

ANU financial quarterly update

22 April 2025



Australian
National
University

ANU 2024 financial results

2024 Operating Result Overview

- **Operating deficit:** \$139.7m
(**Budgeted:** \$60.0m | **Forecast (September):** \$199m)

2024 Net Result (Annual Report)

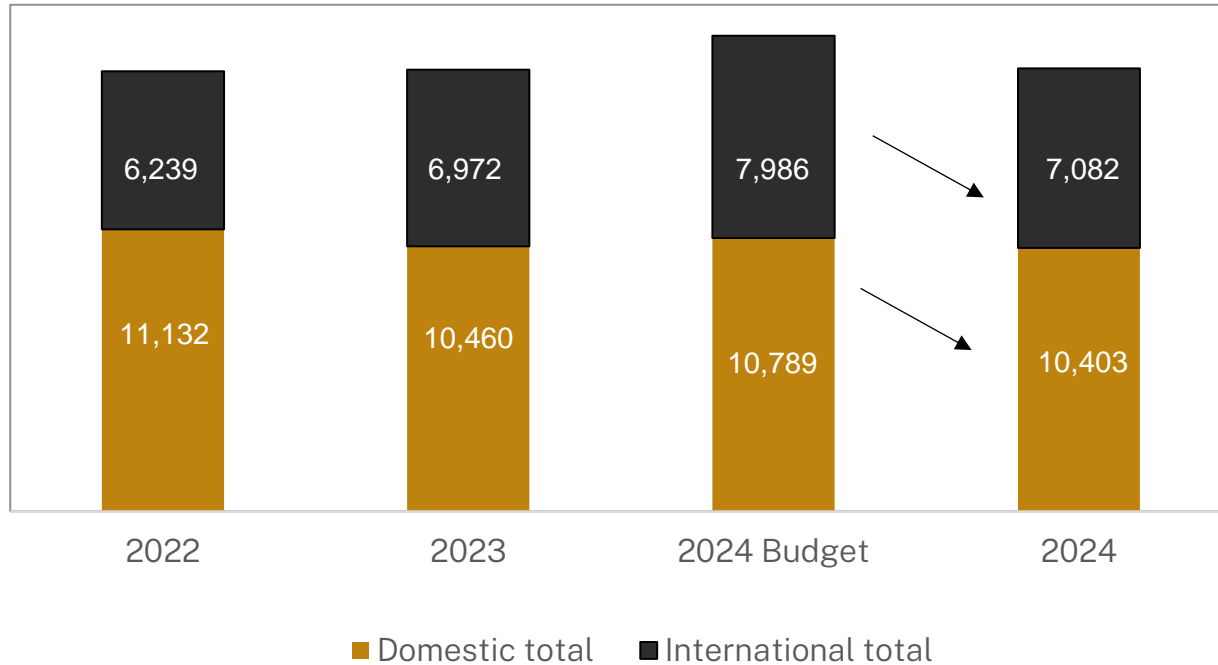
- **2024:** \$87.1m
- **2023:** \$146.6m

Our *Net result* includes income from investments and insurance proceeds which we are unable to use for operating expenses.

Key Themes:

- Student numbers for 2023 to 2024 were flat and tuition fees were lower than budget by \$61m.
- Above budget revenues from Grants and higher research spendings.
- \$24m in savings across salary, non-salary & depreciation (R+T+Q funds).
- Expense growth slowed but still outpaced revenue.

Student load (EFTSL): 2022 - 2024



Profit and Loss 2024

ANU Profit and Loss (\$m)			
	2024 Actuals	2024 Q3 Forecast	2024 Actuals to FY Forecast
Revenues			
RBG/NIG	363	363	0
Tuition Fees	499	500	-1
Research Revenues	354	345	8
Commercial and Other Revenues	143	139	4
Total Revenue	1358	1347	11
Expenses			
Salary	836	844	-8
Non-Salary	513	559	-46
Depreciation	137	131	6
Borrowing Costs	12	12	0
Total Expense	1498	1546	-48
Net Operation Result before Extraordinary Item	-140	-199	59

Note : RBG – Research block grant. NIG – National institutes grant.



2020-2024 Depreciation and Capex

	2020-2024 Capital Expenditure ('m)					5 Year Total
	2020 Actuals	2021 Actuals	2022 Actuals	2023 Actuals	2024 Actuals	
Total Capital Expenditure	220	201	114	115	79	729
Total Depreciation Expenditure	102	113	113	135	137	599

Note : Capital Expenditure does not include hail remediation related building works.

Key Themes

- While depreciation does not directly affect cashflow, the capital expenditures that lead to depreciation do materially reduce the university's cash balance.
- Depreciation accounts for gradual reduction in value of assets over time, reflecting the university's true operating costs.
- For long term financial health and sustainability, ANU must continue to invest in key assets that support research and teaching activities.

