



# Annual Report 2019



# Report of the Council of the University of the Sunshine Coast

For the period 1 January to 31 December 2019

March 2020

The Honourable Grace Grace MP  
Minister for Education and Minister for Industrial Relations  
PO Box 15033  
CITY EAST QLD 4002

I am pleased to present the 2019 Annual Report and financial statements for the University of the Sunshine Coast.

I certify that this Annual Report complies with:

- the prescribed requirements of the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2019*, and
- the detailed requirements set out in the Annual Report requirements for Queensland Government agencies.

A checklist outlining the annual reporting requirements can be accessed at [usc.edu.au/reports](http://usc.edu.au/reports)

Yours sincerely

Air Chief Marshal Sir Angus Houston AK, AFC (Ret'd)  
Chancellor, University of the Sunshine Coast

## Acknowledgment of country

The University of the Sunshine Coast acknowledges the Traditional Owners and Custodians of the land on which its campuses stand, and recognises their continuing connection to land, water and community.

The University has a Reconciliation Action Plan to guide its relationships, opportunities and progress reporting with regard to Aboriginal and Torres Strait Islander peoples.

## Communication objectives

The University of the Sunshine Coast's 2019 Annual Report provides a record of the University's performance in 2019, its plans for the future, and audited financial statements. All achievements for 2019 are documented against the goals and corresponding key performance indicators of the University's Strategic Plan 2019–2022.

The report, including publication of consultancy spending and overseas travel, is available online at [usc.edu.au/reports](http://usc.edu.au/reports). Open data information is also available via the Queensland Government's Open Data website at [data.qld.gov.au](http://data.qld.gov.au)

Potential readers of the Annual Report include federal, state and local government representatives and officers, the University community (including staff and students), business and media, potential benefactors, international visitors and members of the public.

To provide your feedback or request copies of this Annual Report, please contact USC's Office of Marketing and External Engagement by telephoning +61 7 5459 4558 or by emailing [marketing@usc.edu.au](mailto:marketing@usc.edu.au)



USC is committed to providing accessible services to people from culturally and linguistically diverse backgrounds. If you have difficulty understanding the Annual Report, contact the Office of Marketing and External Engagement on +61 7 5459 4558 to arrange an interpreter to communicate the report to you.

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© (University of the Sunshine Coast) 2020

ISSN 1837-7521 (print) | ISSN 1837-753X (online)

Published by the University of the Sunshine Coast, March 2020.

Information contained in this publication was correct at the time of publishing. For the most up-to-date information about the University, visit [usc.edu.au](http://usc.edu.au). All amounts are in Australian dollars. University of the Sunshine Coast is registered on the Commonwealth Register of Institutions and Courses for Overseas Students. CRICOS Provider Number: 01595D.

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## Standing

USC was founded by its community in 1996 with the belief that opportunity is everywhere – especially in regional Queensland. As the first greenfield university to open in Australia since 1971, USC has helped unlock the innovation, productivity and potential of its regional communities. Its impact on economic, social, cultural and environmental development is clear, with almost 18,000 students, more than 120 higher education programs, \$400 million invested in infrastructure and more than \$9 billion flowing into the local economy, including through the contributions from its almost 25,000 graduates.

USC planned its growth carefully in response to its region's needs – to obtain and improve knowledge, skills and resources, to effect social change and to meet modern challenges. This regional focus has now expanded well beyond the original Sunshine Coast campus to encompass the regions between Moreton Bay and the Fraser Coast. While the needs and aspirations of these geographic communities occasionally differ in detail, the greatest opportunities for building community prosperity lie in drawing together the complementary expertise, efforts and assets of the entire region. The challenge for USC in terms of its strategic goals is to contribute to and – where appropriate – lead regional advancement in a sustainable way, and in doing so truly become an unsurpassed community asset.

USC's history offers firm foundations to build upon as the University pursues this strategic plan. USC remains the most awarded university for quality teaching in Queensland, consistently achieving a five-star rating for teaching quality from the Good Universities Guide.

Research activity, impact and quality have been growing exponentially for the past five years. Initiatives in sport, health and mental health, school engagement, and national and international linkages all demonstrate the University's breadth of focus in supporting and serving its communities. USC's commitment to environmental sustainability is reflected in teaching and research, as well as award-winning campus operations.

USC will continue providing quality higher education opportunities for regional communities into USC Moreton Bay, a new full-service campus on the northern edge of Brisbane created for a local community of 450,000 people. A key priority of the USC Strategic Plan 2019-2022 is establishing and then integrating this campus into USC's existing network of campuses, learning hubs, specialist research and clinical sites, field stations and other infrastructure developments, so that the region gains the greatest benefit from it.

## Vision

USC will be a university of international standing and an unsurpassed community asset, focusing on the region from Moreton Bay to Fraser Coast.

## Values in action

In pursuing its vision and conducting daily operations, the University is committed to:

### SCHOLARSHIP

Academic study and achievement underpin tertiary education at USC, enabled by the provision of the highest quality tertiary education experience and environment to students and staff.

### DISCOVERY

Research, particularly in areas of community challenges, is fundamental to the University's impact.

### SUSTAINABILITY

Supporting sustainability across social, economic, cultural and environmental domains is a core responsibility of the University.

### ENGAGEMENT

The University is committed to working with and for its diverse communities.

### SOCIAL JUSTICE

The University is committed to advancing human rights within a free, tolerant and inclusive society and contributing to better outcomes for all Australians. The University respects and acknowledges Aboriginal and Torres Strait Islander peoples, land, culture and history and will work collaboratively to advance Indigenous outcomes.

### INTEGRITY

The University has an overarching commitment to freedom of enquiry and expression, ethical behaviour and integrity in its governance and management.

### RESPECT

At all times USC staff and students treat each other, the community and the environment with respect.

# Key five-year figures

CATEGORY	2015	2016	2017	2018	2019	TREND
<b>STUDENTS</b>						
Total students <sup>1</sup>	12,595	14,604	16,594	17,809	17,840	↑
Student load (EFTSL) <sup>2</sup>	8,674.8	9,821.6	11,307.4	11,960.1	11,901	↓
International students <sup>1</sup>	1,632	2,467	3,389	4,105	3,807	↓
Female <sup>3,4</sup>	63.6%	63.5%	62.7%	63.9%	64.7%	↑
Male <sup>3,4</sup>	36.4%	36.4%	37.3%	36.1%	35.2%	↓
Undergraduate <sup>4</sup>	81.6%	81.6%	78.5%	78.0%	79.3%	↑
Postgraduate coursework <sup>4</sup>	8.3%	7.0%	10.6%	12.2%	11.9%	↓
Higher degree by research <sup>4</sup>	2.5%	2.7%	2.4%	2.5%	2.8%	↑
Non-award <sup>4</sup>	7.6%	8.7%	8.4%	7.3%	6.0%	↓
<b>STUDENTS BY STUDY SITE<sup>1,5</sup></b>						
<b>Campus</b>						
USC Caboolture	<i>Opened 2018</i>			943	1,280	↑
USC Fraser Coast	<i>Opened 2016</i>		533	740	794	↓
USC Gympie	293	347	320	346	349	↑
USC Sunshine Coast	12,171	13,067	13,904	13,764	14,087	↑
USC SouthBank	261	421	483	705	541	↓
USC Melbourne	<i>Opened 2016</i>		395	660	833	↓
USC Sydney	<i>Opened 2016</i>		157	660	925	↓
<b>Study nodes</b>						
Caboolture Hub <sup>6</sup>	17	22	15			–
North Lakes <sup>6</sup>	65	92	101	36		–
Noosa <sup>6</sup>	203	171	156	74		–
Petrie Hub	<i>Opened 2019</i>				36	–
Sunshine Coast Health Institute	<i>Opened 2017</i>		644	542	1,157	↑
Sunshine Coast Mind and Neuroscience - Thompson Institute	<i>Opened 2017</i>		28	33	57	↑



CATEGORY	2015	2016	2017	2018	2019	TREND
<b>DEGREES CONFERRED</b>						
Degrees conferred by year	1,748	1,975	2,197	2,824	2,963	↑
Degrees conferred since 1999	17,417	19,392	21,589	24,413	27,376	↑
Graduates since 1997	15,725	17,519	19,479	22,060	24,815	↑
<b>EQUITY</b>						
Disability <sup>7</sup>	6.5%	6.5%	6.3%	6.7%	6.7%	–
Aboriginal and Torres Strait Islander <sup>7</sup>	2.3%	2.7%	3.0%	3.0%	3.0%	–
First in family to attend university <sup>8</sup>	49.6%	49.1%	50.0%	49.4%	49.0%	↓
<b>STAFF (FULL-TIME EQUIVALENT, EXCLUDING CASUALS)</b>						
Academic staff <sup>9</sup>	324	359	389	427	420	↓
Non-academic staff <sup>10</sup>	546	547	572	650	654	↑
Total number of staff <sup>11</sup>	870	906	961	1,077	1,074	↓
Proportion of academic staff with higher degree qualifications <sup>12</sup>	87%	88%	89%	90%	92%	↑
Operating revenue (parent entity)	\$215.8m	\$249.7m	\$273.5m <sup>13</sup>	\$302.5m	\$311.0m	↑
Operating expenditure (parent entity)	\$200.6m	\$219.0m	\$255.1m	\$287.1m	\$291.1m	↑
Property, plant and equipment	\$297.4m	\$342.7m	\$364.7m <sup>14</sup>	\$390.6m	\$511.6m	↑
Research income <sup>15</sup>	\$14.68m	\$15.20m	\$21.79m	\$23.96m	\$26.05m <sup>16</sup>	↑

- Number of students enrolled across the year. Data for 2019 is preliminary at 7 January 2020. Final full-year data available following the Australian Government submission on 31 March 2020.
- EFTSL means Equivalent Full-Time Student Load. Data is from September 2019 forecast. Final full-year data available following the Australian Government submission on 31 March 2020. Reported value includes inbound exchange students.
- The proportion of students who identify as other than male or female is not displayed as these figures are fewer than 0.1 percent.
- Values based on enrolments at Census 1 each year.
- A student may be enrolled in courses across multiple study sites meaning that the total of enrolments by study site will add to more than the 'Total students'.
- Due to USC Caboolture campus opening in 2018, Caboolture Hub and North Lakes not offered from mid-2018. Noosa no longer offered from 2019.

- Disability and Aboriginal and Torres Strait Islander percentages are a proportion of all domestic students at Census 1 each year.
- First in family percentages are a proportion of undergraduate award (excluding one-year honours and graduate entry programs) students only at Census 1 each year.
- Academic (Senior Academic Staff); Teaching and Research (Level A-E) staff.
- Non-academic (Senior Professional Staff; Professional (Level 1-10) staff).
- Data is based on figures supplied to the Australian Government's Department of Education (DE) as at 31 March 2019.
- Includes those academic staff whose highest qualification is a master's or doctoral degree.
- Restated 2016 figure. For more information, see 2017 financial statements.

- Restated 2016 figure. For more information, see 2017 financial statements.
- Figures include research income reported to the Australian Government's Department of Industry, Innovation and Science (DIIS) through the Higher Education Research Data Collection (HERDC), as well as research funding received from DIIS.
- Data is based on year-to-date figures and is current as at time of publishing. Figures for the year are unaudited. Final figures available June 2020.





## Forward planning 2020

- Opening and establishing USC Moreton Bay
- Planning for development and expansion of USC Fraser Coast and USC Gympie
- Opening the creative industries building at USC Sunshine Coast and expanding the USC Art Gallery
- Planning for transition to new Vice-Chancellor and President
- Introducing competitive new postgraduate programs and consolidating and assessing viability of other programs and courses
- Increasing diversity in course offerings, especially short courses
- Increasing student satisfaction, retention and success
- Embedding career planning and employability skills throughout the curriculum to improve graduate employment outcomes
- Strengthening opportunities for undergraduate students to engage in research to promote HDR pathways
- Increasing the quantity and quality of student research
- Promoting student-as-partners approach to enhance curriculum
- Development of USC Diversity and Inclusion Plan
- Embedding work-integrated learning (WIL) in all programs
- Enhancement of USC's research profile and performance
- Improving awareness of Indigenous culture
- Establishment of the USC Graduate Research School
- Integrating quality health education and research
- Strengthening presence at Sunshine Coast Health Institute and Caboolture Hospital
- Integrating High Performance Sport with academic activity
- Building teaching and research capacity at the Sunshine Coast Mind and Neuroscience – Thompson Institute
- Strengthening collaboration with all levels of government across the broader region

# Vice-Chancellor and President's review

The goals and ambitions contained in USC's new Strategic Plan 2019-2022 reflect the University's ongoing commitment to its communities after undertaking rapid geographical expansion from the Fraser Coast to Moreton Bay during the past few years.

There is no better symbol of this rapid expansion across regional Queensland than the opening of USC's new Moreton Bay campus at Petrie in 2020. As the first greenfield campus built in the region, USC is pleased to offer more job-creating education opportunities that complement offerings already available at USC Caboolture, ultimately helping invigorate greater prosperity for the local community.

It should of course be recognised that USC Moreton Bay has been only made possible with the ongoing support from all three levels of government, which partnered with the University to deliver this full-scale campus to the region.

Partnerships such as this could prove significant for USC, with possible investment from initiatives such as the Federal Government's Hinkler Regional Deal having the potential to deliver regional communities the support needed to grow and prosper. With assistance from the Fraser Coast Regional Council, there is potential for USC to expand its Fraser Coast campus in a way that meets the education and research needs of this underserved region.

Industry partnerships with international companies such as energy provider Veolia have also allowed USC to undertake innovative initiatives, including the 'water battery' – a project to solar power the Sunshine Coast campus, cutting energy emissions by 40 percent. In the first year of operation, this impressive project has already been recognised with awards for its renewable energy credentials.

USC's commitment to developing sporting excellence alongside academic success was also rewarded again in 2019, with the number of High Performance Student Athletes (HPSA) increasing for the third year in a row since its inception. The program, designed to bolster support for emerging and elite athletes who excel in sport and academia, helped USC students bring home 38 medals at the Australian Surf Life Saving Championships this year.

USC Sport and the University's high-performance athletes were also supported with the \$9 million expansion of USC Stadium – home to the USC co-owned Sunshine Coast Lightning – and the opening of the \$4.2 million aquatic exercise centre. The facilities add to the world-class sports precinct available to high-performance teams, student athletes and community members at USC Sunshine Coast. Both facilities were made possible with more than \$11 million in Queensland Government funding.



In areas of research, USC was recognised for its contribution to the production of impactful studies that improve the lives of Australians – particularly regional Queenslanders. This recognition came from the latest Excellence in Research for Australia findings, which rated 26 of USC's research areas at world standard or above. In particular, the University's flagship areas of agricultural and veterinary sciences, nursing, ecology, zoology and environmental sciences were singled out for the world-class contributions USC has made in these areas.

One research area of note was USC's work in neuroscience, boosted by the establishment of the Sunshine Coast Mind and Neuroscience – Thompson Institute. Since becoming fully operational in 2018, this landmark mental-health facility has made a significant impact on the region – particularly in important areas such as combating suicide, understanding dementia and youth mental health.

USC facilities such as the Thompson Institute will help the University attract and retain more higher degree by research students whose contributions add to the University's increasingly influential canon of research.

After almost a decade as USC's Vice-Chancellor and President, it was with some sadness that I announced my retirement from the role this year. It has been a great honour for me to lead the University through almost 10 years of rapid expansion, growing from a single campus when I entered the role in 2011, to a reputable multi-campus institution that has maintained focus on servicing the regional communities so important to the University.

None of this would have been possible without the support of the dedicated and passionate staff who have helped the University develop and grow. It has been my great pleasure to work with such a collegial group of people at USC and I look forward to seeing the next strategic leader of the University cement the institution's role as an engine of capacity building for its communities.

A handwritten signature in black ink, appearing to read 'G Hill'.

Professor Greg Hill  
Vice-Chancellor and President

# Organisation

## Basis of authority

The institution was established under the *Sunshine Coast University College Act 1994* and took its first students in 1996. Full university powers were granted under the *University of the Sunshine Coast Act 1998*\*

## Functions and powers

The University's functions are to:

- provide education at university standard
- provide facilities for, and encourage, study and research
- encourage the advancement and development of knowledge, and its application to government, industry, commerce and the community
- provide courses of study or instruction, at levels of achievement the Council considers appropriate, to meet the needs of the community
- confer higher education awards
- disseminate knowledge and promote scholarship
- provide facilities and resources for the wellbeing of the University's staff, students and other persons undertaking courses at the University
- exploit commercially, for the University's benefit, a facility or resource of the University, including, for example, study, research or knowledge, or the practical application of study, research or knowledge, belonging to the University, whether alone or with someone else
- perform other functions given to the University under the Act or another Act.

The University's powers are:

Under the *University of the Sunshine Coast Act 1998*\* the University has all the powers of an individual. It may, for example:

1. Enter into contracts:
  - a. acquire, hold, dispose of, and deal with property
  - b. appoint agents and attorneys
  - c. engage consultants
  - d. fix charges, and other terms, for services and other facilities it supplies; and
  - e. do anything else necessary or convenient to be done for its functions
2. Without limiting subsection (1), the University has the powers given to it under its Act or another Act.
3. The University may exercise its powers inside and outside Queensland.
4. Without limiting subsection (3), the University may exercise its powers outside Australia.

\* The *University of the Sunshine Coast Act 1998* has been subject to amendment since its original adoption, the most recent arising from the passing of the *University Legislation Amendment Act 2017*. These most recent changes came into effect over two stages on 13 October 2017 and on 1 June 2018, respectively.







# Strategic framework

## Strategic Plan 2019–2022

The Strategic Plan 2019–2022 ([usc.edu.au/strategicplan](http://usc.edu.au/strategicplan)) is USC's vision for the next stage of the University's development as a uniquely successful, regionally focused institution with a growing international profile.

This vision is reflected in the three goals articulated in the plan, and the six imperatives provide a focus for how these goals will be achieved.

The three goals articulated in the plan are that the University will be:

1. a primary engine of capacity building for our region
2. a comprehensive multi-campus university growing towards 35,000 students
3. positioned globally as a top-500 university, and a top-100 university under 50 years of age

Each imperative includes a description of the future state USC is seeking, the priorities that tell us where to direct effort and the measures by which success can be determined.

Specific strategies complementing the strategic plan are set out in the Academic Plan (2016-2020) and the Resources Plan (2016-2020), which apply University wide and drive resource allocations through the budget process. Supporting strategies guide the University's involvement in international activities and regional engagement.

Operational Plans for individual cost centres support initiatives outlined in both the strategic and top-level plans. All plans are reviewed and updated during the budget and planning process in September each year.

The USC Strategic Plan 2019-2022 was endorsed by the USC Council in 2018 to reflect the University's expanding footprint and commitment to regional communities.

## Annual review of operations

As a review of its operations each year, USC measures its progress according to the goals and key performance indicators of the six imperatives outlined in the University's Strategic Plan 2019–2022:

1. The University will increase student enrolments and improve student success
2. The University will increase research productivity and impact
3. The University fulfil the potential of its expanded geographic footprint
4. The University will improve institutional effectiveness
5. The University will provide leadership in capacity building
6. The University will strengthen engagement with its communities

The following pages provide detailed reporting on each of the six imperatives and relevant key performance indicators. In addition, pages 32-35 provide a high-level summary of key performance indicators.



# STRATEGIC IMPERATIVE ONE

USC will increase student enrolments and improve student success

## PRIORITIES:

1. Strategically develop and support innovative and distinct programs and courses that strengthen graduate employment.
2. Expand access and pathways into USC.
3. Focus on initiatives and support that enhance student engagement and maximise student success.
4. Expand and diversify international student enrolments.

## OVERVIEW

### ENROLMENTS

Full-year enrolment numbers for 2019 increased by 31 students compared to 2018, growing to 17,840, according to preliminary figures.

Since 2015, USC has experienced a 41.7 percent increase in full-year student enrolments, rounding out an exceptional period of growth for the University as its geographic footprint expanded into more regional Queensland areas.

Early indications suggest USC will undergo another year of growth in 2020 – accelerated in part by the opening of USC Moreton Bay.

### PROGRAMS

USC remains focussed on developing program offerings that align with the needs of the dynamic workforce environments that exist in its communities. This commitment was reflected in results from the Commonwealth Government's Department of Education and Training 2018 Employer Satisfaction Survey report, which rated USC graduates among the most valued by employers in Australia. Placing equal fifth in a field of 41 Australian universities, USC scored 87 percent for 'overall satisfaction' – above the national average of 84 percent. USC ranked above the national average across the five attributes surveyed, including placing second for 'employability', demonstrating that USC continues to produce work-ready graduates who can adapt and apply skills and knowledge while working independently.

The Bachelor of Nursing Science again continues to be the most popular undergraduate program across USC campuses. There has been little change in USC's most-preferred undergraduate programs, with the top five remaining relatively stable at Census 1 2019 compared to the same time in 2018.

- 1 Bachelor of Nursing Science
- 2 Bachelor of Information and Communications Technology
- 3 Bachelor of Business
- 4 Bachelor of Primary Education
- 5 Bachelor of Paramedic Science

Among new programs to be introduced from 2020 are a Bachelor of Engineering (Mechatronic), Bachelor of Engineering (Electrical and Electronic) (Hons) and Bachelor of Computer Science – all available at USC Moreton Bay when it opens for Semester 1, 2020. Meanwhile, USC continues to work with its communities to meet skills shortages, reflected in the introduction of a full Bachelor of Social Work program at USC Fraser Coast to provide regionally trained social workers and find solutions to local issues such as youth suicide.

To tackle a global shortage of cyber security professionals, USC launched a suite of specialised online programs in 2019 to fast-track graduates into the industry.

USC's Institute for Cyber Investigations and Forensics has brought together leading experts in the field to teach courses and partner with industry to fill skill shortages and train new graduates.

### PATHWAYS

The Preparatory and Enabling Unit was renamed the School of Tertiary Access in 2019, reporting to the Deputy Vice-Chancellor (Academic). The School's Tertiary Preparation Pathway (TPP) has been crucial in providing a non-traditional educational pathway to university and is available in all the regions USC operates.

Ahead of USC Moreton Bay's opening in 2020, TPP was offered at a location in Petrie from Semester 2, 2019, attracting more than 20 students interested in pursuing higher education opportunities.

Four new diplomas were introduced in 2019 in areas of Social and Human Services, Business Innovation, Creative Industries and Science and Technology. The one-year full-time programs offer students a stand-alone qualification that allows direct entry and up to one year's credit into selected bachelor degrees.

### STUDENT SUCCESS

In 2019, USC conferred 2,960 degrees upon graduates, its largest graduate cohort.

Among the conferrals in 2019 were 50 Aboriginal and Torres Strait Islander graduates – a number that has grown from 33 in 2017. The increase is evidence of USC's dedication to increasing access for Aboriginal and Torres Strait Islander students, which are currently 1.4 percent above the national average.

On the Fraser Coast, USC conferred 77 awards in 2019 – more than doubling the 31 awards that USC graduates in the region received the previous year.

USC's High Performance Student Athlete (HPSA) program – launched in 2017 to help students combine high performance sport with higher education – had 178 enrolled student athletes across 29 sports, studying more than 49 programs in 2019 – a 37 percent increase compared to 2018.

Student achievements among the HPSA cohort included 26 USC athletes who competed at the Australian Surf Life Saving Championships, taking home a combined 12 gold, 12 silver and 14 bronze medals. USC's expert staff, world class facilities, partnerships, Olympic and professional teams and five-star teaching quality combine to provide the perfect environment for student athletes to thrive – achieving a 92 percent academic success rate.

USC achieved a five-star rating in the Good Universities Guide 2020 in three of the six student experience categories. It is the fourteenth consecutive year USC has been awarded five stars for 'teaching quality' and the eighth consecutive year in the 'overall experience' category. USC also received five stars for learning resources.

## PERFORMANCE

### KRA 1.1: INCREASED STUDENT ENROLMENTS IN TOTAL AND AS PLANNED FOR EACH CAMPUS

#### KPI 1.1.1: STUDENT ENROLMENTS (EFTSL)

MEASURE	TARGET	PERFORMANCE
Total enrolments for domestic and international students for each campus (EFTSL)	Annual increase in total EFTSL	0.5 percent decrease in total EFTSL
	Annual increase in international student enrolments	6.6 percent decrease in international EFTSL

Forecast full-year 2019 data indicates 11,901 total EFTSL and 2,568 international EFTSL. Current estimates indicate that total load for 2019 will be slightly less than the prior year (-0.5%).

#### Student enrolments (EFTSL)

	2016	2017	2018	2019 <sup>1</sup>
TOTAL EFTSL	9,822	11,307	11,960	11,901
INTERNATIONAL EFTSL	1,552	2,383	2,751	2,568

1. 2019 as at September 2019 forecast. Final actual values will be available in March 2020.

Estimates for 2019 indicate growth at USC Sunshine Coast and USC Caboolture and declining enrolments at USC SouthBank and third-party managed campuses USC Sydney and USC Melbourne. Enrolment estimates for both USC Gympie and USC Fraser Coast are similar to 2018.

### KRA 1.2: DEMONSTRABLE IMPROVEMENTS IN STUDENT SUCCESS

#### KPI 1.2.1: STUDENT ATTRITION

MEASURE	TARGET	PERFORMANCE
Comparative national assessment of attrition rate	Annual improvement of differential between USC and national adjusted attrition rate for commencing, domestic undergraduates	Attrition rate worsened by 2.5 percent compared to national average

The latest national results from 2017 show a worsening in USC's full year adjusted attrition rate of 3.1 percentage points (2016: 19.2 percent; 2017: 22.3 percent) and a widening in the USC-to-national differential from 4.8 to 7.3 percentage points. For context, up until 2016, the Semester 1 census date fell at the end of teaching week five and occurred before the mid-semester break. For the first time in 2016 the census date fell after the mid-semester break, providing an additional week for students to cancel their enrolment, which may have positively impacted on the attrition rate. Following this, from Semester 2 2016, the census date was moved to the end of teaching week four. The week four census date has remained in place since this time. For this reason, the 2015 values may be a more indicative comparison for the latest results.

The Deputy Vice-Chancellor (Academic) and Pro Vice-Chancellor (Students) will be working together with distinct responsibilities across their respective portfolios to develop strategies to further enhance the student experience and reduce attrition. The Deputy Vice-Chancellor (Academic) is overseeing an uplift in the information given to students including course outlines, Blackboard pages and marking rubrics. The use of the eVALU8 survey to identify variability in excellence in courses has been implemented with improvements seen in identified courses during the year. The Pro Vice-Chancellor (Students) is undertaking an evidenced-based approach to inform the prioritisation of services and support that will achieve maximum impact and demonstrate a return on investment over time. One of the immediate priorities is to undertake a retention and return-to-study initiative which will involve phone interviews with students who have ceased studying at USC without completing their degree to:

- identify the factors that contributed to the student leaving
- identify strategies that the university could have adopted to change the outcome for those students, and
- identify lapsed students who would like to return to study to complete their degree with appropriate supports in place.

#### ADJUSTED ATTRITION RATE<sup>1</sup> FOR DOMESTIC COMMENCING BACHELOR'S STUDENTS<sup>3</sup>, 2015-2017<sup>4</sup> (AUSTRALIAN GOVERNMENT DATA)

MEASURE	2015	2016	2017	2016-17 change <sup>5</sup>
USC attrition rate (adjusted)	22.9%	19.2%	22.3%	3.1
National attrition rate (adjusted)	15.0%	14.4%	15.0%	0.6
<i>Difference</i>	<i>7.9</i>	<i>4.8</i>	<i>7.3</i>	<i>2.5</i>

1. Attrition rate for year (x) is the proportion of students who commenced a bachelor's program in year (x) who neither completed in year (x) or year (x + 1) nor returned in year (x + 1) at any university. The adjusted attrition rate calculation is based on a match process using both the student ID and the Commonwealth Higher Education Student Support Number (CHESSN). This gives a more accurate attrition rate calculation across the sector as it considers students who leave one institution and subsequently enrol at another higher education provider as being retained in the higher education sector.

3. Based on Table A universities only.

4. Figures are based on full-year data.

5. Values reflect percentage point change. Values are calculated on all decimal places and then rounded to one decimal place for reporting.

## KPI 1.2.2: STUDENT SATISFACTION

MEASURE	TARGET	PERFORMANCE
Student satisfaction by campus	Annually, at each campus, achieve student satisfaction for <i>Quality of the entire educational experience</i> in the Student Experience Survey results of at least 75 percent (internal measure)	One of two campuses assessed achieved a student satisfaction result of more than 75 percent for <i>Quality of the entire educational experience</i>
Comparative national assessment of student satisfaction	Annually, achieve national average for <i>Quality of the entire educational experience</i> in the Student Experience Survey results (external measure)	USC achieved above the national average for <i>Quality of the entire educational experience</i>

This measure of student satisfaction is a composite measure comprising a USC internal measure of student satisfaction at each campus and an overall assessment of student satisfaction against national Student Experience Survey (SES) values – the external measure.

USC Sunshine Coast was one of the two campuses assessed to achieve over the target of 75 percent satisfaction with the *Quality of the entire educational experience* (83 percent). Other USC campuses will be assessed once sufficient data is available for a valid assessment.

USC undergraduate students reported above national average satisfaction with the *Quality of the entire educational experience* in 2018 – the latest available data – scoring 81 percent compared to 79 percent nationally. USC met the target of above national average satisfaction with the *Quality of the entire educational experience* in 2018.

In the 2020 edition of the Good Universities Guide, USC retained its five-star rating for overall satisfaction (based on *Quality of the entire educational experience*) for the eighth consecutive year.

The Deputy Vice-Chancellor (Academic) and Pro Vice-Chancellor (Students) will be working together with distinct responsibilities across their respective portfolios to develop strategies to further enhance the student experience. The Deputy Vice-Chancellor (Academic) regularly visits each campus to meet with staff. A key focus for 2019 was reassessing the promotion process to recognise learning and teaching as a fundamental aspect of academia. The Pro Vice-Chancellor (Students) is visiting each campus and meeting with student representatives to gain greater insight into the factors contributing to the decline in student satisfaction on some measures. This requires a nuanced approach given the variations between cohorts across regional locations, USC Schools and programs. Adopting a 'students as partners' approach, the Pro Vice-Chancellor (Students) has identified several initiatives aimed at improving the student experience, including employing final-year students to make welcome calls to transitioning students to better prepare them for university life and triaging students identified at risk. Another proposed initiative is to renew a university-wide student mentoring program to support students throughout the student journey and create a greater sense of belonging.

### STUDENT SATISFACTION COMPARED TO NATIONAL AVERAGE<sup>1,2,3</sup>

	2016 <sup>4</sup>	2017 <sup>4</sup>	2018 <sup>4</sup>	2019 <sup>4</sup>
USC	88%	84%	83%	81%
National	80%	80%	78%	79%
<i>Difference</i>	8	4	5	2

1. Based on Table A universities only.

2. Undergraduate students only. Undergraduate comprises bachelors graduate entry, bachelors honours, bachelors pass, associate degree, advanced diploma, diploma, other undergraduate award course.

3. Values are calculated on all decimal places and then rounded to one decimal place for reporting.

4. Results are taken from the survey conducted the year prior.

### KPI 1.2.3: GRADUATE OUTCOMES

MEASURE	TARGET	PERFORMANCE
Comparative national assessment of graduate employment	Achieve national graduate overall employment average for domestic undergraduates by 2022	3 percent under national average

The measure is based on graduate responses to the national Graduate Outcomes Survey (GOS). USC's overall undergraduate employment remained steady between 2018 and 2019 as did the national average 87 percent; the differential remained at -3 percentage points.

The Deputy Vice-Chancellor (Academic) and Pro Vice-Chancellor (Students) are working together with distinct responsibilities across their respective portfolios to develop strategies to support graduate employability. Proposed strategies include embedding career planning in the curriculum at each level of study, strengthening relationships with alumni to increase opportunities for alumni to mentor students studying in the same disciplinary area and supporting students beyond graduation to achieve their employment goals.

#### OVERALL GRADUATE EMPLOYMENT, USC AND NATIONAL<sup>1,2,3</sup>

	2016	2017	2018	2019
USC	86%	85%	84%	84%
National	86%	87%	87%	87%
<i>Difference<sup>4</sup></i>	0	-2	-3	-3

1. Outcomes of students who completed their qualification in the year prior to the survey year – ie, 2019 reflects outcomes of students who completed their qualification in 2018.

2. Based on Table A universities only.

3. Undergraduate domestic students only. Undergraduate comprises bachelors graduate entry, bachelors honours, bachelors pass, associate degree, advanced diploma, diploma, other undergraduate award course.

4. Values reflect percentage point change. Values are calculated on all decimal places and then rounded to one decimal place for reporting.



## KPI 1.2.4: ACCESS FOR GROUPS UNDERREPRESENTED IN HIGHER EDUCATION

MEASURE	TARGET	PERFORMANCE
Access rates for Aboriginal and Torres Strait Islander students, students with a disability and students from low socio-economic status (SES) backgrounds	Annually, achieve national average access rates for Aboriginal and Torres Strait Islander students, students with a disability and students from low SES backgrounds	USC achieved above the national average for all three underrepresented groups included in this measure

The target to achieve national average access rates has successfully been achieved for the three underrepresented groups included in this performance measure. The latest national results (2018 rates) show access rates for Aboriginal and Torres Strait Islander students at USC were 3.9 percent compared to 2.2 percent nationally; for students with a disability, 7.1 percent at USC compared to 6.5 percent nationally; and for students from a low SES background, 23.2 percent at USC compared to 18.0 percent nationally.

### ACCESS RATES FOR GROUPS UNDERREPRESENTED IN HIGHER EDUCATION (AUSTRALIAN GOVERNMENT DATA)

	2015	2016	2017	2018
<b>ABORIGINAL AND TORRES STRAIT ISLANDER<sup>1</sup></b>				
USC	3.1%	3.6%	3.4%	3.9%
National	1.9%	2.1%	2.2%	2.2%
<i>Difference<sup>3</sup></i>	1.2	1.6	1.2	1.4
<b>DISABILITY<sup>1</sup></b>				
USC	6.7%	6.4%	6.4%	7.1%
National	5.3%	5.6%	6.1%	6.5%
<i>Difference<sup>3</sup></i>	1.4	0.7	0.2	0.6
<b>LOW SES<sup>1,2</sup></b>				
USC	20.0%	22.7%	20.2%	23.2%
National	17.2%	17.1%	18.1%	18.0%
<i>Difference<sup>3</sup></i>	2.8	5.6	2.1	5.2

1. Commencing domestic students with a permanent home residence in Australia as at census.

2. Commencing domestic undergraduate students, based on SA1 region (Statistical Area 1 ASGS 2016). Undergraduate comprises bachelors graduate entry, bachelors honours (excluding bachelors honours one year), bachelors pass, associate degree, advanced diploma, diploma, other undergraduate award course.

3. Values reflect percentage point change. Values are calculated on all decimal places and then rounded to one decimal place for reporting.



## STRATEGIC IMPERATIVE TWO

USC will increase research productivity and impact

### PRIORITIES:

1. Expand research capacity focusing on areas of strength, and further embed a research culture throughout USC.
2. Increase HDR enrolments as a proportion of total enrolments.
3. Create productive research partnerships with industry, both domestically and internationally, that lead to meaningful research outputs and applications.
4. Expand commercialisation of USC innovations.

## OVERVIEW

### Achievement highlights

USC's contributions to producing impactful research with direct benefits to its communities was recognised in 2019 through the Excellence in Research for Australia (ERA) findings. The results from the Australian Research Council rated all of USC's research focus areas at world standard or above.

USC research flagships such as agricultural and veterinary sciences, nursing, ecology, zoology and environmental sciences were among 13 areas to achieve the highest rating of well above world standard. These were complemented with emerging research strengths in areas of engineering and biotechnology, and neuroscience. Mental health and neuroscience in particular were boosted when the Sunshine Coast Mind and Neuroscience – Thompson Institute became fully operational in 2018. The Institute will become a designated University Research Institute from 2020.

The positive ERA results were reflected in USC's allocation of the Federal Government's Research Block Grants (RBG) – up by \$1.35 million compared to last year. USC has experienced the fastest rate of RBG growth of all Australian universities, increasing by 19.1 percent last year, making USC one of only two universities to achieve double-digit growth in that time period.

The increase in RBG is also a reflection of USC's ongoing strategic investment in developing regionally relevant research that remains internationally competitive. Part of the investment strategy included the establishment of the USC Publication Incentive Scheme, which rewards academics who publish articles in 82 high-quality Nature Index journals. Financial benefits available as part of the scheme are used for further research-related activities.

Significant research grants in 2019 included \$1.5 million for Sunshine Coast Mind and Neuroscience – Thompson Institute Director Professor Jim Lagopoulos to lead a study on reducing sleep apnoea to help prevent dementia. The grant was complemented by Dr Mia Schaumberg's grant for her role as a chief investigator on a UQ-led National Health and Medical Research Council (NHMCR) Boosting Dementia Research Grant worth \$1.5 million, with \$466,000 of that awarded to USC for research into the disease.

Professor Lagopoulos also received a Commonwealth Department of Health grant worth \$2.5 million over two years for his work in youth mental health and suicide prevention.

Work at the Sunshine Coast Mind and Neuroscience – Thompson Institute was also supported with a NHMCR grant worth more than \$1.2million for Senior Research Fellow Dr Zack Shan to help find the underlying neurobiological factors that cause chronic fatigue syndrome and help diagnose it faster.

The debilitating illness is often described as an 'invisible' health condition and affects between 94,000 and 242,000 Australians. There is currently no single test to diagnose the illness or any approved treatment or cure.

Other research grant highlights included an ARC Discovery Project grant worth \$426,000 for Associate Professor Scott Cummins and his USC colleagues to use seaweed genes to mitigate methane emissions by feeding livestock a seaweed supplement. It is complemented by the ongoing work of USC's Seaweed Research Group, led by Associate Professor Nick Paul, that includes the establishment of a commercial seaweed industry in South East Queensland.

Meanwhile, a USC Nursing and Midwifery study found the rate of Sudden and Unexpected Death in Infants (SUDI) in Aboriginal and Torres Strait Islander children across Queensland from 2010 to 2014 was much higher than previously estimated. The study, supervised by Nursing Professor Jeanine Young, fed in to ongoing work to more fully understand the social and environmental contexts in which these deaths occurred, and the groups most affected.

Other research included findings from a postgraduate research project – supervised by Animal Ecology Senior Lecturer Dr Kylie Scales and Global Change Ecology Professor David Schoeman – that humpback whales were more likely to become tangled in shark nets off South East Queensland when a major ocean current meandered closer to shore. The findings, presented to the Australian Marine Science Association conference in Fremantle, have the potential to be used to guide shark net monitoring with the aim of reducing the number of entanglements.

USC Associate Professor of Marketing Maria Raciti completed research in 2019 that found disadvantaged school-leavers perceived enrolling in higher education as carrying risks, including financial, social and psychological risk, and risks impacting career advancement – such as forgoing unskilled job opportunities or committing to a degree with no guarantee of employment. The study, conducted for the National Centre for Student Equity in Higher Education, is being used to help students from low socio-economic backgrounds to make more informed decisions about attending university.

In 2019, USC also launched the Sexual Violence Research and Prevention Unit as a national and global source of expertise on how to understand, prevent, and respond to sexual violence and abuse. Led by USC lecturers in Criminology and Justice Dr Nadine McKillop, Dr Susan Rayment-McHugh and Dr Larissa Christensen, the unit brings together researchers, practitioners and policy professionals to understand, prevent and respond to sexual violence and abuse at a local, national and international level to drive meaningful change.

## PERFORMANCE

### KRA 2.1: TIMES HIGHER EDUCATION (THE) RANKING IMPROVEMENT

#### KPI 2.1.1: TIMES HIGHER EDUCATION YOUNG UNIVERSITY RANKING OUTCOME

MEASURE	TARGET	PERFORMANCE
THE Young University Ranking Outcome	100 by 2022	One ranking band outside of 2019 target

USC's ranking has dropped from 101-150 to 151-200. There are two factors which contributed to this change. The first and most important factor is the Citation Score, which has not shown significant improvement as had been proposed. The second factor is there are more young universities submitting THE ranking data that outperform USC and displace the University on the scale.

According to the recently released THE 2020 World University Rankings, USC's Citation Score has improved to 46 on the THE 2020 Young University Ranking scale, so there is likely to be an improvement in the overall score in 2020.

Since citations are a key driver of the overall ranking performance, USC has implemented a Nature Index Publication Incentive program. The University will also work with USC Schools to recruit top researchers with high citation performance, and the Office of Research is planning to collaborate with the USC Library to educate academic colleagues about effective strategies for increasing citation frequency via a targeted series of seminars and workshops.

#### THE YOUNG UNIVERSITY RANKING OUTCOME

	2017	2018	2019 (target) actual
Score	101-150	101-150	(101-150) 151-200

#### KPI 2.1.2: THE YOUNG UNIVERSITY RANKING SCORES

MEASURE	TARGET	PERFORMANCE
THE Young University Ranking Scores	41 by 2022	Two points below 2019 target

The ranking has dropped from 101-150 to 151-200 and USC's ranking score for 2019 remains the same as in 2018 at 35. There are two factors which contributed to this result. The first and most important factor is the Citation Score which has not shown significant improvement as had been proposed. The second factor is there are more young universities submitting THE ranking data that outperform USC and displace the University on the scale.

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#### THE YOUNG UNIVERSITY RANKING SCORE

	2017	2018	2019 (target) actual
Score	33	35	(37) 35



## KRA 2.2: IMPROVEMENT IN STANDARD INPUT AND OUTPUT RESEARCH METRICS AND EXTERNAL ASSESSMENTS SUCH AS ERA

### KPI 2.2.1: RESEARCH INCOME

MEASURE	TARGET	PERFORMANCE
Total HERDC reportable income (all categories)	\$28 million by 2022	\$1 million above 2019 target

The measure is total annual Higher Education Research Data Collection (HERDC) research income, audited by Queensland Audit Office and submitted to the Australian Government.

In 2019, USC continued an upward trend in research income, with significant increases in research funding from direct partnerships. This year has seen USC maintain established funders (ARC, ACIAR, HIA, FWPA, Advance Queensland) and engage new significant funding initiatives with MAIC and Australian Government Department of Health.

#### HIGHER EDUCATION RESEARCH DATA COLLECTION (HERDC)

YEAR	2015	2016	2017	2018	2019 <sup>1</sup> (target) actual
Research income	\$14,683,066	\$15,204,923	\$21,789,214	\$23,962,982	(\$25m) \$26,059,871

1. Unaudited. Audited figure available June 2020.

### KPI 2.2.2: HIGHER DEGREE BY RESEARCH STUDENT ENROLMENTS (EFTSL)

MEASURE	TARGET	PERFORMANCE
HDR student enrolments by EFTSL	300.2 by 2022	9.3 EFTSL over 2019 target

Full year Equivalent Full Time Student Load (EFTSL) is used to measure higher degree by research (HDR) student enrolments.

Continued growth of HDR enrolment numbers is likely due to USC's focus on growing its research capacity.

#### HDR STUDENTS (EFTSL)

YEAR	2015	2016	2017	2018	2019 <sup>1</sup> (target) actual
HDR student EFTSL	213.4	240.0	256.4	273.0	(279.6) 288.9

1. September 2019 reforecast: this estimate based on Census 1 and 2 EFTSL extrapolated to estimate 2019 full-year values. Final 2019 values available March 2020.

### KPI 2.2.3: RESEARCH BLOCK GRANTS INCOME

MEASURE	TARGET	PERFORMANCE <sup>1</sup>
Research Block Grants income	\$10 million by 2022	Data not yet available

Research block grants are allocated on a calendar year basis using program-specific formulae that reward the performance of providers in attracting research income and the successful completion of higher degree by research students.

