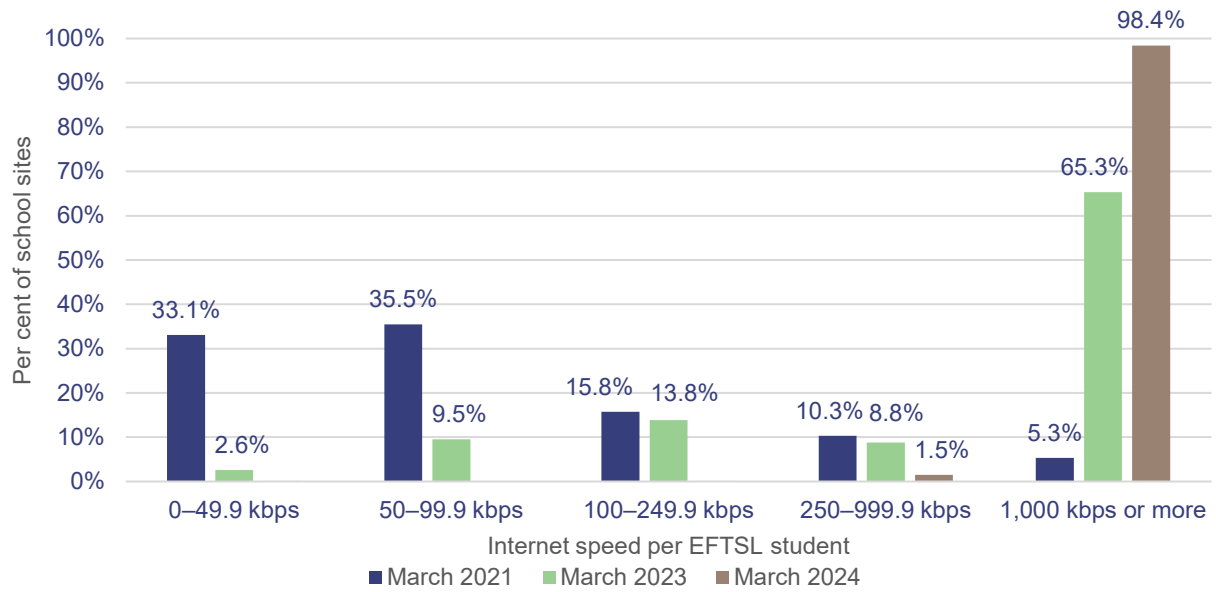
In *Enabling digital learning* (Report 1: 2021–22), we shared information about how well the Department of Education is connecting the students and staff of state schools to digital resources and online content. Having faster internet speed means schools will have reliable access to digital technologies regardless of geographic location.

In *Education 2022* (Report 16: 2022–23) we reported on the progress made by the Department of Education in increasing internet speed in schools. The department signed a 5-year agreement with a supplier to upgrade internet speeds across state schools in December 2021.

The department has increased average internet speeds to 1,000 kilobytes per second (kbps) or more per student for almost all (98 per cent) school sites, as shown in Figure 4G. It is a significant improvement since March 2021, when we first reported this, but further increases will be necessary to effectively support the growing demands of modern educational technology effectively.



**Figure 4G**  
**Internet speeds in state schools from March 2021 to March 2024**



Note: kbps – kilobytes per second (measure of how fast data is moving).

Source: Queensland Audit Office from Department of Education data on internet speeds in schools.

The department has begun phase 2 of this project, which is expected to increase internet speeds to an average of 5,000 kbps for each student by 2026.



# Appendices

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# A. Full responses from entities

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As mandated in Section 64 of the *Auditor-General Act 2009*, the Queensland Audit Office gave a copy of this report with a request for comments to the:

- Minister for Education and Minister for Youth Justice
- Minister for Employment and Small Business and Minister for Training and Skills Development
- Director-General, Department of Education
- Director-General, Department of Employment, Small Business and Training.

We also provided a copy of the report with an invitation to respond to the:

- Premier
- Director-General, Department of the Premier and Cabinet
- Chief Executive Officer and Chairperson of TAFE Queensland
- chancellors and vice-chancellors of the 7 universities
- principals and chairs of the 8 grammar schools.

This appendix contains the detailed responses we received.

The heads of these entities are responsible for the accuracy, fairness, and balance of their comments.



# Comments received from Director-General, Department of Education



Office of the  
Director-General

Department of  
Education

30 MAY 2024

Mr Brendan Worrall  
Auditor-General  
Queensland Audit Office  
Email: [gao@gao.qld.gov.au](mailto:gao@gao.qld.gov.au)

Dear Mr Worrall

Thank you for your email dated 13 May 2024 enclosing a draft copy of your proposed report titled *Education 2023* for review prior to tabling in Parliament planned for early June 2024.

I appreciate the opportunity to make comments and provide feedback. I note the content of the report and your recommendations which the Department of Education will assess and implement those recommendations specifically relevant to this agency.

In relation to recommendation one *Strengthen information system controls*, the Department has developed a Cybersecurity Plan for 2024–2028, which outlines a series of initiatives which will continue to reduce cyber risk. These initiatives will strengthen information system controls to allow the Department to effectively manage evolving security threats. The Department notes that recommendation one relates to the current status of prior recommendation one (*Education 2020* (Report 18: 2020–21)).

In relation to recommendation two *Improve processes to capture and record ongoing building project costs that have not been paid for by the year-end date (capital accruals)*, the Department accepts the recommendations made. The Department has implemented a more robust monitoring regime for capital accruals and a business improvement project is underway to implement system and process improvements for capital accruals, including the recommendations made.

In relation to recommendation three for all education entities to *Assess employment agreements and historical pay practices to identify potential wage underpayments*, the Department notes the audit results underpinning the recommendation relate to practices within Queensland public universities. The Department would welcome further feedback and guidance to ensure the Department takes appropriate action, if any, in response to recommendation three.

The Department acknowledges that there is also a recommendation that is still open from the previous QAO report *Education 2021* (Report 19: 2021–22) in relation to completing regular and timely assessments of the condition of assets. The Department has completed its condition assessment program, with the condition data to be loaded into the Department's system by 30 June 2024. This data will form the basis of multi-year school maintenance plans.

1 William Street Brisbane  
Queensland 4000 Australia  
PO Box 15033 City East  
Queensland 4002 Australia  
Telephone +61 7 3034 4754  
Website [www.qed.qld.gov.au](http://www.qed.qld.gov.au)  
ABN 76 337 613 647

2

The Department's Audit and Risk Management Committee will monitor any required actions to address the relevant recommendations.

If you or your team require further information, please contact [REDACTED]

Yours sincerely



**MICHAEL DE'ATH**  
**Director-General**

Ref: 24/408962



# Comments received from Director-General, Department of Employment, Small Business and Training



Department of  
Employment,  
Small Business  
and Training

Our ref: 01611/24  
Your ref: PRJ03870

Mr Brendan Worrall  
Auditor-General  
Queensland Audit Office  
Email: [gao@gao.qld.gov.au](mailto:gao@gao.qld.gov.au)

Dear Mr Worrall

Thank you for your email dated 13 May 2023, regarding your proposed *Education 2023* report and for the opportunity to provide feedback.

The Department of Employment, Small Business and Training acknowledges the report and accepts its findings and recommendations.


The findings related to cyber security are noted and the Department acknowledges the importance of continuing to ensure our information systems are continually strengthened to avoid potential threats to our data.

As the owner of training infrastructure on behalf of the State, the Department is committed to and continues to improve processes related to maintaining, upgrading and replacing Queensland Government assets to ensure state-owned training infrastructure can meet important strategic and operational priorities. The Department is working with QBuild to further develop its risk based approach to assess the condition of its building assets to meet the requirements of the Queensland Building Policy Framework (and Guidelines) released in November 2023.

