

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.

Key performance indicators Sustainable finances

An improvement in source country diversity among our international students

Proportion of international students from a single source country

	2015	2016	2017	2018	2019	2020 ¹
Per cent	30.9	36.1	42.5	49.2	55.1	59.9

Growth in philanthropic income to \$500 million

Philanthropic income 2013–2020, aligned with *Not if, when* campaign

	2015	2016	2017	2018	2019	2020
Cumulative philanthropic income (\$million)	210	256	325	391	501	607

Sustainable financial performance in line with our strategic ambitions

Financial performance

	2015	2016	2017	2018	2019	2020
Underlying EBITDA as a percentage of underlying revenue	8.1%	7.4%	11.4%	9.8%	12.1%	11.0%
Statutory accounting result (\$million)	35.550	-12.124	51.318	74.500	131.810	82.928

¹ Figures for 2020 are preliminary. Data will be finalised in mid-2021.

6.1 Increase our international student revenue.

With the ban on overseas travel due to the pandemic, the number of international students dropped in 2020, resulting in a reduction in revenue that is expected to continue for some years.

Lead acquisition for diversity

The *UQ Strategic Plan 2018–2021* identifies the need for UQ to diversify its income stream as a key strategic focus area. International students have traditionally been largely drawn to business and commerce programs, and students from China have dominated the overall international mix. Recruiting students from a diverse range of countries is critically important for the University to also achieve its strategic objective of building cultural diversity in classrooms, which provides for a richer educational experience for all students. The Lead Acquisition for Diversity strategy takes advantage of a number of untapped data sources across the University to build a digital profile of our target audiences across the globe, and to develop and execute an informed digital acquisition strategy aimed at improving the geographic distribution of student enquiries. While progress during 2020 was heavily impacted by the pandemic, digital campaign activity shifted to profiling UQ's thought leadership and research outcomes in relation to COVID-19. This activity drove new visitation to UQ websites and increased brand awareness for UQ globally. Other market-specific campaign activity aimed at lead acquisition ran in India, Singapore, USA, and Indonesia.

International students

UQ continued to make progress on our long-term priority to increase enrolments from diversity markets. UQ's commitment to India continued throughout 2020 with a strong pipeline resulting from the previous 3-year investment in brand-building initiatives. The India-based team developed deeper relationships with agents (professional development opportunities while in lockdown), implemented a schools strategy (virtual workshops and engagement with schools), and developed a wholesale partnership strategy. Despite the strong pipeline, COVID-19 significantly impacted the conversion of students from India (particularly for Semester 2, 2020) due to a resistance towards online learning. This was a common theme across many of UQ's diversity markets, with students preferring to wait for face-to-face learning rather than study online.

With many countries constrained by movement restrictions due to the pandemic, many education systems worldwide shifted to online delivery. International high school and institutional partner engagement across key diversity markets was amplified through online webinars delivered by faculty academics. These sessions will build the pipeline for future intakes. Scholarships targeting students from diversity markets were also released for Semester 2, 2020.

Related initiative for 6.1

3.4 CX program pg 28

6.2 Increase research funding from industry.

New opportunities

UQ is currently exploring sector-focused partnerships at scale, pursuing partnerships that span multiple faculties and institutes. In 2020, work was ongoing in developing partnerships with Stanwell, Siemens, Stryker, Infosys, IBM, ANSTO and other partners. The partnership with IIT-Delhi solidified with a few strong industry partnering opportunities emerging, including with Renew Power and Google India Labs.

Related initiatives for 6.2

2.4 Research partnerships pg 24
3.2 International research partnerships pg 28

6.3 Increase research funding from international sources.

By September 2020, UQ had received \$264 million of international funding from its 944 research agreements with partners in 52 countries, the top 10 of which were the US, UK, China, Switzerland, Japan, Germany, France, Canada, Brazil and New Zealand.

Enhancing capability and performance in international research funding

Following the establishment in 2018 of a specialist team for international competitive funding, a rate was successfully negotiated with the US Federal Government so that UQ can now claim 47 per cent indirect cost recovery, rather than 10 per cent, on all Federal Government Agency applications. Since acceptance in early 2020, UQ generated a further \$500,000 of indirect cost recovery gain on 5 grant applications that would otherwise not have been able to be achieved. Education and training programs were undertaken with UQ researchers so that an unprecedented number of UQ-led bids are currently being prepared for the National Institutes of Health within the year – an indication of the increased confidence of UQ researchers applying to US competitive granting agencies.

Related initiative for 6.3

2.3 UQIDAR/QUEX pg 24

6.4 Build philanthropic support through a dedicated campaign.

More people donated to the University in 2020 than in any other year.

Philanthropic support

2020 was the final year of the *Not If, When* – the Campaign to Create Change comprehensive philanthropic campaign. At the close of the year, the campaign's target was exceeded, raising a total of \$607,092,568 from 16,643 donors.