#### RESEARCH BLOCK GRANTS

YEAR	2015	2016	2017	2018	2019
Income	\$4,152,320	\$4,760,982	\$5,153,795	\$5,999,423	\$7,071,365

1. Annual targets for this measure take effect from 2020.

## KPI 2.2.4: SCOPUS INDEXED PUBLICATION CITATIONS

MEASURE	TARGET	PERFORMANCE
Field-Weighted Citation Impact (FWCI)	1.40 by 2022	1.33

Compared with 2018, the FWCI value has been stable in 2019. Since citations are a key driver of the overall ranking performance, USC has rolled out a Nature Index Publication Incentive program. The University is planning to collaborate with USC Schools to recruit top researchers with high citation performance, and the Office of Research is planning to collaborate with the USC Library to educate the academic colleagues about effective strategies for increasing citation frequency via a targeted series of seminars and workshops.

### FIELD-WEIGHTED CITATION IMPACT (FWCI)

YEAR	2016	2017	2018	2019 <sup>1</sup> (target) actual
THE Ranking Reference Period	2010-2014	2011-2015	2012-2016	2013-2017
FWCI	1.28	1.30	1.31	(1.33) 1.33

## KPI 2.2.5: HIGHER DEGREE BY RESEARCH COMPLETIONS

MEASURE	TARGET	PERFORMANCE
Number of Doctoral completions	61 by 2022	18 completions above 2019 target

The number of Doctoral completions is used to measure higher degree by research (HDR) student completions.

The 2019 target was achieved. HDR completions reflect the continued growth of HDR enrolments and a focus on completions across USC.

### DOCTORAL COMPLETIONS

YEAR	2014	2015	2016	2017	2018	2019 <sup>1</sup> (target) actual
Doctorates awarded	18	27	28	34	57	(58) 76

1. Year-to-date as at 7 January 2020; full year data will be finalised in March 2020.

## KRA 2.3: DEMONSTRABLE RESEARCH IMPACT

### KPI 2.3.1: NUMBER OF PATENTS

MEASURE	TARGET	PERFORMANCE
Number of patents	5 by 2022	One patent ahead of 2019 target

The final values for each year will be available for assessment in April of the following year. Data for this measure is collected by the USC commercialisation lawyer. Patents from Innovation Centre (IC) are excluded from this performance measure.

#### PATENTS

YEAR	2018	2019 (target) actual
Number of patents	1	(2) 3

### KPI 2.3.2: RESEARCH COMMERCIALISATION INCOME

MEASURE	TARGET	PERFORMANCE
Research commercialisation income	\$7 million by 2022	\$565,705 below 2019 target

Comparing 2019 year-to-date data with 2018, USC received less funding from funding schemes like Horticulture Australia Ltd and Forest & Wood Products Australia (FWPA). The Deputy Vice-Chancellor (Research and Innovation) Office is seeking opportunities with new partners to improve this indicator.

#### RESEARCH COMMERCIALISATION INCOME

YEAR	2015	2016	2017	2018	2019' (target) actual
Commercialisation	\$1,713,355	\$1,751,505	\$4,624,714	\$4,537,694	\$4,937,295
Consultancy and engagement	\$1,031,769	\$713,424	\$236,755	\$705,040	\$441,923
Total	\$ 2,745,124	\$2,464,929	\$4,861,469	\$5,242,734	(\$5.5m) \$4,937,295

1. Unaudited. Audited figures available in June 2020.





# STRATEGIC IMPERATIVE THREE

USC will fulfil the potential of its expanded geographic footprint

## PRIORITIES:

1. Ensure the success of USC Moreton Bay.
2. Implement sustainable academic, resourcing and development plans for the campus network, ensuring the multi-campus vision is realised.
3. Ensure USC is a valuable and valued anchor institution for the diverse communities we serve through our campus network.

## OVERVIEW

### Moreton Bay

In 2019, USC maintained focus on preparing for the opening and operation of the Moreton Bay campus for Semester 1, 2020.

The 16,000-square metre foundation building is the first stage of development within the USC Moreton Bay precinct – the anchor tenant of Moreton Bay Regional Council's overarching Mill at Moreton Bay development. The university precinct has been designed to maximise community engagement, with spaces such as a 460-seat capacity auditorium, available for professional, cultural and community events when not being used for teaching purposes.

The project to build the first university campus in the Moreton Bay region has been made possible with support from all three levels of government, along with industry, business and community partners and stakeholders.

In the second half of the year, USC undertook a wide-ranging recruitment process across academic and professional positions, with existing University staff offered the first opportunity to relocate to the new campus before remaining positions were advertised nationally. Staff will work closely with the community to provide quality education and research opportunities that make an impact and deliver more jobs across the region.

### Staff engagement

The health, safety and wellbeing of USC staff and students is fundamental to ensuring the University can deliver high-quality teaching, training and research opportunities at its campuses. In support of this, the USC Mental Health and Wellbeing Plan 2020-2022 was developed this year after a series of forums were held to capture and integrate a diverse range of views into the plan.

There were also a range of development opportunities offered to staff in 2019, including cultural capability training to increase overall knowledge and understanding of Aboriginal and Torres Strait Islander peoples and affairs. Goombuckar's Director Kerry Neill and members of his team facilitated the workshop.

International Women's Day (IWD) events were held at USC Fraser Coast and USC Sunshine Coast, with announcements made regarding University commitments to gender equity and presentations from staff in support of IWD.

### Campus planning

USC held collaborative campus planning days in the Fraser Coast and Gympie regions. The planning days assessed USC's progress against campus plans relating to the regions, updating stakeholders on progress toward targets and listening to feedback about future requirements. A range of stakeholders including USC staff and students, local government representatives,

schools and community and business groups took part in the planning process, ensuring USC continues to offer study, research and engagement opportunities that align with each region's needs. This consultative approach allows USC to develop specific priorities for individual regions, considering the spread of cultural, social and economic factors.

Considerable work was also undertaken to develop and implement a sustainable USC School structure to deliver greater program consistency across six study sites. In addition, Academic Board and its standing committees have adopted new memberships that include staff and student representation from all regions of USC.

USC has been developing workforce planning and technology training to ensure that course delivery is of the best-possible quality across campuses. Work in this area is continuing to progress well.

At USC Caboolture, the nursing cohort grew faster than expected, resulting in the expansion of nursing spaces to help alleviate capacity problems. This campus is an important asset in terms of USC's presence in the Moreton Bay region, and the University is maintaining a focus on maximising the potential of this study site.

### Supporting the regions

USC's presence in Moreton Bay is boosted with the University's leadership and oversight of education and research at the USC Clinical Trials Centre Moreton Bay in the Health Hub Morayfield. The relationship with providers at the medical centre has allowed USC to secure student placements across a range of services, developing deeper and more meaningful connections between the region and the University. This year, the Centre was active in many transformative clinical trials, including for a universal influenza vaccine and a stage-three experimental treatment for heart failure.

Teaching and learning operations at USC's Gympie campus will expand into a second building in 2020. The first stage of expansion was made possible with support from the Queensland Government and Gympie Regional Council.

On the Fraser Coast, USC continues exploring ways to optimise the use of its K'gari Research and Learning Centre based at Dilli Village on K'gari (Fraser Island). This includes fitting out the facilities with appropriate infrastructure, developing a strategic plan, and developing relationships with partners such as the Butchulla community.

USC welcomed Fraser Coast Regional Council's announcement of a possible \$20 million to expand the campus at Hervey Bay as part of the Federal Government's Hinkler Regional Deal. This level of financial backing would ensure USC can deliver the education and skills needed to boost economic growth and create more job opportunities and prosperity for the region.

## PERFORMANCE

### KRA 3.1: ALL CAMPUSES PERFORMING AS PLANNED, WITH DEMONSTRABLE CONTRIBUTIONS TO THE REALISATION OF USC'S VISION AND GOALS

#### KPI 3.1.1: INITIATIVES IMPLEMENTED AT CAMPUSES

MEASURE	TARGET	PERFORMANCE
Implementation of initiatives as specified in USC campus plans	From 2020, annual achievement of deliverables in USC campus plans	Deliverables refined

This indicator measures the achievement of deliverables in USC's campus plans. Campus plans for the period 2019-2021 were approved in late 2018 for Fraser Coast, Gympie, Caboolture and SouthBank.

During 2019 the deliverables in the plans were refined to establish annual outcomes. Plans will be refreshed annually.

Specific initiatives will be undertaken and documented progressively over the reporting year and standardised to allow measurement against a possible 100 percent completion rate.

In 2019 the inaugural process of refreshing and refining the campus plans commenced in September.

USC Sunshine Coast was excluded from the performance indicator because the performance measure was designed to guide USC's expansion beyond the Sunshine Coast region.

In other areas, substantial progress has occurred in transitioning the Gympie and Fraser Coast campus planning process from what was previously a largely internally campus-focused approach, involving modest numbers of campus-based staff, to a far more comprehensive approach involving major external stakeholders, campus staff, students, and key USC stakeholders who are based at Sunshine Coast – such as Heads of Schools.

In particular, the Fraser Coast planning day on 3 October proved to be a major milestone for that region and campus in embedding the region's explicit sense of ownership of 'our university'; deepening USC's partnership with the Fraser Coast Regional Council and other key organisations; and establishing shared priorities. As a result of that process, a number of changes are being made for the next iteration of the Fraser Coast campus plan. The Gympie campus planning day was also effective and included Gympie's mayor as a participant.

Reflecting the more recent acquisition of USC Caboolture and the current campus Director vacancy, the USC Caboolture campus planning process is a lighter touch approach, compared to the other three campus planning processes this year, with an expectation that the incoming Director will play a key role in shaping the following iteration of the campus plan.

Year-to-date reports have been received by the Pro Vice-Chancellor (Engagement) for all campus plans. As anticipated, given the nature of the plans as initially developed in late 2018, the commentary from campus directors/managers has been largely qualitative. The reporting process has demonstrated that progress has been made against most of the specific actions listed against each priority for each campus.

The reporting has demonstrated some anticipated challenges in evaluating the extent of success against each priority; raised some questions about the high number of actions in some plans; and highlighted the need for specific timelines. These matters are being addressed in the current process of refining and updating the campus plans.

### KPI 3.1.2: ENROLMENT RATES ACROSS USC REGIONS

MEASURE	TARGET	PERFORMANCE
Enrolments by region	By 2022, commencing student enrolment percentages reach: <b>Fraser Coast</b> – 50 percent <b>Gympie</b> – 50 percent <b>Moreton Bay</b> – 30 percent <b>Noosa</b> – 40 percent <b>Sunshine Coast</b> – 60 percent	1/5 regions meeting 2019 targets

This measure assesses the proportion of student enrolments drawn from USC's focus regions (Fraser Coast, Gympie, Moreton Bay, Noosa and Sunshine Coast).

The latest available national data, released in November 2019, shows the proportion of commencing students who attend USC from the Moreton Bay region increased between 2018 and 2019 – based on prior-year enrolments – and was the only region to meet its 2019 target.

USC's other four regions recorded declines in the percentage of domestic commencing higher education enrolments compared to 2018 – again, based on the prior year's enrolment figures. The Strategic Information and Analysis Unit will be working with the Pro Vice-Chancellor (Engagement) to undertake additional analysis of these outcomes.

#### DOMESTIC COMMENCING HIGHER EDUCATION<sup>1</sup> ENROLMENTS BY REGION

REGION	2015 <sup>2</sup>	2016 <sup>2</sup>	2017 <sup>2</sup>	2018 <sup>2</sup>	2019 <sup>2</sup> (target) actual
Fraser Coast	5.2%	4.4%	45.4%	45.1%	(45%) 42.8%
Gympie	47.5%	46.6%	48.4%	50.2%	(50%) 48.2%
Moreton Bay	11.5%	11.8%	11.1%	12.0%	(15%) 18.0%
Noosa	39.7%	46.4%	43.4%	43.7%	(40%) 38.8%
Sunshine Coast	57.9%	59.5%	60.0%	59.6%	(60%) 56.8%
<i>Number of regions meeting targets</i>					1/5

1. Table A and B universities.

2. Results are based on enrolments from the year prior.



# STRATEGIC IMPERATIVE FOUR

## USC will improve institutional effectiveness

### PRIORITIES:

1. Attract, retain and support staff who are committed to USC's vision and values.
2. Embed a commitment to excellence and leadership within the University's governance, management and decision-making frameworks.
3. Improve systems, processes and structures to secure efficiency gains, and reporting and analysis capability to guide decision making.
4. Effect responsible and innovative management of resources that supports the University's strategic goals.
5. Develop and implement plans in key business areas to underpin institutional sustainability.

## OVERVIEW

### Achievement highlights

The process of choosing the next strategic leader of the University is close to completion after current Vice-Chancellor and President Professor Greg Hill announced his retirement from the position in 2019. A selection committee, chaired by USC Chancellor Air Chief Marshal Sir Angus Houston AK, AFC (Ret'd), is facilitating the process. The committee has shortlisted candidates following detailed interviews with eligible applicants.

In 2019, USC welcomed Professor Denise Wood AM to the role of Pro Vice-Chancellor (Students) as one of the many new staff attracted to the University. Professor Wood, who joined USC from Central Queensland University and previously worked at the University of South Australia, is responsible for ensuring students receive the support needed to succeed in study. Professor Wood is focused on enriching the student experience, ensuring a respectful and inclusive environment, and boosting student participation, retention and success rates.

A new enterprise agreement (EA) was finalised this year, with 90 percent of staff voting to accept the draft EA. The current EA remains in place until the new Agreement has been certified by the Fair Work Commission.

More broadly, USC employed 31 new academic and professional staff to work at USC Moreton Bay, with 26 existing staff either relocating to the new campus or working between Moreton Bay and the Sunshine Coast.

### Improve governance

In 2019, USC implemented a range of measures to improve governance based on the recommendations of two external reports that were undertaken in 2018. This included the transfer and integration of governance and committee functions into a central department to help create a 'one way, same way' approach for governance matters. By the end of 2019, the majority of recommendations from both reviews had been addressed. In terms of improving academic governance, a key feature was the increase in the representation of elected members to Academic Board and its standing committees.

A Program and Course Committee (PACC) was created in 2019 to assist with coursework approval systems and processes. The PACC is a Standing Committee that makes recommendations to the Academic Board on proposals for the accreditation of new undergraduate and postgraduate coursework programs.

The PACC also advises the Academic Board and the Deputy Vice-Chancellor (Academic) on curriculum matters such as University plans associated with the curriculum, business processes associated with curriculum approval and change, and preparation of key submissions to government related to the University's curriculum. It also monitors the quality of the University's curriculum through consideration of outcomes and review reports.

### Structural improvements

A flatter academic structure was introduced this year by removing Faculties, resulting in the nine USC Schools reporting to the office of the Deputy Vice-Chancellor (Academic). This change of structure was completed in late 2019 with the appointment of Professor Steve Wilcox as Dean, Academic. A number of procedural and policy changes were made to fit the new academic structure, which have resulted in more efficient and effective processes.

The review of academic promotion was rolled out in 2019 with new policy, procedures and application format. The aim was to produce a more equitable process that was reflective of a contemporary multi-campus university. Similar changes were made for the Performance Planning and Review, and for the Academic Probation Procedures and associated documentation.

### Campus expansions

As a community asset, USC works with government and industry partners to ensure its campuses include state-of-the-art facilities that support regions to grow and prosper.

This year, the USC sports precinct on the Sunshine Coast underwent significant growth. This included the opening of the Queensland Government-funded \$9 million USC Stadium expansion, increasing capacity by 50 percent from 2,000 to 3,000 seats. The stadium – home of the Sunshine Coast Lightning, co-owned by USC – was expanded to create an enhanced experience for users such as high-performance athletes, students and community members.

The precinct also welcomed the addition of a \$4.2 million aquatic exercise centre located alongside USC's existing Olympic-sized pool. The centre, jointly funded by USC and the Queensland Government, includes a 25m lap pool, hot and cold plunge pools, a variable-flow pool with a waterproof treadmill, and video cameras to assess running and swimming techniques.

Construction started on the \$5.5 million creative industries building at USC Sunshine Coast, which will include an internal performance area for an audience of 80, plus a stage that opens to a lawn area adjacent to the USC Art Gallery piazza to accommodate larger crowds. Its location alongside the USC Art Gallery will create a vibrant cultural hub at the centre of campus when it opens in 2020.

Part of this cultural hub includes the expansion of the USC Art Gallery – thanks to the generous bequest of the Richard and Arija Austin Estate. The expanded footprint will increase capacity for art exhibitions and include more space for teaching, learning and public programs.

## PERFORMANCE

### KRA: 4.1: CONTINUED IMPROVEMENT IN THE UNIVERSITY'S OPERATIONAL COST STRUCTURE TO ALLOW GREATER INVESTMENT IN STRATEGIC ACTIVITIES

#### KPI 4.1.1: ANNUAL POSITIVE DISCRETIONARY CASHFLOW

MEASURE	TARGET	PERFORMANCE
Annual net discretionary cashflow – as a proportion of total operational revenue	Annual 2 percent positive cashflow	-1.8 percent

This measure provides an indication that the University is operating in a sustainable manner by not incurring greater cash outflow than cash inflows in relation to operational (discretionary) resources. A positive annual cashflow also demonstrates the building of cash reserves for future initiatives. A focus on cash eliminates the nuances of accounting concepts that may distort the standard profit-and-loss picture.

USC is focused on maintaining a strong unrestricted cash surplus position throughout the budget period through expending that which is earned while looking towards building a profit to increase future-year cash reserves.

#### ANNUAL NET DISCRETIONARY CASHFLOW: 2016–2019

MEASURE	2016	2017	2018	2019 <sup>1</sup> (target) actual
Annual cashflows	2.3%	1.8%	2.3%	(2%) -1.8%

1. YTD actual as at 31 December 2019.

### KRA 4.2: IMPROVEMENT IN STAFF COMPOSITION AND RATIOS (STUDENT:STAFF, PROFESSIONAL:ACADEMIC) TO BETTER ALIGN THE WORKFORCE WITH THE UNIVERSITY'S STRATEGIC AMBITIONS

#### KPI 4.2.1: STAFF COSTS AS A PROPORTION OF TOTAL OPERATING INCOME

MEASURE	TARGET	PERFORMANCE
Staff costs as a proportion of total operating revenues	Less than 62 percent	58.9 percent

This measure highlights the proportion of staff costs that are being funded by operating income. To demonstrate sustainable methods the University needs to move to a greater portion of established staff position costs being funded by other incomes (research etc) rather than being overly reliant on operational income (eg student load).

#### STAFF COSTS AS A PROPORTION OF TOTAL OPERATING INCOME<sup>2</sup>: 2015–2019

MEASURE	2015	2016	2017	2018	2019 <sup>1</sup>
Employment costs as a percentage of total operating revenue	61.1%	60.9%	62.1%	64.9%	58.9%

1. YTD actual as at 31 December 2019.

2. Income generated from USC's third-party managed campuses in Sydney and Melbourne has been excluded from total operating income.



### KPI 4.2.3: STAFF COMPOSITION

MEASURE	TARGET	PERFORMANCE
Composition of employment kind (excluding casuals)	Professional staff at or below 56.5 percent by 2020	0.9 percentage points above 2019 target

This measure assesses investment in academic resources and non-academic resources, and gives an indication of the level of support (corporate and other service delivery) provided to enable the academic work of the University.

University ratios are benchmarked through the Australian Universities HR Benchmarking Program, which has been chosen to indicate improved proportions of academic and professional staff against the sector average.

The 2019 composition of employment kind results show the USC professional staff ratio at 58.9 percent. This compares to a sector average of 56.2 percent. The USC average has decreased by 1.2 percentage points since 2015, while the sector average has decreased slightly (-0.2 percentage points) to 56.2 percent. Conversely, the proportion of USC academic staff has steadily increased since 2015 (+1.5 percentage points), while the sector average has remained stable (-0.1 percentage points). The percentage of USC senior staff has remained relatively consistent since 2015 (3.6 percent in 2015 and 3.3 percent in 2019).

The total staff full-time equivalent (FTE) remained steady between 2018 and 2019 at 1,074.7 FTE as at 31 March 2019.

#### COMPOSITION OF EMPLOYMENT KIND<sup>1</sup>: 2013-2018

EMPLOYMENT KIND		2015	2016	2017	2018	2019
					(target)	actual
Academic <sup>2</sup>	USC	36.3%	37.9%	38.9%	38.2%	37.8%
	Sector <sup>5</sup>	40.0%	40.0%	40.0%	40.0%	39.9%
Professional <sup>3</sup>	USC	60.1%	58.4%	57.5%	58.5%	(58%) 58.9%
	Sector <sup>5</sup>	56.4%	56.0%	56.0%	56.0%	56.2%
Senior <sup>4</sup>	USC	3.6%	3.6%	3.5%	3.3%	3.3%
	Sector <sup>5</sup>	3.5%	3.9%	4.1%	4.0%	3.9%

1. Data as at 31 March 2019 based on the Australian Government Higher Education Staff Data Collection.

2. Academic staff (as defined in the Enterprise Agreement (EA)): are staff appointed in accordance with the Academic Position Descriptors Guidelines in place as at 22 August 2011 to positions that reflect the operational requirements and core areas of responsibility, which include teaching, research and engagement.

3. Professional staff (as defined in the EA): are staff appointed in accordance with the APT Position Descriptors Guidelines in place as at 22 August 2011 to a position that reflects the operational requirements and core areas of responsibility for administrative, professional, and technical occupational groups.

4. Senior staff: those staff employed on a senior staff contract, and not covered by the University's EA.

5. Sector data: benchmarked with Australian Universities through the annual Universities HR Benchmarking Program. The Universities HR Benchmarking Program report is available each June for the previous year. 2019 results yet to be confirmed by Australian Higher Education Industrial Association (AHEIA).

## KPI 4.2.4: STUDENT:STAFF RATIOS

MEASURE	TARGET	PERFORMANCE
Ratio of students to academic staff (including casuals)	Annually, student to academic staff ratios to be within 10 percent of national average	13.4 percent above national average

This measure assesses the USC ratio of students to academic staff against national values. Latest-available values from 2017 show USC's ratio exceeds the national average by 13.4 percent. As with other institutions that use third-party providers to deliver curriculum, the value for USC does not include teaching staff at its Sydney and Melbourne campuses; however, student enrolments at these campuses are included in the calculation. The USC value, excluding student load at USC's third party managed campuses in Sydney and Melbourne, is included in the table below for reference. It is not possible to recalculate the national ratio as details of student load delivered by third party providers at other Table A universities is not known but is estimated to have little impact on the national value.

### STUDENT-STAFF RATIO<sup>2,3</sup> FOR FULL-TIME EQUIVALENT ACADEMIC<sup>4</sup> STAFF (INCLUDING CASUAL)<sup>5</sup>

	2016	2017	2018	2019 <sup>1</sup>
USC	21.8	21.5	23.1	24.7
National (Table A universities)	21.0	21.3	21.5	21.8
<i>% difference (USC to national)<sup>6</sup></i>	2.3%	0.8%	7.2%	13.4%
USC (excluding USC Sydney and USC Melbourne student EFTSL)	-	-	22.4	22.6

1. Australian Government ratio of students to academic staff data is lagged by two years and is usually released in April. 2019 results are based on data from 2017 – the latest-available data.
2. Student-Staff Ratio = Student EFTSL (Equivalent Full-Time Student Load) / Staff FTE (Full-Time Equivalent).
3. Student figures include only onshore student load (excluding work experience in industry).
4. Academic staff includes FTE of staff in an Academic Organisational Unit with a teaching or teaching and research function.
5. "Including casual" includes actual casual staff for all years.
6. This value represents the proportionate difference of USC's ratio of students to academic staff to the national ratio.



# STRATEGIC IMPERATIVE FIVE

## USC will embrace and strengthen its role as a driver of capacity building

### PRIORITIES:

1. Develop a better understanding of USC's current and potential contribution to economic, social and environmental sustainability in the region, and use this information in planning and decision making.
2. Partner with industry and government to contribute to the development and sustainability of the region.
3. Implement strong USC environmental sustainability deliverables.

## OVERVIEW

### Achievement highlights

USC has been a regional leader in sustainability practices since its establishment, with sustainability embedded in decision-making and strategic and operational planning. More than 75 study courses include environmental or sustainability components.

This year saw the formation of the Sustainability and Engagement Forum – jointly sponsored by the Pro Vice-Chancellor (Engagement) and the Deputy Vice-Chancellor (Academic) – to bring together different aspects of sustainability for academic, professional and technical staff, students and the public. The forum is exploring coordination and broadcasting of the social and environmental initiatives driven by USC.

One of the most compelling examples of USC's success as a driver of regional capacity building is its graduates. USC continues to deliver trained professionals to fill regionally specific skill shortages. In 2019, this included almost 180 educators, 467 nurses, midwives and paramedics and almost 60 engineers.

USC's environmental credentials were bolstered in 2019 with the completion of USC Sunshine Coast's 'water battery' project. More than 6,000 solar panels were installed across the campus to power a giant 4.5-megalitre water storage tank.

Rather than a traditional battery, USC incorporated the thermal-energy storage tank as part of the University's solar-energy system.

Water in the tank is chilled using power generated by the 2.1-megawatt photovoltaic system. Once chilled, the cool water is used in air conditioners across the USC Sunshine Coast campus, cutting overall energy emissions by 40 percent. Excess power not used on campus is fed into the mains energy grid.

The smart system has been designed to adapt to changing weather conditions in real-time, shifting between solar power, mains electricity or the thermal-energy storage tank – depending on which input offers the most environmentally friendly option.

During the construction phase of the project, USC academics were able to use the site as a teaching tool and an example of an innovative and sustainable project using renewable technology, renewable energy and construction techniques that are more efficient, use less materials and have a sustainable life.

Within the first few months of operation, the solar power system won the Out of the Box category of the Global District Energy Climate Awards in Iceland, which was followed by the ACTS Award of Staff Excellence for USC Manager of Energy and Infrastructure Dennis Frost at the 2019 Green Gown Awards Australasia in New Zealand. USC was a finalist in the Climate Action category of the 2019 Green Gown Awards Australasia, which recognises the sustainability initiatives of universities and colleges.

USC partnered with energy and waste management provider Veolia to deliver this project with no capital outlay. As part of a broader agreement, Veolia has installed all the solar panels and built the water storage tank at no upfront cost to the University. Instead, Veolia will sell the energy back to USC at a cheaper price than it would cost to buy from the energy grid. After 10 years, ownership of the system will be transferred to USC.

By partnering with the industry provider, USC expects to save about \$100 million over 25 years, while cutting energy emissions as the University continues toward its goal of reaching carbon neutrality by 2025.

USC is working on more partnership opportunities at other campus locations – particularly in the area of service infrastructure delivery at USC Moreton Bay. Consultation with key stakeholders on a number of planned initiatives is underway.

Initiatives are also being investigated for USC to obtain a designation as an 'engaged university' that has impact on its local, national and international communities under the Carnegie Community Engagement Classification for Oceania. Applications from participating universities in the pilot project are due in 2020.

### Green Initiatives

USC is committed to implementing sustainable practices and undertakes regular benchmarking to achieve best practice and the highest sustainability standards. The University also raises public awareness through stewardship of the environment and proactively engages through collaborative approaches with staff, students and partners in the broader community to promote sustainability in the local region and beyond.

USC continued with a range of environmentally sustainable initiatives in 2019. USC Sunshine Coast's on-site composting apparatus continues to be a reliable asset, with the ability to process up to 50 tonnes of organic waste a year, representing a 60-tonne reduction of carbon dioxide entering the atmosphere. USC was the first Australian university to introduce a total waste streaming system that included processing green and organic waste.

Smart carbon dioxide sensor controls are installed in large theatres to adjust air-conditioning supply based on the amount of carbon dioxide in the air, leading to an average 50 percent energy saving in areas of operation.

USC Sunshine Coast uses treated water in chillers and pools from lakes on campus, saving more than 20,000 litres of mains water per day.

In 2019, four electric car charging stations were installed at USC Sunshine Coast, with two more available at USC Moreton Bay when it opens.

## PERFORMANCE

### KRA: 5.1: PROACTIVE ACTIVITIES ARE IMPLEMENTED TO IMPROVE SUSTAINABILITY AT USC ACROSS MULTIPLE DIMENSIONS

#### KPI 5.1.1: CARBON DIOXIDE EMISSIONS

MEASURE	TARGET	PERFORMANCE
Total carbon dioxide emitted per full-time student (EFTSL) per year (CO <sub>2</sub> -et/EFTSL/year)	Maintained at and trend lower than 1.0 t/EFTSL/year	0.94 tonnes

This metric measures the total amount of carbon dioxide emitted by the University (Scope 1 and 2)<sup>1</sup> per EFTSL per year. It indicates the total energy consumed by the University in conducting business and its overall carbon footprint.

In 2019 (based on 2018 data), the University continued a trend downward with its carbon emissions and it is expected to continue in 2020 with the commissioning of the Energy Efficiency Through Innovation Project at the Sunshine Coast campus in September 2019.

#### USC COMPARED TO OTHER UNIVERSITIES IN QUEENSLAND, CO<sub>2</sub>-et/EFTSL/YR

INSTITUTION	2015 <sup>2</sup>	2016 <sup>2</sup>	2017 <sup>2</sup>	2018 <sup>2</sup>	2019 <sup>2</sup>
USQ (2 <sup>nd</sup> lowest in 2019)	0.90	1.11	1.03	1.11	0.98
USC (lowest in 2019)	1.20	1.16	0.99	1.00	0.94
UQ (2 <sup>nd</sup> highest in 2019)	3.30	3.30	2.80	2.52	2.41
JCU (highest in 2019)				2.56	2.85

#### USC COMPARED TO OTHER UNIVERSITIES NATIONALLY, CO<sub>2</sub>-et/EFTSL/YR

INSTITUTION	2016 <sup>2</sup>	2017 <sup>2</sup>	2018 <sup>2</sup>	2019 <sup>2</sup>
UTAS (equal lowest in 2019)	0.66	0.33	No data	0
ACU (10 <sup>th</sup> lowest in 2019)	0.57	0.66	0.65	0.64
USC (11 <sup>th</sup> lowest in 2019)	1.16	0.99	1.00	0.94
ANU (highest in 2019)	5.57	4.90	4.74	4.03
Sector average	1.63	1.68	1.52	1.53
Rank	11 <sup>th</sup> out of 37 institutions nationally in 2019			

1. Scope 1: greenhouse gas emissions are the emissions released to the atmosphere as a direct result of an activity, or series of activities at USC. Scope 2: greenhouse gas emissions are the emissions released to the atmosphere from the indirect consumption of an energy commodity at USC.

2. Performance assessment is based on data from the prior year. 2018 is the latest data available and is used in the 2019 performance assessment.

## KPI 5.1.2: ENERGY FROM RENEWABLE SOURCES

MEASURE	TARGET	PERFORMANCE
The combination of these two targets will progress to 100 percent by 2025 in line with USC's Carbon Management Plan		
Percentage of the University's total energy consumption from renewable sources	The first target will progress as abatement projects are completed – 65 percent (realistic)	3.3 percent above 2019 target
Obtained from third-party	The second target will become apparent toward the end of the abatement delivery cycle – 35 percent (aspirational)	Data not yet available

Based on the University's approved Carbon Management Plan, the University is committed to carbon neutrality by 2025. To achieve this goal the University will need to produce or source its energy requirements from renewable sources.

With the implementation of the Energy Efficiency Through Innovation Project at the Sunshine Coast campus in September 2019 this will result in 13.33 percent of energy sourced from renewables in year 2019 (based on calculation of full-year saving of 40 percent).

### USC TOTAL ENERGY CONSUMPTION FROM RENEWABLE SOURCE

	2018	2019
Produced on USC sites	0% (10% target)	13.3%

## KRA: 5.2: EVIDENCE-BASED PLANS DEVELOPED AND IMPLEMENTED TO BUILD CAPACITY WITHIN THE REGION AND BEYOND

### KPI 5.2.1: ACHIEVEMENT OF CAPACITY BUILDING TARGETS ACROSS ALL CAMPUSES AS SPECIFIED IN EACH USC CAMPUS PLAN

MEASURE	TARGET	PERFORMANCE
Graduates by region	Annual increase in proportion of total USC graduates of all university graduates across USC's focus regions	Data not yet available

The timing of the release of the 2018 full year national data by the Australian Government prevented the alignment of the 2019 assessment with the University's reporting cycle; assessment of the 2019 values will be made in early 2020.

The latest baseline data shows a decrease between 2016 and 2017 in the number of USC graduates as a proportion of all graduates for four of the five focus regions. The proportion of USC graduates from Fraser Coast increased from 3.8 percent to 9.3 percent during the same period.

### USC COMPLETIONS<sup>1</sup> AS A PROPORTION OF ALL HIGHER EDUCATION<sup>2</sup> COMPLETIONS BY REGION

REGION	2014		2015		2016		2017	
	n	%	n	%	n	%	n	%
Fraser Coast	10	3.9%	12	4.6%	11	3.8%	26	9.3%
Gympie	28	27.1%	34	30.6%	44	32.1%	44	28.9%
Moreton Bay	111	6.7%	144	8.6%	179	9.9%	185	9.6%
Noosa	77	36.6%	80	34.0%	78	34.2%	76	32.9%
Sunshine Coast	799	55.4%	967	60.5%	988	61.4%	1,076	61.3%
All USC regions	1,024	28.1%	1,237	31.8%	1,299	32.1%	1,407	32.4%

1. Internal, domestic undergraduates. Undergraduate comprises bachelors graduate entry, bachelors honours, bachelors pass, associate degree, advanced diploma, diploma, other undergraduate award course.

2. Table A and B universities only.

3. Performance assessment is based on data from the prior year. 2017 is the latest data available.

## KPI 5.2.2: GRADUATE EMPLOYMENT WITHIN USC'S REGION FROM MORETON BAY TO FRASER COAST

MEASURE	TARGET	PERFORMANCE
Comparative national assessment of graduate employment by region	Annual increase in the proportion of USC graduates employed in one of USC's regions, or at least 60 percent of USC graduate representation by region	Three out of four regions met targets

Values for this measure will be available around January of the year following the year in which the survey was conducted. This measure assesses the proportion of USC graduates whose location of employment falls within USC's focus regions (Fraser Coast, Gympie, Moreton Bay, Noosa and Sunshine Coast) based on responses to the annual national Graduate Outcomes Survey (GOS).

Latest results show that USC graduates represent at least 60 percent of graduates employed in three of the four assessable regions. Between 2018 and 2019 there has been an increase in the proportion of USC graduates employed in two of the four assessable regions (Gympie and Sunshine Coast); the proportion remained the same for Moreton Bay (17 percent) and decreased for Noosa (69 percent in 2018; 64 percent in 2019).

### USC GRADUATES<sup>2</sup> IN EMPLOYMENT<sup>3</sup> AS A PROPORTION OF ALL HIGHER EDUCATION<sup>4</sup> GRADUATES IN EMPLOYMENT BY REGION

REGION <sup>5</sup>	2017 <sup>1</sup>		2018 <sup>1</sup>		2019 <sup>1</sup>	
	%	n	%	n	%	n
Fraser Coast	3%	2	4%	4	17%	11
Gympie	43%	9	51%	21	60%	22
Moreton Bay	21%	69	17%	62	17%	54
Noosa	59%	33	69%	41	64%	40
Sunshine Coast	70%	374	68%	365	69%	352
<b>ALL USC Regions</b>	<b>47%</b>	<b>487</b>	<b>45%</b>	<b>493</b>	<b>48%</b>	<b>479</b>
Number of regions with increase or same as prior year or ≥60%						3/4

1. Results based on data from the year prior. 2018 results are latest-available data.

2. Domestic undergraduates. Undergraduate comprises bachelors graduate entry, bachelors honours, bachelors pass, associate degree, advanced diploma, diploma, other undergraduate award course.

3. Full-time or part-time employment.

4. Table A universities only.

5. Regions with less than ten graduates in employment in either the current or prior year are not included in the assessment.



## STRATEGIC IMPERATIVE SIX

### USC will strengthen engagement with its communities

#### PRIORITIES:

1. Develop and implement a vision for USC Engagement, ensuring staff and students can participate in, progress and benefit from our engagement agenda.
2. Develop and strengthen meaningful partnerships with Aboriginal and Torres Strait Islander Elders and their communities.

## OVERVIEW

### Achievement highlights

USC values its position as a vibrant and engaging presence within its communities, providing opportunities for knowledge exchange, access to world class facilities, strategic partnerships and capacity building for the regions.

To ensure USC maximises engagement opportunities, consultation commenced this year on an engagement policy in line with the University's new strategic plan, reflecting a particular focus on engagement by staff.

Achievements in 2019 included Solar Nights – a free community event that featured a trail of light displays interwoven within the Sunshine Coast campus. The event ran for the first time in 2018 to recognise USC's partnership with energy provider Veolia to solar power the campus.

The event, which ran for 10 nights from 13-22 December, was designed by USC staff to welcome community members on to campus – many of whom had little to no previous engagement with the University. Staff members volunteered time to help with the event, welcoming more than 50,000 attendees on to campus over the duration of the event.

In 2019, USC academics and students presented at a series of community events across the University's regions. Involvement included presentations at events such as the Moreton Bay Food and Wine Festival, Hervey Bay's Food and Groove Fridays, the Noosa Festival of Surfing and the Redcliffe KiteFest.

USC offered free courses in 2019 to help community members upgrade academic skills and explore pathways to higher education. Initiatives included the two-day University Skills for Community program to help adults who had been out of study for a few years find the skills needed to succeed at higher education. Where requested, programs such as these were followed up with career advice and assistance in developing study and career plans.

In May, USC's top cybersecurity experts joined Queensland's Privacy Commissioner Philip Green at a free forum to launch Privacy Awareness Week. The panel discussion focussed on understanding privacy rights and responsibilities to help community members better mitigate risk.

This year, the Accreditation Council for Entrepreneurial and Engaged Universities (ACEEU) recognised USC and partners for work involved in the Healthy Towns initiative. USC collaborated with regional stakeholders on the project to identify and advance local community-based health and wellbeing initiatives to make a positive impact on community members.

Community engagement continues to be a core function of the University, and USC remains focussed on undertaking community initiatives to maintain a deeper connection with its regions.

### Mentors

To grow alumni engagement with current USC students, the University launched an online mentor program in 2019 to give graduates the opportunity to share skills and experiences with current students. The pilot program was successfully completed and will be expanded in 2020.

### Indigenous initiatives

Indigenous Services has been leading the development and implementation of an engagement agreement with Traditional Owners across USC communities.

In this area, USC held a roundtable discussion with the Butchulla Aboriginal Corporation (BAC) to identify a shared pathway for working together in Butchulla Country. This was an important step in deepening the relationship with BAC to ultimately identify areas of mutual benefit, particularly in terms of research and learning on K'gari-Fraser Island. Initiatives include establishing educational pathways, embedding Indigenous perspectives in USC curriculum and field studies, and the potential for joint research projects into areas such as biodiversity, climate monitoring and eco-tourism. BAC continues working alongside USC in these areas.

USC's Sunshine Coast Mind and Neuroscience – Thompson Institute made significant contributions to the health and wellbeing of the Sunshine Coast Aboriginal and Torres Strait Islander communities with the launch of a suicide prevention strategy co-designed with local Aboriginal and Torres Strait Islander peoples and community organisations. As part of the Alliance for Suicide Prevention project, the inclusion of Aboriginal and Torres Strait Islander peoples was vital to ensure the perspectives of high-risk groups were captured in the program's materials. An Indigenous Advisory Group, formed during the co-design of the strategy, will continue to guide the rollout of the plan.

In May, students from USC's Nursing Science and Midwifery programs partnered with the North Coast Aboriginal Corporation for Community Health's annual Well Persons Health Check Day. The free event delivered health screening and advice for children within the Gympie and Sunshine Coast regions.

## PERFORMANCE

### KRA 6.1: EXPAND PRODUCTIVE REGIONAL PARTNERSHIP ACTIVITIES

#### KPI 6.1.1: PRODUCTIVE REGIONAL PARTNERSHIP ACTIVITY

MEASURE	TARGET	PERFORMANCE
Assessment of partner satisfaction with partnership activities by region	From 2020, annual achievement of 85 percent satisfaction from surveyed partners	Definitions, partner identification and survey designed

The measure represents a transition for USC from assessing partnership activity by numbers of partners to assessing partnership activity based on the value of that activity, as assessed by our partners. This aligns with USC's adoption of the Carnegie definition of university engagement and its emphasis on mutually beneficial partnerships.

USC's declared geographic footprint in the Strategic Plan defines the 'regional' in regional partnership activity; this may include organisations that are not home-based in the region but who are working with us in our region.

In 2019, USC defined 'productive partnerships', determined its future survey methodology to assess the measure (including whether the Carnegie university engagement survey can be adopted or adapted), and identified the partners who will be invited to participate in USC's pilot of the Carnegie engagement accreditation process. Commentary regarding the status of each of these activities is provided below. In 2020, Carnegie will survey those partner organisations. From 2021, USC will manage an annual survey of selected regional partners.

**Definition of 'productive partnerships':** USC Engagement defines productive regional partnerships according to the Carnegie engagement framework and USC's Strategic Plan (including alignment with USC's values):

A productive regional partnership:

- Is mutually beneficial for USC and the partner organisation(s);
- Aligns with USC's declared values;
- Offers value to (all or part of) USC's declared region from Moreton Bay to Fraser Coast; and
- Involves at least one partner that is based in that region or working with USC in relation to that region.

This definition will be embedded in USC's forthcoming Engagement policy and charter.

**Partner identification:** A draft list of partners who will be invited to participate in the 2020 Carnegie survey exists, but is subject to change as USC continues to develop its Carnegie submission. Following changes to timelines for the Australian universities' Carnegie pilot, the final list of partners is required by 1 May, 2020.

**Survey:** Assessment of the Carnegie engagement accreditation survey process by the Office of Engagement at USC concluded that Carnegie's survey does not fully meet USC requirements for an annual survey. Feedback from Australian universities in the Carnegie pilot during 2019 indicates that other universities are in the early stages of identifying appropriate methods for evaluating partner satisfaction. For USC, the preferred option is to undertake a mixed-methods approach, which combines an annual survey of selected key partners, supplemented with occasional interviews and focus groups (as resources allow). The survey will include adaptations of some of the Carnegie survey items, and thus maintain coherence between USC's and Carnegie's assessment of partner satisfaction. Given work being undertaken by other universities and the commencement date of 2021 for USC's annual survey, USC will not finalise content of its annual survey until late 2020 or early 2021, in order to maximise any benefit from the survey development that is currently underway at other Australian universities.

As a result of the extended time frames for identification of partners and survey design the annual targets will need to be reviewed. An update on the proposed new targets will be provided to the February 2020 meeting of the Planning and Resources Committee.



## KRA 6.2: INCREASE REVENUE FROM INDUSTRY AND PHILANTHROPY

### KPI 6.2.1: PROPORTION OF REVENUE FROM INDUSTRY AND PHILANTHROPY FUNDING

MEASURE	TARGET	PERFORMANCE
Proportion of revenue from industry funding	2 percent annually	3.2 percent

This measure examines revenue from industry funding and highlights the amount of income being received from non-government sources.

There have been significant increases in industry revenues during 2019 generated through Clinical Trials and the Thompson Institute which, when pipelined, will likely contribute to exceeding the 2022 target.

#### PROPORTION OF REVENUE FROM INDUSTRY FUNDING

MEASURE	2016	2017	2018	2019
Proportion of revenue from industry and philanthropy funding	1.6%	1.9%	1.5%	3.2%

### KPI 6.2.2: REVENUE FROM PHILANTHROPY FUNDING

MEASURE	TARGET	PERFORMANCE
Revenue from philanthropy funding	Annual increase in donor-funded scholarship dollars paid to students	Data not yet available
	Annual fundraising return on investment equates to 2:1	Data not yet available

The purpose of fundraising at USC is to support our core activities. Support of students will continue to be a priority, hence the choice of total donor funded scholarship dollars that students receive each year. The inclusion of the second target, fundraising return on investment, recognises the importance of efficiency.

