

Review of operations

Growth and development



Goal: to promote sustainable growth to enhance quality and efficiency, whilst retaining important benefits of human scale

Develop closer integration of policy, planning and budgetary processes within the University's quality framework to guide sustainable growth

Responses to AUQA

In its 2007 quality audit report on the University, the Australian Universities Quality Agency (AUQA) affirmed a need for:

- further development and alignment of the University's planning framework;
- continued development of its Key Performance Indicator (KPI) system; and
- a formal process for monitoring and reviewing progress against planned objectives.

During 2008, policy, planning and budgetary processes were integrated more closely via:

- revision of the Planning Frameworks, and Quality and Risk Management policies to emphasise connections between University planning and budgeting and review mechanisms;
- development and implementation of integrated budgeting, risk management, operational and workforce planning processes for organisational areas;
- incremental development and implementation of formal ways to monitor and review University plans and activities;

- consolidation of strategic planning functions and the appointment of a Planning Officer within the Chief Financial Officer's portfolio;
- further development, refinement and adoption of KPIs and measures, through consultation with key stakeholders;
- revision of the Strategic Plan, taking into account the new suite of KPIs and measures;
- development and approval of additional Functional Plans relating to Finance and Infrastructure, Information Communication Technology and Student Support;
- revision of Functional Plans for Learning and Teaching, Research and Research Training, Regional Engagement, and Staff, including greater specificity of measurable KPIs;
- introduction of Corporate Performance Reports, submitted to each meeting of Council;
- introduction of quarterly budget reviews, six-monthly budget re-forecasts, and annual outcomes reports;
- initiation of regular meetings between the CFO and managers of organisational areas to review expenditure against budgets, and progress towards meeting operational plan goals; and
- introduction of triennial budgeting for the 2009–2011 period.

Plan for and support sustainable growth to a student population of at least 5,000 EFTSL by 2010, comprising:

- growth in Commonwealth-funded students
- growth in fee-paying international and domestic students

Record enrolments

Record enrolments applied for both semesters in 2008, including 2,490 new students in first semester and 1,046 in second. Enrolments at Census 1 totalled 5,833—11 percent more than in 2007. Fee-paying international and domestic students represented 25 percent of the total.

Most on-campus students came from the Sunshine Coast (74.7 percent), with a minority drawn from Brisbane and regional Queensland (10.0 percent) and interstate (2.6 percent). Students with a permanent home residence overseas counted for 12.7 percent of on-campus students.

International on-campus enrolments grew by 27.9 percent between 2007 and 2008, from 527 to 674. This resulted from increased marketing efforts in existing key source countries, most notably Germany, USA and

Canada, and success in improving numbers from relatively new source countries, most notably Norway, France, Korea and India.

As a consequence of this increase the proportion of international on-campus students grew from 11.1 percent to 12.5 percent from 2007 to 2008. The increase is in the context of strong growth in domestic on-campus student enrolments.

The 10 most popular degrees for new students in Semester 1, 2008

- Graduate Diploma in Education
- Bachelor of Nursing Science
- Bachelor of Science (Sport and Exercise Science)
- Bachelor of Social Science (Psychology)
- Bachelor of Business (Accounting)
- Bachelor of Nutrition and Dietetics
- Bachelor of Education (Early Childhood)/Bachelor of Human Services
- Bachelor of Arts
- Bachelor of Business
- Bachelor of Journalism

Commonwealth-supported students

In 2008, the Commonwealth-supported load increased by approximately 400 EFTSL (equating to 12 percent) over 2007, and since 2005 has experienced an increase of over 1,000 EFTSL.

Postgraduates

The number of students enrolled in postgraduate coursework and higher degree by research programs grew to 1,022—6 percent more than in 2007. Postgraduate numbers, as a percentage of all enrolments in award programs, have almost doubled since 2003. Almost one in five award students is now enrolled in a postgraduate program.

