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.

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 inquiries. 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.

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, Sykter, Infosys, IBM, ANSTO, and others. The partnership with T1-Cell (UiO) benefited from a few strong industry partnering opportunities emerging, including with Renew Power and Google India Labs.

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.

6.4 Build philanthropic support through a dedicated campaign.

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.

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 (AAA) mentoring, volunteering opportunities, and access to flagship events presented by alumni leaders and academic experts that cover world issues. In 2020, 48,351 alumni engaged with the University, more than any year prior.

Key performance indicators

Sustainable finances

An improvement in source country diversity among our international students

Proportion of international students from a single source country

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>30.9</td>
<td>36.1</td>
<td>42.5</td>
<td>40.2</td>
<td>51.1</td>
<td>59.8</td>
</tr>
</tbody>
</table>

Growth in philanthropic income to $500 million

Philanthropic income 2015-2020, aligned with Not If, When campaign

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cumulative philanthropic income ($million)</td>
<td>210</td>
<td>256</td>
<td>325</td>
<td>391</td>
<td>501</td>
<td>607</td>
</tr>
</tbody>
</table>

Sustainable financial performance in line with our strategic ambitions

Financial performance

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Underlying EBITDA as a percentage of underlying revenue</td>
<td>8.8%</td>
<td>7.4%</td>
<td>5.4%</td>
<td>5.8%</td>
<td>12.1%</td>
<td>11.0%</td>
</tr>
<tr>
<td>Statutory accounting result ($million)</td>
<td>35,150</td>
<td>-12,124</td>
<td>15,318</td>
<td>74,150</td>
<td>138,810</td>
<td>82,838</td>
</tr>
</tbody>
</table>

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

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 9 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 initiatives

- Related initiative for 6.2
  - 2.4 Research partnerships pg 24
  - 3.2 International research partnerships pg 28

- Related initiative for 6.3
  - 2.3 UQ/IDA/QUEX pg 24
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 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. Final generation commissioned and will follow a 3-stage ramp-up 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 16.5GWh per year, the equivalent of powering more than 25,000 households. Master of Sustainable Energy Engineering 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 indicated 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.

University of Queensland Press (UQP)
In 2020, a new strategic plan was developed 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 publishing 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.

Related initiatives for 6.5

| Honour roll | pg 8 |
| Research infrastructure | pg 22 |
| 2.7 UQP Quentin Bryce Award | pg 26 |
| Financial information | pg 50 |

University staff

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, stationary 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 2023, 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.

University staff (continued)

Student recruitment and selection
UQ externally advertised 2,128 jobs for 2020 and placed 492 academic and 736 professional staff positions, along with an additional 890 vacant direct appointments. The University received 29,104 applications. The primary medium for recruitment was the UQ Jobs 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 8.2 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 the finalist for Best Use of Technology and Employment of choice (VHP employees) in the 2020 Australian HR Awards, and Most Courteous 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, 4 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 employing 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.

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 staffing FTE by function as at 31 March 2020 2 |
|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
|                              | 2018                        | 2019                        | 2020                        |
|                             | % of FTE                    | % of FTE                    | % of 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                      | 7,682                       | 8,116                       | 8,362                       |                              |                            |                            |

<table>
<thead>
<tr>
<th>Unpaid appointments 2019 Headcount</th>
<th>2020 Headcount</th>
</tr>
</thead>
<tbody>
<tr>
<td>History/Adjudicator appointments</td>
<td>2,405</td>
</tr>
<tr>
<td>Academic titles</td>
<td>4,412</td>
</tr>
<tr>
<td>Conjoint appointments</td>
<td>119</td>
</tr>
<tr>
<td>All unpaid appointments</td>
<td>6,775</td>
</tr>
</tbody>
</table>

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 to UQ’s reporting systems.

1 FTE represents full-time equivalent throughout University staffing as headcount (excluding casuals) as at 31 March 2020 in Table 3.

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

3 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. Where retained as unpaid appointments in University systems, UQ contributes towards the cost of the appointment in accordance with the external health partner’s employment arrangements.