



MEDIA RELEASE

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Financial snapshot of higher education sector healthy

A Tertiary Education Quality and Standards Agency (TEQSA) report analysing the financial state of Australia's higher education providers shows 80% recorded a profit or surplus in 2015.

The report, "**Key financial metrics on Australia's higher education sector**", provides a snapshot of the financial health of Australia's higher education sector using data from TEQSA's 2015 collection year.

Total revenue from providers was up by 6.4% to stand at \$34.3 billion in 2015 compared to \$32.3 billion in 2014, the report found.

Staff spending sat at \$18.9 billion – representing 58% of sector expenditure. It continued to account for the largest item of spending in the sector. Marketing and promotion expenditure grew by 31% to \$526 million.

TEQSA chief executive Anthony McClaran said the report confirmed Australia's higher education providers are in a sound financial position.

He said government grants and programs accounted for 42% of the sector's revenue. Other sources such as domestic students (22%), international students (16%), and activities such as VET delivery, donations and commercial operations accounted for the remainder of sector revenue.

It is the second time TEQSA has released an analysis of financial data as part of its sector monitoring role. A new section analysing revenue from international students has been added to the report.

Revenue earned from international students totalled \$5.5 billion, accounting for 16% of sector revenue in 2015. It was the largest source of revenue for 18% of providers and for 46% of for-profit providers.

Mr McClaran said that while universities generated the majority of the sector's revenue from international students it was a major source of revenue for many For-profit providers.

The report also flagged some areas of concern, pointing to a continued reliance on government grants and programs which increased to 42% of sector revenue, a reduction in capital expenditure to \$3.4 billion (down from \$3.7 billion in 2014), and modest growth in staff spending.

Mr McClaran said TEQSA would continue to consult with the sector on how it can best release data and analysis as part of its regulatory role.

"TEQSA is in a unique position to share the information we collect and analyse as part of our ongoing monitoring and quality assurance role and we intend progressively to expand the amount of information we make publically available," he said.

The **Key financial metrics on Australia's higher education sector** report is available at www.teqsa.gov.au/news-publications/publications

Anthony McClaran is available for interview.