

KEY STATISTICS

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Number of students	2012	2013	2014	2015	2016	2017¹
TOTAL	46,863	48,804	50,749	50,830	51,071	52,329
% Female ²	55.3	55.4	55.2	55.0	54.5	54.9
Commencing	16,377	17,649	18,395	17,426	17,805	18,793
% Female ²	56.9	56.8	57.0	56.4 ⁷	55.8	57.1
International	11,325	11,513	12,195	12,664	13,338	15,431
% International	24.2	23.6	24.0	24.9	26.1	29.5
Student load (EFTSL)³	2012	2013	2014	2015	2016	2017¹
TOTAL	37,022	38,416	39,963	40,029	40,214	41,202
Undergraduate and non-award	28,989	30,367	31,574	30,916	30,173	29,504
Postgraduate coursework	4,937	4,920	5,224	5,829	6,752	8,481
Postgraduate research	3,096	3,129	3,164	3,283	3,290	3,217
Student load by funding type (EFTSL)³	2012	2013	2014	2015	2016	2017¹
Commonwealth funded ⁴	26,061	27,361	28,311	28,056	27,560	27,102
Domestic full fee paying	1,771	1,797	1,849	1,777	1,743	1,714
International fee paying	9,190	9,258	9,802	10,196	10,912	12,386
Award completions	2012	2013	2014	2015	2016	2017¹
TOTAL	10,785	11,042	11,617 ⁷	12,079	12,045	12,580
Undergraduate	6,623	6,947	7,220 ⁷	7,609	7,678	7,889
Postgraduate	4,162	4,095	4,397	4,470	4,367	4,689
Staff (FTE)⁵ as at 31 March⁶	2012	2013	2014	2015	2016	2017
TOTAL	6,751	6,892	6,816	6,791	6,703	6,607
Academic						
Teaching and research	1,320	1,265	1,240	1,207	1,145	1,134
Research focused	1,320	1,438	1,436	1,452	1,460	1,455
Teaching focused	171	156	179	149	139	150
Other	25	24	28	26	28	27
SUB-TOTAL	2,836	2,883	2,883	2,834	2,772	2,766
Professional						
Research focused	642	633	593	547	490	486
Other	3,273	3,376	3,340	3,410	3,441	3,354
SUB-TOTAL	3,915	4,009	3,933	3,957	3,931	3,841
Operating revenue (\$'000)	2012	2013	2014	2015	2016	2017
Commonwealth Grant Scheme grants ⁸	286,185	298,314	304,775	309,946	322,135	308,478
HECS-HELP and HECS-HELP student payments ⁸	167,619	207,614	220,301	215,801	215,643	212,602
FEE-HELP and course fees and charges ⁹	306,423	322,446	358,041	388,106	431,488	518,038
Research block grants ¹⁰	153,634	157,756	163,229	171,054	176,587	184,525
Other government revenue ¹¹	302,294	296,593	307,144	290,023	257,907	251,545
Consultancy and contract revenue ¹²	174,431	180,405	148,796	170,865	152,973	156,872
Other revenue ¹³	192,103	208,443	186,387	167,017	194,377	196,296
TOTAL	1,582,689	1,671,571	1,688,673	1,712,812	1,751,110	1,828,356

¹ Figures for 2017 are preliminary. Data will be finalised in mid-2018.
² There has been a reassessment of how gender figures have been classified. As such, the data has been recomputed to reflect these changes retrospectively. Female and male percentages may not add up to 100 per cent as persons classified as X (indeterminant, unspecified, intersex) are not included.
³ EFTSL figures may not add up to totals due to rounding. EFTSL = equivalent full-time student load.
⁴ Commonwealth funded load comprises Commonwealth Grant Scheme (CGS) load, Research Training Program (RTP) load and extended domestic postgraduate research load. Note that RTP now includes load that was previously classified under the Research Training Scheme (RTS).
⁵ FTE = full-time equivalent. Data excludes casuals. Note that Total Staff FTE (including estimated casuals) for 2017 is 7693 and is preliminary.
⁶ The staff classifications shown here align with the reporting of data to the Department of Education.
⁷ There may be slight changes in historical data due to improvements made in UQ's reporting systems.
⁸ Revenue received for the teaching of the undergraduate student load.
⁹ Revenue received from fee-paying students.
¹⁰ Revenue consists of funding through the Research Training Program and Research Support Program.
¹¹ Revenue includes capital grants and research funding from Australian Research Council and National Health and Medical Research Council.
¹² Revenue includes non-government competitive grant research funding.
¹³ Revenue includes investment income, donations and scholarships, other fees and charges, and sales of goods and services.

