



Annual Report 2020

Report of the Council of the University of the Sunshine Coast

For the period 1 January to 31 December 2020

March 2021

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

I am pleased to present the 2020 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

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.

Communication objectives

The University of the Sunshine Coast's 2020 Annual Report provides a record of the University's performance in 2020, its plans for the future, and audited financial statements. All achievements for 2020 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

Open data information is also available via the Queensland Government's Open Data website at 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



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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About USC

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 more than 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 28,000 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 find solutions to modern challenges. This regional focus has now expanded well beyond the original Sunshine Coast campus to encompass the region between Moreton Bay and the Fraser Coast. While the needs and aspirations of these geographic communities may occasionally differ in detail, the greatest opportunities for building community prosperity lie in drawing together the expertise, efforts and assets of the entire region through USC's collaboration with government and industry on region-improving projects. 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 remains the most awarded university for quality teaching in Queensland, consistently achieving a five-star rating for this focus area. In terms of research activity, impact and quality have been growing exponentially. 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 initiatives.

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.

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.

Strategic framework

Strategic Plan 2019–2022

The Strategic Plan 2019–2022 (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.

In 2020, a review was initiated to identify essential changes as the plan reached its midpoint. Changes will be implemented in 2021.

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.

Key five-year figures

CATEGORY	2016	2017	2018	2019	2020	TREND
STUDENTS						
Total students ¹	14,604	16,594	17,809	17,840	18,150	↑
Student load (EFTSL) ²	9,821.6	11,307.4	11,960.1	11,875.0	12,018.5	↑
International students ¹	2,467	3,389	4,105	3,808	2,490	↓
Female ^{3,4}	63.5%	62.7%	63.9%	64.8%	66.8%	↑
Male ^{3,4}	36.4%	37.3%	36.1%	35.1%	33.1%	↓
Undergraduate ⁴	81.6%	78.5%	78.0%	79.1%	82.7%	↑
Postgraduate coursework ⁴	7.0%	10.6%	12.2%	11.9%	7.7%	↓
Higher degree by research ⁴	2.7%	2.4%	2.5%	3.0%	2.8%	↓
Non-award ⁴	8.7%	8.4%	7.3%	6.0%	6.8%	↑
STUDENTS BY STUDY SITE^{1,5}						
Campus						
USC Moreton Bay					2,120	
USC Caboolture	<i>Opened 2018</i>		943	1,280	1,378	↑
USC Sunshine Coast	13,067	13,904	13,764	14,086	14,141	↑
USC Gympie	347	320	346	349	475	↑
USC Fraser Coast	533	740	794	785	854	↑
USC SouthBank	421	483	705	541	346	↓
USC Melbourne	395	660	833	754	299	↓
USC Sydney	157	660	925	642	223	↓
Study nodes						
Sunshine Coast Health Institute	644	542	1,157	1,187	1,157	↓
Sunshine Coast Mind and Neuroscience-Thompson Institute	28	33	57	81	57	↓
DEGREES CONFERRED						
Degrees conferred by year	1,975	2,197	2,824	2,962	3,196	↑
Degrees conferred since 1999	19,392	21,589	24,413	27,375	30,571	↑
Graduates since 1997	17,519	19,479	22,060	24,814	27,772	↑
Undergraduate degrees conferred	1,527	1,705	2,110	2,203	2,403	↑
Postgraduate coursework degrees conferred	412	455	646	671	733	↑
Higher degree by research degrees conferred	36	37	68	88	60	↓
EQUITY						
Disability ⁶	6.5%	6.3%	6.7%	6.8%	8.2%	↑
Aboriginal and Torres Strait Islander ⁷	2.7%	3.0%	3.0%	3.0%	3.4%	↑
First in family to attend university ⁷	49.1%	50.0%	49.4%	49.0%	44.3%	↓

1. Number of students enrolled across the year. Data for 2020 is preliminary at 5 January 2021. Final full-year data available following the Australian Government submission on 31 March 2021.

2. Student load includes inbound exchange students. EFTSL means Equivalent Full-Time Student Load. Data for 2020 is preliminary at 5 January 2021. Final full-year data available following the Australian Government submission on 31 March 2021.

3. The proportion of students who identify as other than male or female is not displayed as these figures are fewer than 0.1 percent.

4. Values based on enrolments at Census 1 each year.

5. 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'.

6. Disability and Aboriginal and Torres Strait Islander percentages are a proportion of all domestic students at Census 1 each year.

7. 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.

Key five-year figures (continued)

CATEGORY	2016	2017	2018	2019	2020	TREND
STAFF (FULL-TIME EQUIVALENT, EXCLUDING CASUALS)						
Academic staff ⁸	324	359	389	420	461	↑
Non-academic staff ⁹	546	547	572	655	683	↑
Total number of staff ¹⁰	870	906	961	1,075	1,144	↑
Proportion of academic staff with higher degree qualifications ¹¹	87%	88%	89%	89%	90%	↑
Operating revenue (parent entity)	\$249.7m	\$273.5m ¹²	\$302.5m	\$310.2m	\$321.6m	↑
Operating expenditure (parent entity)	\$219.0m	\$255.1m	\$287.1m	\$290.2m	\$297.5m	↑
Property, plant and equipment	\$342.7m	\$364.7m ¹³	\$390.6m	\$511.6m	\$526.0m	↑
Research income ¹⁴	\$15.20m	\$21.79m	\$23.96m	\$31.01m	\$23.28m ¹⁵	↓

8. Academic (Senior Academic Staff); Teaching and Research (Level A-E) staff.

9. Non-academic (Senior Professional Staff; Professional (Level 1-10) staff).

10. Data is based on figures supplied to the Australian Government's Department of Education (DE) as at 31 March 2020.

11. Includes those academic staff whose highest qualification is a master's or doctoral degree.

12. Restated 2016 figure. For more information, see 2017 financial statements.

13. Restated 2016 figure. For more information, see 2017 financial statements.

14. 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.

15. 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.

IMPACT OF THE COVID-19 PANDEMIC ON USC OPERATIONS

USC made a range of operating adjustments, in line with advice from government health authorities, to address challenges presented by the COVID-19 pandemic. References to many of these changes are included in more detail throughout the report. However, the points below offer a high-level summary of impacts experienced by USC:

- USC activated its business continuity group to oversee changes needed to continue operating in a pandemic environment.
- An online teaching model was implemented, supported by internal resources such as C-SALT and information and technology services, to ensure students continued receiving the same high-quality education experience.
- Remote-working arrangements were introduced to ensure professional and academic staff could continue performing necessary functions.
- Most academic field-work exercises continued in a remote and on-line environment, or harnessed national and international partnerships and digital technologies to enable their completion. Other field work was either suspended or continued with COVID-safe plans in place.
- Where possible, academic expertise supported government and industry responses to COVID-19, including the local manufacturing of personal protective equipment and mental health support to help community members deal with restrictions introduced to stymie the spread of COVID-19.
- Free online services were made available to community members to help build skills and knowledge in areas of health, nutrition and wellbeing.
- USC raised money for student bursaries, which were given to students who faced financial stress during the COVID-19 pandemic.
- The University worked with community organisations to distribute free meals to students in need.
- Travel restrictions resulted in inter-campus movement being suspended.
- Due to lower international student numbers, budget changes were made to balance expenditure with revenue. Further efficiency changes across all areas of USC's business were strategically pursued, resulting in a balanced financial position for 2020.
- Physical distancing was introduced across all USC campuses, including limiting the number of people allowed in rooms.

Vice-Chancellor's summary

I was delighted and honoured to join USC as its third Vice-Chancellor and President in August 2020, following the very successful 10-year tenure of my predecessor, Professor Greg Hill AO. Under his leadership, USC's position as an important regional anchor institution has grown considerably from a single campus university to a multi-campus institution. Established just 24 years ago, the University now operates in six locations along the South-East Queensland coast between Brisbane and the Fraser Coast.

Located in very different communities, each campus is continuing to build a unique focus that reflects the local environment and community needs. USC has continued to be active during 2020 in all our communities, from providing work-ready graduates across frontline services and essential industries, to helping to locate and rescue injured wildlife after last summer's devastating bushfires and protecting our outstanding natural assets such as the Great Barrier Reef.

The value of USC to its communities was quantified by a Nous Group and Victoria University's Centre of Policy Studies report published in 2020. It found that regional universities, including USC, boosted economic output, employment, real wage levels, and industry productivity in regional areas through their impact on spending, jobs and research.

USC research performance in 2020 has been recognised by the doubling of the Commonwealth research block grants to \$16.4 million for 2021. This means that the university can do more to help its regions find solutions to local issues such as food and agriculture, ecology and environment, and mental health.

The year started with the opening of our new campus at Petrie in Moreton Bay – the first greenfield university campus built in Queensland for 14 years and funded by a \$121 million concessional Commonwealth loan. Officially opened on 9 March, the event was a celebration of many years of planning and a collaborative working relationship with all three levels of government. Demand from domestic students has been strong from the Moreton Bay region and enrolments have exceeded expectations, with almost 1,600 full-year students enrolled in this first year of operation.

Just a few weeks into first semester, the consequences of the COVID-19 pandemic were starting to materialise and considerable disruption followed for the remainder of the year. Travel restrictions resulting in an overall decline of international students across the tertiary education sector also impacted USC. While the impact of the international student downturn has been less severe than at other universities, student numbers declined by 28 percent from 2019 and this will continue to have a pipeline effect.

Fortunately, USC experienced a remarkable increase in domestic student enrolments for Semester 2, signalling a strong demand for regional education in this time of crisis. Among this domestic cohort were strong representations from Aboriginal and Torres Strait Islander students and those from low socio-economic backgrounds – two equity groups who have continued to have high access rates at USC compared to the national average.

COVID-19 has resulted in widespread disruptions to the employment market, which was reflected in a small decline of short-term job outcomes for USC graduates. USC has continued to work closely with its communities to overcome skills shortages and support the training requirements to boost economic recovery.

In Semester 2, we expanded our offerings by releasing 10 higher education certificate-level short courses to help retrain workers in areas of national priority, including aged care, health and teaching.

The demand for reskilling through tertiary education was further demonstrated by the continued increase in the popularity of pathway programs, especially the Tertiary Preparation Pathway (TPP), which provides an alternate avenue for students to access university education.

The TPP is particularly useful for non-school leavers, who may lack the qualifications required to enter the degree they are interested in studying. However, for school leavers, who experienced a unique set of stresses in 2020, USC increased its Early Offer Guarantee intake by 80 percent to help relieve some of the anxiety experienced by this cohort.

The general disruption caused by COVID-19 resulted in USC increasing support to help regional Queenslanders deal with the sudden and far-reaching changes. Apart from helping families learn the skills needed to start schooling children in a home environment, USC extended a range of free mental health services available over telehealth. Much of this was coordinated through USC's Sunshine Coast Mind and Neuroscience-Thompson Institute.

Among the changes introduced in 2020 was a transition to online learning in Semester 1. This required a rapid reallocation of resources to ensure teaching staff were able to deliver the same high-quality education experiences expected from USC's student cohort. Overall, students and staff adapted well to these changes and online study options were continued in Semester 2 for students who wanted or needed the added flexibility it provides.

Changes resulting from COVID-19 presented USC with the opportunity to review areas of its business which could be improved to meet the needs of a new operating environment. At an organisational level, this included the consolidation of its nine Schools into six, enabling the University to operate in a more efficient manner. The new structure includes the centralisation of academic support services and work-integrated learning. There has been some realignment of the overall workforce, resulting in essential savings to counter the impact of COVID-19.

Also commenced in the last quarter of 2020, was a refresh of USC's strategic plan to ensure it continues to chart an ambitious agenda through the next planning period and takes account of the significantly changed higher education environment. In parallel, a major review of the academic portfolio commenced, focused on five areas: academic standards, course architecture, funding model, support interfaces and the digital environment. This will report early in 2021 and drive extensive renewal and reform.

Overall, USC's standing in 2020 belies its age as a young university – a fact reflected in the latest The Young University Rankings. USC improved across all five of the ranking indicators, gaining growing recognition for areas such as citation score, industry income, international collaboration, research and teaching. When taken alongside USC's standing as a producer of world-class research in 26 areas, it is clear we are making an impressive impact through our work. This is reflected in student recognition too, with the Good Universities Guide again ranking USC as one of the top universities in Australia for teaching quality, student experience and learning resources – positions it has held for many consecutive years now.

In conclusion, while 2020 has been a challenging year for USC, with prudent financial management and associated savings targets, the University ended the year in surplus with total revenue of \$321.9 million, net assets of \$519.4 million and a strong liquidity ratio of 2.25:1. This will provide the necessary platform to manage the Commonwealth funding changes being introduced from 2021 under the Job-Ready Graduates legislation and will also help mitigate against the uncertainty created by COVID-19.

I would like to thank the senior team, in particular Professor Robert Elliot who took on the acting Vice-Chancellor and President role until my arrival and guided the University as COVID-19 took hold. I would also like to acknowledge the Council and the whole University community and thank them for their outstanding work and commitment during this very uncertain time. I look forward to continuing to work with the University community to realise the full potential of USC going into the future.



Professor Helen Bartlett
Vice-Chancellor and President

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

Enrolment numbers continued to climb in 2020 despite the difficult global operating conditions produced by the COVID-19 pandemic. Preliminary data indicates full-year enrolments grew by almost 310 students to reach 18,150 enrolments.

The growth in 2020, largely driven by 1,590 students enrolled in programs at the new USC Moreton Bay campus, was tempered by a 35 percent decline in international student enrolments – a result anticipated after Commonwealth Government travel restrictions were imposed in March to help control the spread of COVID-19.

To ensure USC is well prepared for a recovery in international student recruitment, a review of USC International was completed in late 2020 after the Commonwealth Government launched pilot programs allowing small numbers of international students into the country.

PROGRAMS

In 2020, the Bachelor of Nursing Science remained the preferred program for new students at USC. The majority of other programs remained relatively stable for new enrolments at Census 1 2020 compared to 2019, with the only notable exception relating to the Bachelor of Information and Communications Technology, which experienced a decline in international students after travel restrictions were enforced.

In 2020, USC initiated a review of available programs and subjects to ensure offerings continued to align with industry and community needs. This process will be completed in 2021.

PATHWAYS

USC launched 10 certificate-level short courses midway through the year to support regional Australians who wanted to retrain in areas of national priority. The Commonwealth Government-funded programs, which ran during Semester 2, focussed on areas of strategic importance to regional Australia, such as aged care, health and teaching. This was boosted with the release of another 20 undergraduate and graduate certificates at the end of the year in time for Semester 1 2021.

The Tertiary Preparation Pathway (TPP) experienced a 40 percent increase in new domestic enrolments for Semester 2, growing to reach 628 students – most of those from non-school leaver backgrounds – demonstrating the importance of providing multiple entry options for regional Queenslanders to access tertiary education.

The Headstart program, which allows current senior high school students to study first-year university subjects, also experienced significant demand, growing by 91 percent to reach 189 new domestic students for Semester 1 2021.

To help ease additional anxiety experienced by many students completing high school in 2020, USC encouraged school leavers to apply for early offer guarantees. As a result, USC made 1,300 early offers up until applications closed on 20 November, up 80 percent from the 721 made in 2019.

STUDENT SUCCESS

A body of work went into ensuring USC students remained supported throughout 2020, including financial support and free food deliveries for those experiencing crises. Emergency bursaries totalling almost \$1.1 million were provided to students to help offset hardships experienced. Up to \$1,000 was provided to eligible students. On top of the emergency bursary fund, USC secured \$152,000 from the Queensland Government's International Student Crisis Assistance Package to support international students experiencing financial stress.

A new grading scheme was implemented for Semester 1 to help ease the unique stresses students faced in 2020. The scheme ensured that student GPAs would not be impacted if they failed courses or did not achieve the anticipated grade.

USC was again awarded five stars across six categories in the 2021 Good Universities Guide, including for teaching quality for the fifteenth consecutive year. It was the ninth consecutive year USC received five stars for overall student experience and the fifth consecutive year for learning resources. USC also received five stars for skills development, social equity, and first generation access to university education. The findings place USC in the top 20 percent of Australian universities in each of the categories.

PERFORMANCE

KRA 1.1: INCREASED STUDENT ENROLMENTS

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	1.0 percent increase in total EFTSL
	Annual increase in international student enrolments	33.5 percent decrease in international EFTSL

Forecast full-year 2020 data indicates USC had 11,978 total EFTSL and 1,693 international EFTSL.

International EFTSL was severely impacted by travel restrictions introduced in 2020 to reduce the spread of COVID-19.

Student enrolments (EFTSL)

	2017	2018	2019	2020 ¹
TOTAL EFTSL	11,307	11,960	11,875	11,978
INTERNATIONAL EFTSL	2,383	2,751	2,544	1,693

1. 2020 full-year enrolments as at September 2020 forecast. Final actual values available in March 2021.

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	USC's attrition rate differential to the national average improved by 0.3 percentage points compared to the prior year

The latest national results (2018) show an improvement in USC's full-year adjusted attrition rate of 0.7 percentage points, with USC's comparison to the national differential now at 7.0 compared to 7.3 percentage points in 2017.

Several initiatives were introduced in 2020 to improve student retention and success, including early identification of at-risk students, as well as targeted phone calls to new students prior to enrolment and in the lead up to census date, contacting students who failed to re-enrol from one semester to the next, as well as contacting lapsed students to support their return to study.

The move to technology-enabled learning (TEL) in Semester 1 was accompanied by academic development support provided by C-SALT to ensure academic staff had the skills required to provide a high-quality learning experience for students online. Results from USC's course evaluation survey eVALU8 demonstrated students remained predominantly satisfied with course delivery via TEL. The data showed that 80 percent of 13,031 student responses from 447 courses agreed or strongly agreed they were satisfied. While there was an increase in student withdrawals in Semester 1 2020, reflecting the challenges experienced by students during this period, there was an increase in re-enrolments in Semester 2, including students who withdrew from all their course enrolments in Semester 1.

The shift to TEL has been particularly beneficial for students at regional campuses, who have been able to enrol in courses previously unavailable to them. After the return to campus in Week 5 of Semester 2, more than 50 percent of students opted to continue studying online. Initiatives introduced in 2020 will continue on an ongoing basis in 2021 to improve student retention and success.

ADJUSTED ATTRITION RATE¹ FOR DOMESTIC COMMENCING BACHELOR'S STUDENTS³, 2016-2018⁴ (AUSTRALIAN GOVERNMENT DATA)

MEASURE	2016	2017	2018	2017-18 change ⁵
USC attrition rate (adjusted)	19.2%	22.3%	21.6%	-0.7
National attrition rate (adjusted)	14.4%	15.0%	14.6%	-0.4
<i>Difference</i>	4.8	7.3	7.0	0.3

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)	5/6 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.

Overall, five of the six assessable campuses achieved above 75 percent satisfaction with the *Quality of the entire educational experience*. Satisfaction with the *Quality of the entire educational experience* improved between the last two reporting periods at five of the six assessable campuses.

USC undergraduate students reported above national average satisfaction with the quality of the entire educational experience – 81 percent compared to 78 percent. USC's national ranking increased from twelfth to sixth between the last two reporting periods.

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 theme for meetings attended in early 2020 was consultancy for the development of an academic plan that serves all campuses.

The Pro Vice-Chancellor (Students) meets regularly with students and staff from each campus (via Zoom during the COVID-19 pandemic lockdown period) to gain greater insight into factors that contribute to student dissatisfaction. 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) 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 as at risk. This initiative was implemented successfully with transitioning students in Semester 1 2020 and work is continuing by following up with students identified as not engaging with their studies to offer personalised support by phone and online contact.

STUDENT SATISFACTION COMPARED TO NATIONAL AVERAGE^{1,2,3}

	2017 ⁴	2018 ⁴	2019 ⁴	2020 ⁴
USC	84%	83%	81%	81%
National	80%	78%	79%	78%
<i>Difference</i>	4	5	2	3

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	2.6 percentage points under national average

This measure is based on graduate responses to the national Graduate Outcomes Survey (GOS). USC's overall undergraduate employment declined between the two latest reporting periods, as did the national average - the differential moving to -2.6 percentage points.

Analysis of the 2020 outcomes at the two major collection rounds indicate that some of the decline in employment outcomes may be attributed to the COVID-19 pandemic.

In October 2019 the Australian Government Department of Education confirmed that graduate employment outcomes would account for 40 per cent of the funding to be provided under the performance-based funding model. The other three measures are student experience, student success and participation of Indigenous, low socio-economic status, and regional and remote students (each weighted at 20 per cent).

The Deputy Vice-Chancellor (Academic) and Pro Vice-Chancellor (Students) will continue 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^{1,2,3}

	2017	2018	2019	2020
USC	84.8%	84.3%	84.2%	82.8%
National	86.6%	87.2%	87.1%	85.4%
<i>Difference⁴</i>	-1.8	-2.9	-2.9	-2.6

1. Outcomes of students who completed their qualification in the year prior to the survey year – ie, 2020 reflects outcomes of students who completed their qualification in 2019.

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.

KPI 1.2.4: ACCESS FOR GROUPS UNDER-REPRESENTED 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	Two out of three under-represented groups included in this measure above the national average

The target to achieve national average access rates has been achieved for two of three under-represented groups included in this performance measure. While access rates for Aboriginal and Torres Strait Islander students dropped slightly to 3.4 percent, internal measures show that all regions in which USC operates experienced strong full-year enrolment growth in this under-represented group – particularly in Moreton Bay and the Fraser Coast.

Figures across the sector for all equity groups have generally flattened and this may be linked to the funding freeze and changes to demand-driven funding. Internal measures indicate that an upward trend for access rates for Aboriginal and Torres Strait Islander students can be expected in the future.

Access by students with a disability was slightly below the national average at 6.3 percent compared to 6.8 percent nationally. Further investigation will be undertaken to understand the drivers for this shift.

ACCESS RATES FOR GROUPS UNDER-REPRESENTED IN HIGHER EDUCATION (AUSTRALIAN GOVERNMENT DATA)

	2016	2017	2018	2019
ABORIGINAL AND TORRES STRAIT ISLANDER¹				
USC	3.6%	3.4%	3.9%	3.4%
National	2.1%	2.2%	2.2%	2.4%
<i>Difference³</i>	1.6	1.2	1.4	1.0
DISABILITY¹				
USC	6.4%	6.4%	7.1%	6.3%
National	5.6%	6.1%	6.5%	6.8%
<i>Difference³</i>	0.7	0.2	0.6	-0.5
LOW SES^{1,2}				
USC	22.7%	20.2%	23.2%	22.0%
National	17.1%	18.1%	18.0%	17.5%
<i>Difference³</i>	5.6	2.1	5.2	4.5

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.

OVERVIEW

Achievement highlights

USC's contribution to the global COVID-19 response included participation, through the USC Clinical Trials, in research to establish the optimal dose and safe delivery of a vaccine for the virus. Developed by US-based company Novavax, Inc, the healthy volunteers trial allowed Sunshine Coast and Moreton Bay communities to participate in advanced treatments and breakthrough therapies previously limited to metropolitan areas.

