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MEDIA RELEASE

AUDITOR-GENERAL'S REPORT TO PARLIAMENT - VOLUME TWO 2009 Focusing on Universities

The Auditor-General, Mr Peter Achterstraat, today released his report to Parliament Volume Two 2009 - focusing on universities.

Universities

“Universities in New South Wales incurred a combined operating loss of \$66 million compared to a surplus of \$388 million in 2007, largely as a result of the global financial crisis and volatility in financial markets. The 2008 losses include unrealised investment losses of \$407 million and a reduction in investment income of \$88 million”, said Mr Achterstraat.

“Unfunded superannuation liabilities increased by \$1.8 billion to \$3.1 billion”, he added.

There is increasing reliance on overseas students who now contribute to nearly half of the total student revenue. Revenue from overseas students has increased 40 per cent in five years.

There are also concerns about how university assets are maintained and the financial exposure to excessive annual leave balances.

“There are significant maintenance backlogs at universities totalling nearly \$1 billion dollars”, Mr Achterstraat explained.

“Also of concern, nearly thirteen per cent of academic staff have accrued leave of over 40 days”, he added.

General Governance

A survey of governance arrangements at large New South Wales Government agencies and universities identified gaps in fraud control, disclosure of performance information, compliance with laws and key stakeholder information.

“Organisations that are governed well outperform those that are not”, Mr Achterstraat added.

Further Information

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The full report is available on the Audit Office's website www.audit.nsw.gov.au