

The financial challenges facing Australian universities - and how to manage them

By Perpetual Private

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Today universities are fighting for sustainable funding. They're dealing with a changed economic environment. And they're under pressure to optimise investment processes. In a new

paper, Perpetual Private and Laminar Capital draw on sector research to explore these financial challenges – and the solutions.

In [Investing in uncertain times: Insights into university investment decision making](#), we look at how Australian universities are making investment decisions, where and how they seek advice and what their focus areas are for the next 1-3 years – drawing on survey responses from universities across Australia.

It's designed to give university leaders and their financial teams a clear view of the issues – and a line to the solutions – with findings also relevant for the broader not-for-profit sector. Here's a snapshot.

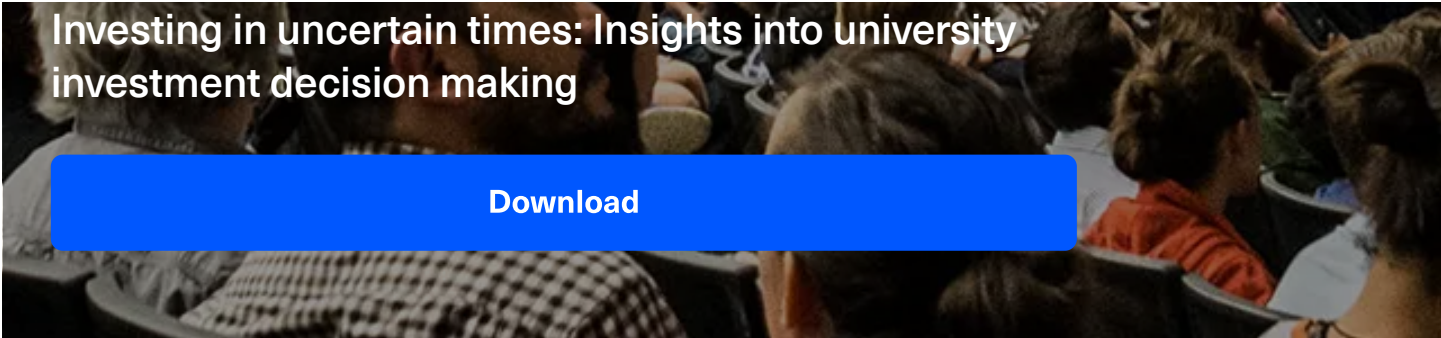
Inflation is disrupting the investment landscape

Looking forward there are many factors that suggest the next ten years will not mirror the last. Interest rates have been pushed higher and there are still decades of quantitative easing left to unwind. This will impact companies differently which will have a knock-on effect on investment returns. It is therefore important for all investors to review their strategies and ensure they remain fit for purpose.

Slow progress on process

Too many universities have inefficient and risky investment management processes (“spreadsheet risk”) particularly when it relates to cash holdings – a significant part of any university's balance sheet. They also need to make big decisions on investment implementation, inhouse vs outsourced and how to deliver on their communities' ESG expectations.





Investing in uncertain times: Insights into university investment decision making

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