



USQ Annual Report 2018



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USQ Media Design and Development 19-5005



Letter to the Minister

1 March 2019

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

Dear Minister Grace

I am pleased to present the Annual Report 2018 and financial statements for the University of Southern Queensland.

I certify that this Annual Report complies with:

- prescribed requirements of the *Financial Accountability Act 2009* (Qld) and the *Financial and Performance Management Standard 2009* (Qld); and
- detailed requirements set out in the *Annual Report Requirements for Queensland Government Agencies*.

A checklist outlining the annual reporting requirements can be found on page 112 of this Annual Report or accessed at www.usq.edu.au/about-usq/governance-leadership/plans-reports

Yours sincerely

Mr John Dornbusch
Chancellor, USQ

Introduction

The University of Southern Queensland (USQ) Annual Report provides a review of the University's activities and performance in 2018 and identifies future priorities. The Report aims to ensure the University meets its statutory requirements for transparency in public reporting and remains openly accountable to its many stakeholders.

In describing the achievements, performance, outlook and financial position of the University in terms of the objectives of the *USQ Strategic Plan 2016–2020*, the Report also serves to inform continuous improvement in organisational performance.

The Report reflects USQ's status as a values-driven organisation committed to:

- providing opportunities for access with success to higher education by a diverse student constituency
- supporting the Queensland and Australian economies through graduates who are highly regarded as career-ready, innovative and connected professionals
- conducting world-class research in select areas that impacts on communities
- serving as a partner of choice to business and community through best practice management.

In the first full year of operations of the administration of Vice-Chancellor Professor Geraldine Mackenzie, 2018 has been a year of consolidating strengths and undertaking necessary reforms to position the University for success in a highly dynamic and challenging operating environment.

Intended readers and users of the Report include current staff and students, members of State Parliament, research and other partners of the University, employers and graduates, media professionals, and interested members of the public.

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Chancellor's Report

I am pleased to present the 2018 Annual Report which documents and acknowledges the significant achievements of University of Southern Queensland (USQ) staff and students during this past year.

Many of these achievements have important implications – locally, nationally and internationally – and reflect the University's ongoing vision to be an institution defined by community engagement and a mission to make education more accessible, particularly to those less fortunate.

Unlike metropolitan universities, USQ's community-centred values are grounded in our regional heritage. As a regional university, we are a major employer in our regions. I am firmly of the view that regional universities have never been more important than now.

A survey conducted this year by the Regional Universities Network showed that seven out of 10 working regional university graduates are employed in a regional area, compared to two out of 10 of all Australian university graduates. USQ plays an important role in our local communities. We effect jobs and productivity, research and innovation.

The University remains financially sound despite operating in a complex and shifting regulatory funding environment this year. We have adapted to change where incremental reductions of public funding in recent years have required financial modelling and budgetary forecasts to be made under testing circumstances.

The expected reshaping of our revenue flows will undoubtedly have some impact on our operations but despite this the University has maintained a strong balance sheet. Investment in capital expenditure

remained high this year with almost \$32 million invested in property, plant and equipment, and information and communications technology. Next year will see total investment in excess of the 2018 aggregate.

Having now graduated more than 110,000 students enrolled across a multitude of programs offered both domestically and internationally our commitment is to work closely with employer and industry groups to ensure that our students have the skills and attributes to make them employment ready.

4 This year, nearly 30,000 students from 110 countries studied a diverse range of programs through on-campus, online delivery or with overseas education partners. In 2018, we are again proud that our students have the highest median starting salary in the nation and that USQ was named Queensland's Number 1 University for graduate employment.

USQ Council was also pleased to award special University honours to the following:

Dr Kevin Cocks AM, Doctor of the University

Professor Peter Albion, Professor Emeritus

Professor Julie Cotter, Professor Emeritus

Professor Don Gorman, Professor Emeritus

Professor Thanh Tran-Cong, Professor Emeritus

Professor Janet Verbyla, Professor Emeritus

Professor John Grant-Thomson, Professor Emeritus

Professor Cath Rogers, Professor Emeritus

Professor Aileen Cater-Steel, Professor Emeritus

Professor Allan Layton, Professor Emeritus

USQ Council was saddened to hear of the passing of Professor Glen Postle AM and Professor Steven Raine this year. Professor Postle AM held a range of academic and management positions during his 30 year career as a staff member at USQ. He was a friend and colleague to me and many and he will be remembered for his significant achievements and considerable involvement with the community. Professor Raine's association with USQ began in 1995 and in 2013 he was appointed to the position of Executive Director, Institute for Agriculture and the Environment, now the Institute for Life Sciences and the Environment. Professor Raine's passing came as a shock to many of us and he will be sadly missed.

I acknowledge the University executive, staff and students for their unwavering commitment to the success of the University and the achievement of its strategic goals, and thank my fellow members of the USQ Council for their professional contribution and service this year.

In closing, I wish to sincerely thank USQ Council members who unanimously supported my re-appointment as Chancellor for a further five year term at the USQ Council meeting of 3 September 2018. The minutes of the USQ Council meeting of 3 September were confirmed at the USQ Council meeting of 22 October 2018, and subsequently the Queensland Minister for Education and the Federal Minister for Education were advised of this outcome. I am privileged to remain USQ Chancellor until 6 March 2024.

I look forward to 2019 – thank you all.

Mr John Dornbusch
Chancellor, USQ

Vice-Chancellor's Report

2018 was marked by outstanding achievements by our staff and students, challenges presented by the higher education environment, and focus on a broad range of projects towards ensuring an exciting future ahead for the University.

Our staff worked hard during 2018 to deliver a sustainable fiscal position through responsible financial management and a strong focus on those priorities consistent with our mission to be a leading regional university. Prudent financial governance, together with the generation of revenue in excess of \$328.5 million, has allowed the University to invest in core activities of research and learning and teaching, whilst simultaneously positioning itself to address fiscal challenges that will be faced in the coming years and deliver an operating surplus of \$10.348 million for 2018. The University has continued to maintain a strong balance sheet, with a current ratio of 2.96, total assets exceeding \$688.5 million, and a very low level of debt (\$9.5 million). The strength of the balance sheet has allowed for significant capital investment with \$32.4 million invested in property, plant and equipment, and information and communications technology.