Despite the difficultly operating conditions for undertaking academic research, USC was able to implement a structured triage system that enabled the conduct of critical research in accordance with COVID-19 safe planning.

In 2020, USC also established two new partnerships to deliver impactful research. The Motor Accident Insurance Commission program, valued at \$3.1 million over three years, was awarded to Professor Jeremy Davey and Associate Professor James Freeman for a project investigating drug impaired driving. A Department of Transport and Main Roads program valued at \$2.6 million over almost five years was also awarded to Associate Professor Celine Frere for a project monitoring koalas from Cooroy to Curra.

In terms of Australian Research Council (ARC) grants, USC secured two Future Fellowships worth almost \$2 million – a significant increase in USC's proportionate share of the Australian funding pool.

In the area of cultural studies, Associate Professor Sandy O'Sullivan was awarded a \$1 million ARC grant over four years to study and map the contribution, influence and impact of Indigenous queer creative artists. The Saving Lives research project will advance the understanding of positive, diverse role modelling to the creative sector and provide significant benefits to First Nations' well-being and identity-affirmation.

In the field of ecology, Professor Frere was awarded a \$970,000 ARC grant over four years to study animal social behaviour and emerging infectious fungal diseases in nature. The research is expected to inform much-needed control strategies to benefit wildlife and preserve biodiversity.

Professor Frere's Future Fellowship came on top of her recognition as Queensland's Young Tall Poppy Scientist of the Year – one of the state's top science prizes. Professor Frere, a behavioural ecologist, is co-leader of the USC Detection Dogs for Conservation unit, which has received global recognition for work locating and saving koalas and other wildlife following Australia's destructive bushfire season that started at the end of 2019.

Another emerging science leader at USC was recognised with an ARC Discovery Early Career Researcher grant of \$421,000 in 2020. Dr Kylie Scales received the funding to further her research on using data analytics to reduce fishery bycatch. The project has global implications for building new international collaborations, developing new digital tools for management authorities and industry, and progressing towards international sustainable development goals.

In December, the Federal Government announced USC's allocation of research block grants (RBGs) had increased by \$8 million or 94 percent compared to the previous year's result. This significant rise in RBG income was boosted by the Federal Government's injection of an additional \$1 billion in research support program (RSP) funding next year. In early 2021, USC will develop and implement a budget plan to mobilise these additional RSP resources for greatest effect.

In the field of aquaculture, USC's newly-established Seaweed Research Group attracted significant attention from multi-national industry partners in regards to intellectual property relating to boosting animal immunity through *Asparagopsis* seaweed.

In 2020, the Thompson Institute's research and clinical services underwent rapid expansion, bridging important gaps in mental healthcare. The Institute's pharmacological clinical research produced significant publications, including a world-first success of a medical treatment for chronic suicidality. The Health Brain Ageing research program, funded by \$2 million in donations from Heller and Wilson Foundations was also launched by the Institute this year. This unique program investigates the impact of modifiable risk factors for dementia on brain structure and function.

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.

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	151-200

Despite all of USC's Times Higher Education (THE) ranking indicators improving in 2020, more young universities outperformed USC and the University held a similar ranking to 2019.

USC will collaborate with Schools to recruit top researchers with high citation performance.

THE YOUNG UNIVERSITY RANKING OUTCOME

	2018	2019	2020 (target) actual
Score	101-150	151-200	(101-150) 151-200

KPI 2.1.2: THE YOUNG UNIVERSITY RANKING SCORES

MEASURE	TARGET	PERFORMANCE
THE Young University Ranking Scores	41 by 2022	One point below 2020 target

Even though USC's Times Higher Education ranking remains at 151-200, USC's ranking score for 2020 increased from 35 to 37.

USC has also experienced an improvement across all of the five key indicators: Citation score improved from 42 to 46; Industry income improved from 36 to 40; International collaboration improved from 66 to 67; Research improved from 33 to 35; and Teaching improved from 21 to 23.

THE YOUNG UNIVERSITY RANKING SCORE

	2017	2018	2019	2020 (target) actual
Score	33	35	35	(38) 37

KRA 2.2: IMPROVEMENT IN STANDARD INPUT AND OUTPUT RESEARCH METRICS AND EXTERNAL ASSESSMENTS

KPI 2.2.1: RESEARCH INCOME

MEASURE	TARGET	PERFORMANCE
Total HERDC reportable income (all categories)	\$28 million by 2022	\$2.7 million below 2020 target

In 2020, COVID-19 has presented opportunities and challenges. In late 2019 and early 2020, USC was in the process of negotiating several new large research grants, in order to maintain research trajectory. The economic and other impacts of COVID-19 have led to delays, pauses and sometimes a reduction in the funding of these programs, which has led to a down-turn in HERDC income. Delayed projects are expected to commence in 2021, and HERDC revenue is expected to rebound in the coming year.

HIGHER EDUCATION RESEARCH DATA COLLECTION (HERDC)

YEAR	2016	2017	2018	2019	2020 ¹ (target) actual
Research income	\$15,204,923	\$21,789,214	\$23,962,982	\$31,088,796	(\$26m) \$23,277,093

1. Unaudited. Audited figure available June 2021.

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

MEASURE	TARGET	PERFORMANCE
HDR student enrolments by EFTSL	300.2 by 2022	21.8 EFTSL under 2020 target

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

For the first time in 2020, USC experienced a decrease in HDR enrolments. This seems to be related to the impacts of COVID-19, with fewer enrolments and more requests for leave of absence.

HDR STUDENTS (EFTSL)

YEAR	2016	2017	2018	2019	2020 ¹ (target) actual
HDR student EFTSL	240.0	256.4	273.0	274.7	(286.3) 264.5

1. September 2020 reforecast: this estimate based on Census 1 and 2 EFTSL extrapolated to estimate 2020 full-year values. Final 2020 values available March 2021.

KPI 2.2.3: RESEARCH BLOCK GRANTS INCOME

MEASURE	TARGET	PERFORMANCE
Research Block Grants income	\$10 million by 2022	\$400,000 more than 2020 target

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	2016	2017	2018	2019	2020(target) actual
Income	\$4,760,982	\$5,153,795	\$5,999,423	\$7,071,365	(\$8m) \$8.4m

KPI 2.2.4: SCOPUS INDEXED PUBLICATION CITATIONS

MEASURE	TARGET	PERFORMANCE
Field-Weighted Citation Impact (FWCI)	1.40 by 2022	0.02 under 2020 target

There has been a modest improvement of approximately 2 percent relative in the field weighted citation impact (FWCI) value from 2020 and 2021. The Office of Research will continue to recruit top researchers with high citation performance, as well as educate existing academic staff about practices that improve the institutional FWCI.

FIELD-WEIGHTED CITATION IMPACT (FWCI)

YEAR	2017	2018	2019	2020 ¹ (target) actual
THE Ranking Reference Period	2011-2015	2012-2016	2013-2017	2014-2018
FWCI	1.31	1.31	1.31	(1.36) 1.34

KPI 2.2.5: HIGHER DEGREE BY RESEARCH (HDR) COMPLETIONS

MEASURE	TARGET	PERFORMANCE
Number of Doctoral completions	61 by 2022	11 completion below 2020 target

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

Based on year-to-date values and analysis of submitted theses it is not expected that the University will achieve its goal of 59 completions in 2020. However, 2020 full-year data will not be available until March 2021.

DOCTORAL COMPLETIONS

YEAR	2016	2017	2018	2019	2020(target) actual
HDR degrees awarded	28	34	57	83	(59) 48

1. Year-to-date as at 18 January 2021; full-year data will be finalised in March 2021.

KRA 2.3: DEMONSTRABLE RESEARCH IMPACT

KPI 2.3.1: NUMBER OF PATENTS

MEASURE	TARGET	PERFORMANCE
Number of patents	5 by 2022	Three patents ahead of 2020 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	2020 (target) actual
Number of patents	1	3	(3) 6

1. Year-to-date as at 13 October 2020.

KPI 2.3.2: RESEARCH COMMERCIALISATION INCOME

MEASURE	TARGET	PERFORMANCE
Research commercialisation income	\$7 million by 2022	Met 2020 target

This indicator is on track to meet the 2020 target, although, there has been a decrease from 2019 due to reduced funding from Horticulture Australia Limited and Forest Wood Products Australia.

RESEARCH COMMERCIALISATION INCOME

YEAR	2016	2017	2018	2019	2020 ¹ (target) actual
Commercialisation	\$1,751,505	\$4,624,714	\$4,537,694	\$8,278,165	\$6,394,343
Consultancy and engagement	\$713,424	\$236,755	\$705,040	\$441,923	\$252,447
Total	\$2,464,929	\$4,861,469	\$5,242,734	\$8,720,088	(\$6m) \$6,057,629

1. Unaudited. Audited figures available in June 2021.

OVERVIEW

Moreton Bay

The USC Moreton Bay campus was officially opened on 9 March 2020 by federal member for Dickson and Minister for Home Affairs the Honourable Peter Dutton.

As the first greenfield university campus built in Queensland for 14 years, it exceeded expectations it would cater for 1,200 students within the first year of operation. By the end of 2020, there were almost 1,600 full-year students enrolled across almost 50 programs, demonstrating a strong demand for tertiary education in the growing region.

Funded by a \$121 million Commonwealth Government concessional loan, the campus was made possible through a collaboration between all three levels of government and USC.

The three-story, 16,000sq m foundation building, designed by the award-winning Hassell Studio, 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.

Designed for community, cultural and professional events when not used for teaching purposes, the building includes a 460-seat lecture theatre, state-of-the-art learning technology, nursing simulation labs, engineering labs, a 'makerspace' and library facilities.

In July, construction firm Hansen Yuncken's achievement in building the facility was recognised at the 2020 Housing and Construction Awards when it won the Master Builders Association Awards (Brisbane) for an education facility over \$10 million.

Work to treat some borer-affected timber at USC Moreton Bay started in November 2020, with the campus remaining open while work was underway.

Campus investment

On the Fraser Coast, USC opened a specialist science laboratory in Hervey Bay to pioneer ecological research into local wildlife such as whales, turtles and fish species. The new capabilities allow researchers to perform necropsies to better understand threats facing the region's species. The laboratory means USC can expand collaborations with national and international institutions throughout this strategically important region.

USC received a significant boost to the University's plans to expand its mental health capability through the establishment of Australia's first Post Traumatic Stress Disorder (PTSD) research program, a PTSD brain bank, and additional clinical services at the Sunshine Coast Mind and Neuroscience-Thompson Institute. A \$6 million centre, funded by the Thompson Institute's foundational donors Roy and Nola Thompson, will form the basis of the expansion to allow researchers to examine associations between brain chemistry, structure and variables.

USC Sunshine Coast's new Creative Industries building opened in March, offering more music, theatre, art and screen media opportunities for the region. The \$5.5 million facility includes an intimate internal performance area that can accommodate an audience of 80. The performance area can be also expanded into an outdoor piazza for larger crowds. All areas of the building are connected by a high-end audio-over-IP system that enable recording of high-fidelity, broadcast-quality audio from any part of the building, making it suitable for professional recordings.

The Creative Industries building forms part of a new cultural hub at the heart of USC Sunshine Coast, which includes the \$1.4 million expansion of the USC Art Gallery – made possible through the bequest of the Richard and Arija Austin Estate. The expanded footprint has increased capacity for art exhibitions and includes more space for teaching, learning and public programs. The USC Art Gallery, established through community philanthropic support, has the largest public art collection in the Sunshine Coast region.

At USC Caboolture, renovation work was completed on two new nursing simulation suites, providing eight extra beds for students to gain the practical skills required in the health field.

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.

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 achieved

This indicator measures the achievement of deliverables in USC's Campus Plans.

The 2019 planning and evaluation process was completed on time, with campus plan deliverables refined and the revised campus plans approved by USC Executive.

Campus plan deliverables were strongly and intentionally aligned with existing imperatives, KRAs and KPIs in USC's Strategic Plan 2019-22. This has allowed individual campus plans to continue emphasising what is most relevant to each campus, while also enabling a transition from what, in 2019, was strongly qualitative-based reporting to a system that is more focused and achieves a balance of quantitative and qualitative reporting.

Although there have been some impacts due to the pandemic (for example, some events involving community partners did not proceed; impact on international student numbers), overall performance against the campus plans for USC Gympie, USC Fraser Coast and USC Caboolture is tracking well. With the decision not to accept new students at USC SouthBank, that campus has focussed strongly on supporting current students, including through engagement with local partners.

KPI 3.1.2: ENROLMENT RATES ACROSS USC REGIONS

MEASURE	TARGET	PERFORMANCE
Enrolments by region	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	2/5 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 October 2020, shows the target for the percentage of domestic commencing higher education student enrolments was met in Moreton Bay and Noosa out of the five USC focus regions.

DOMESTIC COMMENCING HIGHER EDUCATION¹ ENROLMENTS BY REGION

REGION	2016 ²	2017 ²	2018 ²	2019 ²	2020 ² (target) actual
Fraser Coast	4.4%	45.4%	45.1%	42.8%	(47%) 40.4%
Gympie	46.6%	48.4%	50.2%	48.2%	(50%) 44.0%
Moreton Bay	11.8%	11.1%	12.0%	18.0%	(15%) 18.8%
Noosa	46.4%	43.4%	43.7%	38.8%	(40%) 40.7%
Sunshine Coast	59.5%	60.0%	59.6%	56.8%	(60%) 56.0%
<i>Number of regions meeting targets</i>					2/5

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

USC was pleased to welcome Professor Helen Bartlett as the University's third Vice-Chancellor and President in August 2020. An accomplished executive leader and academic, Professor Bartlett has brought a wealth of knowledge and experience in serving diverse regional communities. Before joining USC, Professor Bartlett was most recently Vice-Chancellor and President of Federation University Australia.

Professor Bartlett replaced Professor Greg Hill, who retired in August after almost a decade as USC's second Vice-Chancellor and President. During his tenure, Professor Hill oversaw the University's rapid expansion into regions such as the Fraser Coast and Moreton Bay. By the time of his retirement, USC had transformed from a single campus university with 9,000 students to a multi-campus institution serving diverse communities across regional south-east Queensland.

August marked the retirement of another senior executive who helped oversee USC's expansion. Professor Robert Elliot stepped down from his role as Pro Vice-Chancellor International and Quality after serving in his senior executive role for 25 years. As the University's longest-serving staff member, Professor Elliot helped raise USC's international profile and academic credibility. In his final five months at USC, Professor Elliot provided invaluable leadership in his role as Acting Vice-Chancellor during the height of the COVID-19 pandemic in Queensland.

In January Dr Wayne Graham accepted a position as Head of USC Caboolture. As a member of USC's School of Business for 14 years, Dr Graham has the experience needed to capitalise on the immense opportunity that exists within the growing region.

Dr Graham's appointment was followed by the announcement that Professor Karen Becker accepted the role as Head of USC Moreton Bay in February. In her new role, Professor Becker has been instrumental in fostering relationships with key community stakeholders and industry groups.

Strategic and structural changes

Following Professor Bartlett's appointment, Executive members gathered on 9 October to discuss USC's future opportunities and challenges. The group started a process to identify essential changes to the University's Strategic Plan 2019-2022 as it reached its midpoint, allowing USC to determine its priorities and initiatives for the next planning period.

A University-wide consultation process was launched on 20 October to incorporate feedback into the revamped strategic plan, which is expected to be implemented in 2021.

In November, USC introduced a new School structure to improve operating efficiencies. The resulting structure saw the number of Schools reduced from nine to six. There are:

- School of Behavioural and Health Sciences
- School of Business and Creative Industries
- School of Education and Tertiary Access
- School of Law and Society
- School of Nursing, Midwifery and Paramedicine
- School of Science, Technology and Engineering

The reorganisation followed a University-wide consultation process, with feedback incorporated into the final structure. The new composition consolidates resources such as administrative support and the operational management of Work Integrated Learning. A new Academic Support Unit was established to provide centralised administrative support to the new Schools.

Heads of the new Schools and an Academic Support Unit general manager were appointed after an expression of interest period, with all roles reporting directly to the Deputy Vice-Chancellor (Academic).

During the remainder of 2020, the new structure underwent a transition period before it became fully operational at the start of 2021.

USC's new Enterprise Agreement (2019-2022) was approved by the Fair Work Commission in February. It expires on 30 June 2022.

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	2.7 percent above 2020 target

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.

The University 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. With the significant strategic agenda over the next five years it will be imperative that cash flow is closely monitored.

ANNUAL NET DISCRETIONARY CASHFLOW: 2016-2019

MEASURE	2017	2018	2019	2020 (target) actual
Annual cashflows	1.8%	2.3%	-1.8%	(2%) 4.7%

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 annually	0.4 percent over target

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 INCOME¹: 2015-2019

MEASURE	2016	2017	2018	2019	2020
Employment costs as a percentage of total operating revenue	60.9%	62.1%	64.9%	58.9%	62.4%

1. 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 2022	0.6 percentage points above 2020 target

The 2020 HR composition of employment kind results show the USC Professional staff ratio at 58.1 percent – a 0.8 improvement on 2019. However, it still remains 0.6 percent higher than the 2020 target of 57.5 percent.

The USC ratio for Professional staff proportion decreased overall by 2.0 percentage points since 2015.

Similarly, the proportion of USC academic staff improved by 0.9 percent since 2019, with a 2.4 percent overall improvement since 2015. The percentage of USC senior staff remains steady in 2020.

The total staff in full-time employment increased slightly from 1,074.7 FTE in 2019 to 1,143.8 FTE as at 31 March 2020.

COMPOSITION OF EMPLOYMENT KIND¹

EMPLOYMENT KIND		2016	2017	2018	2019	2020 (target) actual
Academic ²	USC	37.9%	38.9%	38.2%	37.8%	38.7%
	Sector ⁵	40.0%	40.0%	40.0%	39.9%	39.5%
Professional ³	USC	58.4%	57.5%	58.5%	58.9%	(57.5%) 58.1%
	Sector ⁵	56.0%	56.0%	56.0%	56.2%	56.5%
Senior ⁴	USC	3.6%	3.5%	3.3%	3.3%	3.2%
	Sector ⁵	3.9%	4.1%	4.0%	3.9%	4.1%

1. Data as at 31 March 2020 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	9.5 percent above national average

This measure assesses the USC ratio of students to academic staff against national values. Latest available values from 2018 show USC's ratio exceeds the national average by 9.5 percent. 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^{2,3} FOR FULL-TIME EQUIVALENT ACADEMIC⁴ STAFF (INCLUDING CASUAL)⁵

	2017	2018	2019	2020 ¹
USC	21.5	23.1	24.7	24.2
National (Table A universities)	21.3	21.5	21.8	22.1
<i>% difference (USC to national)⁶</i>	<i>0.8%</i>	<i>7.2%</i>	<i>13.4%</i>	<i>9.5%</i>
USC (excluding USC Sydney and USC Melbourne student EFTSL)	-	22.4	22.6	21.8

1. Australian Government ratio of students to academic staff data is lagged by two years and is usually released in April. 2020 results are based on data from 2018 – 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.

OVERVIEW

Achievement highlights

USC has played an important role in supporting and skilling its regional communities throughout the COVID-19 pandemic. As restrictions were introduced in early 2020 to stem the spread of the virus, USC offered advice and support for families who needed to start home schooling children. This involved a multi-disciplinary approach that included education and mental health experts who helped equip families with the skills needed to accommodate sudden and dramatic changes in routine.

The Sunshine Coast Mind and Neuroscience-Thompson Institute has played a key role throughout the pandemic, including the development of Queensland's first evidenced-based online mental health program. Called EMERALD, the program was funded by both State and Commonwealth governments. The Thompson Institute has used its position as a unique research and teaching institute to support and skill regional Queenslanders in multiple areas of mental health, including free online suicide awareness training, counselling sessions and proactive mental health support.

USC Counselling students had a significant role to play as well, offering extensive online support to community members during this time.

In 2020, the Thompson Institute successfully obtained funding from the Primary Health Network for its new youth enhanced care coordination program 'Myndset', which is critical in addressing the existing mental healthcare gap between Headspace and Hospital and Health Services, ensuring that young people who are most vulnerable to developing severe and complex mental health conditions receive the care continuity and coordination that is critical in this stage of a developing illness.

To support and reskill industry operators and workers during this tumultuous year, USC offered free online employability toolkits, leadership courses, workshops for business owners, and introductory workshops to higher education. It also developed portfolio of new undergraduate and postgraduate certificates that allow regional Queenslanders to reskill in areas of national priority.

These initiatives were supported by USC students who graduated in 2020, prepared to work in frontline service positions such as nursing and teaching. Most of these graduates will remain working in our regional communities, confirmed through a Regional Universities Network-commissioned study released in 2020 that found seven in 10 regional undergraduates find work in regional locations – particularly in areas such as health care, social assistance and education. Importantly, the Nous Group and Victoria University's Centre of Policy Studies research confirmed the communities in which universities operated received economic benefits too.

In areas of industry and government partnership, USC continues to work collaboratively on a range of research projects to solve problems unique to its regional communities. One of those strategic partnerships included the Queensland Defence Science Alliance (QDSA), which aims to support connections and collaborations between universities, the defence industry and government. Seven Queensland universities are involved in the partnership to improve Queensland's capability to deliver Commonwealth Government defence objectives.

In 2020, the University held Sustainability and Engagement Forums to discuss with staff what changes were required and what initiatives should remain in the wake of COVID-19. The Forums, jointly sponsored by the Pro Vice-Chancellor (Engagement) and the Deputy Vice-Chancellor (Academic), brought together different aspects of sustainability for academic, professional and technical staff, students and the public. The ideas and points raised during the Forum process will be integrated into future planning decisions.

USC's environmental credentials have been bolstered with the delivery of the 'water battery' project, which uses a 2.1-megawatt photovoltaic system to power a 4.5-megalitre thermal-energy storage tank at its Sunshine Coast campus. The system, created in partnership with energy provider Veolia, saved USC 4,232 tonnes of CO₂ emissions in one year – the equivalent to planting 69,977 tree seedlings and growing them for 10 years. Of this, USC saved 3,082 tonnes through using solar power in place of grid electricity, and the rest by Veolia sending solar energy back to the electricity grid. Overall, more than 5 million kilowatt hours of electricity were generated. Another 21,264 kilolitres were saved through the system's water recycling component as well.

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.

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 ₂ -et/EFTSL/year)	Maintained at and trend lower than 1.0 t/EFTSL/year	0.82 tonnes

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

In 2020, travel-related emissions dropped significantly due to COVID-19 travel restrictions. At USC Sunshine Coast, grid electricity usage also dropped because most energy was sourced from the new thermal energy system. However, overall savings were mitigated by the grid energy required to power the new USC Moreton Bay campus.

All campuses also experienced savings in electricity, water and waste as staff and students transitioned to learning and working from home when COVID-19 restrictions were introduced.