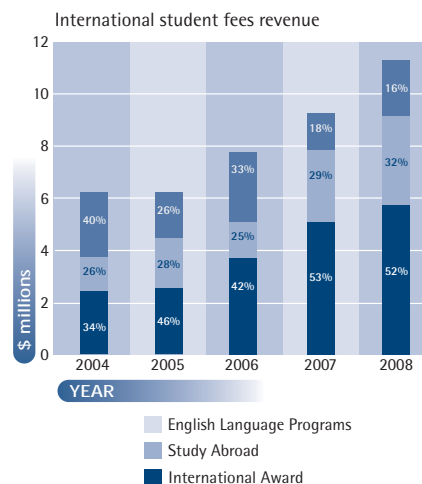


(From left) Federal Treasurer Wayne Swan joins USC staff Melissa Waterson and Natasha King in trialling the gym equipment after officiating at the opening of the five-storey Health and Sport Centre.

International students

International enrolments continued double-digit growth with a total of 977—14 percent more than in 2007. Students represented 60 countries. Most on-campus students were from Germany, followed by those from Canada, the United States, France, Japan, Norway, Sweden, the United Kingdom, Zimbabwe and India.

At Census 1, 2008, international students accounted for 17 percent of all USC students, compared with 16 percent the previous year, and 15 percent in 2006.



Infrastructure supporting growth

Federal Treasurer Wayne Swan officially opened the five-storey, \$13.8 million Health and Sport Centre in July 2008. Adjoining the \$10 million Indoor Sports Stadium opened a year earlier, the Centre includes state-of-the-art testing and research laboratories, a gymnasium, a café, office space and dedicated teaching spaces for degrees such as biomedical science, paramedic science, occupational therapy, nursing science, sport science, nutrition and dietetics, psychology and public health. Key features include a free public psychology clinic.

The Centre was built over nine months by the Evans Harch Group, which donated \$500,000 for the project via the Building Excellence campaign. The Commonwealth Government contributed \$8 million, and numerous private donations came in via the University's ongoing Building Excellence campaign.

In August, Queensland Minister for Tourism, Regional Development and Industry Desley Boyle officially opened the Innovation Centre's Business Accelerator. Redevelopment of premises for this facility began in 2007, backed by State Government funding of \$3.6 million.

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Designed to house up to 20 established technology and knowledge-based businesses and professional service firms at a time, the Accelerator will be a significant part of the Business and Technology Precinct under development on campus. The Accelerator will also complement the Innovation Centre's Business Incubator which, over the past six years, has assisted more than 50 start-up businesses.

Planning for the Sunshine Coast University Hospital, scheduled to open in 2014, continued throughout 2008, with expectations of future teaching and research collaborations involving USC, the University of Queensland and the hospital.

Expanding facilities

Expanded full-text database offerings at the University Library in 2008 supported teaching and research. Improvements to IT software and hardware boosted functionality for Library clients and staff, and laptop computers were purchased for student loans.

The herbarium collection, started in 1950 and established at the Library in 2007, was digitised to provide virtual access to materials and launched for University and community use. The catalogue includes hundreds of regional plant specimens. Those who helped establish the herbarium include the Department of Primary Industries and Fisheries, which donated the resource to the University, and HESSIE and Keith Lindsell of Buderim, who helped fund the project.

In October, the University launched USC Central—an improved online student enrolment system replacing SOLAR (Student On Line Access and Registration). The new system gives students more control of their own information, with facilities for updating personal details, enrolling in classes and viewing grades. A special feature is a digital enrolment cart that students can use to search for and add classes to individual timetables.

Encouraging enrolments

Initiatives to boost student growth included new degree programs, alternative entry pathways and support services to ensure students' academic and personal growth. Marketing strategies included the following:

- USC organised a travelling University Showcase visiting 14 high schools on the Sunshine Coast. Almost every university in Queensland participated, along with the Sunshine Coast Institute of TAFE and the Australian Defence Force.
- Nine career markets were attended in a variety of areas, including Sunshine Coast, Caboolture, Brisbane, Darling Downs, Bundaberg and Maryborough.
- USC hosted an interactive career planning workshop for high school students considering university study and adults looking for career changes.
- An inaugural information night for parents of Years 10 and 12 students helped meet demand for advice on ways to help with preparations for tertiary study.
- USC participated in the TAFE Sunskills Expo to promote pathways to university study.
- A mid-year study options evening catered for people interested in second semester study. It included opportunities for one-on-one discussions with academics and admissions staff about study options, scholarships and career paths.
- The University launched three YouTube channels featuring a series of videos about studying at USC. By year's end, the USC channels had been viewed 3,219 times. As at December 2008, USC's 36 YouTube videos collectively had amassed more than 11,600 separate viewings.
- The University launched a new design and navigation structure on the corporate website in August. The website had more than 6.4 million visitors in 2008 and the homepage was viewed 3,717,496 times. The most popular areas of the website were: undergraduate courses, course descriptions, current students, study abroad and the Library.
- USC exhibited at the Sunshine Coast Daily Careers Expo and Brisbane's Tertiary Studies Expo (TSXPO). Program advisers from all three faculties talked to prospective students and parents about the University and its programs.

- A record crowd of about 3,500 people attended the annual Open Day in August. Some came from as far afield as Mackay, Roma and Port Macquarie. The program included seminars on degree programs and career prospects; presentations on how to apply for entry, seek financial support, and access student services; campus tours; and opportunities to speak with USC staff and students.
- Information sessions for prospective 2009 students included a general information evening in October. Specific events in November focused on undergraduate studies in engineering, postgraduate business programs, and careers in nursing.
- An Options Evening in December attracted 1,240 people – almost double the previous year's attendance. Attendees ranged from first-preference and change-of-preference applicants to TPP and deferred students. Numerous new enquiries came from people yet to apply for entry. Campus tours ran every 15 minutes, with multiple tours often running simultaneously for groups as large as 100.

Develop and implement a revenue attraction plan for maximising public and private income streams and resources to support planned sustainable growth

Public funding

The University received \$1.52 million from the Federal Government's \$83 million Learning and Teaching Performance Fund (LTPF). The amount received included: a university grant worth \$1 million; \$192,524 for the discipline group of business, law and economics; and \$324,282 for the discipline group of humanities, arts and education. The performance indicators used in the LTPF assessment are derived from DEEWR's Higher Education Statistics Collection, the Graduate Destination Survey and the Course Experience Questionnaire.

Funding for the University's new \$13.8 million Health and Sport Centre included \$8 million from the Federal Government. In 2008, USC received \$2.3 million towards the project as part of the Better Universities Renewal Fund. Of this, \$2 million assisted with fit-out costs for the ground and first-

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level floors of the Centre, and the remaining \$300,000 contributed to a major upgrade of USC's information technology video and data network.

Other funding for the Centre included \$6 million from the Commonwealth Government's Capital Development Pool. The pool released \$3.5 million in 2008-2009 and will provide \$2.5 million in 2010. The Centre also received a boost from private donations through the Building Excellence campaign.

The Innovation Centre's Business Accelerator also opened in 2008, having secured a \$3.6 million funding package from the Queensland Government in 2006.

In October 2008, the University applied for almost \$2.5 million from the Australian Government's Local Schools Working Together pilot program. If successful, the funds will help build an Olympic-sized swimming pool for use by the University, Sunshine Coast schools and the wider community. The pool is to be located adjacent the USC Health and Sport Centre. Successful funding applicants are expected to be announced early in 2009.

The University's Capital Programs and Operations section submitted several funding applications this year, including:

- an Expression of Interest (Eoi) for \$900,000 from the Sport and Recreation Queensland Major Facilities Program, to help build an Olympic-size swimming pool – successful Eois will be invited to submit a funding application to the program in early 2009;
- an Expression of Interest to the Federal Government's Early Learning and Care Centre initiative to help build a childcare facility on campus for children of USC students and staff, and families in the community. It is proposed to locate the centre within the Health and Sport Precinct to provide work placement options for USC education students. Successful applicants may receive up to \$500,000 but this amount will vary depending on the size of the facility needed. Successful applicants will be invited to apply for funding progressively by the end of 2014; and
- an application for \$2.5 million from the Capital Development Pool in December 2008 for the construction of a Science Skills Training Facility on campus. The stated funding period for successful applications is 2010-2011.