The Department has continued to work with TAFE Queensland and central agencies to consider strategies to support TAFE Queensland's financial sustainability. Of particular relevance, the recently released *Good Jobs, Great Training: Queensland Skills Strategy 2024-2028* emphasises the Queensland Government's commitment to supporting public providers, including TAFE Queensland. The Strategy also delivers a new funding framework for TAFE Queensland that is in line with its role under the Strategy.

I thank you for the opportunity to provide comment on the report.

Yours sincerely

  
Peter McKay  
Director-General  
3.6.24

1 William Street Brisbane  
Queensland 4000 Australia  
PO Box 15483 City East  
Queensland 4002 Australia

ABN 84 375 484 963



## Comments received from Acting Chief Executive Officer, TAFE Queensland

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31 May 2024

Mr Brendan Worrall  
Auditor-General  
Queensland Audit Office

[QueenslandAuditOffice@gao.qld.gov.au](mailto:QueenslandAuditOffice@gao.qld.gov.au)

Dear Mr Worrall

Thank you for the opportunity to respond to the Queensland Audit Office 2023 Education Report to Parliament.

The report accurately describes TAFE Queensland's recent financial challenges and touches on some of the factors contributing to this, however I would like to provide some important additional context to your reference in Section 4 of the report to TAFE Queensland's 2023-24 budget.

The report is correct in stating that TAFE Queensland budgeted for a loss of \$62m in 2023-24 however the organisation's actual financial performance through the year has been significantly stronger than originally anticipated. The main factor in this is the impact of the Fee Free TAFE initiative effective 1 January 2023, through which TAFE Queensland has seen a significant increase in student demand and expects to deliver close to a breakeven position in 2023-24.

TAFE Queensland has also continued to work closely with government to agree revised funding arrangements that properly recognise the expectations on the Public Provider and also for the first time formally recognise Community Service Obligations being delivered by TAFE Queensland. We anticipate a much stronger budget position for 2024-25 and beyond.

Your sincerely

A handwritten signature in black ink that reads "Brent Kinnane".

Brent Kinnane  
**Acting Chief Executive Officer**  
**TAFE Queensland**

Ref: 5320654

**A:** 1030 Cavendish Road  
Mount Gravatt, Queensland, 4122  
**P:** PO Box 1910  
Carindale, Queensland, 4152  
**W:** [tafeqld.edu.au](http://tafeqld.edu.au)  
ABN 72 898 805 093

## B. How we prepared this report

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### About this report

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This report summarises the audit results of Queensland’s education entities.

Through our financial audit program, we form opinions about the reliability of public sector entities’ financial statements. These audits are conducted in accordance with the *Auditor-General Auditing Standards* and comply with the relevant standards issued by the Australian Auditing and Assurance Standards Board.

On 15 December 2023, the state government announced machinery of government changes, effective 1 January 2024, that impacted both of the departments included in this report. As this report summarises the audit results of the 2022–23 financial year, our report refers to departmental names as at 30 June 2023. We refer to updated names (only relevant for Department of Employment, Small Business and Training) following machinery of government changes where our analysis extends beyond 1 January 2024, when the changes were effective.

The information and insights highlighted in this report to parliament are the result of our annual financial audits of education entities.

### Entities included in this report

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- Department of Education
- Department of Employment, Small Business and Training
- TAFE Queensland
- 7 universities
- 8 grammar schools
- 19 education-related entities.

Refer to [Appendix E](#) for the names of all the above entities.

These do not include entities exempted from audit by the Auditor-General (see Figure E2 in [Appendix E](#)), or entities not preparing financial reports (see [Appendix F](#)).

### Our approach

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This report has been prepared in accordance with the *Auditor-General Auditing Standards*.

We used the following data sets in preparing the figures in our report:

- Figure 4A – Operating ratios for Queensland universities – 5-year trend, and Figure 4B – Queensland universities’ operating results before and after investment gains and losses: We sourced this data from the universities’ audited financial statements for the last 5 years.
- Figure 4C – Queensland universities’ revenue from international and domestic students – 5-year trend: We sourced this data from the universities’ audited financial statements for the last 5 years, and student information provided by universities. (We have not audited the student data set.)



- Figure 4D – TAFE Queensland operating result – budgeted and actual 2018–2024: We sourced this data from
  - the audited financial statements for the last 5 financial years
  - the publicly available budget for the last 5 financial years, and for the next financial year. (We have not audited the budget.)
- Figure 4E – Asset values increased across the education sector: We sourced this data from the education sector’s audited financial statements for the 2022–23 financial year.
- Figure 4F – Cost to replace Department of Education buildings from 2024 to 2053: We sourced this data from the Department of Education finance system, which we audit as part of our financial statement audit processes.
- Figure 4G – Internet speeds in state schools from March 2021 to March 2024: We sourced this data from the Department of Education. We have not audited this data set since our audit on *Enabling digital learning* (Report 1: 2021–22).

For the education dashboard we are publishing alongside this report, we used the following data:

- Financial results: We sourced this data from the education sector’s audited financial statements as noted in Appendix G.
- Campus, student, and employee data: We sourced this data from publicly available data (for the Department of Education) and data provided by TAFE Queensland, grammar schools, and universities, as noted in Appendix H. (We have not audited this data set since our audit on *Enabling digital learning* (Report 1: 2021–22).)
- Internet speed (kilobytes per second) per student: We sourced this data from the Department of Education. (We have not audited this data set.)
- School information technology funding: We sourced this data from the Department of Education finance system, which we audit as part of our financial statement audit processes.



# C. Legislative context

## Frameworks

Education entities prepare their financial statements in accordance with the following legislative frameworks and reporting deadlines.

**Figure C1**  
**Legislative frameworks for the education sector**

Entity type	Entity	Legislative framework	Legislated deadline
Departments	Department of Education Department of Youth Justice, Employment, Small Business and Training <sup>1</sup>	<ul style="list-style-type: none"> <li>• <i>Financial Accountability Act 2009</i></li> <li>• Financial and Performance Management Standard 2019</li> </ul>	31 August 2023
Statutory bodies	7 universities 8 grammar schools Queensland College of Teachers	<ul style="list-style-type: none"> <li>• <i>Financial Accountability Act 2009</i></li> <li>• Financial and Performance Management Standard 2019</li> <li>• <i>Statutory Bodies Financial Arrangements Act 1982</i></li> <li>• <i>Australian Charities and Not-for-profits Commission Act 2012</i></li> <li>• Australian Charities and Not-for-profits Commission Regulation 2022</li> <li>• <i>Higher Education Support Act 2003</i></li> <li>• <i>Grammar Schools Act 2016</i></li> <li>• Each statutory body also has its own enabling legislation</li> </ul>	28 February 2024
Statutory bodies – other (These have a different year-end date to the statutory bodies listed above.)	TAFE Queensland Queensland Curriculum and Assessment Authority Non-State Schools Accreditation Board	<ul style="list-style-type: none"> <li>• <i>Financial Accountability Act 2009</i></li> <li>• Financial and Performance Management Standard 2019</li> <li>• <i>Statutory Bodies Financial Arrangements Act 1982</i></li> <li>• Each statutory body also has its own enabling legislation</li> </ul>	31 August 2023
Controlled and jointly controlled entities <sup>2</sup>	4 entities controlled by universities 4 jointly controlled entities 2 entities controlled by a department One entity controlled by a statutory body	<ul style="list-style-type: none"> <li>• <i>Corporations Act 2001</i></li> <li>• Corporations Regulations 2001</li> </ul>	31 October 2023 <sup>3</sup> 30 April 2024 <sup>3</sup>
Controlled entities – foreign-based <sup>2</sup>	7 entities controlled by universities	<ul style="list-style-type: none"> <li>• Each controlled entity has its own enabling legislation in its country of incorporation</li> </ul>	Per relevant legislation



Entity type	Entity	Legislative framework	Legislated deadline
Other	Building and Construction Industry Training Fund (Qld) Translational Research Institute Trust One trust controlled by a statutory body 2 joint ventures controlled by universities and other public sector entities	<ul style="list-style-type: none"> <li>Trust deed</li> <li>Joint venture agreement</li> <li><i>Australian Charities and Not-for-profits Commission Act 2012</i></li> <li>Australian Charities and Not-for-profits Commission Regulation 2022</li> </ul>	<p>Per trust deed</p> <p>Per joint venture agreement</p>

Notes:

<sup>1</sup> Renamed Department of Employment, Small Business and Training following *Administrative Arrangements Order (No. 2) 2023* on 15 December 2023.