USC COMPARED TO OTHER UNIVERSITIES IN QUEENSLAND, CO₂-et/EFTSL/YR²

INSTITUTION	2016	2017	2018	2019	2020
USC (lowest in 2020)	1.16	0.99	1.00	0.94	0.82
USQ (2 nd lowest in 2020)	1.11	1.03	1.11	0.98	0.98
UQ (2 nd highest in 2020)	3.30	2.80	2.52	2.41	2.3
JCU (highest in 2020)			2.56	2.85	3.22

USC COMPARED TO OTHER UNIVERSITIES NATIONALLY, CO₂-et/EFTSL/YR²

INSTITUTION	2016	2017	2018	2019	2020
UTAS (went carbon neutral in 2019)	0.66	0.33	No data	0	0
ACU (2 nd lowest in 2020)	0.57	0.66	0.65	0.64	0.66
USC (5 th lowest in 2020)	1.16	0.99	1.00	0.94	0.82
ANU (didn't report latest data)	5.57	4.90	4.74	4.03	N/A
Sector average	1.63	1.68	1.52	1.53	1.47
Rank	11th out of 37 institutions nationally in 2020				

- 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.
- Performance assessment is based on data from the prior year. 2019 is the latest data available and is used in the 2020 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)	Met 2020 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 USC's approved Carbon Management Plan, the University is committed to carbon neutrality by 2025. To achieve this goal USC will need to produce or source its energy requirements from renewable sources. In 2019, the University launched the largest action outlined in the Plan. The implementation of the Energy Efficiency Through Innovation Project (water battery and solar panels) at Sunshine Coast in September 2019, resulted in 12.9 percent of USC energy being sourced from renewables in 2019.

This target represents a measure of progress towards the goal of carbon neutrality and net zero emissions (Scope 1 and 2). 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.

USC TOTAL ENERGY CONSUMPTION FROM RENEWABLE SOURCE

	2019	2020 ¹ (Target)
Percentage of energy from renewables produced on site	12.30%	30% (30%)

1. Year-to-date estimate to November 2020. Excludes Moreton Bay.

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	3/5 USC regions increased

This measure assesses the proportion of USC graduates of all university graduates within USC's focus regions of the Fraser Coast, Gympie, Moreton Bay, Noosa and Sunshine Coast.

The latest data shows the number of USC graduates as a proportion of all graduates in the five focus regions combined remains similar in 2020 compared to results from 2019. Fraser Coast, Moreton Bay and Noosa all experienced an increase between 2019 and 2020. However, the Sunshine Coast and Gympie experienced small decreases.

USC COMPLETIONS¹ AS A PROPORTION OF ALL HIGHER EDUCATION² COMPLETIONS BY REGION

REGION	2017		2018		2019		2020	
	n	%	n	%	n	%	n	%
Fraser Coast	11	3.8%	26	9.3%	87	26.7%	91	34.6%
Gympie	44	32.1%	44	28.9%	74	46.5%	60	42.4%
Moreton Bay	179	9.9%	185	9.6%	229	11.1%	242	11.2%
Noosa	78	34.2%	76	32.9%	108	41.2%	109	48.0%
Sunshine Coast	988	61.4%	1,076	61.3%	1,240	64.4%	1,209	63.4%
All USC regions	1,299	32.1%	1,407	32.4%	1,738	36.7%	1,711	36.3%

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. 2019 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	4/5 regions met targets

This measure assesses the proportion of USC domestic undergraduate graduates whose location of employment falls within USC's focus regions of Fraser Coast, Gympie, Moreton Bay, Noosa and Sunshine Coast. Findings are based on responses to the annual national Graduate Outcomes Survey (GOS).

Latest results show that USC graduates represent at least 60 percent of the graduates employed in three of the five assessable regions - Gympie, Noosa and Sunshine Coast. Between 2019 and 2020 there has been an increase in the proportion of USC graduates employed in three of the five assessable regions - Fraser Coast, Gympie and Sunshine Coast; the proportion decreased slightly, by 1 percentage point, for Moreton Bay and Noosa.

USC GRADUATES² IN EMPLOYMENT³ AS A PROPORTION OF ALL HIGHER EDUCATION⁴ GRADUATES IN EMPLOYMENT BY REGION

REGION ⁵	2017 ¹		2018 ¹		2019 ¹		2020 ¹	
	%	n	%	n	%	n	%	n
Fraser Coast	3%	2	4%	4	17%	11	27%	27
Gympie	43%	9	51%	21	60%	22	73%	25
Moreton Bay	21%	69	17%	62	17%	54	16%	50
Noosa	59%	33	69%	41	64%	40	63%	28
Sunshine Coast	70%	374	68%	365	69%	352	73%	352
ALL USC Regions	47%	487	45%	493	48%	479	50%	482

Number of regions with increase or same as prior year or ≥60%

4/5

1. Results based on data from the year prior. 2019 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 10 graduates in employment in either the current or prior year are not included in the assessment.

OVERVIEW

Achievement highlights

In the midst of the COVID-19 pandemic, USC found new ways to engage with and support its communities in 2020. In the first quarter of the year, when restrictions were not yet introduced, USC partnered with community and government organisations across USC's regions from Moreton Bay to the Fraser Coast on 11 events, which ranged from literary festivals, to family-focussed food, music and artistic celebrations.

Once government travel and movement restrictions were implemented, USC adapted to a primarily online delivery of community engagement. This involved a multifaceted approach that included working with community organisations to help promote USC's initiatives and activities that helped support community members through this difficult period.

One of the free online community events USC partnered on was the Horizon Festival, where USC's Dr Leah Barclay and Kabi Kabi performer-educator Lyndon Davis created online soundscapes interwoven with traditional stories.

As the COVID-19 pandemic worsened, USC's position as a community support provider became more crucial, with the University offering free online services such as mental health check-ups and business development workshops, which were particularly beneficial to those living in USC's regional communities.

USC recognised the unique stresses placed on university students too. A staff fundraising appeal was launched to help raise funds in support of students facing financial hardship – especially those unable to access government support or who had lost income during COVID-19. USC partnered with community organisations during this period to distribute meals to students in need as well.

Indigenous initiatives

In the space of Aboriginal and Torres Strait Islander reconciliation, USC will move from the Innovate Reconciliation Action Plan to a Charter – a natural progression for the University. The Charter will enable the flexibility to develop and test innovative approaches to strengthen partnerships with Aboriginal and Torres Strait Islander Elders and their communities.

USC's expanding footprint into new communities also brings opportunities for genuine and close partnerships with Indigenous communities and engagement in co-research and community capacity exchange, such as has been happening at the USC Sunshine Coast Mind and Neuroscience-Thompson Institute. The unique mental health facility continues to partner with Aboriginal and Torres Strait Islander communities and make significant contributions to the health and wellbeing of communities through a co-designed suicide prevention strategy.

USC has introduced an Indigenised nursing and midwifery student support/mentoring model. It provides Indigenous nursing and midwifery students with comprehensive cultural and academic knowledge, guidance and support to ensure they are successful in navigating both the University and health environments. This model has allowed the coordinators to foster a partnership with Sunshine Coast Hospital and Health Services, resulting in the Sunshine Coast University Hospital (SCUH) offering Indigenous graduate nursing positions each year with priority given to USC Indigenous nursing graduates.

Across the year there remained a strong focus on strengthening meaningful partnerships with Aboriginal and Torres Strait Islander communities in the Moreton Bay and the Fraser Coast regions, through both community engagement and widening participation programs. This engagement continues to drive significant growth in students in both regions.

In 2020, USC launched the Indigenous and Transcultural Research Centre to foster a sharing of ideas across scientific disciplines and cultures, including First Nations peoples, migrants, refugees and culturally diverse communities. The team is led by three directors, Professor of Marketing Maria Raciti, Professor of Education Research Catherine Manathunga and Professor of Geography Jennifer Carter – all from USC.

USC also updated the Indigenous Knowledges and Perspectives Library Guide to provide additional resources such as information specific to each of the University's Schools. The new resources provide links to publications, an extensive bibliography, and discussion board. The update was completed within the cultural capability project, supporting USC's ambition of ensuring all USC graduates develop a deeper understanding and appreciation of Aboriginal and Torres Strait Islander peoples' depth of knowledge across the disciplines.

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.

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	N/A

The measure assesses 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.

Definition of 'productive partnerships':

- 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 Engagement policy and charter.

USC's proposed partners for the Carnegie engagement survey were identified. However, Carnegie and the Australian Universities Carnegie Consortium have agreed to omit the partner survey from the 2020 process, recognising that asking partners to undertake this activity during the current COVID-19 pandemic would be inappropriate. USC submitted its portfolio to Carnegie (minus the partner identification section) in August 2020.

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	2 percent above target

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

PROPORTION OF REVENUE FROM INDUSTRY FUNDING

MEASURE	2017	2018	2019	2020
Proportion of revenue from industry and philanthropy funding	1.9%	1.5%	3.2%	4.0%

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	\$57,411 annual increase
	Annual fundraising return on investment equates to 2:1	4.1:1

Annual values for donor funded scholarships and fundraising return on investment will be available for assessment in March of the following year. 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.

USC has exceeded its target for 2020 of a value of \$870,000 for donor funded scholarships, having reached \$927,411. The fundraising return on investment for 2020 is 4.1:1, which currently exceeds the 2020 target too.

PROPORTION OF REVENUE FROM INDUSTRY FUNDING

MEASURE	2017	2018	2019	2020 ¹ (Target)
Donor funded scholarships	\$728,838	\$782,563	\$925,568	\$927,411 (\$870,000)
Fundraising return on investment (excluding major gifts)	2.5:1	2:1	2.4:1	4.1:1 (2:1)

1. YTD as at 30 September 2020

Government objectives for the community

USC's activities strongly support the Queensland Government's objectives for the community. Below is a high-level summary of how USC has actively supported these objectives. More detailed information is contained under the strategic imperatives in this report. ourfuture.qld.gov.au/gov-objectives.aspx

Safeguarding our health

Safeguarding the physical and mental health of Queenslanders is a key outcome of USC's operations. Apart from training and skilling health and wellbeing professionals, in 2020 USC played an important role in researching the optimal dose and delivery of the Novavax, Inc vaccine through USC Clinical Trials.

In the space of mental health, the Alliance for Suicide Prevention – Sunshine Coast, co-developed by the Thompson Institute, has successfully delivered a community-based prevention strategy that reduces stigma and promotes help-seeking behaviour.

Supporting jobs

USC offers a portfolio of more than 120 undergraduate programs, across areas of business, environment and agriculture, health and wellbeing, engineering, science, humanities and the arts, ensuring that Queensland is equipped with a skilled and diversified workforce.

Backing small business

Apart from the suite of business degrees available to community members, USC offers free workshops, resources and support services to help small businesses grow and prosper within USC's regions.

Making it for Queensland

Procurement at USC aligns with the Queensland Procurement Policy, which includes supporting local manufacturing and industries.

Building Queensland

USC's graduates and academics help build and advise on new infrastructure that helps ensure Queensland's recovery, resilience and future prosperity.

Growing our regions

As a regional university, USC understands the importance of attracting people, talent and investment to the regions. In terms of economic impact, capital investment in the University's regional campuses in 2020 totalled almost \$13 million.

Investing in skills

As a higher education provider, USC plays a direct role in skilling Queensland's workforce. 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 – from short courses, to higher degrees by research.

Backing our frontline services

USC focuses on the core skills students need to succeed in the workplace, providing proper training so that nurses, paramedics, teachers and social workers can excel in their jobs from the moment they graduate.

Protecting the environment

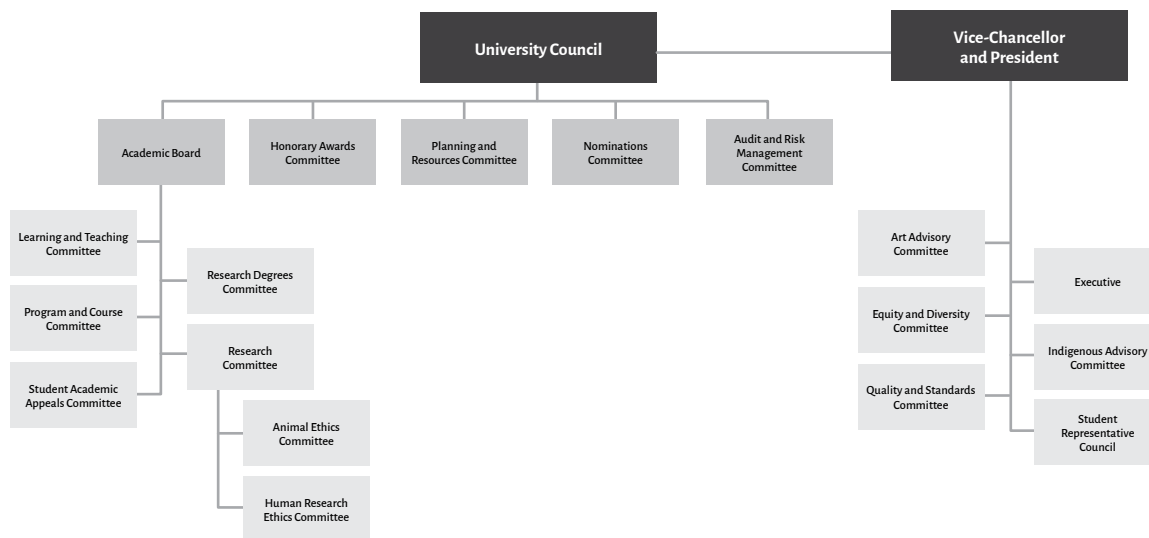
Environmental sustainability is one of USC's key research strengths. Areas of focus include the impacts of climate and environmental change, animal and marine ecology, and sustainable aquaculture, agriculture and forestry practices. USC is also on track to achieve carbon neutrality in its operations by 2025.

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.

The Council met eight times in 2020. Additionally, a Council Strategic Planning session was held in conjunction with the Council meeting held on 3 December 2020.



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, continued commitment to serve 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 from the military in July 2011 after serving for 41 years. Chief of the Australian Defence Force from 2005-2011 and Chief of Air Force for four years prior to that.

As well as Chancellor for USC, Sir Angus is Chair of the Murray Darling Basin Authority and Chairs several other boards. Board member for numerous organisations as well as being a visiting fellow of the Australian National University National Security College. Ambassador/Patron for a number of charitable organisations, including several mental health charities. 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 (appointed 11 April 2017)

QDAH Qld., BEc, GradDipCompSc, GradDipFinMangt, GradDipRurAcc UNE, Hon.DLitt UNE, FAICD

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. 2020 was the third 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 of this Annual Report, and online at usc.edu.au/reports

The Council membership for 2020 was as follows:

Chancellor	Air Chief Marshal Sir Angus Houston AK, AFC (Ret'd)
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 AO, CertTeach <i>Kelvin Grove Teach.Coll.</i> , BA(Hons) <i>Qld.</i> , PhD <i>Qld.</i> (retired 14 August 2020) Professor Helen Bartlett, BA, <i>Northumbria</i> , MSc (Public Policy), <i>University of Bath</i> , PhD, <i>University of Bath</i> (appointed 17 August 2020)
Acting Vice-Chancellor and President	Professor Robert Elliot, BA(Hons) <i>NSW</i> , MA <i>La Trobe</i> , DipEd <i>Melb</i> , PhD <i>Qld.</i> (16 March 2020 – 14 August 2020)
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 Scott Williams AM, QDAH <i>Qld.</i> , BEc, GradDipCompSc, GradDipFinMangt, GradDipRurAcc <i>UNE</i> , Hon.DLitt <i>UNE</i> , FAICD 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 Tim Rothwell, BA(Hons) <i>Newc</i> , FCA, MAICD
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> (resigned 10 June 2020) Professor Abigail Elizur, BSc <i>HUJJ</i> , MSc <i>ANU</i> , PhD <i>ANU</i> , FTSE (elected 7 October 2020) Associate Professor Mark Sayers, BAppSci <i>CCA</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	Melissa Geltch Nathan Wellington
Four additional members*	Melinda Bryant, LLB, BBus, GradCertCreativeInd <i>Qld. UT</i> , GDLP <i>Coll.Law</i> Katie Toney, BComm <i>Sunshine Coast</i>
Council Secretary	Kim Lerch, BBus <i>Monash</i> Rana Williams, BSc (Hons) <i>UOW.</i> , MSc <i>UOW.</i> , MBFR <i>Macq</i> (from 8 October 2020)

* Two additional member positions currently vacant

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"> • Approved Annual Financial Statements and quarterly budget reports • Approved the appointment of a new Vice-Chancellor and President • Oversight of the completion of the Foundation Facilities Building at Moreton Bay • Approved a plan to address the budget in response to the effects of COVID-19 • Completion of recommendations in the External Review of Council Action Plan • Approved changes to the Risk Appetite Framework and Risk Management Strategy • Approved amendments to University Governing Policies • Compliant with the Voluntary Code of Best Practice for the Governance of Australian Public Universities
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	8
Total out of pocket expenses	\$15,964.57

Council decisions

In 2020, Council made the following decisions:

- Approved the 2019 Annual Financial Statements
- Approved the appointment of a new Vice-Chancellor and President
- Approved the 2019 December Outcomes Report of the University Consolidated Budget
- Approved the VCP's 2020 Key Performance Measures
- Approved appointments and reappointments to the Thompson Institute Pty Ltd Board
- Approved proposals concerning USC's third party managed campuses
- Approved a plan to address the budget in response to the effects of COVID-19
- Approved the transfer of business from the ICSC Pty Ltd to USC and received progress reports
- Approved appointments and reappointments to Council's Standing Committees
- Approved the quarterly budget reports
- Approved the 2021-2025 University budget
- Approved recommendations received from the Honorary Awards Committee
- Approved that there be no amendments to the Risk Appetite Statement,

- Approved amendments to the Risk Management Strategy and Risk Appetite Framework
- Approved decisions associated with the business of the University.
- Approved that no changes were required to the Enterprise Risk Management-Governing Policy
- Approved an amendment to the process for the election of Chancellor and Deputy Chancellor

In 2020, Council approved changes to the following policies:

- Equity and Diversity – Governing Policy
- Anti-Discrimination and Freedom from Harassment (Staff) – Governing Policy
- Business Continuity Management – Governing Policy
- Critical Incident Management – Governing Policy
- Responsible Research Conduct – Governing Policy
- Audit and Assurance Framework – Governing Policy and associated Internal Audit Charter

In 2020, Council approved the following new policy:

- Freedom of Speech and Academic Freedom – Governing Policy

Council received or discussed the following reports/matters:

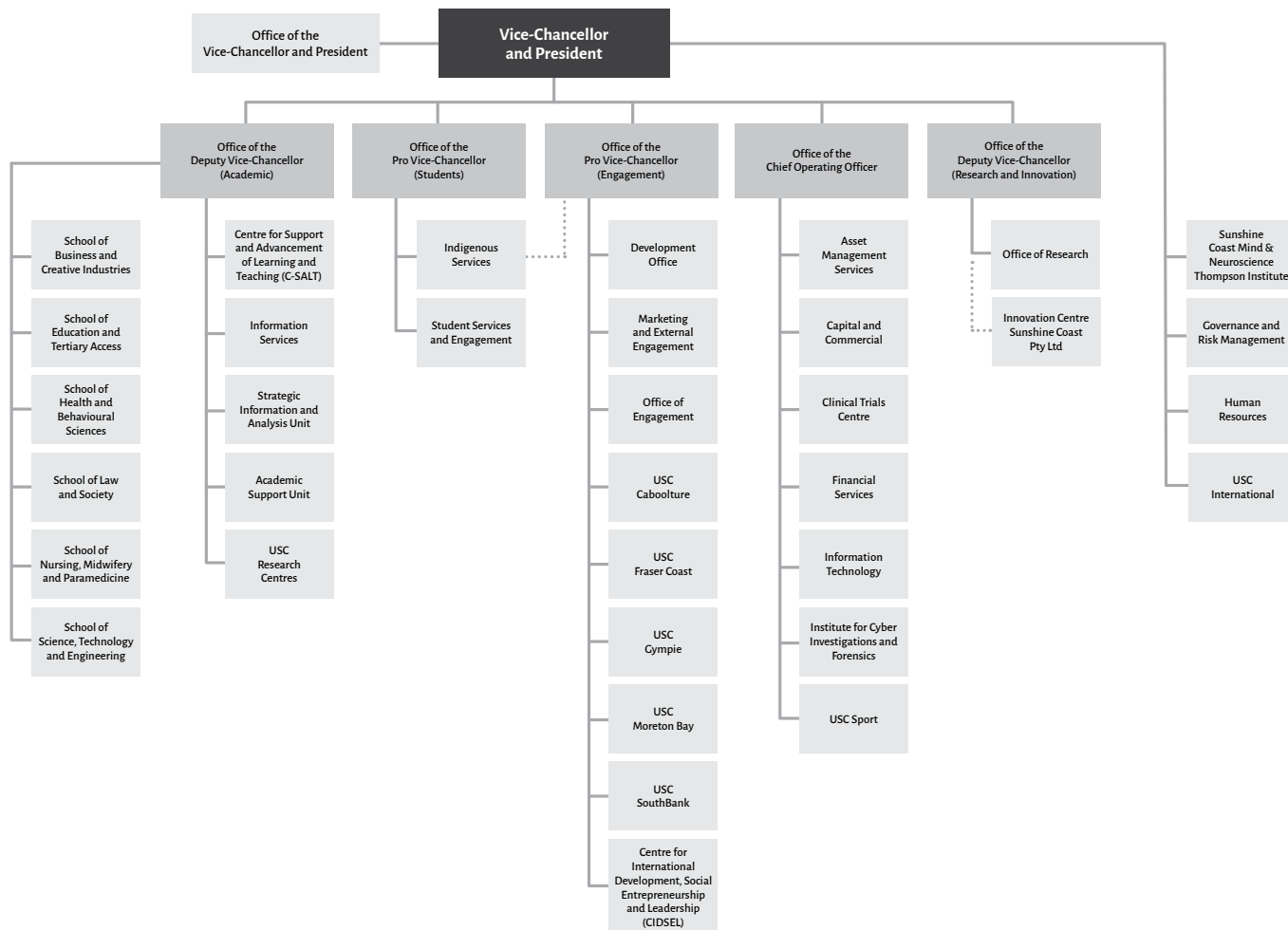
- Received the Summary Quarterly Report on Health, Safety and Wellbeing
- Received regular Risk Appetite Dashboards
- Noted regular reports from the Chancellor, Vice-Chancellor and President, Deputy Vice-Chancellor (Academic), Deputy Vice-Chancellor (Research and Innovation) and Chairs of the standing committees of Council
- Noted regular reports from staff and student members of Council including USC Student Senate Reports
- Received reports on USC's Tertiary Education Quality and Standards Agency (TEQSA) re-registration process and submission
- Received the TEQSA Re-registration Notification of Decision
- Received reports on the Moreton Bay Campus Project, including budget reports
- Received the Moreton Bay Foundation Building Post Implementation Review Report
- Noted the Moreton Bay Campus Operations and Integration report
- Noted the Moreton Bay University Precinct Program Performance Report

- Received a report on Staff and Student mental health risk assessment and legal opinion on industrial manslaughter legislation
- Received a report on the USC Efficiency Program Framework
- Received reports on USC's response to COVID-19, including financial impacts and planned actions
- Received the final progress report in relation to the 2018 External Review of Council
- Received reports concerning participation in the National Redress Scheme for Institutional Child Sexual Abuse
- Received reports on strengthening the policies and processes regarding prevention of sexual assault and sexual harassment
- Received a report on the application of Modern Slavery legislation to USC
- Received the Moody's Investors Service update to credit analysis June 2020
- Received a report on the development of USC's Diversity and Inclusion Plan
- Noted the Minutes of the Planning and Resources Committee (PRC), Audit and Risk Management Committee (ARMC) and Academic Board meetings
- Received reports from the Nominations Committee
- Noted Capital, Commercial and Asset Management Reports
- Noted the Reports of the meetings of the Innovation Centre Sunshine Coast Pty Ltd (ICSC) Board and the ICSC 2019 Annual Financial Statements
- Noted a list of Academic programs accredited by Academic Board in 2019
- Noted the Annual Report on Conferral of Awards.
- 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) Program
- Received the 2019 Student Experience Survey Outcomes
- Received a report on the 2019 performance assessment of Council
- Received the final report on the 2018 Review of Academic Governance
- Noted that USC Clinical Trials would participate in a COVID-19 vaccine trial
- Received reports related to Internal Audits
- Received reports relating to general business of the University
- Noted Corporate Performance Reports on the Strategic Plan 2019-2022
- Noted USC Operational Plan Reports
- Received the 2019 Student Guild Financial Statements
- Received the Annual Report on activities of the Foundation Board
- Received a report on activities forming USC's response to Guidelines to Counter Foreign Interference in the University sector
- Noted the Key Statistics and Performance Measures Dashboard report
- Noted the Annual Review of the University's Delegations Manual and Schedules
- Noted USC's compliance with the UCC Code of Best Practice for Governance of Australian Universities

In 2020, Council received the following presentations:

- Australian Centre for Pacific Islands Research (ACPIR)
- USC Moreton Bay operation
- Strategic Plan and Vision for USC
- Health, Safety and Wellbeing

University leadership and organisational structure



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 Helen Bartlett

BA Northumbria, MSc (Public Policy) University of Bath, PhD University of Bath

Commenced as USC's third Vice-Chancellor and President on 17 August 2020. Prior to joining USC, Professor Bartlett was Vice-Chancellor and President of Federation University Australia from 2017 to 2020, Pro Vice-Chancellor and Chief Executive of Monash University Malaysia from 2013 to 2017, and Pro Vice-Chancellor and President of Monash University's Gippsland Campus from 2008 to 2012. Professor Bartlett brings to USC extensive international experience, having held various leadership roles in universities across Australia, the United Kingdom, Hong Kong and Malaysia. A research specialist in health and aged care, Professor Bartlett's career includes inaugural Director at the Australasian Centre on Ageing at the University of Queensland, the Oxford Centre for Health Care Research and Development and the Oxford Dementia Centre at Oxford Brookes University. Professor Bartlett was conferred as an Emeritus Professor at Monash University in 2017. She is the current Chair of the Regional Universities Network (2019-21), an expert member of the Australian Government Council for International Education, and also a member of the Australian Government's National Priorities and Industry Linkage Fund Working Group.