During 2018, we continued to prioritise our ongoing growth as a student-focussed, community-centred and impactful university – regionally, nationally and internationally. Of particular note are the following achievements and activities:

- The construction of the new plant sciences research facility within the Agricultural Science and Engineering Precinct was completed in late 2018. Covering approximately six hectares, the Precinct provides a new home for USQ's Centre for Crop Health and enables the expansion of field trial and laboratory facilities for the Centre for Agricultural Engineering.
- A pilot project to offer microcredentialling was initiated in 2018 to address the changing employment opportunities and work requirements of professionals, who require just-in-time learning and courses focussed on targeted, specific skill sets.
- HRH Princess Dina Mired of Jordan, President of the Union for International Cancer Control, launched the new Centre for Population Health, Informatics and Economic Research at the Springfield campus in October, and the University's new Centre for Agricultural Engineering was launched in November by Minister for Agriculture, Industry Development and Fisheries the Hon Mark Furner MP.
- In 2018 the University adopted the new USQ Employee Diversity and Inclusion Strategy 2018–2020, which brings together a range of initiatives that recognise the diversity of USQ's workforce and allows all employees to fully contribute and support USQ's activities in an equitable, inclusive and diverse environment. In addition, the University launched its new Aboriginal and Torres Strait Islander Peoples Workforce Strategy 2018–2020, which provides a framework to increase the employment and participation of Aboriginal and Torres Strait Islander peoples at all levels, across all organisational areas of the University.
- In late 2018, USQ researchers received more than \$1.8 million in Australian Research Council (ARC) funding commencing in 2019. A total of five USQ-led projects were successful, as well as three projects led by other institutions involving USQ researchers.
- Professor Geoff Cockfield from USQ's Institute for Life Sciences and the Environment spent five months undertaking research in the USA after being appointed to the role of Distinguished Chair in Agriculture and Life Sciences at Kansas State University through the Australian-American Fulbright Commission. In late 2018 Professor Craig Baillie, Director of the Centre for Agricultural Engineering received notification that he had been awarded a 2019 Fulbright Scholarship for a project to develop a systematic approach to establishing collaborative research in agricultural technology development.

2018 was a year marked by the continued effort, commitment and enthusiasm of our staff to the provision of high-quality educational experiences to our students. Through effective and efficient management and leadership, I have no doubt that, despite the freeze to funding applied to universities by the Federal Government from 2019 onwards, the successes of 2018 will continue for USQ into the coming years.



Professor Geraldine Mackenzie
Vice-Chancellor, USQ



Overview: The University of Southern Queensland

The University of Southern Queensland (USQ) has evolved through a number of phases over its 50 plus year history, commencing as a regional campus of the then Queensland Institute of Technology in 1967. It then became an autonomous college of advanced education, the Darling Downs Institute of Advanced Education from June 1971, and passed through an interim stage as the University College of Southern Queensland in 1990–91. Finally, what is now known as the University of Southern Queensland came into being on 1 January 1992.

USQ is a body corporate established pursuant to the provisions of the *University of Southern Queensland Act 1998* (hereafter referred to as 'the USQ Act'). The latest version of the *USQ Act* came into effect from 1 August 2018.

USQ's functions under Section 5 of the *USQ Act* are:

- to provide education at university standard
- to provide facilities for, and encourage, study and research
- to encourage the advancement and development of knowledge, and its application to government, industry, commerce and the community
- to provide courses of study or instruction (at the levels of achievement the USQ Council considers appropriate) to meet the needs of the community
- to confer higher education awards
- to disseminate knowledge and promote scholarship
- to provide facilities and resources for the wellbeing of the university's staff, students and other persons undertaking courses at the university
- 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
- to perform other functions given to the university under this or another Act.

In line with the functions as stated in the *USQ Act*, the University defines its purpose as *leading in economic and social development through higher education and research excellence*.

The University's main campus is in Toowoomba, located 110 kilometres west of the Brisbane CBD. USQ also has two campuses to the west of Brisbane, in Springfield and Ipswich, and operates the Queensland College of Wine Tourism, Stanthorpe, located 140 kilometres south of Toowoomba. The University also has the Mount Kent Observatory in Greenmount, just outside of Toowoomba.

In addition to on-campus study, USQ builds on over 40 years as a provider of higher education programs to students studying off-campus across Australia and offshore by enabling globally connected education unconstrained by time and location. Some 67% of USQ's students study fully online both within Australia and overseas. The University has relationships with major offshore partners in a number of countries.

As a community-centred regional university, USQ defines its driving aspirations as encompassing:

- leadership in physical and digital higher education learning experiences geared to a diverse student constituency
- leadership in broadening higher education attainment
- leadership as a source of graduates who are highly regarded as practical, innovative and connected professionals
- achievement of world-class research results in focused areas of research activity that provide positive societal impact
- engagement across all areas of operation and serving as a partner of choice with like-minded organisations.

USQ fosters a values driven culture – one that is built around relationships and community, mutual respect, diversity and inclusion, and a strong commitment to ethics and integrity, collaboration, creativity and innovation. The organisational values are Respect, Integrity and Excellence.

