

# REVENUE FROM PRIVATE SOURCES FOR AUSTRALIAN UNIVERSITIES



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Our knowledge of revenue from private sources for Australian universities is patchy. Over the last couple of years a number of reports have pulled the "Donations and Bequests" information from universities' financial statements and summed these as the total of gift income for Australian universities. Such calculations are deficient as they frequently exclude donations from trusts and foundations, donations for research, donations for capital projects, donations for scholarships, and sponsorship payments, such as sponsored chairs, room naming rights and so on.

The table and chart which follow improve on the normal reporting by incorporating non-government grants, sponsorship income and income for scholarships and prizes, and by averaging results over three years to smooth out the variations from year to year which in some cases are substantial.

Much of the current discussion about fundraising at Australian universities emphasises the different attributes of universities or groups of Universities and how unfair it is to compare new or regional or established, or technical universities' fundraising results. The presentation of income from private sources as a proportion of total revenue smooths out some of the differences. As reporting criteria improve this might be a useful indicator. Universities that increase their investment in fundraising capacity should see a real dollar increase in private income. If institutions also see private income increasing as a proportion of total income, then clearly fundraising and private support are playing a more important role than previously.

Notwithstanding the differences in accounting practices that are reflected in these figures, including some variations from state to state dictated by local reporting requirements, universities can note how they are performing relative to peer institutions, and can identify areas in which they can make improvements.

It is also possible to make general observations, such as the low rate of bequest income (even when included with the general category of donations), and infer that there was a severe underinvestment in bequest promotion in the previous decade (and perhaps there is still).

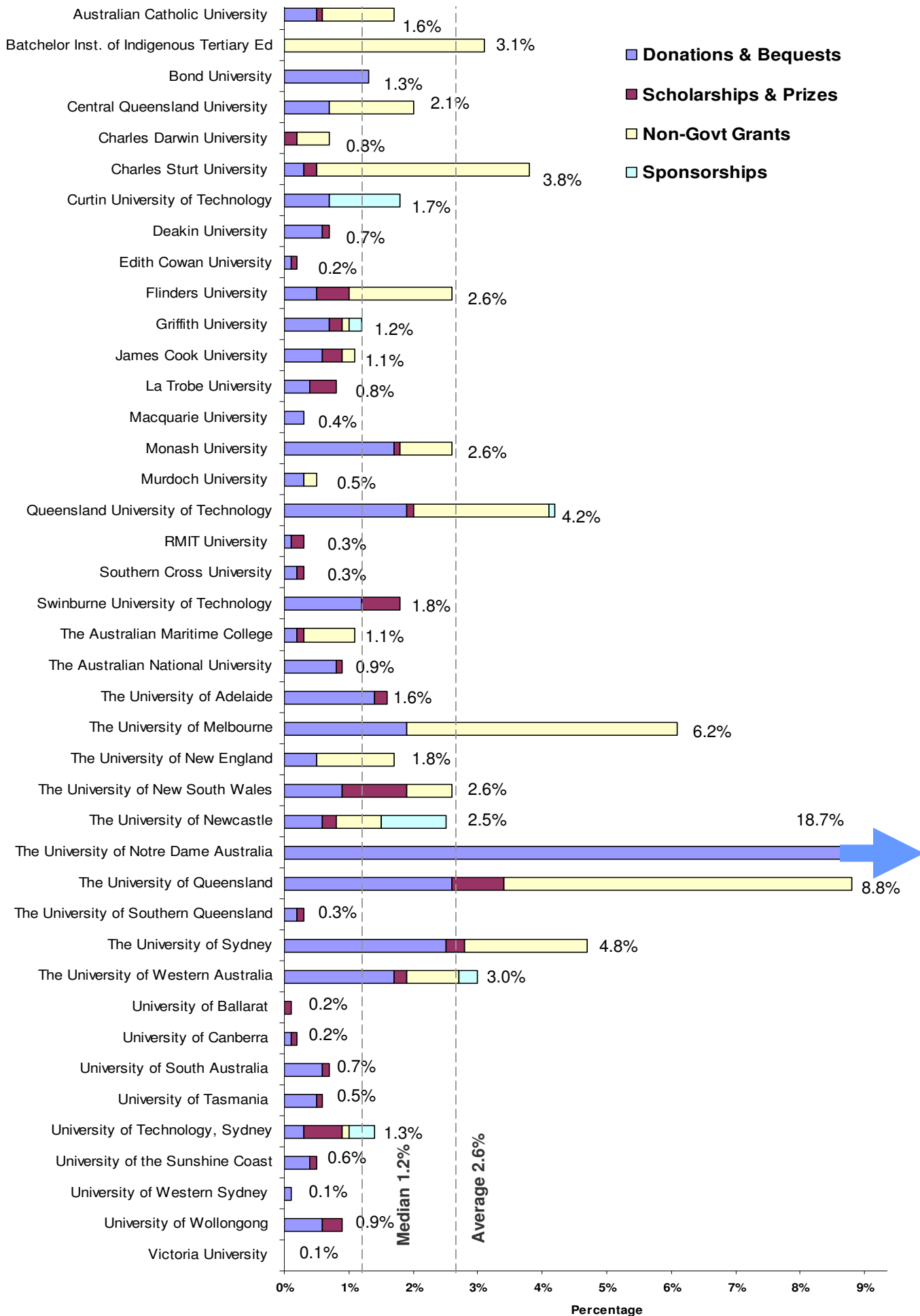
The next few weeks will see the release of 2005-06 data from the Australian Taxation Office on distributions made by Prescribed Private Funds (PPF) to various types of organisations, including higher education. From this we will know how much has been donated through these gift vehicles to universities, if this was more in this year than previously, and whether higher education is getting a greater or lesser share of total PPF distributions.