SUMMARY OF FINANCIAL INFORMATION

As per the financial statements, the University recorded a consolidated surplus of \$47.6m for 2017. This compares to a consolidated deficit of \$15.5m in 2016.

While the financial statements reflect a true and fair view of the financial position of the University and its consolidated entities in accordance with the applicable accounting standards, the University believes that the more relevant financial result is the underlying consolidated EBITDA (earnings before interest, tax, depreciation and amortisation). This represents the total funding available for debt servicing, major capital projects, and operational property, plant and equipment.

A breakdown of the items adjusted for as part of the underlying consolidated EBITDA is contained in the table *Reconciliation of operating result to underlying EBITDA* on page 8.

University finances

Underlying EBITDA

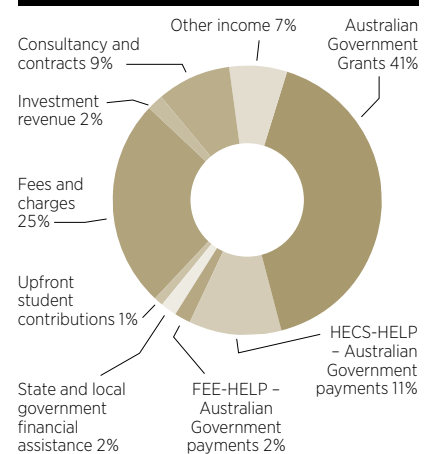
The underlying consolidated EBITDA moved from a surplus of \$138.9m in 2016 to a surplus of \$207.0m in 2017 – an improvement of \$68.1m.

Underlying income

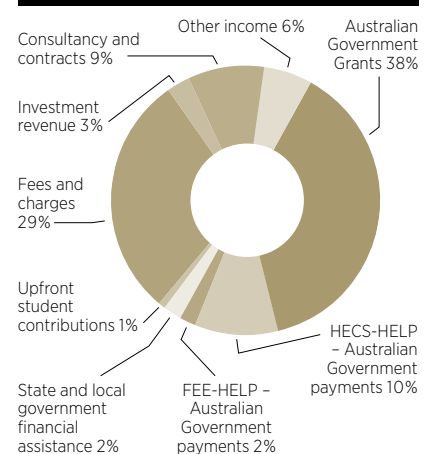
The University's underlying consolidated income increased by \$89.1m (or 5 per cent). This can be attributed to:

- An increase in course fees and charges of \$85.8m (or 21 per cent). The number of full-fee paying domestic and international students rose by 11.4 per cent from 12,655 EFTSL in 2016 to 14,100 EFTSL in 2017. Also contributing to the increase was fee band indexation of 4.0 per cent.
- A decrease in the combined funding through the Commonwealth Grant Scheme (CGS), the Higher Education Loan Program (HELP), and HELP student contributions of \$16.7m (or 3 per cent). The number of Commonwealth-funded students fell by 1.7 per cent from 27,560 EFTSL in 2016 to 27,102 in 2017.

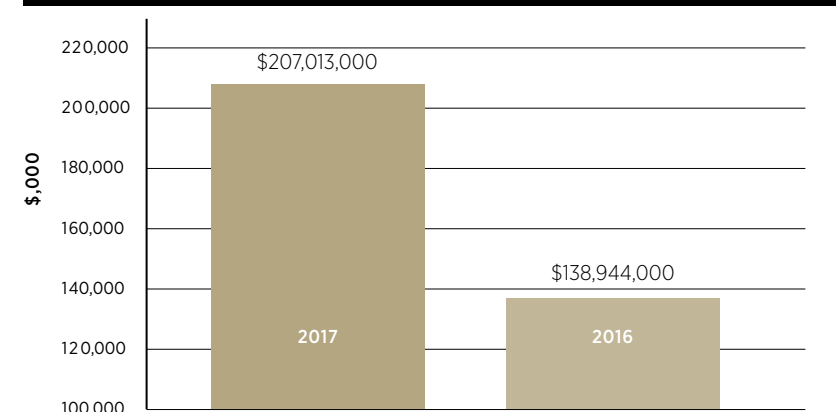
Revenue: University of Queensland parent 2016