In 2020, \$101,968,745 was raised in partnership with 4,683 donors – the most donors in a single year at UQ.

UQ ChangeMakers

In August, UQ launched its first global alumni program, ChangeMakers. Made for alumni by alumni, ChangeMakers aims to provide opportunities to leverage the power of the UQ alumni community – through alumni-to-alumni (A2A) mentoring, volunteering opportunities, and access to flagship events presented by alumni leaders and academic experts that cover world issues. In 2020, 48,551 alumni engaged with the University, more than any year prior.

Related initiative for 6.4

4.6 Western Civilisation pg 32
5.4 Student hardship fund pg 35

6.5 Manage our resources through a capital asset plan and sustainable budgeting.

Sustainable budgeting also included sustainable actions, which reduced costs to both the environment and the bottom line. Around 90 per cent of the University's funding comes from 5 key areas: tuition fees, Commonwealth education funding, research funding, consultancy fees and commercial revenue.

Capital reporting

During 2020, the University introduced an enhanced capital management process and reporting framework. This initiative facilitates an enhanced capital management process and summary, providing a holistic understanding of all major capital programs (current and pipeline), comparison to budget and high-level view of capital decisions.

UQ Solar Farm

All major construction works for this project are now complete, with stages 1 and 2 (32 megawatts each) having been connected to the grid. Power generation commenced and will follow a 3-stage 'ramped' process to full output. The Warwick Solar Farm was officially opened on 17 July 2020 by Minister for Natural Resources, Mines and Energy Anthony Lynham; Vice-Chancellor Professor Peter Høj AC; and Minister for State Development, Tourism and Innovation Kate Jones – enabling UQ to become the first major university in the world to offset 100 per cent of its electricity use with renewable power produced from its own assets once fully commissioned. The output will be about 160GWh per year, the equivalent of powering more than 25,000 households. Master of Sustainable Energy students were the first of many students to benefit from seeing renewable energy assets up close and working hands-on with UQ's own data.

Tesla Powerpack battery

In January, UQ commenced operation of a \$2 million battery storage system to help the University achieve its energy-neutral goals, generate revenue and hedge against electricity price volatility. With the energy equivalent of 500,000 standard AA batteries, the system uses an automated algorithm for optimising charging and discharging, developed in-house by UQ. Performance throughout 2020 indicates that the battery will pay for itself in less than the 8 years originally forecast.

Student recruitment

In order to mitigate the anticipated 15 per cent reduction in demand among domestic students for an undergraduate university place in 2020 (as a result of the introduction of Prep in 2007), an integrated marketing and recruitment strategy was implemented to coordinate all efforts across the University. The results of this concerted effort were pleasing, with UQ increasing its overall market share – driven largely by an increase in market share among both Queensland and interstate school leavers.

The 2019 review of international admissions processes and procedures recommended several changes, which commenced during 2020. A briefing document was prepared for review by UQ's Information Technology Service, and a proposal outlining what technology can be uplifted, adapted or changed is expected to be completed early in 2021.

Discussions continued around the future of pathways programs, and the operating models for UQ College and the Institute of Continuing and TESOL Education, which were impacted heavily by both uncertainty around Australian Government policies and the pandemic during 2020. An options paper articulating various operating models will drive further discussions into 2021.

University of Queensland Press (UQP)

In 2020, a new strategic plan was produced to position UQP as a sector-leading independent publishing house with the objectives of transforming Australians through literature, connecting readers with diverse Australian stories, championing Aboriginal and Torres Strait Islander authors, delivering artistic and creative excellence, and providing strong organisational leadership. During the year, the focus was on delivering outstanding engagement for the University including producing a new website, launching a new membership program and industry-leading Indigenous Placement Program, hosting a publicity event for the inaugural UQP Quentin Bryce Award, partnering with UQ Advancement to launch the monthly UQ Book Club, establishing the inaugural UQP Writing Fellowship, launching the UQP Sustainability Committee, and establishing a framework for collaboration with UQ's Aboriginal and Torres Strait Islander Studies Unit. UQP authors also won a record number of literary prizes in 2020.

UQ art collection conservation

Funding was withdrawn for this project in 2020 due to pandemic funding impacts; however, assuming the supply of philanthropic sources and the availability of specialist conservators, work may resume in 2021.

Reuse and recycling station

The University partnered with the UQ Union Environment Collective to host a new recycling station for students and staff. Designed as a receptacle for hard-to-recycle household items that can't be recycled through home recycling bins, the facility caters for small e-waste, soft plastic, mobile phones, batteries, ink cartridges, oral care products, eye glasses, stationery items, paper, and CDs and DVDs.

Hydrogen buses

In partnership with the Queensland Government, UQ will add 2 hydrogen fuel cell coach-style buses to its fleet by 2022, expected to be the first of their kind in the state. The buses' emissions are expected to be 60-70 per cent lower than those of the diesel-powered intercampus shuttle buses they will replace, cutting about 100 tonnes of carbon dioxide emissions per year. The hydrogen will be produced through electrolysis, using renewable power from the University's Gatton solar farm.