<sup>2</sup> Controlled entity – an entity owned by one or more public sector entities.

<sup>3</sup> The *Corporations Act 2001* does not require all small proprietary companies to prepare financial statements. Where financial statements are required, they must be completed within 4 months after the end of the financial year.

Source: Queensland Audit Office.

## Accountability requirements

The *Financial Accountability Act 2009* applicable to the education sector requires these entities to:

- achieve reasonable value for money by ensuring the operations of the entity are carried out efficiently, effectively, and economically
- establish and maintain appropriate systems of internal control and risk management
- establish and keep funds and accounts that comply with the relevant legislation, including Australian accounting standards.

## Queensland state government financial statements

Each year, Queensland state public sector entities must table their audited financial statements in parliament.

These financial statements are used by a broad range of parties, including parliamentarians, taxpayers, employees, and users of government services. For the statements to be useful, the information reported must be relevant and accurate.

The Auditor-General's audit opinion on these entities' financial statements assures users that the statements are accurate and in accordance with relevant legislative requirements.

We express an *unmodified opinion* when the financial statements are prepared in accordance with the relevant legislative requirements and Australian accounting standards. We *modify* our audit opinion when financial statements do not comply with the relevant legislative requirements and Australian accounting standards, and are not accurate and reliable.

Sometimes we include an *emphasis of matter* in our audit reports to highlight an issue that will help users better understand the financial statements. It does not change the audit opinion.

## University and grammar school entities

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In Queensland, universities provide tertiary education, including undergraduate and postgraduate studies. Universities and their subsidiaries carry out research and other activities in line with university objectives.

Of the 8 grammar schools, 6 provide schooling from Prep to Year 12. The other 2 start at Year 5 and Year 7 respectively.

### University funding and regulation

Universities obtain funding mainly through government grants and student fees. Grants are based on student enrolments and the amount of research undertaken at each university. In Queensland, 80.8 per cent (2022: 91.2 per cent) of university funding comes from Australian and Queensland government grants and from student fees and charges. Australian Government funding is mainly recurrent, while state government grants are generally non-recurrent.

The Australian Government budget details how much funding is provided to universities for each field of study.

### Grammar school funding and regulation

Grammar schools obtain funding through Australian and Queensland government grants and through tuition and boarding fees. In Queensland, 87.8 per cent (2022: 88.3 per cent) of grammar school funding comes from these sources.

The grammar schools are statutory bodies formed under the *Grammar Schools Act 2016*. They operate as independent schools in Queensland.

## Departments

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### Department of Education

The Department of Education is a Queensland Government department established under the *Public Sector Act 2022*. It provides direction and oversight to the education sector in Queensland and delivers services for early childhood and education.

### Department of Youth Justice, Employment, Small Business and Training

The Department of Youth Justice, Employment, Small Business and Training is a Queensland Government department established under the *Public Sector Act 2022*. The department's vision is for all Queenslanders to have the skills and opportunities to manage and adapt, now and into the future.

### Departmental funding and regulation

The departments receive appropriation revenue (allocated by parliament during the budget process) that includes funding from both the Australian and Queensland governments. The departments disperse this funding across their respective education service areas, which are early childhood education and care, and school education (Department of Education); and training and skills (Department of Employment, Small Business and Training).

In Queensland, 93.3 per cent (2022: 93.2 per cent) of Department of Education funding, and 94 per cent (2022: 94.1 per cent) of Department of Youth Justice, Employment, Small Business and Training funding came from amounts appropriated by parliament.



## Other education entities

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### TAFE Queensland

TAFE Queensland is the state's largest provider of practical, industry-relevant, vocational training. It was established as a statutory body under the *TAFE Queensland Act 2013*. It is a not-for-profit entity governed by an independent board.

Most of its income comes from training revenue received from students. In recognition of TAFE Queensland's cost disadvantage in the market (that is, having to provide non-profitable courses), the Queensland Government provides a state contribution grant, which funds part of the difference in costs between public and private training providers.

### Queensland Curriculum and Assessment Authority

The Queensland Curriculum and Assessment Authority is a statutory body established under the *Education (Queensland Curriculum and Assessment Authority) Act 2014*. It provides the syllabuses for all schooling from Kindergarten to Year 12. It also provides guidelines, assessment, reporting, testing, and certification services for Queensland schools. It revises syllabuses and guidelines and offers services and resources to help teachers implement them.

Most of its income comes from grant funding from the Queensland Government, approved through the state budget process.

### Queensland College of Teachers

The Queensland College of Teachers is responsible for registering teachers for Queensland schools, and for providing accreditation for pre-service teacher education programs. It is a statutory body established under the *Education (Queensland College of Teachers) Act 2005* to ensure teachers meet Australian education standards and act ethically.

The biggest contributors to the college's income are its teacher registration and application fees.

### Non-State Schools Accreditation Board

The Non-State Schools Accreditation Board works with non-state governing bodies in the areas of accreditation and funding eligibility. The board is a statutory body established under the *Education (Accreditation of Non-State Schools) Act 2001*.

While the board receives grant funding, most of its income is from corporate services the Department of Education provides, which it recognises at the value it would have paid for the services if it had to pay for them.



## D. Status of prior recommendations

The following tables provide the current status of the issues raised in our prior reports. We did not make any new recommendations in *Education 2022* (Report 16: 2022–23).

**Figure D1**  
**Status of recommendations from our report *Education 2021* (Report 19: 2021–22)**

<b>Understand the cost of service delivery to make informed decisions about future services and efficiencies in operations (TAFE Queensland)</b>		<b>Partially implemented</b>
REC 1	<p>In order to remain sustainable in the longer term, TAFE Queensland needs to continue to develop its understanding of the value of its services and the costs of delivering them.</p> <p>It should use this understanding to decide whether to invest in training that is more efficient or of greater value to students, to standardise processes, and to continue to implement strategies for increasing its student revenue and market share.</p> <p>TAFE Queensland should continue to work alongside the Department of Employment, Small Business and Training and Queensland Treasury to design and implement strategies to support its broader financial sustainability.</p>	<p>TAFE Queensland is still working on projects and initiatives to better understand its costs for service delivery, and expects these to be completed by 2024–25.</p> <p>It continues to work alongside Queensland Treasury and the Department of Employment, Small Business and Training to develop a longer-term Queensland vocational education and training strategy aimed at improving its sustainability. This will include a new funding model for TAFE Queensland that considers its training commitments and service expectations as a public provider.</p>
<b>Complete regular and timely assessments of the condition of assets (Department of Education and Department of Employment, Small Business and Training)</b>		<b>Partially implemented</b>
REC 2	<p>Both departments should ensure that condition assessments for their buildings are completed as soon as possible. The information from these assessments should be used to inform their maintenance budgets and long-term asset management strategies, which should consider both physical assets and digital infrastructure.</p> <p>These assessments should be undertaken regularly to ensure existing assets continue to be fit for purpose and to address changing learning styles.</p>	<p>The Department of Education has completed its condition assessment program, consisting of 1,268 education sites and 173 early childhood centres. This condition data is expected to be integrated into its finance system by June 2024, and will form the basis of school maintenance plans.</p> <p>The Department of Employment, Small Business and Training is using a risk-based approach to assess the condition of its assets. It is making progress with the inspections, but the condition data does not meet all the minimum requirements of the relevant Queensland Government policy.</p>

Source: Queensland Audit Office.