DEPUTY VICE-CHANCELLOR (ACADEMIC)

Chair of Academic Board, overseeing the academic functions of USC and related support areas such as Schools, Research Centres, Information Services, Strategic Information and Analysis Unit, and the Academic Support Unit. Co-chair of the University Sustainability Forum, Chair of Clinical Board and Chair of the University Athena Swan Gender equity committee.

Professor Tim Wess

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

Appointed to USC in 2018 as the Deputy Vice-Chancellor (Academic). 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. Member of the Sunshine Coast Community Strategy Leadership Group. 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

BSc, MSc RMIT, PhD La Trobe, FRACI

Deputy Vice-Chancellor (Research and Innovation) since 2016. Previously served as USC's first Pro Vice-Chancellor (Research) from January 2011 to December 2015. Prior to USC, held various roles at Curtin University including Associate Deputy Vice-Chancellor (Research Strategy and Development) in 2010, Dean of Research in the Faculty of Science and Engineering from July 2007 to December 2009, Head of Department in Chemistry, Professor of Chemistry, Associate Professor, Senior Lecturer and Lecturer appointments. This was preceded by a Lectureship at the University of Tasmania, and a Research Scientist/Management role at CSIRO Minerals. Leader in field of electrochemical sensors, fuel cells, corrosion and energy materials.

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, 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. Oversees Clinical Trials and USC Sport.

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)

Portfolio responsibilities include oversight of Marketing and External Engagement, the Development Office, the USC Art Gallery and USC's Access and Diversity Unit. Also responsible for USC Caboolture, USC Fraser Coast, USC Gympie, USC Moreton Bay and USC SouthBank.

Professor Joanne Scott

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

One of the longest serving members of the University. Chairs Vice-Chancellor's Equity and Diversity Committee. Commenced with USC in 1997 as an Associate Lecturer in Australian Studies. Roles have included inaugural Head of School of Social Sciences (2006-2010), Chair of USC's Learning and Teaching Committee (2007-2012) and the Executive Dean of the Faculty of Arts, Business and Law (2012-2017). Former Visiting Professor of Australian Studies at Tokyo University. Elected to Board of Engagement Australia in 2018. President of Education Sunshine Coast. Member of Australian Historical Association and Australian Institute of Company Directors. Published research in fields of 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 (retired 14 August 2020)

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

Pro Vice-Chancellor (International and Quality) and Professor of Philosophy. A founding staff member of the University. Acting Vice-Chancellor from March to August 2020. 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. Chairs USC's Learning and Teaching Committee.

Professor Denise Wood AM

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

Appointed in 2019 as Pro Vice-Chancellor (Students). Prior to USC, was Professor and Director of research centre focusing on regional advancement of learning, equity, access and participation at CQUniversity. Worked at University of South Australia as Associate Head of School (Learning and Teaching) in the School of Communication, Internal Studies and Languages. Appointed to an adjunct Professorial position (Extraordinary Professor) in the Faculty of Education at the University of the Western Cape, South Africa. Member of the Order of Australia Award (AM). Member of Equity in Higher Education Panel. Member of NDIS Workability Advisory Group and FASD CQ Alliance. Deputy Chair of Australasian Congress of Undergraduate Research. Member of the World Conference on Undergraduate Research Organising Committee. Research focus on improving the educational and social participation of people from under-represented groups.

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 2020, Academic Board met six times. The Board members did not receive any remuneration in 2020.

The terms of reference of Academic Board in 2020 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 2020

- Approved changes, endorsed by the Learning and Teaching Committee in accordance with recommendations in the 2018 Review of Academic Governance report, to the Composition and Term of Reference of Learning and Teaching Committee
- Received and approved the response and action plan following the 2019 Limited Review of Psychology Programs
- Received and noted the response and action plan following the 2018 Review of Information Services
- Received and approved amendments to the Learning and Teaching Committee composition and terms of reference

- Received and noted the schedule of Program Professional Accreditations – pending 2020 and 2021 Accreditations as outlined in the Program Professional Accreditation Register
- Received and approved the first progress report following the 2019 Review of End-On Honours Programs
- Received and noted the second progress report following the 2018 Review of Student Services and Engagement
- Noted Exam Changes for Semester 2, 2020, as recommended by the Program and Course Committee in response to COVID-19 and approved executively by the Chairperson, Academic Board
- Received and approved the first and second progress reports following the 2018 Review of HDR Programs
- Received and approved the first progress report following the 2019 Review of Psychology Programs
- Received and approved the response and action plan following the 2019 Review of the Office of Research
- Received and noted the first and second progress reports following the 2018 Review of Information Services
- Received and noted the Schedule of Academic and Research Delegations as set out in Schedule C of the Delegations Manual
- Received and noted the University Quarterly Risk Profiles (Schools and University Research Centres/Institutes) for the December 2019, and the March, June and September 2020 quarters
- Received and discussed regular reports on USC's third party managed (ATMC) campuses
- Received and discussed regular updates on USC's response to COVID-19
- Received and discussed TEQSA re-registration reports, and noted confirmation of USC's re-registration for a period of seven years to 13 May 2027 (see below – TEQSA Re-registration)
- Received and noted final progress reports on the implementation of recommendations contained in the reports of the following reviews:
 - 2018 Review of Academic Governance
 - 2018 Review of Student Services and Engagement

Policy developments included:

- Approved amendments to the Academic Timetable - Academic Policy
- Endorsed and recommended amendments to the Academic Timetable - Procedures to the Deputy Vice-Chancellor (Academic) for approval
- Endorsed amendments to the Learning and Teaching Grants, Awards and Fellowships - Academic Policy which were approved executively by the Chairperson, Academic Board
- Endorsed and recommended approval of the Learning and Teaching Grants, Awards and Fellowships- Procedures (replacing the Learning and Teaching Grants - Procedures) to the Deputy Vice-Chancellor (Academic) for approval
- Approved amendments to the Admissions, Enrolments and Graduation - Academic Policy
- Approved amendments to the Work Integrated Learning - Academic Policy
- Endorsed the proposed amendments to the Work Integrated Learning - Procedures, including a name change to Work Integrated Learning (Placement) - Procedures, to the Deputy Vice-Chancellor (Academic) for approval
- Approved the Externally Funded Research - Academic Policy (change of title from External Research Grants - Academic Policy)
- Endorsed and recommended approval of the Externally Funded Research - Procedures (change of title from External Research Grants - Procedures) to the Deputy Vice-Chancellor (Research and Innovation) for approval
- Received and endorsed the changes to existing policies and the new policy on Freedom of Speech and Academic Freedom - Governing Policy to Council for approval
- Received and endorsed the proposed changes to the Responsible Research Conduct - Governing Policy to Council for approval
- Approved the rescindment of the Library Collection Development - Academic Policy and the implementation of the replacement Collection Development - Guiding Principles

TEQSA re-registration

At the TEQSA Commissioner's meeting held on 13 May 2020, re-registration for USC was approved for a period of seven years until 13 May 2027. There were no statutory conditions on the re-registration and there were four commendations which appear on the TEQSA National Register of Higher Education Providers. Academic Board received and noted this information at its meeting on 14 July 2020.

Accreditation

In 2020 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.

Under the Program Accreditation and Course Approval - Governing Policy and associated procedures, Academic Board accredits new programs. The policy allows for expedited accreditation or approval in certain circumstances. There were no programs approved by Academic Board in 2020. The Program and Course Committee, which is a standing Committee of Academic Board, approves changes to programs and new courses.

In 2020 the following new programs were accredited through an expedited process by the Chairperson of the Academic Board and reported at the following meeting of Academic Board:

- AR503 Graduate Certificate in Mental Health and Neuroscience, effective from Semester 2, 2020
- SC514 Graduate Certificate in Aged Care, effective from Semester 2, 2020
- SC516 Graduate Certificate in Health Promotion, effective from Semester 2, 2020
- BU504 Graduate Certificate in IT for the Digital Age, effective from Semester 2, 2020
- BUS010 Undergraduate Certificate in IT Careers, effective from Semester 2, 2020
- SC010 Undergraduate Certificate in Allied Health, effective from Semester 2, 2020
- SC012 Undergraduate Certificate in Animal Ecology, effective from Semester 2, 2020

- ED011 Undergraduate Certificate in Early Childhood Education, effective from Semester 2, 2020
- SC013 Undergraduate Certificate in Engineering, effective from Semester 2, 2020
- ED010 Undergraduate Certificate in Primary Education, effective from Semester 2, 2020
- BU012 Undergraduate Certificate in Small Business, effective Semester 1, 2021
- BU011 Undergraduate Certificate in Digital Business, effective Semester 1, 2021
- AR012 Undergraduate Certificate in Interactive Media, effective Semester 1, 2021
- AR014 Undergraduate Certificate in Social Media, effective Semester 1, 2021
- AR011 Undergraduate Certificate in Game Design, effective Semester 1, 2021
- SC019 Undergraduate Certificate in Nutrition, effective Semester 1, 2021
- SC018 Undergraduate Certificate in Health Promotion Foundations, effective Semester 1, 2021
- AR010 Undergraduate Certificate in Community Services, effective Semester 1, 2021
- AR013 Undergraduate Certificate in Legal Studies, effective Semester 1, 2021
- SC017 Undergraduate Certificate in Health, effective Semester 1, 2021
- BU509 Graduate Certificate in Business Innovation and Leadership, effective Session 1, 2021
- AR507 Graduate Certificate in Cognitive Behaviour Therapy (CBT) for Allied Health Professionals, effective Semester 1, 2021
- AR506 Graduate Certificate in Behaviour Analysis and Positive Behaviour Support / Certificate in Applied Support Work, effective Semester 1, 2021
- SC517 Graduate Certificate in Cybersecurity and Investigations, effective Semester 1, 2021
- AR504 Graduate Certificate in International Development, effective Semester 1, 2021

- SC523 Graduate Certificate in Marine Science, effective Semester 1, 2021
- ED512 Graduate Certificate in Educational Leadership, effective Semester 1, 2021
- BU513 Graduate Certificate in Data Science, effective Semester 1, 2021
- ED513 Graduate Certificate in Montessori Education, effective Semester 2, 2021
- BU512 Graduate Certificate in ICT, effective Semester 1, 2021

In 2020 the Academic Board, through the Program and Course Committee, noted the approval of the Vice-Chancellor and President (or delegate) to discontinue the following program offerings:

- BU301 Bachelor of Business (ATMC Melbourne and Sydney only), effective Semester 3, 2020
- BU356 Bachelor of Commerce (Accounting)(ATMC Melbourne and Sydney only), effective Semester 3, 2020
- BU381 Bachelor of Information and Communications Technology (ATMC Melbourne and Sydney only), effective Semester 3, 2020
- BU708 Master of Information and Communications Technology (ATMC Melbourne and Sydney only), effective Semester 3, 2020
- BU772 Master of Professional Accounting (ATMC Melbourne and Sydney only), effective Semester 3, 2020
- BU740 Master of Business Administration (Extended)(SouthBank campus only), effective Semester 2, 2019

In 2020 the Academic Board, through the Program and Course Committee, noted the approval of the Vice-Chancellor and President (or delegate) to suspend intake into the following programs:

- BU710 Master of Business Administration (SouthBank campus only)
- BU610 Graduate Diploma in Business Administration (SouthBank campus only)
- BU510 Graduate Certificate in Business Administration (SouthBank campus only)

- BU791 Executive Master of Business Administration (Sunshine Coast campus only)

Annual Reports to the Academic Board

In 2020 the Academic Board received:

- USC Grievance Resolution Annual Report 2019
- 2018 Annual Report for the Genecology Research Centre
- 2018 Annual Report for the Centre for Human Factors and Sociotechnical Systems
- 2018 Annual Report for the Sustainability Research Centre
- 2018 Annual Report for the Forest Industries Research Centre
- 2018 Annual Report for the Tropical Forests and People Research Centre
- Research Integrity Report, July-December 2019
- 2019 Annual Report USC Business School External Academic Advisory Committee (Business)
- 2019 Annual Report USC Business School Academic Advisory Committee (ICT)
- 2019 Annual Report Engineering Industry Advisory Committee
- 2019 Annual Report Science Industry Advisory Committee
- 2019 Animal Ethics Committee Annual Report
- 2019 Human Research Ethics Committee Annual Report
- 2019 Annual Report School of Education External Academic Advisory Committee
- 2019 Annual Report School of Education Aboriginal and Torres Strait Islander Education sub-committee (Tier 2)
- 2019 Annual Report School of Health and Sport Sciences Occupational Therapy External Program Advisory Committee
- 2019 Annual Report School of Health and Sport Sciences Associate Degree in Medical Laboratory Science External Program Advisory Committee

- 2019 Annual Report School of Health and Sport Sciences Bachelor of Nutrition External Program Advisory Committee
- 2019 Annual Report School of Health and Sport Sciences Environmental Health External Program Advisory Committee
- 2019 Annual Report School of Health and Sport Sciences Prosthetics and Orthotics External Program Advisory Committee
- 2019 Annual Report School of Health and Sport Sciences Sport and Exercise Science External Program Advisory Committee
- 2019 Annual Report School of Health and Sport Sciences Bachelor of Dietetics External Program Advisory Committee
- 2019 Annual Report School of Health and Sport Sciences Bachelor of Biomedical Science External Program Advisory Committee
- 2019 Annual Report School of Health and Sport Sciences Public Health External Program Advisory Committee
- 2019 Annual Report for the School of Law and Criminology External Advisory Committee
- 2019 Annual Report School of Creative Industries External Academic Advisory Committee
- 2019 Annual Report for the School of Nursing, Midwifery and Paramedicine - Nursing and Midwifery External Advisory Committee
- 2019 Annual Report for the School of Nursing, Midwifery and Paramedicine - Paramedicine Advisory Committee
- 2019 Annual Report for the School of Social Sciences External Academic Advisory Committees - Counselling; Planning; Psychology (Undergraduate); Psychology (Postgraduate); Social Work
- 2019-2020 Annual Report from the Student Academic Appeals Committee

Issues and strategic directions related to the higher education sector

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

- Changes to policy environment including the approach to implementing the Model Code for the Protection of Freedom of Speech and Academic Freedom in Australian Higher Education Providers.
- Matters relating to student academic integrity and research integrity.
- TEQSA consultation papers and Guidance Notes.

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 2020 were in accordance with its Terms of Reference and had due regard to Queensland Treasury's Audit Committee Guidelines. Four regular meetings, one special meeting and one informal meeting of the ARMC were held in 2020. Additionally, a Planning Day was held in November.

In 2020, the ARMC considered business items related to the following:

- USC 2019 Annual Financial Statements
- 2020 Internal Audit Operational Plan
- Strategic Internal Audit Plan 2021-2023 and 2021 Operational Internal Audit Plan
- External Audit Plan 2020
- Reports on USC's response to COVID-19, including emerging risks and matters deferred
- Innovation Centre Sunshine Coast's Pty Ltd 2019 Annual Financial Statements
- Risk Management
- Compliance
- Procurement Analysis
- Health, Safety and Wellbeing
- SafeUSC Security Incident Report
- Complaints and incident reporting
- Grant acquittals
- TEQSA Assessment Report – Renewal of Registration
- Presentation on the Technical and Work Integrated Learning Operations
- Progress on the Moreton Bay Campus Project including assurance matters
- Report of the delivery and post investment review of the Moreton Bay Campus
- Certification of Financial Covenants – MBUP Commonwealth Loan
- Moody's Investors Service update to credit analysis June 2020
- Proforma Financial Statements and Desktop Revaluation of Non-Current Assets
- Internal Audit Charter
- Delegations and authorisations
- Human Research and Animal Ethics Annual Reports
- Reviews of Governing Policies including the:
 - Equity and Diversity – Governing Policy
 - Anti-Discrimination and Freedom from Harassment (Staff) – Governing Policy
 - Business Continuity and Incident Management Framework – Governing Policy
 - Critical Incident Management – Governing Policy
 - Fraud and Corruption – Governing Policy
 - Public Interest Disclosures – Governing Policy
 - Audit and Assurance Framework – Governing Policy
 - Enterprise Risk Management – Governing Policy

- Progress reports on performance against the USC Strategic Plan
- Auditor-General's Report to Parliament for 2018-2019
- Insurance
- 2019 External Audit Closing Report

Additionally, ARMC considered 2020 Internal and External Audit Plans and Audit reports in the areas of USC Clinics, outstanding audit issues, Outside Work and Consultancy, and Emergency Management and Security Operations.

The 2020 ARMC Planning Day, held in November, focussed on risk management priorities, internal audit and assurance, a refresh of the Strategic Plan 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 2020.

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 2020, along with a Planning Day in November.

In 2020, PRC considered matters in relation to the following areas:

- Progress reports on performance against the USC Strategic Plan 2019-2022
- Reports on USC's response to COVID-19
- Operational Plan 2020-2022 and status reports
- Quarterly Budget Reports
- Quarterly Investment Reports
- 2021-2025 Annual Budget
- 2019 USC Annual Financial Statements
- 2019 Student Guild Annual Financial Statements
- Moreton Bay campus development, including:
 - Budget
 - USC Moreton Bay University Precinct program performance reports
- Report of the delivery and post investment review of the Moreton Bay Campus
- Foreign Interference
- Information Technology benchmarking report
- USC key statistics and performance measures reports
- Reports on student enrolments and international students
- Space Management Reports
- Presentations on:
 - Student intakes, predictions and consequences
 - Portfolio of the Pro Vice-Chancellor (Students)
 - Moreton Bay Campus Operations and Integration
 - Portfolio of the Head, Moreton Bay Campus
 - Information Technology
 - Innovation ecosystems
 - Programs on a multi campus
 - Marketing
 - USC Development Office
- Capital, Commercial and Asset Management Reports
- Procurement
- Reports of the meetings of the Innovation Centre Sunshine Coast Pty Ltd (ICSC) Board and the transfer of its business to USC
- Moody's Investors Service update to credit analysis June 2020

Non-staff members on the Planning and Resources Committee did not receive any remuneration in 2020.

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 2020 to consider nominations and the following honorary awards were conferred.

HONORARY DOCTORATE

- Dame Noeline Taurua
- Emeritus Professor Gerard Sutton
- Mr John Marsden
- Claire Moore
- William McInnes

SENIOR FELLOW OF THE UNIVERSITY

- Laraine Hill
- Jacquelyn Wright
- Gary McLennan

EMERITUS PROFESSOR

- Professor Greg Hill
- Professor Robert Elliot
- Professor Karen Nelson
- Professor Marianne Wallis
- Professor Philip Graham

DISTINGUISHED COMPANION

- Graham Young
- Mark Bradley
- Mark Nugent
- Don Maconachie
- Noela Burton

Non-staff members of the Honorary Awards Committee did not receive any remuneration in 2020.

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). Five regular meetings and one special meeting of the Nominations Committee were held in 2020.

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, with no changes made in 2020.

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 October 2020. There were no changes made to the nine categories of material risk, or to the risk postures for each of these. Changes to the metrics for monitoring the status against risk appetite are overseen by the Audit and Risk Management Committee and documented in the University's Risk Appetite Framework. The Risk Appetite Statement is made available publicly 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 strengthening the management of risks, particularly by uplifting Risk Treatment Plans. A more dynamic approach to responding to risks was also needed given the identification and management of risks associated with COVID-19. Risks are maintained at three levels (organisational unit risks, enterprise risks and strategic risks), with project and activity risks maintained separately. Organisational unit risk registers and enterprise risk registers are reviewed and updated quarterly or more frequently if required. Strategic risks are reviewed as part of the strategic review process. Current strategic risks include changes in the policy and regulatory environment, financial viability risk, and risks associated with competition, pedagogical innovation, student experience, capacity building and growth. Controls and strategies are in place for managing risks at each level and are documented and maintained electronically.

A number of policies and procedures relating to compliance and risk management were amended during the year. This included the *Public Interest Disclosures – Governing Policy*, *Fraud and Corruption – Governing Policy* and the *Audit and Assurance – Governing Policy*.

A new governing policy was also approved by the University Council in August 2020 on Freedom of Speech and Academic Freedom. Additional amendments to a number of policies and procedures are in the process of being finalised to address the Federal Government's Guidelines to Counter Foreign Interference in the Australian University Sector.