#### PROPORTION OF REVENUE FROM INDUSTRY FUNDING

MEASURE	2016	2017	2018 <sup>1</sup>
Donor funded scholarships	\$563,377	\$728,838	\$782,563
Fundraising return on investment (excluding major gifts)	n/a	2.5:1	2:1

1. 2019 value for donor-funded scholarships and fundraising return on investment available in March 2020.

# STRATEGIC IMPERATIVES PERFORMANCE

## Summary of key performance indicators

The following tables provide a high-level summary of the measures and targets associated with each key performance indicator, including future targets to 2020. For detailed 2019 performance reporting, please see pages 8–31 of this Annual Report.

Imperative One: The University will increase student enrolments and improve student success				
Key Result Area 1.1: Increased student enrolments in total and as planned for each campus				
KPI 1.1.1	Student enrolments (EFTSL)	Annual increase in student enrolments (EFTSL)	YELLOW	2019: 11,901 2018: 11,960 (Sept reforecast)
		Annual increase in international student enrolments (EFTSL)	RED	2019: 2,568 2018: 2,751 (Sept reforecast)
Key Result Area 1.2: Demonstrable improvements in student success				
KPI 1.2.1	Student attrition	Annual improvement of differential between USC and national adjusted attrition rate for commencing, domestic undergraduate	RED	2019 result: <4.8% Differential 7.3%
KPI 1.2.2	Student satisfaction	Annually, at each campus, achieve student satisfaction for Quality of the entire educational experience in the Student Experience Survey results of: - at least 75 percent	YELLOW	1 of 2 campuses
		Annually, achieve national average for <i>Quality of the entire educational experience</i> in the Student Experience Survey	GREEN	USC 81% National 79%
KPI 1.2.3	Graduate outcomes	Achieve national graduate overall employment average for domestic undergraduates by 2022	YELLOW	USC 84% National 87%
KPI 1.2.4	Access for groups under-represented in higher education	Achieve national average access rates for Aboriginal and Torres Strait Islander students, students with a disability and students from low SES backgrounds	GREEN	2019 target/result: Indigenous >2.2% / 3.9% Disability >6.5% / 7.1% Low SES >18.0% / 23.2%

TABLE KEY: GREEN On track; LIGHT GREEN Broadly on track; YELLOW Some concerns; RED Significant concerns; GREY Data not yet available

## Imperative Two: The University will increase research productivity and impact

Key Result Area 2.1		Times Higher Education ranking improvement		
KPI 2.1.1	THE Young University Ranking Outcome	100 by 2022	RED	2019 target: 101-150 2019 result: 151-200
KPI 2.1.2	THE Young University Ranking Scores	41 by 2022	YELLOW	2019 target: 37 2019 result: 35
Key Result Area 2.2		Improvement in standard input and output research metrics and external assessments such as ERA		
KPI 2.2.1	Research income	\$28 million by 2022	GREEN	2019 target: \$25m 2019 result: \$26m (unaudited)
KPI 2.2.2	Higher Degree by Research student enrolments (EFTSL)	300.2 by 2022	GREEN	2019 target: 279.6 2019 result: 288.9 (Sept reforecast)
KPI 2.2.3	Research Block Grants income	\$10 million by 2022	GREY	2019 result: \$7,071,365
KPI 2.2.4	Scopus indexed publication citations	1.40 by 2022	GREEN	2019 target: 1.33 2019 result: 1.33
KPI 2.2.5	Higher Degree by Research completions	61 by 2022	GREEN	2019 target: 58 2019 result: 76
Key Result Area 2.3		Demonstrable research impact		
KPI 2.3.1	Number of patents	5 by 2022	GREEN	2019 target: 2 2019 result: 3
KPI 2.3.2	Research commercialisation income	\$7 million by 2022	RED	2019 target: \$5.5m 2019 result: \$4.9m

TABLE KEY: GREEN On track; LIGHT GREEN Broadly on track; YELLOW Some concerns; RED Significant concerns; GREY Data not yet available

### Imperative Three: USC will fulfil the potential of its expanded geographic footprint

Key Result Area 3.1		All campuses performing as planned, with demonstrable contributions to the realisation of USC's vision and goals		
KPI 3.1.1	Initiatives implemented at campuses	From 2020, annual achievement of deliverables in USC Campus Plans	GREEN	Deliverables refined
KPI 3.1.2	Enrolment rates across USC regions	By 2022 commencing student enrolment percentages reach: Fraser Coast 50 percent Gympie 50 percent Moreton Bay 30 percent Noosa 40 percent Sunshine Coast 60 percent	YELLOW	2019 target/result: - Fraser Coast 45% / 42.8% - Gympie 50% / 48.2% - Moreton Bay 15% / 18.0% - Noosa 40% / 38.8% - Sunshine Coast 60% / 56.8%

### Imperative Four: USC will improve institutional effectiveness

Key Result Area 4.1		Continued improvement in the University's operational cost structure to allow greater investment in strategic activities		
KPI 4.1.1	Annual positive discretionary cashflow	Annual 2 percent positive cashflow	RED	-1.8%
Key Result Area 4.2		Improvement in staff composition and ratios (student:staff, professional:academic) to better align the workforce with the University's strategic ambitions		
KPI 4.2.1	Staff costs as a proportion of total operating income	Annually, less than 62 percent	GREEN	58.9%
KPI 4.2.2	Staff costs by academic employment type	Under development		
KPI 4.2.3	Staff composition	Professional staff proportion at or below 56.5 percent by 2022	YELLOW	2019 target: 58% 2019 result: 58.9%
KPI 4.2.4	Student:Staff ratios	Annually, student to academic staff ratios to be within 10 percent of national average	RED	13.4%

TABLE KEY: GREEN On track; LIGHT GREEN Broadly on track; YELLOW Some concerns; RED Significant concerns; GREY Data not yet available

## Imperative Five: USC will embrace and strengthen its role as a driver of capacity building

### Key Result Area 5.1 Proactive activities are implemented to improve sustainability at USC across multiple dimensions

KPI 5.1.1	Carbon dioxide emissions	Maintained at and trend lower than 1.0 t/EFTSL/year	GREEN	0.94
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The combination of these two targets will progress to 100 percent by 2025 in line with the Carbon Management Plan

KPI 5.1.2	Energy from renewable sources	The first target will progress as abatement projects are completed - 65% (realistic)	GREEN	2019 target: 10% 2019 result: 13.3%
		The second target will become apparent toward the end of the abatement delivery cycle - 35% (aspirational)	GREY	Data not yet available

### Key Result Area 5.2 Evidence-based plans developed and implemented to build capacity within the region and beyond

KPI 5.2.1	Achievement of capacity building targets across all campuses as specified in each USC Campus Plan	Annual increase in proportion of total USC graduates of all university graduates across USC's focus regions	GREY	Data not yet available
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KPI 5.2.2	Graduate employment within USC's region from Moreton Bay to Fraser Coast	Annual increase in the proportion of USC graduates employed in one of USC's regions, or at least 60% of USC graduate representation by region	LIGHT GREEN	3/4 of regions increased or same as prior year or ≥60%
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## Imperative Six: USC will strengthen engagement with its communities

### Key Result Area 6.1 Expand productive regional partnership activities

KPI 6.1.1	Productive regional partnership activity	From 2020, annual achievement of 85 percent satisfaction from surveyed partners	LIGHT GREEN	Targets to be reviewed
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### Key Result Area 6.2 Increase revenue from industry and philanthropy

KPI 6.2.1	Proportion of revenue from industry funding	2 percent annually	GREEN	3.2%
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KPI 6.2.2	Revenue from philanthropy funding	Annual increase in donor funded scholarship dollars paid to students	GREY	Data not yet available
		Annual fundraising return on investment equates to 2:1	GREY	Data not yet available

TABLE KEY: GREEN On track; LIGHT GREEN Broadly on track; YELLOW Some concerns; RED Significant concerns; GREY Data not yet available

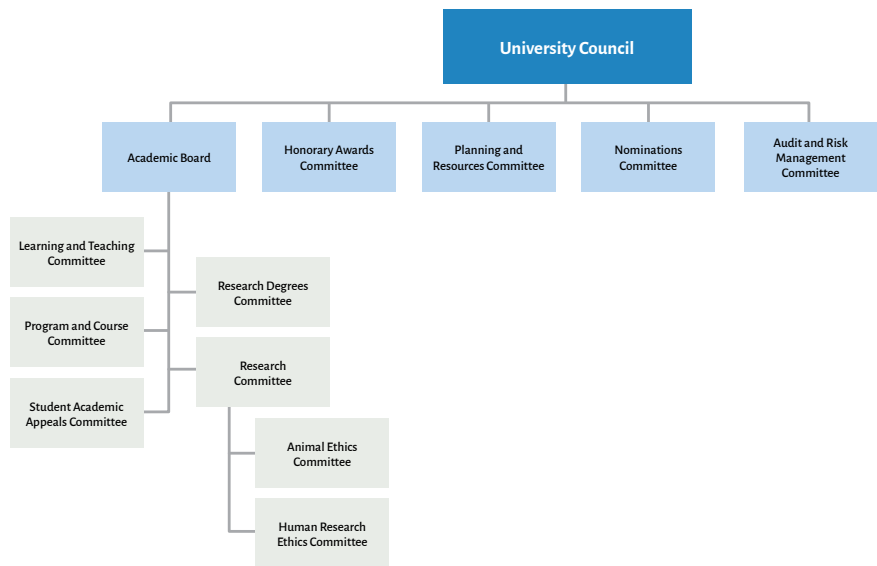
# GOVERNANCE

## University Council (governing body)

Under the *University of the Sunshine Coast Act 1998*, the University is governed by an 18-member Council representing University and community interests.

Council has the power to manage and control University affairs, property and finances, and appoint University staff. Where allowed under the Act, Council may delegate its powers to an appropriately qualified member of Council or member of the University's staff, or to an appropriately qualified committee that includes one or more members of Council.

Council met six times in 2019. Additionally, a two-day Council Retreat was held in April and a Council Planning Day was held on 25 September 2019.



## Council leadership

### CHANCELLOR

Leads Council and presides at Council meetings.

#### Air Chief Marshal Sir Angus Houston AK, AFC (Ret'd) (appointed 1 April 2017)

Elected Chancellor 28 February 2017 and took office 1 April 2017. Awarded the Knight of the Order of Australia in January 2015 for extraordinary and pre-eminent achievement and merit in service to Australia, through distinguished service in the Australian Defence Force and continued service to the nation in leadership roles, particularly the national responses to the MH370 and MH17 disasters and in a variety of roles in the community. Retired as Chief of the Australian Defence Force in July 2011 after 41 years of service in the military.

Sir Angus chairs a number of boards and also serves as a board member for numerous organisations. He is a visiting fellow of the Australian National University National Security College; and is also the Ambassador/Patron of a number of charitable organisations. Sir Angus has been awarded four honorary doctorate degrees from the University of South Australia, the Australian National University, the University of New South Wales and Griffith University.

### DEPUTY CHANCELLOR

Acts as Chancellor in the absence of the Chancellor or when the office of Chancellor is vacant.

#### Scott Williams AM, QDAH Qld., BEc, GradDipCompSc, GradDipFinMangt, GradDipRurAcc UNE, Hon. DLitt UNE, FAICD (appointed 11 April 2017)

Elected Deputy Chancellor on 1 April 2017. Chairperson of USC's Planning and Resources Committee. Successful small business operator, and former councillor and mayor of Uralla Shire Council in New South Wales. Served on the University of New England Council from 1997 to 2012, including four years as deputy chancellor and 13 years as chair of the finance and tender committees. Awarded a member of the Order of Australia in 2012 for contributions to higher education, business, local government, community radio and philanthropy. Named QCF Higher Education Philanthropist of the Year in 2019 in recognition of financial contributions in support of education over the last 20 years.



## Council membership

The Council comprises three official members, six members appointed by the Governor in Council, five elected members and four additional members appointed by the Council. The term of office of the majority of members is four years. The term of office of student members is two years. 2019 was the second year of the Eighth University Council.

USC does not currently remunerate its Council members. However, USC does cover University-related expenses for its Council and Committee members. Full details of University Council membership, financial reporting, meetings, record of attendance and remuneration are available in the Financial Statements on pages 58-107 of this Annual Report, and online at [usc.edu.au/reports](http://usc.edu.au/reports)

### The Council membership for 2019 was as follows:

Chancellor	Air Chief Marshal Sir Angus Houston AK, AFC (Ret'd)
Acting Chancellor	Scott Williams AM, QDAH <i>Qld.</i> , BEc, GradDipCompSc, GradDipFinMangt, GradDipRurAcc <i>UNE</i> , Hon.DLitt <i>UNE</i> , FAICD (3 October 2019 Graduation Ceremonies)
Deputy Chancellor	Scott Williams AM, QDAH <i>Qld.</i> , BEc, GradDipCompSc, GradDipFinMangt, GradDipRurAcc <i>UNE</i> , Hon.DLitt <i>UNE</i> , FAICD
Vice-Chancellor and President	Professor Greg Hill, CertTeach <i>Kelvin Grove Teach.Coll.</i> , BA(Hons) <i>Qld.</i> , PhD <i>Qld.</i>
Chairperson of the Academic Board	Professor Tim Wess, BSc <i>Newc.</i> , PhD <i>Edin.</i> , GradCert <i>C.Sturt.</i> , FRSA, PFHEA, FRSB, FRSN
Six members appointed by the Governor in Council	Debra Bennet
	Sandra Birkenleigh, BCom <i>UNSW</i> , CA, CCP Fellow, GAICD
	David Foster, BAppSc <i>S.Qld.</i> , MBA <i>S.Cross</i> , SF Fin, GAICD
	Dr Suzanne Innes, BA(Hons), BEdSt <i>Qld.</i> , GradCertTESOL <i>UNE</i> , MSchM EdD <i>C.Qld.</i> (resigned 22 March 2019)
	Scott Williams AM, QDAH <i>Qld.</i> , BEc, GradDipCompSc, GradDipFinMangt, GradDipRurAcc <i>UNE</i> , Hon.DLitt <i>UNE</i> , FAICD
	Jacquelyn Wright, BBus(Comp) <i>NTU</i> , MCompStud <i>Deakin</i> , GDipEd(Adult) <i>S.Aust.</i> , GDipEd(Primary) <i>NTU</i> (until 8 December 2019)
	Jenny Morawska, BA <i>Macq.</i> , GradDipEd <i>UTS</i> , GradDip Sci <i>ANU</i> , MSc <i>ANU</i> , MBA <i>Sunshine Coast</i> , GAICD (appointed 25 July 2019)
	Tim Rothwell, BA(Hons) <i>Newc</i> , FCA, MAICD (appointed 9 December 2019)
Two elected members of the University's academic staff	Professor Marion Gray, OTDip, BOccTher <i>Otago Polytechnic</i> , MHSc, PhD PH <i>Otago</i> , Postdoc Fellow Washington DC USA, GCETT <i>JCU</i>
	Associate Professor Mark Sayers, BAppSci <i>CCAE</i> , MAppSci <i>UC</i> , PhD <i>RMIT</i> , SFHEA
One elected member of the University's general staff	Dr Ruth Greenaway, GradDipEd <i>NSW</i> , BA <i>W.Syd.</i> , MLM <i>C.Qld.</i> , PhD <i>Qld.UT</i> , SFHEA, GAICD
Two elected members of the student body	Kirsty Walker, BEd <i>Qld.UT</i> (until 8 December 2019)
	Raymart Walker, BSc <i>Sunshine Coast</i> (until 8 December 2019)
	Melissa Geltch (appointed 9 December 2019)
	Nathan Wellington (appointed 9 December 2019)
Four additional members	Melinda Bryant, LLB, BBus, GradCertCreativeInd <i>Qld. UT</i> , GDLP <i>Coll.Law</i>
	Jenny Morawska, BA <i>Macq.</i> , GradDipEd <i>UTS</i> , GradDip Sc <i>ANU</i> , MSc <i>ANU</i> , MBA <i>Sunshine Coast</i> , GAICD (changed to Governor in Council appointed membership category from 25 July 2019)
	Tim Rothwell, BA(Hons) <i>Newc</i> , FCA, MAICD (changed to Governor in Council appointed membership category from 9 December 2019)
	Emeritus Professor Gerard Sutton, AO, BE(Hons), MEngSc <i>UNSW</i> , PhD <i>CUA</i> , Hon DSc <i>UOW</i> (resigned 8 December 2019)
	Katie Toney, BComm <i>Sunshine Coast</i> (appointed 2 August 2019)
Council Secretary	Kim Lerch, BBus <i>Monash</i>

## Name of Government body: University of the Sunshine Coast Council

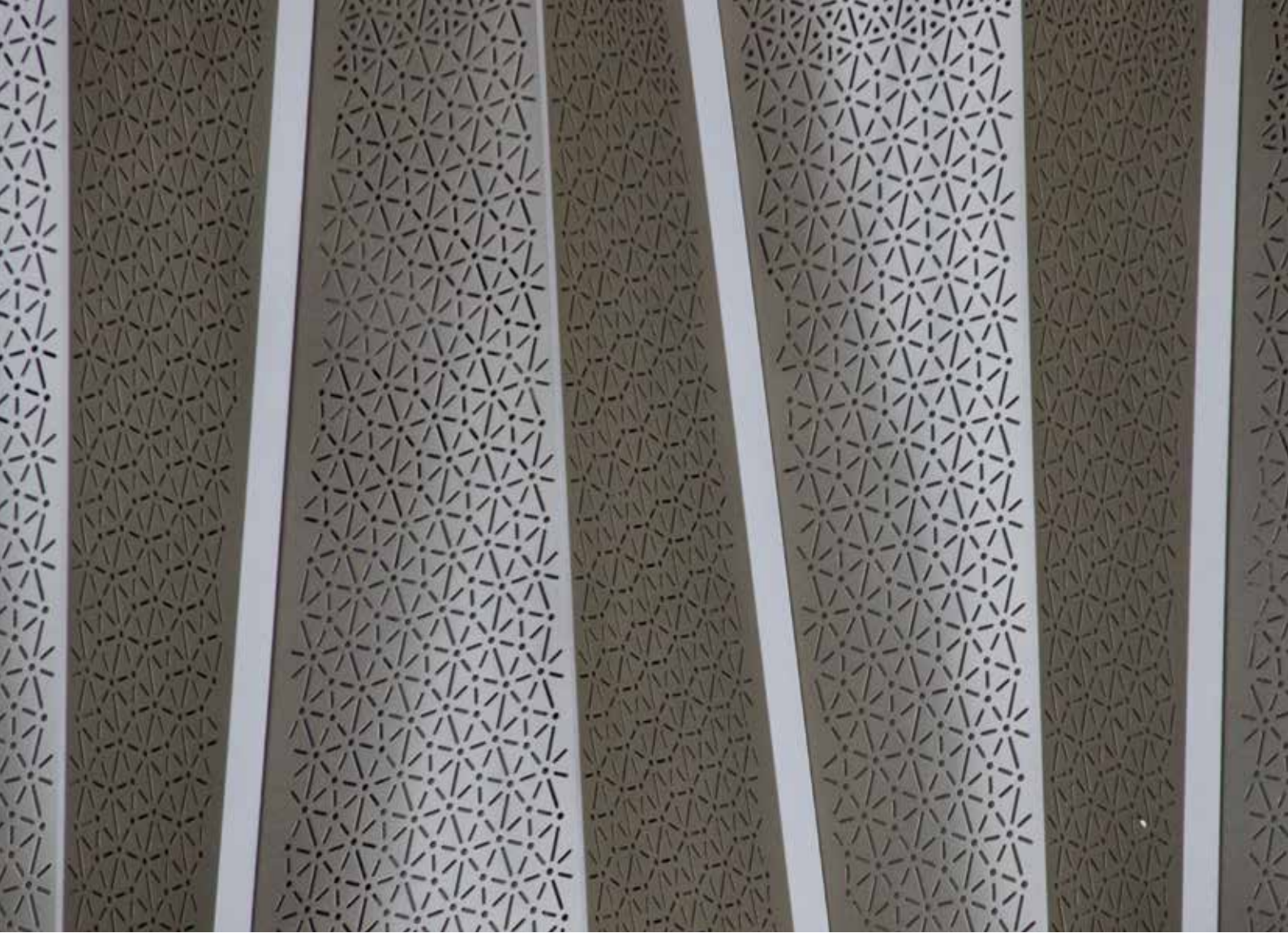
Act or instrument	University of the Sunshine Coast Act 1998
Functions	The Council is the University's governing body. The Council has the functions conferred on it under the University of the Sunshine Coast Act 1998 or another Act. In particular, it may: appoint the university's staff; manage and control the University's affairs and property; and manage and control the University's finances.
Achievements	<ul style="list-style-type: none"> <li>• Approved Annual Financial Statements and quarterly budget reports</li> <li>• Approved the revised scope of the Moreton Bay University Precinct Program</li> <li>• Approved the measures/KPIs to monitor performance against the Strategic Plan 2019-2022</li> <li>• Implementation of recommendations of the External Review of Council Action Plan almost complete</li> <li>• Approved changes to the Risk Appetite Framework, Risk Appetite Statement and Risk Management Strategy</li> <li>• Approved amendments to University Governing Policies</li> <li>• Compliant with the revised Voluntary Code of Best Practice for the Governance of Australian Public Universities</li> </ul>
Financial reporting	The University is not exempted from audit by the Auditor-General and all transactions of the entity and consolidated entities are accounted for in the financial statements
Remuneration:	No remuneration is payable. Out of pocket expenses are reimbursed.
No. scheduled meetings/sessions	6
Total out of pocket expenses	<b>\$30,936.43</b>

### Council decisions

In 2019, Council made the following decisions:

- Approved the 2018 Annual Financial Statements
  - Approved the 2018 December Outcomes Report of the University Consolidated Budget
  - Approved amendments to the Council Handbook
  - Endorsed the appointment of an elected Council member to fill a casual vacancy
  - Approved the Vice-Chancellor and President's 2019 Key Performance Measures
  - Approved the revised scope of the Moreton Bay University Precinct Program
  - Approved appointments and re-appointments to Council's standing committees
  - Approved the measures/KPIs to monitor performance against the Strategic Plan 2019-2022
  - Approved the quarterly budget reports
  - Approved the 2020-2024 University budget
  - Approved the changes to the Composition and Terms of Reference for Academic Board
  - Approved changes to the composition of the Nominations Committee
  - Approved the re-appointment of four directors of the Innovation Centre Sunshine Coast Board and the appointment of one new director
  - Approved recommendations received from the Honorary Awards Committee
  - Approved the Strategic Plan 2019-2022 performance measure business rules and target assessment summary
  - Approved the appointment of new Council members
  - Approved changes to the Risk Appetite Statement, Risk Appetite Framework and Risk Management Strategy
  - Approved changes to governing policies
  - Approved decisions associated with the business of the University.
  - Approved that no changes were required to the Audit and Assurance Framework Governing Policy and associated Internal Audit Charter
  - Approved that no changes were required to the Enterprise Risk Management – Governing Policy
- In 2019, Council received or discussed the following reports/matters:
- Received the Summary Quarterly Report on Health, Safety and Wellbeing
  - Received the Risk Appetite Dashboard
  - Noted regular reports from the Chancellor, Vice-Chancellor and President (VCP), Deputy Vice-Chancellor (Academic), Deputy Vice-Chancellor (Research and Innovation) and Chairs of the standing committees of Council
  - Noted a report on Indigenous matters
  - Received reports on the Moreton Bay Campus Project, including risk reports, contingency communication plan and budget reports
  - Noted the Moreton Bay University Precinct Program Assurance Reports
  - Noted the Minutes of the Planning and Resources Committee (PRC) and Audit and Risk Management Committee (ARMC) meetings
  - Received reports from the Nominations Committee
  - Noted the Minutes and Summaries of Academic Board meetings
  - Noted reports from the Sustainability and Engagement Forum
  - Noted Capital, Commercial and Asset Management Reports
  - Noted the Reports of the meetings of the Innovation Centre Sunshine Coast Pty Ltd (ICSC) Board
  - Noted the ICSC 2018 Annual Financial Statements
  - Received the results of the 2018 ARMC and 2019 PRC Self-Assessment Exercises
  - Noted a list of academic programs accredited by Academic Board in 2018
  - Noted reports on the Exercise of Authorisations
  - Noted reports on the Use of the University Seal
  - Received reports on the Science in Australia Gender Equality (SAGE) Pilot
  - Received a report from Nominations Committee regarding the outcomes of the Annual Review of the VCP's performance and remuneration
  - Received reports on Academic Misconduct
  - Received updates in relation VCP succession planning
  - Noted the Excellence in Research for Australia (ERA) 2018 report
  - Received the External Review of Council Progress Reports
  - Received the Strategic Plan 2016-2020 and Academic Plan Final Target Summary Report
  - Noted Corporate Performance Reports on the Strategic Plan 2019-2022
  - Noted the USC Operational Plan 2019-2021 Status Report
  - Received the 2018 Student Guild Financial Statements





- Received the Annual Report on activities of the Foundation Board
- Noted a report on higher education sector policy developments
- Noted the Annual Report on Conferral of Awards
- Received a report on International Student Recruitment Diversification and Risk
- Received the TEQSA USC Risk Assessment 2019 and reports on preparedness for TEQSA re-registration
- Received reports in relation to business matters, including third parties
- Received a report on Guidelines to Counter Foreign Interference in the University sector
- Received the 2020 schedule of student fees
- Noted the Key Statistics and Performance Measures Dashboard report
- Noted the University's Delegations Schedule
- Received the Quarterly Outstanding Audit Items Report
- Noted USC's compliance with the UCC Code of Best Practice for Governance of Australian Universities
- Noted a report on the conduct of student elections

In 2019, Council received the following presentations:

- Centre for Human Factors and Sociotechnical Systems
- National Regional, Rural and Remote Education Strategy
- Fraser Coast Regional Council
- TEQSA re-registration
- Strategic Plan and Academic Plan
- Risk Appetite and Strategic Risks
- Student Experience and Performance
- Indigenous Education and Engagement
- Forestry Research at USC
- Workplace Health and Safety

In 2019, Council approved changes to the following policies:

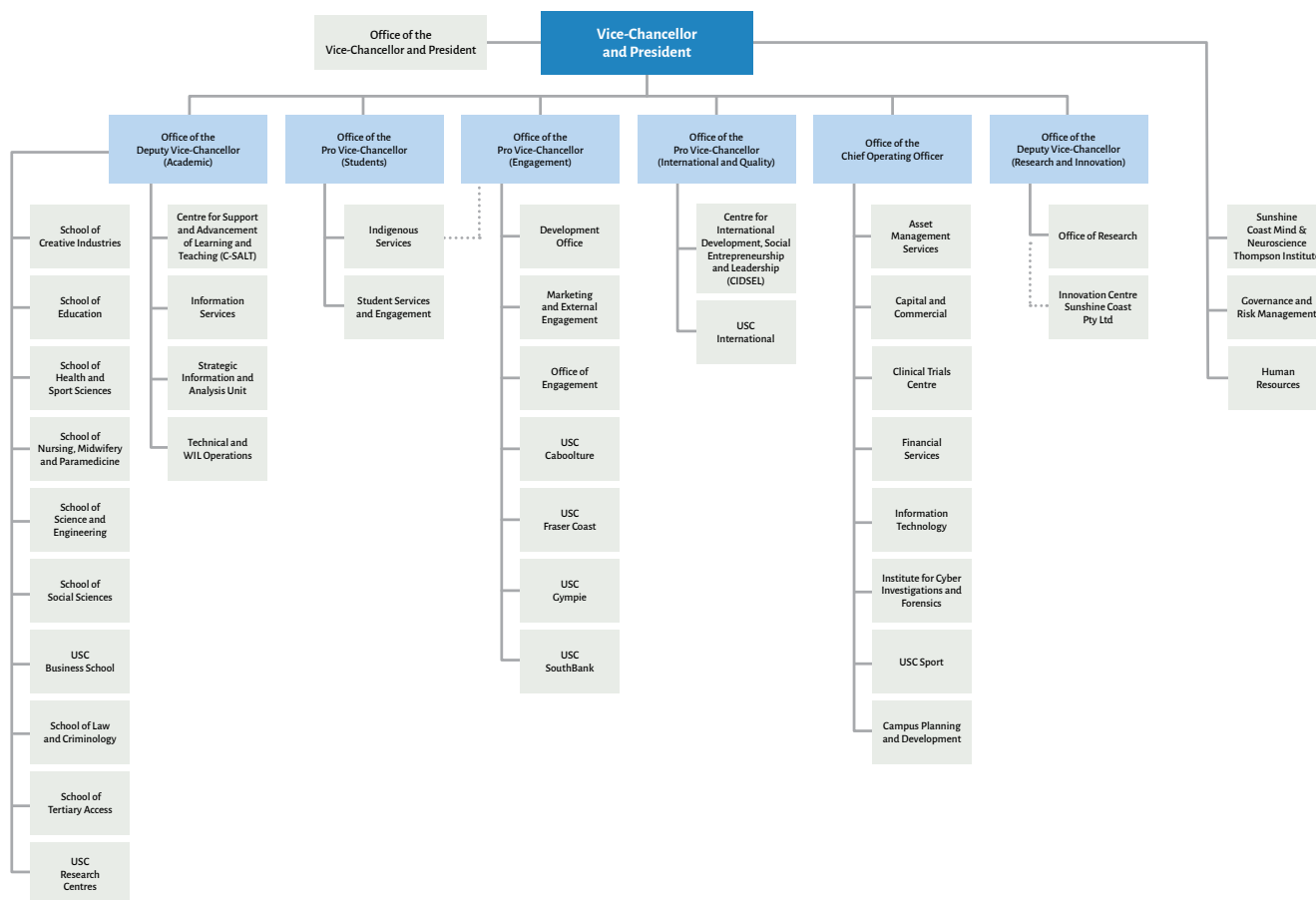
- Complaints about the VCP (Crime and Corruption Act 2001, s 48A) – Governing Policy
- Reclassification of the Working with Vulnerable People Managerial Policy to a Governing Policy
- Student Grievance Resolution – Governing Policy
- Student Academic Integrity – Governing Policy

- Program Accreditation and Course Approval – Governing Policy
- Fraud and Corruption Control – Governing Policy
- Public Interest Disclosures – Governing Policy
- Copyright – Managerial Policy, including its reclassification to a Governing Policy
- Planning and Reporting Framework – Governing Policy
- Student Fees and Charges – Governing Policy
- Acceptable Use of ICT Resources – Governing Policy
- Management of Contracts and Memoranda of Understanding – Governing Policy
- Policy Framework – Governing Policy
- Sustainability – Governing Policy
- Responsible Research Conduct – Governing Policy
- Honorary Awards – Governing Policy
- Naming – Governing Policy

In 2019, Council rescinded the following policies:

- Software – Governing Policy
- Internationalisation – Governing Policy

# University leadership



## Executive members



### VICE-CHANCELLOR AND PRESIDENT

University CEO, responsible to University Council for strategic development, organisational leadership and day-to-day operations of the University, including human resources and governance and risk management. Overseas Sunshine Coast Mind and Neuroscience Thompson Institute.

#### Professor Greg Hill

PhD Qld., BA(Hons) Qld., CertTeach Kelvin Grove Teach.Coll.

Commenced as Vice-Chancellor and President in 2011 following a term of office as Vice-Chancellor and President Designate from June 2010 and Deputy Vice-Chancellor from 2005–2010. Member, Universities Australia; Foundation Member, Regional Universities Network; Fellow, Queensland Academy of Arts and Sciences Board; Member, Queensland Tertiary Admissions Centre; Board Member, Sunshine Coast Mind and Neuroscience – Thompson Institute; Board Member, Sunshine Coast Lightning; Board Member, Sunshine Coast Community Policing Board; Council Member, Maroochydore State High School Council. Research interests in remote sensing, wildlife ecology, resource management, environmental planning and education. National recognition for research, teaching innovation, technology transfer to developing countries, and Indigenous education.



### DEPUTY VICE-CHANCELLOR (ACADEMIC)

Chair of Academic Board, overseeing the academic functions of USC and related support areas such as Schools, Research Centres, the Centre for Support and Advancement of Learning and Teaching, Information Services, Strategic Information and Analysis Unit, Technical Operations.

#### Professor Tim Wess (appointed 4 June 2018)

PhD *Edin.*, BSc *Newc.*, GradCert *C. Sturt.*, FRSA, PFHEA, FRSB, FRSN

Appointed to the University in 2018, taking up the role of Deputy Vice-Chancellor (Academic). Chair of Academic Board, member of the Vice-Chancellor and President's Indigenous Advisory Committee, and the Quality and Standards Committee. USC's representative on the QTAC Board and Sunshine Coast Health Institute (SCHI) Executive Committee, one of USC's nominated Committee for Economic Development Australia (CEDA) Trustees and a member of the Sunshine Coast Business Council Board. Member of Universities Australia DVCA Standing Group on Indigenous Higher Education. Former Pro Vice-Chancellor at Cardiff University. Co-opted Council member at the University of Wales, Newport, and Head, School of Optometry and Vision Sciences at Cardiff University. Former Executive Dean of the Faculty of Science at Charles Sturt University (from 2013-18). Member of the Athena SWAN SAGE National Advisory Group for gender equity 2016-18. Expertise in governance, strategy and policy development. Research focus and international recognition around characterisation of biomaterials in using large scale infrastructure such as synchrotron and neutron sources.



### DEPUTY VICE-CHANCELLOR (RESEARCH AND INNOVATION)

Leader, manager and strategist for research, innovation and commercialisation at the University and its Innovation Centre, which is a business incubator/accelerator within the Sunshine Coast region.

#### Professor Roland De Marco

PhD *La Trobe*, BSc, MSc *RMIT*, FRACI

Appointed to the University in 2011, taking up the newly created role of Pro Vice-Chancellor (Research) prior to appointment as Deputy Vice-Chancellor (Research and Innovation) in 2016. Member of Academic Board and Chair of the Research Committee. Present member of the Regional Universities Network Deputy Vice-Chancellor (Research) Group. Member of the Board of the Innovation Centre Sunshine Coast. Secretary, Queensland Synchrotron and Neutron User Committee. Former Chair of the Soft X-ray Program Advisory Committee and members of the User Advisory Committee at the Australian Synchrotron (2016-2018). Editorial Advisory Board member for the Elsevier journals of Sensors and Actuators B: Chemical as well as Sensing and Biosensing Research. Holds honorary professorships at the University of Queensland and Curtin University, and previously Professor of Chemistry, along with Chemistry Department Head 2001-2007, Dean of Research in Science and Engineering 2007-2009 and Associate Deputy Vice-Chancellor (Research) 2010 at Curtin University. Recipient of the 2008 RACI Lloyd Smythe Medal for excellence in research in analytical chemistry.



### CHIEF OPERATING OFFICER

Oversees a range of business functions to facilitate the ongoing financial and planning viability of the University, including the University's planning, budgeting, infrastructure, legal, financial and information technology services, and implements internal controls and risk management systems. Provides advice to the Vice-Chancellor and President and the University Council on budget and financial risk management. Overseas clinical trials centres, USC Sport, and Institute for Cyber Investigations and Forensics.

#### Dr Scott Snyder

PhD *Adel.*

Appointed to the University in June 2014 as the Pro Vice-Chancellor of Corporate Services. In October 2015, the position was renamed Chief Operating Officer. Attends meetings of University Council, Planning and Resources Committee and Audit and Risk Management Committee. Former Chief Operating Officer, Charles Darwin University and has also held roles as Executive Dean and Pro Vice-Chancellor.



### PRO VICE-CHANCELLOR (ENGAGEMENT)

Responsibility and oversight for community engagement activities and partnerships, including the Art Gallery, the offices of Community Engagement, Development, Marketing and External Engagement, and regional, national and international partnerships, and USC memberships. Also responsible for USC Caboolture, USC Fraser Coast, USC Gympie and USC SouthBank.

#### Professor Joanne Scott

PhD *Qld.*, BA(Hons) *Qld.*, GradCertEd *Qld.*, UT, GradCertCulturalHtge *Deakin*

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One of the longest serving members of the University. Became the inaugural Head of the School of Social Sciences (2006-2010), and chaired USC's Learning and Teaching Committee (2007-2010). Commenced her role as Executive Dean of the Faculty of Arts, Business and Law in January 2012 until December 2017. Commenced her role as Pro Vice-Chancellor (Engagement) in January 2017. Member of Australian Historical Association, Australian Institute of Company Directors, Engagement Australia Board, Queensland Corporate Affairs Council. Former Visiting Professor of Australian Studies at the University of Tokyo. Research interests include Queensland history, labour history, gender and race relations, oral history, popular culture and higher education.



### PRO VICE-CHANCELLOR (INTERNATIONAL AND QUALITY)

Oversees, manages and provides advice on internationalisation, quality assurance and improvement, and organisational unit and program reviews.

#### Professor Robert Elliot

PhD *Qld.*, MA *La Trobe*, DipEd *Melb.*, BA(Hons) *NSW*

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Pro Vice-Chancellor (International and Quality) and Professor of Philosophy. A founding staff member of the University. Member of University Executive and Learning and Teaching Committee, Chairperson of Program and Course Committee, Deputy Chairperson of Academic Board, Chairperson of the Program and Course Committee, Internationalisation Advisory Committee, the Quality and Standards Committee and Re-Registration Working Group. Former member of University Council, Chairperson of Academic Board and Learning and Teaching Committee. Former foundation Dean of Arts and subsequently Dean, Faculty of Arts and Social Sciences from 1995-2005.



### PRO VICE-CHANCELLOR (STUDENTS)

Strategic responsibility for USC's strategies for student engagement and success and oversight of Student Services and Engagement, Student Wellbeing and Indigenous Services.

#### Professor Denise Wood AM

PhD *Flin.*, MEdTech *S.Qld.*, MDn *RMIT*, DipSocSc *Flin.*, DiplnsComp *S.A.C.A.E.*, BA (SW) *S.A.I.T.*, MACS, MACE

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Appointed in 2019 as Pro Vice-Chancellor (Students). Member of the Commonwealth Equity Research and Innovation Panel, the Queensland Statewide NDIS Workability Advisory Group and Deputy Chair of the Australasian Congress of Undergraduate Research. She is a reviewer for the Australian Awards for University Teaching, and a reviewer for the Australian Research Council, the Channel 7 Children's Research Foundation, the South African National Research Foundation and the United States National Science Foundation. Received a Member of the Order of Australia Award (AM) in 2017 for significant service to education as an academic, researcher and practitioner in the field of participation, inclusion and access. Awarded Australian Learning and Teaching Council Citation for Outstanding Contributions to Student Learning in 2010. Research focus areas include strategies for improving educational access and participation, particularly under-represented groups such as those in regional and remote locations, Aboriginal and Torres Strait Islander people and people with disabilities.

# University committees

## Academic Board

The University's Academic Board was established under the *University of the Sunshine Coast Act 1998* as the University's senior academic body.

### Academic Board membership\*:

- Deputy Vice-Chancellor (Academic) (Chairperson)
- Vice-Chancellor and President
- Deputy Vice-Chancellor (Research and Innovation)
- Pro Vice-Chancellor (International and Quality) (Deputy Chairperson)
- Pro Vice-Chancellor (Students)
- Pro Vice-Chancellor (Engagement)
- Dean, Indigenous Education and Engagement
- Dean, Academic
- Chairpersons of Academic Board's standing committees
- Heads of Schools
- External representative of TAFE Queensland East Coast
- One undergraduate coursework student
- One postgraduate student
- One international student
- One Indigenous identifying student
- Up to three additional members co-opted by the Chairperson for a specified term
- Two elected academic staff members from the northern region
- Two elected academic staff members from the southern region
- Two elected academic staff members from the central region

### The role of Academic Board:

- Advise Council on teaching, scholarship and research matters concerning the University
- Formulate proposals for academic policies of the University
- Monitor the academic activities of the University's faculties
- promote and encourage scholarship and research at the University

In 2019, Academic Board met six times. The Board members did not receive any remuneration in 2019.

### The terms of reference of Academic Board in 2019 from 1 August\* were as follows:

1. To define and monitor USC academic standards to assure the quality of teaching, research and research training
2. To monitor academic integrity and develop responses to potential risks
3. To foster informed and open discussion on university wide academic issues – particularly those related to the Higher Education Standards
4. To consider, approve and amend academic policy
5. To foster excellence and innovation in teaching, learning, scholarship and research through critical evaluation of proposals for quality and effectiveness
6. To advise Council and make recommendations where appropriate on the academic strategic directions, and practices of the University and of any identified significant academic risks
7. To critically evaluate and accredit new programs and approve significant program amendments
8. To provide effective oversight of the activities of its standing committees
9. To review and confirm implementation of academic delegations
10. To confer academic awards of the University, other than Honorary awards

### Academic Board decisions in 2019

- Endorsed changes to the Composition and Terms of Reference for the Academic Board, for Council approval
- Approved the amended Composition and Terms of Reference for the Learning and Teaching Committee
- Approved the amended Composition and Terms of Reference for the Research Committee
- Approved the amended Composition and Terms of Reference for the Research Degrees Committee
- Approved the establishment of the Student Academic Appeals Committee as a Standing Committee of Academic Board and approved the Composition and Terms of Reference for the Committee

- Approved the establishment of the Program and Course Committee as a Standing Committee of Academic Board and approved the Composition and Terms of Reference for the Committee
- Approved the amended Terms of Reference of the Animal Ethics Committee
- Approved the amended Terms of Reference of the Human Research Ethics Committee
- Noted the approved conferral of academic awards of the University, other than Honorary awards
- Noted Progress Reports on the 2018 Review of Academic Governance
- Considered the 2019 Review of Research Governance and its relationship with the two research committees of Academic Board
- Endorsed the Schedule of Academic and Research Delegations
- Received and discussed the University Risk Profiles for December 2018 and the 2019 quarters
- Received and discussed regular TEQSA Re-Registration Progress reports
- Received and discussed regular reports on third-party managed campuses
- Noted the revised External Academic Advisory Committees (Tier 1 and 2) Composition and Terms of Reference, approved by the Chairperson, Academic Board
- Received a presentation from the USC Chief Operating Officer on the University's budget position for 2019
- Received a report on multi-campus governance
- Approved the response and action plan following 2018 Review of Higher Degrees by Research Programs
- Received and noted final progress reports on the implementation of recommendations contained in the reports of the following program reviews:
  - 2017 Review of Social Work Programs
  - 2016 Review of Bachelor of Information and Communications Technologies Program
  - 2017 Review of Commerce Programs
  - 2018 Review of Counselling Programs

\* The Terms of Reference and Composition of Academic Board were substantially revised in 2019.