**Figure D2**  
**Status of recommendations from our report *Education 2020* (Report 18: 2020–21)**

Strengthen the security of information systems (all entities)		Further action needs to be taken
REC 1	<p>All entities should strengthen the security of their information systems. They rely heavily on technology, and increasingly, they must be prepared for cyber attacks. Any unauthorised access could result in fraud or error, and significant reputational damage.</p> <p>Their workplace culture, through their people and processes, must emphasise strong security practices to provide a foundation for the security of information systems. These practices must also be aware of other users, such as students, to ensure all networks are as secure as possible.</p> <p>Entities should:</p> <ul style="list-style-type: none"> <li>• provide security training for employees so they understand the importance of maintaining strong information systems, and their roles in keeping them secure</li> <li>• assign employees only the minimum access required to perform their job, and ensure important stages of each process are not performed by the same person</li> <li>• regularly review user access to ensure it remains appropriate</li> <li>• monitor activities performed by employees with privileged access (allowing them to access sensitive data and modify information) to ensure they are appropriately approved</li> <li>• implement strong password practices and multifactor authentication (for example, a username and password, plus a code sent to a mobile), particularly for systems that record sensitive information</li> <li>• encrypt sensitive information to protect it</li> <li>• patch vulnerabilities in systems in a timely manner, as upgrades and solutions are made available by software providers to address known security weaknesses that could be exploited by external parties.</li> </ul> <p>Entities should also self-assess against all of the recommendations in <i>Managing cyber security risks</i> (Report 3: 2019–20) to ensure their systems are appropriately secured.</p>	<p>While entities have taken appropriate actions to resolve the issues we have reported to them each year, we continue to identify similar internal control deficiencies. As a result, this remains a recommendation for education entities in this year's report.</p> <p>We have also made a new recommendation in this report – refer to <a href="#">Recommendation</a>.</p>

Source: Queensland Audit Office.

## Recommendation status definitions

Where a recommendation is specific to an entity, we have reported on the action that entity has taken and whether we consider the issue to be *fully implemented*, *partially implemented*, *not implemented*, or *no longer applicable*.



Status	Definition	
<b>Fully implemented</b>	Recommendation has been implemented, or alternative action has been taken that addresses the underlying issues and no further action is required. Any further actions are business as usual.	
<b>Partially implemented</b>	Significant progress has been made in implementing the recommendation or taking alternative action, but further work is required before it can be considered business as usual. This also includes where the action taken was less extensive than recommended, as it only addressed some of the underlying issues that led to the recommendation.	
<b>Not implemented</b>	<b>Recommendation accepted</b>	No or minimal actions have been taken to implement the recommendation, or the action taken does not address the underlying issues that led to the recommendation.
	<b>Recommendation not accepted</b>	The government or the agency did not accept the recommendation.
<b>No longer applicable</b>	Circumstances have fundamentally changed, making the recommendation no longer applicable. For example, a change in government policy or program has meant the recommendation is no longer relevant.	

Where a general recommendation has been made for all entities to consider, we have assessed action on issues reported to specific entities in the prior year, as well as any further issues identified in the current year. On this basis, we have concluded whether *appropriate action has been taken* across the sector, or if *further action needs to be taken* to address the risk identified.

Status	Definition	
<b>Appropriate action has been taken</b>	Recommendations made to individual entities have been implemented, or alternative action has been taken that addresses the underlying issues and no further action is required. No new issues have been identified across the sector that indicate an ongoing underlying risk to the sector that requires reporting to parliament.	
<b>Further action needs to be taken</b>	Recommendations made to individual entities have not been fully implemented, and/or new recommendations have been made to individual entities, indicating further action is required by entities in the sector to address the underlying risk.	



# E. Audit opinions for entities preparing financial reports

The following table details the types of audit opinions issued, in accordance with Australian auditing standards for the 2023 financial year.

**Figure E1**  
**Our opinions for education sector financial reports for 2023**

Entity type	Entity	Date audit opinion issued	Type of audit opinion issued
Departments and their controlled entities <sup>1</sup>	Department of Education <sup>2</sup>	25.08.2023	Unmodified
	• Queensland Education Leadership Institute Limited <sup>2</sup>	09.10.2023	Unmodified
	Department of Youth Justice, Employment, Small Business and Training <sup>2,7</sup>	31.08.2023	Unmodified
	• BCITF (QLD) Limited <sup>2,3</sup>	29.08.2023	Unmodified
Universities and their controlled entities <sup>1</sup>	Central Queensland University	02.04.2024	Unmodified
	• C Management Services Pty Ltd	19.02.2024	Unmodified
	• CQU Indonesia Holdings Pty Ltd	19.02.2024	Unmodified
	• CQU Travel Centre Pty Ltd	19.02.2024	Unmodified
	Griffith University	27.02.2024	Unmodified
	• International WaterCentre Pty Ltd <sup>4</sup>	Not finalised	
	James Cook University	29.02.2024	Unmodified
	Queensland University of Technology	02.04.2024	Unmodified
	The University of Queensland	26.02.2024	Unmodified
	University of Southern Queensland	02.04.2024	Unmodified
	University of the Sunshine Coast	02.04.2024	Unmodified
Grammar schools	Board of Trustees of the Brisbane Girls Grammar School	21.02.2024	Unmodified
	Board of Trustees of the Brisbane Grammar School	13.02.2024	Unmodified
	Board of Trustees of the Ipswich Girls' Grammar School	23.02.2024	Unmodified
	Board of Trustees of the Ipswich Grammar School	23.02.2024	Unmodified
	Board of Trustees of the Rockhampton Girls Grammar School	23.02.2024	Unmodified
	Board of Trustees of the Rockhampton Grammar School	23.02.2024	Unmodified
	Board of Trustees of the Toowoomba Grammar School	26.02.2024	Unmodified
	Board of Trustees of the Townsville Grammar School	23.02.2024	Unmodified
Statutory bodies and their controlled entities <sup>1</sup>	Non-State Schools Accreditation Board <sup>2</sup>	25.08.2023	Unmodified
	Queensland College of Teachers	15.02.2024	Unmodified
	Queensland Curriculum and Assessment Authority <sup>2</sup>	21.08.2023	Unmodified

Entity type	Entity	Date audit opinion issued	Type of audit opinion issued
	TAFE Queensland <sup>2</sup>	31.08.2023	Unmodified
	• Aviation Australia Pty Ltd <sup>2</sup>	31.08.2023	Unmodified
	• TAFE Queensland Scholarship Foundation <sup>2</sup>	13.03.2024	Unmodified
Jointly controlled entities <sup>1</sup>	Manufacturing Skills Queensland Limited <sup>2,8</sup>	04.10.2023	Unmodified
	Queensland College of Wine Tourism	Not finalised	
	Queensland Cyber Infrastructure Foundation Ltd	02.05.2024	Unmodified
	Queensland Tertiary Admissions Centre Limited	22.09.2023	Unmodified
	Sunshine Coast Health Institute	27.03.2024	Unmodified – EOM <sup>6</sup>
	Tropical Australia Academic Health Centre Limited	10.11.2023	Unmodified
Other	Building and Construction Industry Training Fund (Qld) <sup>2,3</sup>	29.08.2023	Unmodified
Audited by arrangement <sup>5</sup>	Translational Research Institute Trust	25.03.2024	Unmodified