Revenue: University of Queensland parent 2017



Underlying EBITDA



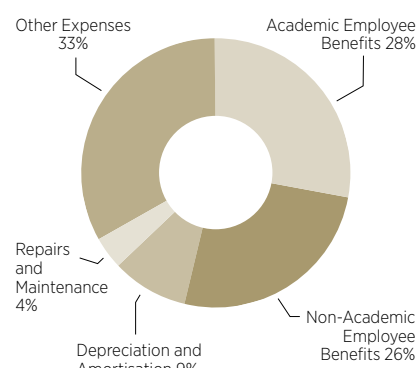
- Contributing to the decrease was the fact that the 2016 result included revenue of \$10m relating to previously withheld efficiency dividends.
- An increase in Research Block Grant funding of \$7.9m (or 4 per cent) due to additional monies received through the Research Training Program and Research Support Program.
 - A decrease in tied research, scholarship and other major project income of \$13.0m (or 4 per cent). As the underlying result does not recognise such revenue until it is expended, this decrease is due to a related decrease in research expenditure.
 - An increase in non-tied investment revenue of \$11.6m related to the University's decision to invest for the first time during 2017 in the Queensland Investment Corporation (QIC) Growth Fund.
 - An increase in the remaining revenue categories of \$13.5m (or 5 per cent) due to a number of small factors.

Underlying expenditure

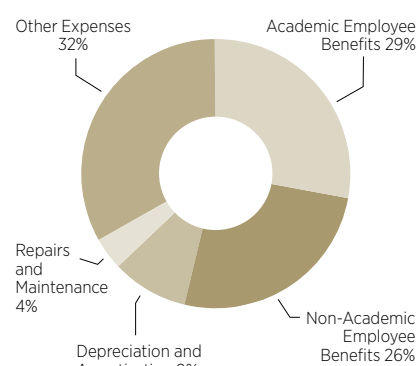
The University's underlying consolidated expenditure increased by \$21.0m (or 1 per cent). This can be attributed to:

- An increase in employee expenses of \$18.1m (or 2 per cent). This was largely driven by the following movements within the parent entity: a 1.9 per cent drop in the number of full-time equivalent (FTE) staff, and salary and wage increases of 3.0 per cent on 1 January 2017 in accordance with the University's Enterprise Bargaining Agreement.
- A decrease in non-employee expenditure on tied research, scholarship and other major project income of \$8.6m (or 5 per cent).
- An increase in the remaining expenditure categories of \$11.5m (or 2 per cent).

Expenditure: University of Queensland parent 2016



Expenditure: University of Queensland parent 2017



Capital expenditure

The University has continued to invest in major infrastructure. The total amount capitalised on property, plant and equipment during 2017 was \$92.1m (2016: \$119.0m).

Major capital projects undertaken in 2017 include the construction of a new child care centre at the St Lucia Campus, a library extension at the Gatton campus, and a fit-out of premises at the new Brisbane CBD campus. Costs were also incurred in relation to the construction of student residences at the St Lucia campus, which are scheduled for completion in 2020.

Investment Portfolio

UQ Investment Fund

The University has a total of \$218.0m in a long-term investment portfolio that is managed by external specialist fund managers. Known as the UQ Investment Fund, it holds portfolio trust and bequest funds received in past years.

The fund managers are required to operate within designated asset allocation benchmarks and each has responsibilities for investments in cash and fixed interest, listed property, Australian shares, overseas shares, tactical asset allocation, and private equity.

The investment strategy of the UQ Investment Fund is to achieve a long-term return of the Consumer Price Index (CPI) plus an additional 6 per cent. The portfolio produced a return of 10.4 per cent for the year to 31 December 2017.

UQ Socially Responsible Investment (SRI) Green Fund

The University has a total of \$3.7m in another long-term investment portfolio managed by external fund managers. Known as the UQ Socially Responsible Investment (SRI) Green Fund, this fund was established in January 2016 and provides an alternative to those providing donations and bequests. The University contributed \$3m towards the establishment of this fund.