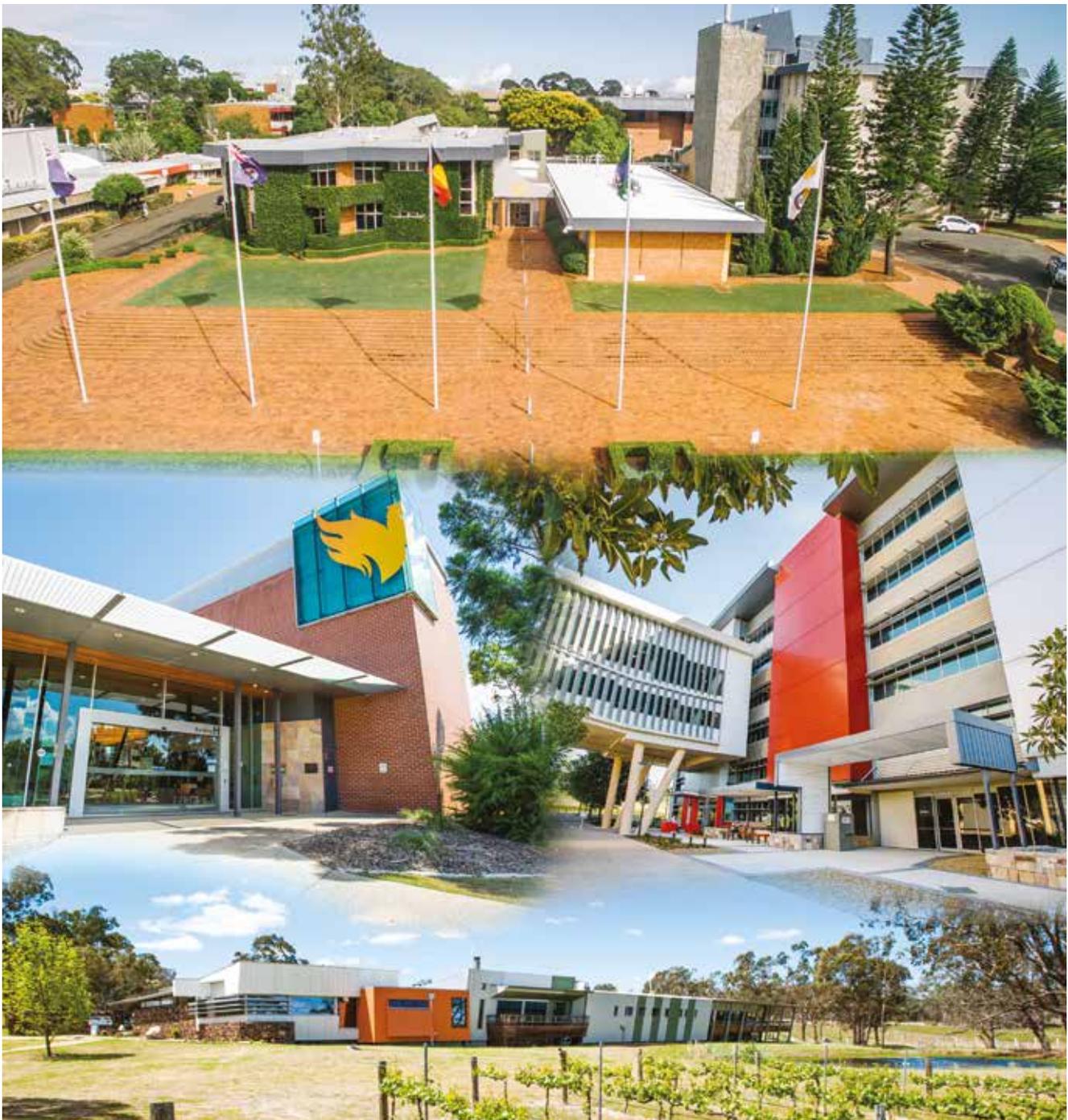
The operating environment for Australian universities is extremely challenging. An uncertain policy environment has existed for several years as a result of the Federal Government failing to progress its higher education reform agenda through the Senate. Austerity measures introduced, including via the *Mid-Year Economic and Fiscal Outlook 2017–18*, have put added financial pressures on universities and university students, particularly impacting regional universities. These measures have added to the competition for both domestic students in a market environment where local demand is plateauing, and for international students in what is already a highly complex, competitive and dynamic market.

To optimise the positioning of USQ in this challenging operating environment, the University's priorities for 2018 centred on broad strategies to:

- achieve growth in domestic and target international markets and further diversify the revenue profile to reduce the University's exposure to government funding
- establish a leadership position in the quality of the student experience and improve student success – including for higher degree research students
- provide graduates of choice in key disciplines
- strengthen the University's service performance culture

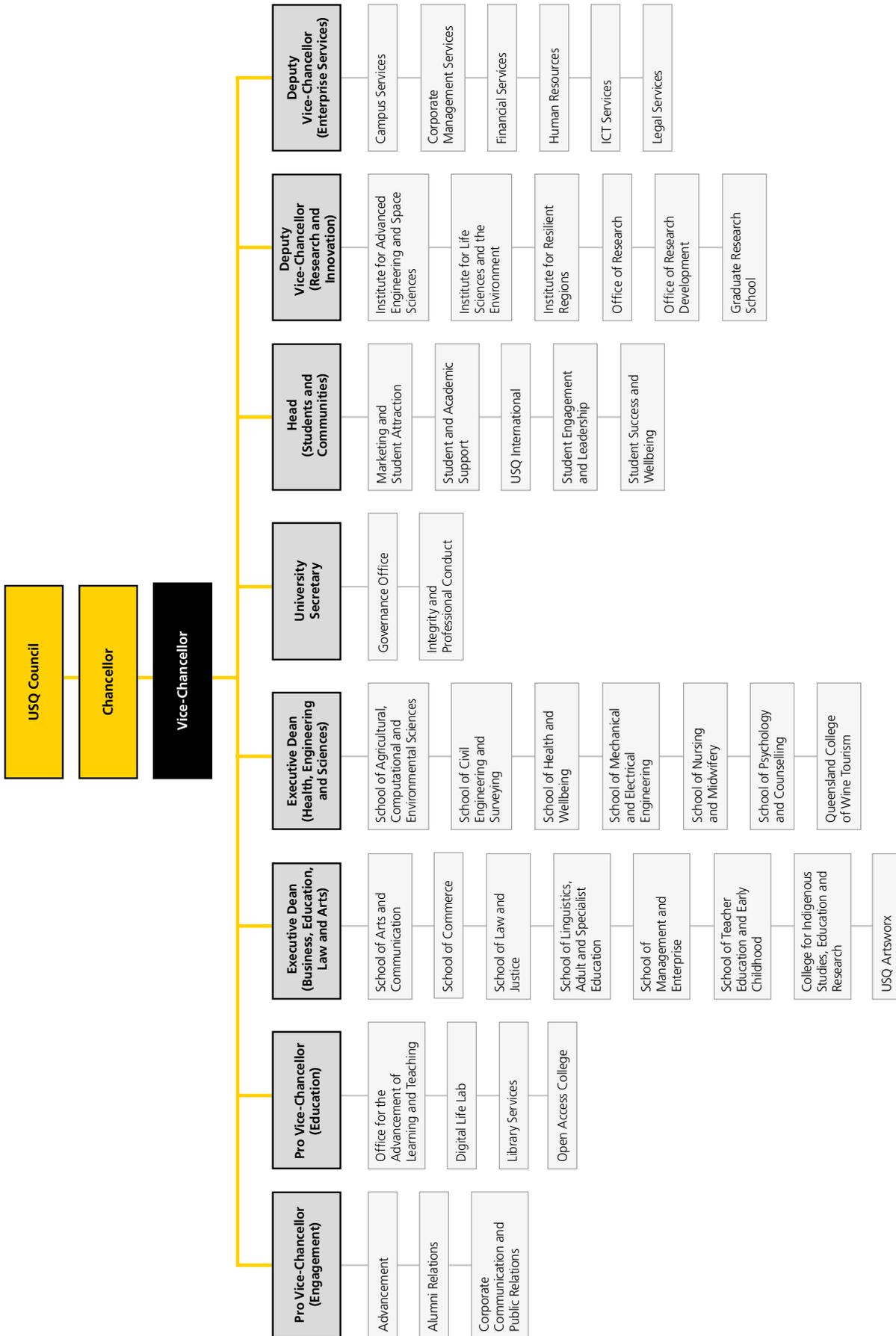
- continue to improve research culture, reputation and impact; and deepen research capability
- strategically align the University's resources and enhance the organisation's position as a partner of choice
- build the University's engagement and advancement capacity and enhance industry engagement.

The University made significant steps towards the achievement of these strategies in 2018, details of which are provided in the Education, Research and Enterprise sections of this Report.