This ATO-sourced information is particularly valuable because it would not be possible to track this information from the financial statements of the recipients. One could not be sure whether these contributions appear in the annual financial statements of universities as donations, non-government grants, scholarship or prize income, or not at all.

Since the establishment of the Higher Education Endowment Fund, the Commonwealth has taken a greater interest in private support for universities, and seeking ways in which private support can be maximised. It seems feasible that the Commonwealth might seek to improve the financial reporting of University revenue from private sources by providing clearer guidelines for the reporting of private revenue in consultation with Chief Financial Officers, Development Directors, and State Governments and advisers to the sector such as Global Philanthropic, and making "Private Support" or a similar heading a separate income heading in the accounts. That some universities have only a small amount of private revenue to report is not an argument for burying these numbers in the back of the accounts.

Universities are already over-burdened with reporting to state and commonwealth agencies. Is it helpful to put universities to the trouble of achieving internal consistency and sector-wide agreement on how they account for income from private sources? If, as some hope, philanthropy, sponsorship, and grants from private sources will lift quality and increase diversity in our universities, then it might be worth the effort. Improved counting might focus institutions on the potential value of private revenue and lead to an increase in fundraising staff and activity. Improved financial reporting should also increase donors' confidence that universities value private support and manage it well. At the end of the day, this is the most compelling reason for accuracy and transparency.

Graph: Australian Higher Education: Average Private Support as a Percentage of Total Revenue 2004 - 2006