## Policy developments included:

- Endorsed and recommended amendments to the Program Accreditation and Course Approval – Governing Policy to Council for approval
- Endorsed and recommended amendments to the Student Grievance Resolution – Governing Policy to Council
- Endorsed and recommended consequential amendments to the Student Academic Integrity – Governing Policy to Council
- Endorsed and recommended amendments to the Responsible Research Conduct – Governing Policy to Council for approval
- Approved the new External Referencing – Academic Policy
- Endorsed the new External Referencing: Peer Review of Assessment – Procedures
- Endorsed the new External Referencing: Benchmarking – Procedures
- Approved amendments to the Learning and Teaching – Academic Policy
- Approved amendments to the Research Centres and Research Institutes – Academic Policy
- Endorsed amendments to the Research Centres and Research Institutes – Procedures
- Approved amendments to the Higher Degree by Research Accreditation – Academic Policy
- Endorsed amendments to the Higher Degree by Research Accreditation – Procedures
- Rescinded the Jointly Conferred Academic Awards – Academic Policy
- Approved amendments to the Credit Transfer – Academic Policy
- Endorsed amendments to the Credit Transfer – Procedures
- Endorsed the rescission of the Jointly Conferred Coursework Programs – Procedures and the Jointly Conferred Higher Degree by Research Programs – Procedures
- Endorsed and recommended amendments to the Higher Degrees by Research Candidature – Procedures
- Noted that the Chairperson, Academic Board executively approved, on behalf of Academic Board, amendments to the following:
  - External Research Grants – Academic Policy
  - Research Centres and Research Institutes – Academic Policy
  - University Research Fellowships Scheme – Academic Policy
- Endorsed amendments to the Student Review and Appeals – Procedures
- Endorsed amendments to the Authorship and Dissemination of Research Findings – Procedures
- Noted amendments to the Monitoring Academic Progress and Exclusion – Procedures
- Noted amendments to the Human Research Ethics – Procedures
- Noted amendments to the following:
  - Assessment: Courses and Coursework Programs – Procedures
  - Supplementary Assessment – Procedures
  - Bachelor Honours Degree – Procedures
- Noted amendments to the following:
  - Program Accreditation – Procedures
  - Program Changes – Procedures
  - Program Discontinuation and Suspension of Intake – Procedures
  - Course Approval Change and Discontinuation – Procedures
  - Program Review – Procedures
- Noted amendments to the following:
  - Higher Degrees by Research Candidature – Procedures
  - Higher Degrees by Research Supervision – Procedures
  - Higher Degrees by Research Thesis Submission and Examination – Procedures
- Noted amendments to the Enrolments and Graduation – Procedures
- Noted amendments to the Enterprise Risk Management – Governing Policy and the Risk Management – Procedures
- Noted amendments to the Award of Chancellor’s Medal – Procedures
- Noted amendments to the Assessment: Courses and Coursework Programs – Procedures
- Noted amendments to the Coursework Curriculum Design – Procedures
- Noted amendments to the Student Academic Misconduct – Procedures
- Noted amendments to the Workplace and Industry Placement – Procedures
- Noted amendments to the Award of Commendations and Medals – Procedures
- Noted amendments to the External Research Grants – Procedures
- Noted amendments to the University Research Fellowships Scheme – Procedures
- Noted amendments to the Research Centres and Research Institutes – Procedures
- Noted amendments to the Higher Degree by Research Accreditation – Procedures
- Noted amendments to the Higher Degree by Research Scholarships – Procedures (retitled from Postgraduate Research Scholarships – Procedures).
- Noted amendments to the Academic Promotion – Managerial Policy and the Academic Promotion – Procedures



- Noted amendments to the Vice-Chancellor and President's Awards for Excellence – Managerial Policy and the Vice-Chancellor and President's Awards for Excellence – Procedures
- Noted amendments to the Animal Ethics – Procedures
- Noted amendments to the Student Evaluation of Courses and Teaching – Procedures
- Noted approval of the new Program Accreditation, Change and Discontinuation – Procedures, replacing the following:
  - Program Accreditation – Procedures
  - Program Changes – Procedures
  - Program Discontinuation and Suspension of Intake – Procedures
- Noted amendments to the following:
  - Course Approval, Change and Discontinuation – Procedures
  - Abbreviations for University Qualifications – Procedures
  - Assessment: Courses and Coursework – Procedures
  - Coursework Curriculum Design – Procedures
  - Workplace and Industry Placement – Procedures
- Noted amendments to the Adjunct and Visiting Appointments – Managerial Policy
- Noted approval of the Student Survey – Managerial Policy and Student Survey – Procedures

## Accreditation

In 2019 the Academic Board monitored academic programs to ensure compliance with the Australian Qualifications Framework and conferred academic awards of the University, other than Honorary awards.

## Academic Board accredited the following programs:

- SC404 Bachelor of Engineering (Electrical) (Honours)
- SC405 Bachelor of Engineering (Mechatronic) (Honours)
- AR409 Bachelor of Criminology and Justice (Honours)
- AB307 Bachelor of Business/Bachelor of Creative Industries
- AB308 Bachelor of Business/Bachelor of Design
- AB309 Bachelor of Business/Bachelor of Communication

- AB314 Bachelor of Business/Bachelor of Social Science (Psychology)
- AB315 Bachelor of Business (Human Resource Management)/Bachelor of Social Science (Psychology)
- AB316 Bachelor of Business/Bachelor of Criminology and Justice
- BU302 Bachelor of Business (Digital Futures)
- SC305 Bachelor of Computer Science

In 2019, Academic Board approved changes to the following:

- BU301 Bachelor of Business

In 2019, the following new programs were accredited through an expedited process by the Chairperson of the Academic Board and reported at the following meeting of the Academic Board:

- BU502 Graduate Certificate in Health Sector Leadership
- AR109 Diploma in Criminology and Justice

In 2019, the following program changes were approved through an expedited process by the Chairperson of the Academic Board and reported at the following meeting of the Academic Board (to end of June 2019):

- SC301 Bachelor of Science
- AB314 Bachelor of Business/Bachelor of Social Science (Psychology)

The offering of existing programs at other locations such as USC Moreton Bay, commencing as per the below list:

- UC102 Diploma in Creative Industries Semester 1 2020
- AR342 Bachelor of Communication Semester 1 2020
- AR338 Bachelor of Creative Industries Semester 1 2020
- AR317 Bachelor of Design Semester 1 2020
- AR312 Bachelor of Design (Game Design) Semester 1 2021
- ED315 Bachelor of Education (Secondary)/Bachelor of Recreation and Outdoor Environmental Studies Semester 1 2020
- ED304 Bachelor of Primary Education Semester 1 2020
- ED312 Bachelor of Recreation and Outdoor Environmental Studies Semester 1 2020
- SC110 Diploma in Sport and Fitness Semester 1 2022
- SC355 Bachelor of Biomedical Science Semester 1 2020

- SC357 Bachelor of Biomedical Science (Accelerated) Semester 1 2021
- SC354 Bachelor of Nutrition Semester 1 2022
- SC344 Bachelor of Sport and Exercise Science Semester 1 2022\*
- SC347 Bachelor of Sports Studies Semester 1 2022
- SC391 Bachelor of Nursing Science first year in Semester 1 2020\* and second year in Semester 2 2020\*
- SC392 Bachelor of Nursing Science (Graduate Entry) Semester 2 2020\*
- SC420 Bachelor of Nursing Science (Hons) Semester 1 2020\*
- UC103 Diploma in Science and Technology Semester 1 2020
- SC320 Bachelor of Animal Ecology Semester 1 2020
- SC410 Bachelor of Engineering (Civil) (Hons) Semester 1 2020\*
- SC425 Bachelor of Engineering (Civil) (Hons)/Bachelor of Environmental Science Semester 1 2020
- SC411 Bachelor of Engineering (Mechanical) (Hons) Semester 1 2020\*
- SC319 Bachelor of Environmental Management Semester 1 2021
- SC316 Bachelor of Environmental Science Semester 1 2020
- SC301 Bachelor of Science Semester 1 2020
- SC303/SC403 Bachelor of Science/Bachelor of Science (Hons) Deans Scholars Semester 1 2021 (later revised)
- SC401 Bachelor of Science (Hons) Semester 1 2022
- UC104 Diploma in Social and Human Services Semester 1 2020
- AR375 Bachelor of Counselling Semester 1 2021\*
- AR303 Bachelor of Counselling/Bachelor of Human Services Semester 1 2021\*
- AR372 Bachelor of Human Services Semester 1 2020\*
- AR405 Bachelor of Psychology (Hons) Semester 1 2020\*
- AR374 Bachelor of Social Science (Psychology) Semester 1 2020\*
- AR302 Bachelor of Social Science (Psychology)/Bachelor of Counselling Semester 1 2021 \*

\* Pending external professional accreditation.

- AR362 Bachelor of Social Work Semester 1 2020 \*
- AR403 Bachelor of Social Science (Psychology) (Hons) Semester 1 2020\*
- UC101 Diploma in Business Innovation Semester 1 2020
- BU301 Bachelor in Business Innovation Semester 1 2020
- BU331 Bachelor of Business (International Business) Semester 1 2021
- BU341 Bachelor of Business (Management) Semester 1 2020
- BU351 Bachelor of Business (Marketing) Semester 1 2020
- BU355 Bachelor of Business/ Bachelor of Commerce (Accounting) Semester 1 2020 \*
- BU356 Bachelor of Commerce (Accounting) Semester 1 2020\*
- BU381 Bachelor of Information and Communications Technology Semester 1 2020\*
- AR325 Bachelor of Criminology and Justice Semester 1 2021
- AR301 Bachelor of Arts Semester 1 2020
- AB301 Bachelor of Arts/ Bachelor of Business Semester 1 2020
- SB301 Bachelor of Business/ Bachelor of Science Semester 1 2020
- AE304 Bachelor of Education (Secondary)/ Bachelor of Arts Semester 1 2020
- SE303 Bachelor of Education (Secondary)/ Bachelor of Science Semester 1 2020
- AR364 Bachelor of Social Science (Psychology)/ Bachelor of Criminology & Justice Semester 1 2021\*
- AR363 Bachelor of Social Work/ Bachelor of Criminology and Justice Semester 1 2021\*
- AR801 Master of Arts Semester 1 2020
- SC801 Master of Science Semester 1 2020
- UN901 Doctor of Philosophy Semester 1 2020

The offering of the following Higher Degrees by Research for domestic and international students from additional USC campuses:

- AR801 Master of Arts
- AR811 Master of Creative Arts
- AR862 Master of Social Work by Research

- AR863 Master of Regional Planning by Research
- BU801 Master of Business by Research
- ED802 Master of Education by Research
- SC801 Master of Science
- SC806 Master of Sport and Exercise Science by Research
- SC810 Master of Climate Change Adaption by Research
- SC844 Master of Sports Nutrition by Research
- UN901 Doctor of Philosophy

In 2019 the following programs changes were approved through an expedited process by the Deputy Vice-Chancellor (Academic) as delegate of the Vice-Chancellor and President and reported at the following meeting of the Program and Course Committee (as per the Program Accreditation and Course Approval – Governing Policy, effective from 1 August 2019):

- SC404 Bachelor of Engineering (Electrical and Electronic) (Honours) (change of program title from Bachelor of Engineering (Electrical)(Honours)

In 2019 the Academic Board noted the Vice-Chancellor and President (or delegate) approval to discontinue the following programs:

- BU362 Bachelor of Business (Tourism, Leisure and Event Management) (ATMC – Sydney and Melbourne campuses)
- BU710 Master of Business Administration (ATMC – Sydney and Melbourne campuses)
- BU740 Master of Business Administration (Extended) (ATMC – Sydney and Melbourne campuses)
- BU745 Master of Business Administration/ Master of International Business (ATMC – Sydney and Melbourne campuses)
- SC303/SC403 Bachelor of Science Accelerated/Bachelor of Science (Honours) Deans Scholars
- SC335 Bachelor of Health and Community Care Management

In 2019 the Academic Board noted the Vice-Chancellor and President's approval to suspend intake into the following programs:

- Nil

## Annual Reports to the Academic Board

In 2019 the Academic Board received:

- 2018 Annual Reports of the External Academic Advisory Committees
- Sustainability Research Centre Annual Report 2017
- Genecology Research Centre 2017 Summary Annual Report
- Forest Industries Research Centre 2017 Summary Annual Report
- Centre for Human Factors and Sociotechnical Systems 2017 Summary Annual Report
- ANIMAL Centre 2017 Summary Annual Report
- Tropical Forests and People Research Centre Summary Annual Report 2017
- Animal Ethics Committee Annual Report 2018
- Human Research Ethics Committee Annual Report 2018
- The Higher Degrees by Research Performance Data Report 2018
- Student Ombudsman Annual Report 2018
- Strategic Plan 2016-2020 and Academic Plan 2016-2020 – final performance measures target summary
- Corporate Performance Report for Strategic Plan 2019-2022 – November status report

## Issues and strategic directions related to the higher education sector

Academic Board fostered discourse and deliberated on higher education matters including the following:

- Academic Board noted the Review of the Australian Qualifications Framework
- Academic Board noted the University's response to the Minister for Education – Review of Freedom of Speech in Australian Higher Education
- Academic Board received and discussed regular status reports on the Science in Australia Gender Equity Self-Assessment team (SAGE)
- Academic Board received and discussed matters related to student academic integrity and research integrity
- Academic Board received and discussed the University's 2018 International Performance Statistics by Country

\* Pending external professional accreditation.



## Audit and Risk Management Committee

### The Audit and Risk Management Committee (ARMC) has five major areas of responsibility:

1. Monitoring internal control and risk management
2. Monitoring of internal audit activities
3. Monitoring of external audit activities
4. Oversight and appraisal of financial reporting
5. Oversight of any fraud or ethics issues

Membership of ARMC is approved by Council and consists of a minimum of four and a maximum of six persons and includes at least one member of Council. In addition, up to two members may be co-opted by the Chancellor. At least one ARMC member must be a member of the professional accounting or audit bodies in Australia and have a professional accounting, management consultancy or audit background. The initial term of office of members is a period not exceeding three years, and may be extended for further terms subject to the composition and skill requirements of the Committee.

The ARMC's activities in 2019 were in accordance with its Terms of Reference and had due regard to Queensland Treasury's Audit Committee Guidelines. Four regular meetings and one informal meeting of the ARMC were held in 2019. Additionally, a Planning Day was held in December.

In 2019, the ARMC considered business items related to the following:

- USC 2018 Annual Financial Statements
- 2019 Internal Audit Operational Plan
- Innovation Centre Sunshine Coast's 2018 Annual Financial Statements
- Risk Management
- Compliance
- Workforce Planning
- Progress on the Moreton Bay Campus Project including risk and assurance matters
- Procurement Analysis
- Health, Safety and Wellbeing
- Internal Audit Charter
- Delegations and authorisations
- Public Interest Disclosure implementation
- Information Security Standard
- Fraud and Corruption Control Plan

- Human Research and Animal Ethics Annual Reports
- Accounting standards
- Certification of Financial Covenants – Moreton Bay University Precinct Commonwealth Loan
- Reviews of Governing Policies including the:
  - Enterprise Risk Management – Governing Policy
  - Audit and Assurance Framework – Governing Policy
  - Copyright – Managerial Policy / Governing Policy
  - Working with Vulnerable People – Managerial Policy / Governing Policy
  - Fraud and Corruption Control – Governing Policy
  - Public Interest Disclosures – Governing Policy
  - Acceptable Use of ICT Resources – Governing Policy
  - Management of Contracts and Memoranda of Understanding – Governing Policy
  - Policy Framework – Governing Policy
  - Internationalisation – Governing Policy
- Progress reports on performance against the USC Strategic Plan
- ARMC self-assessment
- Auditor-General's Report to Parliament for 2018
- TEQSA's 2019 USC Risk Assessment and TEQSA re-registration preparation
- Insurance
- Membership of ARMC
- 2018 External Audit Closing Report

Additionally, ARMC considered 2019 Internal and External Audit Plans and Audit reports in the areas of Human Research Ethics, Research Governance, Use of Social Media, IT Security, Human Resources Recruitment, Selection and Appointment, Innovation Centre Sunshine Coast Internal Controls Review, and Management of Prospective Student Enquiries.

The 2019 ARMC Planning Day, held in December, focussed on developments in the higher education sector, risk management priorities, internal audit and assurance, management information reporting and ARMC business.

The outcomes of the Committee's discussions and advice to Council were provided to Council via the minutes of its meetings.

Non-staff members on the Audit and Risk Management Committee did not receive any remuneration in 2019.

Full details of ARMC membership and attendance are available on pages 60-62 of this report.

## Planning and Resources Committee

The role of the Planning and Resources Committee (PRC) is to recommend the strategic directions of the University to Council, in the context of development of the University's plans and their resourcing strategies. The Committee also provides advice to Council on issues arising from these plans. The key areas of concern to the Committee are planning and strategy, financial resources, asset management (including information technology) and human resources.

Members of the PRC include the Deputy Chancellor (who currently chairs the Committee), the Vice-Chancellor and President, one University Executive or Senior Staff member, four external members with specific expertise in strategic financial management and planning, and up to two members co-opted by the Chancellor.

The Chancellor, Deputy Vice-Chancellor (Academic), Chief Operating Officer and Chief Financial Officer may attend meetings of the Committee and have participating, but not voting, rights.

Five regular meetings of PRC were held in 2019, including one at the Moreton Bay campus.

In 2019, PRC considered matters in relation to the following areas:

- Final Corporate Performance Reports of the 2016-2020 Strategic Plan and Academic Plan
- Progress reports on performance against the USC Strategic Plan 2019-2022
- Measures, KPIs and Target Assessment Summary for the Strategic Plan 2019-2022
- Operational Plan status report
- Quarterly Budget Reports
- Quarterly Investment Reports
- 2020-2024 Annual Budget
- 2018 USC Annual Financial Statements
- 2018 Student Guild Annual Financial Statements
- PRC Self-Assessment

- Moreton Bay campus development, including:
  - Risk assessment
  - Budget
  - USC MBUPP performance reports
  - Project assurance report
- Reports on student enrolments
- Space Management Reports
- Planning and Reporting Framework – Governing Policy
- Sustainability – Governing Policy
- Treasury – Governing Policy consultation
- Marketing and Sports sponsorship
- International Student Recruitment – Diversification and Risk
- SES results
- Presentations on:
  - USC’s engagement strategy
  - Student services and engagement
  - International student recruitment
  - Moreton Bay campus project management and site tour
  - Information technology systems in a multi-campus environment
  - Workforce planning
  - Curriculum information management and repository systems
  - Fundraising
- Capital, Commercial and Asset Management Reports
- Procurement
- 2020 Schedule of Student Fees
- Reports of the meetings of the Innovation Centre Sunshine Coast Pty Ltd (ICSC) Board
- Membership of the ICSC Board
- Membership of PRC and succession planning

Non-staff members on the Planning and Resources Committee did not receive any remuneration in 2019.

## Honorary Awards Committee

The Deputy Chancellor (nominee of the Chancellor) chairs the Honorary Awards Committee, which seeks, considers and recommends to Council nominations for honorary awards, in accordance with the University’s Honorary Awards – Governing Policy and Procedures. In addition to the Chairperson, the Committee’s composition includes the Vice-Chancellor and President, a member of Executive on Council, PRC or ARMC, and up to three University Council members. The Honorary Awards Committee met two times in 2019 to consider nominations and the following honorary awards were conferred.

### EMERITUS PROFESSOR

- Professor Margaret Barnes
- Professor Gary Crew

### DOCTOR OF THE UNIVERSITY

- Chief Justice of the High Court of Australia  
The Hon Susan Mary Kiefel AC LLM *Cantab*

### SENIOR FELLOW OF THE UNIVERSITY

- Dr Vernon Harris
- Dr Suzanne Innes
- Sharon Hill
- Natasha Read

### DISTINGUISHED COMPANION

- Sandra Jeffries

### CHANCELLOR'S STOLE

- Jocelyn Walker

Non-staff members of the Honorary Awards Committee did not receive any remuneration in 2019.

## Nominations Committee

The Nominations Committee is a committee of Council, which was established in accordance with Council’s delegated authority under the University of the Sunshine Coast Act 1998.

The purpose of the Committee is to:

1. Act as a Search Committee for the role of Chancellor
2. Act as a Search Committee for members of Council and its Committees
3. Act as a Search Committee for the role of Vice-Chancellor and President (VCP)
4. Conduct the VCP’s Annual Performance Review

The Committee comprises the Chancellor (Chairperson), Vice-Chancellor and President, Chairperson Audit and Risk Management Committee, Chairperson Planning and Resources Committee and other members as required (appointed by Council on the recommendation of the Nominations Committee). The Nominations Committee met six times in 2019.



## Innovate Reconciliation Action Plan 2017–2019

The Innovate Reconciliation Action Plan 2017–2019 (RAP 2017–2019) was approved by the Vice-Chancellor and President in January 2017 and endorsed by Reconciliation Australia in early 2017.

The RAP 2017–2019 is based on four themes: relationships, respect, opportunities and tracking progress and reporting.

The Vice-Chancellor and President's Reconciliation Action Plan (RAP) Review Committee met in March, July and November 2019. Significant achievements reported on during 2019 under the four themes include:

### Relationships

USC continued its commitment to supporting national and international days of significance for recognition and strengthening the alignment with a multi-campus approach and connection with community. This included significant events such as national Close the Gap activities and Reconciliation activities held across campus and in community.

Reconciliation Awards are now in their second year, with two recipients acknowledged at the 2019 Vice-Chancellor and President's Diversity and Inclusion Award Ceremony. The awards showcase USC's on-going commitment to reconciliation between Indigenous and non-Indigenous Australians as well as contributions

to increase the participation rate of Indigenous students and to increase the number of Indigenous Australian academic and/or professional staff.

### Respect

USC staff and students participated in NAIDOC week events across the University's geographic footprint, with staff and students encouraged to participate in local events promoted via a stronger digital media campaign.

Almost 300 staff participated in cultural competency training in 2019, with plans to continue provision of this training in 2020.

Aboriginal and Torres Strait Islander knowledges in the curriculum continues to be an intrinsic element of the USC curriculum.

### Opportunities

In line with USC's strategic plan, the University is committed to developing productive partnerships with its diverse community stakeholders. USC continues to increase the number of Indigenous and low-SES school students participating in activities

annually, with greater than 80 percent of Indigenous participants reporting an increase in interest and aspiration to go onto tertiary study following participation in widening participation initiatives.

In 2019, USC developed an Aboriginal and Torres Strait Islander Employment and Career Development Strategy and established a new research centre focused on Indigenous and Transcultural research.

### Tracking progress and reporting

The RAP Review Committee received reports from all responsible officers on progress against planned actions and deliverables. RAP Review Committee minutes were provided to Academic Board, Vice-Chancellor and President's Indigenous Advisory Committee and Equity and Diversity Committee.

In March 2019, the RAP Review Committee approved a proposal to formulate a USC Reconciliation Charter instead of a new Reconciliation Action Plan. The Charter will form part of the larger Diversity and Inclusion Plan that is expected to be implemented in 2020.

The artwork painted by Lyndon Davis in 2016, was specifically commissioned for the Reconciliation Action Plan. Lyndon Davis is from the Mooloolah River and Sunshine Coast Gubbi Gubbi/Kabi Kabi Country and is a Senior Fellow of USC.

**Rainmaker:** "Weeeyal (black cockatoo) flying low overhead tells me that rain is coming. The rain comes to feed the Bunya trees so that we can harvest more fruit. Bunya trees are unique to the Sunshine Coast region and the traditional Rainmakers called for the Bunya to grow and provide us with nourishment. The Rainmakers hold a feather from the Weeeyal during ceremony to signify the strong bond with this totem animal. This artwork portrays Weeeyal and the coming rain. The Bunya trees along with the surrounding mountains and water holes are represented behind Weeeyal. Nourishment and growth are depicted through this story."

## Building regional and community capacity

In 2019, USC made direct contributions to the Queensland Government's objectives for the community.

[ourfuture.qld.gov.au/gov-objectives.aspx](http://ourfuture.qld.gov.au/gov-objectives.aspx)

### Creating jobs and a strong economy

As a higher education provider, USC plays a direct role in increasing workforce participation and stimulating economic growth by producing skilled graduates who are responsive to economic and labour market conditions across Queensland.

As the University grows, it is committed to working with government, industry and its local communities to ensure it delivers educational opportunities and outcomes to meet the diverse economic and social needs of its regions.

USC values partnerships with private sector industries, demonstrated through initiatives such as the project to solar power USC Sunshine Coast with energy provider Veolia.

### Protecting the Great Barrier Reef

Environmental sustainability is one of USC's key research strengths. Areas of focus include the impacts of climate and environmental change, animal and marine ecology, and sustainable aquaculture, agriculture and forestry practices – areas that all impact the health of the Great Barrier Reef.

USC researchers regularly work with government and industry on collaborative projects designed to conserve nature and heritage, and to ensure sustainable management of natural resources.

USC study programs in Environmental Management, Engineering and Urban Design and Town Planning include a core focus on sustainable management of natural resources and responsible urban and regional development.

### Keep communities safe

At USC, improving the quality of life for everyone in the community is an important component of the University's service. Work in this area includes keeping communities safe through a variety of research and teaching initiatives, including areas of cyber security and preventing sexual violence.

The Institute for Cyber Investigations and Forensics offers a blend of specialist training,

research, commercialisation and community advocacy from some of the top international experts in the field. The Institute, led by former Executive Director of the Australian Crime Commission Professor David Lacey, also works closely with IDCare to protect people online and offer cyber support to those impacted by online crimes.

The Sexual Violence Research and Prevention Unit undertakes work to better understand, prevent and respond to sexual violence crimes and reduce the extent and impacts of them.

In partnership with key community and government stakeholders, research generated from the Sexual Violence Research and Prevention Unit actively contributes to theoretical and empirical knowledge, guiding policy and practice for preventing and responding to this phenomenon.

### Keep Queenslanders healthy

Improving the mental health and physical wellbeing of the community is a key objective for USC, demonstrated through learning and research nodes such as the Sunshine Coast Mind and Neuroscience – Thompson Institute and the University's roles in the Sunshine Coast Health Institute and the Health Hub Morayfield.

The Sunshine Coast Mind and Neuroscience – Thompson Institute in particular has been pivotal in its work to reduce the higher-than-average number of suicides in the Sunshine Coast region.

The establishment of the Alliance for Suicide Prevention – Sunshine Coast, funded by a \$5 million Commonwealth grant, has brought together a network of community groups that are committed to suicide prevention.

Through the Thompson Institute, the Alliance worked alongside Aboriginal and Torres Strait Islander peoples to develop a suicide prevention strategy that is culturally-appropriate and meets the needs of communities on the Sunshine Coast.

Meanwhile, on the Fraser Coast, USC's partnership with the Wide Bay Hospital and Health Service has been undertaking research in the same field to improve access for people with suicidal ideations.

## Statutory obligations and risk management

### Risk management

USC's Risk Management Framework is aligned with the Australian Standard for Risk Management – Guidelines (AS ISO 31000:2018). The Three Lines of Defence risk management model has also been adopted, which is documented in USC's Risk Management Strategy. The University maintains an Enterprise Risk Management – Governing Policy which sets out the framework and principles for managing risk. The Governing Policy is subject to annual review, and no material changes were made in 2019.

USC has a formal Risk Appetite Statement in place that outlines the University's risk appetite against its material risks. Risk appetite is set by the University Council and is reviewed on an annual basis. The most recent annual review of risk appetite was undertaken in September 2019, and the Risk Appetite Statement was updated to reflect the 2019-2022 Strategic Plan. The Risk Appetite Statement is made available through USC's Policy and Procedures Library as an attachment to the Enterprise Risk Management – Governing Policy.

During the year, there was a focus on uplifting the risk management and control environment which will continue into 2020. This has been undertaken by increasing the engagement with risk owners and enhancing risk reporting. Enterprise and departmental-level risk registers are in place and are updated on a quarterly basis, or more frequently if required. The strategic risks are reviewed by the University Executive and Council as part of the annual strategic planning and risk appetite process. The current key strategic risks include the policy environment, innovation in teaching and learning, growth, student experience, research capability and people.

A number of policies and procedures relating to compliance and risk management were amended during the year. This included working with vulnerable people, staff gifts and benefits, management of contracts and memoranda of understanding, fraud and corruption and the acceptable use of information, communication and technology resources. In addition, the Policy Framework – Governing Policy was updated that sets out the University's approach and requirements for policies and procedures. The updates to policies also incorporated legislative and regulatory developments including consideration of the *Human Rights Act 2019* (Qld) and the Report of the Independent Review of Freedom of Speech in Higher Education Providers. Policy work in these areas will continue into 2020.

The Business Continuity Management Plan and incident management processes were updated in 2019, with testing enhanced to help strengthen the University's response to critical incidents and business disruptions.

Regular reporting on risk management was provided to the University Executive throughout the year, with oversight of risk management from the University Council and the Audit and Risk Management Committee. The membership, terms of reference and achievements of the Audit and Risk Management Committee can be found on page 47 of this report.

## Monitoring quality

USC monitors overall quality through a system of reports against performance indicators and planned targets, and scheduled regular reviews and internal audits of performance. The latter often includes input from external sources.

The Council, committees and senior managers monitor quality, performance, standards and outcomes via performance reports and data, particularly in relation to the University's finances, Strategic Plan and thematic top-level plans, such as those supporting improving student success, increasing research productivity and impact, expanding campuses and study hubs, improving institutional effectiveness, and strengthening leadership in sustainability and engagement with community.

Improvement plans are developed in response to review and audit findings, and regular reports on progress in achieving those plans are provided to senior staff and such bodies as the University Executive, Academic Board, Council committees and the Quality and Standards Committee.

USC has not been subject to external review over the course of this reporting period.

During 2019, scheduled external reviews of the following committees and organisational units were undertaken:

- Office of Research

Scheduled external reviews of the following programs were undertaken:

- Bachelor of Arts (Honours)
- Bachelor of Business (Honours)
- Bachelor of Commerce (Honours)
- Bachelor of Communication (Honours)
- Bachelor of Creative Industries (Honours)
- Bachelor of Midwifery (Honours)
- Bachelor of Nursing Science (Honours)
- Bachelor of Science (Honours)
- Bachelor of Social Science (Psychology) (Honours)

There continued to be ongoing reporting and monitoring of progress in the implementation of, and outcomes from, action plans arising from the cyclic external review processes held since 2017.

The quality and standards framework is available online at [usc.edu.au/quality](http://usc.edu.au/quality)

## Internal audit

USC is committed to maintaining an efficient, effective and economical internal audit function as required by the *Financial and Performance Management Standard 2019*, and ensures that all internal audit activities remain free of influence by any organisational elements.

The primary purpose of USC's Internal Audit function is to add value to the University's operations by providing an objective and independent appraisal and advisory function to Council, the Audit and Risk Management Committee (ARMC) and Executive Management, to assist the University in realising its corporate goals as outlined in its Strategic Plan 2019–2022. This is achieved by examining and evaluating the adequacy, effectiveness and efficiency of risk management, systems of internal control, governance, operational performance and compliance matters in an independent, professional and ethical manner.

Internal Audit operates in accordance with a three-year Strategic Internal Audit Plan and a one-year Operational Internal Audit Plan, which is reviewed annually and approved by ARMC. The plans are developed using a risk-based methodology, with input from senior management and ARMC to identify and prioritise audit projects based on a risk assessment of USC's operations. The audit planning process takes into account the level of assessed risk, materiality, strategic and operational significance and impact and public accountability. In addition, Internal Audit prepares individual audit plans for all proposed audits which set out the audit objectives and scope relevant to each specific audit review.

In 2019, achievements included:

- Delivery based on the risk-based annual operational internal audit plan approved by ARMC of five internal audit reviews. The audit reports for these reviews included recommendations improving the effectiveness of controls, systems, project management, cybersecurity and compliance
- Undertook five program assurance reviews covering various aspects of governance, risk and project controls relating to the Moreton Bay University Precinct Program

- Actively monitored and reported to ARMC on the implementation of agreed audit recommendations and status of outstanding audit recommendations
- Evaluated the effectiveness of controls in place over the University's management and use of social media
- Performed an internal controls assessment of the Innovation Centre Sunshine Coast to provide the ARMC with assurance that the internal control environment and governance over this controlled entity were operating effectively
- Evaluated the effectiveness of internal controls relating to Human Resource processes which included job design, recruitment, selection and appointment of casual, full-time and part-time employment categories
- Performed a follow-up audit of student grievance processes to ensure the continued operational effectiveness of measures implemented in response to recommendations raised in a 2016 internal audit covering these processes
- Reviewed the operational effectiveness of USC's management of prospective student enquiries and initiatives undertaken to progress these enquiries to applications and enrolments
- Coordination of external audit activities and acquittal of grants in accordance with the relevant grant instrument

Full details of the Internal Audit function's role, authority, responsibilities and operational independence are available at [usc.edu.au/audit](http://usc.edu.au/audit)

## External scrutiny

In May 2019, the Queensland Audit Office (QAO) report 'Education: 2017–18 results of financial audits (Report 19: 2018–19)' was tabled in the Queensland legislative assembly. This report summarises the results of QAO financial audits of all 35 Queensland education sector entities with financial year-end dates of either 30 June 2018 or 31 December 2018. It provides an overview of all entities' finances – including the seven Queensland public universities – at the respective reporting periods and of the financial accounting issues that arose during the audits.

The full report is available at:

[qao.qld.gov.au/reports-resources/education-2017-18-results-financial-audits](http://qao.qld.gov.au/reports-resources/education-2017-18-results-financial-audits)

## Benchmarking

During 2019, USC participated in a range of academic, industry and professional benchmarking activities as part of its quality assurance and continuous quality improvement processes. Cumulative inventories of benchmarking activities are maintained and updated annually. An annual report on benchmarking activity is provided annually to the Academic Board for program related benchmarking.

Benchmarking activities and findings are used for identifying and planning improvement actions and setting or adjusting performance or improvement targets.

## Controlled entities

Council approved a policy for the Establishment and Operation of Controlled Entities in December 2006.

## Best practice for governance

USC complies with the Voluntary Code of Best Practice for the Governance of Australian Universities, as implemented by the industry body Universities Australia.

USC is registered in the Australian University provider category on the Australian Government's Tertiary Education Quality and Standards Agency (TEQSA) National Register of higher education providers.

Every seven years the University undergoes a re-registration process by TEQSA, where it demonstrates its ongoing compliance with the Higher Education Standards Framework (Threshold Standards), 2015.

USC is also registered on the Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS), CRICOS Provider Number: 01595D.

## Ethical standards

In compliance with the *Public Sector Ethics Act 1994*, the University's Staff Code of Conduct – Governing Policy (the Code) defines acceptable conduct for USC staff. The Code is shaped around four key ethical principles intended to guide ethical decision making and behaviour:

- integrity and impartiality
- promoting the public good
- commitment to the system of government
- accountability and transparency

USC maintains a Staff Code of Conduct webpage to provide further education for staff, providing a basis for discussion at work area meetings on the meaning of the Code.

The University's administrative procedures align to the Code and the *Public Sector Ethics Act 1994*.

## Student Ombudsman

USC's Student Grievance Resolution – Governing Policy provides a framework to manage and resolve student grievances. In 2019, the Student Ombudsman received and investigated 32 student grievances. Six cases were referred from the Queensland Ombudsman and resolved in the University's favour.

## Leadership and workforce development

### Work-life balance initiatives

USC provides 26 weeks' paid maternity leave with the option to be paid on a 50 percent basis over the 52-week parental leave period. USC also provides flexible work arrangements and job-sharing options for staff returning from parental leave. A privately owned and operated childcare facility is available on campus for staff and students.

USC ensures staff and students are provided with relevant information and support as required. At the time of a staff member's commencement, USC provides information with regard to carer's leave and flexible working options to assist in their caring responsibilities. Due to the flexible working options available at USC, staff who identify as carers are supported to meet both their work and caring responsibilities.

This information is available on the MyUSC intranet for staff to access. The University's Employee Assistance Program also includes provision of support to staff family members.

USC supports the Queensland Carers Charter as detailed in the *Carers (Recognition) Act 2008 (Qld)*, through flexible work practices and remote access facilities for staff and students.

Staff are provided with the opportunity to comment on any proposed changes to policy relating to carer's leave or flexible working options. This includes conducting focus groups with affected staff members for consideration in the formulation of those policies

### Workforce planning, attraction and retention

As at 31 March 2019\*, the Full Time Equivalent (FTE) staffing was 1,387, inclusive of casual staff – a 2.8 percent decrease on 31 March 2018. The University maintains a number of key policies and procedures related to workforce development and management, including Workforce Planning and Staff Recognition and Reward.

The separation rate for 2018 – the most recent data available – was 5.45 percent, improving from 10.5 percent recorded in 2017.

The 2019 figure will be calculated during the next reporting period, which begins in April 2020.

In terms of the future of work, USC is investigating the introduction of more flexible employment arrangements that balance the extended working life with the needs of the organisation. The University is also discussing the concepts of 'leaders at all levels', where higher participation of the entire workforce is encouraged.

The use of new technologies will affect the size and shape of the future workforce, as will improved models to recognise and reward exceptional performance. Being flexible enough to capitalise on opportunities has been a trademark of USC's growth, and as the University moves into the 2020s, USC will investigate shifting focus to embedding quality.

During 2019, USC appointed a number of senior staff including: Pro Vice-Chancellor (Students); Dean (Academic); Head, School of Nursing, Midwifery and Paramedicine; Head, School of Science and Engineering; Head, School of Tertiary Access; Director, Human Resources; Director, Information Management Services; and Director, Technical and WIL Operations.

## Workplace health, safety and wellbeing

USC is committed to the health, safety and wellbeing of staff, students, visitors, volunteers and contractors. During the last year, health and safety leadership focussed on key areas such as: the development of an integrated mental health strategy for staff and students; enhancement of the risk assessment process for work integrated learning; and implementation of an integrated travel risk management system.

USC aims to enhance safety culture with near-miss and hazard reporting being a priority. The University Executive continued receiving quarterly reports on health and safety performance with an analysis of incidents to identify risks and trends. USC saw an increase in (near-miss and) hazards reported, which is a proactive reporting culture that USC aims towards. USC continues to maintain a high level of involvement in injuries or illness with an ongoing focus on early intervention strategies. The injury management team supported staff for both work and non-work-related injuries to ensure optimal working capacity was reached throughout the rehabilitation process.

\*Data is based on figures supplied to the Australian Government's Department of Education.

By 4 December, 2019 the University supported 54 staff to return to work after an injury or illness, 29 work-related (workers compensation claims) and 25 staff with non-work-related injuries or illnesses.

Our leadership in health and safety extends beyond legislative requirements and aims to promote wellbeing to the USC community. The University offered a range of initiatives to support the health and wellbeing of the USC community, including: training and development opportunities; sporting and social competitions; awareness day events; access to corporate private health and gym membership discounts; employee assistance program; health promotion newsletters and employer-funded influenza immunisation and skin checks.

## Performance management framework

USC has a Performance Management Policy and Performance Planning and Review (PPR) Policy and Procedures, with ongoing and fixed-term staff participating in an annual PPR process.

## Leadership and management development

USC has maintained its commitment to the delivery of a comprehensive range of leadership and management development activities during 2019.

Executive staff and senior managers participated in three Senior Staff Forums, with topics including USC Moreton Bay, Public Interest Disclosure Legislation, Financial Management, and the USC Enterprise Agreement.

Executive staff, senior managers, Heads of School, and the Sunshine Coast Mind and Neuroscience – Thompson Institute team attended a series of strategic planning and leadership workshops. The focus of the workshops ranged from Delivering Sustainable Change, Leading Strategically, Fostering Innovation, to the Academic Plan.

A group of 10 female staff attended a two-day Higher Education Women's Leadership Workshop.

The programs offered to all staff included media interview training for academic staff; LGBTI 101; PPR supervisor training; Mental Health and Wellbeing Awareness; SafeTALK (suicide prevention) training, Seven Tools to Build Resilience, First Responder – Responding to Disclosure of Sexual Assault and Sexual Harassment, and Recruitment, Selection and Appointment training.

Fifteen Cultural Capability training sessions were run with around 300 staff from across the organisation attending.

In 2019, seven staff commenced the online Emerging Leaders and Managers Program (eLAMP) run by LH Martin Institute for new and aspiring tertiary education managers. Human Resources hosted a monthly eLAMP Community of Practice to support all staff participating in the eLAMP.

The University's Study Assistance program continues to prove effective in the development of professional staff, providing opportunities to further their education through tertiary qualifications. In 2019, 12 staff commenced study while being supported by the Study Assistance program.

The University actively participates in an Organisational Development Network group (as part of the RUN group) which encourages best practice in the delivery of organisational development for academic and professional staff within the tertiary sector.

## Policy review

The University reviewed a number of policies during 2019, including Public Interest Disclosures Policy, Academic Promotion Policy, Vice-Chancellors and President's Awards for Excellence, Fraud and Corruption Control Policy and Working with Vulnerable People Policy.

These and other University policies and procedures are available on the USC website at [usc.edu.au/policy](http://usc.edu.au/policy)

## Workforce diversity

USC's Vice-Chancellor's Equity and Diversity Advisory Committee met three times in 2019. The Committee has responsibility for developing the University's equity and diversity vision, identifying key priorities for the University, and leading the University's equity and diversity agenda to achieve these priorities.

The number of staff who identify as Aboriginal and/or Torres Strait Islander continues to increase across both professional and academic streams, and remains above the sector average.

USC's Indigenous Advisory Committee participates in the development of strategies to enhance Aboriginal and Torres Strait Islander employment and career development.

Additionally, the Reconciliation Action Plan (RAP) Review Committee is instrumental in the monitoring of USC's Innovate Reconciliation Action Plan 2017-2019 (RAP) and associated reporting. The RAP demonstrates the University's commitment to increasing Aboriginal and Torres Strait Islander participation through employment strategies that focus on both recruitment and retention of Aboriginal and Torres Strait Islander people, and provides a framework to assist the University to embed Aboriginal and Torres Strait Islander cultural protocols and increase cultural learning opportunities for all University staff.

USC is a member of the Science in Australia Gender Equity (SAGE) pilot of the Athena SWAN program to improve gender equity in the science, technology, engineering and mathematics, and medicine (STEMM) disciplines. The University submitted an application for the Bronze Award during 2019 and is awaiting the outcome of its application.

## Academic promotions

The University's 2019 Academic Promotion round resulted in four professorial promotions.

- Dr Claudia Baldwin  
Professor of Planning
- Dr Jennifer Carter  
Professor of Geography
- Dr Nicholas Paul  
Professor of Aquaculture
- Dr Maria Raciti  
Professor of Marketing

There were 41 applications for promotion in 2019 (levels B, C, D and E), with 27 of those (66 percent) being approved for promotion, compared with a success rate of 58 percent in 2018.

The percentage of applications by females was 61 percent, and this year saw a female success rate of 72 percent. These figures are beginning to show the results of structural changes that support USC's submission for the Athena Swan SAGE Bronze award.

## Information systems and record keeping

### Information privacy

USC has policies and procedures in place to ensure the appropriate management of personal information, in compliance with the requirements of the *Information Privacy Act 2009* (Qld). A privacy statement is available on the University's website and appropriate privacy statements are included on University forms. The University's policy approach to information privacy is included in its Information Management Framework — Governing Policy. Procedures for information privacy are outlined in its Information and Records Management — Procedures and a Guideline on Personal Information outlines the processes for the collection, use and storage of personal information.

These and other University policies and procedures are available on the USC website at [usc.edu.au/policy](http://usc.edu.au/policy)

Two formal requests were processed under the *Information Privacy Act* (Qld) in 2019.

### Right to Information

USC has policies and procedures in place to provide information proactively and to respond quickly to requests for information, in compliance with the *Right to Information Act 2009* (Qld).

USC's policy approach to right to information is included in its Information Management Framework — Governing Policy. Procedures for the management of right to information requests are included in the Information and Records Management — Procedures.

The Publication Scheme on the USC website outlines the classes of information available publicly and is updated regularly. A Disclosure Log provides details of information released in response to formal RTI applications. Requests for information are managed through administrative release processes wherever possible.

Two formal requests under the *Right to Information Act* were processed in 2019.

### Records management

USC takes a holistic approach to records management, with Information Management Services staff providing professional advice on formal recordkeeping and broader information management issues.

USC has a formal corporate recordkeeping system, and a number of other systems approved under ISO 16175.3 for in-place recordkeeping. Records management is governed by the Information Management Framework — Governing Policy and the Information and Records Management — Procedures.

Work continues on the implementation of an enterprise content management system (ECM) to provide whole-of-University electronic document and records management, automated workflows, and information and process governance.

USC's Vice-Chancellor and President has delegated authorisation for records management to the Director, Information Services, who is supported by two full-time records staff. Records management information is provided to staff through the staff intranet and on-demand training sessions.