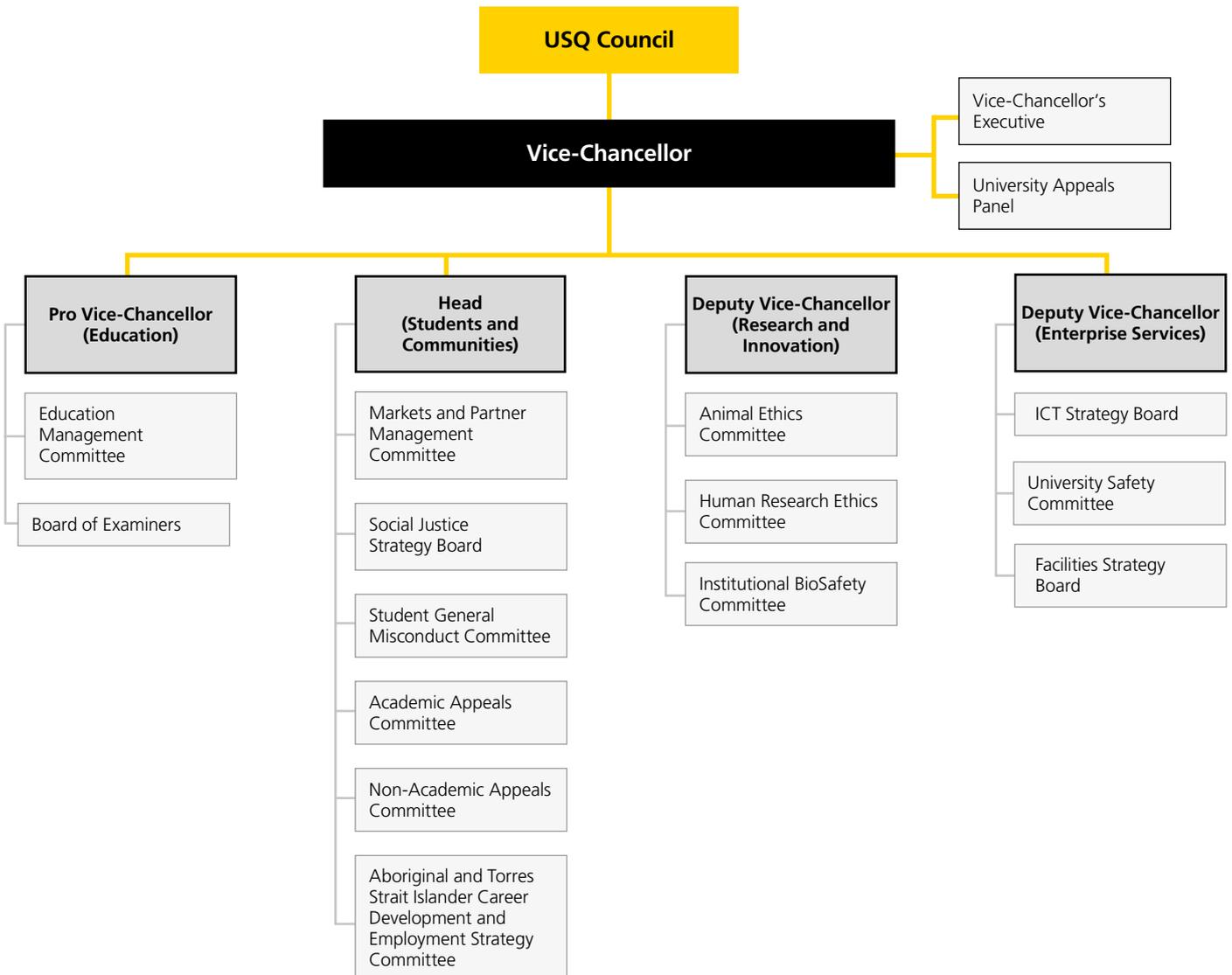
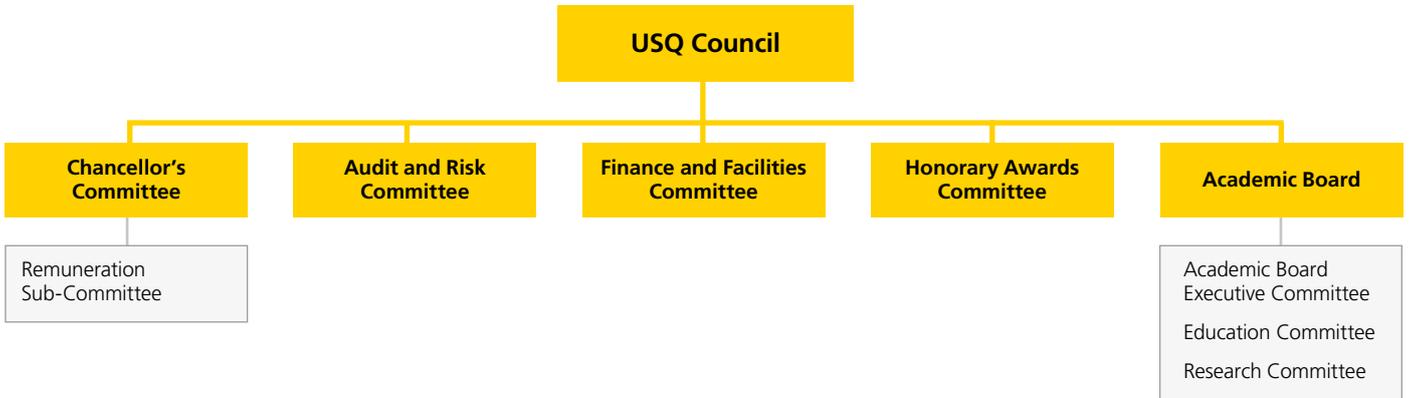
USQ Organisational Structure

as at 31 December 2018



USQ Committee Structure

as at 31 December 2018



Senior Executive

Vice-Chancellor

Professor Geraldine Mackenzie

LLB QIT, LLM QUT, PhD UNSW, FAAL, FQA, FIML, GAICD

The Vice-Chancellor is the chief executive officer of USQ. As Vice-Chancellor, Professor Mackenzie is responsible for the academic, administrative, financial and other affairs of the University, and promotes the interests and furthers the development of USQ. The position is accountable to the University Council for the academic and financial health of the University. The Vice-Chancellor has management responsibility for the senior executives who comprise the University's leadership team.

The Vice-Chancellor exercises general supervision over the activities and welfare of staff and students and has all such powers and duties as may be necessary or convenient to enable her to carry out her responsibilities.

