

Review of activities

6. Diversifying our income streams and managing our resources to establish a sustainable financial base

Competing in a world market where government funding is declining in relative terms, UQ needs to achieve a more sustainable financial base to pursue our strategic agenda. We are doing this by carefully considering all expenditure before outlay, increasing non-government research funding from industry and international sources, boosting income from philanthropy, and improving our management of costs with a stable financial budget.

An improvement in source country diversity among our international students

This remains a key priority for the University, but it was a priority that was difficult to pursue during the COVID-19 pandemic because of closed international borders and the significant impacts of the pandemic on many of the University's traditional markets. In 2021, 63.4 per cent of our international student body was from China.

Supporting achievements and initiatives

- The 3-year Lead Acquisition for Diversity strategy continued, using targeted digital campaigns to raise brand awareness of UQ and its programs – in particular, the profiling of UQ's thought leadership strengths and research outcomes.
- Operations were realigned to have a sharper focus on diversity markets, with tiered prioritisation across the Future Students portfolio.

- The digital uplift of marketing and communication capabilities (centralised collaboration and planning tool, and digital asset management platform) continued, with business process reengineering to support new technology rollout to the marketing and communication teams.
- UQ's global profile was elevated by 23 international tailored marketing campaigns in key markets, including the launch of UQ's first Vietnam campaign. The focus of these campaigns was to build brand awareness, generate leads and support conversion.
- Updates to country recruitment plans are currently underway to further integrate multiple-channel partners, e.g. articulation partners and sponsors.
- To support diversity, the India-based recruitment team continued its work to expand UQ's engagement with key channel partners in target regions across India. In 2021, their efforts focused on campaigns to counter students' resistance to online learning. The team also launched UQ's QLABs, a 7-month entrepreneurial education program involving 50 schools across India, the Thinking Schools Initiative with Humanities and Social Sciences involving 20 schools, an Engineering Design Challenge involving 12 institutions, and they progressed articulation partnerships – both new and existing – to create ongoing student pathways for BEL, EAIT and Science.
- An expanded range of UQ scholarships on offer saw 848 international students from 35 different countries being awarded during 2021. An additional 786 international students from 61 countries were awarded scholarships for external providers to study at UQ in 2021.
- The expanded Enabling Partners Scheme was launched in India, Indonesia, Vietnam, Malaysia, Thailand, Taiwan and Singapore in 2021.

- Due to the pandemic, online webinars were delivered to amplify international high school and institutional partner engagement in key markets, with outbound call campaigns to ensure current students felt supported and did not withdraw from studies.
- Global Engagement managed sponsored students from 74 countries in 2021, welcoming students from countries that had not been enrolled in 2020, such as Argentina, Egypt, French Polynesia, Islamic Republic of Iran, Norway, Paraguay, Republic of Korea, Seychelles, Spain and Zimbabwe.
- A new customer relationship management and marketing automation solution (UQEngage) was implemented, which will significantly uplift the customer experience of individuals interested in studying at UQ and greatly enhance UQ's ability to connect with those individuals and progress them towards enrolment.

Growth in philanthropic income to \$500 million

By the end of 2019, UQ had achieved its fundraising target of '\$500 million by 2020' – with donations from individuals, corporates, foundations and other organisations – for teaching and learning, research, infrastructure, student experience, and other initiatives. 2020 saw a record \$106 million donated, while 2021 saw a further \$64 million raised.

Supporting achievements and initiatives

- UQ's third annual Giving Day was held in October, raising more than \$2.19 million through the generosity of 1,778 donors, 40 per cent of whom gave to UQ for the first time.
- In 2021, UQ engaged with almost 43,000 global alumni through the ChangeMakers alumni program that continued to deliver mentoring and volunteering opportunities as well as a range of information and networking events.

Sustainable financial performance in line with our strategic ambitions

The normalised EBITDA (before investment revenue) as a percentage of normalised revenue exceeded the target KPI of 10 per cent.

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Supporting achievements and initiatives

- UQ's national market share of international commencements grew by 1.8 percentage points to 7.4 per cent in 2021, and UQ's Go8 market share of international commencements grew by 1.4 percentage points to 14.8 per cent in 2021. UQ also achieved growth in the number of commencing domestic students – both at undergraduate and postgraduate coursework levels.
- Academic and professional staff salary costs were reduced following the 2020 Voluntary Separation Scheme; and savings were made because of fewer staff travelling due to COVID-related travel and activity restrictions.
- \$99.5 million additional Research Support Program funding was received as part of the Commonwealth Government's COVID budget response, and the University sought to leverage strategic Government financial support for the development of new agrifood and biomanufacturing industries to strengthen the Australian economic recovery post-pandemic.
- Changes to internal policies and procedures governing the management of consultancy and research projects improved our capacity to build stronger external partnerships and grow industry income.
- The rollout of commercially orientated professional development and training programs was fast-tracked to offer more options for, and to attract, future students. This included stackable pathways toward postgraduate qualifications to support the provision of lifelong learning opportunities.
- UQ retained its focus on diversifying and reinforcing international student markets through applying the Enabling Partnerships Scholarship Program and the 12.5 per cent Offshore Study Rebate.

General activities enabling the diversification of our income streams and management of our resources to establish a sustainable financial base

- In 2021, UQ received over \$57 million in international funding from more than 300 funding partners in 42 countries, including the US, Norway, China, Japan, Switzerland, UK, Canada, Germany, New Zealand and Denmark.
- UQ continued to explore sector-focused partnerships at scale with several large organisations including GRDC, Bureau of Meteorology, Moderna, Stryker and CSIRO.
- Thanks to philanthropic funding, the UQ Art Museum was able to build the collection, enhance student experience through internships and specialised training, and appoint two key positions in Education and Research.
- UQ's Sustainability Strategy was developed and approved by Senate.
- A proposal for a university-wide approach to new program development was accepted and work began on governance and pricing structures to support this being implemented throughout 2022.
- UQRes operators were established to manage UQ-owned student accommodation assets.

Key performance indicators Sustainable finances

An improvement in source country diversity among our international students

Proportion of international students from a single source country						
	2016	2017	2018	2019	2020	2021 ¹
Per cent	36.1	42.5	49.2	55.1	59.9	63.4

Growth in philanthropic income to \$500 million

Philanthropic income 2013–2020, aligned with <i>Not if, when</i> campaign						
	2016	2017	2018	2019	2020	2021 ²
Cumulative philanthropic income (\$million)	256	325	391	501	607	671

Sustainable financial performance in line with our strategic ambitions

Financial performance						
	2016	2017	2018	2019	2020	2021
Underlying EBITDA as a percentage of underlying revenue	7.4%	11.4%	9.8%	12.1%	10.7%	15.7%
Statutory accounting result (\$million)	-12,124	51,318	74,500	131,810	82,928	332,899

¹ Figures for 2021 are preliminary. Data will be finalised in mid-2022.
² The *Not if, when* campaign formally closed on 31 December 2020.