Planning continued on an application for \$100,000 from the Australian Government's Remote Renewable Power Generation Program, to help fund a \$200,000 solar-powered energy system for USC's Dilli Village facility on Fraser Island (goal: less reliance on fossil fuels, improved environmental outcomes and significantly-lower diesel fuel costs). It is anticipated a submission will be made in 2009.

Private sector funding

The University Foundation identifies, prioritises and raises funds for key University initiatives.

The Building Excellence campaign closed this year having passed its goal of \$5 million in gifts and pledges during the past three years. The funds support three main priority areas: Health and Sport Centre, student scholarships and campus enhancement projects.

Sunshine Coast development and construction company Evans Harch Group donated \$500,000 to the campaign. This donation was among the largest ever received by the University, and helped support completion of the Health and Sport Centre.

The University received its first bequest—a \$10,000 gift from late Sunshine Coast resident Marjorie Harrold, wife of Dr Arthur Harrold, awarded a USC Honorary Doctorate in 1999. The gift will support environmental studies at USC.

A new sculpture (see page 40) was installed on campus in December. Obelisk, by Sydney artist Leonard Sabol, was a highlight of the Sculpture by the Sea exhibition at Bondi Beach, NSW. The sculpture is a gift to the University from the California-based Lee Graff Foundation and Mrs Arija Austin of Buderim, and was included in the campus enhancement priority of the Building Excellence campaign.

The University paid tribute to its generous benefactors by establishing a donor recognition wall at the entrance to the Chancellery Building. The wall lists the names of more than 100 individuals, businesses and organisations who have supported the University financially.

Gifts and pledges raised in 2008

In 2008, the campaign attracted \$3.2 million in donations, pledges, sponsorship, grants and in kind support, bringing the total raised towards the campaign to more than \$5 million for the following areas:

- Health and Sport Centre
- Scholarships and bursaries
- Campus enhancement
- Other initiatives

Conduct regular performance evaluations to monitor or review progress in achieving plans for sustainable growth and in achieving quality and efficiency, improving plans and actions as required

A schedule was approved this year for reviewing faculties, organisational units, key decision-making bodies and the University's Strategic Plan and functional plans. Associated guidelines for these reviews and supplementary guidelines for different types of reviews were developed, to maintain and enhance the University's quality system.

Major reviews of Information Services, and Events and Catering, were conducted in 2008; and the Faculty of Business continued its drive for accreditation by the prestigious US-based Association to Advance Collegiate Schools of Business (AACSB).

Undertake regular Council self-evaluations and performance reviews of senior staff to promote and assure effective governance and management of the University

Council members conducted a self-review early this year. A special meeting of Council was held to discuss survey responses and determine further action.

All senior staff participated in the annual Performance, Planning and Review (PPR) process. The Vice-Chancellor directed all senior staff to include specific, measurable targets in their 2008 performance agreements, as agreed with relevant executives.

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Key performance indicators

Growth in EFTSL—Commonwealth Grant Scheme and fee-paying

Projected five-year growth is the minimum Equivalent Full Time Student Load (EFTSL) required each year to meet the target of 5,000 EFTSL by 2010.

Minimum growth requirements were exceeded in 2006, 2007 and 2008 (based on preliminary data) and this is expected to continue in 2009 and 2010. These projections indicate that the University is on track to achieve the 2010 target of 5000 EFTSL.

Note: projections are subject to change and will be re-forecast for an updated estimate in 2009.

Achieving DEEWR-funded load

The DEEWR-funded EFTSL target was achieved in 2006—but not in 2005, 2007 and, according to preliminary data, not in 2008. Non-achievement of targets in 2007 and 2008 creates a pipeline effect that may continue to impact in future years.

Operating margin

The Operating Margin (Operating Profit as a proportion of Total Revenue) of 14 percent as at 31 December 2008 compares favourably against the 10 percent reforecasted target for 2008 and the 10 percent Operating Margin in 2007.