Senior Deputy Vice-Chancellor

(from 1 January– 16 February 2018)

Professor Janet Verbyla

BSc(Hons) *Melb*, MAICD

The Senior Deputy Vice-Chancellor had overall responsibility for the University's academic program portfolio, including its continuous improvement and the quality of delivery. Following the departure of Professor Verbyla from the University, this responsibility was assumed by the Vice-Chancellor for an interim period.

Deputy Vice-Chancellor (Enterprise Services)

(from 15 January 2018)

Michael Thomas

BBus QUT, PGCertMgt USQ

The Deputy Vice-Chancellor (Enterprise Services) has overall management responsibility for the University's business functions including Human Resources, Campus Services, Corporate Management Services, Legal Services, Financial Services and Information and Communication Technology Services. This role is responsible for the University's organisational performance, development and improvement through strategic leadership of the corporate services that underpin the successful operation of the University, including the strategic positioning of the University's physical, information, financial and human resources, as well as corporate planning, business intelligence and reporting, audit and risk, legal services and other corporate business management functions.

Deputy Vice-Chancellor (Research and Innovation)

Professor Mark Harvey

BSc(Hons), MBA, PhD *Qld*

The Deputy Vice-Chancellor (Research and Innovation) leads the Research and Innovation Division of the University and is responsible for providing strategic direction, leadership and management of the centres, institutes and offices that comprise the Research and Innovation portfolio. The Deputy Vice-Chancellor (Research and Innovation)'s role is to enhance the University's research profile, its research performance and its culture of research excellence and quality research training.

The position oversees the fostering of collaborations and partnerships with government, industry and the community, to deliver applied research outcomes that have regional relevance, aligned with national and organisational priorities, and deliver global impact. The Research and Innovation Division comprises the Offices of the Deputy Vice-Chancellor (Research and Innovation), Research, Research Graduate Studies, and Research Development, as well as the University's three Research Institutes and nine Research Centres.

Deputy Vice-Chancellor (Students and Communities)

(from 1 January – 20 November 2018)

Carl Rallings

BCom Wollongong

The Deputy Vice-Chancellor (Students and Communities) was responsible for providing strategic direction, leadership and management of the functions, centres and departments that comprise the Division of Students and Communities. The Division incorporates Marketing and Student Attraction, USQ International, Student and Academic Support, Student Support and Retention, Student Engagement and Leadership, Student Services and Social Justice, and (prior to 1 October 2018) Alumni.

The Deputy Vice-Chancellor (Students and Communities) also facilitates consistent delivery of USQ's branded service model that enhances the student experience and builds the University's relationships with its current, future and past student communities.

Head (Students and Communities)

(from 21 November 2018)

Helen Nolan

BBus USQ

The Head (Students and Communities) is responsible for providing strategic direction, leadership and management of the functions that comprise the Division of Students and Communities. This position has responsibility for the non-academic components of the student journey and experience. The Head (Students and Communities) plays a central role in the non-academic component of the student journey and experience across the portfolios of Marketing and Student Attraction, USQ International Student Academic and Administrative Support, Student Support and Retention, Student Life; and Student Success and Wellbeing.

Pro Vice-Chancellor (Education)

Professor Helen Partridge

BA Qld, GCertEd Qld, PGDipPsych Qld, GDipLib&InSt QUT, MIT QUT, PhD QUT, FALIA

The Pro Vice-Chancellor (Education) is responsible for providing strategic direction, leadership and management of the functions and departments that comprise the Education Portfolio which incorporates the Office for the Advancement of Learning and Teaching, Library Services, the Digital Life Lab, and Open Access College. The portfolio is responsible for supporting and facilitating the University's education strategy, and is responsible for ensuring a culture of excellence and innovation in learning and teaching.

Executive Dean (Faculty of Business, Education, Law and Arts)

Professor Barbara de la Harpe

BSc(Hons) Rand Afrikaans, Grad Dip Ed Curtin, PhD Curtin

The Executive Dean of the Faculty of Business, Education, Law and Arts is responsible for providing strategic direction as well as leadership and management of the functions and schools in the Faculty of Business, Education, Law and Arts. The Faculty comprises the Schools of Arts and Communication; Commerce; Law and Justice; Linguistics, Adult and Specialist Education; Management and Enterprise; and Teacher Education and Early Childhood. The Executive Dean also manages the College for Indigenous Studies, Education and Research, and USQ Artsworx.

Executive Dean (Faculty of Health, Engineering and Sciences)

Professor Glen Coleman

BVSc(Hons) Qld, GDipBiotech QUT, PhD Qld

The Executive Dean (Faculty of Health, Engineering and Sciences) is responsible for providing strategic direction, leadership and management of the functions and schools in the Faculty of Health, Engineering and Sciences which comprises the Schools of Agricultural, Computational and Environmental Sciences; Civil Engineering and Surveying; Health and Wellbeing; Mechanical and Electrical Engineering; Nursing and Midwifery; and Psychology and Counselling. The Executive Dean also manages the Queensland College of Wine Tourism.

Chief Financial Officer

Athol Kerridge

BBus USQ, MBA USQ, DipCoDirCrs AICD, FCPA

The Chief Financial Officer has management responsibility for the operations of the Financial Services department. Financial Services provides expertise and support in relation to financial operations, procurement, financial reporting, financial systems and management accounting functions, including related financial management policies and procedures. The Department also coordinates insurance activities for the University.

Vice-Chancellor's Executive

The Vice-Chancellor's Executive, comprising all members of the Senior Executive, provides advice to the Vice-Chancellor on the following matters:

- The management of the University.
- The relevance, implementation and modification of existing policies and strategies, and on the development of new ones considered desirable.
- The development and review of strategic and operational planning through the review of plans, and negotiation of planning outcomes.
- Institutional performance in all areas of its operation.
- The development of the University's budget methodology and budget allocation.

- The academic and infrastructure planning and development of the University.
- The assurance of regulatory compliance and ethical accountability for the institution.
- The implementation of risk management across the University.
- The review of reports containing recommendations and advice from management committees as required.
- The continued development of University-wide communication and cooperation.
- Other strategic matters referred to the committee by members.

In 2018, the Vice-Chancellor's Executive met 23 times.

Back, from left: Head (Students and Communities) Helen Nolan, Executive Dean (Health, Engineering and Sciences) Professor Glen Coleman, Chief Financial Officer Athol Kerridge, Deputy Vice-Chancellor (Research and Innovation) Professor Mark Harvey

Front, from left: Deputy Vice-Chancellor (Enterprise Services) Michael Thomas, Vice-Chancellor Professor Geraldine Mackenzie, Executive Dean (Business, Education, Law and Arts) Professor Barbara de la Harpe



Executive Service to the Professions and the Community

Deputy Vice-Chancellor (Research and Innovation) Professor Mark Harvey

Professor Harvey continued his role as the Director of Sunsuper Pty Ltd and Vice-President of the Chamber of Commerce and Industry Queensland.

