



FINANCIAL AUDIT REPORT

27 May 2021

## Education 2020

### Report 18: 2020–21

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.

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- 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. Depending on the level of assurance we can provide, these reports may also take the form of:
  - audit insights, which provide some evaluation and share our insights or learnings from our audit work across government
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The Honourable C Pitt MP  
Speaker of the Legislative Assembly  
Parliament House  
BRISBANE QLD 4000

27 May 2021

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



Brendan Worrall  
Auditor-General



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# Report on a page

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This report summarises the audit results of entities in Queensland's education sector, including the Department of Education; the Department of Employment, Small Business and Training; TAFE Queensland; seven universities; eight grammar schools; and some other statutory bodies.

## Financial statements are reliable

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The financial statements of all education entities are reliable and comply with relevant reporting requirements. Entities have mature financial statement processes and were able to prepare good quality financial statements, despite the challenges presented by the pandemic.

## Entities reacted quickly to risks from COVID-19

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International border closures resulting from COVID-19 had a significant impact on universities. This year, revenue from international students decreased by \$134 million (nearly nine per cent of total international student revenue). Universities responded quickly to reduce costs.

Grammar schools received assistance through federally funded COVID-19 assistance programs to support their financial results this year. They will need to reassess the cost of their services as government assistance reduces.

State schools adopted new technology to support remote learning for the five weeks of COVID-19 lockdown, and made alternate learning resources available for students with limited or no access to computers and/or the internet. The Department of Education is reviewing its response to the pandemic to develop approaches for using technology to deliver learning in the future.

## Entities need to cope with funding uncertainty

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Across the sector, future revenue streams remain uncertain. In order to remain viable, all entities need to understand the cost of delivering their services over the medium and longer term and monitor the efficiency of their service delivery.

## Asset management is essential for future planning

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Education entities invest significant funds in maintaining, replacing or upgrading assets. It is important this is done at the most cost-effective point in an asset's life. Entities need a good understanding of the condition of their assets and future demand for their services to plan for effective asset management. To meet forecast demand and reduce pressure on existing schools, the Department of Education is building schools in regions with strong population growth. This investment needs to be integrated with its digital strategy.

## Strong information systems are critical

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While we were able to rely on entities' systems and processes used to prepare financial statements, we identified some deficiencies. Security of information systems continues to be the area where we find the most issues.

Given the sensitive nature of information held about students and research, education entities are an attractive target for cyber attacks. They must update their systems promptly to respond to changes within their entity and to remain vigilant from external threats.



# Recommendations for entities

We have identified the following recommendations:

<b>Strengthen the security of information systems (all entities)</b>	
<b>REC 1</b>	<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 cognisant of other users, such as students, to ensure that 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>
<b>Understand the cost of service delivery to make informed decisions about future services and efficiencies in operations (education entities)</b>	
<b>REC 2</b>	<p>In order to remain sustainable in the longer term, education entities need to continue to develop their understanding of the value of their services and the cost of delivering them. They should use this understanding to decide whether to offer the same services in the future or invest in others that are more efficient or of greater value to customers.</p>
<b>Improve asset condition assessments (all entities)</b>	
<b>REC 3</b>	<p>All entities need to regularly review the condition of their assets to ensure they understand current and future maintenance requirements. Entities need to use accurate information about the condition of their assets to inform their long-term asset management strategies, which should consider both physical assets and digital infrastructure.</p>

## Reference to comments

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](#).

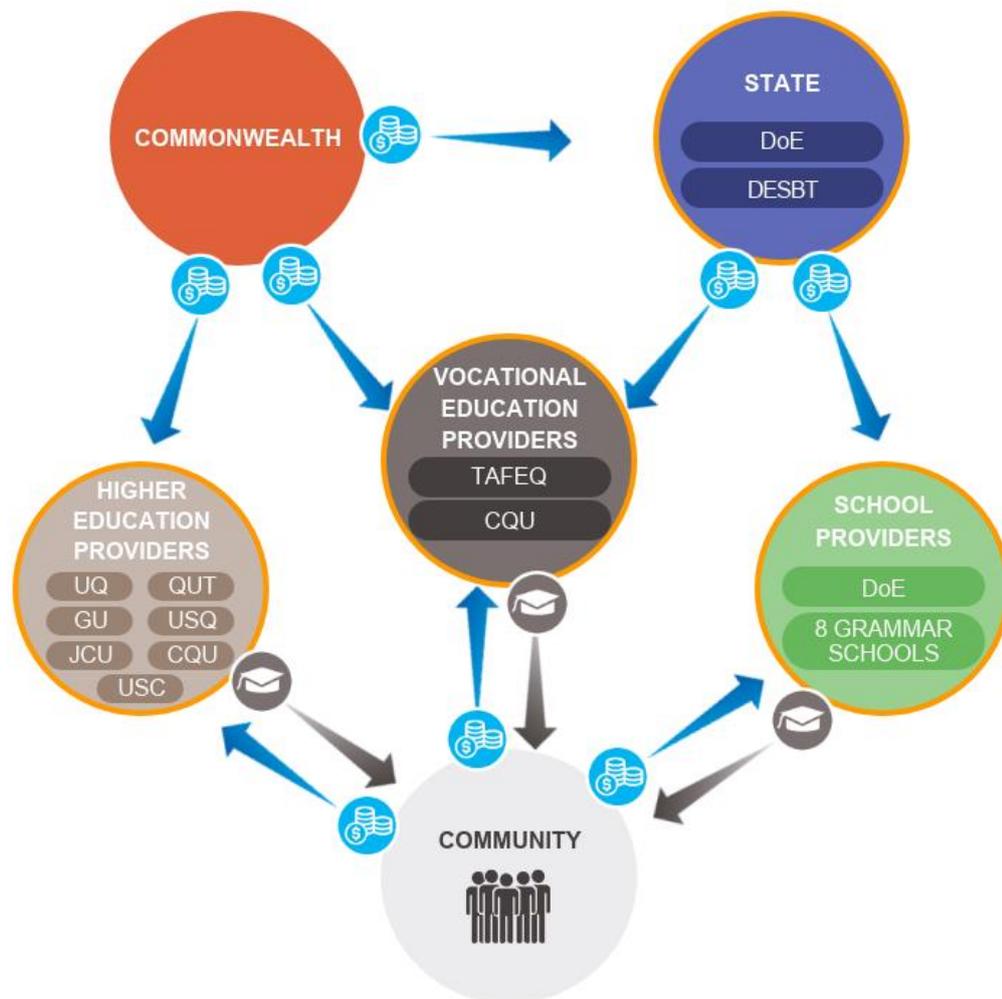


# 1. Overview of entities in this sector

This report summarises our 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 2020. For universities, grammar schools, and other statutory bodies, it was 31 December 2020.

We provide 40 opinions in this sector. The analysis in this report focuses on the 18 entities highlighted in Figure 1A, representing 99.2 per cent of revenue within the education sector.

**Figure 1A**  
Public sector entities in the education sector



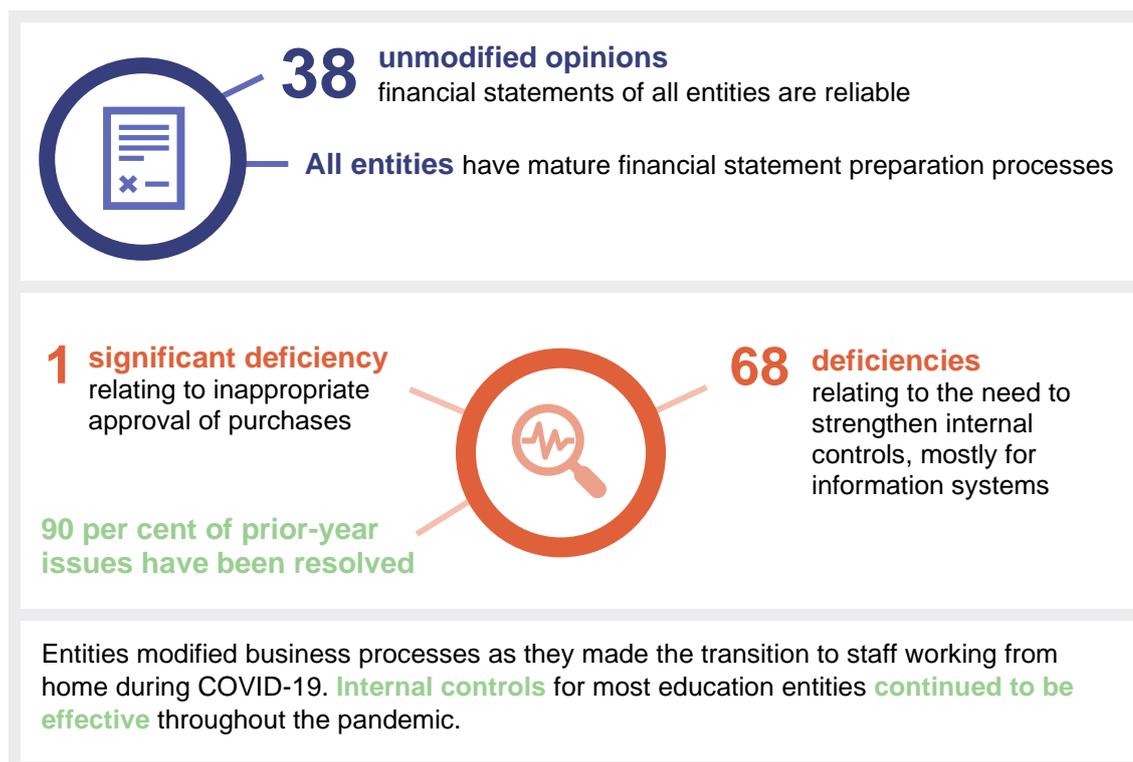
Note: Yellow outer circles indicate the entities included in this report.  
DoE—Department of Education; DESBT—Department of Employment, Small Business and Training; TAFEQ—TAFE Queensland; CQU—Central Queensland University; UQ—The University of Queensland; QUT—Queensland University of Technology; GU—Griffith University; USQ—University of Southern Queensland; JCU—James Cook University; USC—University of the Sunshine Coast.