<b>Table: Revenue from private sources for Australian Universities compared to Total Revenues Average: 2004 - 2006</b>	<b>Donations &amp; Bequests (\$000)</b>	<b>%</b>	<b>Scholarships &amp; Prizes (\$000)</b>	<b>%</b>	<b>Non-Govt Grants (\$000)</b>	<b>%</b>	<b>Sponsorships (\$000)</b>	<b>%</b>	<b>Total Private Support (\$000)</b>	<b>%</b>	<b>Total Revenues* (\$000)</b>
<b>Australian Catholic University</b>	635	0.5%	72	0.1%	1358	1.1%	0	0.0%	2065	1.6%	128238
<b>Batchelor Inst of Indigenous Tertiary Ed</b>	8	0.0%	4	0.0%	1167	3.1%	0	0.0%	1179	3.1%	37448
<b>Bond University</b>	1090	1.3%	0	0.0%	0	0.0%	0	0.0%	1090	1.3%	85600
<b>Central Queensland University</b>	2066	0.7%	98	0.0%	3710	1.3%	0	0.0%	5874	2.1%	275791
<b>Charles Darwin University</b>	52	0.0%	341	0.2%	735	0.5%	0	0.0%	1128	0.8%	137085
<b>Charles Sturt University</b>	638	0.3%	533	0.2%	7646	3.3%	0	0.0%	8817	3.8%	235058
<b>Curtin University of Technology</b>	2981	0.7%	0	0.0%	0	0.0%	4921	1.1%	7901	1.7%	455911
<b>Deakin University</b>	2575	0.6%	371	0.1%	0	0.0%	0	0.0%	2946	0.7%	407586
<b>Edith Cowan University</b>	268	0.1%	202	0.1%	0	0.0%	0	0.0%	470	0.2%	257003
<b>Flinders University</b>	1199	0.5%	1012	0.5%	3442	1.6%	0	0.0%	5654	2.6%	218216
<b>Griffith University</b>	2966	0.7%	907	0.2%	218	0.1%	1058	0.2%	5149	1.2%	431691
<b>James Cook University</b>	1302	0.6%	751	0.3%	400	0.2%	0	0.0%	2452	1.1%	217697
<b>La Trobe University</b>	1519	0.4%	1345	0.4%	0	0.0%	0	0.0%	2864	0.8%	369026
<b>Macquarie University</b>	1157	0.3%	170	0.0%	0	0.0%	0	0.0%	1327	0.4%	369545
<b>Monash University</b>	16230	1.7%	963	0.1%	7363	0.8%	0	0.0%	24557	2.6%	931330
<b>Murdoch University</b>	499	0.3%	71	0.0%	482	0.2%	0	0.0%	1052	0.5%	198006
<b>Queensland University of Technology</b>	9233	1.9%	606	0.1%	9878	2.1%	372	0.1%	20089	4.2%	479672
<b>RMIT University</b>	613	0.1%	960	0.2%	0	0.0%	0	0.0%	1573	0.3%	517292
<b>Southern Cross University</b>	227	0.2%	128	0.1%	0	0.0%	0	0.0%	355	0.3%	108229
<b>Swinburne University of Technology</b>	3561	1.2%	1723	0.6%	0	0.0%	0	0.0%	5284	1.8%	287823
<b>The Australian Maritime College</b>	54	0.2%	30	0.1%	204	0.8%	0	0.0%	288	1.1%	25178
<b>The Australian National University</b>	6228	0.8%	606	0.1%	0	0.0%	0	0.0%	6835	0.9%	735354
<b>The University of Adelaide</b>	6323	1.4%	862	0.2%	0	0.0%	0	0.0%	7184	1.6%	436134
<b>The University of Melbourne</b>	21622	1.9%	67	0.0%	46772	4.2%	0	0.0%	68461	6.2%	1110669
<b>The University of New England</b>	934	0.5%	59	0.0%	2075	1.2%	0	0.0%	3068	1.8%	174271
<b>The University of New South Wales</b>	6925	0.9%	8071	1.0%	5346	0.7%	154	0.0%	20497	2.6%	793392
<b>The University of Newcastle</b>	1923	0.6%	567	0.2%	2467	0.7%	3423	1.0%	8380	2.5%	329435
<b>The University of Notre Dame Australia</b>	6603	15.7%	33	0.1%	1250	3.0%	0	0.0%	7885	18.7%	42162
<b>The University of Queensland</b>	22190	2.6%	6525	0.8%	46139	5.4%	248	0.0%	75101	8.8%	852572
<b>The University of Southern Queensland</b>	291	0.2%	198	0.1%	0	0.0%	0	0.0%	489	0.3%	147981
<b>The University of Sydney</b>	27340	2.5%	3251	0.3%	20397	1.9%	0	0.0%	50988	4.8%	1072850
<b>The University of Western Australia</b>	8728	1.7%	812	0.2%	4298	0.8%	1440	0.3%	15278	3.0%	515558
<b>University of Ballarat</b>	50	0.0%	176	0.1%	0	0.0%	0	0.0%	226	0.2%	144444
<b>University of Canberra</b>	154	0.1%	109	0.1%	0	0.0%	0	0.0%	263	0.2%	123668

<b>University of South Australia</b>	2044	0.6%	304	0.1%	0	0.0%	0	0.0%	2348	0.7%	350083
<b>University of Tasmania</b>	1284	0.5%	160	0.1%	0	0.0%	0	0.0%	1443	0.5%	278214
<b>University of Technology, Sydney</b>	952	0.3%	2253	0.6%	245	0.1%	1474	0.4%	4924	1.3%	370588
<b>University of the Sunshine Coast</b>	235	0.4%	52	0.1%	18	0.0%	0	0.0%	304	0.6%	53569
<b>University of Western Sydney</b>	291	0.1%	111	0.0%	0	0.0%	0	0.0%	402	0.1%	344772
<b>University of Wollongong</b>	1704	0.6%	785	0.3%	92	0.0%	0	0.0%	2580	0.9%	279405
<b>Victoria University</b>	67	0.0%	29	0.0%	75	0.0%	0	0.0%	171	0.1%	320020
<b>TOTALS (rounding errors may occur)</b>	<b>164759</b>	<b>1.1%</b>	<b>35316</b>	<b>0.2%</b>	<b>165775</b>	<b>1.1%</b>	<b>13090</b>	<b>0.1%</b>	<b>378939</b>	<b>2.6%</b>	<b>14648569</b>

*\*Total operating revenue less unpaid superannuation contributions. Figures derived from university annual reports and DEST tables.*