Pro Vice-Chancellor (Education) Professor Helen Partridge

Professor Partridge was a panel member for the Mathematical and Information Sciences and Technology panel for the Performance-Based Research Fund (PBRF) 2018 Quality Evaluation in New Zealand. She also chaired the External Review Panel for Digital Literacy and eLearning Services, The University of Queensland.

Executive Dean (Faculty of Business, Education, Law and Arts)

Professor Barbara de la Harpe

Professor de la Harpe continued as a board member of the USQ Council for Humanities, Arts and Social Sciences and assumed the role of Chair of the Regional Universities Network Executive Women Group.

Executive Dean (Faculty of Health, Engineering and Sciences)

Professor Glen Coleman

Professor Coleman completed his term as Deputy Chair of the Queensland Veterinary Surgeons Board in April 2018. He also completed his term as President of the Queensland Division of the Australian Veterinary Association in March 2018 but continued as a member of the executive committee of the Division. He continues his contribution to veterinary accreditation processes, and was a member of the Australasian Veterinary Boards Council site team evaluation of the Universiti Putri Malaysia's veterinary program in December.

Governance

Governing Body

Under Sections 7 to 11 of the *USQ Act*, the University Council is established as the governing body of the University. The USQ Council consists of official, appointed, elected and additional (co-opted) members. As USQ Council members contribute to the development of policy and strategic planning, they are expected to have a knowledge and understanding of the legislative framework within which strategy and policy may be developed and applied in order to minimise risks.

The legislative framework within which the USQ Council operates is the *USQ Act*. The *USQ Act* defines the functions and powers of the USQ Council (at Sections 8 and 9) and sets limits on what the University and its authorities may do.

Insurance premiums have been paid to insure each of the Councillors and officers of the University against any costs and expenses incurred by them in defending any legal proceeding arising out of their conduct while acting in their capacity as officers of the University.

USQ Council members are able to receive remuneration for attendance at USQ Council meetings and USQ Council activities. USQ Council members who are also University employees receive their normal remuneration while attending to USQ Council business. The University accepts financial responsibility for travel costs related to USQ Council meetings and USQ Council activities. Remuneration details can be accessed at: www.usq.edu.au/about-usq/governance-leadership/plans-reports

2018 USQ Council Key Achievements

USQ Council governs all the University's affairs, finances and property. Some selected specific achievements in 2018 include the following:

- Approval of the 2017 USQ Annual Report and Financial Statements.
- Approval of the USQ Annual Plan and Budget for 2019.
- Approval of monthly Financial Statements throughout the year.
- Approval of University domestic, international and administrative fee schedules for 2019/2020.
- Approval of a USQ Council Election Policy and USQ Council Election Procedure (to replace the University of Southern Queensland Conduct of Council Elections Statute 2010, following legislative amendments to the *University of Southern Queensland Act 1998*).
- Approval of updated terms of reference for all USQ Council Committees (including Academic Board).
- Approval of an updated Charter of University Governance.
- Approval of the USQ Student Guild Constitution (amendment to Section 5.2 The Board).
- Appointment of a new Chair of Academic Board (for the Academic Board term commencing on 31 July 2018).
- Appointment of a USQ Council representative on the USQ Student Guild Board (for a two year term from March 2018).
- Approval of establishment of three new senior executive positions – Pro Vice-Chancellor (Engagement), Deputy Vice-Chancellor (Academic) and Pro Vice-Chancellor (International).
- Holding a half-day Reflective Forum to consider specific strategic matters.

In late May 2018, USQ received notification from the Tertiary Education Quality and Standards Agency (TEQSA) of the University's re-registration in the category of Australian University for a seven year period. The re-registration has one condition related to 'Governance and accountability reporting obligations' which is relevant to both the USQ Council and Academic Board. Both USQ Council and Academic Board have put in place processes to actively address the requirements of the re-registration condition over the coming three years.

10th USQ Council

(07/10/2017 to 06/10/2021)

Meetings and membership¹

The 10th Council of the University met on seven occasions during 2018. Membership was as follows:

Chancellor (ex-officio)

Mr John Dornbusch

BEd *UNE*, BEd MBA *USQ*, OPM *Harvard*, FAICD

Chairman, Dornbusch Partners Pty Ltd, Toowoomba

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[6/6] *Chair, Chancellor's Committee*

[1/1] *Chair, Remuneration Sub-Committee*

[2/2] *Chair, Honorary Awards Committee*

[6/6] *Member, Audit and Risk Committee*

[6/6] *Member, Finance and Facilities Committee*

Vice-Chancellor (ex-officio)

Professor Geraldine Mackenzie

LLB *QIT*, LLM *QUT*, PhD *UNSW*, FAAL, FQA, FAIM, GAICD

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[6/6] *Member, Chancellor's Committee*

[2/2] *Member, Honorary Awards Committee*

[5/6] *Member, Finance and Facilities Committee*

Chair, Academic Board (ex-officio)

Professor Aileen Cater-Steel – to 20/02/2018

BBus *UCSQ*, MIT *USQ*, PhD *GU*, FACS, GAICD

1/1

[1/1] *Member, Chancellor's Committee*

[0/0] *Member, Honorary Awards Committee*

Associate Professor Alexander Kist (Acting Chair) –

from 21/02/2018 to 30/07/2018

PhD *RMIT*, SMIEEE, MIE(Aust)

3/3

[2/2] *Member, Chancellor's Committee*

[1/1] *Member, Honorary Awards Committee*

Professor Grant Daggard – from 31/07/2018

DipEd *Macquarie*, BA(Hons) *Macquarie*, PhD *Macquarie*

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[3/3] *Member, Chancellor's Committee*

[1/1] *Member, Honorary Awards Committee*

One member of the full-time academic staff of the University, elected by members of that staff

Associate Professor Pauline Collins

LLB *Adelaide*, BVisArt *USQ*, GDipProfComm *USQ*, LLM *Qld*, PhD *Qld*

Associate Professor (Law), School of Law and Justice, Faculty of Business, Education, Law and Arts, USQ

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[2/2] *Member, Honorary Awards Committee*

One member of the full-time staff of the University, other than the academic staff, elected by members of that staff