## Notes:

- <sup>1</sup> Controlled entity – an entity owned by one or more public sector entities.
- <sup>2</sup> Our audit opinion was also listed in *State entities 2023* (Report 11: 2023–24).
- <sup>3</sup> BCITF (Qld) Limited is the trustee for the fund but does not control it.
- <sup>4</sup> International WaterCentre Pty Ltd 2020 financial statements were signed on 12 December 2022. We issued an unmodified opinion with an emphasis of matter because the board intends to wind up the entity. The audits for the 2021, 2022, and 2023 financial statements were not finalised at the date of this report.
- <sup>5</sup> Where asked by a minister or public sector entity, and where the Auditor-General considers there is public interest, the Queensland Audit Office may undertake an audit of a non-public sector entity on a 'by-arrangement' basis.
- <sup>6</sup> EOM – emphasis of matter. Sometimes we include an emphasis of matter in our audit reports to highlight an issue that will help users better understand the financial statements. It does not change the audit opinion.
- <sup>7</sup> Renamed Department of Employment, Small Business and Training following *Administrative Arrangements Order (No. 2) 2023* on 15 December 2023.
- <sup>8</sup> Manufacturing Skills Queensland Limited was incorporated on 31 October 2022. Its financial statements cover the period 31 October 2022 to 30 June 2023.

Source: Queensland Audit Office.

The Auditor-General approved exemptions from audit for the following entities (under s. 32 of the *Auditor-General Act 2009* – foreign-based controlled entities). These entities are still required to arrange for an audit to be completed.





**Figure E2  
Exempt entities**

Entity	Country of incorporation	Audit firm	Date audit opinion issued	Type of audit opinion issued
<b>Controlled entities of Central Queensland University</b>				
PT CQU Executive Business Training Centre	Indonesia	KAP Heliantono & Rekan	27.02.2024	Unmodified
Yayasan Pendidikan Tanah Ratu	Indonesia	KAP Heliantono & Rekan	27.02.2024	Unmodified
<b>Controlled entities of James Cook University</b>				
James Cook Holdings Pte Ltd	Singapore	Baker Tilly TFW LLP	13.02.2024	Unmodified
James Cook University Pte Ltd	Singapore	Baker Tilly TFW LLP	13.02.2024	Unmodified
• Eagle Infotech Consultants Pte Ltd	Singapore	Baker Tilly TFW LLP	13.02.2024	Unmodified
• James Cook Academy Pte Ltd	Singapore	Baker Tilly TFW LLP	13.02.2024	Unmodified
• Tropical Futures Institute Limited	Singapore	Baker Tilly TFW LLP	13.02.2024	Unmodified

Source: Queensland Audit Office.



## F. Entities not preparing financial reports

For each state public sector company, other than government owned corporations, the board of directors considers the requirements of the *Corporations Act 2001* and the company's constitution to determine whether financial statements need to be prepared. The board must revisit the assessment every 3 years or whenever a significant change occurs.

When entities are part of a larger group and are secured by a guarantee with other entities in that group (that they will cover their debts), the Australian Securities and Investments Commission allows them to not prepare a financial report. In addition, dormant or small companies that meet specific criteria under the *Corporations Act 2001* are not required to prepare financial statements.

If entities form part of a larger group that reports to the Australian Charities and Not-for-profits Commission, the commissioner may allow the group to jointly report under subsections 60–95(1) of the *Australian Charities and Not-for-profits Commission Act 2012*.

Accordingly, the Auditor-General will not issue audit opinions for the following controlled public sector entities for 2023, as they were not required to produce financial statements.

**Figure F1**  
**Entities not preparing financial reports**

Public sector entity	Reason for not preparing financial statements
<b>Controlled entities of Central Queensland University</b>	
Australian International Campuses Pty Ltd	Wound up
Australian International Campuses Trust	Wound up
DataMuster Pty Ltd	Non-reporting
Mask-Ed International Pty Ltd <sup>1</sup>	Dormant
<b>Controlled entities of James Cook University</b>	
CPB Trust	Non-reporting
Discover Sport Ltd	Non-reporting
JCU Asset Trust	Non-reporting
JCU College Pty Ltd	Non-reporting
JCU CPB Pty Ltd	Non-reporting
JCU Early Learning Centres Pty Ltd	Non-reporting
JCU Enterprises Pty Ltd	Non-reporting
JCU Health Pty Ltd	Non-reporting

Public sector entity	Reason for not preparing financial statements
JCU Innovation Holdings Limited	Non-reporting
JCU Univet Pty Ltd	Non-reporting
North Queensland Commercialisation Company Pty Ltd	Non-reporting
Tropical Queensland Centre for Oral Health Pty Ltd	Non-reporting
<b>Controlled entities of Queensland University of Technology</b>	
Brisbane Business School Pty Ltd	Non-reporting
QUT Advisory Pty Ltd	Non-reporting
QUT bluebox Trust	Non-reporting
QUT Enterprise Holdings Pty Ltd	Non-reporting
QUT Enterprise Holdings Trust	Non-reporting
qutbluebox Pty Ltd	Non-reporting
Student Managed Investment Fund	Non-reporting
<b>Controlled entities of TAFE Queensland</b>	
TAFE Queensland International Education Pty Ltd	Non-reporting
<b>Controlled entities of The University of Queensland</b>	
Carsinosa Pty Ltd	Non-reporting
Cassowary Pharmaceuticals Pty Ltd	Non-reporting
Complexore Pty Ltd	Non-reporting
Frontier Inflammasome Therapeutics Pty Ltd	Non-reporting
IMBcom Pty Ltd	Non-reporting
Jetra Therapeutics Pty Ltd	Non-reporting
JKTech Pty Ltd	Non-reporting
Liperate Therapeutics Pty Ltd	Non-reporting
Micromune Therapeutics Pty Ltd	Non-reporting
Neo Rehab Pty Ltd	Non-reporting
Oncostrike Biopharma Pty Ltd	Non-reporting
SMI-ICE-Chile SpA	Non-reporting



Public sector entity	Reason for not preparing financial statements
Sycura Therapeutics Pty Ltd	Non-reporting
Symbiosis Group Pty Ltd	Non-reporting
UniQuest Pty Ltd	Non-reporting
UQ College Ltd	Non-reporting
UQ Foundation Trust	Non-reporting
UQ Health Care Ltd	Non-reporting
UQ Holdings Pty Ltd	Non-reporting
UQ Investment Trust	Non-reporting
UQ Jakarta Office Pty Ltd	Non-reporting
UQ Residences Ltd	Non-reporting
UQ Sport Ltd	Non-reporting
<b>Controlled entities of University of Southern Queensland</b>	
UIL Holdings Pty Ltd	Non-reporting
Union Institute of Language - Springfield Campus Pty Ltd	Non-reporting
University of Southern Queensland (South Africa) Pty Ltd <sup>1</sup>	Dormant
<b>Controlled entities of University of the Sunshine Coast</b>	
Thompson Institute Pty Ltd	Wound up
USC Capital and Commercial Pty Ltd <sup>1</sup>	Dormant

## Notes:

The transactions of these controlled entities have been consolidated into the financial statements of the public sector entity they are owned by unless otherwise stated.

<sup>1</sup> These entities have not been consolidated as they either do not trade or are insignificant to the financial statements of their owners.

Source: Queensland Audit Office.



