

## **Erratum**

### University of Queensland Annual Report 2024

(Tabled 31/03/25)

**Title:** University of Queensland Annual Report 2024 (Ref No. 5825T0253)

**Action:** Please replace page 39 to address the error identified in the 'Underlying investment revenue' section on the page.

- a decrease in repairs and maintenance expenses of \$8.9 million (or 8.1%) as 2023 expenditure included significant works associated with the University's façade replacement program.
- an increase in technology costs, primarily in software licencing costs, of \$10.5 million (or 20.5%).
- an increase in travel and hospitality expenses (excluding the portion covered by tied funding) of \$5.6 million (or 17.8%) as activity returns to pre-COVID-19 pandemic levels.
- an increase in scholarship expenses of \$4.7m (or 5.0%) largely due to a rise in postgraduate research stipends.
- an increase in the remaining expenditure categories of \$6.3 million (or 1.8%).

### Underlying investment revenue

The University's underlying investment revenue increased by \$34.8 million – a gain of \$206.9 million in 2024 compared to a gain of \$172.1 million in 2023. This can be attributed to:

- an increase in the unrealised returns on the long-term investment portfolio (excluding unspent endowment earnings) of \$12.5 million. While the percentage return was slightly lower (22.96% in 2024 compared to 26.52% in 2023), actual returns were slightly higher due to more funds being invested.
- an increase in the unrealised returns on the medium-term investment portfolio of \$3.3 million. The annual return was a gain of 12.31% in 2024 compared to a gain of 11.67% in 2023.
- an increase in the unrealised returns on investments in commercialization entities of \$15.5 million.
- an increase in remaining investment revenue of \$3.5 million.

### Capital expenditure

The University has continued to invest in major infrastructure in 2024. These included the completion of the new Plant Futures Facility and the Avalon Theatre restoration. It also included commencement works on the new student accommodation and enabling works for the Union Complex redevelopment at the St Lucia campus.

The total amount capitalised on property, plant and equipment and intangibles during 2024 was \$93.8 million (2023: \$139.4 million).

Underlying consolidated EBITDA	Consolidated 2024 \$'000	Consolidated 2023 \$'000	Variance \$'000
Tuition revenue	1,452,213	1,303,856	148,357
Other revenue	1,042,502	1,008,173	34,329
Employee expenditure	(1,393,755)	(1,332,187)	(61,568)
Other expenditure	(906,451)	(874,803)	(31,648)
<b>UNDERLYING EBITDA (BEFORE INVESTMENT REVENUE)</b>	<b>194,509</b>	<b>105,039</b>	<b>89,470</b>
Investment revenue	206,914	172,110	34,804
<b>UNDERLYING EBITDA</b>	<b>401,423</b>	<b>277,149</b>	<b>124,274</b>

## Investment portfolio

### Background

The University maintains a long-term managed investment portfolio, known as the UQ Investment Fund, which serves 2 purposes.

First, it holds the endowments received by the University over the past century. The principal amount of the endowment is invested in perpetuity and the investment earnings are used to support a particular purpose (e.g. scholarships, prizes, chairs) consistent with the donor's intent.

Second, it holds a portion of annual operating surpluses generated by the University in recent years. This is known as the UQ Future Fund and the funds are invested in the long-term to provide for (1) a stream of investment earnings that can be used to fund innovative or strategically important teaching and learning activities, and/or (2) a reserve to draw upon to absorb a large financial shock.

### UQ Investment Fund

The UQ Investment Fund is managed by external fund managers who are required to operate within designated asset allocation benchmarks. Each has responsibilities for investments in cash and fixed interest, listed property, Australian shares, overseas shares, tactical asset allocation, and private equity. The balance at 31 December 2024 is \$1,243.1 million. Of this total, \$528.6 million relates to endowments and \$714.5 million relates to the UQ Future Fund.

The performance target of the UQ Investment Fund is to achieve a long-term return (net of all fund manager fees) of the Consumer Price Index plus an additional 5.0% over rolling 7-year periods. As at 31 December 2024, the fund had produced a 1-year return of 22.96% and a 7-year return of 12.27% per annum (exceeding the target by 4.01% per annum).

The UQ Investment Fund has no direct investments in fossil fuel companies. The University regularly monitors the composition of investments managed by external fund managers and ensures fossil fuel companies do not form a material part of the total investment.

UQ Investment Fund performance			
	Return Of Portfolio	Average CPI plus 5%	Above/(Below) Target
Return over past year	22.96%	7.40%	15.56%
Return over past 3 years	7.95%	10.20%	(2.25%)
Return over past 5 years	12.50%	8.87%	3.63%
Return over past 7 years	12.27%	8.26%	4.01%

### 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*. They have 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*.