Source: Queensland Audit Office.

## 2. Results of our audits

This chapter provides an overview of our audit opinions for entities in the education sector and of the effectiveness of the systems and processes (internal controls) they use to prepare financial statements.

### Chapter snapshot



### Audit opinion results

We issued unmodified audit opinions for all education entities in Queensland, within their legislative deadlines. Readers can rely on the results in the audited financial statements. The details are provided in Appendix C.

#### DEFINITION

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

### Entities not preparing financial statements

Not all Queensland public sector education entities produce financial statements. The full list of entities not preparing financial statements and the reasons are provided in Appendix D.



## Education entities self-assessed their financial statement preparation processes as mature

Most education entities have established financial statement preparation processes that are appropriate for their size and complexity. These processes meant they did well this year to prepare good quality financial statements on time, given the challenges arising from the COVID-19 pandemic.

In 2019, universities were the first to undertake a self-assessment of their financial statement preparation processes, using the maturity model on our [website](#). This year, we worked with the departments, TAFE Queensland, and the grammar schools as they performed self-assessments.

Figure 2A shows that the average maturity of financial statement preparation processes increases with the size of the education entity. Grammar schools have smaller and less complex operations than most other education entities. We would not expect them to invest in maturing their financial statement preparation processes unless they have assessed there to be a real benefit in efficiency or quality.

**Figure 2A**  
**Average maturity of financial statement preparation processes increases with the size of the education entity**

Grammar schools	TAFE Queensland	Universities	Department of Education
Average expenses of \$35 million	Expenses of \$633 million	Average expenses of \$816 million	Expenses of \$10 billion
<b>Established</b>	<b>Integrated</b>	<b>Integrated</b>	<b>Integrated</b>

Notes: Established—third highest level of maturity. Integrated—second highest level of maturity.

Source: Queensland Audit Office.

The Department of Employment, Small Business and Training's maturity was assessed as established this year. While this is a larger entity, its financial statement preparation processes are still developing after the department was created on 12 December 2017.

Strengths identified across the sector included good quality proforma statements (financial statements prepared before year end that focus on wording and structure) and month-end financial reporting processes. These proved to be of significant benefit given the additional pressure on finance teams as a result of the COVID-19 pandemic—which included working from home and implementing cost-saving measures.

Larger entities have recognised the importance of continually refining their financial statements so they reflect the most significant aspects of their operations and meet the needs of users. This includes clearly explaining the complex assumptions and estimates they apply in their financial statements. This will continue to be a focus in coming years.

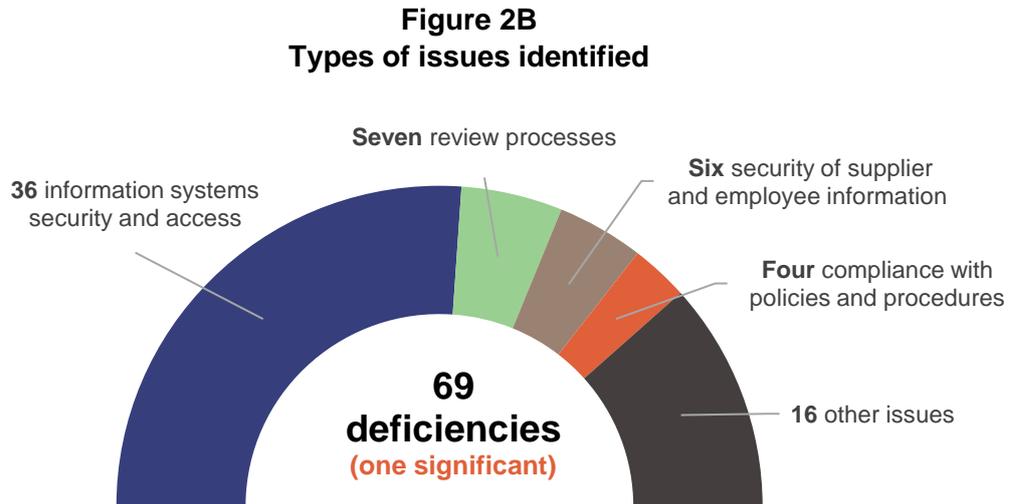
Larger entities are also looking for further opportunities to automate aspects of their monthly processes. These measures will continue to improve the efficiency and quality of their financial statement preparation.



## Internal controls are generally effective

In 2019–20, we found the internal controls education entities have in place to ensure reliable financial reporting are generally effective. While we were able to rely on them, we identified one significant deficiency (a high-risk issue) in internal controls, as payments had been authorised by an employee who did not have the financial delegation to do so. We performed additional testing to conclude that this had not resulted in a misstatement in the financial statements.

Figure 2B shows the nature of internal control deficiencies reported during the year.



Source: Queensland Audit Office.

The majority of education sector entities have either addressed their identified control deficiencies or are on track to do so by the agreed dates. Proactive and timely resolution of deficiencies indicates a strong foundation for the effective operation of internal controls.

### Security of information systems continues to be the most common control weakness

Most deficiencies identified during the year related to information systems, including:

- insufficient monitoring of the access and activities of privileged users (who have access to sensitive data and can modify information)
- ineffective management of user access to systems
- poor password practices for networks and applications.

Weaknesses over controls in information systems increase the risk of undetected errors or potential financial loss, including from fraud. Our report to parliament—*State entities 2020* (Report 13: 2020–21)—identified a significant increase in cyber attacks and phishing attempts (scams that trick people into providing confidential information through email or message platforms) since the start of the pandemic. Education entities are popular targets for cyber attacks given the nature of the information held about students and research materials. Their information systems are further complicated by their need to share information with other users (both students and research collaborators). In order to maintain a strong information security environment, entities need to consider all users of their systems.

All entities need their people and processes to demonstrate strong security practices so their information systems are promptly updated, they can respond to changes within their entity, and they can protect against external threats.

**Recommendation for all entities****Strengthen the security of information systems (REC 1)**

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.

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 cognisant of other users, such as students, to ensure that all networks are as secure as possible.

Entities should:

- provide security training for employees so they understand the importance of maintaining strong information systems, and their roles in keeping them secure
- 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
- regularly review user access to ensure it remains appropriate
- monitor activities performed by employees with privileged access (allowing them to access sensitive data and modify information) to ensure they are appropriately approved
- 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
- encrypt sensitive information to protect it
- 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.

Entities should also self-assess against all of the recommendations in *Managing cyber security risks* (Report 3: 2019–20) to ensure their systems are appropriately secured.

## Processes were adapted in the transition to working from home

Most entities made the transition to staff working from home in March 2020 to comply with COVID-19 restrictions and support social distancing. As restrictions ease, we are now seeing a combination of staff working from home and in the office.

The transition to the new working arrangements resulted in most entities modifying business processes so they could be performed remotely, investing in computer hardware, and implementing secure technologies to facilitate remote access. This meant they were able to maintain business-as-usual practices during the pandemic.

These changes in working arrangements have increased the risk of controls failing, due to changes in manual business processes (including relying more on technology—for example, allowing remote access and using electronic signatures) and the reduced capacity for supervision.

We identified seven instances where reviews of journals (used to record transactions that do not involve cash), monthly reconciliations (such as matching the cash at bank to accounting records), and reporting (to monitor whether processes are occurring) were either not performed or were not performed in a timely manner.

Despite this, our audits found internal controls for education entities have generally operated effectively throughout the pandemic and were able to be relied on when preparing financial statements.



# 3. Financial challenges faced by education sector entities

This chapter analyses the financial performance and position of the 18 education sector entities, and the challenges faced by the sector.

## Chapter snapshot



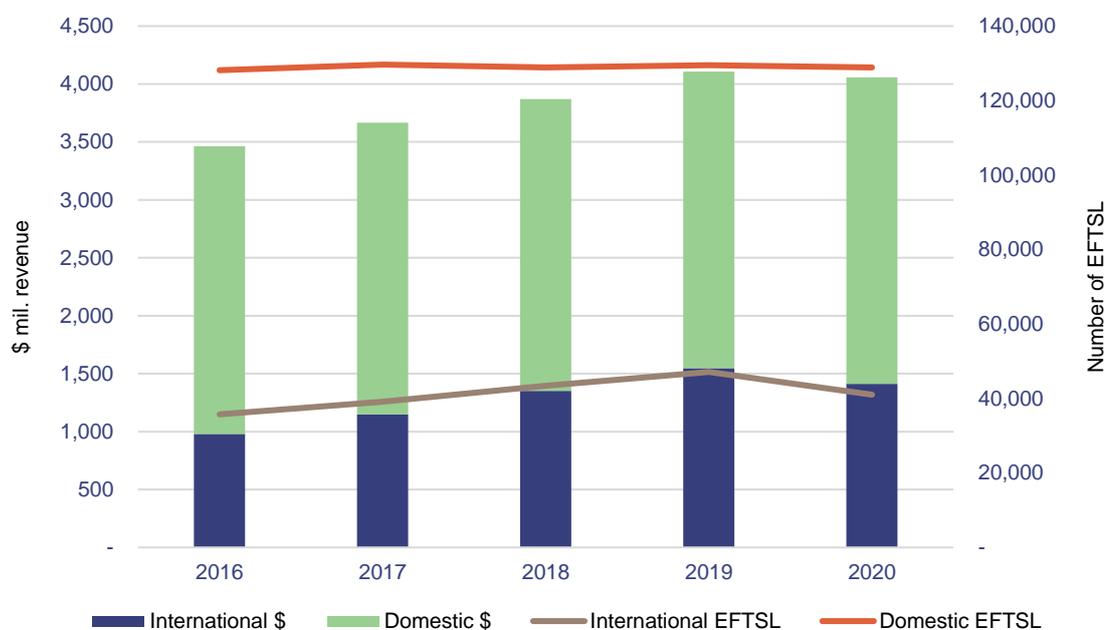
## Universities have responded to risks from COVID-19

Universities have increased their reliance on revenue from international students in the last five years, in response to changes to Australian Government funding and increased competition in the domestic student market.