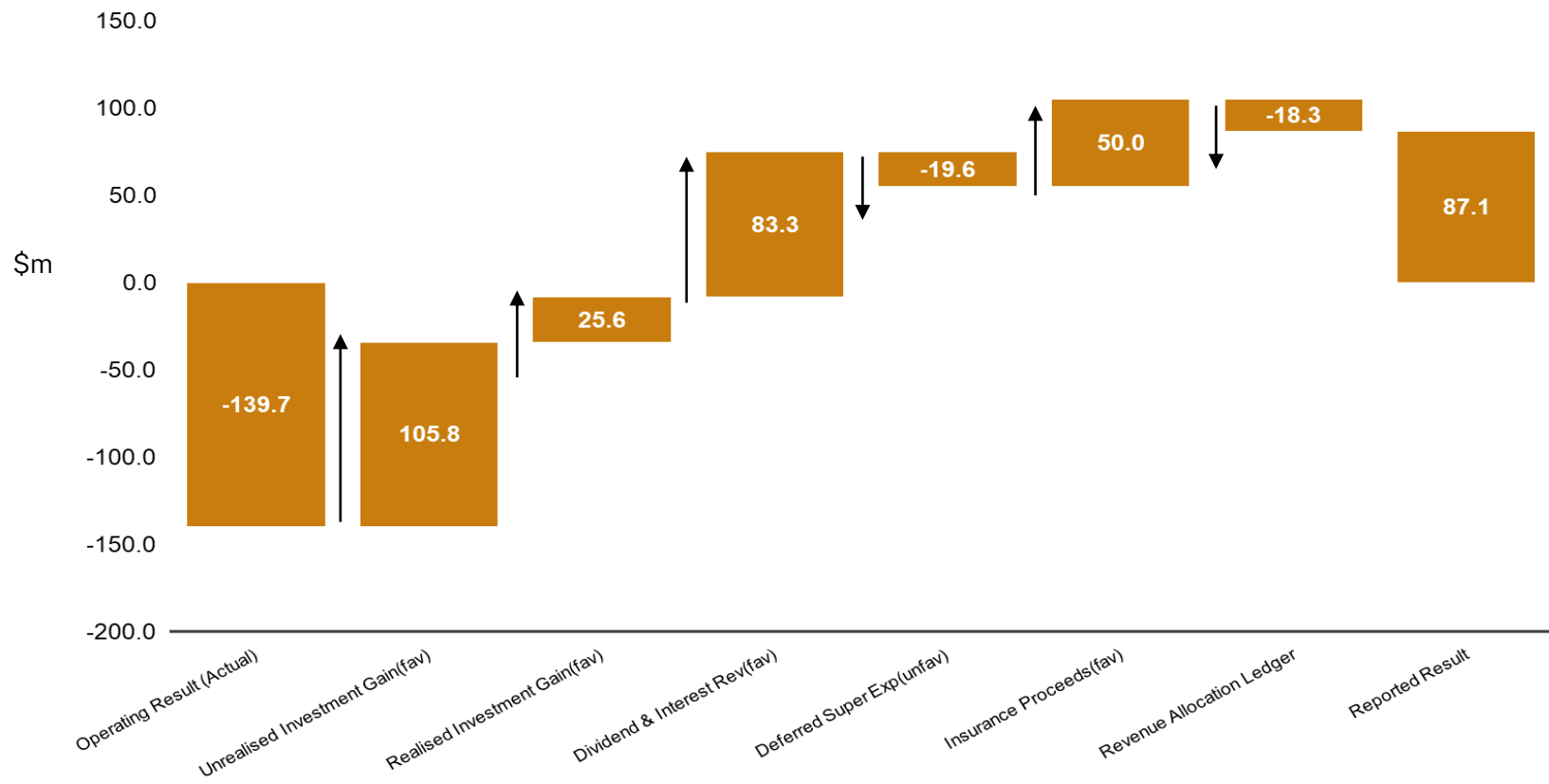


Reconciliation: Operating deficit to reported result

- ANU like most Australian Universities focus on their Operating / Underlying result, which assesses the ability to operate sustainably.
- The **operating result** adjusts the University's net result for items that are one-off or non-operating in nature. This includes the University's investment funds (which are restricted) and the investment income it earns, which are not available to fund day-to-day operations.



2024 Reconciliation: operating deficit to reported result



2025 Q1 financial update

2025 Operating Deficit Budget: \$111m

Revenue

- Total revenue in line with Q1 Budget.
- EFTSL: Actual 8,772.6 V Budget 8,872.3 (99.6 unfavourable variance).

Expense (Operational funds: R)

- Salary: Higher underlying salary costs relative to budget of \$7.2m in Q1. Based on the current spending rate, underlying salary costs are tracking \$29m higher than budget in R fund for the full year.
- Non-salary: \$5.7m favorable variance for first 3 months, mainly driven by IT, scholarships and travel expenses, with significant component attributable to timing.



Financial Sustainability

The ability for ANU to maintain and manage its financial resources in a way that ensures long-term stability and the capacity to fulfill its mission.

Financial Goal :

Move to an Operating surplus where Revenue = Expenses in 2026.



Key aspects of financial sustainability for ANU include:

- **Diversified revenue streams:** Ensuring a variety of funding sources, such as tuition fees, grants, donations, and endowments, to reduce reliance on any single source.
- **Effective expense management:** Managing costs within our Revenue and optimising resource allocation to ensure financial efficiency.
- **Disciplined financial oversight:** Implementing robust financial governance and oversight to monitor financial health and make informed decisions.
- **Strategic planning:** Engaging in long-term financial planning to anticipate future needs and challenges.



THANK YOU



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