# G. Financial results

**Figure G1**  
Universities – for the year ended 31 December 2023

Amounts in \$'000								
University	Total assets	Total liabilities	Total income	Total expenses (excl tax)	Operating result before tax	Borrowings		
						Finance costs	New borrowings	Repayment of borrowings
CQU	1,217,358	533,056	479,651	487,312	(7,661)	9,146	-	-
GU	2,713,504	394,112	1,093,113	1,159,794	(66,681)	1,440	-	12,899
JCU	1,854,611	499,674	616,732	648,000	(31,268)	5,631	37,330	10,429
QUT	2,390,043	524,700	1,188,315	1,209,214	(20,899)	6,717	-	10,885
UQ	5,417,791	1,339,624	2,566,306	2,440,165	126,141	18,865	-	13,588
UniSQ	991,895	142,663	363,024	388,912	(25,888)	387	-	595
UniSC	1,000,280	213,173	368,692	347,834	20,858	3,601	-	10,175
<b>Total</b>	<b>15,585,482</b>	<b>3,647,002</b>	<b>6,675,833</b>	<b>6,681,231</b>	<b>(5,398)</b>	<b>45,787</b>	<b>37,330</b>	<b>58,571</b>

Note: CQU – Central Queensland University; GU – Griffith University; JCU – James Cook University; QUT – Queensland University of Technology; UQ – The University of Queensland; UniSQ – University of Southern Queensland; UniSC – University of the Sunshine Coast.

Source: Queensland Audit Office.

**Figure G2**  
Universities – for the year ended 31 December 2022

Amounts in \$'000								
University	Total assets	Total liabilities	Total income	Total expenses (excl tax)	Operating result before tax	Borrowings		
						Finance costs	New borrowings	Repayment of borrowings
CQU	1,149,711	504,883	410,558	434,809	(24,250)	9,285	-	-
GU	2,660,285	375,265	934,941	1,004,673	(69,732)	1,867	-	12,472
JCU	1,732,955	452,418	529,196	572,860	(43,664)	5,865	47,826	8,673
QUT	2,343,384	493,746	1,005,135	1,136,058	(130,923)	6,951	-	6,518
UQ	4,905,170	1,254,476	1,951,902	2,262,624	(310,722)	18,983	-	13,261
UniSQ <sup>1</sup>	933,550	133,144	326,955	348,363	(21,408)	122	-	3,436
UniSC	913,135	222,385	346,136	311,195	34,940	3,920	-	11,211
<b>Total</b>	<b>14,638,190</b>	<b>3,436,317</b>	<b>5,504,823</b>	<b>6,070,582</b>	<b>(565,759)</b>	<b>46,993</b>	<b>47,826</b>	<b>55,571</b>

Notes:

<sup>1</sup> UniSQ restated its prior year figures due to wage and superannuation calculation errors in payments made to employees (underpayments) between 2015 and 2023.

Source: Queensland Audit Office.



**Figure G3**  
Departments and TAFE Queensland – for the year ended 30 June 2023

Amounts in \$'000								
Entity	Total assets	Total liabilities	Total income	Total expenses (excl tax)	Operating result before tax	Borrowings		
						Finance costs	New borrowings	Repayment of borrowings
DoE	32,948,925	1,095,270	12,174,102	12,029,441	144,661	25,574	-	9,107
DYJESBT	3,308,926	464,827	1,410,473	1,367,121	43,352	21,282	-	4,465
TAFEQ	501,347	292,856	737,146	789,493	(52,347)	3,952	-	-
<b>Total</b>	<b>36,759,198</b>	<b>1,852,953</b>	<b>14,321,721</b>	<b>14,186,055</b>	<b>135,666</b>	<b>50,808</b>	<b>-</b>	<b>13,572</b>

Note: DoE – Department of Education; DYJESBT – Department of Youth Justice, Employment, Small Business and Training (renamed Department of Employment, Small Business and Training following *Administrative Arrangements Order (No. 2) 2023* on 15 December 2023); TAFEQ – TAFE Queensland.

Source: Queensland Audit Office.

**Figure G4**  
Departments and TAFE Queensland – for the year ended 30 June 2022

Amounts in \$'000								
Entity	Total assets	Total liabilities	Total income	Total expenses (excl tax)	Operating result before tax	Borrowings		
						Finance costs	New borrowings	Repayment of borrowings
DoE <sup>1</sup>	27,480,260	1,181,318	10,982,740	10,823,544	159,196	19,498	-	8,374
DESBT	1,970,888	457,689	1,550,051	1,518,818	31,233	21,726	-	4,017
TAFEQ	429,148	169,895	712,485	716,695	(4,210)	2,003	-	-
<b>Total</b>	<b>29,880,296</b>	<b>1,808,902</b>	<b>13,245,276</b>	<b>13,059,057</b>	<b>186,219</b>	<b>43,227</b>	<b>-</b>	<b>12,391</b>

Note:

<sup>1</sup> DoE restated its prior year figures due to the incorrect estimation of capital accruals at year end.

Source: Queensland Audit Office.

**Figure G5**  
**Grammar schools – for the year ended 31 December 2023**

Amounts in \$'000								
Grammar school	Total assets	Total liabilities	Total income	Total expenses (excl tax)	Operating result before tax	Borrowings		
						Finance costs	New borrowings	Repayment of borrowings
<b>BGGS</b>	191,240	42,937	59,570	56,539	3,031	896	-	1,879
<b>BGS</b>	279,399	65,333	81,455	80,298	1,157	1,027	-	3,079
<b>IGGS</b>	71,862	14,097	31,755	29,555	2,201	658	-	1,841
<b>IGS</b>	94,144	19,611	33,961	33,031	930	139	-	419
<b>RGGS</b>	44,285	3,424	13,210	11,792	1,418	98	-	413
<b>RGS</b>	102,598	16,400	53,464	50,514	2,950	384	-	848
<b>TWGS</b>	151,490	11,429	44,251	42,763	1,489	398	-	1,322
<b>TVGS</b>	88,651	13,932	37,947	36,527	1,421	534	-	2,041
<b>Total</b>	<b>1,023,669</b>	<b>187,163</b>	<b>355,614</b>	<b>341,018</b>	<b>14,596</b>	<b>4,134</b>	<b>-</b>	<b>11,841</b>

Note: BGGS – Brisbane Girls Grammar School; BGS – Brisbane Grammar School; IGGS – Ipswich Girls' Grammar School; IGS – Ipswich Grammar School; RGGS – Rockhampton Girls Grammar School; RGS – Rockhampton Grammar School; TWGS – Toowoomba Grammar School; TVGS – Townsville Grammar School.

Source: Queensland Audit Office.

**Figure G6**  
**Grammar schools – for the year ended 31 December 2022**

Amounts in \$'000								
Grammar school	Total assets	Total liabilities	Total income	Total expenses (excl tax)	Operating result before tax	Borrowings		
						Finance costs	New borrowings	Repayment of borrowings
BGGS	180,821	44,808	55,963	52,286	3,677	953	-	1,815
BGS <sup>1</sup>	270,791	65,441	71,437	70,618	819	1,022	-	2,522
IGGS	66,983	15,498	28,287	26,150	2,138	774	-	1,724
IGS	84,616	15,662	29,229	28,172	1,057	142	-	416
RGGS	41,151	3,479	12,554	10,780	1,773	107	600	387
RGS	99,216	15,968	48,587	47,075	1,512	427	-	806
TWGS	140,631	14,050	41,713	40,286	1,427	478	-	1,364
TVGS	85,677	16,181	36,192	33,489	2,703	603	2,200	1,933
<b>Total</b>	<b>969,886</b>	<b>191,087</b>	<b>323,963</b>	<b>308,858</b>	<b>15,106</b>	<b>4,506</b>	<b>2,800</b>	<b>10,967</b>

Notes:

<sup>1</sup> To comply with accounting standards, BGS has restated its prior year figures to separately record its ongoing costs for legal claims and the amounts it expects to be received from its insurers to settle these claims. In the past, these were offset against each other.

