

Report on a page

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

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

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

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

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

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.