In 2020, the *Critical Incident Management – Governing Policy* and *Business Continuity Management – Governing Policy* were updated. These changes followed a test of USC's business continuity management processes that occurred in November 2019. The Business Continuity Management Plan was also updated, and in February 2020, the University Executive approved a new Pandemic Plan. The work undertaken on incident management and business continuity management has assisted USC to respond effectively to the disruption associated with the COVID-19 pandemic.

Throughout the year, regular reporting on risk management was provided to the University Executive, with oversight of risk management from the University Council and the Audit and Risk Management Committee. The membership, roles, functions, responsibilities and achievements of the Audit and Risk Management Committee can be found on page 41 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 undertook a scheduled re-registration process with the Tertiary Education Quality and Assurance Agency in 2020. Following an assessment process, USC was determined to be compliant with the Higher Education Standards Framework and was re-registered until 13 May 2027.

During 2020, scheduled external reviews of the following committees and organisational units were undertaken:

- Asset Management Services and Capital and Commercial
- USC International

Scheduled external reviews of the following programs were undertaken:

- Diploma in Business
- Associate Degree in Business
- Bachelor of Business
- Bachelor of Business (International Business)
- Bachelor of Business (Management)
- Bachelor of Business (Human Resource Management)
- Bachelor of Business (Marketing)
- Bachelor of Business (Tourism, Leisure and Event Management)
- Bachelor of Business (Honours)
- Graduate Certificate in Business Research
- Bachelor of Laws
- Bachelor of Laws (Graduate Entry)
- Graduate Diploma in Health Promotion
- Master of Health Promotion

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 2018.

The quality and standards framework is available online at usc.edu.au/quality

Benchmarking

During 2020, 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 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*.

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 2020, achievements included:

- Delivery based on the risk-based annual operational internal audit plan approved by ARMC of three internal audit reviews. The audit reports for these reviews included recommendations improving the effectiveness of controls over outside work and consultancy activities, emergency management, security operations and business continuity planning.
- Providing assurance over compliance with COVID-safe plans to ensure operational activity is being conducted in accordance with Queensland Health public health directives.

- Actively monitoring and reporting to ARMC on the implementation of agreed audit recommendations and status of outstanding audit recommendations
- Developing an Internal Audit Manual covering the operational approach to the conduct of internal audit planning and engagements, including administrative arrangements and guidance relating to the procedures to be undertaken when performing audits. The manual also details the quality management system applicable to the internal audit function as required by the International Standards for the Professional Practice of Internal Auditing.
- 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

External scrutiny

In May 2020, the Queensland Audit Office (QAO) report 'Education: 2018–19 results of financial audits (Report 15: 2019–20)' 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

Human Rights Act

USC has taken the following actions to further the objectives of the *Human Rights Act*:

- Staff training and a number of communication and awareness activities have been rolled out, with access to resources on human rights available via the University's intranet page
- The internal complaints process has been reviewed to ensure compatibility with human rights
- USC's existing policies and procedures have been reviewed and updated

- A decision-making tool has been developed support decision-making that is compatible with the HRA
- A human rights certification is included in papers presented to the University Executive and approval requests to the Vice-Chancellor and President.

USC has a process for students to raise grievances and complaints. The *Student Grievance Resolution - Governing Policy*; and the *Student Grievance Resolution - Procedures* describe the process for the resolution of grievances and appeals, including the option for an external appeal.

The position of Student Ombudsman exists within the University to ensure its students receive fair and equitable treatment across all aspects of the student experience, and in particular with regard to the resolution of grievances and complaints.

USC has not received any human rights complaints through the student grievance process during the reporting period.

Student Ombudsman

USC's Student Grievance Resolution - Governing Policy provides a framework to manage and resolve student grievances. In 2020, the Student Ombudsman received 28 student enquiries. Four complaints were referred to the Queensland Ombudsman, with one proceeding beyond a preliminary investigation. USC took appropriate remedial action in response to the investigation.

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 provides staff members with relevant information and support around flexible work 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.

Workforce planning, attraction and retention

During 2020, USC appointed a new Vice-Chancellor and President. The University also undertook a restructure which saw the appointment of six Heads of School. The University also appointed a Dean of Graduate Research, and a Head of its new Moreton Bay campus.

The University was impacted by the COVID-19 pandemic which saw all campuses close for a short period of time, and teaching delivery adapted from face-to-face to on-line delivery for all students for Semester 1 and part of Semester 2 to ensure studies could continue as planned.

Staff commenced working from home where possible due to the restrictions imposed by COVID-19, which proved successful. Staff who were not able to continue their normal duties were offered temporary work in other areas of the University to address the demand of various services.

Following the COVID-19 pandemic, USC is continuing to offer and explore a range of flexible work arrangements that balance the needs of the organisation with the needs of staff to work flexibly.

The Full Time Equivalent (FTE) staff profile as at 31 March 2020* was 1,422, inclusive of casual staff, a 2 percent increase on 31 March 2019. The University maintains a number of key policies and procedures related to workforce development and management, including Staff Recognition and Reward.

The separation rate for 2019 – the most recent data available – was 10.26 percent, improving from 11.19 percent recorded in 2018. The 2020 figure will be calculated during the next reporting period, which begins in April 2021.

Workplace health, safety and wellbeing

USC has a strong commitment to the health, safety and wellbeing of staff, students, visitors, volunteers and contractors. Through the development of the Health, Safety and Wellbeing Plan, the University has moved towards a strategic and preventative approach to health, safety and wellbeing. This has included the development of a USC Safety Management System, implementation of a new incident management and return to work system, and creation of a Health, Safety and Wellbeing leadership position.

To support the University's commitment to continuous improvement, USC has commenced a joint initiative between Workplace Health and Safety Queensland and WorkCover QLD to proactively assess and review WHS systems including injury management systems and workplace hazard controls. Based on the findings from these assessments, a strategic improvement plan will be implemented.

The University is committed to offering a culture that supports a positive and productive workforce, offering staff programs such as an Employee Assistance Program, Health and Wellbeing program and a range of health promotion activities that promote, protect and support the mental health and wellbeing of our staff.

This year brought unprecedented challenges surrounding COVID-19 and several targeted initiatives were implemented to support the safety and wellbeing of our community including COVID-safe procedures and reporting, targeted training and resources, a working from home strategy and establishment of QLD Department of Health liaison.

USC aims to enhance safety culture to build a safe and productive workforce capable of delivering the highest quality educational and research services. USC continues to maintain a high level of involvement in the management of 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. The University supported 52 staff to return to work after an injury or illness, 36 work-related (workers compensation claims) and 16 staff with non-work-related injuries or illnesses.

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

As part of USC's commitment to excellence in leadership, the University is introducing a leadership program for academic leaders and other senior staff. This program will be based on the development of a bespoke USC Leadership Capability Framework.

The program will focus on both leadership and management development, with the latter covering areas such as the policy and regulatory environment, funding mechanisms, financial management, organisational planning framework, and industrial relations and employment law. The content will be delivered by a range of internal and external experts.

In addition, USC engaged consulting services to undertake a learning and development needs assessment to identify the key development activities required for the future development of all staff, and to develop a suite of organisation-wide professional development activities including a range of management development activities; a range of policy compliance training such as ethical behaviour (IP, corrupt conduct, PID, etc); and a range of health and safety training which is both compliance and wellbeing oriented. The activities will be underpinned by a learning and development capability framework that will be both on-line and face to face.

The University has maintained its commitment to the delivery of management development activities during 2020. In February 2020, 57 staff attended Corrupt Conduct and Public Interest Disclosure Awareness training. The training was to support the implementation of the University's revised Public Interest Disclosure – Governing Policy and Fraud and Corruption Control – Governing Policy.

Other programs offered to staff included Developing Resilience in a VUCA World; Human Rights training; LGBTI 101; Performance Planning and Review training; Media interview training for academic staff; Mental Health and Wellbeing Awareness; SafeTALK (Suicide Prevention) training; Seven Tools to Build Resilience; Recruitment, Selection and Appointment training; and other bespoke workshops such as Communication Culture and Collaboration.

In 2020, 10 staff completed the online Emerging Leaders and Managers Program (eLAMP) run by LH Martin Institute for new and aspiring tertiary education managers. Human Resources hosted an eLAMP Community of Practice to support all staff participating in the program.

The University's Study Assistance program provided seven staff opportunities to further their education through tertiary qualifications.

The University actively participates in the AHEIA Organisational Development Network group which encourages best practice in the delivery of organisational development for all levels of academic and professional staff within the tertiary sector.

Workforce diversity

The key priority for the USC's Vice-Chancellor's Equity and Diversity Committee in 2020 was the development of a contemporary Diversity and Inclusion Plan, and a program of initiatives to provide a roadmap to gather data, develop a benchmark and track USC's progress. The Plan aligns with current university enabling plans such as the Reconciliation Charter (in development) and the Disability Access and Inclusion USC Action Plan. Following extensive consultation and approval, the Plan is accessible via the USC website.

USC was successful in attaining the Athena SWAN Bronze Award Accreditation in recognition of the ongoing commitment to improving gender equity and diversity outcomes across the university and ensuring that women from diverse backgrounds and under-represented groups are positioned to reach their full potential. The focus is now on implementing the four-year action plan, which was developed as part of the accreditation process.

USC has committed to implement a suite of initiatives to enhance inclusion for transgender people. One of the key initiatives for 2020 was the development of Gender Affirmation Guidelines which aim to provide information and guidance for all members of the USC community on how to achieve an inclusive and supportive educational and working environment for those seeking to affirm or transition their gender.

The annual Vice-Chancellor and President's Diversity and Inclusion Awards were run again in 2020 to recognise and reward staff, students and graduates of the University who have made an outstanding and demonstrable commitment to equity, diversity and inclusion within the university and/or its broader community.

Academic promotions

The University's 2020 Academic Promotion round resulted in two promotions to Professor level:

- Dr Scott Cummins, Professor of Molecular Biology
- Dr Gemma Read, Associate Professor of Psychology

There were 38 applications for promotion in 2020 (levels B, C, D and E), with 17 of those (45 percent) being approved for promotion, compared with a success rate of 66 percent in 2019.

The percentage of applications by females was 68 percent (compared to 61 percent in 2019), and this year saw a female success rate of 50 percent.

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

No formal requests were processed under the *Information Privacy Act* (Qld) in 2020.

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.

Three formal requests under the *Right to Information Act* were processed in 2020.

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 falls under the General Retention and Disposal Schedule (last updated 27 March 2020) and the University Sector Retention and Disposal Schedule (last updated 19 October 2014). 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.

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Financial review

The University's financial position has remained strong in 2020 amidst the impacts of the COVID-19 pandemic where adjustments have been recognised through the statements of comprehensive income and financial position. Other revenue increases include major gifts of \$10.7 million in addition to consistent performance within contract research and consultancy effort after the impacts of accounting standard AASB15 Revenue from Contracts with Customers.

Results for the year included an operating surplus of \$24.1 million (2019: \$19.9 million), with an operating margin of 7.5 percent (2019: 6.4 percent).

INCOME AND EXPENDITURE

Total income for the year was \$321.9 million – an increase of \$10.9 million (3.5 percent) on the previous year. A significant decline in international student fees has been recognised as a result of the COVID-19 pandemic, however, USC has experienced continued growth in Commonwealth-supported student places – particularly as they relate to new places funded for the Moreton Bay region.

Funds derived from government sources (including advance payments in relation to HECS-HELP and capital funding, but excluding up-front student fees) totalled \$230.3 million or 71.6 percent of revenue, an increase of \$12.0 million (5.5 percent) on the previous year's funding.

Expenses for the year totalled \$297.8 million – an increase of \$6.7 million (2.3 percent) expended in the previous year. This result can be attributed to: an increase in employee benefits resulting from a restructure program to implement a more sustainable cost structure in the post-COVID-19 environment; increased depreciation and borrowing costs relevant to the Moreton Bay campus and leasing facilities offset by decreases in other expenses, primarily professional fees and travel.

ASSET GROWTH

At year's end, the University's net assets totalled \$519.4 million – \$41.3 million (8.6 percent) more than in the previous year. This reflects the strong cash reserve balance in addition to investment in property, plant and equipment during 2020, with capital investments to the Moreton Bay Campus facility. It also reflects 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 Australian Ltd and AARNet Pty Ltd.

Financial Statements

Financial review
For the year ended 31 December 2020

Budget vs Actual 2020 | Actual 2020 vs Actual 2019

	2020				2019	
	ORIGINAL BUDGET \$'000	AUGUST REFORECAST \$'000	ACTUAL \$'000	VARIANCE ACTUAL vs REFORECAST	ACTUAL RE-STATED \$'000	VARIANCE ACTUAL 2020 vs 2019
STATEMENT OF COMPREHENSIVE INCOME						
Revenue and income from continuing operations	317,608	312,054	321,578	3%	310,157	4%
Expenses from continuing operations	323,922	310,148	297,493	-4%	290,248	2%
Operating result after income tax for the period	(6,314)	1,906	24,085		19,909	
Gain (loss) on revaluation of land and buildings, net of tax	-	-	6,895	100%	(13,753)	-150%
Share of other comprehensive income on investments accounted for using the equity method	-	-	10,332	100%	16,616	-38%
Total comprehensive income attributed to members of the University of the Sunshine Coast	(6,314)	1,906	41,312		22,772	
STATEMENT OF FINANCIAL POSITION						
Current assets	114,750	132,303	162,380	23%	122,334	33%
Non-current assets	572,260	594,200	586,297	-1%	560,571	5%
Total assets	687,010	726,503	748,677		682,905	
Current liabilities	47,776	63,733	72,124	13%	69,396	4%
Non-current liabilities	134,093	168,388	157,359	-7%	135,628	16%
Total liabilities	181,870	232,121	229,483		205,024	
Net assets	505,140	494,381	519,195		477,882	
Reserves	213,545	206,041	208,676	1%	191,449	9%
Retained surplus	291,595	288,340	310,520	8%	286,434	8%
Total equity	505,140	494,381	519,195		477,882	

Data relates to Parent entity.

Financial Statements

Report by members of the University Council
For the year ended 31 December 2020

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 2020 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 2020 Annual Report. The Annual Report provides a comprehensive record of the University's performance in 2020, 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 2020.

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 AO, CertTeach <i>Kelvin Grove Teach.Coll.</i> , BA(Hons) Qld, PhD Qld.	Retired 14 August 2020
Professor Robert ELLIOT, BA(Hons) NSW, MA <i>La Trobe</i> , DipEd <i>Melb.</i> , PhD Qld.	Acting VCP appointment 16 March – 14 August 2020
Professor Helen BARTLETT, BA, <i>Northumbria</i> , MSc (Public Policy), <i>University of Bath</i> , PhD, <i>University of Bath</i>	Appointed 17 August 2020
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 Ms Debra BENNET	
Ms Sandra BIRKENSLEIGH, BCom UNSW, CA, CCP Fellow, GAICD	
Mr David FOSTER, BAppSc S.Qld., MBA S.Cross, SF Fin, GAICD	
Mr Scott WILLIAMS, AM, QDAH Qld, BEc, GradDipCompSc GradDipFinMangt, GradDipRurAcc UNE, Hon.DLitt UNE, FAICD	
Ms Jenny MORAWSKA, BA <i>Macq.</i> , DipEd UTS, GradDip Sci ANU, MSc ANU, MBA <i>Sunshine Coast</i> , GAICD	
Mr Tim ROTHWELL, BA(Hons) <i>Newc.</i> , FCA, MAICD	
Two 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 JCU	Resigned 10 June 2020
Professor Abigail ELIZUR, BSc <i>HUJJ</i> , MSc ANU, PhD ANU, FTSE	Elected 7 October 2020
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 <i>W.Syd</i> , GradDipEd NSW, MLM C.Qld, PhD Qld.UT, SFHEA, GAICD	
Two members of the student body Ms Melissa GELTCH	
Mr Nathan WELLINGTON	

Financial Statements

Report by members of the University Council
For the year ended 31 December 2020

Name and Qualifications

Appointment / Election / Resigned /
Retired / Term completed

Four additional members appointed by Council

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

Ms Katie TONEY, BComn *Sunshine Coast*

2 x Vacant

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.

Member of Council

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

Chairperson

Member of the professional accounting bodies or audit bodies in Australia and have a professional accounting, management consultancy or audit background (external)

Mr Jeffrey FORBES, BComm *Newcastle(NSW)*, GAICD

Ms Natasha READ, BCom *Griff.*, MBA *Sunshine Coast*, FAIM, GAICD

Term completed 28 August 2020

Mr Phillip STRACHAN, BCom *Melb.* FCPA, MAICD

Mr Scott NORTH, BCom *Melb.* FCA, MBIT *Melb.* FGIA, GAICD

Member possessing expertise within the education sector

Emeritus Professor Jenny GRAHAM, Dip OT (*NSW*), MSc Education (*Bradford*)

Up to two members co-opted by the Chancellor

2 x 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.

Deputy Chancellor

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

Chairperson

Vice-Chancellor and President

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

Retired 14 August 2020

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

Acting VCP appointment 16 March – 14 August 2020

Professor Helen BARTLETT, BA, *Northumbria*, MSc (Public Policy), *University of Bath*, PhD,
University of Bath

Appointed 17 August 2020

A member of the University Executive or Senior Staff, nominated by the Vice-Chancellor and President and appointed by Council

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

Reappointed 30 September 2020

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

Term concluded 2 May 2020

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

Resigned 24 November 2020

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

Financial Statements

Report by members of the University Council
For the year ended 31 December 2020

Name and Qualifications	Appointment / Election / Resigned / Retired / Term completed
A member of the Audit and Risk Management Committee (as determined by the Chairperson of ARMC) and appointed by Council Mr Phillip STRACHAN, BCom <i>Melb.</i> FCPA, MAICD	Appointed 21 February 2020
Up to two members co-opted by the Chancellor Dr Wayne GRAHAM, BBus (Hons) <i>Sunshine Coast</i> , PhD <i>Sunshine Coast</i> , FHEA, FIML	Appointed 17 March 2020
1 x Vacant	
Members of the Nominations Committee	
The following persons were members of the Nominations Committee during the year and up to the date of this report.	
Chancellor Air Chief Marshal Sir Angus HOUSTON AK, AFC (Ret'd)	
Vice-Chancellor and President	
Professor Greg HILL AO, CertTeach <i>Kelvin Grove Teach.Coll.</i> , BA(Hons) <i>Qld</i> , PhD <i>Qld</i> .	Retired 14 August 2020
Professor Robert ELLIOT, BA(Hons) <i>NSW</i> , MA <i>La Trobe</i> , DipEd <i>Melb.</i> , PhD <i>Qld</i> .	Acting VCP appointment 16 March – 14 August 2020
Professor Helen BARTLETT, BA, <i>Northumbria</i> , MSc (Public Policy), <i>University of Bath</i> , PhD, <i>University of Bath</i>	Appointed 17 August 2020
Chairperson ARMC Ms Sandra BIRKENSLEIGH, BCom <i>UNSW</i> , CA, CCP Fellow, GAICD	
Chairperson PRC Mr Scott WILLIAMS, AM, QDAH <i>Qld</i> , BEc, GradDipCompSc GradDipFinMangt, GradDipRurAcc <i>UNE</i> , Hon.DLitt <i>UNE</i> , FAICD	

Financial Statements

Report by members of the University Council
For the year ended 31 December 2020

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 2020 Council meetings were held on 20 February, 21 April, 4 June, 6 August, 22 October, and 3 December. Additionally, two Special Meetings of Council were held on 1 February and 13 May. The Annual Council Retreat was postponed.

Four (4) ordinary meetings of the Audit and Risk Management Committee (ARMC) were held during the year. In 2020, ARMC meetings were held on 17 February, 11 May, 7 September and 18 November. Additionally, a Special Meeting of ARMC was held on 9 July and a Planning Day of ARMC was held in conjunction with the 18 November meeting.

Five (5) ordinary meetings of the Planning and Resources Committee (PRC) were held during the year. In 2020, PRC meetings were held on 13 February, 14 May, 21 July, 17 September and 12 November. Additionally, a Planning Day of PRC was held in conjunction with the 12 November meeting.

Five (5) ordinary meetings and one special meeting of the Nominations Committee were held during the year. In 2020, Nominations Committee meetings were held on 20 February, 4 June, 6 August, 22 October and 3 December. Additionally, one Special Meeting of the Nominations Committee was held on 11 May.

Member Listing	Board (Council) Meetings		Audit & Risk Management Committee		Planning & Resources Committee		Nominations Committee	
	A	B	A	B	A	B	A	B
Sir Angus Houston AK, AFC (Ret'd)	8	8					6	6
Scott WILLIAMS AM	8	8			5	5	6	6
Professor Greg HILL AO (VCP)	1	1			1	1	1	1
Professor Robert ELLIOT (Acting VCP)	4	4			2	2	3	3
Professor Helen BARTLETT (VCP)	2	2			2	2	2	2
Professor Tim WESS	6	8						
Debra BENNET	7	8						
Sandra BIRKENSLEIGH	7	8	5	5			6	6
Melinda BRYANT	8	8			4	5		
David FOSTER	5	8						
Melissa GELTCH	7	8						
Professor Marion GRAY	5	5						
Professor Abigail ELIZUR	2	2						
Dr Ruth GREENAWAY	8	8			5	5		
Jenny MORAWSKA	8	8						
Tim ROTHWELL	5	8			0	1		
Associate Professor Mark SAYERS	8	8						
Katie TONEY	5	8						
Nathan WELLINGTON	7	8						
Christopher HARRIS					4	5		
Bernard SMITH					4	5		
Jeffrey FORBES			4	5				
Emeritus Professor Jenny GRAHAM			5	5				
Dr Wayne GRAHAM					4	4		
Scott NORTH			5	5				
Natasha READ			3	3				
Phillip STRACHAN			3	5	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

Financial Statements

Report by members of the University Council
For the year ended 31 December 2020

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 2020 operating result is a surplus of \$24.1 million, 21.3% more than the 2019 operating surplus result of \$19.9 million.

The Foundation Facility at USC Moreton Bay opened in February 2020. The costs in relation to the establishment of the new campus have been capitalised in accordance with existing USC Property, plant and equipment policy with some costs expensed where considered to be normal operating activities relevant to the pursuit of the University's strategic objectives.

In 2020, the University's third Vice-Chancellor & President commenced after a rigorous recruitment process under the governance of the University Nominations Committee.

The COVID-19 pandemic has increased economic uncertainty to the Higher Education sector including USC, particularly in relation to International student recruitment and associated revenues. The University continues to monitor current global events, particularly as they pertain to Federal and Queensland State Government restrictions and border closures to assess any material impacts on its operations.

There have been material financial impacts arising from COVID-19 on the University's financial statements, particularly reductions in revenue for full fee-paying overseas students. The pipeline effect of the loss in student load in 2020 and the projection of significantly less commencing International students in 2021 will result in reduced revenues forecast over the next five-year period. Research activity has also experienced vulnerability with corresponding downward adjustments to expenditure.

Changes to modes of teaching delivery is a risk mitigation strategy the University is rapidly implementing, particularly online platforms. In addition, cost reduction strategies have included a restructure program to implement a more sustainable cost structure in the post-COVID-19 environment. Further disclosure can be found in the notes to the financial statements and the Annual Report. No additional loans were sought to supplement working capital in response to COVID-19 impacts to cash balance. Any increases to long-term borrowings were relevant to Moreton Bay establishment.