In 2020, total revenue recorded by the university sector from international students decreased by 8.7 per cent due to the impact of COVID-19. While the sector was affected by international border closures, the full impact was mitigated in 2020 as some students enrolled in courses were in the country when travel restrictions came into effect. Universities were also able to offer online learning and provided fee assistance to support international students to continue their studies.

**Figure 3A**  
**International student revenue decreased in 2020**



Note: 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 studying full-time for one year. 'Number of EFTSL' adds all of these together.

Source: Queensland Audit Office.

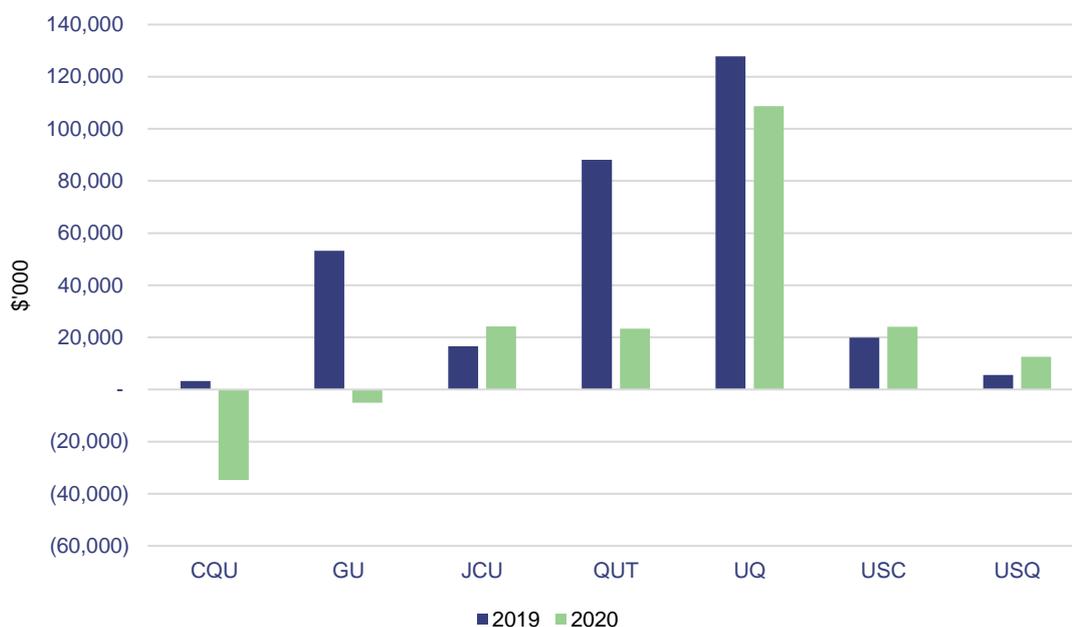
## Actions taken by all universities to manage COVID-19

Universities responded quickly to the COVID-19 pandemic throughout 2020 to minimise the decline in their revenue and reduce expenses. Their actions included:

- **moving to online learning**—With campuses closed to students from March 2020, all universities moved to digital delivery of courses. This also enabled them to retain some of their off-shore international students who continued their studies despite not being in the country
- **restructuring**—Each university has begun restructuring to better position itself for the medium and longer term. This has included early retirement and redundancy programs, as well as reviews of strategic direction
- **assessing expenses**—All universities reduced operating expenses, largely related to commissions paid to agents (who help recruit international students), travel, and discretionary spend (for example, for events and hospitality). All universities also reviewed their planned asset purchases and maintenance programs, and some deferred activities to future years.

Their 2020 results confirm these actions have been effective in the short term.

**Figure 3B**  
**Operating results for Queensland universities—2019 versus 2020**



Note: CQU—Central Queensland University; GU—Griffith University; JCU—James Cook University; QUT—Queensland University of Technology; UQ—The University of Queensland; USC—University of the Sunshine Coast; USQ—University of Southern Queensland.

Source: Queensland Audit Office.

Prior to 2020, Central Queensland University had the highest reliance on international course fees, which made up 36 per cent of its total revenue. This meant it was the hardest hit when the pandemic caused border closures and restrictions on travel. The university incurred an operating loss of \$34 million (2019: profit of \$3 million). International student revenue decreased by \$54 million but was offset by increases from other revenue sources, including from domestic students, resulting in an overall decrease in revenue of \$37 million.

Central Queensland University took decisive action and was the first university to undertake an organisational restructure, resulting in 296 staff separations. It entered into new financing arrangements, which included a \$20 million Queensland Treasury Corporation overdraft facility (not accessed as at 31 December 2020) and a \$70 million loan from the Australian Government for its asset purchases, with \$35 million received in December 2020 and the remainder expected to be used in 2021. It permanently closed its campuses at Biloela, Yeppoon, and Noosa.

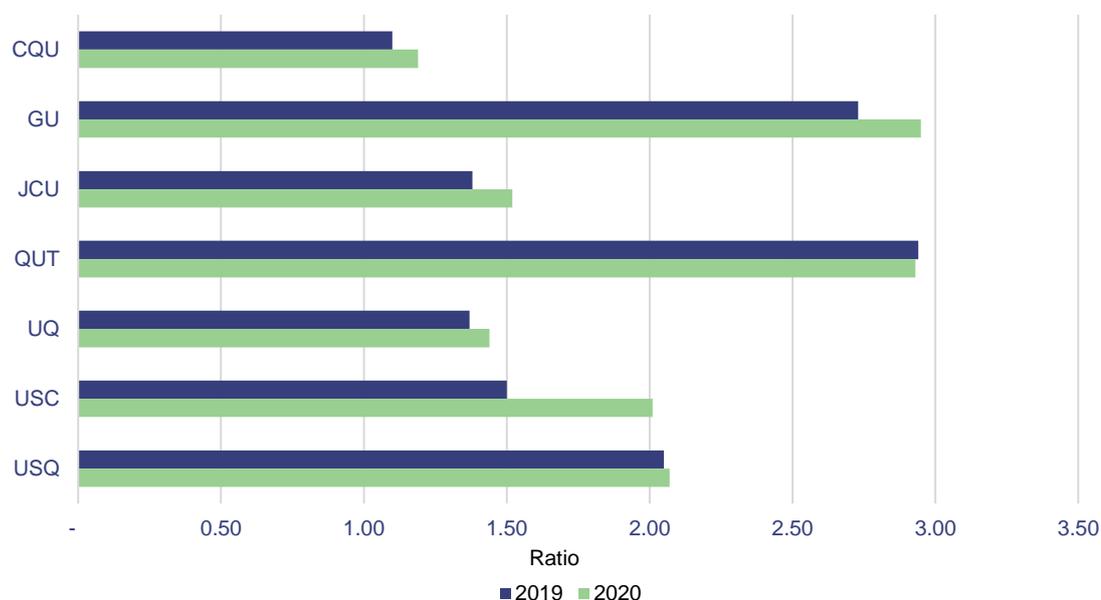
Outside of COVID-19 impacts, the significant decreases in operating results for Griffith University and the Queensland University of Technology were largely due to lower investment income of \$7.2 million in 2020 compared with \$111.5 million in the prior year. This movement represents changes in the value of investments they hold and does not impact their cash balances. Investment income is dependent on market conditions.

## Continued uncertainty for universities

The effects of COVID-19 are expected to continue well into 2021 and beyond for the university cohort. Due to the lower international enrolments this year, most universities are budgeting for lower revenue in the short term. The impact of this has been partially offset by increased domestic enrolments.

Figure 3C shows the universities' ability to pay their debts as and when they fall due, where we compared their liquid assets (cash and investments) to the liabilities they expect to pay over the next 12 months. A ratio of less than one indicates that a university may face some short-term challenges in supporting its ongoing operations.

**Figure 3C**  
**Universities are able to meet their short-term debts**



Note: CQU—Central Queensland University; GU—Griffith University; JCU—James Cook University; QUT—Queensland University of Technology; UQ—The University of Queensland; USC—University of the Sunshine Coast; USQ—University of Southern Queensland.

Source: Queensland Audit Office.

In the longer term, universities will continue to face significant risks with the security of their funding. Four universities have budgeted for a loss in 2021. All universities are expecting lower international student enrolments, which will impact their revenue for at least three years (being the minimum for a degree).

At the time of preparing budgets, most of the sector anticipated that international students would be able to return sometime in 2021. The universities' ability to attract and retain students at pre-COVID levels remains unknown. A secondary impact is that the delivery of courses is likely to change given some were able to be fully online this year. This is likely to increase competition for international students globally as it removes some barriers, including visas.

Also, several changes have been made to Australian Government funding in recent years, with the introduction of new funding packages being implemented in 2021. Universities are still determining the impact these changes will have on their long-term outlooks.

To address the ongoing uncertainty, universities will need a clear understanding of what they will deliver in a post-pandemic environment. As the demand may be different to current expectations, they will need to ensure they deliver their courses and services in an efficient and flexible manner, while also achieving their strategic objectives.