Source: Queensland Audit Office.

# H. Campus, student, and employee data

**Figure H1**  
Location of campuses for Queensland universities

Region	CQU	GU	JCU	QUT	UQ	UniSQ	UniSC
Brisbane – East							
Brisbane – North							
Brisbane – South		2					
Brisbane – West					1		
Brisbane Inner City	1	1	1	2	1		1
Cairns	1		1				
Central Queensland	4						
Darling Downs – Maranoa						1	
Far North			1				
Gold Coast		1					
Ipswich						2	
Logan – Beaudesert		1					
Mackay – Isaac – Whitsunday	2		1				
Moreton Bay – North							1
Moreton Bay – South							1
Outback – North			1				
Outback – South							
Sunshine Coast							1
Toowoomba					1	1	
Townsville	1		1				
Wide Bay	1						2
Other <sup>1</sup>	10	1	2	1	1	1	3
<b>Total</b>	<b>20</b>	<b>6</b>	<b>8</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>9</b>

Notes: CQU – Central Queensland University; GU – Griffith University; JCU – James Cook University; QUT – Queensland University of Technology; UQ – The University of Queensland; UniSQ – University of Southern Queensland; UniSC – University of the Sunshine Coast.

<sup>1</sup> Other includes interstate, overseas or online campuses, or other non-campus hubs.

Source: Queensland Audit Office.





**Figure H2**  
**Equivalent full-time student load for Queensland universities**

Equivalent full-time student load represents the various study loads of students as a proportion of the study load students would have if studying full-time for one year.

Region	CQU	GU	JCU	QUT	UQ	UniSQ	UniSC
Brisbane – East							
Brisbane – North							
Brisbane – South		10,253					
Brisbane – West					36,156		
Brisbane Inner City	856	2,344	1,182	35,168	1,685		
Cairns	142		1,593				
Central Queensland	775						
Darling Downs – Maranoa							
Far North							
Gold Coast		14,327					
Ipswich						1,752	
Logan – Beaudesert		828					
Mackay – Isaac – Whitsunday	258		123				
Moreton Bay – North							178
Moreton Bay – South							2,430
Outback – North			9				
Outback – South							
Sunshine Coast							6,230
Toowoomba					1,535	10,024	
Townsville	37		7,047				
Wide Bay	278						310
Other	10,612	3,925	5,193	624	3,228		2,289
<b>Total</b>	<b>12,958</b>	<b>31,677</b>	<b>15,147</b>	<b>35,792</b>	<b>42,604</b>	<b>11,776</b>	<b>11,437</b>

Source: Queensland Audit Office.

**Figure H3**  
**Full-time equivalent employees for Queensland universities**

Region	CQU	GU	JCU	QUT	UQ	UniSQ	UniSC
Brisbane – East							
Brisbane – North							
Brisbane – South		2,220					
Brisbane – West					6,678		
Brisbane Inner City	198	257		3,530	756		
Cairns	79		469				
Central Queensland	872						
Darling Downs – Maranoa						13	
Far North			2				
Gold Coast		1,607					
Ipswich						449	
Logan – Beaudesert		189					
Mackay – Isaac – Whitsunday	99		25				
Moreton Bay – North							29
Moreton Bay – South							110
Outback – North			25				
Outback – South							
Sunshine Coast							1,108
Toowoomba					389	1,098	
Townsville	34		1,271				
Wide Bay	117						56
Other	407	142	142	180	686		42
<b>Total</b>	<b>1,806</b>	<b>4,415</b>	<b>1,934</b>	<b>3,709</b>	<b>8,509</b>	<b>1,560</b>	<b>1,345</b>

Source: Queensland Audit Office.



**Figure H4**  
**Location of Queensland grammar schools**

Region	BGGS	BGS	IGGS	IGS	RGGS	RGS	TWGS	TVGS
Brisbane – East								
Brisbane – North								
Brisbane – South								
Brisbane – West								
Brisbane Inner City	1	1						
Cairns								
Central Queensland					1	1		
Darling Downs – Maranoa								
Far North								
Gold Coast								
Ipswich			1	1				
Logan – Beaudesert								
Mackay – Isaac – Whitsunday								
Moreton Bay – North								
Moreton Bay – South								
Outback – North								
Outback – South								
Sunshine Coast								
Toowoomba							1	
Townsville								3
Wide Bay								
<b>Total</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>3</b>

Note: BGGS – Brisbane Girls Grammar School; BGS – Brisbane Grammar School; IGGS – Ipswich Girls' Grammar School; IGS – Ipswich Grammar School; RGGS – Rockhampton Girls Grammar School; RGS – Rockhampton Grammar School; TWGS – Toowoomba Grammar School; TVGS – Townsville Grammar School.

Source: Queensland Audit Office.



**Figure H5**  
**Equivalent full-time student load for Queensland grammar schools**

Region	BGGS	BGS	IGGS	IGS	RGGS	RGS	TWGS	TVGS
Brisbane – East								
Brisbane – North								
Brisbane – South								
Brisbane – West								
Brisbane Inner City	1,537	1,879						
Cairns								
Central Queensland					483	1,740		
Darling Downs – Maranoa								
Far North								
Gold Coast								
Ipswich			984	1,140				
Logan – Beaudesert								
Mackay – Isaac – Whitsunday								
Moreton Bay – North								
Moreton Bay – South								
Outback – North								
Outback – South								
Sunshine Coast								
Toowoomba							1,202	
Townsville								1,350
Wide Bay								
<b>Total</b>	<b>1,537</b>	<b>1,879</b>	<b>984</b>	<b>1,140</b>	<b>483</b>	<b>1,740</b>	<b>1,202</b>	<b>1,350</b>

Source: Queensland Audit Office.



**Figure H6**  
**Full-time equivalent employees for Queensland grammar schools**

Region	BGGS	BGS	IGGS	IGS	RGGS	RGS	TWGS	TVGS
Brisbane – East								
Brisbane – North								
Brisbane – South								
Brisbane – West								
Brisbane Inner City	244	320						
Cairns								
Central Queensland					78	308		
Darling Downs – Maranoa								
Far North								
Gold Coast								
Ipswich			141	183				
Logan – Beaudesert								
Mackay – Isaac – Whitsunday								
Moreton Bay – North								
Moreton Bay – South								
Outback – North								
Outback – South								
Sunshine Coast								
Toowoomba							165	
Townsville								219
Wide Bay								
<b>Total</b>	<b>244</b>	<b>320</b>	<b>141</b>	<b>183</b>	<b>78</b>	<b>308</b>	<b>165</b>	<b>219</b>

Source: Queensland Audit Office.