▶ Related initiatives for 6.5	
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Summary of

Human resources

We fuel success through a positive and supportive culture that attracts and retains high-quality staff in diverse, inclusive, welcoming, safe and progressive workplaces. We design engaging learning experiences and recognise high performance and innovation; and we endorse sound business decisions and streamlined processes that incorporate change management knowledge and capability across the business.

University staff

Recruitment and selection

UQ externally advertised 1,228 jobs for 2020 and placed 492 academic and 736 professional staff positions, along with an additional 890 direct appointments. The University received 29,104 applications. The primary medium for recruitment was the UQ Jobs e-recruitment website, with several externally hosted recruitment websites also used extensively, particularly SEEK, LinkedIn and Global Academy Jobs. From 31 March 2019 to 31 March 2020, the University's continuing and fixed-term workforce increased to 7,208 FTE, with a retention rate of 91.88 per cent

and a separation rate of 8.12 per cent for 'continuing' staff members in 2020.

All new recruits were invited to attend a formal induction program in addition to on-the-job orientation.

The Recruitment Services team was selected as a finalist for *Best use of technology and Employer of choice (>1000 employees)* in the 2020 Australian HR Awards, and *Most courageous* team in the 2020 Leadership HQ Awards.

The Aboriginal and Torres Strait Islander Employment Strategy continued to be widely promoted by Human Resources. In 2020, 6 graduates were recruited into the Vice-Chancellor's Aboriginal and Torres Strait Islander (Indigenous) Graduate Program,

7 candidates into the Professional Entry Pathways (PEP) Program, and 3 candidates into the Academic Pathways Program. From the 2019 program, 11 of the 21 were retained post-Pathways Program. UQ now employs 97 staff members of Aboriginal and Torres Strait Islander descent.

The table below shows University staff numbers as at 31 March 2020.

Remuneration and benefits

In the 2019/20 financial year, more than 20,000 ATO Income Statements were issued via the ATO's new Single Touch Payroll – myGov system, with overall payroll, superannuation, payroll tax and ATO outgoings of just over \$1 billion.

University staffing FTE by function as at 31 March 2020 ¹							
Continuing and fixed-term staffing		2018		2019		2020	
		FTE	% of all FTE	FTE	% of all FTE	FTE	% of all FTE
Academic	Teaching and research	1,173	15.3%	1,199	14.77%	1,234	14.76%
	Research-focused	1,441	18.8%	1,468	18.09%	1,525	18.24%
	Teaching-focused	175	2.3%	165	2.03%	173	2.06%
	Other	26	0.3%	22	0.27%	25	0.30%
	ACADEMIC FTE	2,814	36.6%	2,854	35.16%	2,957	35.36%
Professional	Research support	483	6.3%	504	6.21%	533	6.38%
	Other	3,316	43.2%	3,604	44.40%	3,717	44.45%
	PROFESSIONAL FTE	3,799	49.5%	4,108	50.61%	4,251	50.83%
CONTINUING AND FIXED-TERM FTE ²		6,613		6,962		7,208	
Casual staffing		2018		2019		2020 ³	
		FTE	% of all FTE	FTE	% of all FTE	FTE	% of all FTE
Academic		507	6.6%	556	6.85%	556	6.85%
	Professional	562	7.3%	598	7.37%	598	7.37%
CASUAL FTE		976		1,154		1,154	
Total university staffing		2018		2019		2020	
		FTE	% of all FTE	FTE	% of all FTE	FTE	% of all FTE
Academic		3,321	43.2%	3,410	42.01%	3,513	42.01%
	Professional	4,361	56.8%	4,706	57.99%	4,849	57.99%
ALL FTE (CONTINUING, FIXED-TERM, CASUAL)		7,682		8,116		8,362	
Unpaid appointments		2018 Headcount		2019 Headcount		2020 Headcount	
Honorary/Adjunct appointments		2,465		2,593		2,661	
Academic titles		4,152		4,449		4,484	
Conjoint appointments ⁴		159		185		211	
ALL UNPAID APPOINTMENTS		6,776		7,227		7,356	

¹ The staffing function shown here aligns with the reporting requirements of data for the Department of Education. There may be slight changes in historical data due to improvements made in UQ's reporting systems.

² FTE represents full-time equivalent throughout table. University staffing as headcount (excluding casuals) as at 31 March 2020 is 7,842.

³ The projected Casual FTE for 2020 is the 2019 actual figure as per Department of Education estimate. Actual Casual FTE for 2020 will be available 30 June 2021.

⁴ Conjoint appointments are clinical academics jointly appointed by the University and an external health partner, with only one of the partners having an employment relationship with the appointee. While recorded as unpaid appointments in University systems, UQ contributes towards the cost of the appointment in cases where the external health partner is the employer.