

## 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 opening up more places for international students, 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

	2014	2015	2016	2017	2018	2019 <sup>1</sup>
Per cent	29.3 <sup>2</sup>	30.9	36.1	42.5	49.2	55.1

### Growth in philanthropic income to \$500 million

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

	2014	2015	2016	2017	2018	2019
Cumulative philanthropic income (\$million)	121	210	256	325	391 <sup>3</sup>	501

### Sustainable financial performance in line with our strategic ambitions

#### Financial performance

	2014	2015	2016	2017	2018	2019
Underlying EBITDA as a percentage of underlying revenue	7.8%	8.1%	7.4%	11.4%	9.8%	12.1%
Statutory accounting result (\$million)	42.646	35.550	-12.124	51.318	74.500	131.810

<sup>1</sup> Figures for 2019 are preliminary. Data will be finalised in mid-2020.

<sup>2</sup> Change from previously reported figures due to rounding.

<sup>3</sup> Figures updated that were previously preliminary.



More than a third of all UQ students are international.

## 6.1 Increase our international student revenue.

### Lead acquisition for diversity

A digital strategy aimed at improving UQ's acquisition of prospective international students through targeted digital marketing campaigns progressed through its second year of implementation in 2019. This three-year strategy will see increased campaign activity in key diversity markets and is aimed at raising brand awareness of UQ and its programs, particularly in Singapore and Canada in 2019 and Vietnam and Indonesia in 2020. It also aims to generate prospective student leads for nurturing through to enrolment, with a shorter lead time from enquiry to application. The campaigns promoted a diverse range of programs to spread the international student enrolment base across different study areas.

### International students

UQ continues to pursue our long-term priorities of growing diversity markets and programs. Our commitment to India further developed with inroads being made on increasing UQ's brand reputation and attracting high quality students. The India-based team, supported by the Brisbane office, is delivering on the India Strategy implementation plan and was supported with a high-level delegation in September 2019.

South East Asia continued to be a high-priority market for attracting international students. Highlights for 2019 included UQ 'Open Days' and targeted faculty-specific development activities. A strong focus of sustaining the China market was on increasing our social media presence and developing digital communication channels. In 2019, UQ ranked number one in audience engagement of all Australian universities on Weibo and we increased our WeChat followers by 46 per cent.

In December, the first UQ Scholarship Strategy, led by the Deputy Vice-Chancellor (External Engagement) was approved.

The strategy is comprehensive with one of the focuses being on international student recruitment. Phase 1 of the strategy will commence in 2020.

#### ▶ Related initiative for 6.1

**3.4 CX program** pg 25

## 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, and aiming to host another major industry partner on campus. In 2019, work was ongoing in developing partnerships with Stanwell, Field Orthopaedics, Siemens, Cisco, Telstra, Newcrest, ANSTO and other partners. The partnership with IITD solidified and other opportunities are emerging. Formal agreements with national research agencies were also put in place, particularly with the CSIRO, Queensland Government, and Defence Science and Technology. The CSRM Social Aspects of Mine Closure Consortium was established and attracted six industry partners. Opportunities to boost the Centre for Water in the Minerals Industry were also identified.

#### ▶ Related initiative for 6.2

**3.2 International research partnerships** pg 24

## 6.3 Increase research funding from international sources.

### Enhancing capability and performance in international research funding

Following the establishment in 2018 of a specialist team within the Office of Sponsored Research to focus on international competitive funding in response to the fluctuations in the competitive research income stream, work continued with a US consultancy firm, submitting a US negotiated rate proposal, broadening UQ's submissions to US agencies and developing enhanced researcher training programs.

#### ▶ Related initiative for 6.3

**2.3 UQIDAR** pg 21

## 6.4 Build philanthropic support through a dedicated campaign.

### Giving Day

UQ's first Giving Day took place on 23 October, bringing together 1395 donors—more than half of whom were first-time donors. The

day served as a clear demonstration of the goodwill of the University community, who together more than doubled the \$1 million goal to raise \$2.176 million in support of student scholarships, research programs and innovation in teaching and learning. Following this success, in 2020 the University will hold its second Giving Day with a renewed focus towards building on our international network of alumni and community members.

### Philanthropic support

Progress was made against all initiative targets for the *Not if, When – The Campaign to Create Change* philanthropic campaign, with \$108,526,467 raised over the course of the year. The target was \$60 million. Although the \$500 million threshold has now been met, the campaign will continue until the end of 2020 to support UQ's many important causes, particularly for needs-based scholarships. Significant gifts to the campaign in 2019 included the Ramsay Centre for Western Civilisation, and support for research into stroke, Motor Neurone Disease (MND) and scholarships.

#### ▶ Related initiative for 6.4

**4.6 Western Civilisation** pg 29

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

### UQ Solar Farm

Construction of the 64 megawatt Warwick Solar Farm project progressed well during the year with lead contractor Lendlease achieving mechanical completion in October 2019—a milestone that represents the installation of all plant and equipment including trackers, panels and inverters. This included more than 31,000 piles across the 150 hectare site, as well as almost 2500 single-axis trackers (rows) and more than 204,000 solar panels, plus 220 kilometres of underground and 300 kilometres of above-ground electrical cabling. The project remains on track to begin generation in the first quarter of 2020.

### UQ Unwrapped

The University stopped more than 100,000 plastic items per month from going to landfill through an initiative targeting single-use plastic on campus. An Australian university first, UQ Unwrapped is reducing the University's 'plastic footprint' by encouraging UQ retailers, events and markets to adopt reusable or compostable alternatives. As well as collecting several tonnes of organic waste to become rich compost, the initiative included the installation of drink container refund bins—with money generated being allocated to the Student Green Fund—and

the rollout of Green Caffein, a 'swap and go' coffee cup service. Staff desk bins were also removed, saving 500,000 plastic bin liners each year. The impact of this last initiative alone resulted in the University's recycling rate almost tripling from 10 per cent in 2018 to 27 per cent in 2019.

### Student admissions

In order to mitigate the anticipated reduction in demand among domestic students for an undergraduate university place in 2020—as a result of the 28 per cent drop in Year 12 school leavers in 2019—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.

Discussions continued around the future of pathways programs, and the operating models for UQ College and the Institute of Continuing and TESOL Education.

### Major procurement contracts

UQ's procurement strategy was revised during the year, with a Procurement Strategic Plan for 2019–2022 nearing completion and the Procurement Operating Model clearly articulated. The Procurement Policy framework was reviewed and enhanced to enable increased focus on strategic procurement and value for money, better governance and risk management, as well as process efficiency.

### UQP online sales platform

UQP developed a new website to connect diverse Australian communities with award-winning stories, including works from Aboriginal and Torres Strait Islander authors and emerging writers, across multiple genres. The website is due to be launched in the first quarter of 2020.

### UQ art collection conservation

In 2018, the UQ Art Museum began a comprehensive conservation assessment of UQ's art collection, currently valued at \$50 million and rising. Several major works were identified as needing conservation and some storage areas were noted as requiring improvements. In 2019, the most at-risk projects were conserved, including a mural by Arthur Murch in St Lucia's Forgan Smith tower and several works on paper and canvas. Assuming the supply of philanthropic funding and the availability of specialist conservators, work is planned to continue in 2020.

#### ▶ Related initiatives for 6.5

**2.1 Research infrastructure** pg 20

**Financial information** pg 34