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 19 Events occurring after the end of the reporting period), 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 2020

Likely Developments and Expected Results of Operations

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 2020, 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

22 February 2021

Professor Helen Bartlett
Vice-Chancellor and President
University of the Sunshine Coast

22 February 2021

Financial Statements

Statement of comprehensive income For the year ended 31 December 2020

	Note	Consolidated		Parent entity	
		2020	2019	2020	2019
		\$'000	\$'000	\$'000	\$'000
Revenue and income from continuing operations					
Australian Government financial assistance					
Australian Government grants	2	151,680	137,436	151,664	137,436
HELP - Australian Government payments	2	73,622	68,476	73,622	68,476
State and Local Government financial assistance	2	5,023	12,415	4,984	12,231
HECS-HELP - Student payments		3,609	3,443	3,609	3,443
Fees and charges	2	51,026	68,888	50,875	68,514
Investment income		7,086	3,528	7,086	3,528
Consultancy and contracts	2	12,974	9,937	12,974	9,781
Other revenue and income	2	16,865	6,827	16,726	6,748
Gains on disposal of assets		38	-	38	-
Total revenue and income from continuing operations		321,923	310,950	321,578	310,157
Expenses from continuing operations					
Employee related expenses	3	189,185	172,334	188,940	171,791
Depreciation and amortisation		19,904	16,877	19,900	16,865
Repairs and maintenance		5,900	6,752	5,900	6,748
Borrowing costs		5,250	2,334	5,250	2,334
Impairment of assets		693	1,134	693	1,122
Net losses on disposal of assets		-	299	-	299
Other expenses	4	76,892	91,355	76,810	91,089
Total expenses from continuing operations		297,824	291,085	297,493	290,248
Net result before income tax from continuing operations		24,099	19,865	24,085	19,909
Income tax expense		-	-	-	-
Net result after income tax for the period and attributable to members of the University of the Sunshine Coast	14(c)	24,099	19,865	24,085	19,909
Items that will not be reclassified to profit or loss					
Gain/(loss) on revaluation of land and buildings, net of tax	14(a)	6,895	(13,753)	6,895	(13,753)
Gain/(loss) on equity instruments designated at fair value through other comprehensive income, net of tax	14(a)	10,332	16,616	10,332	16,616
Total other comprehensive income		17,227	2,863	17,227	2,863
Total comprehensive income attributed to members of the University of the Sunshine Coast		41,326	22,728	41,312	22,772

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 2020

	Note	Consolidated		Parent entity	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
ASSETS					
Current assets					
Cash and cash equivalents	5	144,893	104,564	144,763	104,394
Receivables and contract assets	6	8,356	9,490	8,355	9,323
Other non-financial assets	7	9,262	8,639	9,262	8,617
Total current assets		162,511	122,693	162,380	122,334
Non-current assets					
Receivables and contract assets	6	569	480	515	480
Other financial assets	7	55,805	45,472	55,805	45,472
Property, plant & equipment	8	526,012	511,657	526,012	511,626
Intangible assets	9	3,508	2,332	3,508	2,332
Other non-financial assets	7	457	661	457	661
Total non-current assets		586,351	560,602	586,297	560,571
Total assets		748,862	683,295	748,677	682,905
LIABILITIES					
Current liabilities					
Trade and other payables	10	11,194	10,299	11,191	10,175
Borrowings	11	7,876	5,737	7,876	5,737
Provisions	12	26,002	26,617	26,002	26,577
Other liabilities	13	3,955	3,007	3,955	3,007
Contract liabilities	13(b)	23,100	23,900	23,100	23,900
Total current liabilities		72,127	69,560	72,124	69,396
Non-current liabilities					
Borrowings	11	149,800	124,438	149,800	124,438
Provisions	12	5,503	5,567	5,503	5,511
Other liabilities	13	59	23	59	23
Contract liabilities	13(b)	1,996	5,656	1,996	5,656
Total non-current liabilities		157,358	135,684	157,358	135,628
Total liabilities		229,485	205,244	229,482	205,024
Net assets		519,377	478,050	519,195	477,882
EQUITY					
Reserves	14(a)	208,676	191,449	208,676	191,449
Retained earnings	14(c)	310,701	286,602	310,519	286,434
Parent entity interest		519,377	478,050	519,195	477,882
Total equity		519,377	478,050	519,195	477,882

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 2020

	Note	Consolidated			Parent entity		
		Reserves \$'000	Retained earnings \$'000	Total \$'000	Reserves \$'000	Retained earnings \$'000	Total \$'000
Balance at 1 January 2019		188,585	284,347	472,932	188,585	284,135	472,720
Effect of changes in accounting policy		-	(17,610)	(17,610)	-	(17,610)	(17,610)
Restated balance at 1 January 2019		188,585	266,737	455,322	188,585	266,525	455,110
Net result		-	19,865	19,865	-	19,909	19,909
Gain/(loss) on revaluation of land and buildings, net of tax		(13,753)	-	(13,753)	(13,753)	-	(13,753)
Gain/(loss) on financial assets at fair value through OCI		16,616	-	16,616	16,616	-	16,616
Total comprehensive income		2,863	19,865	22,728	2,863	19,909	22,772
Balance at 31 December 2019		191,449	286,602	478,050	191,449	286,434	477,882
Balance at 1 January 2020		191,449	286,602	478,050	191,449	286,434	477,882
Net result		-	24,099	24,099	-	24,085	24,085
Gain/(loss) on revaluation of land and buildings, net of tax	14(a)	6,895	-	6,895	6,895	-	6,895
Gain/(loss) on financial assets at fair value through OCI	14(a)	10,332	-	10,332	10,332	-	10,332
Total comprehensive income		17,227	24,099	41,326	17,227	24,085	41,312
Balance at 31 December 2020		208,676	310,701	519,377	208,676	310,519	519,195

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 2020

	Note	Consolidated		Parent entity	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Cash flows from operating activities					
Australian Government Grants received		226,325	203,895	226,310	203,895
OS-HELP (net)		1,535	(60)	1,535	(60)
State Government Grants received		5,657	10,714	5,618	10,530
Local Government Grants received		1,405	904	1,405	904
HECS-HELP - Student payments		3,609	3,443	3,609	3,443
Receipts from students fees and other customers		70,513	90,212	70,222	89,647
Investment income		7,086	3,528	7,086	3,528
Interest and other costs of finance paid		(2,112)	(2,334)	(2,112)	(2,334)
Payments to suppliers and employees (inclusive of GST)		(283,636)	(285,632)	(283,227)	(284,781)
GST recovered / (paid)		8,977	12,794	8,977	12,794
Short-term lease payments		(64)	(15)	(64)	(15)
Variable lease payments not included in the measurement of the lease liability		(22)	(3)	(22)	(3)
Net cash provided by / (used in) operating activities	20	39,273	37,446	39,337	37,548
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment		151	92	123	104
Payments for property, plant and equipment / intangibles		(22,309)	(114,665)	(22,305)	(114,668)
Net cash provided by / (used in) investing activities		(22,158)	(114,573)	(22,182)	(114,564)
Cash flows from financing activities					
Proceeds from borrowings		29,000	85,000	29,000	85,000
Repayment of borrowings		(1,211)	(563)	(1,211)	(563)
Net effect of lease liabilities		(4,575)	(2,628)	(4,575)	(2,628)
Net cash provided by / (used in) financing activities	20	23,214	81,809	23,214	81,809
Net increase / (decrease) in cash and cash equivalents		40,329	4,682	40,369	4,793
Cash and cash equivalents at beginning of the financial year		104,564	99,882	104,394	99,601
Cash and cash equivalents at the end of the financial year	5	144,893	104,564	144,763	104,394

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 2020

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Financial Statements

Notes to the financial statements
For the year ended 31 December 2020

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 a going concern and accrual basis (except for the Statement of Cash Flows, which is prepared on a cash 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 62 of the *Financial Accountability Act 2009*
- *Australian Charities and Not-for-profits Commission Act 2012*

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 22 February 2021.

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 and 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)
- Receivables and contract assets (note 6)
- Financial assets (note 7) - Investments in equity instruments designated at fair value through other comprehensive income
- Property, Plant & Equipment (note 8)
- Lease liability (note 11.1)
- Provisions (note 12)
- Contract liabilities (note 13b)

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 18.

(b) Basis of consolidation

The consolidated financial statements incorporate the 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

Financial Statements

Notes to the financial statements
For the year ended 31 December 2020

Note 1 Summary of significant accounting policies (continued)

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.

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 entities 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) 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.

(f) 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.

(g) Initial application of accounting standards

The following standards have an initial application during the 31 December 2020 reporting period. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

Standard	Application date	Application
AASB 1059 <i>Service Concession Arrangements: Grantor</i>	1 Jan 2020	The University's assessment of the impact of this standard is not material.
AASB 2020-4 <i>Covid-19 Related Rent Concessions</i>	1 Jun 2020	The University's assessment of the impact to 1 lease under this standard is not material and practical expedient has not been applied.

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Notes to the financial statements
For the year ended 31 December 2020

Note 1 Summary of significant accounting policies (continued)

(h) Future impact of accounting standard not yet effective

The following standards have been issued but are not mandatory for 31 December 2020 reporting periods. The University has elected not to early adopt any of these standards.

Standard	Application date	Implications
AASB 2020-1 <i>Amendments to Australian Accounting Standards – Classification of Liabilities as current or non-current</i>	1 Jan 2022	The University's assessment of the impact of this standard is not material.

(i) Financial impacts from COVID-19 Pandemic

There have been financial impacts arising from COVID-19 on the University's financial statements. Areas impacted are disclosed in the following notes:

- Revenue and Income (note 2)
- Employee related expenses (note 3)
- Other expenses (note 4)
- Receivables and contract assets (note 6)
- Provisions (note 12)

(j) Going concern and COVID-19 Pandemic

Due to the uncertainty arising from the COVID-19 pandemic, Management has remained focused on the University's liquidity and expects to continue to operate within available cash reserves and terms of its debt facilities ensuring going concern remains appropriate.

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Notes to the financial statements
For the year ended 31 December 2020

Note 2 Revenue and income

Note 2.1 Australian Government financial assistance including Australian Government loan programs (HELP)

(a) Australian Government grants

	Note	Consolidated		Parent entity	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Commonwealth Grant Scheme #1		128,109	109,613	128,109	109,613
Access and Participation Fund		2,481	2,135	2,481	2,135
Disability Performance Funding #2		87	135	87	135
Indigenous Student Success Program #3		1,689	1,545	1,689	1,545
Total Commonwealth Grants Scheme and Other Grants	22a	132,366	113,429	132,366	113,429

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.

Where there is an enforceable contract by the provisions of the Commonwealth Grant Scheme (CGS) funding agreements with sufficiently 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.

Access and Participation Funding represents grants provided to undertake activities and implement strategies that improve access to undergraduate courses for people from low socioeconomic status backgrounds, as well as improving the retention and completion rates of those students. This falls under AASB 15 and the revenue is recognised over time as the grant funds are expended.

Indigenous Student Success Program funding represents grants provided to accelerate improvements in the university enrolment, progression and award completions of Indigenous Australians. This funding is recognised when received under AASB 1058 due to performance obligations not being sufficiently specific.

Where there is a contractual obligation to deliver cash to a post-graduate student or a collaboration partner, a financial liability exists under AASB 9 and is disclosed under Other liabilities.

(b) Higher Education loan programs

	Note	Consolidated		Parent entity	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
HECS - HELP		68,820	64,211	68,820	64,211
FEE-HELP		1,644	1,758	1,644	1,758
SA - HELP		3,159	2,507	3,159	2,507
Total Higher Education Loan Programs	22b	73,622	68,476	73,622	68,476

Where 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 revenue is recognised over a specific period of time, HECS-HELP & FEE-HELP 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 SA-HELP revenue recognised over time under AASB 15 as the services & amenities are provided to students.

(c) EDUCATION Research

	Note	Consolidated		Parent entity	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Research Training Program		3,739	3,113	3,739	3,113
Research Support Program		4,685	3,960	4,685	3,960
Total EDUCATION Research Grants	22c	8,424	7,073	8,424	7,073

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.

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Notes to the financial statements
For the year ended 31 December 2020

Note 2.1 Australian Government financial assistance including Australian Government loan programs (HELP) (continued)

(d) Australian Research Council

	Note	Consolidated		Parent entity	
		2020	2019	2020	2019
		\$'000	\$'000	\$'000	\$'000
Discovery		1,880	361	1,880	361
Linkages ^{#4}		102	87	102	87
Total ARC	22d	1,982	447	1,982	447

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

Funding received from Australian Research Council (ARC) is enforceable 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. Where there is a contractual obligation to deliver cash to a postgraduate student, a financial liability exists under AASB 9.

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.

(e) Other Australian Government financial assistance (Non-capital)

	Consolidated		Parent entity	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Non-capital				
Australian Centre International Agriculture Research	3,444	7,196	3,444	4,190
Department of Education & Training	465	777	465	777
Department of Foreign Affairs & Trade	1,293	1,744	1,293	1,146
Department of Health and Ageing	2,808	5,000	2,808	892
Queensland University of Technology	-	-	-	4,050
Other Australian Government financial assistance	898	1,769	882	5,431
Total other Australian Government financial assistance (Non-capital)	8,908	16,486	8,892	16,486
Total Australian Government financial assistance	225,302	205,911	225,286	205,911

Where there is an enforceable contract by the provisions of the funding agreement, i.e. Australian Centre International Agriculture Research (ACIAR) & National Health & Medical Research Council (NHMRC) with sufficiently 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 AASB 15.

The remaining revenue in this category consists of a mix of other operating and research grants provided by the Commonwealth Government. This falls under AASB 15 and the revenue is recognised over time as the grant funds are expended.

Where there is a contractual obligation to deliver cash to a postgraduate student, a financial liability exists under AASB 9.

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.

Impacts of COVID-19 Pandemic

Government grants particularly in relation to research have been impacted by the COVID-19 pandemic with delays in meeting milestones due to travel restrictions and access to resourcing. The impacts on research activity has resulted in delayed invoicing to fund bodies with contract extensions or deferrals in place. The funding & activity volatility of research projects has been wide-spread across all fields of research.

Reconciliation

	Consolidated		Parent entity	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Australian Government Grants	151,680	137,436	151,664	137,436
HELP - Australian Government payments	73,622	68,476	73,622	68,476
Total Australian Government financial assistance	225,302	205,911	225,286	205,911

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Notes to the financial statements
For the year ended 31 December 2020

Note 2.2 State and Local Government financial assistance

	Consolidated		Parent entity	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Non-Capital				
Local Government financial assistance	973	1,051	934	1,051
State Government financial assistance	3,550	2,517	3,550	2,333
Total Non-capital	4,523	3,568	4,484	3,384
Capital				
Department of Housing and Public Works	500	8,847	500	8,847
Total Capital	500	8,847	500	8,847
Total State and Local Government financial assistance	5,023	12,415	4,984	12,231

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 where the funding agreement contains sufficiently specific performance obligations in the promise to undertake research and other activities as outlined in the grant proposal, and the revenue is recognised over time as the grant funds are expended.

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.

Note 2.3 Fees and charges

	Note	Consolidated		Parent entity	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Course fees and charges					
Fee-paying onshore overseas students		46,306	63,857	46,306	63,857
Continuing education		40	99	40	99
Fee-paying domestic postgraduate students		2,059	1,838	2,059	1,838
Fee-paying domestic non-award students		315	193	315	193
Total course fees and charges		48,720	65,987	48,720	65,987
Other non-course fees and charges					
Student Services and Amenities Fees from students	22f	582	-	582	-
Applications and late fees		25	140	25	140
Examination Fees & Honorariums		35	45	35	45
Conferences, activities & excursions		176	473	176	473
Rental charges		1,148	1,496	997	1,122
Other		340	747	340	747
Total other non-course fees and charges		2,306	2,901	2,155	2,527
Total fees and charges		51,026	68,888	50,875	68,514

Course fees and charges

The course fees and charges revenue (all fees outside the HELP system or where students decide not to use or are ineligible for HELP) 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 AASB 15 and is recognised as the University provides the services to the student.

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.

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Notes to the financial statements
For the year ended 31 December 2020

Note 2.3 Fees and charges (continued)

Impacts of COVID-19 Pandemic

International full fee-paying students have seen significant reduction in 2020 resulting from the COVID-19 pandemic. The loss due to restrictions on International recruitment will pipeline reduced revenues over the next five-year period.

Non-course fees and charges

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.

Other non-course fees and charges include parking fees and fines, gym and sporting facility charges, rental charges, membership fees, conference fees, field trip fees, administration fees and accommodation fees. Most fall under AASB 15 and the revenue is recognised over time as the relevant services are provided. In the case of fines and administration fees, this falls under AASB 1058 and the revenue is recognised when received.

Note 2.4 Consultancy and contracts

	Consolidated		Parent entity	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Consultancy	5,611	5,370	5,611	5,214
Contract research	7,363	4,567	7,363	4,567
Total consultancy and contracts	12,974	9,937	12,974	9,781

Funding received from non-government entities is assessed for application of AASB 15. Contract research is largely recognised under AASB 15 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, while consultancy contracts are largely recognised under AASB 1058.

The revenue is therefore 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 under AASB 1058 when the contract has no specific performance obligations.

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.

Note 2.5 Other revenue and income

	Consolidated		Parent entity	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Other revenue				
Donations and bequests	12,606	891	12,606	891
Food services	1,062	2,883	1,062	2,883
Sales - publications and printing	387	435	387	435
Parking permits	776	1,354	776	1,354
Other	9	132	9	74
Total other revenue	14,840	5,695	14,840	5,637
Other income				
Other recoveries - external	270	861	270	861
Other income	1,755	271	1,616	250
Total other income	2,025	1,132	1,886	1,111
Total other revenue and income	16,865	6,827	16,726	6,748

All revenue under note 2.5 is recognised under AASB 1058 with the exception of parking permits, function deposits and student printing credits for future purchases which is recognised under AASB 15.

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Notes to the financial statements
For the year ended 31 December 2020

Note 2.5 Other revenue and income (continued)

Revenue is recognised:

- Over time as and when the service is provided over the period under AASB 15.
- Revenue will be recognised immediately under AASB 1058 when the contract has no specific performance obligations.

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.

Donations and bequests are inclusive of cash and non-cash receipts. Notwithstanding revenue recognition under Accounting Standards, general practice would see the receipt to be tied to the expectation by the individual, relevant Donor.

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.

	Within 1 year \$'000	1 to 5 years \$'000	After 5 years \$'000	Total \$'000
Parent				
Unsatisfied performance obligations	23,100	1,996	-	25,096

Revenue recognised in the current reporting period from contract liabilities at the beginning of the period was \$27.8M or 94%.

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 AASB 15, disclosures are not required in relation to the transaction price allocated to these unsatisfied performance obligations.

Note 3 Employee related expenses

	Consolidated		Parent entity	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Academic				
Salaries	70,349	64,019	70,349	64,019
Contributions to superannuation and pension funded schemes	10,584	10,215	10,584	10,215
Payroll tax	4,207	4,013	4,207	4,013
Workers' compensation	155	158	155	158
Long service leave	1,417	1,385	1,417	1,385
Annual leave	4,654	4,522	4,654	4,522
Other	148	175	148	175
Total academic	91,514	84,487	91,514	84,487
Non-academic				
Salaries	75,393	66,358	75,163	65,926
Contributions to superannuation and pension funded schemes	10,825	10,846	10,825	10,792
Payroll tax	4,386	4,010	4,386	3,985
Workers' compensation	164	168	164	166
Long service leave	1,885	1,320	1,885	1,320
Annual leave	4,768	4,856	4,753	4,827
Other	249	289	249	288
Total non-academic	97,671	87,847	97,426	87,304
Total employee related expenses	189,185	172,334	188,940	171,791

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.

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Notes to the financial statements
For the year ended 31 December 2020

Note 3 Employee related expenses (continued)

Impacts of COVID-19 Pandemic

Employee related expenses include \$18.5M in separation payments relevant to a restructure program to implement a more sustainable cost structure in the post-COVID-19 environment. Payroll tax relief of \$1.5M provided by the QLD Office of State Revenue refunding January & February payments has been recognised as other income.

Note 4 Other expenses

	Consolidated		Parent entity	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Scholarships, grants and prizes	16,096	11,388	16,346	11,638
Non-capitalised equipment	7,841	8,655	7,841	8,655
Advertising, marketing and promotional expenses	3,757	4,093	3,639	4,078
Bank fees & charges	504	631	504	630
Professional fees - audit, legal & consulting *	22,348	32,403	22,306	32,257
Insurance	959	733	959	733
General consumables	1,527	1,686	1,527	1,686
Postage, printing and stationery	430	610	430	610
Telecommunications	1,425	1,582	1,366	1,482
Travel & entertainment	1,389	5,411	1,389	5,400
Subscriptions and memberships	1,810	1,988	1,810	1,973
Rental, hire and other leasing fees	2,237	3,376	2,223	3,368
Motor vehicles	208	285	208	284
IT software and licences	6,858	5,856	6,858	5,856
Commissions paid	2,315	2,941	2,315	2,941
Food and catering	719	1,849	719	1,849
Staff development and recruitment	504	1,083	504	1,083
Occupancy & utilities	4,475	4,375	4,446	4,344
Student activities and excursions	576	959	576	959
Other	914	1,451	844	1,263
Total other expenses	76,892	91,355	76,810	91,089

*The total external audit fees relating to the 2020 financial year are estimated to be \$169k (2019: \$179k). There are no non-audit services included in this amount. Currently paid and accrued audit fees for the University are \$169k.

Impacts of COVID-19 Pandemic

Several expenditure categories have seen a downward trend resulting from COVID-19, primarily travel & entertainment, consultancy, advertising and food & catering costs. The reductions made in these categories have been partially offset by additional costs in areas such as cleaning, IT costs and emergency COVID-19 bursaries and fee reductions of approx. \$3.5M. The variation in Research revenue has also resulted in corresponding reductions to expenditure.

Note 5 Cash and cash equivalents

	Consolidated		Parent entity	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Cash at bank and on hand	6,731	3,034	6,601	2,864
Deposits at call	138,162	101,530	138,162	101,530
Total cash and cash equivalents	144,893	104,564	144,763	104,394

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.

- Cash at bank is an interest bearing account with interest received monthly. The effective interest rate as at 31 December 2020 was 0% (2019: 0.20%).
- Deposits at call are interest bearing on floating interest rates. The annual effective interest rate as at 31 December 2020 was 1.05% (2019: 1.65%). These deposits have an average maturity of NIL days.

