

University finances

Underlying EBITDA

The underlying consolidated EBITDA moved from a surplus of \$256.3m in 2019 to a surplus of \$246.9m in 2020. While the surplus of the 2 years was similar, both revenue and expenditure were affected due to COVID-19.

Underlying income

The University's underlying consolidated income decreased by \$13.6m (or 0.6 per cent). This can be attributed to:

- An increase in the combined funding through the Commonwealth Grant Scheme (CGS), the Higher Education Loan Program (HELP), and HELP student contributions of \$7.6m (or 1.5 per cent). The number of Commonwealth-funded students fell by 1.1 per cent from 25,624 EFTSL in 2019 to 25,338 in 2020.
- A decrease in course fees and charges of \$28.2m (or 4.0 per cent). The number of full-fee paying domestic and international students fell by 2.6 per cent from 17,975 EFTSL in 2019 to 17,506 EFTSL in 2020. This revenue stream decreased by a higher rate because of a 12.5 per cent rebate provided to students unable to travel to Australia given the COVID-19-related restrictions and hence, studied offshore.
- An increase in research block grant funding of \$1.2m (or 0.7 per cent) as the University's share of total research funding across higher education providers remained steady.
- An increase in tied research, scholarship and other major project revenue of \$4.8m (or 1.1 per cent). As the underlying result does not recognise such revenue until it is expended, this rise is due to a related increase in expenditure.
- An increase in investment revenue of \$15.5m. This gain relates to an increase in the fair value of investments (excluding the portion related to endowments) during the year and proceeds from the sale of investments held by the University's commercialisation entity, UniQuest.
- An increase in scholarship and donation revenue (excluding endowments) of \$8.7m (or 24.0 per cent).
- A decrease in royalty and licence fee revenue of \$7.7m (or 19.8 per cent) largely due to a reduction in Gardasil royalties during the year.
- A decrease in the remaining revenue categories of \$15.5m (or 8.3 per cent) largely due to COVID-19-related factors

³ The majority of funds invested in the long-term managed investment portfolio are restricted funds set aside for endowed donations and bequests earmarked for purposes specified by the giver. Such donations are not available for the general operating expenditure of the University nor is the unspent increased decrease in the fair value of the portfolio related to these endowments and bequests.

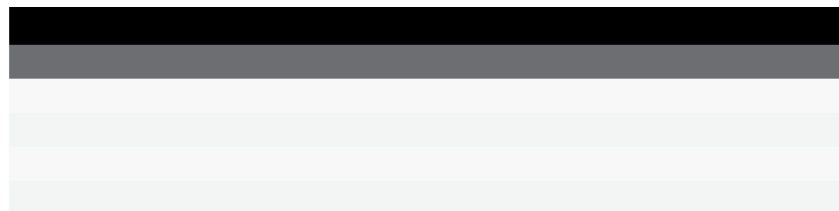
Investment Portfolio

Background

The University maintains 2 long-term managed investment portfolios – the UQ Investment Fund and the UQ Socially Responsible Investment (SRI) Green Fund. These portfolios serve two purposes.

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

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



CFO Statement

In preparing the financial statements, the UQ Chief Financial Officer has fulfilled the reporting responsibilities as required by the *Financial Accountability Act 2009*. He has provided the accountable officer with a statement that the financial internal controls of the University were operating efficiently, effectively and economically in accordance with section 57 of the *Financial and Performance Management (Statutory) Act 2019*.