**Recommendation for all education entities**

Understand the cost of service delivery to make informed decisions about future services and efficiencies in operations (REC 2)

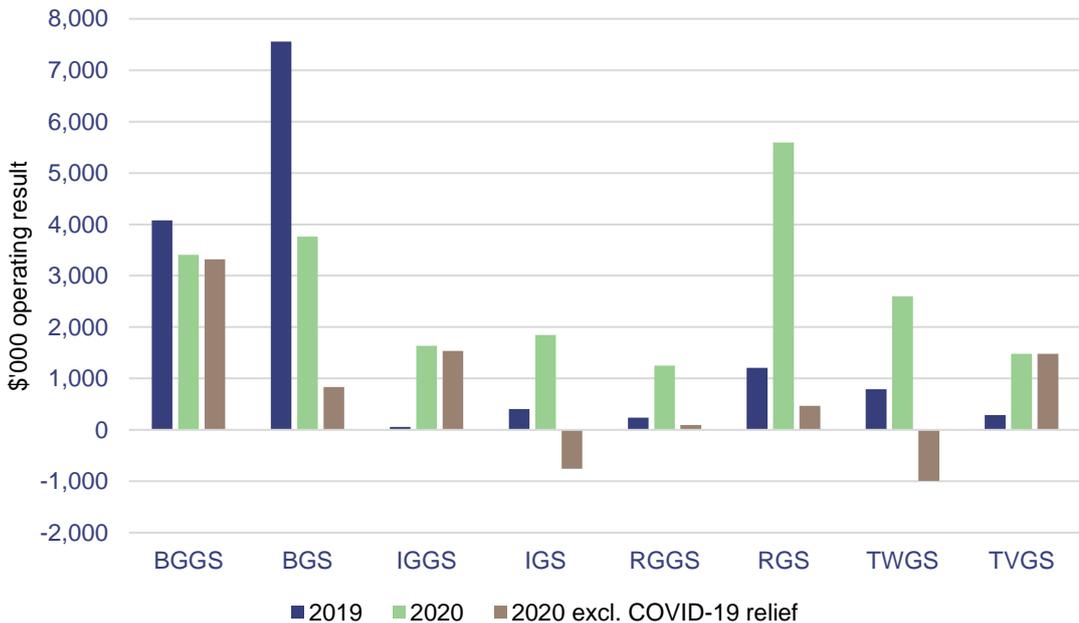
In order to remain sustainable in the longer term, education entities need to continue to develop their understanding of the value of their services and the cost of delivering them. They should use this understanding to decide whether to offer the same services in the future or invest in others that are more efficient or of greater value to customers.

## Grammar schools received support during COVID-19

Six out of eight grammar schools increased their operating result in 2020, and all grammar schools increased their total revenue. However, significant Commonwealth COVID-19 relief payments were received by five out of eight grammar schools during this time. Brisbane Girls Grammar School, Ipswich Girls' Grammar School and Townsville Grammar School did not receive significant Commonwealth COVID-19 relief payments.

Figure 3D shows that when the COVID-19 relief is excluded, the operating result for six out of eight grammar schools declined.

**Figure 3D**  
**Grammar schools' operating results 2019–2020**



Note: BGGGS—Brisbane Girls Grammar School; BGS—Brisbane Grammar School; IGGS—Ipswich Girls' Grammar School; IGS—Ipswich Grammar School; RGGGS—Rockhampton Girls Grammar School; RGS—Rockhampton Grammar School; TWGS—Toowoomba Grammar School; TVGS—Townsville Grammar School.

Source: Queensland Audit Office.

Expenses for the grammar schools grew consistently with prior years, however revenue has not grown at the same rate. Revenue was impacted by the COVID-19 restrictions with an overall decrease in boarding fees of \$2.9 million. Should this prove to be a longer-term trend driven by economic conditions, grammar schools will need to look for efficiencies within their operations.



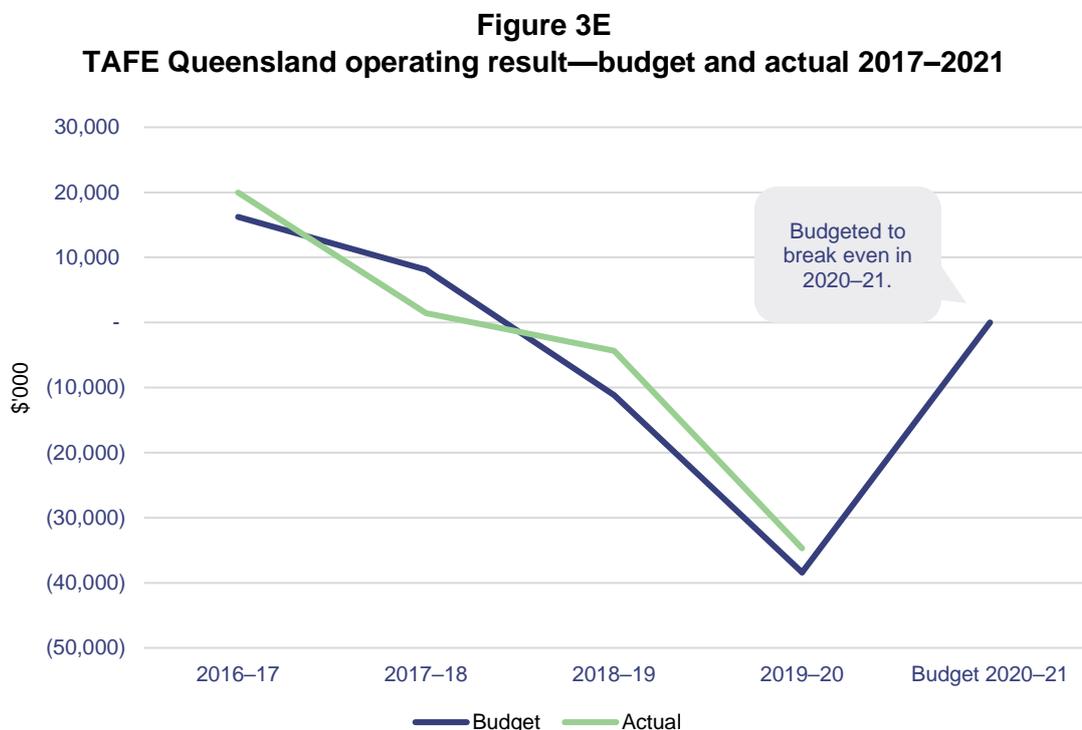
## TAFE Queensland incurred a second year of losses

TAFE Queensland has been experiencing declining profits and recorded an operating loss for the second consecutive year in 2019–20. While training revenues increased from the previous year, overall revenues were lower due to changes in funding arrangements with the Queensland Government, and increases in employee costs under enterprise bargaining agreements. In addition, it has to meet the Queensland Government's service expectations to provide quality training in remote and regional areas or where there is low demand, while operating in a contestable market. This poses significant financial challenges.

TAFE Queensland performed slightly better than its budgeted loss in 2019–20, which was set prior to COVID-19. The postponement of face-to-face training during the COVID-19 lockdown period in 2020 did not have a significant impact on its international operations, because the majority of international students enrolled in courses were in the country when travel restrictions came into effect. The completion of over 60,000 unit enrolments domestically were delayed due to the lack of vocational placements across many industry sectors. Continued border closures are expected to have an impact on new international student intakes as well as migrant and refugee intakes in the 2020–21 financial year.

TAFE Queensland also worked in partnership with the Queensland Government to deliver a range of fully funded and free training options (COVID Safe training modules, online short courses, and skill sets) to support businesses and upskill individuals affected by COVID-19.

Figure 3E shows the financial challenges TAFE Queensland has faced in recent years. However, it also shows that it is projecting an improvement in the 2020–21 financial year. This is largely driven by one-off funding from the Queensland Government to support its operations, without which it will expect another operating loss. Additional initiatives are also being introduced to stimulate training demand and improve future employment opportunities.



Source: Queensland Audit Office.

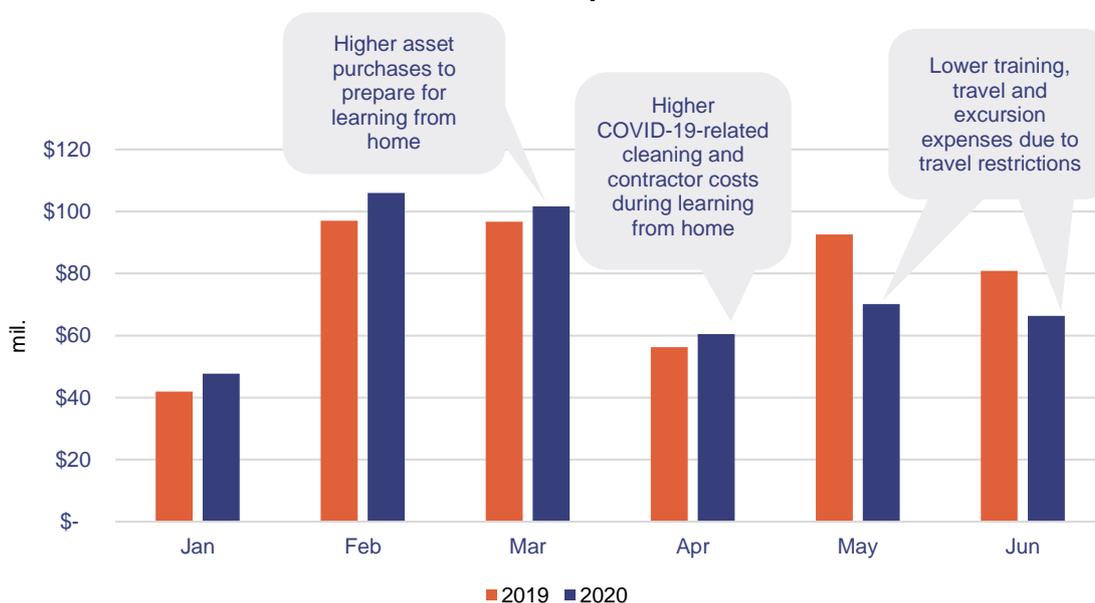
Significant outlays may be required to achieve longer-term cost savings and efficiencies. TAFE Queensland is continuing with its investment in information technology infrastructure and digital capabilities in the 2020–21 financial year, which it expects will enable operational efficiencies. Without any significant changes in overall market settings, TAFE Queensland will continue to rely heavily in the short to medium term on government grants to cover its operating expenses, particularly employee expenses in order to meet its training commitments and service expectations as a public provider.