The fund managers are required to operate within designated asset allocation benchmarks and each has responsibilities for investments in cash and fixed interest and Australian shares. The fund will not invest in companies involved with tobacco, armaments, gaming or pornography as they are not deemed socially responsible investments. Further, the fund will not invest in companies excluded from the FTSE All-World ex Fossil Fuels Index.

The investment strategy of the UQ SRI Green Fund is to achieve a long-term return of the Consumer Price Index (CPI) plus an additional 6 per cent. The portfolio produced a return of 16.6 per cent for the year to 31 December 2017.

UQ Investment Fund Performance			
	Return Of Portfolio	Average CPI plus 6%	Above/(Below) Target
Return over past year	10.42%	7.93%	2.49%
Return over past 3 years	10.70%	7.57%	3.13%
Return over past 5 years	13.36%	7.93%	5.43%
Return over past 7 years	11.37%	8.10%	3.27%

UQ Socially Responsible Investing (SRI) Green Fund Performance			
	Return Of Portfolio	Average CPI plus 6%	Above/(Below) Target
Return over past year	16.58%	7.93%	8.65%

Externally funded chairs		
Contributor	2017 (\$)	Chair
Children's Hospital Foundation	1,000,000	Chair in Cerebral Palsy
Vermilion Oil & Gas Australia Pty Ltd	500	Chair in Dermatology (Research)
Queensland Institute of Dermatology	80,000	Chair in Dermatology (Research)
Arthritis Queensland	150,000	Chair in Rheumatology
Leukaemia Foundation	100,000	Leukaemia Foundation Queensland Chair in Blood Cancer Research
Malcolm W Broomhead	1,000,000	Malcolm Broomhead Endowed Chair in Finance at the UQ Business School
Aegium Foundation	212,500	Masonic Chair in Geriatric Medicine
Paul E Eliadis	79,000	Paul Eliadis Chair of Classics and Ancient History
Paul C Taylor	240,000	Taylor Family Director (Chair) of the Centre for the Business and Economics of Health

CFO Statement

In preparing the financial statements, the UQ Chief Financial Officer has fulfilled the reporting responsibilities as required by the *Financial Accountability Act 2009*. He has provided the accountable officer with a statement that the financial internal controls of the University were operating efficiently, effectively and economically in accordance with section 57 of the *Financial and Performance Management Standards 2009*.

Reconciliation of Operating Result (Income Statement In Published Financials) to Underlying EBITDA			
	Consolidated 2017 \$'000	Consolidated 2016 \$'000	Variance \$'000
Net operating result before income tax as per University's published financial statements ¹	47,611	(15,477)	63,088
Income tied to major capital projects ²	(2367)	5856	(8223)
Movement in unspent research, scholarship and major project income ³	2726	(899)	3625
Fair value gain on TRI Investment	734	462	272
Interest expense on Smart State loans	-	-	-
Donations for managed investment portfolio ⁴	(3,980)	(12,406)	8426
Unspent investment portfolio losses/(gains) ⁴	(14,476)	(8970)	(5506)
UNDERLYING OPERATING RESULT BEFORE INCOME TAX	30,248	(31,434)	61,682
Depreciation and amortisation expense	163,736	160,681	3055
Loss/(gain) on disposal of property, plant and equipment	11,504	17,666	(6162)
Donated assets	(751)	(7930)	7179
Interest revenue	(9584)	(11,559)	1975
Interest expense	11,767	11,554	213
Income tax expense	93	(34)	127
UNDERLYING EBITDA	207,013	138,944	68,069

¹ This is the net operating result of the consolidated entity as per the University's statutory financial statements.
² This category represents funding provided by governments and other sources for specific major capital projects. This funding is not available for the general operating expenditure of the University.
³ In accordance with Australian Accounting Standards, the majority of the University's tied research, scholarship and major project income is recognised as received (as opposed to when it is spent or earned). This mismatch can create significant fluctuations in the operating result. The increase/decrease in unexpended tied research, scholarship and major project income is therefore excluded from the underlying operating surplus as it is not available for the general operating expenditure of the University and must be refunded if not spent or earned in future years.
⁴ The majority of funds invested in the managed investment portfolio are restricted funds set aside for corpus donations and bequests earmarked for purposes specified by the giver. Such donations are not available for the general operating expenditure of the University, nor is the unspent increase/decrease in the fair value of the portfolio.