USC's record disposal program is currently on hold due to the June 2018 disposal freeze issued by the Queensland State Archivist in response to recommendations arising from the Final Report of the Royal Commission into Institutional Responses to Child Sexual Abuse. When not operating under a disposal freeze, USC falls under the General Retention and Disposal Schedule (last updated 10 July 2018) and the University Sector Retention and Disposal Schedule (last updated 12 September 2019). USC maps the records held in its records management systems to one of these schedules and strictly adheres to the disposal process set out by Queensland State Archives.

### Administrative systems and information technology

Information Technology continues to play a transformative role across the University with 2019 being a year focused on supporting continued growth, positioning USC to better cater for multi-campus operations and to support a full-service campus at Moreton Bay in 2020.

Significant IT outcomes were delivered across the year through the provision of systems, delivery of services, development of sites and the enhancement of IT infrastructure.

#### Major system developments

Development of corporate and administrative systems in 2019 continued to be focused on improvements to the student experience, together with improvements in process automation and a significant portfolio of system upgrades. Cybersecurity became a priority as the number of external threats targeting the higher education sector increased.

#### Curriculum Information Management (CIM):

The CIM project expanded in 2019 resulting in the establishment of additional initiatives. These included Curriculum Information Repository (CIR) and Transforming Collection Student Information (TCSI) projects. CIR will result in a single source of truth for curriculum using a solution from Akari and will require integration with key systems enabling the establishment of workflow for curriculum approval processes. The TCSI project is a Federal Government mandated project to refresh legislative reporting with tight and fixed deadlines. The projects will continue into 2020 and will deliver an enhanced student experience and streamlined administrative processes.

**System integration:** A new data integration platform for the University was investigated and purchased. The platform, Dell Boomi, will be implemented in 2020 and will enhance the University's ability to integrate data between different systems.

**Process automation:** An integrated service model that consolidates service points across business areas and customer types at the USC Moreton Bay campus has been developed and will be implemented prior to the opening of Moreton Bay in 2020. The model has been developed in ServiceNow and will create an environment that will enable customer request resolution at first point of contact, improving customer satisfaction and enhancing community engagement. The integrated service model will deliver an enterprise solution that supports customer self-service, knowledge management and case management. The rollout of the solution to the USC Moreton Bay Service Centre and other University departments to support the integrated service model will commence in early 2020. The initial work developed in ServiceNow will provide a platform for future process automation opportunities.

**Application upgrades:** Major upgrades to systems across the year included the Blackboard learning management, the Mediasite lecture recording and the Sonia work integrated learning systems. In addition, ongoing enhancements, upgrades and maintenance and support for over 60 business applications was completed. The ServiceNow project portfolio management module was implemented and provided the IT department with a digital approach to project management consistent with the University's Project Management Framework.

**Cyber security:** To mitigate risk and increase maturity against the Information Security Policy, IS18:2018, a gap analysis was completed in 2019 and opportunities were identified that will enhance the University's Information Security Management System.



To continue protecting and maintaining the integrity, availability and accessibility of the University's information assets, a cyber security program of works for 2020 has been identified.

### Service delivery

Improvements in service delivery continue to respond to increasing demand and the need to develop organisational IT capabilities and capacity. Requests for IT service continues strongly with more than 30,780 requests made through the Service Desk in 2019, of which 80 percent were resolved at the staff and student Service Desks. Another 6,340 requests were addressed by client-facing IT support staff. In addition, each start of semester preparation required the configuration and delivery of 50 computer laboratories, with delivery of more than 100 distinct applications to over 1,200 computers, as well as the review and testing of 290 AV-enabled venues across all USC locations.

**Digital workplace:** IT increased engagement with business areas in terms of computing requirements and began aligning productivity software (Office 365) training to specific business areas, which has brought a focus to digital literacy strategies. This will be an area that will have a higher focus as the University moves to a modern digital workplace environment, bringing together productivity software, hardware and the workspace

**Video Conferencing:** The further adoption and development of the Zoom conferencing solution occurred throughout the year. The outcome was 17 new installations in spaces across Sunshine Coast, Fraser Coast, Morayfield and Caboolture. Use of Zoom across USC has increased by 70 percent with student use up 150 percent. In addition, by standardising on the Zoom Rooms platform USC can now build video-conference enabled spaces for half the cost while still ensuring great user experience.

**Events:** The support of significant University and external events continues to demand setup and support time from IT staff, with events across the year including: USC Open Days, Serious Games, Lego Day, Fraser Island Defenders Organisation, Executive Updates and Sessional Days.

### Site developments and improvements

USC's multisite development was another focus for 2019's IT activity, with the commencement of the design, build and implementation phases of the Moreton Bay campus as well as major investments across most other sites.

This included the completion of the USC Stadium expansion, the Aquatic Exercise Centre and the Sunshine Coast Mind and Neuroscience – Thompson Institute expansion and fit-out projects at USC Sunshine Coast. Other multisite work included ongoing planning and implementation of IT infrastructure that will be operational in 2020 as numerous building projects continue such as enhancements to nursing spaces in Caboolture, a new creative industries building at USC Sunshine Coast, an extension to the Art Gallery, also at USC Sunshine Coast, and new student spaces at USC Gympie.

**USC Moreton Bay:** Throughout 2019, IT has engaged with several vendors and together have been working towards the delivery of the audio-visual systems and IT network infrastructure required to securely deliver a network-based IT AV service at the foundation building at Moreton Bay. The project scope includes the design, procurement, build, and commissioning of the AV, wired and wireless network infrastructure in the foundation building. Moreton Bay will open in February 2020.

### Infrastructure upgrades and enhancements

While the fiscal constraint imposed by the 2017-18 Mid-Year Economic and Fiscal Outlook in December 2017 continues to place additional pressure on available funds, the adoption of innovative approaches with a focus on priority replacement of the University's IT infrastructure continued in 2019. Upgrade and replacements occurred for personal computing, audio-visual systems, servers and storage, network and communications – all supporting the continued growth of the University.

**Personal computing:** A significant shift towards laptops continued in 2019 in both academic and administrative areas, enabling a more mobile workforce. USC Moreton Bay's equipment fit out reflects this as many of the workspaces are primarily configured to service laptops. During this period, there has been a rationalisation from staff having up to three computing devices to only one, presenting savings. For the delivery of equipment, IT has increased the use of partners for installations into teaching/student spaces and new sites, which will continue into 2020 with the addition of some staff equipment use cases.

**Audio visual:** As previously noted, the demands on audio-visual services were significant across the year with site developments. In addition, upgrades occurred in over 30 existing AV-enabled spaces across Sunshine Coast (including Lecture Theatre 4 and 5, the USC Stadium, tutorial rooms, meeting rooms, and digital signage), Fraser Coast, SouthBank, Sunshine Coast Mind and Neuroscience – Thompson Institute and Gympie study locations. A micro studio in Building J for recording online content has also been built to support the increasing demand for video capture of quality content in support of online and blended delivery.

**Server and storage:** The server and storage infrastructure underpinning the University's IT systems saw a range of equipment end-of-life replacements, tools upgrades, virtualised service developments improving system performance, availability and stability. A large project was put in place to procure and upgrade the entire storage infrastructure at USC, which is part way through delivery, and will continue into 2020.

**Network infrastructure:** With USC Moreton Bay opening in February 2020, a primary focus has been preparing for the operational handover and support of the new Dell/Big Switch network platform that is being implemented at the new campus. The introduction of the security protocol, 802.1x, for wired and wireless networks and the migration to Cisco ISE authentication has enhanced the security and trust for all access to the University network. Ongoing connectivity issues experienced in Dilli Village were addressed with a long-term refresh strategy put in place. The establishment of the network architecture team has matured the approach to the planning and support of the network, specifically around the data centre switches, the firewalls and the wireless platform – all of which are scheduled to be upgraded in 2020. Ongoing projects include the ISDN to SIP migration and aligning unified communications with the University's Microsoft 365 strategy. To enhance the disaster recovery plan and maintain high availability for all systems, redundancy in the network has been increased with a new 96 Core fibre installed between the two data centres at USC Sunshine Coast.

# University of the Sunshine Coast

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# Financial review

The University's financial position continues to be strong in 2019 after the impacts of accounting standards AASB 15 Revenue from Contracts with Customers and AASB 16 Leases resulting in a large portion of revenue recognised as unearned revenue & a significant portion of operating leases now required to be recognised through the statement of financial position. Other revenue increases include strong performance within clinical activities and continuing increasing research and consultancy efforts.

Results for the year included an operating surplus of \$19.9 million (2018: \$15.4 million), with an operating margin of 6.4 percent (2018: 5.1 percent).

## Income and expenditure

Total income for the year was \$310.9 million – an increase of \$7.7 million (2.6 percent) on the previous year. USC experienced continued growth in Commonwealth supported student places although the University's CGS allocation in 2019 remains at 2017 rates (per MYEFO). Increases are therefore reflected in HECS-HELP support received.

Funds derived from government sources (including advance payments in relation to HECS-HELP and capital funding, but excluding up-front student fees) totalled \$218.3 million or 70.2 percent of revenue, an increase of \$11.3 million (5.4 percent) on the previous year's funding.

Expenses for the year totalled \$291.1 million – an increase of \$3.4 million (1.2 percent) expended in the previous year. This result can be attributed to: a decrease in employee benefits resulting from a continued focus on resourcing in addition to provision for leave entitlements being less than prior year estimates due to drop in leave balances; reduction in leasing fees with a significant portion now recognised as a financial liability whilst also resulting in an increase to depreciation and interest charges; and decreases in scholarship payments also now recognised as a financial liability under AASB 9 Financial Instruments.

## Asset growth

At year's end, the University's net assets totalled \$478.1 million – \$5.1 million (1.1 percent) more than in the previous year. This reflects investment in property, plant and equipment during 2019, with capital investments to the High Performance Sports Strategy, Health Agenda and the Moreton Bay Campus facility. It also reflects the recognition of right-of-use assets and associated lease liabilities resulting from AASB 16 Leases, the increase of long-term borrowings in relation to Moreton Bay, movements in leave provisions and a comprehensive revaluation of land, buildings, infrastructure and significant investment holdings in Education Australia Ltd and AARNet Pty Ltd.



## Budget vs Actual 2019 | Actual 2019 vs Actual 2018

	2019				2018	
	ORIGINAL BUDGET \$'000	AUGUST REFORECAST \$'000	ACTUAL \$'000	VARIANCE ACTUAL vs REFORECAST	ACTUAL RE-STATED \$'000	VARIANCE ACTUAL 2019 vs 2018
<b>STATEMENT OF COMPREHENSIVE INCOME</b>						
Revenue and income from continuing operations	328,916	320,676	310,157	-3%	302,543	3%
Expenses from continuing operations	324,335	306,896	290,248	-5%	287,113	1%
<b>Operating result after income tax for the period</b>	<b>4,581</b>	<b>13,780</b>	<b>19,909</b>	<b>44%</b>	<b>15,430</b>	<b>29%</b>
Gain (loss) on revaluation of land and buildings, net of tax	-	-	(13,753)	100%	12,232	-212%
Share of other comprehensive income on investments accounted for using the equity method	-	-	16,616	100%	13,156	26%
<b>Total comprehensive income attributed to members of the University of the Sunshine Coast</b>	<b>4,581</b>	<b>13,780</b>	<b>22,772</b>	<b>65%</b>	<b>40,818</b>	<b>-44%</b>
<b>STATEMENT OF FINANCIAL POSITION</b>						
Current assets	113,541	124,663	122,334	-2%	115,942	6%
Non-current assets	542,178	553,406	560,571	1%	423,793	32%
<b>Total assets</b>	<b>655,719</b>	<b>678,069</b>	<b>682,905</b>	<b>1%</b>	<b>539,735</b>	<b>27%</b>
Current liabilities	39,830	81,808	69,396	-15%	51,278	35%
Non-current liabilities	135,568	100,277	135,628	35%	15,737	762%
<b>Total liabilities</b>	<b>175,398</b>	<b>182,085</b>	<b>205,024</b>	<b>13%</b>	<b>67,015</b>	<b>206%</b>
<b>Net assets</b>	<b>480,321</b>	<b>495,983</b>	<b>477,882</b>	<b>-4%</b>	<b>472,720</b>	<b>1%</b>
Reserves	196,624	198,068	191,449	-3%	188,585	2%
Retained surplus	283,698	297,915	286,434	-4%	284,135	1%
<b>Total equity</b>	<b>480,321</b>	<b>495,983</b>	<b>477,882</b>	<b>-4%</b>	<b>472,720</b>	<b>1%</b>

Data relates to Parent entity.

# Financial Statements

Report by members of the University Council  
For the year ended 31 December 2019

Council is the governing body of the University of the Sunshine Coast and is responsible for the governance of the affairs and concerns of the University. Council's powers, duties and authorities are prescribed by the *University of the Sunshine Coast Act 1998*.

The members of the Council present their report for the 31 December 2019 financial year on the consolidated entity consisting of the University of the Sunshine Coast and its controlled entities, the Innovation Centre Sunshine Coast Pty Ltd (ICSC), USC Capital and Commercial Pty Ltd (C&C) and Thompson Institute Pty Ltd.

It is recommended that this report be read in conjunction with the full details published in the 2019 Annual Report. The Annual Report provides a comprehensive record of the University's performance in 2019, plans for the future and achievements documented against the aims and objectives of the University's Strategic Plan 2019-2022.

## Members of the University Council

The following persons were members of the Council during 2019.

### Name and Qualifications

### Appointment / Election / Resigned / Retired / Term completed

#### Chancellor

Air Chief Marshal Sir Angus HOUSTON AK, AFC (Ret'd)

#### Deputy Chancellor

Mr Scott WILLIAMS, AM, QDAH *Qld*, BEc, GradDipCompSc GradDipFinMangt, GradDipRurAcc  
*UNE*, Hon.DLitt *UNE*, FAICD

#### Vice-Chancellor and President

Professor Greg HILL, CertTeach *Kelvin Grove Teach.Coll.*, BA(Hons) *Qld*, PhD *Qld*.

#### Chairperson of the Academic Board

Professor Tim WESS, BSc *Newc.*, PhD *Edin.* GradCert *C.Sturt* FRSA, PFHEA, FRSB, FRSN

#### Six members appointed by the Governor in Council

Ms Debra BENNET

Ms Sandra BIRKENBLEIGH, BCom *UNSW*, CA, CCP Fellow, GAICD

Mr David FOSTER, BAppSc *S.Qld.*, MBA *S.Cross*, SF Fin, GAICD

Dr Suzanne INNES, BA (Hons), BEdSt *Qld.*, GradCertTESOL *UNE*, MSchM EdD *C.Qld.*

Resigned 22 March 2019

Mr Scott WILLIAMS, AM, QDAH *Qld*, BEc, GradDipCompSc GradDipFinMangt,  
GradDipRurAcc *UNE*, Hon.DLitt *UNE*, FAICD

Ms Jacquelyn WRIGHT, BBus(Comp) *NTU*, Master of Computing Studies *Deakin*, GDipEd(Adult)  
*S.Aust.*, GDipEd(Primary) *NTU*

Term concluded 8 December 2019

Ms Jenny MORAWSKA, BA *Macq.*, DipEd *UTS*, GradDip Sci *ANU*, MSc *ANU*, MBA *Sunshine  
Coast*, GAICD

Appointed 25 July 2019 (previously in  
additional member category)

Mr Tim ROTHWELL, BA(Hons) *Newc*, FCA, MAICD

Appointed 9 December 2019 (previously in  
additional member category)

#### Two members of the University's academic staff

Professor Marion GRAY, OTDip, BOccTher *Otago Polytechnic*, MHSc, PhD PH *Otago*, Postdoc  
Fellow Washington DC USA, GCETT *JCU*

Associate Professor Mark SAYERS, BAppSci *CCAE*, MAppSci *UC*, PhD *RMIT*, SFHEA

#### One member of the University's full-time general staff

Dr Ruth GREENAWAY, BA *W.Syd*, GradDipEd *NSW*, MLM *C.Qld*, PhD *Qld.UT*, SFHEA, GAICD

# Financial Statements

Report by members of the University Council  
For the year ended 31 December 2019

## Two members of the student body

Ms Kirsty WALKER, BEd <i>Qld.UT</i>	Term concluded 8 December 2019
Mr Raymart Walker, BSc <i>Sunshine Coast</i>	Appointed 21 February (casual vacancy) Term concluded 8 December 2019
Ms Melissa Geltch	Appointed 9 December 2019
Mr Nathan Wellington	Appointed 9 December 2019

## Four additional members appointed by Council

Ms Melinda BRYANT, LLB, BBus, GradCertCreativeInd, *Qld.UT*, GDLP *Coll.Law*

Ms Jenny MORAWSKA, BA *Macq.*, DipEd *UTS*, GradDip Sci *ANU*, MSc *ANU*, MBA *Sunshine Coas* Until 24 July 2019

Mr Tim ROTHWELL, BA(Hons) *Newc*, FCA, MAICD Until 8 December 2019

Emeritus Professor Gerard SUTTON, AO, BE(Hons), MEngSc *UNSW*, PhD *CUA*, Hon DSc *UOW* Resigned 8 December 2019

Ms Katie Toney, BComn *Sunshine Coast*  
Appointed 2 August 2019

## Members of the Audit and Risk Management Committee

The following persons were members of the Audit and Risk Management Committee during the year and up to the date of this report.

Name and Qualifications	Appointment / Election / Resigned / Retired / Term completed
<b>Member of Council</b> Ms Sandra BIRKENSLEIGH, BCom <i>UNSW</i> , CA, CCP Fellow, GAICD	Chairperson
<b>Member of the professional accounting bodies or audit bodies in Australia and have a professional accounting, management consultancy or audit background (external)</b> Mr Jeffrey FORBES, BComm <i>Newcastle(NSW)</i> , GAICD	Reappointed 4 August 2019
Mr Gary McLENNAN, BCom <i>UTas</i> , Graduate Diploma – ICAA (CA Program), CA	Term completed 28 August 2019
Ms Natasha READ, BCom <i>Griff.</i> , MBA <i>Sunshine Coast</i> , FAIM, GAICD	Reappointed 29 August 2019
Mr Phillip STRACHAN, BCom <i>Melb.</i> FCPA, MAICD	
Mr Scott NORTH, BCom <i>Melb.</i> FCA, MBIT <i>Melb.</i> FGIA, GAICD	Appointed 29 August 2019
<b>Up to two members co-opted by the Chancellor</b> Professor Jenny GRAHAM, Dip OT ( <i>NSW</i> ), MSc Education ( <i>Bradford</i> )	Appointed 1 August 2019
Vacant	

## Members of the Planning and Resources Committee

The following persons were members of the Planning and Resources Committee during the year and up to the date of this report.

Name and Qualifications	Appointment / Election / Resigned / Retired / Term completed
<b>Deputy Chancellor</b> Mr Scott WILLIAMS, AM, QDAH <i>Qld</i> , BEc, GradDipCompSc, GradDipFinMangt, GradDipRurAcc <i>UNE</i> , Hon.DLit <i>UNE</i> , FAICD	Chairperson

# Financial Statements

Report by members of the University Council  
For the year ended 31 December 2019

## Vice-Chancellor and President

Professor Greg HILL, CertTeach *Kelvin Grove Teach.Coll.*, BA(Hons) *Qld*, PhD *Qld*.

## A member of the University Executive or Senior Staff, nominated by the Vice-Chancellor and President and appointed by Council (category effective from 3 August 2018)

Dr Ruth GREENAWAY, PhD *Qld.UT*, MLM *C.Qld*, BA *W.Syd*, GradDipEd *NSW*, SFHEA, GAICD

## Four members with expertise in strategic financial management and planning, at least one of whom must be a member of Council

Mr David FOSTER, BAppSc *S.Qld.*, MBA *S.Cross*, SF Fin, GAICD

Term concluded 5 August 2019

Mr Christopher HARRIS, BFinAdmin *UNE*, MCom (Tax) *UNSW*, CPA, SSA, GAICD

Mr Tim ROTHWELL, BA(Hons) *Newc*, FCA, MAICD

Mr Bernard SMITH, MBA, B Eng(Civil), Grad Dip Bus, GAICD

Reappointed 6 August 2019

Ms Melinda BRYANT, LLB, BBus, GradCertCreativeInd, *Qld.UT*, GDLP *Coll.Law*

Appointed 6 August 2019

## A member of the Audit and Risk Management Committee (as determined by the Chairperson of ARMC)

Vacant

## Up to two members co-opted by the Chancellor

Vacant

Vacant

## Meetings and record of attendance

Six (6) ordinary meetings of Council were held during the year. Confirmed non-confidential minutes of the meetings are available to members of the University community for perusal upon request. In 2019 Council meetings were held on 20 February, 8 April, 29 May, 1 August, 25 September, 5 December. Additionally, the Annual Council Retreat was held on 8-9 April and a Council Planning Day was held on 25 September.

Four (4) ordinary meetings of the Audit and Risk Management Committee (ARMC) were held during the year. In 2019, ARMC meetings were held on 19 February, 13 May, 3 September and 2 December. Additionally, a Planning Day of ARMC was held on 2 December.

Five (5) ordinary meetings of the Planning and Resources Committee (PRC) were held during the year. In 2019, PRC meetings were held on 12 February, 9 May, 11 July, 5 September and 7 November.

Member Listing	Board (Council) Meetings		Audit & Risk Management Committee		Planning & Resources Committee	
	A	B	A	B	A	B
Sir Angus Houston AK, AFC (Ret'd)	6	6				
Scott WILLIAMS AM	6	6			5	5
Professor Greg HILL	6	6			4	5
Professor Tim WESS	6	6				
Debra BENNET	3	6				
Sandra BIRKENSLEIGH	6	6	4	4		
Melinda BRYANT	5	6			2	2
David FOSTER	6	6			1	3
Melissa GELTCH	0	0				
Professor Marion GRAY	5	6				
Dr Ruth GREENAWAY	6	6			5	5
Dr Suzanne INNES	0	1				
Jenny MORAWSKA	6	6				
Tim ROTHWELL	6	6			4	5
Associate Professor Mark SAYERS	6	6				
Emeritus Professor Gerard SUTTON AO	6	6				
Katie TONEY	2	2				
Kirsty WALKER	5	6				
Raymart WALKER	4	5				

# Financial Statements

Report by members of the University Council  
For the year ended 31 December 2019

Nathan WELLINGTON	0	0				
Jacquelyn WRIGHT	5	6				
Christopher HARRIS					5	5
Bernard SMITH					4	5
Jeffrey FORBES			3	4		
Professor Jenny GRAHAM			2	2		
Gary McLENNAN			1	2		
Scott NORTH			2	2		
Natasha READ			3	4		
Phillip STRACHAN			4	4		

A = Number of meetings attended

B = Number of meetings held during the time the member held office or was a member of the council or committee during the year

## Principal Activities

The University of the Sunshine Coast was established under the *Sunshine Coast University College Act 1994* and officially opened in 1996. Full university powers were granted to the University under the *University of the Sunshine Coast Act 1998*.

The main functions of the University as set out in the Act are:

- to provide education at university standard; and
- to provide facilities for, and encourage, study and research; and
- to encourage the advancement and development of knowledge, and its application to government, industry, commerce and the community; and
- to provide courses of study or instruction, at the levels of achievement the council considers appropriate, to meet the needs of the community; and
- to confer higher education awards; and
- to disseminate knowledge and promote scholarship; and
- to provide facilities and resources for the wellbeing of the university's staff, students and other persons undertaking courses at the university; and
- to exploit commercially, for the university's benefit, a facility or resource of the university, including, for example, study, research or knowledge, or the practical application of study, research or knowledge, belonging to the university, whether alone or with someone else; and
- to perform other functions given to the university under the Act or another Act.

There were no significant changes in the nature of the activities of the University during the year.

## Review of Operations

For a full review of the University's operations, including the financial review, refer to the Annual Report preceding the Financial Statements. The 2019 operating result is a surplus of \$19.865 million, 28.3% more than the 2018 operating surplus result of \$15.482 million.

Construction of the new campus at Petrie in Moreton Bay (to open in 2020) continues to consolidate the University's geographical footprint relevant to strategic priorities. The Foundation Facility Building at USC Moreton Bay is being financed by a concessional loan between the Federal Government and USC. The majority of costs in relation to the establishment of the new campus (including the Foundation Building) are capitalised in accordance with existing USC PP&E policy with some costs expensed where considered to be normal operating activities relevant to the pursuit of the University's strategic objectives. The surplus for 2019 includes \$1 million of expenditure that is unique to the establishment of Moreton Bay.

In 2019, the Vice-Chancellor & President announced his retirement to commence in mid 2020, the University is currently undertaking the necessary recruitment process for their successor under the governance of the University Nominations Committee.

The University continues to monitor current global events, particularly as they pertain to world health organisation declarations to assess any material impacts on its operations.

## Significant Changes in the State of Affairs

During the year there were no significant changes in the state of the affairs of the University that have not yet been highlighted in this report.

## Matters Subsequent to the End of the Financial Year

Other than those referred to in the financial statements and notes following (particularly Note 18 Events occurring after the balance sheet date), no matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the University or the consolidated entity, the results of those operations or the state of affairs of the University in future financial years.



# Financial Statements

Report by members of the University Council  
For the year ended 31 December 2019

Disclosure of information regarding likely developments, future prospects and business strategies of the operations of the University in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the University. Accordingly, this information has not been disclosed in this report.

## Environmental Reporting

The University's operations are undertaken in accordance with any environmental regulations of the Commonwealth, State or Territory.

## Insurance of Officers

In 2019, the University of the Sunshine Coast held comprehensive insurance policies in relation to its Executive Members and Officers. The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the University and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else to cause detriment to the University. The University has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify for any current or former officer or auditor of the University against a liability incurred as such by an officer or auditor.

## Proceedings on behalf of the University of the Sunshine Coast

There are no significant legal matters other than those referred to in the financial statements and notes following.

This report is made in accordance with the resolution of the members of the Council of the University of the Sunshine Coast.

Air Chief Marshal Sir Angus Houston AK, AFC (Ret'd)  
Chancellor  
University of the Sunshine Coast

20 February 2020

Professor Greg Hill  
Vice-Chancellor and President  
University of the Sunshine Coast

20 February 2020

# Financial Statements

## Statement of comprehensive income For the year ended 31 December 2019

	Note	Consolidated		Parent entity	
		2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
<b>Revenue and income from continuing operations</b>					
Australian Government financial assistance					
Australian Government grants	2	137,436	135,666	137,436	135,666
HELP - Australian Government payments	2	68,476	66,928	68,476	66,928
State and Local Government financial assistance	2	12,415	4,484	12,231	4,297
HECS-HELP - Student payments		3,443	3,466	3,443	3,466
Fees and charges	2	68,888	73,657	68,514	73,248
Investment income		3,528	5,384	3,528	5,383
Consultancy and contracts	2	9,937	5,692	9,781	5,692
Other revenue and income	2	6,827	7,923	6,748	7,863
<b>Total revenue and income from continuing operations</b>		<b>310,950</b>	<b>303,200</b>	<b>310,157</b>	<b>302,543</b>
<b>Expenses from continuing operations</b>					
Employee related expenses	3	172,334	167,501	171,791	167,100
Depreciation and amortisation		16,877	13,503	16,865	13,491
Advertising, marketing and promotional expenses		4,093	4,616	4,078	4,611
IT software and licences		5,856	4,952	5,856	4,952
Repairs and maintenance		6,752	6,997	6,748	6,995
Scholarships, grants & prizes		11,388	17,454	11,638	17,704
Non-capitalised equipment		8,655	6,921	8,655	6,921
Professional fees		32,102	32,276	31,956	32,191
Travel & entertainment		5,411	5,647	5,400	5,641
Rental hire and other operating leasing fees		3,376	6,278	3,368	6,270
Occupancy and utilities		4,375	4,294	4,344	4,251
Borrowing costs		2,334	423	2,334	423
Impairment of assets		1,134	932	1,122	932
Net losses on disposal of assets		299	201	299	201
Other expenses	4	16,099	15,723	15,794	15,430
<b>Total expenses from continuing operations</b>		<b>291,085</b>	<b>287,718</b>	<b>290,248</b>	<b>287,113</b>
<b>Net result before income tax from continuing operations</b>		<b>19,865</b>	<b>15,482</b>	<b>19,909</b>	<b>15,430</b>
Income tax expense		-	-	-	-
<b>Net result after income tax for the period and attributable to members of the University of the Sunshine Coast</b>	13(c)	<b>19,865</b>	<b>15,482</b>	<b>19,909</b>	<b>15,430</b>
Items that will not be reclassified to profit or loss					
Gain/(loss) on revaluation of land and buildings, net of tax	13(a)	(13,753)	12,232	(13,753)	12,232
Gain/(loss) on equity instruments designated at fair value through other comprehensive income, net of tax	13(a)	16,616	13,156	16,616	13,156
<b>Total items that will not be reclassified to profit or loss</b>		<b>2,863</b>	<b>25,388</b>	<b>2,863</b>	<b>25,388</b>
<b>Total other comprehensive income</b>		<b>2,863</b>	<b>25,388</b>	<b>2,863</b>	<b>25,388</b>
<b>Total comprehensive income attributed to members of the University of the Sunshine Coast</b>		<b>22,728</b>	<b>40,870</b>	<b>22,772</b>	<b>40,818</b>

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

# Financial Statements

## Statement of financial position For the year ended 31 December 2019

	Note	Consolidated		Parent entity	
		2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	5	104,564	99,882	104,394	99,601
Receivables and contract assets	6	9,490	8,278	9,323	8,198
Other non-financial assets	7	8,639	8,143	8,617	8,143
<b>Total current assets</b>		<b>122,693</b>	<b>116,303</b>	<b>122,334</b>	<b>115,942</b>
<b>Non-current assets</b>					
Receivables and contract assets	6	480	70	480	70
Other financial assets	7	45,472	28,856	45,472	28,856
Property, plant & equipment	8	511,657	390,631	511,626	390,590
Intangible assets		2,332	3,373	2,332	3,373
Other non-financial assets	7	661	904	661	904
<b>Total non-current assets</b>		<b>560,602</b>	<b>423,834</b>	<b>560,571</b>	<b>423,793</b>
<b>Total assets</b>		<b>683,295</b>	<b>540,137</b>	<b>682,905</b>	<b>539,735</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables	9	10,299	9,608	10,175	9,506
Borrowings	10	5,737	1,616	5,737	1,616
Provisions	11	26,617	25,103	26,577	25,051
Other liabilities	12	2,664	15,105	2,664	15,105
Contract liabilities	2.6 (b)	24,243	-	24,243	-
<b>Total current liabilities</b>		<b>69,560</b>	<b>51,432</b>	<b>69,396</b>	<b>51,278</b>
<b>Non-current liabilities</b>					
Borrowings	10	124,438	10,551	124,438	10,551
Provisions	11	5,567	5,222	5,511	5,186
Other liabilities	12	23	-	23	-
Contract liabilities	2.6 (b)	5,656	-	5,656	-
<b>Total non-current liabilities</b>		<b>135,684</b>	<b>15,773</b>	<b>135,628</b>	<b>15,737</b>
<b>Total liabilities</b>		<b>205,244</b>	<b>67,205</b>	<b>205,024</b>	<b>67,015</b>
<b>Net assets</b>		<b>478,050</b>	<b>472,932</b>	<b>477,882</b>	<b>472,720</b>
<b>EQUITY</b>					
Reserves	13(a)	191,449	188,585	191,449	188,585
Retained earnings	13(c)	286,602	284,347	286,434	284,135
<b>Total equity</b>		<b>478,050</b>	<b>472,932</b>	<b>477,882</b>	<b>472,720</b>

The above statement of financial position should be read in conjunction with the accompanying notes.

# Financial Statements

## Statement of changes in equity For the year ended 31 December 2019

	Note	Consolidated			Parent entity		
		Reserves \$'000	Retained earnings \$'000	Total \$'000	Reserves \$'000	Retained earnings \$'000	Total \$'000
<b>Balance at 1 January 2018</b>		<b>163,197</b>	<b>268,865</b>	<b>432,062</b>	<b>163,197</b>	<b>268,705</b>	<b>431,902</b>
Net result		-	15,482	15,482	-	15,430	15,430
Gain/(loss) on revaluation of land and buildings, net of tax		12,232	-	12,232	12,232	-	12,232
Gain/(loss) on financial assets at fair value through OCI		13,156	-	13,156	13,156	-	13,156
<b>Total comprehensive income</b>		<b>25,388</b>	<b>15,482</b>	<b>40,870</b>	<b>25,388</b>	<b>15,430</b>	<b>40,818</b>
<b>Balance at 31 December 2018</b>		<b>188,585</b>	<b>284,347</b>	<b>472,932</b>	<b>188,585</b>	<b>284,135</b>	<b>472,720</b>
<b>Balance at 1 January 2019</b>		<b>188,585</b>	<b>284,347</b>	<b>472,932</b>	<b>188,585</b>	<b>284,135</b>	<b>472,720</b>
Effect of changes in accounting policy		-	(17,610)	(17,610)	-	(17,610)	(17,610)
<b>Restated balance at 1 January 2019</b>		<b>188,585</b>	<b>266,737</b>	<b>455,322</b>	<b>188,585</b>	<b>266,525</b>	<b>455,110</b>
Net result		-	19,865	19,865	-	19,909	19,909
Gain/(loss) on revaluation of land and buildings, net of tax	13(a)	(13,753)	-	(13,753)	(13,753)	-	(13,753)
Gain/(loss) on financial assets at fair value through OCI	13(a)	16,616	-	16,616	16,616	-	16,616
<b>Total comprehensive income</b>		<b>2,863</b>	<b>19,865</b>	<b>22,728</b>	<b>2,863</b>	<b>19,909</b>	<b>22,772</b>
<b>Balance at 31 December 2019</b>		<b>191,449</b>	<b>286,602</b>	<b>478,050</b>	<b>191,449</b>	<b>286,434</b>	<b>477,882</b>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

# Financial Statements

## Statement of cash flows For the year ended 31 December 2019

	Note	Consolidated		Parent entity	
		2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
<b>Cash flows from operating activities</b>					
Australian Government Grants received		203,895	202,658	203,895	202,658
OS-HELP (net)		(60)	10	(60)	10
State Government Grants received		10,714	3,617	10,530	3,430
Local Government Grants received		904	440	904	440
HECS-HELP - Student payments		3,443	3,466	3,443	3,466
Receipts from students fees and other customers		90,212	92,496	89,647	92,097
Investment income		3,528	5,545	3,528	5,544
Interest and other costs of finance paid		(2,334)	(423)	(2,334)	(423)
Payments to suppliers and employees (inclusive of GST)		(285,632)	(279,567)	(284,781)	(278,944)
GST recovered / (paid)		12,794	6,331	12,794	6,331
Short-term lease payments		(15)	-	(15)	-
Variable lease payments not included in the measurement of the lease liability		(3)	-	(3)	-
<b>Net cash provided by / (used in) operating activities</b>	19	<b>37,446</b>	<b>34,573</b>	<b>37,548</b>	<b>34,609</b>
<b>Cash flows from investing activities</b>					
Proceeds from sale of property, plant and equipment		92	145	104	145
Payments for property, plant and equipment / intangibles		(114,665)	(25,632)	(114,668)	(25,622)
Proceeds from sale of financial assets		-	20,000	-	20,000
<b>Net cash provided by / (used in) investing activities</b>		<b>(114,573)</b>	<b>(5,487)</b>	<b>(114,564)</b>	<b>(5,477)</b>
<b>Cash flows from financing activities</b>					
Proceeds from borrowings		85,000	7,000	85,000	7,000
Repayment of borrowings		(563)	(1,900)	(563)	(1,900)
Net effect of lease liabilities		(2,628)	-	(2,628)	-
<b>Net cash provided by / (used in) financing activities</b>		<b>81,809</b>	<b>5,100</b>	<b>81,809</b>	<b>5,100</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>4,682</b>	<b>34,186</b>	<b>4,793</b>	<b>34,232</b>
Cash and cash equivalents at beginning of the financial year		99,882	65,696	99,601	65,369
<b>Cash and cash equivalents at the end of the financial year</b>	5	<b>104,564</b>	<b>99,882</b>	<b>104,394</b>	<b>99,601</b>

The above statement of cash flows should be read in conjunction with the accompanying notes.

# Financial Statements

Notes to the financial statements  
For the year ended 31 December 2019

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## Note 1 Summary of significant accounting policies

The University of the Sunshine Coast (the University) is established under the *University of the Sunshine Coast Act 1998* and is a statutory body as defined by the *Financial Accountability Act 2009*.

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied for all years reported unless otherwise stated. The financial statements include separate statements for the University as the parent entity and the consolidated entity consisting of the University and its controlled entities.

The principal address of the University is 90 Sippy Downs Drive, Sippy Downs, Queensland.

### a) Basis of preparation

The annual financial statements represent the audited general purpose financial statements of the University. They have been prepared on an accrual basis and comply with the Australian Accounting Standards.

Additionally, the statements have been prepared in accordance with the following statutory requirements:

- *Higher Education Support Act 2003* (Financial Statement Guidelines)
- *Financial and Performance Management Standard 2019*, issued under Section 57 of the *Financial Accountability Act 2009*

The University is a not-for-profit entity and these statements have been prepared on that basis. Some of the Australian Accounting Standards requirements for not-for-profit entities are inconsistent with the International Financial Reporting Standards (IFRS) requirements.

### Date of authorisation of issue

The financial statements were authorised for issue by the University on 20 February 2020.

### Historical cost convention

These financial statements have been prepared under the historical cost convention, except for debt and equity financial assets that have been measured at fair value either through other comprehensive income or certain classes of property, plant and equipment.

### Critical accounting estimates

The preparation of financial statements in conformance with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the University's accounting policies. The estimates and underlying assumptions are reviewed on an ongoing basis.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed below:

- Revenue and Income (note 2)
- Financial assets (note 7) - Investments in equity instruments designated at fair value through other comprehensive income
- PPE (note 8)
- Lease liability (note 10.1)
- Provisions (note 11) - Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability

### Joint Operations

Interest in the assets, liabilities, income and expenses of joint operations are recognised in the financial statements under the appropriate line items. Details of joint operations are set out in note 17

### b) Basis of consolidation

The consolidated financial statements incorporate the income and expenditure and assets and liabilities of the University ("parent entity") and its controlled entities (consolidated entity) as at 31 December each year.

Controlled entities are all those entities (including structured entities) that the University controls, because the University is exposed to, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Power over the entity exists when the consolidated entity has existing rights that give it current ability to direct the relevant activities of the entity. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the consolidated entity controls another entity. Returns are not necessarily monetary and can be only positive, only negative, or both positive and negative.

# Financial Statements

## Notes to the financial statements

For the year ended 31 December 2019

Controlled entities are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases. None of the controlled entities currently produce audited financial statements by agreement with USC Council.

Intercompany transactions, balances and unrealised gains on transactions between consolidated entity companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of controlled entities have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

### c) Functional and presentation currency

The consolidated financial statements are presented in Australian dollars, which is the University's functional and presentation currency.

### d) Taxation

The University and its controlled entities are, by virtue of Section 50-5 of the *Income Tax Assessment Act 1997*, exempted from the liability to pay income tax. The University and its controlled entity are, however, subject to Payroll Tax, Fringe Benefits Tax (FBT) and Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the item of expense. Receivables and payables in the statement of financial position are shown inclusive of GST. Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component on investing and financing activities, which are disclosed as operating cash flows.

### e) Impairment of assets

The carrying amounts of all assets are reviewed for indicators of impairment at each reporting date. If an indicator of impairment exists, the asset's recoverable amount is estimated. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

The asset's recoverable amount is determined as the higher of the asset's fair value less costs to sell and depreciated replacement cost.

An impairment loss is recognised immediately in the Income Statement, unless the asset is carried at a re-valued amount. When the asset is measured at a re-valued amount, the impairment loss is offset against the asset revaluation surplus of the relevant class to the extent available.

### f) Intangible assets

#### **Research and development**

Expenditure on research activities, undertaken with the prospect of obtaining new scientific or technical knowledge and understandings, is recognised in the income statement as an expense, when it is incurred.

#### **Computer Software development**

Expenditure on development activities relating to the design and testing of new or improved products, are recognised as intangible assets when it is probable that the project will, after considering its commercial and technical feasibility, be completed and generate future economic benefits and its costs can be measured reliably. The expenditure capitalised comprises all directly attributable costs including costs of materials, services, direct labour and an appropriate proportion of overheads. Other development expenditure is recognised in the income statement as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalised development expenditure is recorded as intangible assets and amortised from the point at which the asset is ready for use. Computer software is amortised using the straight-line method to allocate the cost over the period of the expected benefit, which varies from 3 to 8 years (2018: 3 to 8 years).

The intangible asset recognition threshold is \$100,000 for software development.

### g) Rounding and Comparative amounts

Amounts in the financial report have been rounded to the nearest \$1,000. Where necessary, comparative information has been reclassified to enhance the comparability in respect of changes in presentation adopted in the current year.

### h) Authority to issue financial report

The financial statements were authorised for issue by the Chancellor, Vice-Chancellor & President, and the Chief Operating Officer at the date of signing the Statement of Certification.

### i) Future impact of accounting standard not yet effective

The following standards have been issued but are not mandatory for 31 December 2019 reporting periods. The University has elected not to early adopt any of these standards.



Standard	Application date	Implications
AASB 1059 Service Concession Arrangements: Grantor	1 Jan 2020	The University's assessment of the impact of this standard is not material.

#### j) Initial application of new accounting standards and interpretations

The University has adopted AASB15 Revenue from Contracts with Customers, AASB1058 Income of Not-for-Profit Entities and AASB16 Leases in accordance with the transitional provisions applicable to each standard. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

The following interpretations and amending standards have also been adopted:

- AASB2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities
- AASB2017-7 Amendments to Australian Accounting Standards – Long-term Interests in Associates and Joint Ventures
- AASB2018-8 Amendments to Australian Accounting Standards – Right-of-Use Assets of Not-for-Profit Entities

#### AASB 15 Revenue from Contracts with Customers and AASB 1058 Income for Not-for-profit Entities

##### Overview of AASB15 and AASB1058

Under the new income recognition model applicable to not-for-profit entities, a University shall first determine whether an enforceable agreement exists and whether the promises to transfer goods or services to the customer are 'sufficiently specific'. If an enforceable agreement exists and the promises are 'sufficiently specific' (to a transaction or part of a transaction), the University applies the general AASB15 principles to determine the appropriate revenue recognition. If these criteria are not met, the University shall consider whether AASB1058 applies.

##### Transition to AASB15 and AASB1058

The University adopted AASB15 and AASB1058 using the modified retrospective method of transition, with the date of initial application of 1 January 2019. On 21<sup>st</sup> November 2019 the Australian Accounting Standards Board issued a deferral notice to defer the application of AASB 15 and AASB 1058 by not-for-profit entities to research grants, from periods beginning on or after 1 January 2019 to periods beginning on or after 1 July 2019. The University has chosen to early adopt as permitted by the AASB. In accordance with the provisions of this transition approach, the University recognised the cumulative effect of applying these new standards as an adjustment to opening retained earnings at the date of initial application, i.e., 1 January 2019. Consequently, the comparative information presented has not been restated and continues to be reported under the previous standards on revenue and income. In addition, the University has applied the practical expedient and elected to apply these standards retrospectively only to contracts and transactions that were not completed contracts at the date of initial application, i.e., as at 1 January 2019.

As the University is applying the modified retrospective approach, the University did apply the practical expedient described in AASB15.C5 (c), for all contract modifications that occur before the date of initial application. The University did not retrospectively restate the contract for those modifications in accordance with AASB15.20-21. Instead, the University reflected the aggregate effect of all of the modifications that occur before the beginning of the earliest period presented when:

- Identifying the satisfied and unsatisfied performance obligations
- Determining the transaction price
- Allocating the transaction price to the satisfied and unsatisfied performance obligation

The new accounting policies for revenue and other income for not-for-profit entities in accordance with AASB15 and AASB1058 respectively are provided in Note 2.