## Schools provided home-based learning in 2020

For the first five weeks of term two in 2020, the Department of Education provided remote learning for core content to its students. To ensure students had access to the learning resources they needed, and to support its employees, the department:

- upgraded its information technology operating systems, including security patching, to provide access to improved video and audio tools
- increased information technology infrastructure by adding new servers, increasing the memory and network capacity, and providing new digital learning platforms. In this way, it spread the load of students and staff accessing the infrastructure
- provided 5,550 laptops at a cost of \$2.6 million to schools, upon request
- made alternate learning resources available for students with limited or no access to computers and/or the internet.

**Figure 3F**  
**Schools' monthly supplies and services expenses changed due to the COVID-19 pandemic**



Source: Queensland Audit Office.

During the learning from home period, schools adopted new technology and digital learning platforms to support new ways of learning, working, and communicating. These will be built into business-as-usual practices. The Department of Education has reviewed the response to the COVID-19 pandemic and is intending to assist schools to develop technology-based approaches to learning.

We plan to issue a report to parliament on how the department is connecting learners and staff of state schools to digital resources and online content.



## Asset management at education entities

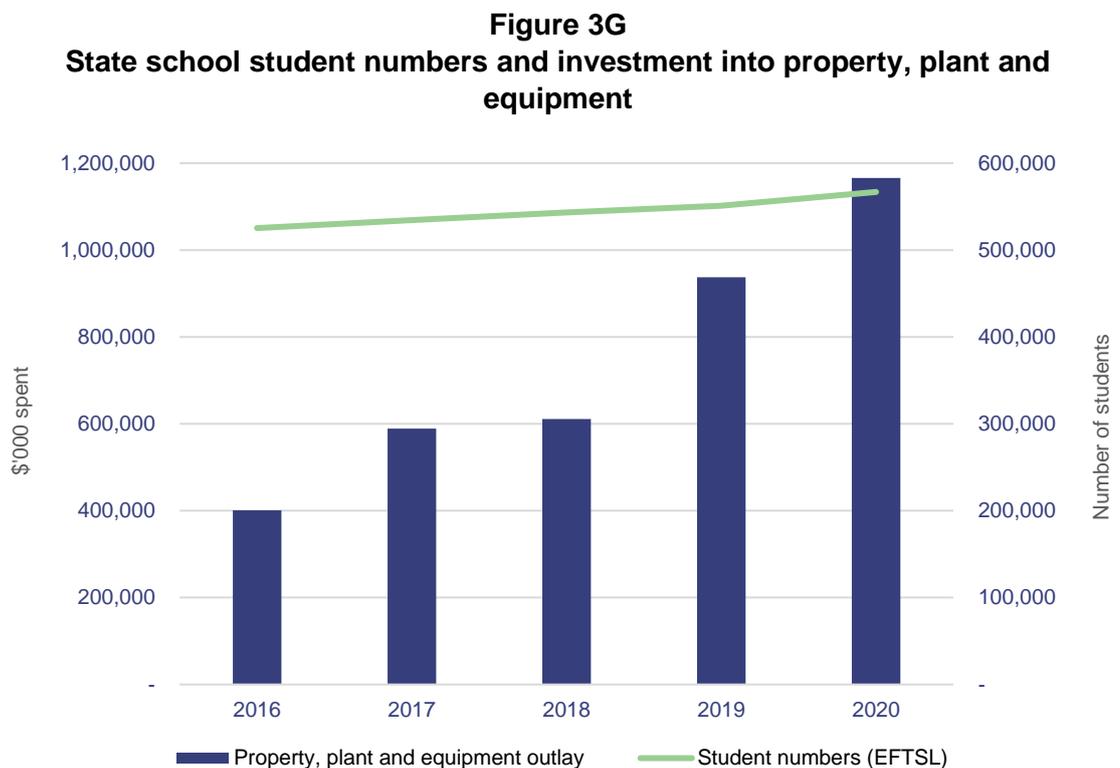
Universities manage large asset portfolios (worth \$9.1 billion at 31 December 2020). As part of their response to COVID-19, the universities took the opportunity to reassess their asset maintenance and investment programs to align these to their strategic goals.

The Department of Education and the Department of Employment, Small Business and Training also manage large asset bases, accounting for \$22.8 billion at 30 June 2020. Under an agreement, the Department of Employment, Small Business and Training allows TAFE Queensland to use its buildings for vocational education.

Effectively managing large and widely disbursed asset bases is vital for these entities if they are to continue delivering their services to the broader community. Planning the timing and nature of future investment (construction of new schools or expansion of existing schools) is essential to supporting local communities.

### Increased investment in new schools

The Department of Education has heavily invested in its property, plant and equipment assets (mostly schools and buildings) in the last five years (\$3.7 billion) to ensure it is prepared for the future and for growing student numbers.



Note: EFTSL—equivalent full-time student load.

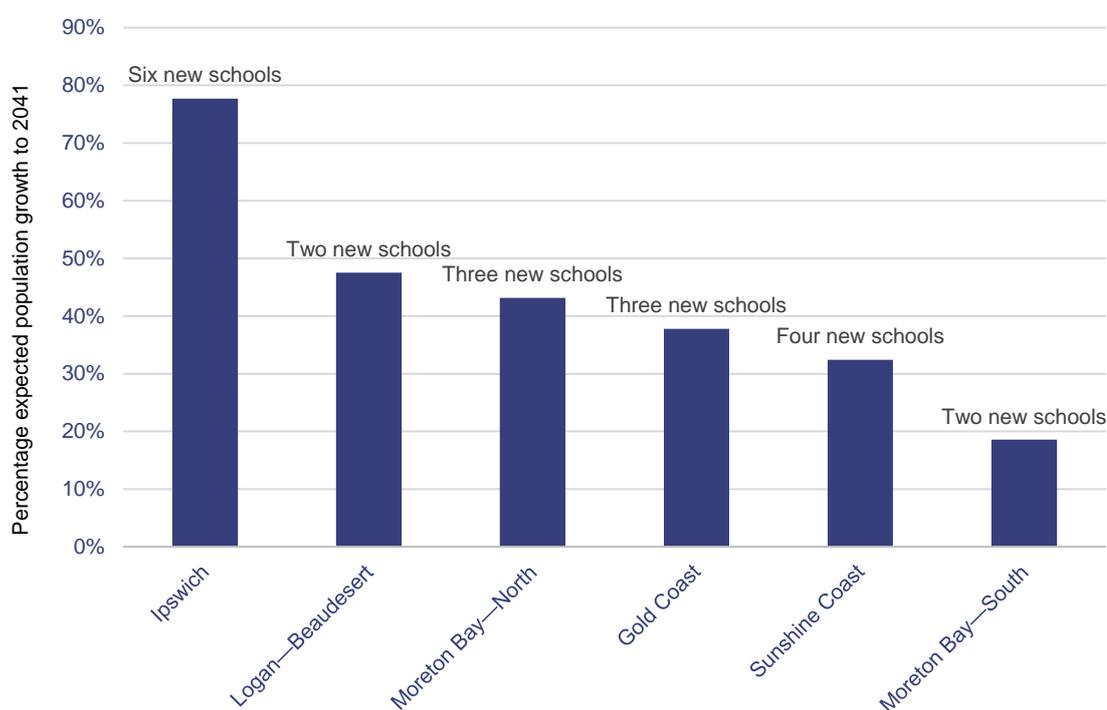
Source: Queensland Audit Office.

Since 2016, it has opened 26 new schools within Queensland and will open a further three new schools in 2022. It also has large expansion programs for new and existing schools, to ensure they have the capacity to service their communities. This is a significant outlay for the department, with \$1 billion in planned spending over the next four years.

The Queensland Government Statistician’s Office has projected a population growth of 26 per cent for school-aged children from 2021 to 2041. Population growth in this demographic varies across the state, with Ipswich expected to grow 78 per cent, while outback Queensland is expecting a decline of 11 per cent. The department has been constructing new schools in the areas with highest projected population growth, building at least two new schools in the last five years for the top five regions.

Another consideration for the construction of new schools is the class size target guidelines provided by the department. Currently, 97.6 per cent of classes are achieving the targets. The Moreton Bay—South region currently has the lowest rate of compliance, with only 93.2 per cent of its classes achieving the targets. This region has seen significant population growth in the last five years, which has contributed to this result.

**Figure 3H**  
**Projected population growth to 2041 for regions with two or more schools built in the last five years**



Source: Queensland Audit Office.

Figure 3H shows that the department has been focusing on building schools in regions that are expecting significant population growth, or to assist them in meeting their class size target. The three schools being constructed for opening in 2022, as well as the majority of expansions to existing schools, are all in high population growth areas. The department needs to ensure its digital strategy is integrated with its planning for new and existing schools.

### Maintenance programs are being updated

Education entities must undertake regular renewal and maintenance activities to ensure existing assets continue to be fit for purpose and to accommodate changing learning styles.

To determine maintenance plans, the Department of Education and the Department of Employment, Small Business and Training each undertake an asset condition assessment. This process takes time, and the last full round of assessments was undertaken between 2016–2018. For maintenance planning purposes, this means some information is up to four years old.



The Department of Education and Department of Employment, Small Business and Training will be undertaking assessments from next year to update information on the current condition of their assets, to use in their forward maintenance programs.

Having well-developed maintenance plans for these assets is critical if the departments are to deliver their strategic goals. Without effective maintenance plans in place, asset renewals may be completed haphazardly, or only in response to the identification of significant defects.

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

##### Improve asset condition assessments (REC 3)

All entities need to regularly review the condition of their assets to ensure they understand current and future maintenance requirements. Entities need to use accurate information about the condition of their assets to inform their long-term asset management strategies, which should consider both physical assets and digital infrastructure.

## Investment continues in air conditioning and solar panels for schools

The Queensland Government announced in February 2020 that it would be investing \$477 million into Queensland schools to ensure that all classrooms, libraries, and staff rooms are air conditioned by the end of July 2022, and to expand the existing Advancing Clean Energy Schools program (which installs solar panels at schools).