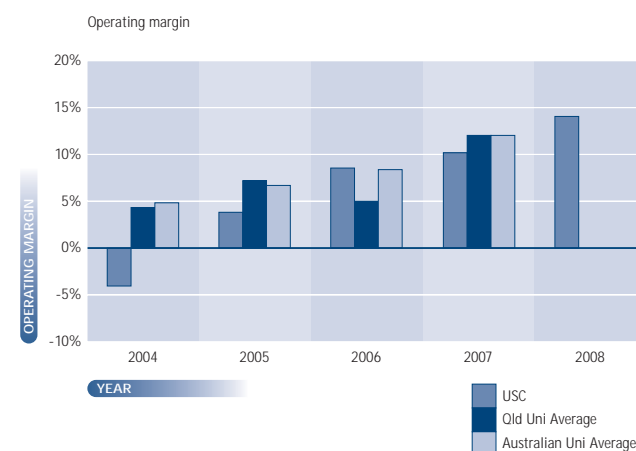
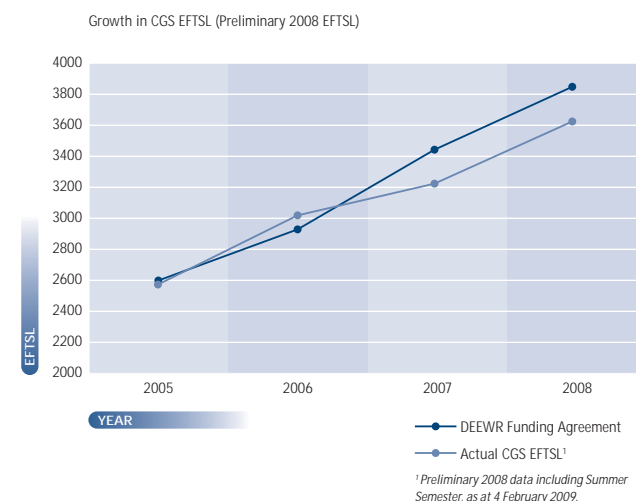
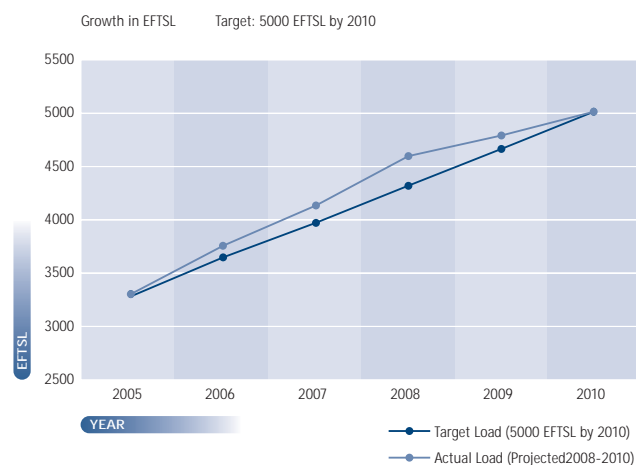
The Operating Profit and Total Revenue include full accruals (eg. debtors, creditors, depreciation and employee provisions) and capital revenue. Total Revenue for 2008 has been inflated by significant revenues and contributions including \$2.3 million in Better Universities Renewal Funding, \$3.4 million Capital Development Program Funding and approximately \$2 million from the Building Excellence Campaign.

The Operating Margin adjusted for significant contributions is 7 percent.

Liquidity ratio

The liquidity ratio (Current Assets over Current Liabilities) reflects the University's ability to meet short term debts. The 31 December 2008 year end ratio of 0.73:1 is below the Australian university average ratio for 2007 of 1.20:1 and the Queensland university average ratio for 2007 of 1.51:1. The year end ratio reflects that the University is experiencing a less fluid cash flow as repayments of debt and surplus funds to funding bodies are made.

The University does not operate with significant cash reserves, however, current debt facilities allow for an operating overdraft of \$4 million (previously not drawn upon) and longer term debt facilities pre-approved by QTC.



Employment costs as a percentage of revenue

Employment costs as a percentage of revenue as at 31 December 2008 is 52.6 percent which is higher than the 2008 reforecasted ratio of 51 percent, however, is below the 2007 Australian university and Queensland university average costs.

Employment costs include associated fringe benefits tax and provisions for leave entitlements (long service leave and recreation leave). Total Revenue includes capital funding grants and donations which reduces the employment costs as a percentage of revenue as a result.