# Financial Statements

Notes to the financial statements  
For the year ended 31 December 2019

## Impact of modified retrospective method of transition

Nature and effect of changes on transition:

	Ref adjustments	Consolidated 1 January 2019 \$'000	Ref adjustments	Parent entity 1 January 2019 \$'000
<b>Liabilities</b>				
Contract liabilities	(2.6(b))	17,610	(2.6(b))	17,610
<b>Total liabilities</b>		<b>17,610</b>		<b>17,610</b>
<b>Total adjustment on equity</b>				
Retained earnings	(13 (c))	17,610	(13 (c))	17,610
		<b>17,610</b>		<b>17,610</b>

Set out below are the amounts by which each financial statement line item is affected as at and for the year ended 31 December 2019 as a result of the adoption of AASB15 and AASB1058. The adoption of AASB15 did have a material impact on OCI without impacting the University's cash flows. The first column shows amounts prepared under AASB15 and AASB1058 and the second column shows what the amounts would have been had AASB15 and AASB1058 not been adopted:

## Income statement

	Ref adjustment	Amounts prepared under					Increase/ decrease \$'000
		AASB15/ AASB1058 \$'000	Consolidated Previous AAS \$'000	Increase/ decrease \$'000	AASB15/ AASB1058 \$'000	Parent entity Previous AAS \$'000	
<b>Revenue from continuing operations</b>							
Australian Government financial assistance							
Australian Government grants	[2.1d & 2.1e]	137,436	145,849	(8,413)	137,436	145,849	(8,413)
HELP - Australian Government payments	[2.1b]	68,476	68,930	(454)	68,476	68,930	(454)
State and Local Government financial assistance	[2.2]	12,415	14,441	(2,027)	12,231	14,257	(2,027)
HECS-HELP - Student payments		3,443	3,443	-	3,443	3,443	-
Fees and charges	[2.3]	68,888	69,865	(978)	68,514	69,491	(978)
Investment income		3,528	3,528	-	3,528	3,528	-
Consultancy and contracts	[2.4]	9,937	10,939	(1,002)	9,781	10,783	(1,002)
Other revenue and income	[2.5]	6,827	6,896	(68)	6,748	6,817	(68)
<b>Total revenue and income from continuing operations</b>		<b>310,950</b>	<b>323,891</b>	<b>(12,942)</b>	<b>310,157</b>	<b>323,098</b>	<b>(12,942)</b>
<b>Expenses from continuing operations</b>							
Scholarships, grants & prizes		11,388	17,239	(5,851)	11,638	17,489	(5,851)
Other expenses		279,697	279,697	-	278,610	278,610	-
<b>Total expenses from continuing operations</b>		<b>291,085</b>	<b>296,936</b>	<b>(5,851)</b>	<b>290,248</b>	<b>296,099</b>	<b>(5,851)</b>
<b>Net result before income tax from continuing operations</b>		<b>19,865</b>	<b>26,955</b>	<b>(7,091)</b>	<b>19,909</b>	<b>26,999</b>	<b>(7,091)</b>
Income tax expense		-	-	-	-	-	-
<b>Net result after income tax for the period and attributable to members of the University of the Sunshine Coast</b>		<b>19,865</b>	<b>26,955</b>	<b>(7,091)</b>	<b>19,909</b>	<b>26,999</b>	<b>(7,091)</b>

# Financial Statements

Notes to the financial statements  
For the year ended 31 December 2019

## Statement of financial position

Amounts prepared under

	Ref adjustments	Consolidated			Parent entity		
		AASB15/ AASB1058 \$'000	Previous AAS \$'000	Increase/ decrease \$'000	AASB15/ AASB1058 \$'000	Previous AAS \$'000	Increase/ decrease \$'000
<b>Assets</b>							
Receivables		9,490	9,490	-	9,323	9,323	-
Contract Assets		-	-	-	-	-	-
Other current and non-current assets		673,805	673,805	-	673,582	673,582	-
<b>Total assets</b>		<b>683,295</b>	<b>683,295</b>	<b>-</b>	<b>682,905</b>	<b>682,905</b>	<b>-</b>
<b>Liabilities</b>							
Other liabilities		2,687	7,885	(5,198)	2,687	7,885	(5,198)
Contract liabilities	[2.6b]	29,899	-	29,899	29,899	-	29,899
Other current and non-current liabilities		172,658	172,658	-	172,438	172,438	-
<b>Total liabilities</b>		<b>205,244</b>	<b>180,543</b>	<b>24,701</b>	<b>205,024</b>	<b>180,323</b>	<b>24,701</b>
<b>Net assets</b>		<b>478,050</b>	<b>502,751</b>	<b>(24,701)</b>	<b>477,882</b>	<b>502,583</b>	<b>(24,701)</b>
<b>Equity</b>							
Reserves		191,449	191,449	-	191,449	191,449	-
Retained surplus	[13c]	286,602	311,302	(24,701)	286,434	311,134	(24,701)
<b>Total equity</b>		<b>478,050</b>	<b>502,751</b>	<b>(24,701)</b>	<b>477,882</b>	<b>502,583</b>	<b>(24,701)</b>

## AASB16 Leases

The University has adopted AASB16 using the modified retrospective method of transition, with the date of initial application of 1 January 2019. Under the modified approach, the University has chosen, on a lease-by-lease basis, to measure the related right-of-use asset at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before the date of initial application.

In accordance with the provisions of this transition approach, the University recognised the cumulative effect of applying this new standard as an adjustment to opening retained earnings at the date of initial application i.e. 1 January 2019. Consequently, the comparative information presented has not been restated and continues to be reported under the previous standards on leases - AASB117 *Leases* and AASB Interpretation 4 *Determining whether an arrangement contains a lease* (Interpretation 4). The University has assessed the adjustment to opening retained earnings to be nil. The new accounting policies for leases in accordance with AASB16 are provided in Note 8.

The nature and effect of the changes as a result of adoption of AASB16 are as described below:

### Definition of lease

Previously, the University determined at contract inception whether an arrangement is or contains a lease under Interpretation 4. Under AASB16, the University will continue to assess at contract inception whether a contract is, or contains, a lease but now uses the new definition of a lease.

On transition to AASB16 the University reassessed contracts which existed prior to 1 January 2019, which had been assessed per the previous accounting policy described below in accordance with AASB117 and Interpretation 4. The University applied the recognition and measurement requirements of AASB16 to these contracts, and to contracts entered into or modified from 1 January 2019.

### The University as a lessee

The University previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards incidental to ownership of the underlying asset to the University. Under AASB16, this classification no longer exists for the University as a lessee. Instead, practically all leases are now recognised on the statement of financial position as right-of-use assets with corresponding lease liabilities comprising all amounts which are considered to be lease payments. See Note 8 and Note 10 for the new leases policy which explains what amounts are included in lease payments.

### Leases previously classified as operating leases under AASB117

On transition to AASB16, the University reassessed leases previously classified as operating leases by applying the recognition and measurement requirements of AASB16. Leases which satisfied AASB16 requirements were recognised as a liability by discounting the remaining lease payments using the incremental borrowing rate as at the date of initial application, i.e. 1 January 2019. The right-of-use assets were recognised at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating that lease recognised in the statement of financial position immediately before the date of initial application.

The University has applied the following practical expedients in transitioning existing operating leases:

- Applied a single discount rate to a portfolio of leases with reasonably similar characteristics (such as leases with a similar remaining lease term for a similar class of underlying asset in a similar economic environment)
- Applied the exemption not to recognise right-of-use assets and lease liabilities where the remaining leases term is 12 months or less from the date of initial application
- Relied on its assessment of whether leases are onerous applying AASB137 immediately before the date of initial application, as an alternative to undertaking an impairment review

# Financial Statements

## Notes to the financial statements

For the year ended 31 December 2019

- (d) Used hindsight in determining the lease term where the contract contains options to extend or terminate the lease
- (e) Excluded initial direct costs from the measurement of right-of-use asset at the date of initial application.

### Leases previously classified as finance leases under AASB117

The University does not hold any leases previously classified as finance leases under AASB117.

### Reconciliation of operating lease commitments under AASB117 and lease liabilities under AASB16

As a lessee, the weighted average incremental borrowing rate applied to lease liabilities recognised in the statement of financial position on the date of initial application was 5%.

The difference between the operating lease commitments disclosed previously by applying AASB117 and the value of the lease liabilities recognised under AASB16 on 1 January 2019 is explained as follows:

	<b>Consolidated</b>	<b>Parent entity</b>
	<b>1 January 2019</b>	
	<b>\$'000</b>	<b>\$'000</b>
Operating lease commitments disclosed as at 31 December 2018	44,778	44,778
Discounted using USC's weighted average incremental borrowing rate of 5%	(10,081)	(10,081)
<b>Add/(less):</b> Adjustments relating to changes in the index or rate	66	66
<b>Add/(less):</b> Adjustments relating to outgoings not included in the measurement of leases	(913)	(913)
<b>Add/(less):</b> Adjustments relating to AASB 117 operating leases not recognised as leases under AASB 16	(19,370)	(19,370)
<b>Lease liability recognised as at 1 January 2019</b>	<b>14,480</b>	<b>14,480</b>

### The University as a lessor

The University has a sublease arrangements with ICSC and is therefore required to make any adjustments on transition to AASB16 where it is a lessor.

# Financial Statements

Notes to the financial statements  
For the year ended 31 December 2019

## Note 2. Revenue and Income

Note	Consolidated		Parent entity	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
<b>Note 2.1</b>	<b>Australian Government financial assistance including Australian Government loan programs (HELP)</b>			
	<b>(a) Commonwealth Grant Scheme and Other Grants</b>			
21a				
Commonwealth Grant Scheme #1	109,807	101,176	109,807	101,176
Access and Participation Fund	2,135	2,240	2,135	2,240
Promotion of Excellence in Learning and Teaching	-	80	-	80
Disability Performance Funding #2	135	75	135	75
Indigenous Student Success Program #3	1,545	1,511	1,545	1,511
AASB15 Contract Liability Adjustment	(194)	-	(194)	-
<b>Total Commonwealth Grants Scheme and Other Grants</b>	<b>113,429</b>	<b>105,081</b>	<b>113,429</b>	<b>105,081</b>
	<b>(b) Higher Education Loan Programs</b>			
21b				
HECS - HELP	64,361	62,515	64,361	62,515
FEE-HELP	1,758	2,104	1,758	2,104
SA - HELP	2,811	2,309	2,811	2,309
AASB15 Contract Liability Adjustment	(454)	-	(454)	-
<b>Total Higher Education Loan Programs</b>	<b>68,476</b>	<b>66,928</b>	<b>68,476</b>	<b>66,928</b>
	<b>(c) EDUCATION Research</b>			
21c				
Research Training Program	3,113	2,777	3,113	2,777
Research Support Program	3,960	3,226	3,960	3,226
<b>Total EDUCATION Research Grants</b>	<b>7,073</b>	<b>6,003</b>	<b>7,073</b>	<b>6,003</b>
	<b>(d) Australian Research Council</b>			
21d				
Discovery	1,376	1,531	1,376	1,531
Linkages #4	534	959	534	959
AASB15 Contract Liability Adjustment	(1,462)	-	(1,462)	-
<b>Total ARC</b>	<b>447</b>	<b>2,489</b>	<b>447</b>	<b>2,489</b>
	<b>(e) Other Australian Government financial assistance</b>			
	<b>Non-capital</b>			
Australian Centre International Agriculture Research	7,196	8,232	7,196	8,232
Australian Renewable Energy Agency	90	150	90	150
Australian Sports Commission	178	-	178	-
Cooperative Research Centres Projects (via SCU)	-	100	-	100
CRC for Honey Bee Products Ltd	171	276	171	276
CSIRO	428	286	428	286
Department of Agriculture and Water Resources	88	-	88	-
Department of Education & Training	777	1,078	777	1,078
Department of Foreign Affairs & Trade	1,744	1,341	1,744	1,341
Department of Health and Ageing	5,000	2,500	5,000	2,500
Fisheries Research Development Corporation	326	318	326	318
Forest & Wood Products Australia Ltd	1,313	1,506	1,313	1,506
Horticulture Innovation Australia Limited	892	1,168	892	1,168
National Health & Medical Research Council	537	523	537	523
Queensland University of Technology	4,050	4,050	4,050	4,050
Other	451	565	451	565
AASB15 Contract Liability Adjustment	(6,757)	-	(6,757)	-
<b>Total Non-capital</b>	<b>16,486</b>	<b>22,092</b>	<b>16,486</b>	<b>22,092</b>
<b>Total other Australian Government financial assistance</b>	<b>205,911</b>	<b>202,594</b>	<b>205,911</b>	<b>202,594</b>
	<b>Reconciliation</b>			
Australian Government Grants	137,436	135,666	137,436	135,666
HELP - Australian Government payments	68,476	66,928	68,476	66,928
<b>Total Australian Government financial assistance</b>	<b>205,911</b>	<b>202,594</b>	<b>205,911</b>	<b>202,594</b>

All entities are listed by their known titles at time of signing the relevant agreement.

# 1 Includes the basic CGS grant amount, Regional Loading, Enabling Loading, Allocated Places and Non-Designated Courses.

# 2 Disability Performance Funding includes Additional Support for Students with Disabilities.

# 3 Indigenous Student Success Program replaced the Indigenous Commonwealth Scholarships Program and the Indigenous Support Program as of 1 January 2017.

# 4 ARC Linkage Infrastructure, Equipment and Facilities grants are reported in Other Capital Funding (if applicable).

All Australian Government financial assistance disclosed under note 2.1 is recognised under AASB15 with the exception of the Education Research grants of \$7.1M which is recognised under AASB 1058.

# Financial Statements

## Notes to the financial statements

For the year ended 31 December 2019

### **(a) Australian Government grants**

Where there is an enforceable contract by the provisions of the Higher Education Support Act (HESA) and the Commonwealth Grant Scheme (CGS) funding agreements with specifically specific performance obligations in the promise to provide tuition services for the year covered by the CGS funding agreement this revenue falls under AASB 15 and is recognised over time as the University provides the tuition services to the student.

Where there is a contractual obligation to deliver cash to a post-graduate student or a collaboration partner, a financial liability exists under AASB9 and is disclosed under Other liabilities.

### **(b) HELP – Australian Government payments**

There is an enforceable contract by the provisions of Higher Education Support Act (HESA) with sufficiently specific performance obligations in the promise of tuition services over a specific period of time. This revenue falls under AASB 15 and is recognised over time as the University provides the tuition services to the student.

There is an enforceable contract by the provisions in the Student Services & Amenities Act and by the agreement between the University and student to provide services and amenities which form part of the University experience. Sufficiently specific performance obligations to provide services & amenities results in revenue recognised over time as the services & amenities are provided to students.

### **(c) – (e) Research and Other Australian Government Grants (non-capital)**

Where there is an enforceable contract by the provisions of the funding agreement with specifically specific performance obligations in the promise to undertake research activities as outlined in the grant proposal, revenue has been adjusted and represented as a contract liability and will be recognised over time as the research activities are performed under AASB15.

Revenue recognition for research funding is dependent upon the source of the funding and the nature of the transaction. The following specific research revenue recognition criteria have been applied:

- Funding received from Australian Research Council (ARC), National Health and Medical Research Council (NHMRC) and Australian Centre for International Agricultural Research (ACIAR): There is an enforceable contract by the provisions of the ARC, NHMRC or ACIAR funding agreement with sufficiently specific performance obligations in the promise to undertake Research Activities as outlined in the grant proposal. This falls under AASB 15. Where there is a contractual obligation to deliver cash to a postgraduate student, a financial liability exists under AASB9.
- Funding received from the Department of Education – Research Block Grant (RBG): The University receives funding in relation to the Research Training Program (RTP) and Research Support Program (RSP) – This falls under AASB 1058 as there are no sufficiently specific performance obligations, therefore recognise revenue immediately when the University has the contractual right to receive the grant.
- Funding received from non-government entities: Where there is an enforceable contract by the provisions of the funding agreement with sufficiently specific performance obligations in the promise to undertake Research Activities as outlined in the grant proposal. This falls under AASB 15.

Management have judged that performance obligations are satisfied as performed and access to research findings is available to granting bodies, and this is consistent with expenses incurred.

The revenue is recognised:

- Over time as the research activity is being performed over the contract period under AASB 15, or
- When revenue is able to be recognised at a point in time when the service or milestone is measurably delivered under AASB 15, otherwise
- Revenue will be recognised Immediately, when specific performance obligations are simultaneously performed under AASB 1058.

# Financial Statements

Notes to the financial statements  
For the year ended 31 December 2019

	Consolidated		Parent entity	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
<b>Note 2.2 State and Local Government financial assistance</b>				
<b>Non-Capital</b>				
Advance Queensland	-	230	-	230
Brisbane City Council	118	-	118	-
Department of Agriculture, Fisheries and Forestry	377	447	377	447
Department of Communities, Child Safety	-	15	-	15
Department of Employment, Economic Development & Innovation	184	187	-	-
Department of Employment, Small Business & Training	468	-	468	-
Department of Housing and Public Works	189	-	189	-
Department of Industry, Skill and Regional Development (NSW)	25	22	25	22
Department of Innovation, Tourism Industry Development and Commonwealth Games	310	-	310	-
Department of National Parks, Sport and Racing (QLD)	-	110	-	110
Department of Primary Industries Skills and Regional Development	-	177	-	177
Department of Sciences, Information Technology and Innovation (QLD)	180	240	180	240
Department of Transport & Main Roads	341	453	341	453
Gympie Regional Council	185	-	185	-
Motbr Accident Insurance Commission (QLD)	1,885	575	1,885	575
Queensland Academy of Sport	-	177	-	177
Redland City Council	179	158	179	158
Sunshine Coast Regional Council	528	148	528	148
Other	522	545	522	545
AASB15 Contract Liability Adjustment	(1,924)	-	(1,924)	-
<b>Total Non-capital</b>	<b>3,568</b>	<b>3,484</b>	<b>3,384</b>	<b>3,297</b>
<b>Capital</b>				
Department of Housing and Public Works	8,950	1,000	8,950	1,000
AASB15 Contract Liability Adjustment	(103)	-	(103)	-
<b>Total Capital</b>	<b>8,847</b>	<b>1,000</b>	<b>8,847</b>	<b>1,000</b>
<b>Total State and Local Government financial assistance</b>	<b>12,415</b>	<b>4,484</b>	<b>12,231</b>	<b>4,297</b>

All entities are listed by their known title at the time of signing the relevant agreement.

The revenue in this category consist of a mix of operating, capital and research grants provided by State and Local Governments across Australia. This revenue falls under AASB 15 and the revenue is recognised over time as the grant funds are expended.

	Note	Consolidated		Parent entity	
		2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
<b>Note 2.3 Fees and charges</b>					
<b>Course fees and charges</b>					
Fee-paying onshore overseas students		63,857	66,467	63,857	66,467
Continuing education		99	68	99	68
Fee-paying domestic postgraduate students		1,838	2,356	1,838	2,356
Fee-paying domestic non-award students		193	269	193	269
<b>Total course fees and charges</b>		<b>65,987</b>	<b>69,160</b>	<b>65,987</b>	<b>69,160</b>
<b>Other non-course fees and charges</b>					
Student Services and Amenities Fees from students	21f	978	872	978	872
AASB15 Contract Liability Adjustment	21f	(978)	-	(978)	-
Applications and late fees		140	125	140	125
Examination Fees & Honorariums		45	40	45	40
Conferences, activities & excursions		473	373	473	373
Rental charges		1,496	1,580	1,122	1,171
Other		747	1,507	747	1,507
<b>Total other non-course fees and charges</b>		<b>2,901</b>	<b>4,497</b>	<b>2,527</b>	<b>4,088</b>
<b>Total fees and charges</b>		<b>68,888</b>	<b>73,657</b>	<b>68,514</b>	<b>73,248</b>

## Course fees and charges

Where there is an enforceable contract by the agreement between the University and the student to provide the relevant course creating legal enforceable rights and where sufficiently specific performance obligations exist being the provision of tuition services for a distinct course over a specific period of time. Revenue (all fees outside the HELP system or where students decide not to use or are ineligible for HELP) in this category is recognised as the University provides the services to the student.

The course fees and charges revenue relate to undergraduate programs, graduate and professional degree programs and continuing education and executive programs. Sufficiently specific performance obligations exist in the promise of tuition services for a distinct course over a specific period of time. All fees and charges are recognised under AASB15.

# Financial Statements

## Notes to the financial statements

For the year ended 31 December 2019

The revenue is recognised:

- Over time as and when the course is delivered to students over the semester.
- At a point in time only when the obligation is performed at the point of receipt, e.g. where the fee is non-refundable and non-transferrable and is not offset against any future tuition fees.

When the courses are paid in advance by students or the University has received the government funding in advance (e.g. before starting the academic period) the University recognises a contract liability until the services are delivered.

The University does have obligations to return or refund obligations or other similar obligations. This is mainly applicable for International tuition fees received in advance of census date where the student has not met visa or similar entry requirements to Australia.

There is no significant financing component, as the period from when the student pays and the service is provided is less than 12 months and the consideration is not variable.

### Non-course fees and charges

Non-course fees and charges revenue relates to student services and amenities fees, parking fees, rental charges, conference fees & other miscellaneous fees.

The following specific revenue recognition criteria has been applied:

- Funding received from Student Services & Amenities Fees (SSAF): There is an enforceable contract by the provisions in the Student Services & Amenities Act and by the agreement between the University and student to provide services and amenities which form part of the University experience. Sufficiently specific performance obligations to provide services & amenities results in revenue recognised over time as the services & amenities are provided to students. It is within the scope of AASB 15.

Revenue is recognised for other non-course fees and charges:

- Over time as and when the service is provided over the period under AASB 15;
- At a point in time when the service is invoiced or raised where the service is fully rendered within the reporting period under AASB 1058.

	Consolidated		Parent entity	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
<b>Note 2.4 Consultancy and contracts</b>				
Consultancy	5,645	1,280	5,489	1,280
Contract research	5,294	4,412	5,294	4,412
AASB15 Contract Liability Adjustment	(1,002)	-	(1,002)	-
<b>Total consultancy and contracts</b>	<b>9,937</b>	<b>5,692</b>	<b>9,781</b>	<b>5,692</b>

There is an enforceable contract by the provisions of the funding body with sufficiently specific performance obligations in the promise of delivering research activities over a specific period of time. All revenue under note 2.4 is recognised under AASB 15 over time as the University performs the research activities.



# Financial Statements

## Notes to the financial statements

### For the year ended 31 December 2019

	Consolidated		Parent entity	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
<b>Note 2.5 Other revenue and income</b>				
<b>Other revenue</b>				
Donations and bequests	891	1,287	891	1,287
Food services	2,883	2,749	2,883	2,749
Sales - publications and printing	435	654	435	654
Parking permits	1,422	1,433	1,422	1,433
Other	132	72	74	37
AASB15 Contract Liability Adjustment	(68)	-	(68)	-
<b>Total other revenue</b>	<b>5,695</b>	<b>6,195</b>	<b>5,637</b>	<b>6,160</b>
<b>Other income</b>				
Other recoveries - external	861	1,350	861	1,350
Other income	271	378	250	353
<b>Total other income</b>	<b>1,132</b>	<b>1,728</b>	<b>1,111</b>	<b>1,703</b>
<b>Total other revenue and income</b>	<b>6,827</b>	<b>7,923</b>	<b>6,748</b>	<b>7,863</b>

#### Other revenue and income

All revenue under note 2.5 is recognised under AASB 1058 with the exception of parking permits and a portion of the donations and bequests (\$94K) relating to research agreements with sufficiently specific performance obligations under AASB 15.

There is an enforceable contract by the provisions of parking permits with sufficiently specific performance obligations in the promise of delivering parking facilities on campus over a specific period of time. Therefore parking revenue is recognised over time as the University delivers the parking facilities in accordance with the permit duration.

Other revenue that is within the scope of AASB15 mainly relates to research specific donations (where sufficiently specific performance obligations exist), function deposits and student printing credits for future purchases.

Revenue is recognised:

- Over time as and when the service is provided over the period under AASB 15.
- At a point in time when the donation contract has no performance obligations or when the function/rental bond comes to an end under AASB 1058.

The University has an obligation to refund customers and therefore recognises a refund liability which represents the amount of consideration that the University does not expect to be entitled to because it will be refunded to customers, e.g. deposits/bonds held and student cards containing printing credits.

#### Note 2.6 Revenue from contracts with customers

##### a) Unsatisfied performance obligations

Remaining performance obligations represent services the University has promised to provide to customers under research and tuition agreements which are satisfied as the services are provided over the contract term. In determining the transaction price allocated to the remaining performance obligations in contracts with customers the University has taken a quantitative approach based on the duration of the remaining obligations included in the contracts along with qualitative information regarding status of milestones and estimates of expected completion.

Remaining performance obligations are associated with 1) research and consultancy activities, 2) tuition services for study periods that extend beyond the reporting period and 3) other agreements.

For customer contracts with terms of one year or less, or where revenue is recognised using the 'right to invoice' method of recognising revenue, as permitted under AASB15, disclosures are not required in relation to the transaction price allocated to these unsatisfied performance obligations. Non-current contract liability (greater than 1 year) is 26% of the total contract liability.

As permitted under the transitional provisions in AASB15, the transaction price allocated to partially unsatisfied performance obligations as of 31 December 2018 is not disclosed.

# Financial Statements

## Notes to the financial statements

For the year ended 31 December 2019

### Note 2.6 Revenue from contracts with customers (cont.)

#### b) Assets and liabilities related to contracts with customers

The University has recognised the following assets and liabilities related to contracts with customers:

	Consolidated		Parent entity	
	2019	2019	2019	2019
	Closing	Opening	Closing	Opening
	balance	balance	balance	balance
	\$'000	\$'000	\$'000	\$'000
Receivables	3,373	3,959	3,373	3,959
<b>Receivables - current</b>	<b>3,373</b>	<b>3,959</b>	<b>3,373</b>	<b>3,959</b>
Australian Government unspent financial assistance	343	-	343	-
Contract liabilities	29,556	32,404	29,556	32,404
<b>Contract liabilities - current</b>	<b>24,243</b>	<b>27,826</b>	<b>24,243</b>	<b>27,826</b>
<b>Contract liabilities - non-current</b>	<b>5,656</b>	<b>4,578</b>	<b>5,656</b>	<b>4,578</b>

Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period was \$27.8M. No revenue has been recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods (e.g. changes in transaction price).

#### Contract liabilities

The contract liabilities are associated to revenue received from customers for contracts relating to course fees, research and other non-course fees and charges.

A contract liability is the obligation to transfer goods or services to a customer for which the University has received consideration (or an amount of consideration is due) from the customer, e.g. research milestone payments being receipted whilst the research activity is still to be performed over time. If a customer pays consideration before the University transfers goods or services to the customer a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the University performs the contract.

Contract liabilities differ from the amounts disclosed in note 12 Other liabilities where in prior years unearned revenues have been disclosed. The contract liabilities include deferred income or liabilities arising from other rebate type arrangements.

The classification of contract liabilities as non-current is made on the basis where there is revenue received from customers relating to periods that extend beyond 12 months.

#### c) Refund liabilities

The University has recognised the following refund liabilities related to contracts with customers:

	Consolidated		Parent entity	
	2019	2019	2019	2019
	Closing	Opening	Closing	Opening
	balance	balance	balance	balance
	\$'000	\$'000	\$'000	\$'000
<b>Refund liabilities</b>				
Refund liabilities - current	214	280	214	280
Refund liabilities - non-current	23	-	23	-
	<b>237</b>	<b>280</b>	<b>237</b>	<b>280</b>

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the University ultimately expects it will have to return to the customer. The University updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

The refund liabilities are associated with the amount of consideration that the University does not expect to be entitled to in relation to bonds/deposits held and student cards containing printing credits for future purchases (see note 12 Other liabilities).

The classification of refund liabilities as non-current was made on the basis of the duration and length of the agreement when extending beyond 12 months.

#### d) Volunteer services

The University has elected to not recognise volunteer services or a class of volunteer services received as income.

# Financial Statements

Notes to the financial statements  
For the year ended 31 December 2019

	Consolidated		Parent entity	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
<b>Note 3 Employee related expenses</b>				
<b>Academic</b>				
Salaries	68,275	65,756	68,275	65,756
Contributions to superannuation and pension funded schemes	10,215	9,978	10,215	9,978
Payroll tax	4,013	3,584	4,013	3,584
Workers' compensation	158	130	158	130
Long service leave	547	1,030	547	1,030
Annual leave	1,104	1,282	1,104	1,282
Other	175	222	175	222
<b>Total academic</b>	<b>84,487</b>	<b>81,982</b>	<b>84,487</b>	<b>81,982</b>
<b>Non-academic</b>				
Salaries	70,953	68,731	70,492	68,395
Contributions to superannuation and pension funded schemes	10,846	10,403	10,792	10,361
Payroll tax	4,010	3,763	3,985	3,745
Workers' compensation	168	139	166	137
Long service leave	564	1,070	564	1,070
Annual leave	1,017	1,146	1,017	1,146
Other	289	267	288	264
<b>Total non-academic</b>	<b>87,847</b>	<b>85,519</b>	<b>87,304</b>	<b>85,118</b>
<b>Total employee related expenses</b>	<b>172,334</b>	<b>167,501</b>	<b>171,791</b>	<b>167,100</b>

Contributions to the defined contribution section of Unisuper and other independent defined contribution superannuation funds are recognised as an expense as they become payable. Past service costs are recognised in profit or loss immediately.

	Consolidated		Parent entity	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
<b>Note 4 Other expenses</b>				
Bank fees & charges	631	652	630	651
Audit and other professional fees *	301	330	301	330
Insurance	733	619	733	619
General consumables	1,686	1,532	1,686	1,532
Postage, printing and stationery	610	666	610	666
Telecommunications	1,582	1,516	1,482	1,424
Subscriptions and memberships	1,988	2,010	1,973	1,998
Motor vehicles	285	297	284	296
Commissions paid	2,941	2,955	2,941	2,955
Food and catering	1,849	1,872	1,849	1,872
Staff development and recruitment	1,083	1,164	1,083	1,163
Student activities and excursions	959	677	959	677
Other	1,451	1,433	1,263	1,247
<b>Total other expenses</b>	<b>16,099</b>	<b>15,723</b>	<b>15,794</b>	<b>15,430</b>

\*The total external audit fees relating to the 2019 financial year are estimated to be \$169k (2018: \$151k). There are no non-audit services included in this amount. Currently paid and accrued audit fees for the University are \$169k.

	Consolidated		Parent entity	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
<b>Note 5 Cash and cash equivalents</b>				
Cash at bank and on hand	3,034	7,659	2,864	7,378
Deposits at call	101,530	92,223	101,530	92,223
<b>Total cash and cash equivalents</b>	<b>104,564</b>	<b>99,882</b>	<b>104,394</b>	<b>99,601</b>

For statement of cash flows presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts, if any, are shown within borrowings in current liabilities on the statement of financial position.

# Financial Statements

Notes to the financial statements  
For the year ended 31 December 2019

	Consolidated		Parent entity	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
<b>Note 6 Receivables and contract assets</b>				
<b>Current</b>				
Student fees and loans	200	320	200	320
Less: Allowance for expected credit losses	(78)	(163)	(78)	(163)
Trade receivables	5,070	4,440	4,931	4,327
Less: Allowance for expected credit losses	(656)	(189)	(644)	(189)
	<u>4,536</u>	<u>4,408</u>	<u>4,409</u>	<u>4,295</u>
Taxes receivable	3,576	1,739	3,576	1,739
Deposits receivable	87	-	4	-
Accrued revenue	1,275	2,093	1,275	2,093
Sundry loans and advances	16	38	16	38
Amounts receivable from wholly owned subsidiaries	-	-	43	33
<b>Total current receivables</b>	<b>9,490</b>	<b>8,278</b>	<b>9,323</b>	<b>8,198</b>
<b>Non-current</b>				
Deposits receivable	480	70	480	70
<b>Total non-current receivables</b>	<b>480</b>	<b>70</b>	<b>480</b>	<b>70</b>
<b>Total receivables</b>	<b>9,970</b>	<b>8,348</b>	<b>9,803</b>	<b>8,268</b>

## Contract assets

As at 31 December 2019, the University has no contract assets to report (2018: \$0K).

Set out below is the movement in the allowance for expected credit losses of trade receivables and contract assets:

	Consolidated		Parent entity	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
At 1 January	352	62	352	62
Provision for expected credit losses recognised during the year	1,114	968	1,102	968
Write-off during the year as uncollectable	(732)	(678)	(732)	(678)
<b>At 31 December</b>	<b>734</b>	<b>352</b>	<b>722</b>	<b>352</b>

Information about the credit exposures are disclosed in note 20 Financial risk management.

Trade receivables are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as debt instruments at amortised cost. Trade and other receivables are not interest bearing and are generally on terms of no more than 30 days. Receivables arising from student fees are recognised as amounts receivable, as sanctions are applied to students who do not pay.

For trade receivables the University applies a simplified approach in calculating expected credit losses ("ECLs"). Therefore, the University does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The University has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

# Financial Statements

Notes to the financial statements  
For the year ended 31 December 2019

	Consolidated		Parent entity	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
<b>Note 7 Other financial and non-financial assets</b>				
<b>Current</b>				
<b>Other non-financial assets</b>				
Other assets	161	-	161	-
Prepayments	8,478	8,143	8,456	8,143
	<b>8,639</b>	<b>8,143</b>	<b>8,617</b>	<b>8,143</b>
Total current other assets	<b>8,639</b>	<b>8,143</b>	<b>8,617</b>	<b>8,143</b>
<b>Non-current</b>				
<b>Other financial assets</b>				
Shares in unlisted corporations at fair value through OCI	45,472	28,856	45,472	28,856
	<b>45,472</b>	<b>28,856</b>	<b>45,472</b>	<b>28,856</b>
<b>Other non-financial assets</b>				
Prepayments	661	904	661	904
	<b>661</b>	<b>904</b>	<b>661</b>	<b>904</b>
Total non-current other assets	<b>46,133</b>	<b>29,760</b>	<b>46,133</b>	<b>29,760</b>
<b>Total other financial assets and non-financial assets</b>	<b>54,772</b>	<b>37,903</b>	<b>54,750</b>	<b>37,903</b>

## Prepayments

Payments for goods and services which are to be provided in future years are recognised as prepayments. Prepayments are recorded in other non-financial assets in the statement of financial position.

## Financial assets

### Classification

The consolidated entity classifies its financial assets: at initial recognition, subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the consolidated entity's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the consolidated entity initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Financial assets classified and measured at amortised cost or fair value through OCI, means cash flows are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding and is performed at an instrument level.

The consolidated entity's business model for managing financial assets is relevant to whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date (date commitment to purchase or sell the asset).

#### (i) Financial assets at amortised cost

The consolidated entity measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The consolidated entity's financial assets at amortised cost includes trade receivables, and loans to related parties.

#### (ii) Investments in equity instruments designated at fair value through other comprehensive income

Upon initial recognition, the consolidated entity can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity and are not held for trading. The classification is determined on an instrument-by-instrument basis. Gains and losses on these financial assets are not recycled to profit or loss. Dividends are recognised as other income in the income statement when the right of payment has been established, except when the consolidated entity benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

# Financial Statements

## Notes to the financial statements

For the year ended 31 December 2019

The consolidated entity elected to classify irrevocably its non-listed equity investments in Education Australia Ltd of \$40 million (2018: \$23 million) and AARNet Pty Ltd of \$6 million (2018: \$6 million) within this category. All values are as per valuation undertaken by independent party as at 31 December 2019.

*(iii) Financial assets at fair value through profit or loss (including designated)*

The consolidated entity holds no assets under this classification as at 31 December 2019

### **Fair Value**

The fair values of investments and other financial assets are based on quoted prices in an active market. If the market for a financial asset is not active (and for unlisted securities), the consolidated entity establishes fair value by using valuation techniques that maximise the use of relevant data. These include reference to the estimated prices in an orderly transaction that would take place between market participants at the measurement date.

In respect of the University's holdings in Education Australia Limited and AARNet Pty Ltd the fair value is categorised as Level 3 – Inputs that are not based on observable market data (unobservable inputs).

# Financial Statements

## Notes to the financial statements

### For the year ended 31 December 2019

#### Note 8 Property, plant & equipment

Consolidated - 31 December 2018	Construction in progress	Freehold land	Freehold buildings	Infrastructure assets	Leasehold improvements	Plant & equipment*	Art Collection		Total
Basis of measurement	Cost	Fair Value	Fair Value	Fair Value	Cost	Cost	Fair Value		
Fair value category		Level 2	Level 2 & 3	Level 3			Level 3		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>At 1 January 2018</b>									
-Cost	3,150	-	-	-	-	38,168	-	-	41,318
-Valuation	-	22,001	315,497	30,218	11,070	-	6,134	-	384,920
Accumulated depreciation	-	-	(32,027)	(5,012)	(1,793)	(22,624)	-	-	(61,456)
Net book amount	<b>3,150</b>	<b>22,001</b>	<b>283,470</b>	<b>25,206</b>	<b>9,277</b>	<b>15,544</b>	<b>6,134</b>	-	<b>364,782</b>
<b>Year ended 31 December 2018</b>									
Opening net book amount	3,150	22,001	283,470	25,206	9,277	15,544	6,134	-	364,782
Revaluation surplus	-	543	6,260	1,371	(21)	4,037	42	-	12,232
Additions	17,692	-	1,115	1,036	658	5,219	192	-	25,912
Transfers	(1,688)	-	(198)	1,249	167	290	-	-	(180)
Disposals	-	-	(7)	(135)	-	(127)	(3)	-	(272)
Depreciation charge	-	-	(4,765)	(999)	(1,061)	(5,018)	-	-	(11,843)
Closing net book amount	<b>19,154</b>	<b>22,544</b>	<b>285,875</b>	<b>27,728</b>	<b>9,020</b>	<b>19,945</b>	<b>6,365</b>	-	<b>390,631</b>
<b>At 31 December 2018</b>									
-Cost	19,154	-	-	754	11,798	40,896	37	-	72,638
-Valuation	-	22,544	318,160	32,020	47	-	6,328	-	379,100
Accumulated depreciation	-	-	(32,285)	(5,046)	(2,825)	(20,951)	-	-	(61,107)
Net book amount	<b>19,154</b>	<b>22,544</b>	<b>285,875</b>	<b>27,728</b>	<b>9,020</b>	<b>19,945</b>	<b>6,365</b>	-	<b>390,631</b>
<b>Consolidated - 31 December 2019</b>									
	Construction in progress	Freehold land	Freehold buildings	Infrastructure assets	Leasehold improvements	Plant & equipment*	Art Collection	Right-of-use assets	Total
Basis of measurement	Cost	Fair Value	Fair Value	Fair Value	Cost	Cost	Fair Value	Cost	
Fair value category		Level 2	Level 2 & 3	Level 3			Level 3		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Net book amount	<b>19,154</b>	<b>22,544</b>	<b>285,875</b>	<b>27,728</b>	<b>9,020</b>	<b>19,945</b>	<b>6,365</b>	-	<b>390,631</b>
<b>Year ended 31 December 2019</b>									
Opening net book amount	19,154	22,544	285,875	27,728	9,020	19,945	6,365	-	390,631
Right-of-use asset at 1 January	-	-	-	-	-	-	-	14,480	14,480
Revaluation surplus	-	3,106	(14,920)	(1,986)	-	-	46	-	(13,754)
Additions	97,606	-	9,603	2,399	1,609	3,560	77	21,719	136,573
Transfers	(2,697)	-	1,530	17	15	597	-	-	(538)
Disposals	-	-	-	-	(2)	(325)	-	-	(327)
Depreciation charge	-	-	(4,921)	(1,012)	(1,039)	(5,269)	-	(3,167)	(15,408)
Closing net book amount	<b>114,063</b>	<b>25,650</b>	<b>277,167</b>	<b>27,145</b>	<b>9,603</b>	<b>18,508</b>	<b>6,489</b>	<b>33,032</b>	<b>511,657</b>
<b>At 31 December 2019</b>									
-Cost	114,063	-	1,981	1,893	13,175	40,027	36	36,199	207,374
-Valuation	-	25,650	323,372	35,122	47	-	6,453	-	390,644
Accumulated depreciation	-	-	(48,186)	(9,870)	(3,619)	(21,519)	-	(3,167)	(86,361)
Net book amount	<b>114,063</b>	<b>25,650</b>	<b>277,167</b>	<b>27,145</b>	<b>9,603</b>	<b>18,508</b>	<b>6,489</b>	<b>33,032</b>	<b>511,657</b>

\* Plant & equipment represents all operational assets, including motor vehicles and computer equipment.

# Financial Statements

## Notes to the financial statements For the year ended 31 December 2019

### Note 8 Property, plant & equipment (continued)

#### Parent - 31 December 2018

	Construction in progress	Freehold land	Freehold buildings	Infrastructure assets	Leasehold improvements	Plant & equipment*	Art Collection	Total
Basis of measurement	Cost	Fair Value	Fair Value	Fair Value	Cost	Cost	Fair Value	
Fair value category		Level 2	Level 2 & 3	Level 3			Level 3	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>At 1 January 2018</b>								
-Cost	3,150	-	-	-	-	38,108	-	41,258
-Valuation	-	22,001	315,497	30,218	11,023	-	6,124	384,863
Accumulated depreciation	-	-	(32,027)	(5,012)	(1,756)	(22,587)	-	(61,382)
Net book amount	<b>3,150</b>	<b>22,001</b>	<b>283,470</b>	<b>25,206</b>	<b>9,267</b>	<b>15,521</b>	<b>6,124</b>	<b>364,739</b>
<b>Year ended 31 December 2018</b>								
Opening net book amount	3,150	22,001	283,470	25,206	9,267	15,521	6,124	364,739
Revaluation surplus	-	543	6,260	1,371	(21)	4,037	42	12,232
Additions	17,692	-	1,115	1,036	658	5,210	192	25,903
Transfers	(1,688)	-	(198)	1,249	167	290	-	(180)
Disposals	-	-	(7)	(135)	-	(127)	(3)	(272)
Depreciation charge	-	-	(4,765)	(999)	(1,057)	(5,011)	-	(11,832)
Closing net book amount	<b>19,154</b>	<b>22,544</b>	<b>285,875</b>	<b>27,728</b>	<b>9,014</b>	<b>19,920</b>	<b>6,355</b>	<b>390,590</b>
<b>At 31 December 2018</b>								
-Cost	19,154	-	-	754	11,798	40,827	37	72,569
-Valuation	-	22,544	318,160	32,020	-	-	6,318	379,043
Accumulated depreciation	-	-	(32,285)	(5,046)	(2,784)	(20,907)	-	(61,022)
Net book amount	<b>19,154</b>	<b>22,544</b>	<b>285,875</b>	<b>27,728</b>	<b>9,014</b>	<b>19,920</b>	<b>6,355</b>	<b>390,590</b>

#### Parent - 31 December 2019

	Construction in progress	Freehold land	Freehold buildings	Infrastructure assets	Leasehold improvements	Plant & equipment*	Art Collection	Right-of-use assets	Total
Basis of measurement	Cost	Fair Value	Fair Value	Fair Value	Cost	Cost	Fair Value	Cost	
Fair value category		Level 2	Level 2 & 3	Level 3			Level 3		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Year ended 31 December 2019</b>									
Opening net book amount	19,154	22,544	285,875	27,728	9,014	19,920	6,355	-	390,590
Right-of-use asset at 1 January	-	-	-	-	-	-	-	14,480	14,480
Revaluation surplus	-	3,106	(14,920)	(1,986)	-	-	46	-	(13,754)
Additions	97,606	-	9,603	2,399	1,609	3,557	77	21,719	136,570
Transfers	(2,697)	-	1,530	17	15	597	-	-	(538)
Disposals	-	-	-	-	(2)	(324)	-	-	(326)
Depreciation charge	-	-	(4,922)	(1,012)	(1,034)	(5,262)	-	(3,167)	(15,397)
Closing net book amount	<b>114,063</b>	<b>25,650</b>	<b>277,167</b>	<b>27,145</b>	<b>9,602</b>	<b>18,488</b>	<b>6,479</b>	<b>33,032</b>	<b>511,626</b>
<b>At 31 December 2019</b>									
-Cost	114,063	-	1,981	1,893	13,175	39,956	36	36,199	207,303
-Valuation	-	25,650	323,372	35,122	-	-	6,443	-	390,587
Accumulated depreciation	-	-	(48,186)	(9,870)	(3,573)	(21,468)	-	(3,167)	(86,264)
Net book amount	<b>114,063</b>	<b>25,650</b>	<b>277,167</b>	<b>27,145</b>	<b>9,602</b>	<b>18,488</b>	<b>6,479</b>	<b>33,032</b>	<b>511,626</b>

\* Plant & equipment represents all operational assets, including motor vehicles and computer equipment.