Based on the last four comprehensive revaluations undertaken for the Department of Education, 41 per cent of its buildings are currently air conditioned. The department will need to continue to monitor the rollout of this program and the impact it has on its forward maintenance planning.



# 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 Director-General, Department of Education and the Director-General, Department of Employment, Small Business and Training.

We also provided a copy of the report to the following entities and gave them the option of providing a response:

- TAFE Queensland
- Central Queensland University
- Griffith University
- James Cook University
- Queensland University of Technology
- The University of Queensland
- University of Southern Queensland
- University of the Sunshine Coast
- Board of Trustees of the Brisbane Girls Grammar School
- Board of Trustees of the Brisbane Grammar School
- Board of Trustees of the Ipswich Girls' Grammar School
- Board of Trustees of the Ipswich Grammar School
- Board of Trustees of the Rockhampton Girls Grammar School
- Board of Trustees of the Rockhampton Grammar School
- Board of Trustees of the Toowoomba Grammar School
- Board of Trustees of the Townsville Grammar School.

We provided a copy of this report to the Premier; the Minister for Education, Minister for Industrial Relations and Minister for Racing; the Minister for Employment and Small Business and Minister for Training and Skills Development; the Treasurer; the Under Treasurer; and the Director-General, Department of the Premier and Cabinet for their information.

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

10 MAY 2021

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 21 April 2021 providing a draft copy of your report to Parliament titled Education 2020 (the Report) concerning the audit of entities in Queensland's in the education sector.

I appreciate the opportunity to review the Report and I thank you and your team for your collaborative approach. The Report provides useful information that we will focus on to continue to strengthen the security of our information systems and further enhance of asset condition assessments.

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

Yours sincerely

A handwritten signature in black ink that reads "Tony Cook".

**TONY COOK**  
Director-General

Ref: 21/251448

1 William Street Brisbane  
Queensland 4000 Australia  
PO Box 15033 City East  
Queensland 4002 Australia  
Telephone +61 7 3054 4754  
Facsimile +61 7 3034 4769  
Website [www.qed.qld.gov.au](http://www.qed.qld.gov.au)  
ABN 76 337 613 847

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



Department of  
Employment,  
Small Business  
and Training

Our Ref: 00926/2

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

Dear Mr Worrall 

Thank you for your email dated 21 April 2021 regarding the Queensland Audit Office proposed report to Parliament titled Education 2020 (the report).

The Department of Employment, Small Business and Training acknowledges the report and accepts its findings and recommendations, in particular the focus on the importance of future planning for asset management and that strengthening the security of information systems is critical.

The Department is working to ensure internal controls are appropriate and effective while delivering new priorities to support the Queensland community to respond and recover from the effects of COVID-19.

As noted in the 2017–18 Education sector report, the Department is continuing to work with TAFE Queensland to address its long term sustainability, with a strong focus on the impacts it is facing as a result of COVID-19.

We appreciate the opportunity to provide comment on the report, including the findings and recommendations.

Should you require any further information, please contact 

Yours sincerely



Warwick Agnew  
Director-General

10.15.2021

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

ABN 84 375 484 963



## B. Legislative context

### Frameworks

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

**Figure B1**  
**Legislative frameworks for the education sector**

Entity type	Entity	Legislative framework	Legislated deadline
Departments	Department of Education Department of Employment, Small Business and Training	<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 2020
Statutory bodies	Seven universities Eight 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 2013</li> <li>• <i>Higher Education Support Act 2003</i></li> <li>• <i>Grammar Schools Act 2016</i></li> </ul>	28 February 2021
Statutory bodies—other	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> </ul>	31 August 2020

Entity type	Entity	Legislative framework	Legislated deadline
Controlled and jointly-controlled entities*	Seven entities controlled by universities Four jointly-controlled entities One entity 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 2020 30 April 2021
Trusts	Translational Research Institute Trust Four trusts controlled by universities	<ul style="list-style-type: none"> <li>• Trust deed</li> <li>• <i>Australian Charities and Not-for-profits Commission Act 2012</i></li> <li>• Australian Charities and Not-for-profits Commission Regulation 2013</li> </ul>	Per trust deed

Note: \* Controlled and jointly-controlled entities' finances and operations are controlled by other entities within this report.

Source: Queensland Audit Office.

## Accountability requirements

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

Six of the eight grammar schools provide schooling from Prep to Year Twelve. The other two start at Year Five and Year Seven, 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, 86.6 per cent (2019: 84.8 per cent) of university funding comes from Australian and Queensland government grants, and student fees and charges. Federal 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 education.

### Grammar school funding and regulation

Grammar schools obtain funding through Australian and Queensland government grants, and tuition and boarding fees. In Queensland, 88.3 per cent (2019: 86.6 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 Service Act 2008*. It provides direction and oversight to the education sector in Queensland and delivers services for early childhood and education.

### Department of Employment, Small Business and Training

The Department of Employment, Small Business and Training is a Queensland Government department established under the *Public Service Act 2008*. 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 share this funding across their respective service areas of early childhood education and care, and school education (Department of Education), and training and skills (Department of Employment, Small Business and Training).

In Queensland, 93.6 per cent (2019: 92.6 per cent) of Department of Education funding, and 97.1 per cent (2019: 97.5 per cent) of Department of 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 training. It was established as a statutory body under the *TAFE Queensland Act 2013* on 1 July 2013. It is a not-for-profit entity governed by an independent board.

Its income is largely attributable to training revenue received from students. In recognition of TAFE Queensland's cost disadvantage in the market (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 that was established on 1 July 2014 under the *Education (Queensland Curriculum and Assessment Authority) Act 2014*, replacing the Queensland Studies Authority. 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 preservice 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 service if it had to pay.



## C. Audit opinions for entities preparing financial reports

The following table details the types of audit opinions we issued, in accordance with Australian auditing standards for the 2020 financial year.

**Figure C1**  
**Our opinions for education sector financial reports for 2020**

Entity type	Entity	Date audit opinion issued	Type of audit opinion issued
Departments and their controlled entities (whose finances and operations are controlled by one of the education entities)	Department of Education*	20.08.2020	Unmodified
	• Queensland Education Leadership Institute Limited*	28.10.2020	Unmodified
	Department of Employment, Small Business and Training*	21.08.2020	Unmodified
Universities and their controlled entities	Central Queensland University	24.02.2021	Unmodified
	• C Management Services Pty Ltd	24.02.2021	Unmodified
	• CQU Travel Centre Pty Ltd	24.02.2021	Unmodified
	Griffith University	23.02.2021	Unmodified
	• International WaterCentre Pty Ltd**	Not finalised	
	James Cook University	25.02.2021	Unmodified
	Queensland University of Technology	26.02.2021	Unmodified
	• Creative Industries Precinct Pty Ltd	24.02.2021	Unmodified—EOM
	• QUT Enterprise Holdings Trust	24.02.2021	Unmodified—EOM
	• QUT bluebox Trust	24.02.2021	Unmodified—EOM
	The University of Queensland	26.02.2021	Unmodified
	• UQ Foundation Trust	26.02.2021	Unmodified—EOM
	• UQ Investment Trust	26.02.2021	Unmodified—EOM
	University of Southern Queensland	23.02.2021	Unmodified
	University of the Sunshine Coast	23.02.2021	Unmodified



Entity type	Entity	Date audit opinion issued	Type of audit opinion issued
Grammar schools	Board of Trustees of the Brisbane Girls Grammar School	23.02.2021	Unmodified
	Board of Trustees of the Brisbane Grammar School	15.02.2021	Unmodified
	Board of Trustees of the Ipswich Girls' Grammar School	26.02.2021	Unmodified
	Board of Trustees of the Ipswich Grammar School	26.02.2021	Unmodified
	Board of Trustees of the Rockhampton Girls Grammar School	25.02.2021	Unmodified
	Board of Trustees of the Rockhampton Grammar School	26.02.2021	Unmodified
	Board of Trustees of the Toowoomba Grammar School	26.02.2021	Unmodified
	Board of Trustees of the Townsville Grammar School	26.02.2021	Unmodified
Statutory bodies and their controlled entities	TAFE Queensland*	28.08.2020	Unmodified
	• Aviation Australia Pty Ltd*	27.08.2020	Unmodified
	Queensland College of Teachers	01.03.2021	Unmodified
	Queensland Curriculum and Assessment Authority*	28.08.2020	Unmodified
	Non-State Schools Accreditation Board*	06.08.2020	Unmodified
Jointly-controlled entities	Queensland College of Wine Tourism	09.03.2021	Unmodified—EOM
	Queensland Cyber Infrastructure Foundation Ltd	24.05.2021	Unmodified
	Queensland Tertiary Admissions Centre Limited	24.08.2020	Unmodified
	Tropical Australia Academic Health Centre Limited	18.12.2020	Unmodified
Audited by arrangement	Translational Research Institute Trust	22.03.2021	Unmodified—EOM

Notes: \* Opinion also included in *State entities 2020* (Report 13: 2020–21).

\*\* International WaterCentre 2019 financial statements were signed on 19.03.2021. We issued an unmodified opinion with an emphasis of matter because the board intends to wind up the entity. This audit was not finalised at the time we tabled *Education: 2018–19 results of financial audits* (Report 15: 2019–20).

*EOM—emphasis of matter.* This is included to highlight an issue of which we believe the users of the financial statements need to be aware. It does not modify the audit opinion.

Source: Queensland Audit Office.



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

**Figure C2**  
**Exempt entities**

Entity	Audit firm	Date audit opinion issued	Type of audit opinion issued
<b>Controlled entities of James Cook University</b>			
James Cook University Pte Ltd	Baker Tilly TFW LLP	10.02.2021	Unmodified
James Cook Holdings Pte Ltd	Baker Tilly TFW LLP	10.02.2021	Unmodified
<b>Controlled entities of Central Queensland University</b>			
CQU Development Pte Ltd	TKNP International	Not finalised	
PT CQU Executive Business Training Centre	Herman Dody Tanumihardja & Rekan	11.02.2021	Unmodified

Source: Queensland Audit Office.