Mrs Mary McGilvray

BSc (Psych) *USQ*

Senior Executive Officer (Campus Services), USQ

5/7

[2/2] *Member, Honorary Awards Committee*

One student member, elected by the enrolled students of the University

Mr Peter Becker

DipMin *Harvest*

Enrolled student, Faculty of Health, Engineering and Sciences, USQ

6/7

Five members appointed by the Governor-in-Council

Ms Rachel Barlow

BBus *USQ*, GDipAppFinInv *Finsia*, F Fin, CFP®

Senior Private Client Advisor, MGD Wealth Ltd

5/7

[6/6] *Member, Finance and Facilities Committee*

[1/1] *Member, Remuneration Sub-Committee*

Mr Chris Bazley

BBus *Qld*, FAICD

Agricultural Business Advisor/Farmer

7/7

[6/6] *Chair, Finance and Facilities Committee*

[6/6] *Member, Audit and Risk Committee*

[4/6] *Member, Chancellor's Committee*

[1/1] *Member, Remuneration Sub-Committee*

Dr Carol Cox AM

MBChB *Edin*, FRACGP FRCP

Fellow of USQ, Retired Family Practitioner, Toowoomba

7/7

[6/6] *Member, Chancellor's Committee*

[2/2] *Member, Honorary Awards Committee*

¹ [2/2] refers to Meetings attended/Meetings eligible to attend

Mr Brett Delaney

BCom Qld, FCA

Retired President, National Heart Foundation of Australia (Qld Division). Retired Member, National Board, National Heart Foundation of Australia. Retired Assurance Partner, PricewaterhouseCoopers. Chair of Audit Committee, Honeycombes Property Group.

6/7

[4/6] Chair, Audit and Risk Committee

[3/6] Member, Chancellor's Committee

[3/6] Member, Finance and Facilities Committee

Detective Chief Superintendent Charysse Pond APM

BA(Soc) CQU, GradDipCrim QUT, MLship&Mgt(Policing) CSU, GradCertAppliedMgt AIPM

Operational Commander, State Crime Command, Queensland Police Service

6/7

[1/1] Member, Remuneration Sub-Committee

Three additional members* appointed by the USQ Council, one of whom must be a graduate of the University

Ms Jan Boys (Deputy Chancellor)

DipT BCAE, BEd QUT, BA Qld, MEd GU

Retired (formerly Regional Executive Director of Education, Moreton)

7/7

[4/6] Member, Chancellor's Committee

[5/6] Member, Audit and Risk Committee

[4/6] Member, Finance and Facilities Committee

[1/2] Member, Honorary Awards Committee

[0/1] Member, Remuneration Sub-Committee

Mr George Fox

BCom LLB (Hons) Qld

Solicitor, Adjunct Professor of Law

6/7

[6/6] Member, Chancellor's Committee

[6/6] Member, Finance and Facilities Committee

***ONE POSITION VACANT**

USQ Council is supported by the Governance Office, headed by the University Secretary

Professor Mark Toleman

BAppSc GDipInfProc DDIAE, MSc JCU, PhD Qld, MACS, MAIS, MAICD

Back (L-R) Ms Rachel Barlow, Associate Professor Pauline Collins, Detective Chief Superintendent Charysse Pond APM, Mr Peter Becker, Mr Chris Bazley, Dr Carol Cox AM, Mrs Mary McGilvray, Professor Grant Daggard.

Front (L-R) Mr Brett Delaney, Professor Geraldine Mackenzie, Mr John Dornbusch, Ms Jan Boys, Mr George Fox.



Legislative Compliance

Academic Board

USQ maintains an Academic Board with defined roles under Part 4, Division 3 of the *USQ Act*. Academic Board serves as the key advisory committee to USQ Council on academic matters. The Board monitors the academic activities of the University's faculties and colleges, while promoting teaching, scholarship and research, and developing and reviewing academic policy.

The term of office of the Academic Board ended in late July 2018, with a new Board being constituted from 31 July 2018. The term of the new Board will continue up to, but not including the regular meeting of the Academic Board in July 2021.

For the Academic Board term commencing 31 July 2018, Professor Grant Daggard was appointed by USQ Council as Chair. Associate Professor Fernando Padro was elected as Deputy Chair by and from the members of the Academic Board. Associate Professor Alexander Kist and Associate Professor Helen Farley's positions of Acting Chair and Acting Deputy Chair of the Academic Board, respectively, ceased with the end of the previous Academic Board term. Professor Aileen Cater-Steel held the position of Chair (Academic Board) until her departure from USQ in February 2018. Associate Professor Kist was Deputy Chair prior to taking up the role of Acting Chair. The new Board comprises 34 members, including members of the Senior Executive, representatives from key areas of USQ, academic staff, and student representatives. Three Standing Committees report to and advise the Academic Board – Academic Board Executive Committee, Education Committee and Research Committee.

The Board met on six occasions throughout 2018. Recommendations were considered for the re-accreditation of 15 existing programs and the accreditation of the following new programs to commence in January 2019:

- Bachelor of Urban and Regional Planning (Honours)
- Graduate Diploma of Editing and Publishing
- Graduate Certificate of Public Relations
- Graduate Diploma of Public Relations
- Graduate Certificate of Professional Communication
- Associate Degree of Creative Arts
- Graduate Certificate of Leadership and Coaching
- Graduate Certificate of Workforce Diversity and Inclusion.

The Academic Board's focus for 2018 has been to implement a number of recommendations to ensure that requirements in relation to the TEQSA re-registration condition, as mentioned

above under 2018 USQ Council Key Achievements, are met. Actions have included the:

- formation and operation of the cross-divisional TEQSA Implementation Group to ensure collaboration and information-sharing with respect to the implementation of TEQSA requirements
- development of a data dashboard to provide the Academic Board with comprehensive diagnostic updates on data and cohort tracking as a critical component of addressing the TEQSA re-registration condition
- establishment of draft Academic and Research Risk Registers
- development of an Academic Delegations Schedule.

Financial and Performance Management Standard 2009 (Qld)

USQ is a statutory body under Queensland's *Financial and Performance Management Standard 2009*. The standard provides a framework for the development and implementation of systems, practices and controls for the efficient, effective and economic financial and performance management of the University. USQ has a range of policies, procedures and systems in place to ensure compliance with its responsibilities under the Standard in the areas of strategic and operational planning, performance management and review, general resource management, internal audit, and reporting.

The USQ Planning, Reporting and Review Framework

Under Queensland's *Financial and Performance Management Standard 2009*, USQ is required to have in place a strategic plan covering a period of four financial years, and processes for annual operational planning and performance review that meets specific legislative guidelines.

The *USQ Strategic Plan 2016–2020* was approved by USQ Council in March 2016 and the University develops an *Annual Plan and Budget* which meets legislative requirements.

During 2018, USQ revised its Planning, Review and Reporting Framework to streamline the development and implementation of functional plans, enhance the process for determining annual priorities and ensure their impact on operational planning, improve Divisional planning and review, create stronger alignment between service planning and academic planning, improve the alignment of organisational

and Divisional goals through a KPI cascade, and improve 360 degree review to inform continuous improvement. In addition, a major campus master planning project was commenced during 2018.