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Notes to the financial statements
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Note 6 Receivables and contract assets

	Consolidated		Parent entity	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Current				
Student fees and loans	443	200	443	200
Less: Allowance for expected credit losses	(292)	(78)	(292)	(78)
Trade receivables	6,355	5,070	6,352	4,931
Less: Allowance for expected credit losses	(974)	(656)	(972)	(644)
	5,532	4,536	5,531	4,409
Taxes receivable	2,287	3,576	2,287	3,576
Deposits receivable	4	87	4	4
Accrued revenue	520	1,275	520	1,275
Sundry loans and advances	13	16	13	16
Amounts receivable from wholly owned subsidiaries	-	-	-	43
Total current receivables	8,356	9,490	8,355	9,323
Non-current				
Deposits receivable	569	480	515	480
Total non-current receivables	569	480	515	480
Total receivables	8,925	9,970	8,870	9,803

(a) Contract assets

As at 31 December 2020, the University's total receivables balance includes \$3.4M relating to contract assets (2019: \$3.4M). The contract assets are largely associated with Research contracts and are all classified as current in accordance with the University's debt management policy.

Set out below is the movement in the allowance for expected credit losses of trade receivables and contract assets:

	Consolidated		Parent entity	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
At 1 January	734	352	722	352
Provision for expected credit losses recognised during the year	736	1,114	734	1,102
Write-off during the year as uncollectable	(204)	(732)	(192)	(732)
At 31 December	1,266	734	1,264	722

Information about the credit exposures are disclosed in note 21 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.

Impacts of COVID-19 Pandemic

Trade receivable balances totalling \$586K have been identified as being impacted by COVID-19. Of this balance, USC holds a provision for expected credit losses of \$102K.

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Notes to the financial statements
For the year ended 31 December 2020

Note 7 Other financial and non-financial assets

	Consolidated		Parent entity	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Current				
Other non-financial assets				
Other assets	-	161	-	161
Prepayments	9,262	8,478	9,262	8,456
	9,262	8,639	9,262	8,617
Total current other assets	9,262	8,639	9,262	8,617
Non-current				
Other financial assets				
Shares in unlisted corporations at fair value through OCI	55,805	45,472	55,805	45,472
	55,805	45,472	55,805	45,472
Other non-financial assets				
Prepayments	457	661	457	661
	457	661	457	661
Total non-current other assets	56,262	46,133	56,262	46,133
Total other financial assets and non-financial assets	65,524	54,772	65,524	54,750

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

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) Financial assets at fair value through other comprehensive income

The consolidated entity holds no assets under this classification as at 31 December 2020

(iii) 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 statement of comprehensive income when the right of payment has been established, except when the consolidated entity benefits from such proceeds

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Notes to the financial statements
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Note 7 Other financial and non-financial assets (continued)

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.

The consolidated entity elected to classify irrevocably its non-listed equity investments in Education Australia Ltd of \$50 million (2019: \$40 million) and AARNet Pty Ltd of \$6 million (2019: \$6 million) within this category. All values are as per valuation undertaken by independent party as at 31 December 2020.

(iv) Financial assets at fair value through profit or loss (including designated)

The consolidated entity holds no assets under this classification as at 31 December 2020

Fair Value

The fair values of 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).

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Notes to the financial statements
For the year ended 31 December 2020

Note 8 Property, plant & equipment

Consolidated - 31 December 2019	Construction in progress		Freehold land		Freehold buildings		Infrastructure assets		Leasehold improvements		Plant & equipment*		Art Collection		Right-of-use assets		Total	
	Cost	Fair Value Level 2	Fair Value Level 2 & 3	Fair Value Level 3	Cost	Cost	Fair Value Level 3	Cost	Cost	Fair Value Level 3	Cost	Cost	Fair Value Level 3	Cost	Cost	Cost		\$'000
Basis of measurement																		
Fair value category																		
At 1 January 2019																		
-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	19,154	22,544	285,875	27,728	9,020	19,945	6,365	-	-	-	-	-	-	-	-	-	390,631	
Year ended 31 December 2019																		
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)	-	-	(13,754)	
Additions	97,606	-	9,603	2,399	1,609	3,560	77	21,719	-	-	-	-	-	136,573	-	-	136,573	
Transfers	(2,697)	-	1,530	17	15	597	-	-	-	-	-	-	-	(538)	-	-	(538)	
Disposals	-	-	(4,921)	(2)	(2)	(325)	-	-	-	-	-	-	-	(327)	-	-	(327)	
Depreciation charge	-	-	(1,039)	(1,012)	(1,039)	(5,269)	-	-	-	-	-	-	-	(3,167)	-	-	(15,408)	
Closing net book amount	114,063	25,650	277,167	27,145	9,603	18,508	6,489	-	-	-	-	-	-	33,032	-	-	511,657	
At 31 December 2019																		
-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	-	-	-	-	-	-	(3,167)	-	-	390,644	
Accumulated depreciation	-	-	(48,186)	(9,870)	(3,619)	(21,519)	-	-	-	-	-	-	-	(3,167)	-	-	(86,361)	
Net book amount	114,063	25,650	277,167	27,145	9,603	18,508	6,489	-	-	-	-	-	-	33,032	-	-	511,657	

* Plant & equipment represents all operational assets, including motor vehicles and computer equipment.

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Notes to the financial statements
For the year ended 31 December 2020

Note 8 Property, plant & equipment (continued)

Basis of measurement Fair value category	Construction in progress		Freehold land		Freehold buildings		Infrastructure assets		Leasehold improvements		Plant & equipment*		Art Collection		Right-of-use assets		Total
	Cost	Fair Value Level 2	Fair Value Level 2 & 3	Fair Value Level 3	Fair Value Level 3	Cost	Cost	Cost	Cost	Cost	Fair Value Level 3	Cost	Cost	Fair Value Level 3	Cost	Cost	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Consolidated - 31 December 2020	114,063	25,650	277,167	27,145	9,603	18,508	6,489	33,032	511,657								
Year ended 31 December 2020																	
Opening net book amount	114,063	25,650	277,167	27,145	9,603	18,508	6,489	33,032	511,657								
Revaluation surplus	-	(774)	6,991	650	-	-	28	-	6,895								
Additions	805	4,760	15,101	1,006	45	5,001	459	1,148	28,325								
Transfers to Property, plant & equipment	(111,420)	-	98,597	1,448	-	11,373	2	-	0								
Transfers to Intangibles	(2,121)	-	-	-	-	-	-	-	(2,121)								
Transfers to Non-capitalised equipment	(166)	-	-	-	-	-	-	-	(166)								
Disposals	-	-	-	-	-	(90)	-	-	(16)								
Depreciation charge	-	-	(6,322)	(1,170)	(1,064)	(6,235)	(10)	(3,675)	(12)								
Closing net book amount	1,161	29,636	391,533	29,081	8,583	28,557	6,968	30,493	526,012								
At 31 December 2020																	
-Cost	1,161	-	11,457	2,926	13,220	55,873	-	36,720	121,358								
-Valuation	-	29,636	435,697	36,995	-	-	6,968	-	509,296								
Accumulated depreciation	-	-	(55,621)	(10,840)	(4,637)	(27,316)	-	(6,227)	(104,641)								
Net book amount	1,161	29,636	391,533	29,081	8,583	28,557	6,968	30,493	526,012								

* Plant & equipment represents all operational assets, including motor vehicles and computer equipment.

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Notes to the financial statements
For the year ended 31 December 2020

Note 8 Property, plant & equipment (continued)

Parent - 31 December 2019

Basis of measurement Fair value category	Construction in progress		Freehold land		Freehold buildings		Infrastructure assets		Leasehold improvements		Plant & equipment*		Art Collection		Right-of-use assets		Total
	Cost	Fair Value Level 2	Fair Value Level 2 & 3	Fair Value Level 3	Cost	Fair Value Level 3	Cost	Fair Value Level 3	Cost	Fair Value Level 3	Cost	Fair Value Level 3	Cost	Fair Value Level 3	Cost	Fair Value Level 3	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Net book amount	19,154	22,544	285,875	27,728	9,014	27,728	19,920	6,355	19,920	6,355	19,920	6,355	19,920	6,355	19,920	6,355	390,590
Year ended 31 December 2019																	
Opening net book amount	19,154	22,544	285,875	27,728	9,014	27,728	19,920	6,355	19,920	6,355	19,920	6,355	19,920	6,355	19,920	6,355	390,590
Right-of-use asset at 1 January	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14,480
Revaluation surplus	-	3,106	(14,920)	(1,986)	-	(1,986)	-	46	-	-	-	46	-	-	-	-	(13,754)
Additions	97,606	-	9,603	2,399	1,609	2,399	3,557	77	3,557	77	3,557	77	3,557	77	3,557	77	136,570
Transfers	(2,697)	-	1,530	17	15	17	597	-	15	-	597	-	15	-	597	-	(638)
Disposals	-	-	-	-	(2)	-	(324)	-	(2)	-	(324)	-	(2)	-	(324)	-	(326)
Depreciation charge	-	-	(4,922)	(1,012)	(1,034)	(1,012)	(5,262)	-	(1,034)	-	(5,262)	-	(1,034)	-	(5,262)	-	(15,397)
Closing net book amount	114,063	25,650	277,167	27,145	9,602	27,145	18,488	6,479	18,488	6,479	18,488	6,479	18,488	6,479	18,488	6,479	511,626
At 31 December 2019																	
-Cost	114,063	-	1,981	1,893	13,175	1,893	39,956	36	39,956	36	39,956	36	39,956	36	39,956	36	207,303
-Valuation	-	25,650	323,372	35,122	-	35,122	-	6,443	-	6,443	-	6,443	-	6,443	-	6,443	390,587
Accumulated depreciation	-	-	(48,186)	(9,870)	(3,573)	(9,870)	(21,468)	-	(3,573)	-	(21,468)	-	(3,167)	-	(3,167)	-	(86,264)
Net book amount	114,063	25,650	277,167	27,145	9,602	27,145	18,488	6,479	18,488	6,479	18,488	6,479	18,488	6,479	18,488	6,479	511,626

* Plant & equipment represents all operational assets, including motor vehicles and computer equipment.

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Notes to the financial statements
For the year ended 31 December 2020

Note 8 Property, plant & equipment (continued)

Parent - 31 December 2020

Basis of measurement Fair value category	Construction in progress		Freehold land		Freehold buildings		Infrastructure assets		Leasehold improvements		Plant & equipment*		Art Collection		Right-of-use assets		Total
	Cost	Fair Value Level 2	Fair Value Level 2 & 3	Fair Value Level 3	Cost	Fair Value Level 3	Cost	Fair Value Level 3	Cost	Fair Value Level 3	Cost	Fair Value Level 3	Cost	Fair Value Level 3	Cost	Fair Value Level 3	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Net book amount	114,063	25,650	277,167	27,146	9,602	18,488	6,479	33,032	511,626								
Year ended 31 December 2020																	
Opening net book amount	114,063	25,650	277,167	27,146	9,602	18,488	6,479	33,032	511,626								
Revaluation surplus	-	(774)	6,991	650	-	-	28	-	6,895								
Additions	805	4,760	15,101	1,006	45	5,001	459	1,148	28,325								
Transfers to Property, plant & equipment	(111,420)	-	98,597	1,448	-	11,373	2	-	0								
Transfers to Intangibles	(2,121)	-	-	-	-	-	-	-	(2,121)								
Transfers to Non-capitalised equipment	(166)	-	-	-	-	-	-	-	(166)								
Disposals	-	-	-	-	-	(74)	-	(12)	(86)								
Depreciation charge	-	-	(6,323)	(1,170)	(1,064)	(6,231)	-	(3,675)	(18,463)								
Closing net book amount	1,161	29,636	391,533	29,081	8,583	28,557	6,968	30,493	526,012								
At 31 December 2020																	
-Cost	1,161	-	11,457	2,926	13,220	55,873	-	36,720	121,358								
-Valuation	-	29,636	435,697	36,995	-	-	6,968	-	509,296								
Accumulated depreciation	-	-	(55,621)	(10,840)	(4,637)	(27,316)	-	(6,227)	(104,641)								
Net book amount	1,161	29,636	391,533	29,081	8,583	28,557	6,968	30,493	526,012								

* Plant & equipment represents all operational assets, including motor vehicles and computer equipment.

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Notes to the financial statements
For the year ended 31 December 2020

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 2020.

Freehold Buildings are consisting of both Level 2 and 3. The split between the levels are as follows:

Freehold buildings	Total \$'000	Level 2 \$'000	Level 3 \$'000
2020	391,533	10,448	381,085
2019	277,167	9,870	267,297

(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 statement of comprehensive income during the financial period in which they are incurred.

The asset recognition threshold is \$5,000 for all PPE except Land and Heritage & Cultural Assets where the recognition threshold is \$1 and Buildings & 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 2020 have been disclosed as capital expenditure commitments (refer Note 16).

Repairs & maintenance

Repairs and maintenance costs are recognised as expenses as incurred, except where they relate to the replacement of a component of an asset, in which case the carrying amount of those parts that are replaced is derecognised and the cost of the replacing part is capitalised if the recognition criteria are met. Other routine operating maintenance, repair and minor renewal costs are also recognised as expenses, in the Statement of Comprehensive Income during the financial period in which it is incurred.

Donated assets

PPE donated to the University is recorded at valuation (fair value) in the year of donation.

(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	2020	2019
Buildings:	40 - 90	40 - 90
Infrastructure:	10 - 60	10 - 60
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
Right-of-Use Assets	3 - 10	3 - 10

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Notes to the financial statements
For the year ended 31 December 2020

Note 8 Property, plant & equipment (continued)

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) Impairment

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. Computer equipment, other plant and equipment & motor vehicles are reviewed as part of stocktake processes for changes in circumstances including effective useful life, significant adverse technological, market, legal or economic changes taken place which would materially reduce the asset's recoverable amount. 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.

Assets, including right-of-use assets are tested for impairment to ensure that they are not carried in the Statement of Financial Position at a value more than their recoverable amount. Any impairment loss is recognised in the Statement of Comprehensive Income immediately.

(v) Disposals

Gains or losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the statement of comprehensive income. 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.

(vi) Valuation processes and effective dates

Land, buildings and infrastructure

A formal and comprehensive valuation is performed 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).

The last formal valuation was performed by APV Valuers and Asset Management in 2019.

In 2020 a desktop revaluation has been undertaken by APV Valuers and Asset Management on the University's existing assets in addition to a comprehensive valuation of the Land, Building & Infrastructure assets transferred from WIP in relation to the Moreton Bay campus.

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.

Land, buildings and infrastructure (classified as property, plant and equipment) are valued independently on a comprehensive basis every 5 years, with desktop valuations undertaken in the intervening years. At the end of each reporting period, the University updates its assessment of the fair value of each property, taking into account the most recent independent valuations. The University determines the property's value within a range of reasonable fair value estimates.

The best evidence of fair value in current prices is an active market for similar properties. Where such information is not available the University considers information from a variety of sources, including current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences. Resulting fair value estimates for properties are included in level 3.

Specialised buildings were valued using the current replacement cost approach using professionally qualified registered valuers. The approach estimated the replacement cost for each building by its individual components with different useful lives and taking into account a range of factors. While the unit rates based on square metres could be supported from market evidence (level 2) other inputs (such as estimates of useful life and asset condition) required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets were classified as having been valued using level 3 valuation inputs.

Road and water network infrastructure assets were valued using level 3 valuation inputs using the current replacement cost approach.

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Notes to the financial statements

For the year ended 31 December 2020

Note 8 Property, plant & equipment (continued)

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 statement of comprehensive income. Revaluation decrements are recognised as an expense in the statement of comprehensive income except where the decrement reverses a revaluation increment held in the asset revaluation surplus.

Plant and equipment

All plant and equipment is recorded at cost and is not independently valued or indexed.

Heritage and Cultural collections

A formal and comprehensive valuation is performed every 5 years by external, independent and qualified valuers. In 2020 a desktop revaluation was performed (all valued at fair value) by R. Searle. The last formal valuation was performed by R. Searle in 2018.

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

	Consolidated		Parent entity	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Buildings				
At 1 January 2020	10,978	13,003	10,978	13,003
Additions/(variations) of right-of-use assets	432	-	432	-
Depreciation charge	(1,944)	(2,025)	(1,944)	(2,025)
At 31 December 2020	9,466	10,978	9,466	10,978
Vehicles				
At 1 January 2020	916	1,103	916	1,103
Additions/(variations) of right-of-use assets	694	547	694	547
Depreciation charge	(757)	(734)	(757)	(734)
At 31 December 2020	853	916	853	916
Equipment/Infrastructure				
At 1 January 2020	21,138	374	21,138	374
Additions/(variations) of right-of-use assets	11	21,171	11	21,171
Depreciation charge	(975)	(407)	(975)	(407)
At 31 December 2020	20,174	21,138	20,174	21,138
Total right-of-use assets	30,493	33,032	30,493	33,032

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.

(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.

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Notes to the financial statements
For the year ended 31 December 2020

Note 9 Intangible assets

	Consolidated		Parent entity	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Computer software development				
At 1 January 2020	2,332	3,373	2,332	3,373
Additions	2,613	581	2,613	581
Disposals	-	(940)	-	(940)
Amortisation charge	(1,437)	(682)	(1,437)	(682)
At 31 December 2020	3,508	2,332	3,508	2,332

Research and development

Expenditure on research activities, undertaken with the prospect of obtaining new scientific or technical knowledge and understandings, is recognised in the Statement of Comprehensive Income 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 statement of comprehensive income 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 (2019: 3 to 8 years).

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

Note 10 Trade and other payables

	Note	Consolidated		Parent entity	
		2020	2019	2020	2019
		\$'000	\$'000	\$'000	\$'000
Current					
OS-HELP Liability to Australian Government	22e	1,976	442	1,976	442
Creditors		8,366	8,087	8,363	7,963
Accrued expenses		852	1,770	852	1,770
Total trade and other payables		11,194	10,299	11,191	10,175

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.

Note 11 Borrowings

	Consolidated		Parent entity	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Current				
Secured				
Loan - Queensland Treasury Corporation	1,284	1,217	1,284	1,217
Loan - Commonwealth	3,612	1,811	3,612	1,811
Lease liabilities	2,980	2,709	2,980	2,709
Total current borrowings	7,876	5,737	7,876	5,737
Non-Current				
Secured				
Loan - Queensland Treasury Corporation	1,008	2,286	1,008	2,286
Loan - Commonwealth	120,097	91,290	120,097	91,290
Lease liabilities	28,694	30,862	28,694	30,862
Total non-current borrowings	149,800	124,438	149,800	124,438
Total borrowings	157,676	130,175	157,676	130,175

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Notes to the financial statements
For the year ended 31 December 2020

Note 11 Borrowings (continued)

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 statement of comprehensive income 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.

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.

(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, Transport, Regional Development and Communications. 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. The weighted average borrowing rate is 5.698% (2019:5.698%).
- \$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, to be fully repaid by 11 September 2030. The concessional borrowing rate is 2.92% until the transition date (6 years after commencement date), 11 September 2024 where interest is BBSW + prescribed rate increase until maturity.

(c) Fair value

	2020		2019	
	Carrying amount \$'000	Fair Value \$'000	Carrying amount \$'000	Fair Value \$'000
Non-traded financial liabilities				
Queensland Treasury Corporation	2,292	2,409	3,503	3,724
Commonwealth	123,709	123,709	93,101	93,101
	126,001	126,118	96,604	96,825

(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.

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Notes to the financial statements
For the year ended 31 December 2020

Note 11.1 University as lessee

(a) Amounts recognised in the statement of comprehensive income

	Consolidated		Parent entity	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Interest on lease liabilities	1,628	1,023	1,628	1,023
Variable lease payments not included in the measurement of leases	22	3	22	3
Income from sub-leasing right of use assets	(5)	14	(5)	14
Expenses relating to short-term leases	64	15	64	15
Amounts recognised in Income Statement	1,709	1,055	1,709	1,055

(b) Maturity Analysis – undiscounted contractual cash flows

	Consolidated		Parent entity	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Less than one year	4,472	4,314	4,472	4,314
One to five years	18,720	17,474	18,720	17,474
More than 5 years	15,875	20,666	15,875	20,666
Total undiscounted contractual cash flows	39,067	42,454	39,067	42,454
Lease liabilities recognised in the statement of financial position:				
Current	2,980	2,709	2,980	2,709
Non-current	28,694	30,862	28,694	30,862

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. The University has taken the position of not factoring in lease extensions until such time the terms are formally renegotiated.

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:

	Consolidated		Parent entity	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Total cash outflow for leases	4,575	2,628	4,575	2,628
	4,575	2,628	4,575	2,628

(c) 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
- 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.

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Notes to the financial statements
For the year ended 31 December 2020

Note 11.1 University as lessee (continued)

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 statement of comprehensive income. 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 within borrowings in Note 11.1.

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.

Note 12 Provisions

	Consolidated		Parent entity	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Current provisions expected to be settled wholly within 12 months				
Employee benefits				
Annual leave	11,017	11,340	11,017	11,300
Long service leave	1,058	1,592	1,058	1,592
Subtotal	<u>12,075</u>	<u>12,932</u>	<u>12,075</u>	<u>12,892</u>
Current provisions expected to be settled wholly after more than 12 months				
Employee benefits				
Annual leave	2,084	2,021	2,084	2,021
Long service leave	11,843	11,664	11,843	11,664
Subtotal	<u>13,927</u>	<u>13,685</u>	<u>13,927</u>	<u>13,685</u>
Total current provisions	<u>26,002</u>	<u>26,617</u>	<u>26,002</u>	<u>26,577</u>
Non-Current				
Employee benefits				
Long service leave	5,503	5,567	5,503	5,511
Total non-current provisions	<u>5,503</u>	<u>5,567</u>	<u>5,503</u>	<u>5,511</u>
Total provisions	<u>31,505</u>	<u>32,184</u>	<u>31,505</u>	<u>32,088</u>

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.

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.

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.

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Notes to the financial statements
For the year ended 31 December 2020

Note 12 Provisions (continued)

(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 2020. 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. 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 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 AASB 137 *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.

Impacts of COVID-19 Pandemic

USC initiated a restructure program to implement a more sustainable cost structure in the post-COVID-19 environment resulting in a number of redundancies reducing the provision for annual & long service leave for many long-standing employees. This provision reduction has however, been offset by 2020 increases arising as a result of restricted and limited leave opportunities.

Note 13 Other liabilities

	Consolidated		Parent entity	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Current				
Australian Government unspent financial assistance	2,433	343	2,433	343
Income in Advance	124	593	124	593
Refund liabilities	115	214	115	214
Financial liabilities	1,250	1,810	1,250	1,810
Other liabilities	33	47	33	47
Total current other liabilities	3,955	3,007	3,955	3,007
Non-current				
Refund liabilities	59	23	59	23
Total non-current other liabilities	59	23	59	23

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Notes to the financial statements
For the year ended 31 December 2020

Note 13 Other liabilities (continued)

(a) Refund liabilities

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.

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.

(b) Contract liabilities

	Consolidated		Parent entity	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Contract liabilities - Australian Government	9,391	12,247	9,391	12,247
Other contract liabilities	15,705	17,309	15,705	17,309
Contract liabilities - current	23,100	23,900	23,100	23,900
Contract liabilities - non-current	1,996	5,656	1,996	5,656

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.

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.