## D. 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* or the trust deed to determine whether financial statements need to be prepared. The board must revisit the assessment every three 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 subsection 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 2020, as they were not required to produce financial statements.

**Figure D1**  
**Education sector entities not preparing financial reports**

Public sector entity	Reason for not preparing financial statements
<b>Department</b>	
<b>Controlled entities of the Department of Employment, Small Business and Training</b>	
Building Construction Industry Training Fund (QLD) Limited	Dormant
<b>University</b>	
<b>Controlled entities of Central Queensland University</b>	
Australian International Campuses Pty Ltd	Non-reporting
Australian International Campuses Trust	Non-reporting
DataMuster Pty Ltd	Non-reporting
Mask-Ed International Pty Ltd	Dormant
<b>Controlled entities of Griffith University</b>	
Griffith Innovation Centre Ltd	Non-reporting
<b>Controlled entities of James Cook University</b>	
The CPB Trust	Non-reporting
The JCU Asset Trust	Non-reporting
Discover Sport Ltd	Non-reporting



Public sector entity	Reason for not preparing financial statements
JCU CPB Pty Ltd	Non-reporting
JCU College Pty Ltd	Non-reporting
JCU Early Learning Centres Pty Ltd	Non-reporting
JCU Enterprises Pty Ltd	Non-reporting
JCU Health Pty Ltd	Non-reporting
JCU Univet Pty Ltd	Non-reporting
North Queensland Commercialisation Company Pty Ltd	Non-reporting
Tropical Futures Limited	Non-reporting
Tropical Queensland Centre for Oral Health Pty Ltd	Non-reporting
<b>Controlled entities of Queensland University of Technology</b>	
QUT Enterprise Holdings Pty Ltd	Non-reporting
Brisbane Business School Pty Ltd	Dormant
Student Managed Investment Fund	Dormant
QUT bluebox Pty Ltd	Dormant
<b>Controlled entities of The University of Queensland</b>	
UQ Holdings Pty Ltd	Non-reporting
UQ Jakarta Office Pty Ltd	Non-reporting
Dendright Pty Ltd	Non-reporting
Global Change Institute Pty Ltd	Dormant
IMBcom Pty Ltd	Non-reporting
JKTech Pty Ltd	Non-reporting
Leximancer Pty Ltd	Non-reporting
Neo Rehab Pty Ltd	Non-reporting
SMI-ICE-Chile SpA (formerly JKTech South America Spa) *	Non-reporting



Public sector entity	Reason for not preparing financial statements
Symbiosis Group Pty Ltd	Non-reporting
UQ Health Care Ltd	Non-reporting
UQ College Ltd	Non-reporting
UQ Sport Ltd	Non-reporting
UniQuest Pty Ltd	Non-reporting
Jetra Therapeutics Pty Ltd	Non-reporting
<b>Controlled entities of the University of the Sunshine Coast</b>	
Innovation Centre Sunshine Coast Pty Ltd	Non-reporting
USC Capital and Commercial Pty Ltd	Dormant
Thompson Institute Pty Ltd	Dormant
<b>Controlled entities of the University of Southern Queensland</b>	
University of Southern Queensland (South Africa) Pty Ltd *	Dormant
<b>Controlled entities of TAFE Queensland</b>	
TAFE Queensland International Education Pty Ltd	Non-reporting

Note: \* These are foreign-based entities with no reporting requirements.

Source: Queensland Audit Office.



## E. Financial results

**Figure E1**  
Universities—for the year ending 31 December 2020

Amounts in \$'000								
University	Total assets	Total liabilities	Total income	Total expenses (excl tax)	Operating result before tax	Finance costs	Borrowings	
							New borrowings	Repayment of borrowings
CQU	1,079,600	449,184	450,375	485,137	(34,762)	9,175	35,785	-
GU	2,557,377	328,078	967,763	972,820	(5,057)	2,680	-	11,661
JCU	1,455,923	329,656	546,891	522,675	24,216	5,319	844	9,642
QUT	2,208,660	449,991	1,055,191	1,031,911	23,280	7,176	-	5,824
UQ	4,628,761	1,273,220	2,181,018	2,072,255	108,763	15,881	41,063	9,178
USQ	830,570	108,870	344,972	332,392	12,580	417	-	2,395
USC	748,862	229,485	321,923	297,824	24,099	5,250	29,000	1,211
<b>Total</b>	<b>13,509,753</b>	<b>3,168,484</b>	<b>5,868,133</b>	<b>5,715,017</b>	<b>153,119</b>	<b>45,898</b>	<b>106,692</b>	<b>39,911</b>

Notes: CQU—Central Queensland University; GU—Griffith University; JCU—James Cook University; QUT—Queensland University of Technology; UQ—The University of Queensland; USQ—University of Southern Queensland; USC—University of the Sunshine Coast.

Source: Queensland Audit Office.

**Figure E2**  
Universities—for the year ending 31 December 2019

Amounts in \$'000								
University	Total assets	Total liabilities	Total income	Total expenses (excl tax)	Operating result before tax	Finance costs	Borrowings	
							New borrowings	Repayment of borrowings
CQU	1,072,136	413,288	487,557	484,339	3,218	8,854	-	-
GU	2,570,352	348,299	1,031,828	978,615	53,213	3,066	-	11,275
JCU	1,417,852	313,556	569,889	553,349	16,540	5,907	3,506	11,976
QUT	2,157,467	426,701	1,167,193	1,079,026	88,167	7,327	-	5,581
UQ	4,240,946	1,054,354	2,220,269	2,092,489	127,780	14,945	43,860	4,476
USQ	800,308	97,514	327,359	321,779	5,580	443	-	2,269
USC	683,295	205,244	310,950	291,085	19,865	2,334	85,000	563
<b>Total</b>	<b>12,942,356</b>	<b>2,858,956</b>	<b>6,115,045</b>	<b>5,800,682</b>	<b>314,363</b>	<b>42,876</b>	<b>132,366</b>	<b>36,140</b>

Source: Queensland Audit Office.

**Figure E3**  
**Departments and TAFE Queensland—for the year ending 30 June 2020**

Amounts in \$'000								
Entity	Total assets	Total liabilities	Total income	Total expenses (excl tax)	Operating result before tax	Finance costs	Borrowings	
							New borrowings	Repayment of borrowings
DoE	22,496,467	998,135	10,058,470	10,057,156	1,314	22,008	-	7,121
DESBT	1,807,759	462,913	1,105,339	1,107,512	(2,173)	22,493	-	3,250
TAFEQ	425,233	170,010	597,963	632,663	(34,700)	2,204	-	295
<b>Total</b>	<b>24,729,459</b>	<b>1,631,058</b>	<b>11,761,772</b>	<b>11,797,331</b>	<b>(35,559)</b>	<b>46,705</b>	<b>-</b>	<b>10,666</b>

Notes: DoE—Department of Education; DESBT—Department of Employment, Small Business and Training; TAFEQ—TAFE Queensland.

Source: Queensland Audit Office.

**Figure E4**  
**Departments and TAFE Queensland—for the year ending 30 June 2019**

Amounts in \$'000								
Entity	Total assets	Total liabilities	Total income	Total expenses (excl tax)	Operating result before tax	Finance costs	Borrowings	
							New borrowings	Repayment of borrowings
DoE	21,141,882	1,059,762	9,437,195	9,390,372	46,823	27,635	38,409	7,145
DESBT	1,714,633	380,775	1,096,461	1,195,162	(98,701)	22,820	-	2,923
TAFEQ	386,235	83,273	616,214	620,576	(4,362)	70	-	404
<b>Total</b>	<b>23,242,750</b>	<b>1,523,810</b>	<b>11,149,870</b>	<b>11,206,110</b>	<b>(56,240)</b>	<b>50,525</b>	<b>38,409</b>	<b>10,472</b>

Source: Queensland Audit Office.

**Figure E5**  
Grammar schools—for the year ending 31 December 2020

Amounts in \$'000								
Grammar school	Total assets	Total liabilities	Total income	Total expenses (excl tax)	Operating result before tax	Finance costs	Borrowings	
							New borrowings	Repayment of borrowings
BGGS	161,746	48,481	48,070	44,665	3,405	796	12,500	3,152
BGS	198,588	20,856	65,798	62,035	3,763	50	-	-
IGGS	67,175	18,874	26,751	25,115	1,636	1,005	-	1,518
IGS	75,873	13,724	29,655	27,809	1,846	99	8,950	217
RGGS	31,219	3,551	9,699	8,451	1,248	136	75	360
RGS	90,492	17,934	47,578	41,985	5,593	757	-	1,006
TWGS	122,925	15,632	39,500	36,941	2,559	592	-	1,213
TVGS	74,743	16,453	31,232	29,752	1,480	755	-	1,766
<b>Total</b>	<b>822,761</b>	<b>155,505</b>	<b>298,282</b>	<b>276,754</b>	<b>21,529</b>	<b>4,191</b>	<b>21,525</b>	<b>9,232</b>

Notes: 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 E6**  
Grammar schools—for the year ending 31 December 2019

Amounts in \$'000								
Grammar school	Total assets	Total liabilities	Total income	Total expenses (excl tax)	Operating result before tax	Finance costs	Borrowings	
							New borrowings	Repayment of borrowings
BGGS	147,377	37,517	46,973	42,894	4,079	901	10,000	3,177
BGS	190,979	17,010	65,760	58,204	7,556	64	-	-
IGGS	68,699	22,033	24,357	24,299	58	1,111	-	1,412
IGS	64,563	4,260	26,654	26,251	403	52	550	3
RGGS	31,756	3,658	9,186	8,947	239	152	-	322
RGS	85,536	18,558	41,231	40,021	1,210	828	-	1,082
TWGS	120,129	16,619	36,301	36,064	237	659	-	1,153
TVGS	74,736	17,661	29,125	28,836	289	865	-	1,376
<b>Total</b>	<b>783,775</b>	<b>137,315</b>	<b>279,586</b>	<b>265,516</b>	<b>14,071</b>	<b>4,632</b>	<b>10,550</b>	<b>8,525</b>

Source: Queensland Audit Office.