**Figure H7**  
**Location of Department of Education schools**

Region	Primary <sup>1</sup>	Secondary <sup>2</sup>	Independent <sup>3</sup>	Combined <sup>4</sup>	Special <sup>5</sup>
Brisbane – East	20	3	10	1	1
Brisbane – North	16		15		2
Brisbane – South	27	7	20	2	7
Brisbane – West	6	1	24		2
Brisbane Inner City <sup>6</sup>	13	2	16		2
Cairns	50	6	12	5	
Central Queensland <sup>6</sup>	78	14	2	8	3
Darling Downs – Maranoa <sup>6</sup>	74	10	7	19	
Far North	16		1	7	
Gold Coast	33	6	34	1	2
Ipswich	68	10	16	1	5
Logan – Beaudesert	41	11	9		2
Mackay – Isaac – Whitsunday	57	12	1	3	
Moreton Bay – North	22	4	16	1	4
Moreton Bay – South	12	2	14		1
Norfolk Island				1	
Outback – North	13	1		7	1
Outback – South <sup>6</sup>	19	2		10	
Sunshine Coast	31	6	24		3
Toowoomba <sup>6</sup>	35	5	1		2
Townsville	51	6	11	1	3
Wide Bay <sup>6</sup>	94	10	15	9	4
<b>Total</b>	<b>776</b>	<b>118</b>	<b>248</b>	<b>76</b>	<b>44</b>

## Notes:

- <sup>1</sup> Primary schools provide students with compulsory education from Prep to Year 6.
- <sup>2</sup> Secondary schools (or high schools) provide educational programs for students from Year 7 to Year 12, with Years 7 to 10 compulsory.
- <sup>3</sup> Independent Public Schools can include schools from any other category. These schools are afforded greater autonomy in decision-making, and increased capacity to work in new ways to maximise learning outcomes.
- <sup>4</sup> Combined schools generally provide education to students from Prep to Year 10 or Year 12, depending on the school's location.
- <sup>5</sup> Special schools provide highly specialised and individual programs for students with significant support needs.
- <sup>6</sup> Includes 12 schools with zero enrolments in 2023.

Source: Queensland Audit Office.

**Figure H8**  
**Equivalent full-time student load for Department of Education schools**

Region	Primary	Secondary	Independent	Combined	Special
Brisbane – East	8,488	3,095	9,072	1,019	217
Brisbane – North	6,701		11,754		274
Brisbane – South	12,265	6,808	24,047	4,170	714
Brisbane – West	3,245	336	23,643		217
Brisbane Inner City	5,825	1,493	18,234		77
Cairns	11,123	4,457	10,813	7,222	
Central Queensland	14,204	9,960	1,069	5,450	273
Darling Downs – Maranoa	4,623	5,037	1,427	3,391	
Far North	653		1,237	2,701	
Gold Coast	17,421	7,369	37,410	1,834	295
Ipswich	21,039	10,032	12,864	1,737	820
Logan – Beaudesert	21,506	16,113	7,093		562
Mackay – Isaac – Whitsunday	12,437	8,890	79	513	
Moreton Bay – North	8,458	4,935	15,293	434	482
Moreton Bay – South	5,800	1,773	17,007		286
Norfolk Island				304	
Outback – North	1,723	932		1,463	26
Outback – South	574	524		1,120	
Sunshine Coast	10,895	5,027	25,075		385
Toowoomba	9,672	5,976	981		301
Townsville	9,765	2,900	11,429	337	319
Wide Bay	12,840	7,119	10,175	1,398	350
<b>Total</b>	<b>199,257</b>	<b>102,776</b>	<b>238,702</b>	<b>33,093</b>	<b>5,598</b>

Source: Queensland Audit Office.

**Figure H9**  
**Full-time equivalent employees for Department of Education schools**

Region	Primary	Secondary	Independent	Combined	Special
Brisbane – East	868	340	926	127	97
Brisbane – North	649		1,250		150
Brisbane – South	1,190	731	2,268	414	414
Brisbane – West	302	56	2,260		134
Brisbane Inner City	556	173	1,711		118
Cairns	1,330	581	1,284	636	
Central Queensland	1,663	1,190	105	308	139
Darling Downs – Maranoa	665	723	170	570	
Far North	114		283	378	
Gold Coast	1,754	804	3,870	193	147
Ipswich	2,268	1,195	1,310	185	441
Logan – Beaudesert	2,219	1,842	750		253
Mackay – Isaac – Whitsunday	1,350	1,059	41	92	
Moreton Bay – North	949	541	1,596	65	268
Moreton Bay – South	574	214	1,649		125
Norfolk Island				39	
Outback – North	225	151		226	15
Outback – South	114	83		240	
Sunshine Coast	1,134	580	2,584		210
Toowoomba	1,107	717	138		166
Townsville	1,160	425	1,114	52	179
Wide Bay	1,618	941	1,229	242	178
<b>Total</b>	<b>21,809</b>	<b>12,346</b>	<b>24,538</b>	<b>3,767</b>	<b>3,304</b>

Source: Queensland Audit Office.





**Figure H10**  
**Campus data for Queensland vocational education and training**

Region	TAFEQ	CQU
Brisbane – East	2	
Brisbane – North	2	
Brisbane – South	3	
Brisbane – West	1	
Brisbane Inner City	1	1
Cairns	5	1
Central Queensland	4	5
Darling Downs – Maranoa	4	
Far North	4	
Gold Coast	6	
Ipswich	3	
Logan – Beaudesert	3	
Mackay – Isaac – Whitsunday	3	2
Moreton Bay – North	2	
Moreton Bay – South		
Outback – North	3	
Outback – South	1	
Sunshine Coast	5	
Toowoomba	2	
Townsville	6	1
Wide Bay	8	1
Other <sup>1</sup>	3	3
<b>Total</b>	<b>71</b>	<b>14</b>

Notes: TAFEQ – TAFE Queensland; CQU – Central Queensland University.

<sup>1</sup> Other includes interstate, overseas or online campuses, or other non-campus hubs.

Source: Queensland Audit Office.



**Figure H11**  
**Equivalent full-time student load for Queensland vocational education and training**

Region	TAFEQ	CQU
Brisbane – East	5,305	
Brisbane – North	9,015	
Brisbane – South	16,099	
Brisbane – West	752	
Brisbane Inner City	20,536	311
Cairns	8,531	193
Central Queensland	3,058	2,084
Darling Downs – Maranoa	1,450	
Far North	457	
Gold Coast	9,414	
Ipswich	7,504	
Logan – Beaudesert	738	
Mackay – Isaac – Whitsunday	365	1,209
Moreton Bay – North	1,309	
Moreton Bay – South		
Outback – North	670	
Outback – South	82	
Sunshine Coast	14,559	
Toowoomba	6,868	
Townsville	3,377	69
Wide Bay	8,766	87
Other	17,153	38
<b>Total</b>	<b>135,828</b>	<b>3,990</b>

Note: TAFE Queensland does not calculate equivalent full-time student load. Student numbers provided are unique student numbers by campus. Student numbers provided by campus are higher than the total unique student count due to some students attending multiple campuses. Students trained via third-party providers or at offsite locations are reported against their enrolling campus.

Source: Queensland Audit Office.



**Figure H12**  
**Full-time equivalent employees for Queensland vocational education and training**

Region	TAFEQ	CQU
Brisbane – East	164	
Brisbane – North	275	
Brisbane – South	749	
Brisbane – West	25	
Brisbane Inner City	750	10
Cairns	367	3
Central Queensland	6	86
Darling Downs – Maranoa	29	
Far North	9	
Gold Coast	590	
Ipswich	223	
Logan – Beaudesert	116	
Mackay – Isaac – Whitsunday	22	86
Moreton Bay – North	50	
Moreton Bay – South		
Outback – North	17	
Outback – South <sup>1</sup>		
Sunshine Coast	311	
Toowoomba	223	
Townsville	236	5
Wide Bay	190	5
Other	13	2
<b>Total</b>	<b>4,366</b>	<b>197</b>

Note: <sup>1</sup> TAFEQ has 82 students and 0.4 FTE.

Source: Queensland Audit Office.





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T: (07) 3149 6000  
E: [qao@qao.qld.gov.au](mailto:qao@qao.qld.gov.au)  
W: [www.qao.qld.gov.au](http://www.qao.qld.gov.au)  
53 Albert Street, Brisbane Qld 4000  
PO Box 15396, City East Qld 4002