**Note 8 Property, plant & equipment (continued)**

**(i) Fair value hierarchy**

The University categorises assets and liabilities measured at fair value into a hierarchy on the following basis:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – Inputs other than quoted prices within level 1 that are observable for the asset or liability either directly or indirectly
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The consolidated entity's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. There were no transfers between levels in 2019.

Freehold Buildings are consisting of both Level 2 and 3. The split between the levels are as follows:

	Total	Level 2	Level 3
<b>Freehold buildings</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>2019</b>	<b>277,167</b>	9,870	267,297
<b>2018</b>	<b>285,875</b>	840	285,035

**(ii) Recognition thresholds**

Each class of property, plant and equipment is carried at fair value or cost, less where applicable, any accumulated depreciation and impairment losses. Assets are valued at their fair value in accordance with the Queensland Treasury's 'Non-Current Asset Policies for the Queensland Public Sector' (NCAP).

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the consolidated entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

**Land**

The asset recognition threshold for land is \$1. Land is not depreciated.

**Buildings and infrastructure assets**

The asset recognition threshold for building and infrastructure assets is \$10,000.

**Capital works in progress**

Capital works in progress is shown at a value that recognises the extent of completion of work, as represented by progress payments to date. Contracts signed for building projects that have not been completed and / or commenced at 31 December 2019 have been disclosed as capital expenditure commitments (refer Note 15).

**Library reference collection**

The library reference collection is valued at fair value in accordance with NCAP 7 - Accounting for Library Collections Policy. The asset recognition threshold for library reference collection is \$5,000.

**Leasehold improvements**

Leasehold improvements are valued at cost. The asset recognition threshold for leasehold improvements is \$5,000.

**Plant and equipment**

All other plant and equipment assets are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Items of plant and equipment with a value of equal to or greater than \$5,000 are recorded at cost less depreciation and impairment losses. Additions with a value of less than \$5,000 are expensed in the year of purchase. Plant and equipment donated to the University is recorded at valuation in the year of donation.

**Heritage and Cultural Assets**

The University's Heritage and Cultural Assets are valued at fair value, with donations to the collection, being independently valued on receipt and then in accordance with the University's revaluation policy (minimum every five years). In respect of Heritage and Cultural Assets, the asset recognition threshold is \$1. Heritage and Cultural Assets are not depreciated.

# Financial Statements

Notes to the financial statements  
For the year ended 31 December 2019

## Note 8 Property, plant & equipment (continued)

### (iii) Depreciation

Property, plant and equipment, other than land and the library heritage and art collection are depreciated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

Depreciable Assets	2019	2018
Buildings:	40 - 90	10 - 90
Infrastructure:	10 - 60	5 - 55
Leasehold Improvements:	Unexpired portion of the lease or useful lives of the improvements, whichever is the shorter	Unexpired portion of the lease or useful lives of the improvements, whichever is the shorter
Plant and Equipment		
Computer Equipment	3 - 6	3 - 6
Science Equipment	5 - 20	5 - 20
Motor Vehicles	5 - 15	5 - 15
Plant & Equipment - Other	5 - 25	5 - 25

Depreciation is charged from the time the assets are first put in use or held ready for use. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The University has reassessed the remaining lives of its building and infrastructure assets to ensure the University is in compliance with the depreciation requirements of AASB 116 *Property, Plant and Equipment*, "complex assets" which are componentised and depreciated separately into short and long-life components.

### (iv) Disposals

Gains or losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the income statement. When re-valued assets are sold, it is University policy to transfer the amounts included in asset revaluation surplus in respect of those assets, to retained earnings.

### (v) Valuation processes and effective dates

Land, building, infrastructure, library reference collection and art collections are revalued every 5 years by external, independent and qualified valuers. Although the University is currently exempt under Treasurer advisement, this valuation method is in alignment with Queensland Treasury's Non-Current Asset Policies for the Queensland Public Sector (NCAP). In 2019 a formal comprehensive revaluation of Land, Buildings and Infrastructure (all valued at fair value) was performed by APV Valuers and Asset Management. On 31 December 2018, a comprehensive revaluation was undertaken for the Heritage and Cultural Assets with a desktop valuation performed as at 31 December 2019.

The process adopted through APV Valuers and Asset Management involves dissecting the asset lifecycle into a range of phases and using a scoring process to determine the level of remaining service potential (%RSP). Depending on the asset, and how it is consumed, a different pattern of consumption may be applied.

Accumulated depreciation at the date of revaluation is restated proportionately with the change in the gross carrying amount of the asset. The carrying amount of the asset after revaluation equals its revalued amount.

Revaluation increments are recognised in other comprehensive income and accumulated in equity under the heading asset revaluation surplus, except where the increment reverses a previously recognised decrement. In such cases the increments are recognised as revenue in the income statement. Revaluation decrements are recognised as an expense in the income statement except where the decrement reverses a revaluation increment held in the asset revaluation surplus.

# Financial Statements

## Notes to the financial statements

### For the year ended 31 December 2019

#### Note 8.1 Right-of-use assets

The University controls the right to use property, vehicle & equipment assets over the life of the lease held. Information about leases where the University is a lessee is presented below:

##### (a) Right-of-use assets

	<b>Consolidated</b>	<b>Parent entity</b>
	<b>2019</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Buildings</b>		
At 1 January 2019	13,003	13,003
Additions of right-of-use assets	-	-
Depreciation charge	<u>(2,025)</u>	<u>(2,025)</u>
<b>At 31 December 2019</b>	<b><u>10,978</u></b>	<b><u>10,978</u></b>
<b>Vehicles</b>		
At 1 January 2019	1,103	1,103
Additions of right-of-use assets less terminations	547	547
Depreciation charge	<u>(734)</u>	<u>(734)</u>
<b>At 31 December 2019</b>	<b><u>916</u></b>	<b><u>916</u></b>
<b>Equipment/Infrastructure</b>		
At 1 January 2019	374	374
Additions of right-of-use assets	21,171	21,171
Depreciation charge	<u>(407)</u>	<u>(407)</u>
<b>At 31 December 2019</b>	<b><u>21,138</u></b>	<b><u>21,138</u></b>
<b>Total right-of-use assets</b>	<b><u>33,032</u></b>	<b><u>33,032</u></b>

A right-of-use asset is initially measured at cost comprising the initial measurement of the lease liability adjusted for any lease payments made before the commencement date (reduced by lease incentives received), plus initial direct costs incurred in obtaining the lease and an estimate of costs to be incurred in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

A right-of-use asset associated with land and buildings is subsequently measured at fair value. All other property, plant and equipment are measured at cost as described in the accounting policy for property, plant and equipment in Note 8.

##### (b) Concessionary leases

The University has elected to apply Accounting Standard AASB 2018-8, issued on 24 December 2018, to provide an option for not-for-profit entities to not apply the fair value initial measurement requirements to a class or classes of right-of-use assets arising under leases with significantly below-market terms and conditions principally to enable the entity to further its objectives. The determination was made as the University only has one such lease for which it will be difficult to establish the market value as it's not freely available to the open market.

		<b>Consolidated</b>		<b>Parent entity</b>	
	<b>Note</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
		<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Note 9 Trade and other payables</b>					
<b>Current</b>					
OS-HELP Liability to Australian Government	21e	442	502	442	502
Creditors		8,087	3,980	7,963	3,878
Accrued expenses		<u>1,770</u>	<u>5,126</u>	<u>1,770</u>	<u>5,126</u>
<b>Total trade and other payables</b>		<b><u>10,299</u></b>	<b><u>9,608</u></b>	<b><u>10,175</u></b>	<b><u>9,506</u></b>

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

# Financial Statements

Notes to the financial statements  
For the year ended 31 December 2019

	Consolidated		Parent entity	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
<b>Note 10 Borrowings</b>				
<b>Current</b>				
Secured				
Loan - Queensland Treasury Corporation	1,217	1,616	1,217	1,616
Loan - Commonwealth	1,811	-	1,811	-
Lease liabilities	2,709	-	2,709	-
Total current borrowings	<u>5,737</u>	<u>1,616</u>	<u>5,737</u>	<u>1,616</u>
<b>Non-Current</b>				
Secured				
Loan - Queensland Treasury Corporation	2,286	3,494	2,286	3,494
Loan - Commonwealth	91,290	7,057	91,290	7,057
Lease liabilities	30,862	-	30,862	-
Total non-current borrowings	<u>124,438</u>	<u>10,551</u>	<u>124,438</u>	<u>10,551</u>
<b>Total borrowings</b>	<u>130,175</u>	<u>12,167</u>	<u>130,175</u>	<u>12,167</u>

## (a) Assets pledged as security

Security for loan liabilities from the QTC is a guarantee of due performance and observance of the University's obligations under the facility by the Treasurer of Queensland in favour of QTC. No one specific asset has been pledged as security for current and non-current borrowings.

Security for loan liabilities from the Commonwealth is a guarantee of due performance and observance of the University's obligations under the facility by the Authorised Representative of The Commonwealth of Australia in favour of Department of Infrastructure Regional Development and Cities. No one specific asset has been pledged as security for current and non-current borrowings.

## (b) Financing arrangements

The following loan/overdraft facilities have been taken out with Queensland Treasury Corporation and Federal Government and consist of the following:

- \$15 million QTC fixed loan facility. The loan is repayable in quarterly instalments of equal size such that the advance amount and interest (including capitalised interest) and fees calculated thereon are fully repaid by 15 September 2022.
- \$10 million QTC fixed loan facility. The loan is repayable in quarterly instalments of equal size such that the advance amount and interest (including capitalised interest) and fees calculated thereon was fully repaid by 15 June 2019.
- \$4 million QTC Overdraft/short term funding facility. No overdraft exists at reporting date as there are sufficient funds within the QTC Capital Guarantee Fund (cash account).
- \$121 million Commonwealth Loan, consisting of a drawdown facility to be utilised, with an expected loan term of 12 years.

## (c) Fair value

	2019		2018	
	Carrying amount	Fair Value	Carrying amount	Fair Value
	\$'000	\$'000	\$'000	\$'000
Non-traded financial liabilities				
Queensland Treasury Corporation	3,503	3,724	5,110	5,412
Commonwealth	93,101	93,101	7,057	7,057
	<u>96,604</u>	<u>96,825</u>	<u>12,167</u>	<u>12,469</u>

## (d) Risk exposures

The exposure of the consolidated and parent entity's borrowings to interest rate changes is considered minimal as all major borrowings are held with Commonwealth/State Government entities in variable and fixed rate arrangements. The carrying amounts of the consolidated entity's and parent entity's borrowings are in Australian Dollars.

## (e) Accounting Policy

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities, which are not an incremental cost relating to the actual draw-down of the facility, are recognised as prepayments and amortised on a straight-line basis over the term of the facility.

# Financial Statements

Notes to the financial statements  
For the year ended 31 December 2019

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or other expenses.

Borrowings are classified as current liabilities unless the consolidated entity has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period and does not expect to settle the liability for at least 12 months after the end of the reporting period.

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed.

## Note 10.1 University as lessee

### a) Amounts recognised in the income statement

	<b>Consolidated</b>	<b>Parent entity</b>
	<b>2019</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Interest on lease liabilities	1,023	1,023
Variable lease payments not included in the measurement of leases	3	3
Income from sub-leasing right of use assets	14	14
Expenses relating to short-term leases	15	15
<b>Amounts recognised in Income Statement</b>	<b><u>1,055</u></b>	<b><u>1,055</u></b>
	<b>Consolidated</b>	<b>Parent entity</b>
	<b>2019</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Maturity analysis – undiscounted contractual cash flows</b>		
Less than one year	4,314	4,314
One to five years	17,474	17,474
More than 5 years	20,666	20,666
<b>Total undiscounted contractual cash flows</b>	<b><u>42,454</u></b>	<b><u>42,454</u></b>
Lease liabilities recognised in the statement of financial position:	33,571	33,571
<b>Current</b>	<b><u>2,709</u></b>	<b><u>2,709</u></b>
<b>Non-current</b>	<b>30,862</b>	<b>30,862</b>

### Exposure from variable lease payments

The variability of lease payments will have an effect on future cash flows particularly in relation to the Veolia infrastructure lease with significant indexation into the future years and variable non-lease energy consumption charges.

### Exposure from extension options and termination options

The option to exercise the extend or terminate clauses within lease agreements provides the University with the flexibility to control future cash flows and commitments based on student numbers and space requirements.

### Amounts recognised in statement of cash flows

The amounts recognised in the statement of cash flows in relation to the total cash outflow for leases are as follows:

	<b>Consolidated</b>	<b>Parent entity</b>
	<b>2019</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Total cash outflow for leases	<b><u>2,628</u></b>	<b><u>2,628</u></b>

# Financial Statements

Notes to the financial statements  
For the year ended 31 December 2019

## Lease liability

A lease liability is initially measured at the present value of unpaid lease payments at the commencement date of the lease. To calculate the present value, the unpaid lease payments are discounted using the interest rate implicit in the lease if the rate is readily determinable. If the interest rate implicit in the lease cannot be readily determined, the incremental borrowing rate at the commencement date of the lease is used. Lease payments included in the measurement of lease liabilities comprise:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date (e.g. payments varying on account of changes in CPI); and
- Amounts expected to be payable by the lessee under residual value guarantees
- The exercise price of a purchase option if the University is reasonably certain to exercise that option
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

For a contract that contains a lease component and one or more additional lease or non-lease components, the University allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Subsequently, the lease liability is measured at amortised cost using the effective interest rate method resulting in interest expense being recognised as a borrowing cost in the income statement. The lease liability is remeasured when there are changes in future lease payments arising from a change in an index or rate or a change in lease term with a corresponding adjustment to the right-of-use asset. The adjustment amount is factored into depreciation of the right-of-use asset prospectively.

Right-of-use assets are presented within property, plant and equipment in Note 8.1 and lease liabilities are presented as borrowings in Note 10.1.

## Short-term leases and leases of low-value assets

The University has elected not to recognise right-of-use assets and lease liabilities for short-term leases i.e. leases with a lease term of 12 months or less and leases of low-value assets i.e., when the value of the leased asset when new is AUD 5,000 or less.

	Consolidated		Parent entity	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
<b>Note 11 Provisions</b>				
<b>Current provisions expected to be settled wholly within 12 months</b>				
Employee benefits				
Annual leave	11,340	10,409	11,300	10,357
Long service leave	1,592	575	1,592	575
Subtotal	<b>12,932</b>	<b>10,984</b>	<b>12,892</b>	<b>10,932</b>
<b>Current provisions expected to be settled wholly after more than 12 months</b>				
Employee benefits				
Annual leave	2,021	2,224	2,021	2,224
Long service leave	11,664	11,895	11,664	11,895
Subtotal	<b>13,685</b>	<b>14,119</b>	<b>13,685</b>	<b>14,119</b>
Total current provisions	<b>26,617</b>	<b>25,103</b>	<b>26,577</b>	<b>25,051</b>
<b>Non-Current</b>				
Employee benefits				
Long service leave	5,567	5,222	5,511	5,186
Total non-current provisions	<b>5,567</b>	<b>5,222</b>	<b>5,511</b>	<b>5,186</b>
<b>Total provisions</b>	<b>32,184</b>	<b>30,325</b>	<b>32,088</b>	<b>30,237</b>

Provisions are recognised when: the consolidated entity has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as a finance cost.

## Employee benefits

### (i) Short-term obligations

Liabilities for short-term employee benefits including wages and salaries and non-monetary benefits are measured at the amount expected to be paid when the liability is settled, if it is expected to be settled wholly before 12 months after the end of the reporting period, and is recognised in other payables. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates payable.

### (ii) Other long-term obligations

The liability for other long-term employee benefits such as annual leave and long service leave is recognised in non-current provisions for employee benefits if it is not expected to be settled wholly before twelve months after the end of the reporting period.

The long service leave provision reflects the amount of long service leave accrued as at 31 December 2019. It is measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to the expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on National Government Bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Regardless of the expected timing of settlements, provisions made in respect of employee benefits are classified as a current liability, unless there is an unconditional right to defer the settlement of the liability for at least twelve months after the reporting date, in which case it would be classified as a non-current liability.

### (iii) Retirement benefit obligations

All employees of the University of the Sunshine Coast are entitled to benefits on retirement, disability or death from the consolidated entity superannuation plan. The consolidated entity has a defined benefit section and a defined contribution section within its plan. The defined benefit section provides defined lump sum benefits based on years of service and final average salary. The defined contribution section receives fixed contributions from consolidated entity companies and the consolidated entity's legal or constructive obligation is limited to these contributions. The employees of the parent entity are all members of the defined contribution section of the consolidated entity's plan.

### (iv) Superannuation

The UniSuper Defined Benefit Division (DBD), which is the predominant plan within the University, is a defined benefit plan under superannuation law however, as a result of amendments to Clause 34 of the UniSuper Trust Deed; it is deemed a defined contribution plan under Accounting Standard AASB 119 *Employee Benefits*. The DBD receives fixed contributions from the consolidated entity and the consolidated entity's legal or constructive obligation is limited to these contributions. Additionally, any actuarial risk and investment risk falls on the consolidated entity's employees.

### (v) Termination Benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. The consolidated entity recognises termination benefits either when it can no longer withdraw the offer of those benefits or when it has recognised costs for restructuring within the scope of AASB137 *Provisions, Contingent Liabilities and Contingent Assets* that involves the payment of termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal of providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits not expected to be settled wholly before 12 months after the end of the reporting period are discounted to present value.

	Consolidated		Parent entity	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
<b>Note 12 Other liabilities</b>				
<b>Current</b>				
Income in Advance	593	14,698	593	14,698
Refund liabilities	214	280	214	280
Financial liabilities	1,810	-	1,810	-
Other liabilities	47	127	47	127
<b>Total current other liabilities</b>	<b>2,664</b>	<b>15,105</b>	<b>2,664</b>	<b>15,105</b>
<b>Non-current</b>				
Refund liabilities	23	-	23	-
<b>Total non-current other liabilities</b>	<b>23</b>	<b>-</b>	<b>23</b>	<b>-</b>

In 2019, any Australian Government unspent financial assistance amounts that are part of the contract liabilities in scope of AASB15 are now disclosed in note 2.6. For comparative purposes, all Australian Government unspent financial assistance amounts (including amounts that are now classified as contract liabilities) are presented in this note.

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Notes to the financial statements  
For the year ended 31 December 2019

	Consolidated		Parent entity	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
<b>Note 13 Reserves and retained earnings</b>				
<b>(a) Reserves</b>				
Property, plant & equipment revaluation reserve	146,170	159,922	146,170	159,922
Other financial assets at fair value through OCI reserve	45,279	28,663	45,279	28,663
<b>Total reserves</b>	<b>191,449</b>	<b>188,585</b>	<b>191,449</b>	<b>188,585</b>
<b>Movements</b>				
Property, plant & equipment revaluation reserve				
<b>Balance 1 January</b>	159,922	147,690	159,922	147,690
Revaluation - net	(13,754)	12,232	(13,754)	12,232
<b>Balance 31 December</b>	<b>146,168</b>	<b>159,922</b>	<b>146,168</b>	<b>159,922</b>
Other financial assets at fair value through OCI reserve				
<b>Balance 1 January</b>	28,663	15,507	28,663	15,507
Revaluation - net	16,616	13,156	16,616	13,156
<b>Balance 31 December</b>	<b>45,279</b>	<b>28,663</b>	<b>45,279</b>	<b>28,663</b>

## (b) Nature and purpose of reserves

The purpose of each reserve classified in Note 8 is to provide for the increment and decrement to disclosure as a result of valuation performed by an independent valuer, where applicable. Valuations may be performed in a desktop or detailed manner.

	Consolidated		Parent entity	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
<b>(c) Retained earnings</b>				
Movements in retained earnings were as follows:				
Retained earnings at 1 January	284,347	268,865	284,135	268,705
Effect of changes in accounting policy at 1 January	(17,610)	-	(17,610)	-
Net operating result for the year	19,865	15,482	19,909	15,430
<b>Retained earnings at 31 December</b>	<b>286,602</b>	<b>284,347</b>	<b>286,434</b>	<b>284,135</b>

Under the transitional or cumulative effect method of AASB15 disclosure, the cumulative effect has been shown as an adjustment to retained earnings at the date of initial application, 1 January 2019.



**Note 14 Key management personnel disclosures**

The following details for key executive management personnel include those positions that had authority and responsibility for planning, directing and controlling the activities of the University during 2019. Further information on these positions can be found in the body of the Annual Report.

**(a) Names of responsible persons and executive officers**

**Appointment / Election / Resigned / Retired /  
Term completed**

**Chancellor**

Air Chief Marshal Sir Angus HOUSTON AK, AFC (Ret'd)

**Deputy Chancellor**

Mr Scott WILLIAMS, AM, QDAH *Qld*, BEc, GradDipCompSc GradDipFinMangt, GradDipRurAcc  
*UNE*, Hon.DLitt *UNE*, FAICD

**Vice-Chancellor and President**

Professor Greg HILL, CertTeach *Kelvin Grove Teach.Coll.*, BA(Hons) *Qld*, PhD *Qld*.

Indicated retirement to occur in mid 2020

**Chairperson of the Academic Board**

Professor Tim WESS, BSc *Newc.*, PhD *Edin.* GradCert *C.Sturt* FRSA, PFHEA, FRSB, FRSN

**Six members appointed by the Governor in Council**

Ms Debra BENNET

Ms Sandra BIRKENSLEIGH, BCom *UNSW*, CA, CCP Fellow, GAICD

Mr David FOSTER, BAppSc *S.Qld.*, MBA *S.Cross*, SF Fin, GAICD

Dr Suzanne INNES, BA (Hons), BEdSt *Qld.*, GradCertTESOL *UNE*, MSchM EdD *C.Qld.*

Resigned 22 March 2019

Mr Scott WILLIAMS, AM, QDAH *Qld*, BEc, GradDipCompSc GradDipFinMangt,  
GradDipRurAcc *UNE*, Hon.DLitt *UNE*, FAICD

Ms Jacquelyn WRIGHT, BBus(Comp) *NTU*, Master of Computing Studies *Deakin*, GDipEd(Adult)  
*S.Aust.*, GDipEd(Primary) *NTU*

Term concluded 8 December 2019

Ms Jenny MORAWSKA, BA *Macq.*, DipEd *UTS*, GradDip Sci *ANU*, MSc *ANU*, MBA *Sunshine  
Coast*, GAICD

Appointed 25 July 2019 (previously in  
additional member category)

Mr Tim ROTHWELL, BA(Hons) *Newc*, FCA, MAICD

Appointed 9 December 2019 (previously in  
additional member category)

**Two members of the University's academic staff**

Professor Marion GRAY, OTDip, BOccTher *Otago Polytechnic*, MHSc, PhD PH *Otago*, Postdoc  
Fellow Washington DC USA, GCETT *JCU*

Associate Professor Mark SAYERS, BAppSci *CCAEE*, MAppSci *UC*, PhD *RMIT*, SFHEA

**One member of the University's full-time general staff**

Dr Ruth GREENAWAY, BA *W.Syd*, GradDipEd *NSW*, MLM *C.Qld*, PhD *Qld.UT*, SFHEA, GAICD

**Two members of the student body**

Ms Kirsty WALKER, BEd *Qld.UT*

Term concluded 8 December 2019

Mr Raymart Walker, BSc *Sunshine Coast*

Appointed 21 February (casual vacancy)  
Term concluded 8 December 2019

Ms Melissa Geltch

Appointed 9 December 2019

Mr Nathan Wellington

Appointed 9 December 2019

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Notes to the financial statements  
For the year ended 31 December 2019

## Note 14 Key management personnel disclosures (continued)

### Four additional members appointed by Council

Ms Melinda BRYANT, LLB, BBus, GradCertCreativeInd, *Qld.UT*, *GDLP Coll.Law*

Ms Jenny MORAWSKA, BA *Macq.*, DipEd *UTS*, GradDip Sci *ANU*, MSc *ANU*, MBA *Sunshine Coa* Until 24 July 2019

Mr Tim ROTHWELL, BA(Hons) *Newc*, FCA, MAICD Until 8 December 2019

Emeritus Professor Gerard SUTTON, AO, BE(Hons), MEngSc *UNSW*, PhD *CUA*, Hon DSc *UOW* Resigned 8 December 2019

Ms Katie Toney, BComn *Sunshine Coast* Appointed 2 August 2019

### Council officers

Further details of the University's Council Membership are located in the Governance Section of the Annual Report.

### Executive officers

<i>Position</i>	<i>Current Incumbents</i>
Vice-Chancellor & President	Prof Greg Hill
Deputy Vice-Chancellor, Academic	Prof Tim Wess
Deputy Vice-Chancellor, Research & Innovation	Prof Roland De Marco
Pro Vice-Chancellor, Engagement	Prof Joanne Scott
Pro Vice-Chancellor, International & Quality	Prof Robert Elliot
Chief Operating Officer	Dr Scott Snyder
Pro Vice-Chancellor, Students	Prof Denise Wood AM – commenced 23 September 2019

Note all position titles and incumbents are as at balance date.

### (b) Remuneration of Council Members, Executives and Key Management Personnel

Remuneration for the University's key executive management personnel is established in accordance with the approved delegations by Council to the Vice-Chancellor & President under the *University of the Sunshine Coast Act 1998* and the Senior Staff Remuneration Policy. The remuneration and other terms of employment for the key executive management personnel are specified in employment contracts. The contracts may provide for the provision of other benefits including motor vehicles.

Remuneration packages for key executive management personnel comprise the following components:

- Short term employee benefits which include:
  - Base – consisting of base salary, allowances and leave entitlements paid and provided for the entire year or for that part of the year during which the employee occupied the specified position. Amounts disclosed equal the amount expensed in the statement of comprehensive income.
  - Non-monetary benefits – consisting of provision of vehicle together with fringe benefits tax applicable to the benefit.
- Long term employee benefits include long service leave accrued.
- Post-employment benefits include superannuation.
- Redundancy payments are not provided for within individual contracts of employment. Contracts of employment provide only for notice periods or payment in lieu of notice on termination, regardless of the reason for termination.

Total fixed remuneration is calculated on a 'total cost' basis and includes the base and non-monetary benefits, long term employee benefits and post-employment benefits.

No Council Member is entitled to any Retirement Benefit arising from their role as a Council Member.

**Note 14 Key management personnel disclosures (continued)**

	Consolidated		Parent entity	
	2019 Number	2018	2019 Number	2018
<b>Remuneration of Council Members</b>				
None	-	-	-	-
<b>Remuneration of Executive Officers</b>				
\$80,000 to \$89,999	-	1	-	1
\$90,000 to \$99,999	1	-	1	-
\$260,000 to \$269,999	-	1	-	1
\$270,000 to \$279,999	-	2	-	2
\$340,000 to \$349,999	-	1	-	1
\$380,000 to \$389,999	-	1	-	1
\$390,000 to \$399,999	-	1	-	1
\$400,000 to \$409,999	2	-	2	-
\$460,000 to \$469,999	1	-	1	-
\$470,000 to \$479,999	-	1	-	1
\$490,000 to \$499,999	1	-	1	-
\$540,000 to \$549,999	-	1	-	1
\$540,000 to \$549,999	1	-	1	-
\$780,000 to \$789,999	-	1	-	1
\$840,000 to \$849,999	1	-	1	-

**(c) Key management personnel compensation**

	Consolidated		Parent entity	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Short-term employee benefits	2,844	3,290	2,844	3,290
Post-employment benefits	341	465	341	465
Other long-term benefits	65	75	65	75
<b>Total key management personnel compensation</b>	<b>3,250</b>	<b>3,830</b>	<b>3,250</b>	<b>3,830</b>

**(d) Performance payments**

The University did not have any key management personnel entitled to performance payments in 2019 (2018: Nil). No performance bonus has been agreed or paid in relation to subsequent years.

**(e) Loans to key management personnel**

No loans were made to any key management personnel during the period or in prior periods.

# Financial Statements

Notes to the financial statements  
For the year ended 31 December 2019

	Consolidated		Parent entity	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
<b>Note 15 Commitments</b>				
<b>(a) Capital commitments</b>				
Capital expenditure contracted for at the reporting date but not recognised as liabilities is as follows:				
<b>Property, plant and equipment</b>				
Within one year	17,785	88,774	17,785	88,774
Later than one year but not later than five years	165	10,386	165	10,386
Later than five years	-	-	-	-
<b>Total Property, plant and equipment</b>	<b>17,950</b>	<b>99,160</b>	<b>17,950</b>	<b>99,160</b>
<b>Total capital commitments</b>	<b>17,950</b>	<b>99,160</b>	<b>17,950</b>	<b>99,160</b>
<b>(b) Lease commitments at 31 December 2018</b>				
Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities payable:				
<b>Operating Leases</b>				
Within one year		4,121		4,121
Later than one year but not later than five years		13,838		13,838
Later than five years		26,819		26,819
<b>Total lease commitments</b>		<b>44,778</b>		<b>44,778</b>

## Note 16 Related parties

### (a) Parent entities

The ultimate Australian parent entity within the consolidated entity is the University of the Sunshine Coast which at 31 December 2019 owns 100% (2018:100%) of the issued ordinary shares of the Innovation Centre Sunshine Coast Pty Ltd (ICSC), USC Capital and Commercial Pty Ltd (C&C) (established in 2015) and Thompson Institute Pty Ltd (established in 2017).

### (b) Subsidiaries

The primary purpose of ICSC is to provide regional leadership and support for new business designed to create wealth and generate employment on the Sunshine Coast.

Controlled entities comparative figures	2019 \$'000	2018 \$'000
Total assets	375	368
Total liabilities	263	211
Total revenue	1,061	958
Operating result for the reporting period	-44	33

The objective of C&C is to enter into and manage commercial arrangements. C&C did trade in 2019 (No trade in 2018)

The objective of Thompson Institute Pty Ltd is to advance the research health agenda. Thompson Institute Pty Ltd did not trade in 2019 (no trade in 2018).

University maintains and manages all insurance policies as required by the controlled entities. The University has lease arrangements with ICSC in relation to the space occupied in the Incubator and Accelerator. The controlled entities are dependent on funding provided by the University. Funding support has been agreed to by the University for the 2020 financial year for those entities anticipated to trade.

### (c) Key management personnel, Directors and specified executives

Directors of ICSC who were also key management personnel of the University during 2019 (or part thereof) are:

Professor Roland DE MARCO Second (2 year) term confirmed on 26 September 2018

**Note 16 Related parties (continued)**

Directors of C&C who are also key management personnel of the University are:

Dr Scott SNYDER

Directors of Thompson Institute Pty Ltd who are also key management personnel of the University are:

Air Chief Marshal Sir Angus HOUSTON  
Professor Greg HILL

Refer to note 14 for key management personnel of the consolidated entity.

**(d) Transactions with related parties**

The University purchases goods and services from external parties on behalf of ICSC for which it is subsequently reimbursed. No fee is charged in relation to this arrangement. The University also provides a grant for ICSC to expend in an approved manner. For the period until 31 December 2019 ICSC received \$250,000 (2018: \$250,000). The University has lease arrangements with the wholly owned subsidiary ICSC in relation to the space occupied in the Incubator and Accelerator.

In 2019 the University provided a loan to C&C of \$60K to enable the provision of a loan for the same value to the Sunshine Coast Lightning Pty Ltd.

The Vice-Chancellor & President held the position of Director of the IDP Education Australia Limited Board.

During the financial year, the University employed close family members of a KMP in casual roles. The recruitment of those staff followed standard University policies for the selection of candidates, and remuneration of casuals, in the University.

In relation to related party transactions outside that of the University's controlled entities the following has occurred:

The following transactions occurred with related parties, excluding controlled entities:	Consolidated		Parent entity	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
<b>Sale of goods and services</b>				
Transactions are in relation to the provision of goods and services by the University for the general operations of the entity.	68	92	68	92
<b>Purchase of goods and services</b>				
Transactions are in relation to the provision of goods and services for IT operations of the university.	688	399	688	399
Transactions are in relation to the provision of goods and services for events staged by the university.	277	185	-	-

**(e) Outstanding balances**

As at 31 December 2019, the wholly owned subsidiary ICSC owed the University an amount of \$42,640 (2018: \$33,200) and C&C an amount of \$60,004 (2018: \$4) through normal intercompany arrangements.

No provision for doubtful debts has been raised in relation to any outstanding balances, and no expense has been recognised in respect of bad or doubtful debts due from related parties.

No other loans were made between the University and any related parties other than the \$60K loan with C&C.

# Financial Statements

## Notes to the financial statements

For the year ended 31 December 2019

### Note 17 Joint operations

USC is a partner together with Sunshine Coast Hospital and Health Service (SCHHS), TAFE Queensland, and Griffith University in the operation of the Sunshine Coast Health Institute (SCHI). The SCHI operates as an unincorporated joint operation under a Joint Venture Agreement (JVA), based at the Sunshine Coast University Hospital.

The primary aims of the SCHI are to advance the education of trainee medical officers, nurses, midwives and other health care professionals, whilst providing outstanding patient care and extending research knowledge.

USC has a 23.7% (2018: 23.7%) interest in the SCHI. Griffith University became a partner on 1 October 2017 taking up a 23.7% interest in the SCHI. Each joint operator has rights and obligations to the assets, liabilities, revenue and expenses of the SCHI according to their interest in the joint operation. Under the JVA, the joint operators contribute to the running costs of the SCHI at set percentage allocations, which are a reflection of the relative space and resource utilisation of each joint operator under the Agreement.

All joint operators have equal decision-making rights, irrespective of the underlying interests.

The assets of SCHI include specialist equipment to facilitate medical research and teaching, in addition to the building fitout within the shared joint operation areas.

The financial impacts of the SCHI, as they relate to USC, are included within the main statements of USC. Summary information about the SCHI is as follows:

	SCHI	USC's Share	SCHI	USC's Share
	2019	2019	2018	2018
	\$'000	\$'000	\$'000	\$'000
Total income	2,963	702	2,879	684
Total expenses	4,093	970	4,010	952
<b>Total comprehensive result</b>	<b>(1,130)</b>	<b>(268)</b>	<b>(1,131)</b>	<b>(268)</b>
Current assets	694	164	1,508	331
Non-current assets	17,049	4,041	17,694	4,193
<b>Total assets</b>	<b>17,743</b>	<b>4,205</b>	<b>19,202</b>	<b>4,524</b>
Current liabilities	652	154	891	196
<b>Total liabilities</b>	<b>652</b>	<b>154</b>	<b>891</b>	<b>196</b>
<b>Net assets</b>	<b>17,091</b>	<b>4,051</b>	<b>18,311</b>	<b>4,328</b>

### Note 18 Events occurring after the balance sheet date

There are no other events that have occurred after the balance sheet date that may significantly affect the operations of the University or the consolidated entity, the results of those operations or the state of affairs of the University in future financial years.

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Notes to the financial statements  
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	Consolidated		Parent entity	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
<b>Note 19 Reconciliation of operating result after income tax to net cash flows from operating activities</b>				
Operating result for the period	19,865	15,482	19,909	15,430
Depreciation and amortisation	16,877	13,503	16,865	13,491
Non-cash donations	(71)	(345)	(71)	(345)
Net (gain) / loss on sale of non-current assets	223	127	223	127
(Increase) / decrease in trade and other receivables	(19,232)	(3,114)	(19,145)	(2,920)
(Increase) / decrease in other assets	(247)	(1,906)	(234)	(1,926)
(Decrease) / increase in trade and other payables	691	954	669	887
(Decrease) / increase in other liabilities	17,481	6,115	17,481	6,115
(Decrease) / increase in provisions	1,859	3,757	1,851	3,750
Net cash provided by / (used in) operating activities	<b>37,446</b>	<b>34,573</b>	<b>37,548</b>	<b>34,609</b>

## Reconciliation of operating result after income tax to net cash flows from financing activities

(Decrease) / increase in borrowings	48,238	5,100	48,238	5,100
(Decrease) / increase in lease liabilities	33,571	-	33,571	-
Net cash provided by / (used in) financing activities	<b>81,809</b>	<b>5,100</b>	<b>81,809</b>	<b>5,100</b>

## Note 20 Financial risk management

The consolidated entity's activities expose the consolidated entity to a variety of financial risks, including: market risk, credit risk, and liquidity risk.

The Council has overall responsibility for the establishment and oversight of the risk management framework. The Council has established the Audit and Risk Management Committee, which oversees how management monitors compliance with the consolidated entity's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the consolidated entity. The Audit and Risk Management Committee are assisted in its oversight role by Internal Audit.

Risk management policies are established to identify and analyse the risks faced by the consolidated entity, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies are reviewed regularly to reflect changes in market conditions of the consolidated entity's activities.

### (a) Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the consolidated entity's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising return.

The consolidated entity does not hold any derivatives or other financial liabilities related to the management of market risk.

#### (i) Foreign exchange risk (currency risk)

The currency in which the consolidated entity's activities and associated transactions are conducted is primarily the Australian dollar (AUD). As such, the consolidated entity's exposure to currency risk on sales, purchases and borrowings is minimal.

#### (ii) Price risk

As the consolidated entity has not entered into any complex financial arrangements any exposure to price risk is immaterial.

#### (iii) Cash flow and fair value interest rate risk.

The consolidated entity's investment policy is to only invest with; major banking institutions, Queensland Treasury Corporation (QTC) and other Government associated entities, and to only borrow from QTC and other Government associated entities.

The consolidated entity's current portfolio of investments consists of floating and fixed rate investments in the form of cash holdings with three major banking institutions, deposits held with QTC in a Capital Guaranteed Cash Fund, and a limited number of shares. The Capital Guaranteed Cash Fund enables USC to invest surplus funds in the short-term money market. The fund is run on a similar basis to a cash management account, with customers' deposits pooled together to take advantage of the more attractive interest rates and economies of scale available for larger investments with floating rate exposure.

# Financial Statements

## Notes to the financial statements

For the year ended 31 December 2019

The consolidated entity's current portfolio of borrowings consists of fixed rate funding sourced through QTC and the Commonwealth Government. For interest rates applicable to each class of asset or liability refer to individual notes to the financial statements. For further details regarding interest rate risk refer to Note 20(c).

### *iv) Interest Rate Sensitivity Analysis*

Interest rate sensitivity analysis evaluates the outcome on operating result or equity if interest rates would change by +/- 1 per cent from the year end rates applicable to the University's financial assets and liabilities. With all other variables held constant, the University would have a surplus and equity increase/ (decrease) of \$1m (2018: \$1 million).

### **(b) Credit risk**

Credit risk is the risk of financial loss to the consolidated entity if a customer fails to meet its contractual obligations and arises principally from the consolidated entity's receivables from customers and, for the parent entity, receivables due from subsidiaries.

The carrying amount of the consolidated entity's financial assets represents the maximum credit exposure.

#### *Receivables*

Credit risk is managed at group level subject to the consolidated entity's established policy, procedures and control relating to credit risk management. Credit quality of a customer is assessed based on individual credit limits. Outstanding receivables are regularly monitored.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in the notes above.

The consolidated entity evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

#### *Investments*

The consolidated entity has limited the majority of its exposure to credit risk by only investing in liquid securities with QTC or other Industry initiatives. The consolidated entity holds a limited number of shares carried at fair value.

### **(c) Liquidity risk**

Liquidity risk is the risk that the consolidated entity will not be able to meet its financial obligations as they fall due. The consolidated entity's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the consolidated entity's reputation.

The consolidated entity uses past trend analysis and commitments reporting to assist in monitoring cash flow requirements and optimising its cash return on investments. Typically, the consolidated entity ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 90 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.



Financial Statements  
Notes to the financial statements  
For the year ended 31 December 2019

The following tables summarise the maturity of the consolidated entity's financial assets and liabilities:

31 December 2019	Average interest rate	Variable interest rate	1 Year or less	1 year to 5 years	Over 5 years	Non interest bearing	Total
	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>							
Cash and cash equivalents	1.61	104,564	-	-	-	-	104,564
Receivables	-	-	-	-	-	9,971	9,971
Other financial assets	-	-	-	-	-	45,633	45,633
<b>Total financial assets</b>		<b>104,564</b>	-	-	-	<b>55,604</b>	<b>160,168</b>
<b>Financial Liabilities</b>							
Trade and other payables	-	-	-	-	-	10,299	10,299
Borrowings	3.02	-	3,028	23,850	69,726	-	96,604
Lease Liabilities	5.00	-	2,709	12,490	18,372	-	33,571
Contract liabilities	-	-	24,243	5,656	-	-	29,899
<b>Total financial liabilities</b>		-	<b>29,980</b>	<b>41,996</b>	<b>88,098</b>	<b>10,299</b>	<b>170,373</b>

31 December 2018	Average interest rate	Variable interest rate	1 Year or less	1 year to 5 years	Over 5 years	Non interest bearing	Total
	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>							
Cash and cash equivalents	2.73	99,882	-	-	-	10	10
Receivables	-	-	-	-	-	8,348	8,348
Other financial assets	-	-	-	-	-	28,856	28,856
<b>Total financial assets</b>		<b>99,882</b>	-	-	-	<b>37,214</b>	<b>37,214</b>
<b>Financial Liabilities</b>							
Trade and other payables	-	-	-	-	-	9,608	9,608
Borrowings	4.15	-	1,616	10,551	-	-	10,551
<b>Total financial liabilities</b>		-	<b>1,616</b>	<b>10,551</b>	-	<b>9,608</b>	<b>20,159</b>

# Financial Statements

Notes to the financial statements  
For the year ended 31 December 2019

## 21 Acquittal of Australian Government financial assistance 21a Education – CGS and Other Education Grants

		Parent entity (HEP) ONLY					
		Commonwealth Grant Scheme #1		Access and Participation Fund		Promotion of Excellence in Learning and Teaching	
Note		2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
	Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)	109,807	101,462	2,135	2,240	-	80
	Net accrual adjustments	(194)	(286)	-	-	-	-
2.1a	Revenue and income for the period	109,613	101,176	2,135	2,240	-	80
	Surplus / (deficit) from previous year	-	-	-	-	61	126
	Total revenue and income including accrued revenue	109,613	101,176	2,135	2,240	61	206
	Less expenses including accrued expenses	109,613	101,176	2,135	2,240	61	145
	Surplus / (deficit) for reporting period	-	-	-	-	-	61
		Disability Performance Funding #2		Indigenous Student Success Program #3		TOTAL	
		2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
	Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)	74	75	1,545	1,511	113,561	105,368
	Net accrual adjustments	61	-	-	-	(133)	(286)
2.1a	Revenue and income for the period	135	75	1,545	1,511	113,428	105,081
	Surplus / (deficit) from previous year	-	-	-	217	61	343
	Total revenue and income including accrued revenue	135	75	1,545	1,728	113,489	105,424
	Less expenses including accrued expenses	135	75	1,545	1,728	113,489	105,363
	Surplus / (deficit) for reporting period	-	-	-	-	-	61

#1 Includes the basic CGS grant amount, CGS – Regional Loading, CGS – Enabling Loading, Allocated Places, Non Designated Courses and CGS – Special Advances from Future Years.