## F. Student and employee data

**Figure F1**  
Campus data for Queensland universities

Region	CQU	GU	JCU	QUT	UQ	USC	USQ
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							
Outback—South			1				
Sunshine Coast	1					1	
Toowoomba					1		1
Townsville	1		1				
Wide Bay	1					2	
Other	9	1	2	1	1	8	1

Note: CQU—Central Queensland University; GU—Griffith University; JCU—James Cook University; QUT—Queensland University of Technology; UQ—The University of Queensland; USC—University of the Sunshine Coast; USQ—University of Southern Queensland.

Source: Queensland Audit Office.



**Figure F2**  
**Equivalent full-time student load for Queensland universities**

Region	CQU	GU	JCU	QUT	UQ	USC	USQ
Brisbane—East							
Brisbane—North							
Brisbane—South		11,166					
Brisbane—West					39,094		
Brisbane Inner City	2,025	2,377	715	35,321	2,044	187	
Cairns	1,098		2,095				
Central Queensland	2,587						
Darling Downs—Maranoa							
Far North							
Gold Coast		13,839					
Ipswich							2,160
Logan—Beaudesert		906					
Mackay—Isaac—Whitsunday	1,281		75				
Moreton Bay—North						722	
Moreton Bay—South						993	
Outback—North							
Outback—South			20				
Sunshine Coast	500					8,881	
Toowoomba					1,799		2,196
Townsville	835		7,315				
Wide Bay	1,198					644	
Other	5,839	7,511	4,209	388		591	9,613

Source: Queensland Audit Office.



**Figure F3**  
**Full-time equivalent employees for Queensland universities**

Region	CQU	GU	JCU	QUT	UQ	USC	USQ
Brisbane—East							
Brisbane—North							
Brisbane—South		1,950					
Brisbane—West					6,640		
Brisbane Inner City	169	229		4,687	846	16	
Cairns	69		474				
Central Queensland	829						
Darling Downs—Maranoa							11
Far North				1			
Gold Coast		1,488					
Ipswich							337
Logan—Beaudesert		193					
Mackay—Isaac—Whitsunday	140		27				
Moreton Bay—North						30	
Moreton Bay—South						73	
Outback—North							
Outback—South				33			
Sunshine Coast	31					1,087	
Toowoomba					402		1,108
Townsville	37		1,345				
Wide Bay	110					52	
Other	337	127	295	210	474	41	

Source: Queensland Audit Office.



**Figure F4**  
**Campuses for Queensland schools**

Region	DoE	BGGS	BGS	IGGS	IGS	RGGS	RGS	TWGS	TVGS
Brisbane—East	35								
Brisbane—North	33								
Brisbane—South	62								
Brisbane—West	33								
Brisbane Inner City	33	1	1						
Cairns	73								
Central Queensland	103					1	1		
Darling Downs— Maranoa	110								
Far North	74								
Gold Coast	24								
Ipswich	98			1	1				
Logan—Beaudesert	61								
Mackay—Isaac— Whitsunday	73								
Moreton Bay—North	47								
Moreton Bay—South	29								
Outback—North	22								
Outback—South	31								
Sunshine Coast	59								
Toowoomba	43							1	
Townsville	72								3
Wide Bay	131								

Note: DoE—Department of Education; 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 F5**  
**Equivalent full-time student load for Queensland schools**

Region	DoE	BGGS	BGS	IGGS	IGS	RGGS	RGS	TWGS	TVGS
Brisbane—East	22,334								
Brisbane—North	18,800								
Brisbane—South	44,690								
Brisbane—West	26,683								
Brisbane Inner City	24,367	1,429	1,777						
Cairns	32,002								
Central Queensland	28,737					290	1,380		
Darling Downs—Maranoa	15,524								
Far North	4,797								
Gold Coast	65,652								
Ipswich	45,672			892	1,017				
Logan—Beaudesert	43,164								
Mackay—Isaac—Whitsunday	22,401								
Moreton Bay—North	30,387								
Moreton Bay—South	24,645								
Outback—North	4,222							1,206	
Outback—South	2,197								
Sunshine Coast	42,007								
Toowoomba	17,851								
Townsville	24,798,								1,162
Wide Bay	33,400								

Source: Queensland Audit Office.



**Figure F6**  
**Full-time equivalent employees for Queensland schools**

Region	DoE	BGGS	BGS	IGGS	IGS	RGGS	RGS	TWGS	TVGS
Brisbane—East	2,347								
Brisbane—North	2,010								
Brisbane—South	4,782								
Brisbane—West	2,677								
Brisbane Inner City	2,382	209	295						
Cairns	3,780								
Central Queensland	3,435					47	279		
Darling Downs— Maranoa	2,219								
Far North	806								
Gold Coast	6,565								
Ipswich	5,170			214	115				
Logan—Beaudesert	4,750								
Mackay—Isaac— Whitsunday	2,533								
Moreton Bay—North	3,378								
Moreton Bay—South	2,470								
Outback—North	646							162	
Outback—South	457								
Sunshine Coast	4,322								
Toowoomba	2,143								
Townsville	3,037								211
Wide Bay	4,295								

Source: Queensland Audit Office.



**Figure F7**  
**Campus data for Queensland VET**

Region	TAFEQ	CQU
Brisbane—East	2	
Brisbane—North	2	
Brisbane—South	2	
Brisbane—West	1	
Brisbane Inner City	1	1
Cairns	5	1
Central Queensland		4
Darling Downs—Maranoa	4	
Far North	2	
Gold Coast	5	
Ipswich	3	
Logan—Beaudesert	2	
Mackay—Isaac—Whitsunday	2	2
Moreton Bay—North	2	
Moreton Bay—South		
Outback—North	2	
Outback—South	1	
Sunshine Coast	3	1
Toowoomba	1	
Townsville	7	1
Wide Bay	6	1
Other	4	3

Note: VET—vocational education and training; TAFEQ—TAFE Queensland; CQU—Central Queensland University.

Source: Queensland Audit Office.



**Figure F8**  
**Equivalent full-time student load for Queensland VET**

Region	TAFEQ	CQU
Brisbane—East	3,445	
Brisbane—North	8,438	
Brisbane—South	12,474	
Brisbane—West	484	
Brisbane Inner City	16,614	74
Cairns	9,361	160
Central Queensland		2,132
Darling Downs—Maranoa	2,226	
Far North	420	
Gold Coast	12,851	
Ipswich	5,249	
Logan—Beaudesert	3,059	
Mackay—Isaac—Whitsunday	335	885
Moreton Bay—North	1,570	
Moreton Bay—South		
Outback—North	723	
Outback—South	72	
Sunshine Coast	7,012	25
Toowoomba	6,084	
Townsville	4,705	60
Wide Bay	4,770	51
Other	15,084	34

Source: Queensland Audit Office.



**Figure F9**  
**Full-time equivalent employees for Queensland VET**

Region	TAFEQ	CQU
Brisbane—East	147	
Brisbane—North	275	
Brisbane—South	662	
Brisbane—West	25	
Brisbane Inner City	697	8
Cairns	324	4
Central Queensland		77
Darling Downs—Maranoa	26	
Far North	4	
Gold Coast	497	
Ipswich	208	
Logan—Beaudesert	122	
Mackay—Isaac—Whitsunday	16	37
Moreton Bay—North	56	
Moreton Bay—South		
Outback—North	21	
Outback—South	1	
Sunshine Coast	276	3
Toowoomba	212	
Townsville	210	3
Wide Bay	176	8
Other	25	3

Source: Queensland Audit Office.



## G. Glossary

Term	Definition
Accountability	The responsibility of public sector entities to achieve their objectives of delivering reliable financial reporting, effective and efficient operations, compliance with applicable laws, and reports to interested parties.
Audit by arrangement	An audit by the Auditor-General of an entity that is not a public sector entity, conducted at the request of a minister or a public sector entity and with the consent of the entity.
<i>Auditor-General Act 2009</i>	An Act of the State of Queensland that establishes the responsibilities of the Auditor-General, the operation of the Queensland Audit Office, the nature and scope of audits to be conducted, and the relationship of the Auditor-General with parliament.
Australian accounting standards	The rules by which financial statements are prepared in Australia. These standards ensure consistency in measuring and reporting on similar transactions.
Capital expenditure	Expenditure to acquire assets or improve the service potential of existing assets that are capitalised to the balance sheet (which means that the cost of the asset can be allocated over the years for which the asset will be in use).
Controlled entity	An entity controlled by another entity. The controlling entity can dominate decision-making in relation to financial and operating policies so as to enable that other entity to assist in achieving the objectives of the controlling entity.
Deficiency	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.
Emphasis of matter	A paragraph included with an audit opinion to highlight an issue of which the auditor believes the users of the financial statements need to be aware. The inclusion of an emphasis of matter paragraph does not modify the audit opinion.
Modified audit opinion	A modified opinion is expressed when financial statements do not comply with the relevant legislative requirements and Australian accounting standards and, as a result, are not accurate and reliable.
Net assets	Total assets less total liabilities.
Net debt	Total borrowings less cash at bank.
Qualified audit opinion	An opinion issued when the financial statements as a whole comply with relevant accounting standards and legislative requirements, with the exceptions noted in the opinion. These exceptions could be the effect of a disagreement with those charged with governance, a conflict between applicable financial reporting frameworks, or a limitation on scope that is considered material to an element of the financial report.



Term	Definition
Significant deficiency	A deficiency, or combination of deficiencies, in an internal control that requires immediate remedial action.
Unmodified audit opinion	An unmodified opinion is expressed when financial statements are prepared in accordance with the relevant legislative requirements and Australian accounting standards.







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