Note 14 Reserves and retained earnings

(a) Reserves

	Consolidated		Parent entity	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Property, plant & equipment revaluation reserve	152,891	145,996	152,891	145,996
Other financial assets at fair value through OCI reserve	55,785	45,453	55,785	45,453
Total reserves	208,676	191,449	208,676	191,449
Movements				
Property, plant & equipment revaluation reserve				
Balance 1 January	145,996	159,748	145,996	159,748
Revaluation	6,895	(13,753)	6,895	(13,753)
Balance 31 December	152,891	145,995	152,891	145,996
Other financial assets at fair value through OCI reserve				
Balance 1 January	45,453	28,837	45,453	28,837
Revaluation	10,332	16,616	10,332	16,616
Balance 31 December	55,785	45,453	55,785	45,453

(b) Nature and purpose of reserves

Transfers to and from the property, plant & equipment revaluation reserve and the other financial assets at fair value through OCI reserve result from the fluctuations in the fair value of assets held.

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Notes to the financial statements
For the year ended 31 December 2020

Note 14 Reserves and retained earnings (continued)

(c) Retained earnings

	Consolidated		Parent entity	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Movements in retained earnings were as follows:				
Retained earnings at 1 January	286,602	284,347	286,434	284,135
Effect of changes in accounting policy at 1 January	-	(17,610)	-	(17,610)
Net operating result for the year	24,099	19,865	24,085	19,909
Retained earnings at 31 December	310,701	286,602	310,519	286,434

Note 15 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 2020. 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 AO, CertTeach <i>Kelvin Grove Teach.Coll.</i> , BA(Hons) Qld, PhD Qld.	Retired 14 August 2020
Professor Robert ELLIOT, BA(Hons) NSW, MA <i>La Trobe</i> , DipEd <i>Melb.</i> , PhD Qld.	Acting VCP appointment 16 March – 14 August 2020
Professor Helen BARTLETT, BA, <i>Northumbria</i> , MSc (Public Policy), <i>University of Bath</i> , PhD, <i>University of Bath</i>	Appointed 17 August 2020
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 Ms Debra BENNET	
Ms Sandra BIRKENSLEIGH, BCom UNSW, CA, CCP Fellow, GAICD	
Mr David FOSTER, BAppSc S.Qld., MBA S.Cross, SF Fin, GAICD	
Mr Scott WILLIAMS, AM, QDAH Qld, BEc, GradDipCompSc GradDipFinMangt, GradDipRurAcc UNE, Hon.DLitt UNE, FAICD	
Ms Jenny MORAWSKA, BA <i>Macq.</i> , DipEd UTS, GradDip Sci ANU, MSc ANU, MBA <i>Sunshine Coast</i> , GAICD	
Mr Tim ROTHWELL, BA(Hons) <i>Newc</i> , FCA, MAICD	
Two 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 JCU	Resigned 10 June 2020
Professor Abigail ELIZUR, BSc HUUJ, MSc ANU, PhD ANU, FTSE	Elected 7 October 2020
Associate Professor Mark SAYERS, BAppSci CCAE, MAppSci UC, PhD RMIT, SFHEA	

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Notes to the financial statements
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Note 15 Key management personnel disclosures (continued)

Names of responsible persons and executive officers

**Appointment / Election / Resigned/
Retired / Term completed**

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 Melissa GELTCH

Mr Nathan WELLINGTON

Four additional members appointed by Council

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

Ms Katie TONEY, BComn *Sunshine Coast*

2 x Vacant

Council officers

Further details of the University's Council Membership are located in the Governance Section of the Annual Report.

Executive officers

Position	Incumbents during 2020	Start/end dates where less than full year
Vice-Chancellor & President	Prof Greg Hill	Until 14 August 2020
Acting Vice-Chancellor & President	Prof Robert Elliot	Start 16 March 2020 until 14 August 2020
Vice-Chancellor & President	Prof Helen Bartlett	Start 17 August 2020
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	Until 29 August 2020
Chief Operating Officer	Dr Scott Snyder	
Pro Vice-Chancellor, Students	Prof Denise Wood AM	

Note all position titles and incumbents are as at balance date.

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:
 - o 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.
 - o 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.

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Notes to the financial statements
For the year ended 31 December 2020

Note 15 Key management personnel disclosures (continued)

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.

	Consolidated		Parent entity	
	2020 Number	2019	2020 Number	2019
Remuneration of Council Members				
None	-	-	-	-
Remuneration of Executive Officers				
\$90,000 to \$99,999	-	1	-	1
\$330,000 to \$339,999	1	-	1	-
\$360,000 to \$369,999	1	-	1	-
\$400,000 to \$409,999	1	2	1	2
\$420,000 to \$429,999	1	-	1	-
\$460,000 to \$469,999	-	1	-	1
\$490,000 to \$499,999	-	1	-	1
\$520,000 to \$529,999	1	-	1	-
\$530,000 to \$539,999	2	-	2	-
\$540,000 to \$549,999	-	1	-	1
\$570,000 to \$579,999	1	-	1	-
\$840,000 to \$849,999	-	1	-	1

(c) Key management personnel compensation

	Consolidated		Parent entity	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Short-term employee benefits	3,213	2,844	3,213	2,844
Post-employment benefits	424	341	424	341
Other long-term benefits	68	65	68	65
Total key management personnel compensation	3,705	3,250	3,705	3,250

(d) Performance payments

The University did not have any key management personnel entitled to performance payments in 2020 (2019: 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.

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Notes to the financial statements
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Note 16 Commitments

	Consolidated		Parent entity	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
(a) Capital commitments				
Capital expenditure contracted for at the reporting date but not recognised as liabilities is as follows:				
Property, plant and equipment				
Within one year	1,670	17,785	1,670	17,785
Later than one year but not later than five years	-	165	-	165
Later than five years	-	-	-	-
Total Property, plant and equipment	1,670	17,950	1,670	17,950
Total capital commitments	1,670	17,950	1,670	17,950

Note 17 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 2020 owns 100% (2019:100%) 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).

During 2020, ICSC has commenced the process of winding up the company's outstanding matters before voluntarily deregistering the company, anticipated to take place in 2021. On the 27th July 2020 the University acquired the fixed assets of ICSC valued at the closing written down value of \$29K.

(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 figures	2020 \$'000	2019 \$'000
Total assets	131	375
Total liabilities	3	263
Total revenue	599	1,061
Operating result for the reporting period	15	-44

The objective of C&C is to enter into and manage commercial arrangements. The extent of trade in 2020 was a loan to Sunshine Coast Lightning Pty Ltd (similar in 2019). The objective of Thompson Institute Pty Ltd is to advance the research health agenda. Thompson Institute Pty Ltd did not trade in 2020 (no trade in 2019).

The University maintains and manages all insurance policies as required by the controlled entities. The University had lease arrangements with ICSC in relation to the space occupied in the Incubator and Accelerator which was completed in 2020. The controlled entities are dependent on funding provided by the University. Funding support has been agreed to by the University for the 2021 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 2020 (or part thereof) are:

Professor Roland DE MARCO

Ms Jenny MORAWSKA

Term ended 8 May 2020

Directors of C&C who are also key management personnel of the University are:

Dr Scott SNYDER

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Notes to the financial statements
For the year ended 31 December 2020

Note 17 Related parties (continued)

Directors of Thompson Institute Pty Ltd who are also key management personnel of the University are:

Air Chief Marshal Sir Angus HOUSTON	
Ms Jenny MORAWSKA	
Professor Greg HILL	Term ended 21 September 2020
Professor Helen BARTLETT	Term commenced 21 September 2020

Refer to note 15 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 2020 ICSC received \$250,000 (2019: \$250,000). The University has lease arrangements with the wholly owned subsidiary ICSC in relation to the space occupied in the Incubator and Accelerator.

On the 27th July 2020 the University acquired the fixed assets of ICSC valued at the closing written down value of \$29K.

In 2020 the University provided a loan to C&C of \$74K to enable the provision of a loan for the same value to the Sunshine Coast Lightning Pty Ltd. The value supplied in 2019 for the same purpose was \$60K.

The previous 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	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Sale of goods and services				
Transactions are in relation to the provision of goods and services by the University for events staged by the entity.	47	68	47	68
Transactions are in relation to the provision of goods and services by the University in relation to a Joint Venture by the entity.	9	27	9	27
Purchase of goods and services				
Transactions are in relation to the provision of goods and services for IT operations of the university.	-	688	-	688
Transactions are in relation to the provision of goods and services for events staged by the university.	335	277	335	277

In addition to the above, a donation of \$75K was received from a key management personnel member.

(e) Outstanding balances

As at 31 December 2020, the wholly owned subsidiary ICSC had a NIL balance (2019: \$42,640) owing to the University and C&C an amount of \$134,004 (2019: \$60,004) 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 \$134K loan with C&C.

Financial Statements

Notes to the financial statements
For the year ended 31 December 2020

Note 18 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.

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.

Joint operator interests are displayed in the below table.

	2020	2019
TAFE Queensland	23.7%	23.7%
University of the Sunshine Coast	23.7%	23.7%
Griffith University	23.7%	23.7%
Sunshine Coast Hospital & Health Service	28.9%	28.9%
	100%	100%

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 fit-out 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
	2020	2020	2019	2019
	\$'000	\$'000	\$'000	\$'000
Total income	3,029	718	2,963	702
Total expenses	4,188	992	4,093	970
Total comprehensive result	(1,159)	(275)	(1,130)	(268)
Current assets	1,812	428	694	164
Non-current assets	15,886	3,765	17,049	4,041
Total assets	17,698	4,194	17,743	4,205
Current liabilities	1,766	417	652	154
Total liabilities	1,766	417	652	154
Net assets	15,933	3,777	17,091	4,051

It is noted that 2020 balances are based on unaudited accounts as at reporting date.

Note 19 Events occurring after the end of the reporting period

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
For the year ended 31 December 2020

Note 20 Reconciliation of operating result after income tax to net cash flows from operating activities

	Consolidated		Parent entity	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Operating result for the period	24,099	19,865	24,085	19,909
Depreciation and amortisation	19,904	16,877	19,900	16,865
Non-cash donations	(5,199)	(71)	(5,199)	(71)
Net (gain) / loss on sale of non-current assets	(38)	223	(38)	223
(Increase) / decrease in trade and other receivables	1,047	(19,232)	935	(19,145)
(Increase) / decrease in other assets	(419)	(247)	(441)	(234)
(Decrease) / increase in trade and other payables	896	691	1,016	669
(Decrease) / increase in other liabilities	(338)	17,481	(338)	17,481
(Decrease) / increase in provisions	(679)	1,859	(583)	1,851
Net cash provided by / (used in) operating activities	39,273	37,446	39,337	37,548

Reconciliation of operating result after income tax to net cash flows from financing activities

(Decrease) / increase in borrowings	27,789	48,238	27,789	48,238
(Decrease) / increase in lease liabilities	(4,575)	33,571	(4,575)	33,571
Net cash provided by / (used in) financing activities	23,214	81,809	23,214	81,809

Note 21 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

The consolidated entity has shareholdings in Education Australia Limited which is publicly traded exposing the University to price risk resulting from fluctuating and changing market prices.

(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.

The consolidated entity's current portfolio of borrowings consists of fixed and variable 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 21(c).

Financial Statements

Notes to the financial statements

For the year ended 31 December 2020

Note 21 Financial risk management (continued)

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 (2019: \$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 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.

The following tables summarise the maturity of the consolidated entity's financial assets and financial liabilities:

31 December 2020	Average interest rate	Fixed/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
Financial assets							
Cash and cash equivalents	1.00	144,893	-	-	-	-	144,893
Receivables	-	-	-	-	-	8,925	8,925
Other financial assets	-	-	-	-	-	55,805	55,805
Total financial assets		144,893				64,730	209,623
Financial Liabilities							
Trade and other payables	-	-	-	-	-	11,194	11,194
Borrowings	2.97	-	4,896	44,392	76,713	-	126,001
Lease Liabilities	5.00	-	2,980	14,198	14,496	-	31,674
Contract liabilities	-	-	23,100	1,996	-	-	25,096
Total financial liabilities			30,976	60,586	91,209	11,194	193,965

31 December 2019	Average interest rate	Fixed/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
Financial assets							
Cash and cash equivalents	1.61	104,564	-	-	-	-	104,564
Receivables	-	-	-	-	-	9,971	9,971
Other financial assets	-	-	-	-	-	45,633	45,633
Total financial assets		104,564				55,604	160,168
Financial Liabilities							
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
Total financial liabilities			29,980	41,996	88,098	10,299	170,373

Financial Statements

Notes to the financial statements
For the year ended 31 December 2020

Note 22 Acquittal of Australian Government financial assistance 22a Education – CGS and Other Education Grants

Note	Commonwealth Grant Scheme #1		Parent entity (HEP) ONLY				Disability Performance Funding #2		Indigenous Student Success Program #3		TOTAL 2020 \$'000
	2020	2019	Access and Participation Fund		Promotion of Excellence in Learning and Teaching		2020	2019	2020	2019	
	\$'000	\$'000	2020	2019	2020	2019	\$'000	\$'000	\$'000	\$'000	
	127,916	109,807	2,481	2,135	-	-	77	74	1,689	1,545	132,163
Net accrual adjustments	194	(194)	-	-	-	-	10	61	-	-	204
Revenue and income for the period	128,110	109,613	2,481	2,135	-	-	87	135	1,689	1,545	132,366
Surplus / (deficit) from previous year	-	-	-	-	-	61	-	-	-	-	61
Total revenue and income including accrued revenue	128,110	109,613	2,481	2,135	-	61	87	135	1,689	1,545	132,366
Less expenses including accrued expenses	128,110	109,613	2,481	2,135	-	61	87	135	1,689	1,545	132,366
Surplus / (deficit) for reporting period	-	-	-	-	-	-	-	-	-	-	-

Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)

Net accrual adjustments

Revenue and income for the period

Surplus / (deficit) from previous year

Total revenue and income including accrued revenue

Less expenses including accrued expenses

Surplus / (deficit) for reporting period

#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.

Financial Statements

Notes to the financial statements
For the year ended 31 December 2020

Note 22 Acquitment of Australian Government financial assistance (continued)
22b Higher Education Loan Programs (excluding OS-HELP)

	Note	HECS-HELP (Australian Government payments only)		Parent entity (HEP) ONLY				TOTAL	
		2020	2019	FEE-HELP #4	SA-HELP	2020	2019	2020	2019
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash Payable / (Receivable) at beginning of year		149	-	(106)	-	304	-	347	-
Financial assistance received in Cash during the reporting period		71,088	64,361	1,765	1,652	2,855	2,811	75,708	68,824
Cash available for period		71,237	64,361	1,659	1,652	3,159	2,811	76,055	68,824
Revenue and income earned	2.1b	68,820	64,212	1,644	1,758	3,159	2,507	73,622	68,476
Cash Payable / (Receivable) at end of year		2,417	149	15	(106)	-	304	2,433	347

#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 2020

Note 22 Acquittal of Australian Government financial assistance (continued)

22c Department of Education and Training Research #5

Parent entity (HEP) ONLY						
	Research Training Program		Research Support Program		TOTAL	
Note	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)	3,739	3,113	4,685	3,960	8,424	7,073
Net accrual adjustments	-	-	-	-	-	-
Revenue for the period	2.1c 3,739	3,113	4,685	3,960	8,424	7,073
Surplus / (deficit) from previous year	-	-	-	-	-	-
Total revenue including accrued revenue	3,739	3,113	4,685	3,960	8,424	7,073
Less expenses including accrued expenses	3,739	3,113	4,685	3,960	8,424	7,073
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 2020 are expected to be returned to the Department of Education and Training.

Total Higher Education Provider Research Training Program expenditure #6

	Total domestic students \$'000	Total overseas students \$'000
Research Training Program Fees offsets	1,910	215
Research Training Program Stipends	1,451	154
Research Training Program Allowances	4	5
Total for all types of support #7	3,365	374

#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.

Financial Statements

Notes to the financial statements
For the year ended 31 December 2020

Note 22 Acquittal of Australian Government financial assistance (continued)

22d Australian Research Council Grants

		Parent Entity (HEP) ONLY					
		Discovery		Linkages		TOTAL	
Note		2020	2019	2020	2019	2020	2019
		\$'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)	2,650	1,376	59	534	2,709	1,909
	Net accrual adjustments	(770)	(1,015)	43	(447)	(727)	(1,462)
	Revenue for the period	1,880	361	102	87	1,982	447
	Surplus / (deficit) from previous year	167	929	61	712	228	1,641
	Total revenue including accrued revenue	2,047	1,290	163	799	2,210	2,088
	Less expenses including accrued expenses	1,862	1,123	73	738	1,935	1,861
	Surplus / (deficit) for reporting period	185	167	90	61	275	228

22e OS - HELP

		Parent entity (HEP) ONLY	
Note		2020	2019
		\$'000	\$'000
	Cash received during the reporting period	1,598	883
	Cash spent during the reporting period	64	943
	Net cash received	1,534	(60)
	Cash surplus / (deficit) from previous period	442	502
	Cash surplus / (deficit) for reporting period	1,976	442

22f Student Services and Amenities Fee

Note		2020	2019
		\$'000	\$'000
	Unspent / (overspent) revenue from previous period	1,282	1,366
	SA-HELP Revenue Earned	3,159	2,506
	Student Services and Amenities Fees direct from Students	582	978
	Total revenue expendable in period	5,022	4,850
	Student Services expenses during period	(3,376)	(3,568)
	Unspent / (overspent) Student Services Revenue	1,647	1,282

Financial Statements

Statement of Certification

For the year ended 31 December 2020

We have prepared the annual financial statements pursuant to the provisions of the *Financial Accountability Act 2009*, the *Financial and Performance Management Standard 2019*, the *Australian Charities and Not-for-profits Commissions Act 2012* 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 2020, and of the financial position as at 31 December 2020 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

22 February 2021

Professor Helen Bartlett
Vice-Chancellor and President
University of the Sunshine Coast

22 February 2021

Dr Scott Snyder
Chief Operating Officer
University of the Sunshine Coast

22 February 2021

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 2020, and its 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 2020, 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 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 Auditing Standards.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Financial Statements

Independent Auditor's Report
For the year ended 31 December 2020

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 (\$526 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"> • gross replacement cost, less • accumulated depreciation. <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"> • identifying the components of buildings with separately identifiable replacement costs • developing a unit rate for each of these components, including: <ul style="list-style-type: none"> – estimating the current cost for a modern substitute (including locality factors and on-costs), expressed as a rate per unit (e.g. \$/square metre) – 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. <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"> • assessing the competence, capability and objectivity of the valuation specialist • assessing the adequacy of management's review of the valuation process • obtaining an understanding of the methodology used and assessing its design, integrity and appropriateness using common industry practices • 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"> – modern substitute – adjustment for excess quality or obsolescence • evaluating the reasonableness of the indices used against other publicly available information about movements in values for replacement costs of similar assets • assessing the ongoing reasonableness of the asset useful lives by: <ul style="list-style-type: none"> – reviewing management's annual assessment of useful lives – assessing the appropriateness of useful lives where assets were disposed of prior to the end of their useful lives – reviewing assets with an inconsistent relationship between condition and remaining life • performing reasonableness tests to confirm depreciation is calculated in accordance with the University's accounting policies and industry standards.

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. This is not done for the purpose of expressing an opinion on the effectiveness of the parent's and group's internal control, but allows me to express an opinion on compliance with prescribed requirements.
- 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.

Financial Statements

Independent Auditor's Report
For the year ended 31 December 2020

- 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.

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

Statement

In accordance with s.40 of the Auditor-General Act 2009, for the year ended 31 December 2020:

- 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.

Prescribed requirements scope

The prescribed requirements for the establishment and keeping of accounts are contained in the Financial Accountability Act 2009, any other Act and the Financial and Performance Management Standard 2019. The applicable requirements include those for keeping financial records that correctly record and explain the parent's and group's transactions and account balances to enable the preparation of a true and fair financial report.



Bhavik Deoji
as delegate of the Auditor-General

23 February 2021

Queensland Audit Office
Brisbane

Glossary

ACEEU Accreditation for Entrepreneurial and Engaged Universities	FWCI Field-weighted citation impact	NATSIHEC National Aboriginal and Torres Strait Islander Higher Education Consortium
ACIAR Australian Centre for International Agricultural Research	FWPA Forest and Wood Products Australia	OVCP Office of the Vice-Chancellor and President
ACPIR Australian Centre for Pacific Islands Research	GOS Graduate Outcomes Survey	PACC Program and Course Committee
AHEIA Australian Higher Education Industrial Association	GPA Grade point average	PG Postgraduate
AICD Australian Institute of Company Directors	HDR Higher degree by research	PPR Performance, Planning and Review (staff)
AMS Asset Management Services	HAL Horticulture Australia Limited	PRC Planning and Resources Committee
ANU Australian National University	HEA Higher Education Academy	PTSD Post Traumatic Stress Disorder
ARC Australian Research Council	HHM Health Hub Morayfield	PVC Pro Vice-Chancellor
ARMC Audit and Risk Management Committee	HERDC Higher Education Research Data Collection	QAO Queensland Audit Office
ATMC Australian Technical and Management College	HESF Higher Education Standards Framework	QILT Quality Indicators of Learning and Teaching
CGS Commonwealth Grant Scheme	HPSA High Performance Student Athlete	QTAC Queensland Tertiary Admissions Centre
COVID-19 Novel Coronavirus Disease 2019	ICSC Innovation Centre Sunshine Coast	RBG Research Block Grants
CRICOS Commonwealth Register of Institutions and Courses for Overseas Students	ICT Information Communication and Technology	RSP Research Support Program
CSP Commonwealth Supported Place	IDEAS Indigenous Direct Entry and Access Scheme	RTI Right to Information
DET Australian Government Department of Education and Training	IP Intellectual Property	RUN Regional Universities Network
DIIS Department of Industry, Innovation and Science	ISSN International Standard Serial Number	SA Statistical Area
EA Enterprise agreement	JCU James Cook University	SAGE Science in Australia Gender Equity
ECM Enterprise Content Management	KRA Key Result Area	SCHHS Sunshine Coast Hospital and Health Service
EFTSL Equivalent full-time student load	KPI Key Performance Indicator	SCHI Sunshine Coast Health Institute
eLAMP Emerging Leaders and Managers Program	LGA Local Government Area	SCUH Sunshine Coast University Hospital
ERA Excellence in Research for Australia	LGBTI Lesbian, Gay, Bisexual, Transgender, and Intersex	SES Socio-economic status
FAICD Fellow of the Australian Institute of Company Directors	MBA Master of Business Administration	SRC Sustainability Research Centre
FTE Full-time employment (staff)	MBUPP Moreton Bay University Precinct Program	SSE Student Services and Engagement
	MOU Memorandum of Understanding	STEM Science, technology, engineering and mathematics
	NAIDOC National Aborigines and Islanders Day Observance Committee	TEL Technology Enabled Learning

TEQSA	Tertiary Education Quality and Standards Agency
THE	Times Higher Education
TPP	Tertiary Preparation Pathway
UG	Undergraduate
UNSW	The University of New South Wales
UQ	The University of Queensland
USC	University of the Sunshine Coast
USQ	University of Southern Queensland
VCP	Vice-Chancellor and President
WIL	Work-integrated learning
QAO	Queensland Audit Office
QDSA	Queensland Defence Science Alliance
YTD	Year to date

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