#2 Disability Performance Funding includes Additional Support for Students.

#3 Indigenous Student Success Program has replaced the Indigenous Commonwealth Scholarships Program and the Indigenous Support Program as of 1 January 2017.

## 21 Acquittal of Australian Government financial assistance (continued) 21b Higher Education Loan Programs (excluding OS-HELP)

		Parent entity (HEP) ONLY					
		HECS-HELP (Australian Government payments only)		FEE-HELP #4		SA-HELP	
Note		2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
	Cash Payable / (Receivable) at beginning of year	-	251	-	(140)	-	-
	Financial assistance received in Cash during the reporting period	64,361	62,264	1,652	2,244	2,811	2,309
	Cash available for period	64,361	62,515	1,652	2,104	2,811	2,309
2.1b	Revenue and income earned	64,212	62,515	1,758	2,104	2,507	2,309
	Cash Payable / (Receivable) at end of year	149	-	(106)	-	304	-

#4 VET Student Loan Program is not required to be acquitted here.

# Financial Statements

Notes to the financial statements  
For the year ended 31 December 2019

**Note 21 Acquittal of Australian Government financial assistance (continued)**  
**21c Department of Education and Training Research #5**

Parent entity (HEP) ONLY						
	Research Training Program		Research Support Program		TOTAL	
Note	2019	2018	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)	3,113	2,777	3,960	3,226	7,073	6,003
Net accrual adjustments	-	-	-	-	-	-
Revenue for the period	2.1c 3,113	2,777	3,960	3,226	7,073	6,003
Surplus / (deficit) from previous year	-	-	-	-	-	-
Total revenue including accrued revenue	3,113	2,777	3,960	3,226	7,073	6,003
Less expenses including accrued expenses	3,113	2,777	3,960	3,226	7,073	6,003
Surplus / (deficit) for reporting period	-	-	-	-	-	-

#5 Reported surplus for Research Block Grants is considered a request to the Secretary of the Australian Government Department of Education to be rolled over for future expenditure.

No surpluses for 2019 are expected to be returned to the Department of Education and Training.

**Total Higher Education Provider Research Training Program expenditure #6**

	Total domestic students	Total overseas students
	\$'000	\$'000
Research Training Program Fees offsets	1,510	79
Research Training Program Stipends	1,259	227
Research Training Program Allowances	33	5
<b>Total for all types of support #7</b>	<b>2,802</b>	<b>311</b>

#6 Please refer to the Commonwealth Scholarship Guidelines for expenditure definitions for the Research Training Program

#7 The total for all types of support for domestic and overseas students is expected to match the Research Training Program expenses, including accrued expenses.

**21d Australian Research Council Grants**

Parent Entity (HEP) ONLY						
	Discovery		Linkages		TOTAL	
Note	2019	2018	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)	1,376	1,531	534	959	1,910	2,489
Net accrual adjustments	(1,015)	-	(447)	-	(1,462)	-
Revenue for the period	2.1d 361	1,531	87	959	447	2,489
Surplus / (deficit) from previous year	929	460	712	412	1,641	872
Total revenue including accrued revenue	1,290	1,991	799	1,371	2,088	3,361
Less expenses including accrued expenses	1,123	1,062	738	659	1,861	1,721
Surplus / (deficit) for reporting period	167	929	61	712	228	1,641

# Financial Statements

Notes to the financial statements  
For the year ended 31 December 2019

## Note 21 Acquittal of Australian Government financial assistance (continued)

### 21e OS - HELP

#### Parent entity (HEP) ONLY

	Note	2019 \$'000	2018 \$'000
Cash received during the reporting period		883	1,049
Cash spent during the reporting period		943	1,039
Net cash received		(60)	10
Cash surplus / (deficit) from previous period		502	492
Cash surplus / (deficit) for reporting period	9	<u>442</u>	<u>502</u>

### 21f Student Services and Amenities Fee

	Note	2019 \$'000	2018 \$'000
Unspent / (overspent) revenue from previous period		1,366	1,414
SA-HELP Revenue Earned	2.1b	2,506	2,309
Student Services and Amenities Fees direct from Students	2.3	978	872
Total revenue expendable in period		4,850	4,595
Student Services expenses during period		(3,568)	(3,229)
Unspent / (overspent) Student Services Revenue		<u>1,282</u>	<u>1,366</u>

Financial Statements  
Statement of Certification  
For the year ended 31 December 2019

We have prepared the annual financial statements pursuant to the provisions of the *Financial Accountability Act 2009*, the *Financial and Performance Management Standard 2019* and other prescribed requirements and we certify that –

- (a) the financial statements agree with the accounts and records of the University of the Sunshine Coast and its controlled entities; and
- (b) in our opinion –
  - (i) the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects;
  - (ii) the financial statements have been drawn up to present a true and fair view of the transactions of the University of the Sunshine Coast and its controlled entities for the financial year ended 31 December 2019, and of the financial position as at 31 December 2019 in accordance with prescribed accounting standards and conform with the Guidelines for the Preparation of Annual Financial Statements issued by the Australian Government Department of Education;
  - (iii) at the time of this Certificate there are reasonable grounds to believe that the University will be able to pay its debts as and when they fall due;
  - (iv) the amount of Australian Government financial assistance expended during the year was for the purpose(s) for which it was intended and the University of the Sunshine Coast has complied with applicable legislation, contracts, agreements and program guidelines in making expenditure;
  - (v) the University of the Sunshine Coast charged Student Services and Amenities Fees strictly in accordance with the *Higher Education Support Act 2003* and the Administration Guidelines made under the Act. Revenue from the fee was spent strictly in accordance with the Act and only on services and amenities specified in subsection 19-38(4) of the Act.

Air Chief Marshal Sir Angus Houston AK, AFC (Ret'd)  
Chancellor  
University of the Sunshine Coast

20 February 2020

Professor Greg Hill  
Vice-Chancellor and President  
University of the Sunshine Coast

20 February 2020

Dr Scott Snyder  
Chief Operating Officer  
University of the Sunshine Coast

20 February 2020

# Financial Statements

Independent Auditor's Report

For the year ended 31 December 2019

To the Council of the University of the Sunshine Coast

## Report on the audit of the financial report

### Opinion

I have audited the accompanying financial report of the University of the Sunshine Coast (the parent) and its controlled entities (the group).

In my opinion, the financial report:

- a) gives a true and fair view of the parent's and group's financial position as at 31 December 2019, and their financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the *Financial and Performance Management Standard 2019*, the *Australian Charities and Not-for-profits Commission Act 2012*, the *Australian Charities and Not-for-profits Commission Regulation 2013* and Australian Accounting Standards.

The financial report comprises the statements of financial position as at 31 December 2019, the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the certificate given by the Chancellor, Vice-Chancellor and President and Chief Operating Officer.

### Basis for opinion

I conducted my audit in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

I am independent of the parent and group in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and with the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General of Queensland Auditing Standards*.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial report of the current period. I addressed these matters in the context of my audit of the financial report as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

#### *Valuation of buildings (\$277.2 million) – Note 8*

Key audit matter	How my audit addressed the key audit matter
<p>Buildings (consisting primarily of specialised buildings) were material to the University of the Sunshine Coast at balance date and were measured at fair value using the current replacement cost method that comprises:</p> <ul style="list-style-type: none"> <li>• gross replacement cost, less</li> <li>• accumulated depreciation.</li> </ul> <p>The University performs a comprehensive revaluation of all of its buildings every five years, or whenever a material variation is expected to have occurred, with desktop valuations conducted in the intervening period. A comprehensive valuation was conducted in 2019 by an external valuation specialist for all buildings.</p> <p>The University derived the gross replacement cost of its buildings at balance date using unit prices that required significant judgements for:</p> <ul style="list-style-type: none"> <li>• identifying the components of buildings with separately identifiable replacement costs</li> <li>• developing a unit rate for each of these components, including: <ul style="list-style-type: none"> <li>– estimating the current cost for a modern substitute (including locality factors and on-costs), expressed as a rate per unit (e.g. \$/square metre)</li> <li>– identifying whether the existing building exhibits obsolescence or less utility compared to the modern substitute, and if so estimating the adjustment to the unit rate required to reflect this difference.</li> </ul> </li> </ul> <p>The measurement of accumulated depreciation involved significant judgements for forecasting the remaining useful lives of building components.</p> <p>The significant judgements required for gross replacement cost and useful lives are also significant for calculating annual depreciation expense.</p>	<p>My procedures included, but were not limited to:</p> <ul style="list-style-type: none"> <li>• assessing the adequacy of management's review of the valuation process</li> <li>• obtaining an understanding of the methodology used and assessing its design, integrity and appropriateness using common industry practices</li> <li>• assessing the competence, capability and objectivity of the valuation specialist</li> <li>• on a sample basis, evaluating the relevance, completeness, and accuracy of source data used to derive unit costs including: <ul style="list-style-type: none"> <li>– modern substitute</li> <li>– adjustment for excess quality or obsolescence</li> </ul> </li> <li>• assessing the ongoing reasonableness of the asset useful lives by: <ul style="list-style-type: none"> <li>– reviewing management's annual assessment of useful lives</li> <li>– assessing the appropriateness of useful lives where assets were disposed of prior to the end of their useful lives</li> <li>– reviewing assets with an inconsistent relationship between condition and remaining life</li> </ul> </li> <li>• performing reasonableness tests to confirm depreciation is calculated in accordance with the University's accounting policies and industry standards.</li> </ul>

# Financial Statements

## Independent Auditor's Report

For the year ended 31 December 2019

### Other information

Other information comprises the information included in the University of the Sunshine Coast's annual report for the year ended 31 December 2019 but does not include the financial report and my auditor's report thereon.

Those charged with governance are responsible for the other information.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report and my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this information,

I am required to report this fact. I have nothing to report in this regard.

### Responsibilities of the entity for the financial report

The Council is responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Financial Accountability Act 2009*, the *Financial and Performance Management Standard 2019*, the *Australian Charities and Not-for-profits Commission Act 2012*, the *Australian Charities and Not-for-profits Commission Regulation 2013* and Australian Accounting Standards, and for such internal control as the Council determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The Council is also responsible for assessing the parent's and group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the parent or group or to otherwise cease operations.

### Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the parent's and group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the group.
- Conclude on the appropriateness of the parent's and group's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent's or group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the parent or group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the audit of the group. I remain solely responsible for my audit opinion.

I communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

From the matters communicated with the Council, I determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on other legal and regulatory requirements

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 31 December 2019:

- a) I received all the information and explanations I required.
- b) In my opinion, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.



Michelle Reardon  
as delegate of the Auditor-General

21 February 2020

Queensland Audit Office  
Brisbane

Innovation Centre Sunshine Coast Pty Ltd ACN 094 885 177

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## INNOVATION CENTRE SUNSHINE COAST CHAIRMAN'S INTRODUCTION

The Innovation Centre Sunshine Coast (ICSC) is fortunate to be an organisation that has received a great deal of support from its founding owner USC, along with the regional economic community, three levels of government, sponsors, and the businesses and the citizens of the Sunshine Coast. As this Report shows, the ICSC has built on that support in bringing energy and drive to the benefit of a significant number of stakeholders. These range from entrepreneurially minded USC students and staff, local and international startup companies and their investors, policy makers and legislators and those Sunshine Coasters who are interested and involved in the development of a knowledge-led regional economy. The Board of Directors greatly values the energy and expertise of CEO Mark Paddenburg and the company's staff, mentors, partners and sponsors. They make good things happen, and our members, clients and our stakeholders are the winners.

On behalf of the Directors, and our Shareholder, I commend this Report to the reader.

*Dr Peter Isdale AM*  
Chairman of Directors

## INNOVATION CENTRE SUNSHINE COAST DIRECTORS' REPORT

As we close in on 17 years of operations, it's rewarding to see how the ICSC has evolved from a small innovation hub into one of the most successful regional business accelerators in Australia.

None of this would have been possible without USC's leadership back in 2000 and the continuing efforts of our community who have powered us from the very start. It is this strong backing and support that provides us with the added confidence to be audacious in our tactics, bold in our vision and courageous in new program development and stakeholder services.

Entrepreneurial activity and regional development are positively correlated, providing employment and wealth-creation opportunities, as well as enhancing the quality of the infrastructure and social environment. Since 2002 the ICSC and its 280 members have contributed over \$60 million in regional economic impact (*AEC Report 2015*), created over 1,100 jobs and 300 student placements.

This report provides an update on the Innovation Centre's important work, and the impacts that we've had during 2019. We look forward to continuing to work with you to maximise our impact and ensure we keep supporting our stakeholders to achieve commercial success.

The ICSC respectfully acknowledges the Kabi Kabi people and their Elders – past, present and future – on whose lands the Innovation Centre is based.

*The ICSC - Where Innovation Lives & Entrepreneurs Thrive*

# Innovation Centre Sunshine Coast Pty Ltd

## Directors' Report

For the year ended 31 December 2019

### DIRECTORS:

The names of the Directors of the ICSC in office during the reporting year are as follows:

Director	Term	Experience
<b>Dr Peter Isdale AM, PhD (JCU), BA (Hons) (JCU), MAICD. ICSC Chairman from 1 January 2017.</b>	From: 01/09/2016	Former scientist, corporate CEO, Chair or Deputy of eight organisations and professional company director
<b>Ms Julie-Anne Mee, BBus (CQU); MAdmin, (GU); FCPA, MAICD, Company Secretary (ICSC)</b>	From: 07/12/2010	Qualified accountant, management / company director roles and former USC Council member
<b>Dr Kirsten Baulch, MBBS FRACGP (UQ); GCBA (QUT)</b>	From: 19/06/2012	Qualified general practitioner, Founder and Medical Director of Medimobile P/L
<b>Professor Roland De Marco, PhD (La Trobe), MSc / BSc (RMIT), MRACI</b>	From: 24/02/2016	Deputy Vice-Chancellor (Research and Innovation, USC) and various board and advisory roles
<b>Mr Mark Ferris, BA, LL.B</b>	From: 21/22017	Commercial lawyer, startup founder, business development, strategy, angel investor & business mentor
<b>Ms Jenny Morawska, BA Macq., DipEd UTS, GDip Sc ANU, MSc ANU, MBA USC</b>	From: 5/12/2019	President and CEO of The Morawska Group. Member of the USC Council

### ICSC BOARD MEETINGS, DIRECTORS & CEO ATTENDANCE:

Seven (7) meetings of the ICSC Board were held this year with meetings attendance summary:

Attendee	Eligible to attend	Attended	Location
<b>Dr Peter Isdale</b>	7	7	ICSC Boardroom
<b>Professor Roland De Marco</b>	7	6	ICSC Boardroom
<b>Ms Julie-Anne Mee</b>	7	7	ICSC Boardroom
<b>Dr Kirsten Baulch</b>	7	5	ICSC Boardroom
<b>Mr Mark Ferris</b>	7	6	ICSC Boardroom
<b>Ms Jenny Morawska</b>	1	0	ICSC Boardroom
<b>Mr Mark Paddenburg (CEO)</b>	7	7	ICSC Boardroom

Directors' interests in shares and options of the Company as at 31 December 2019 were nil (2018 nil).

### PRINCIPAL ACTIVITIES:

The ICSC was established in October 2000 by under the *University of the Sunshine Coast Act 1998* with an independent Board. With financial backing from the State and Commonwealth Government, the ICSC became operational in 2002 with a mission to support the startup and growth of knowledge-based businesses and to promote beneficial interaction between these businesses and USC. The ICSC operates a 1,700-square metre business incubator and accelerator facility on the USC campus at Sippy Downs on the Sunshine Coast. It provides business development programs, high quality mentoring, investment readiness, commercialisation pathways and connections to early stage capital, extensive networking opportunities, high-speed fibre/wireless connections, flexible office space, video studio, prototyping / design lab, and collaborative links and programs with USC research, staff and students.

## **REVIEW AND RESULTS OF OPERATIONS:**

In 2019, the ICSC attracted 43 new member companies (32 new members in 2018) and a cumulative total of over 280 members since establishment.

For the year ended 31 December 2019, the ICSC had total income of \$1,062,037 (\$957,595 in 2018), a net operating loss of \$44,408 (profit of \$32,996 in 2018) and has year-end total equity (retained earnings) of \$112,430. The year has not been without its challenges, with the ICSC experiencing a lower occupancy rate and increased operational costs.

## **KEY ICSC STRATEGIC PRIORITIES IN 2019 INCLUDED:**

1. Provide catalytic business development programs, support and connections;
2. Deliver high calibre facilities, services and programs to members and stakeholders
3. Facilitated connections and support for USC staff, researchers and students; and
4. Agility, resources and capacity to make a quantifiable impact.

## **2019 ICSC MEMBER AND ALUMNI HIGHLIGHTS INCLUDE:**

- Servatus' new purpose built \$10 million biotech facility at Coolum Industrial Estate will be completed in February 2020
- ICSC Alumni member, Terragen Biotech moved to their new premises at Coolum Industrial Estate mid-2019 and also raised \$20 million in November 2019 as part of their IPO capital
- Medifarm officially opened their state-of-the-art medicinal cannabis facility on the Sunshine Coast and is now in full production
- Rachel Downie, Founder of Stymie, now services almost 300 schools in Australia and was named 2020 QLD Australian of the Year
- PointDuty attracted Steve Baxter to their share registry, facilitating global expansion plans
- Near Field Creative received new investment from Leanne Kemp via Everledger and will manage the NFC donations platform for the St Vincent De Paul's 2020 Sleep Out event
- ICSC Alumni members Sunshine Coast Cider, Bonafides Broth, Your Mates Brewing and KokoPod all moved to larger commercial facilities (combined capex of over \$A3.4million)
- Urban Institute secured the SunCentral smart city dashboard contract and has a growing national and international customer base.
- ICSC health care member SunnyStreet (an AHx graduate) has moved into an ICSC office to cater for its growing team with plans to expand from SEQ to a national footprint in 2020
- Aquiba has moved from smart water meter commercialisation phase to full production
- MicroHarvest has launched their seedling production facility, secured trial customers and they will also be featured at the National AgTech Summit in 2020
- Strucket has sold over 12,000 products (self-straining buckets) since launching late 2018 and the self-training bucket is now entering numerous export markets
- Hive Haven (founded by a USC MBA student) has their innovative beehive in farms across the country and is also exclusively located at the Parliament House precinct in Canberra
- ICSC alumni member IDcare has become Australia and New Zealand's leading national identity and cyber support service with 40+ dedicated local counsellors servicing Australia and responding to over 70,000 people per annum affected by increasingly sophisticated online scams and the misuse of identity information
- IDcare, Terragen Biotech and Servatus have all undertaken significant research activity with USC as part of separate, mutually beneficial commercial arrangements. These companies have also employed over 20 USC students and researchers.



# KPI DASHBOARD

## JAN - DEC 2019

### Memberships

Occupancy (average rate)

93%



New Members

43



Innovation Enquires

71



### Employment

17 NEW RECRUITS  
by member companies



73 STAFF EMPLOYED  
by member companies



280 MEMBER COMPANIES  
at the Innovation

### Growth

data captured  
from 41% of  
current members

82  
BUSINESS  
EVENTS



\$950K  
EXPORT  
SALES



\$30.5M  
INVESTMENT



576  
MENTOR  
HOURS

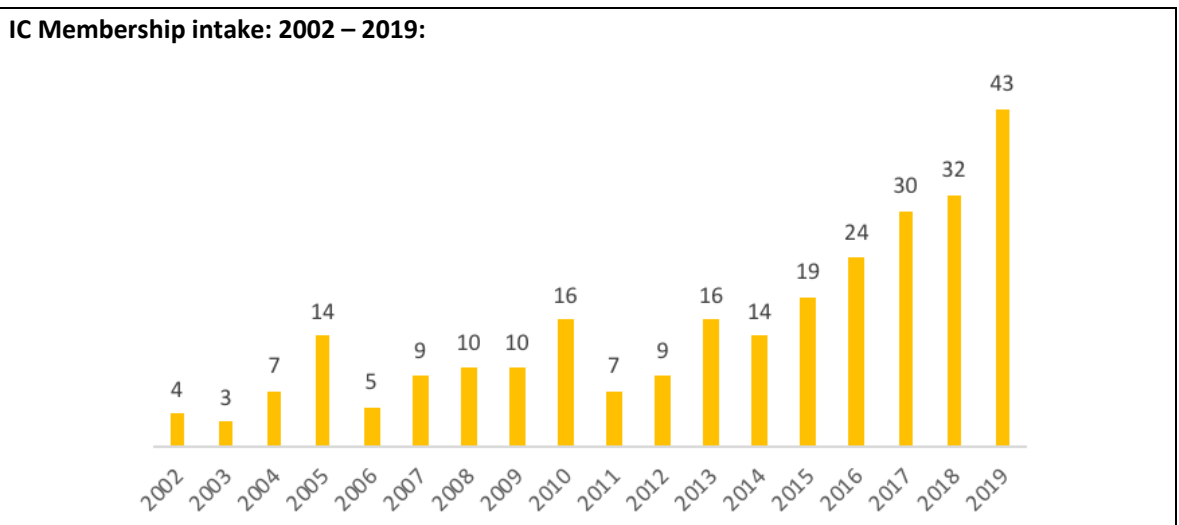


77  
COLLABORATION  
OPPORTUNITIES



In 2019 the ICSC delivered more than 850 hours of tailored programs, mentoring, new business advisor services and expanded #SCRIPT (Sunshine Coast Regional Innovation Program Team) capability to assist our members, local entrepreneurs and students. The ICSC also assisted with member connections and new deal flow via the SunCoast Angels Network and other early stage capital providers such as Transition Level Investments (Steve Baxter), Wholesale Investor (Steve Torso) and Everledger (Leanne Kemp).

The ICSC has welcomed a record 43 new members, hundreds of business owners, community leaders and students into the ICSC through a range of events to ensure we continue to play our part in assisting entrepreneurs and fueling innovation in the region.



In addition, the ICSC was invited to participate in various Innovation Summits and Forums (ie UnityWater, Sunshine Coast Council, USC) and management continue to actively trial new capacity building initiatives to better support local innovation pipeline opportunities.

The ICSC also presented directly to various researchers, student groups and guest lectures to assist with specific USC capacity building, commercialisation pathways and student employability. The ICSC also featured a series of USC students/founders achieving commendable outcomes and amazing connections.

Their stories can be seen at [innovationcentre.com.au/news-2/](http://innovationcentre.com.au/news-2/) Other ICSC activities, services, members and partners are fully detailed at [innovationcentre.com.au](http://innovationcentre.com.au)

**IC Premium Service Providers:**

# Innovation Centre Sunshine Coast Pty Ltd

Directors' Report

For the year ended 31 December 2019

	<p><b>Australian Health Accelerator (AHx) Program</b></p> <p>The new AHx business program commenced in October 2018, funded by the ICSC, the Commonwealth Incubator Support initiative, #SCRIPT and with significant in-kind support from the Sunshine Coast Health Institute, HealthTech Innovation Queensland and USC.</p> <p>To date, 25 member companies have been assisted, 24 new jobs created (186 percent increase in FTEs), \$8.3 million raised – new capex investment and 28 percent increase in customer numbers.</p> <p>Cohort two are at the half-way point of the program and we anticipate cohort three will commence by May 2020.</p> <p>AH-x enables 12 startup founders in the health, well-being and med-tech sector to rapidly develop and scale their ventures. Our Program Delivery partner is ImpactXHealth.</p>
	<p><b>GrowCoastal Food Accelerator Program</b></p> <p>Since 2017 this program has assisted 37 local businesses and 56 co-founders (54 percent female), members have created 51 new jobs (147 percent growth), over \$3 million in new capital has been invested, enabling revenue growth of 22 percent and customer growth of 121 percent.</p> <p>Our members are actively contributing to the Sunshine Coast food and agribusiness industry which is valued at \$700 million and includes more than 900 companies.</p> <p>2019 saw the third cohort graduate from the GrowCoastal Food Accelerator program which was funded by the ICSC, Advance Queensland and USC with in-kind support and program delivery provided by the Food and Agribusiness Network. The program enables 12 founders to rapidly commercialise new products and effectively scale their enterprises.</p>



## **RECOGNISING OUR PARTNERS, MENTORS AND BUSINESS ADVISORS**

The ICSC would like to recognise the valuable contribution from our 2019 partners which included USC, RedChip Lawyers, RADBE, Poole Group, Innovate Media, The Food and Agribusiness Network, The Sunshine Coast Health Institute, Quantam, ImpactHealth, USC's Thompson Institute and Clinical Trials Centre, RDA Sunshine Coast and the Sunshine Coast Council.

The ICSC provides its members with access to some of the best mentors and business advisor resources available in the country. Their skills, insights and passion provide the ICSC with a real competitive advantage, enabling our members to effectively develop and scale their scaleup ventures. The ICSC would like to sincerely thank the Australian Government's Department of Industry, Innovation and Science (via the Incubator Support initiative as part of the Entrepreneurs' Program), the Queensland Government (via Advance Queensland and The Office of the Queensland Chief Entrepreneur) and #SCRIPT (Sunshine Coast Regional Innovation Project Team) for their dedicated funding which has enabled the ICSC to access a range of new resources and expertise.

The ICSC would also like to particularly like to recognise Ms Claire Smith (ICSC Business Advisor), Ms Robyn Pulman (ICSC Communications and Pitch Coach), Ms Tamara Mills (AHx Program Manager), Ms Jacqui Price (Grow Coastal Program Manager), Mr Leigh Kelson (SCRIPT Entrepreneur in the Region) and Ms Toni Binstead (SCRIPT Regional Innovation Coordinator) for their active support to ICSC members which goes well beyond the commercial arrangements that we have in place.

### **ICSC FUTURE DIRECTION:**

The Sunshine Coast region has a strong reputation as an entrepreneurial hub and the ICSC and its partners need to ensure our programs and pathways are more globally connected, world standard and focused on the success of the entrepreneurial founders and innovative students. The ICSC will collaborate closely with #SCRIPT (the Sunshine Coast Regional Innovation Program Team), corporate innovators, philanthropists and our partners to ensure our region continues develop. The ICSC will update membership options, program delivery and pricing to ensure long term financial sustainability.

While the Australian innovation landscape continues to change, USC and ICSC will continue to play an active part in assisting innovators and entrepreneurs to scale and thrive. ICSC members and its entrepreneurial network provide valuable USC student job placements, internships, networking, events and research related connections. ICSC members have a demonstrated track record of delivering new innovations and commercialised products to the global market. The benefits of innovation often go well beyond economic benefits, impacting on the quality of our day-to-day lives.

The ICSC programs and operations are funded from membership fees, commercial sponsorships, partnerships, a USC grant and specific government program contributions. The ICSC continues to work at diversifying its revenue base via increased funding from the corporate sector, private sponsors and philanthropists.

The ICSC will continue to work closely with #SCRIPT (through a mutually beneficial managed services agreement), SCRIPT partners, the RDA Sunshine Coast and the Sunshine Coast Council. In 2020, the ICSC will continue to do what we do best – provide catalytic programs, support and connections for innovative ventures. Additionally, we will have a far stronger focus on mature startups and scaleups, particularly those that actively connect with USC (via research projects, student placements and adding capability to USC flagship areas of opportunity).

# Innovation Centre Sunshine Coast Pty Ltd

Directors' Report

For the year ended 31 December 2019

## **SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS:**

There were no significant changes in the state of affairs of the ICSC during the 2019 year.

## **LIKELY FUTURE DEVELOPMENTS AND EXPECTED RESULTS:**

The ICSC has ongoing USC, Commonwealth and State government funding agreements in place to facilitate and enhance membership and stakeholder services. The Board and CEO will more actively target corporate and philanthropic funding opportunities in 2020.

## **ENVIRONMENTAL REGULATIONS:**

ICSC operations are undertaken in accordance with relevant environmental regulations of the Commonwealth, State and local governments.

## **DIRECTORS REMUNERATION:**

In 2019 no director of the ICSC has received or become entitled to receive a benefit by reason of a contract made by the ICSC or a related corporation (excluding those directors with employment contracts with USC) with a director or firm of which a director is associated.

## **KEY MANAGEMENT PERSONNEL:**

Total remuneration package of CEO, Mr Mark Paddenburg is in the range of \$210,000-\$230,000.

## **INDEMNIFICATION OF OFFICERS:**

During the year, USC paid a premium to insure officers (including Directors) of the ICSC. The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the ICSC, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a willful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else to cause detriment to the ICSC. The ICSC has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify any current or former officer of the ICSC against a liability incurred as such by an officer or auditor.

## **LEGAL PROCEEDINGS:**

There are no current legal proceedings involving the ICSC and the ICSC was not party to any such proceedings during the year.

## **ROUNDING OF AMOUNTS:**

Amounts in the Financial Statements and Directors' Report have been rounded to the nearest dollar unless stated to be otherwise.

Signatures:



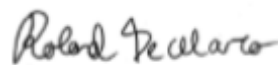
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**Dr Peter Isdale AM**

Chairman of Directors

Dated: 30<sup>th</sup> January 2020

ICSC, Sippy Downs, QLD, Australia.



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**Professor Roland De Marco**

ICSC Director

Dated: 30<sup>th</sup> January 2020

ICSC, Sippy Downs, QLD, Australia.

# Innovation Centre Sunshine Coast Pty Ltd

## Statement of profit and loss For the year ended 31 December 2019

	2019	2018
<b>Income</b>		
<b>Income</b>		
Memberships and service charges	390,658	459,789
Sponsorship and other revenue	80,685	61,178
Government Program Grants	183,680	186,620
University of the Sunshine Coast Grant	250,008	250,008
Sunshine Coast Regional Innovation Project Funding	156,386	-
<b>Total Income</b>	<b>1,061,417</b>	<b>957,595</b>
<b>Total Income</b>	<b>1,061,417</b>	<b>957,595</b>
<b>Expenses</b>		
Depreciation	12,129	12,252
Employee related expenses	542,567	402,570
ICT Internet - Telecoms - Data	99,992	92,200
Occupancy & Utilities	50,546	68,278
Other operational expenses	69,300	44,235
Programs, marketing and events	320,809	245,813
Rental, Hire and other Leasing Fees	10,483	59,251
<b>Total Expenses</b>	<b>1,105,825</b>	<b>924,598</b>
<b>Profit/(Loss) before Taxation</b>	<b>(44,408)</b>	<b>32,996</b>
<b>Net Profit After Tax</b>	<b>(44,408)</b>	<b>32,996</b>
<b>Net Profit After Dividends Paid</b>	<b>(44,408)</b>	<b>32,996</b>

# Innovation Centre Sunshine Coast Pty Ltd

## Balance sheet

For the year ended 31 December 2019

	NOTES	31 DEC 2019	31 DEC 2018
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents		171,204	280,756
Receivables	2	150,486	47,295
Prepayments	2	22,008	-
<b>Total Current Assets</b>		<b>343,698</b>	<b>328,052</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	3	31,459	40,054
<b>Total Non-Current Assets</b>		<b>31,459</b>	<b>40,054</b>
<b>Total Assets</b>		<b>375,157</b>	<b>368,105</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Payables	5	57,675	63,646
Unearned Revenue	4	72,268	-
<b>Total Current Liabilities</b>		<b>129,943</b>	<b>63,646</b>
<b>Non-Current Liabilities</b>			
Customer Bonds Held		36,753	59,341
Provision for Annual Leave		56,332	52,392
Provision for L/S Leave		39,699	35,888
<b>Total Non-Current Liabilities</b>		<b>132,784</b>	<b>147,622</b>
<b>Total Liabilities</b>		<b>262,727</b>	<b>211,267</b>
<b>Net Assets</b>		<b>112,430</b>	<b>156,838</b>
<b>Equity</b>			
Retained Earnings		156,838	123,842
Current Year Earnings		(44,408)	32,996
<b>Total Equity</b>		<b>112,430</b>	<b>156,838</b>

### 1. Statement of Significant Accounting Policies: Basis of preparation

The directors have determined that the company is not a reporting entity and accordingly, this financial report is a special purpose report prepared for the sole purpose of distributing a financial report to members and must not be used for any other purpose. The directors have determined that the accounting policies adopted are appropriate to meet the needs of the members.

The financial report has been prepared in accordance with the significant accounting policies disclosed, which the directors have determined appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise; on an accrual basis and are based on historical costs unless otherwise stated in the notes.

	2019	2018
<b>2. Receivables and Prepayments</b>		
<b>Current</b>		
Prepayment for Sunshine Coast Regional Innovation Project	22,008	-
Sundry Debtors	83,068	-
Trade Debtors	79,418	47,295
Provision for Doubtful Debts	(12,000)	-
<b>Total Current</b>	<b>172,494</b>	<b>47,295</b>
<b>Total Receivables and Prepayments</b>	<b>172,494</b>	<b>47,295</b>

Sundry debtors comprises Sunshine Coast Regional Innovation Project Funding: \$63,068 (outstanding balance excluding GST of total Managed Services Agreement) and Commonwealth Department of Industry, Innovation and Science: \$20,000 (outstanding grant balance) both due by July 2020.

	2019	2018
<b>3. Property Plant and Equipment</b>		
<b>Other Fixed Assets</b>		
Furniture & Fixtures	28,213	26,579
Furniture & Fixtures Acc Depreciation	(17,983)	(15,206)
Leasehold Improvements	46,932	46,932
Leasehold Improvements Acc Depreciation	(45,870)	(41,443)
Plant & Equipment: Computers	1,900	10,450
Plant & Equipment Computers Acc Depreciation	(43)	(9,327)
Plant & Equipment: Other	42,153	42,153
Plant & Equipment Other Acc Depreciation	(23,843)	(20,084)
<b>Total Other Fixed Assets</b>	<b>31,459</b>	<b>40,054</b>
<b>Total Property Plant and Equipment</b>	<b>31,459</b>	<b>40,054</b>

Property, plant and equipment are carried at the cost of acquisition. All assets, excluding freehold land and building are depreciated over their useful lives as per the ATO guidelines current at the time the assets was purchased and held ready for use.

The ICSC board has considered the new accounting requirements of AASB16 and its impact on the fully maintained vehicle which the ICSC sub-leases from USC (for use predominantly by the ICSC CEO). The board has determined that for the 2019 reporting period the vehicle lease costs of \$13,666 will be expensed (as per previous years) and the ICSC will then transition and be fully compliant with AASB16 standards for the 2020 Financial Statements.

# Innovation Centre Sunshine Coast Pty Ltd

## Notes to the financial statements

For the year ended 31 December 2019

	2019	2018
<b>4. Unearned Revenue</b>		
Sunshine Coast Regional Innovation Project: \$52,268 ex GST	(52,268)	-
Commonwealth Department of Industry, Innovation and Science Dept of Innovation Grant - \$20,000 ex GST	(20,000)	-
<b>Total Unearned Revenue</b>	<b>(72,268)</b>	<b>-</b>

	2019	2018
<b>5. Payables</b>		
<b>Current</b>		
Sundry Creditors	-	9,980
GST	3,183	9,961
PAYG Withholdings Payable	10,576	4,777
Trade Creditors	43,916	38,928
<b>Total Current</b>	<b>57,675</b>	<b>63,646</b>
<b>Total Payables</b>	<b>57,675</b>	<b>63,646</b>

### Taxes

Transactions are recognised net of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included on the Balance Sheet.

THE ICSC is, by virtue of section 50-5 of the *Income Tax Assessment Act 1997*, exempted from the liability to pay income tax. As a controlled entity of the University of the Sunshine Coast, the ICSC is subject to payroll tax, Fringe Benefits Tax (FBT) and Goods and Services Tax (GST).

We have compiled the accompanying special purpose financial statements of Innovation Centre Sunshine Coast Pty Ltd, which comprise the balance sheet as at 31 December 2019, the income statement, a summary of significant accounting policies and other explanatory notes. The specific purpose for which the special purpose financial statements have been prepared is set out in Note 1.

### **The Responsibility of the Directors**

The directors of Innovation Centre Sunshine Coast Pty Ltd are solely responsible for the information contained in the special purpose financial statements, the reliability, accuracy and completeness of the information and for the determination that the basis of accounting used is appropriate to meet their needs and for the purpose that financial statements were prepared.

### **Our Responsibility**

On the basis of information provided by the directors we have compiled the accompanying special purpose financial statements in accordance with the basis of accounting as described in Note 1 to the financial statements and APES 315 *Compilation of Financial Information*.

We have applied our expertise in accounting and financial reporting to compile these financial statements in accordance with the basis of accounting described in Note 1 to the financial statements. We have complied with the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants*.

### **Assurance Disclaimer**

Since a compilation engagement is not an assurance engagement, we are not required to verify the reliability, accuracy or completeness of the information provided to us by management to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on these financial statements.

The special purpose financial statements were compiled exclusively for the benefit of the directors who are responsible for the reliability, accuracy and completeness of the information used to compile them. We do not accept responsibility for the contents of the special purpose financial statements.

Per



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Poole & Partners Pty Ltd

Certified Practising Accountant  
Level 1, 8 Innovation Parkway,  
BIRTINYA, QLD , 4575

30 January 2020

# Innovation Centre Sunshine Coast Pty Ltd

Directors' declaration

For the year ended 31 December 2019

The directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in the Notes to the financial statements.

The directors of the company declare that:

1. The financial statements and notes, present fairly the company's financial position as at 31 December 2019 and its performance for the year ended on that date in accordance with the accounting policies described in the Notes to the financial statements; and
2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

A handwritten signature in black ink, appearing to read 'P. Isdale', written in a cursive style.

Dr Peter Isdale AM

Chairman

28<sup>th</sup> January 2020



# Glossary

<b>ACEEU</b> Accreditation for Entrepreneurial and Engaged Universities	<b>ECM</b> Enterprise Content Management
<b>ACIAR</b> Australian Centre for International Agricultural Research	<b>EFTSL</b> Equivalent full-time student load
<b>AHEIA</b> Australian Higher Education Industrial Association	<b>eLAMP</b> Emerging Leaders and Managers Program
<b>AICD</b> Australian Institute of Company Directors	<b>ERA</b> Excellence in Research for Australia
<b>AIME</b> Australian Indigenous Mentoring Experience	<b>ESD</b> Environmentally sustainable design
<b>AMS</b> Asset Management Services	<b>ESS</b> Employer Satisfaction Survey
<b>ANU</b> Australian National University	<b>FAICD</b> Fellow of the Australian Institute of Company Directors
<b>ARC</b> Australian Research Council	<b>FTE</b> Full-time equivalent (staff)
<b>ARMC</b> Audit and Risk Management Committee	<b>FWCI</b> Field-weighted citation impact
<b>ATMC</b> Australian Technical and Management College	<b>FWPA</b> Forest and Wood Products Australia
<b>BAC</b> Butchulla Aboriginal Corporation	<b>FY</b> First year
<b>CAG</b> Curriculum Advisory Group	<b>FYERG</b> First Year Experience Reference Group
<b>CGS</b> Commonwealth Grant Scheme	<b>GOS</b> Graduate Outcomes Survey
<b>CIM</b> Curriculum Information Management	<b>GPA</b> Grade point average
<b>CRC</b> Cooperative Research Centre	<b>HDR</b> Higher degree by research
<b>CRICOS</b> Commonwealth Register of Institutions and Courses for Overseas Students	<b>HEA</b> Higher Education Academy
<b>CSP</b> Commonwealth Supported Place	<b>HHM</b> Health Hub Morayfield
<b>CTC</b> Clinical Trials Centre	<b>HIA</b> Horticulture Australia Limited
<b>DAP</b> Disability Action Plan	<b>HERDC</b> Higher Education Research Data Collection
<b>DET</b> Australian Government Department of Education and Training	<b>HESF</b> Higher Education Standards Framework
<b>DIIS</b> Department of Industry, Innovation and Science	<b>HPSA</b> High Performance Student Athlete
<b>EA</b> Enterprise agreement	<b>IAR</b> Inherent Academic Requirements
	<b>ICSC</b> Innovation Centre Sunshine Coast
	<b>IDEAS</b> Indigenous Direct Entry and Access Scheme

<b>INFLAME</b> Inflammation and Healing Research Cluster	<b>PVC</b> Pro Vice-Chancellor	<b>TEQSA</b> Tertiary Education Quality and Standards Agency
<b>IP</b> Intellectual Property	<b>QAO</b> Queensland Audit Office	<b>TESOL</b> Teaching English to Speakers of Other Languages
<b>ISSN</b> International Standard Serial Number	<b>QILT</b> Quality Indicators of Learning and Teaching	<b>THE</b> Times Higher Education
<b>JCU</b> James Cook University	<b>QIMR</b> Queensland Institute of Medical Research	<b>TPP</b> Tertiary Preparation Pathway
<b>KRA</b> Key Result Area	<b>QTAC</b> Queensland Tertiary Admissions Centre	<b>UG</b> Undergraduate
<b>KPI</b> Key Performance Indicator	<b>QUT</b> Queensland University of Technology	<b>UNSW</b> The University of New South Wales
<b>LGA</b> Local Government Area	<b>RAP</b> Reconciliation Action Plan	<b>UQ</b> The University of Queensland
<b>LGBTI</b> Lesbian, Gay, Bisexual, Transgender, and Intersex	<b>RTI</b> Right to Information	<b>USC</b> University of the Sunshine Coast
<b>MAIC</b> Motor Accident Insurance Commission	<b>RUN</b> Regional Universities Network	<b>USQ</b> University of Southern Queensland
<b>MBA</b> Master of Business Administration	<b>SA</b> Statistical Area	<b>VCP</b> Vice-Chancellor and President
<b>MBUPP</b> Moreton Bay University Precinct Program	<b>SAGE</b> Science in Australia Gender Equity	<b>WIL</b> Work-integrated learning
<b>MOU</b> Memorandum of Understanding	<b>SCHHS</b> Sunshine Coast Hospital and Health Service	<b>WP</b> Widening Participation
<b>NURTURE</b> Nursing and Midwifery Cluster for Research Excellence	<b>SCHI</b> Sunshine Coast Health Institute	<b>YTD</b> Year to date
<b>NAIDOC</b> National Aborigines and Islanders Day Observance Committee	<b>SCMN – TI</b> Sunshine Coast Mind and Neuroscience – Thompson Institute	
<b>NATSIHEC</b> National Aboriginal and Torres Strait Islander Higher Education Consortium	<b>SCUH</b> Sunshine Coast University Hospital	
<b>NCSEHE</b> National Centre for Student Equity in Higher Education	<b>SELT</b> Student Engagement Leadership Team	
<b>NHMRC</b> National Health and Medical Research Council	<b>SES</b> Socio-economic status	
<b>OVCP</b> Office of the Vice-Chancellor and President	<b>SRC</b> Sustainability Research Centre	
<b>PACC</b> Program and Course Committee	<b>SSE</b> Student Services and Engagement	
<b>PG</b> Postgraduate	<b>STEM</b> Science, technology, engineering and mathematics	
<b>PPR</b> Performance, Planning and Review (staff)	<b>STEMM</b> Science, technology, engineering, mathematics and medicine	
<b>PRC</b> Planning and Resources Committee	<b>TEFMA</b> Tertiary Education Facilities Management Association	
	<b>TEP</b> Tertiary Enabling Pathway	

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## Campus locations

### USC SUNSHINE COAST

90 Sippy Downs Drive  
SIPPY DOWNS QLD 4556

### USC MORETON BAY

1 Moreton Parade  
PETRIE QLD 4502

### USC FRASER COAST

161 Old Maryborough Road  
HERVEY BAY QLD 4655

### USC GYMPIE

71 Cartwright Road  
GYMPIE QLD 4570

### USC CABOOLTURE

80 Tallon Street  
CABOOLTURE QLD 4510

### USC SOUTHBANK

52 Merivale Street  
SOUTH BRISBANE QLD 4101











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University of the Sunshine Coast  
CRICOS Provider Number: 01595D