The strong commitment from University Executive to manage employment costs and drive to increase external funding should result in a percentage decrease over time.

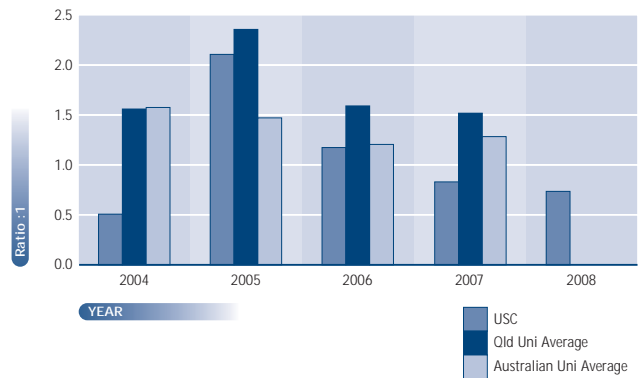
Revenue by source categories

Total revenue earned for the year ended 31 December 2008 was \$94.9 million, including \$5.7 million in Government Capital Funding. Australian Government Grants include Commonwealth Government Support, HECS-HELP arrangements and other DEEWR operating funds. State and Local Government Grants includes capital funding (excludes inflows from debt facilities held with the Queensland Treasury Corporation). Student Fees and Charges include full-fee paying International Award and Non-Award students and associated administration charges. Consultancy and Contracts includes all research and non-research commercial funding. Other Revenue includes University donations.

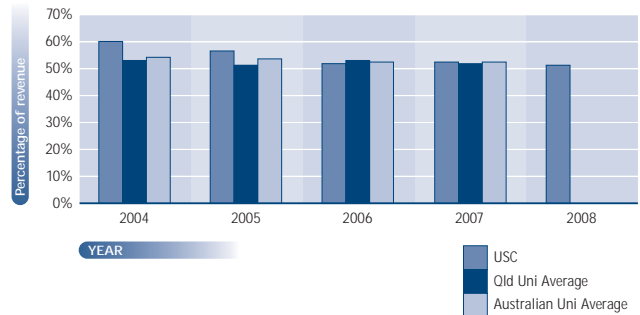
The University continues to grow its research and consultancy contracts with non-government sources. The Australian Government Grants and the State and Local Government Grants include some contractual funding for research purposes which is independent to the general operating of the University.

The University continues to rely on Government support particularly in relation to capital infrastructure and general operating activities. Approximately 4 percent of Australian Government Grants received is allocated to funding the repayment of debt.

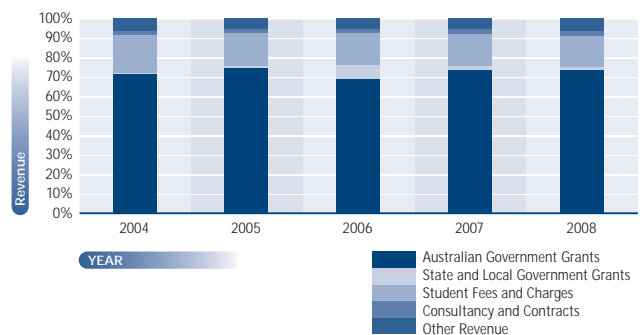
Liquidity ratio



Employment costs as a percentage of revenue



Revenue by source categories



The year 2009

- Enrolment growth will continue its unbroken upward trend.
- Marketing initiatives, particularly in the online environment, will continue to be developed to encourage enrolments.
- The USC's Capital Programs and Operations section will act on outcomes of major funding applications and expressions of interest submitted in 2007.
- USC will continue collaborating with the University of Queensland and hospital planners to provide teaching and research facilities at the Sunshine Coast University Hospital, scheduled to open in 2014.
- Further work will be undertaken to improve the University's quality framework.
- Implementation of a new version of the University's financial reporting system which will provide enhanced information to assist in the University's decision-making processes.
- Further refinement of the University's monitoring and reporting of performance against key performance indicators.
- Continuation of implementation of recommendations of the AQUA review relating to closer alignment of the University's planning and budget processes.