Financial Management Practices

USQ has a number of policies and procedures published as part of the *Financial Management Practices Manual* (FMPM).

The FMPM provides an authoritative internal source of information and guidance to assist the University to manage its financial resources, and meet its financial responsibilities and obligations. The FMPM includes policies in relation to financial management and accountability, revenue, expenditure, assets and liabilities to support the financial management and financial operation of the University.

Financial Reporting Arrangements

Internally, monthly financial statements are reported to the USQ Council's Finance and Facilities Committee. These are recommended for approval to USQ Council. The unaudited Annual Financial Statements are considered by Finance and Facilities Committee at its February meeting and recommended for approval to USQ Council at its following meeting for inclusion in the USQ Annual Report after audit by the Queensland Audit Office.

In line with USQ's status as a not-for-profit Higher Education Provider established under the *USQ Act 1998* and a statutory body as defined in the *Financial Accountability Act 2009*, the Annual Financial Statements represent the audited general purpose financial statements of the University. They are prepared on an accrual basis and comply with Australian Accounting Standards. Additionally, the statements have been prepared in accordance with *Higher Education Support Act 2003* (Financial Statement Guidelines) and the *Financial and Performance Management Standard 2009* issued pursuant to the *Financial Accountability Act 2009*.

Council Powers and Delegations

Under the *USQ Act 1998* Part 9, Division 2, the USQ Council has the power to:

- do anything necessary or convenient to be done for, or in connection with, its functions
- appoint the University's staff
- manage and control the University's affairs and property
- manage and control the University's finances.

The *USQ Act 1998* Part II, Division 2 states that USQ Council may delegate its powers to:

- an appropriately qualified member of the USQ Council
- an appropriately qualified committee that includes one or more members of the USQ Council; or
- an appropriately qualified member of the University's staff.

However, the USQ Council is not able to delegate its power to make an election policy, or to adopt the University's annual budget.

A delegation of a power to the Vice-Chancellor may permit the sub-delegation of the power to an appropriately qualified member of the University's staff.

Section 10 of the *USQ Act 1998* states that, in discharging these responsibilities, the USQ Council must act in the way that appears to it most likely to promote the University's interests. In doing so, the USQ Council endeavours to monitor and assess its performance, both collectively and in terms of the individual contributions of members.

Audit and Risk

The USQ Council and the Vice-Chancellor recognise internal audit and risk management services as a key component of the governance framework at USQ.

Internal audit

The *Internal Audit Charter*, which is reviewed on an annual basis, establishes the authority and responsibility conferred on Internal Audit administration so that the Internal Audit Unit may operate as an effective function of the University in accordance with the *Financial Accountability Act 2009* and the *Financial and Performance and Management Standard 2009*. The Internal Audit Charter is consistent with the *Audit Committee Guidelines*.

The Internal Audit Unit plays a key role in:

- developing and maintaining a culture of accountability and integrity
- facilitating the integration of risk management into day-to-day business activities and processes
- promoting a culture of cost consciousness, self-assessment and adherence to high ethical standards.

A three-year Internal Audit Strategy (the "Strategy") and an Annual Internal Audit Plan (the "Plan") have been developed to provide an appropriate level of assurance to the USQ Council, Audit and Risk Committee, and USQ management by focusing on key risks, business processes and information systems across the University. The Strategy and the Plan were approved by the Audit and Risk Committee following consultation with key stakeholders including the Vice-Chancellor's Executive.

The Plan continues to be executed by Internal Audit staff and augmented as necessary through an established co-sourced partner arrangement. Operating independently, the role of the Internal Audit Unit is to provide an independent and objective assurance and advisory service to:

- provide assurance to the Vice-Chancellor on the adequacy and effectiveness of risk management, internal control and governance processes
- provide assurance to the Vice-Chancellor and USQ Council that USQ's financial and operational controls are designed and operating in an efficient, effective, economical and ethical manner within acceptable risk
- assist management in improving the University's performance.

In 2018, more than 12 individual audits were delivered across a range of audit types, including financial, compliance and performance audits. These audits included Total Asset Management, Record-keeping requirements – Complaints of Corrupt Conduct, Residential Colleges and Legal Services, as well as Data Analytic activity and other reviews of major projects.

The broad internal audit strategy involves more than conducting internal audits; it is designed to provide awareness and advice to University management on policy, procedure, good practice and suitable conduct. Under the Audit and Risk Committee's responsibility, the Internal Audit Unit has also conducted a range of fraud awareness and risk management training across the organisation.

Risk management

A Risk Management Policy and a Risk Management Plan have been adopted to establish a Risk Management Framework that is informed by recognised standards (ISO 31000:2018 and aligned to the Institute of Internal Auditors Framework) to comply with *Financial and Performance Management Standard 2009*.

The Framework continues to evolve and mature in order to provide management and staff with an informed view of events that could impact the achievement of the University's strategic and operational objectives.

The University has identified and documented its most significant risks, with active monitoring and consideration of risk reduction strategies undertaken through a regular Audit and Risk Forum of risk owners, the outcomes of which are reviewed by executive management. Reporting on risk management activities is provided to the Vice Chancellor's Executive, the Audit and Risk Committee, and USQ Council.

Overall there has been a continual maturing of the audit and risk activities at USQ which confidently provides governance and management with high quality reporting on key functions and risks.

Audit and Risk Committee

The University Council has in place the Audit and Risk Committee, operated in accordance with *Audit Committee Guidelines – Improving Accountability and Performance* published by the Queensland Government Treasury Department.

The primary purpose of the Audit and Risk Committee is to provide independent assistance to the University Council by overseeing and monitoring the governance, risk, control and compliance frameworks, as well as internal accountability requirements of the University and its controlled entities. During 2018, the Audit and Risk Committee observed its Terms of Reference.

The Vice-Chancellor's Executive provides advice and assurance to the Audit and Risk Committee on the effectiveness of the risk management framework and the management of risk. The Audit and Risk Committee is independent of management. During 2018, the Committee comprised three members of the USQ Council (one of whom is, *ex officio*, the Deputy Chancellor) who are not employees or students of the University and are able to contribute to the broad skills base relevant to the business of the Committee; and two persons external to the USQ Council and staff of the University who represent the accounting profession with experience in auditing. Members of the Audit and Risk Committee are as follows:

Mr Brett Delaney (Chair)

BCom Qld, FCA

Retired President, National Heart Foundation of Australia (Qld Division); Retired Member, National Board, National Heart Foundation of Australia; Retired Assurance Partner, PricewaterhouseCoopers; Chair of Audit Committee, Honeycombes Property Group

Mr John Dornbusch (Chancellor)

BEd UNE, BEd MBA USQ, OPM Harvard, FAICD

Chairman, Dornbusch Partners Pty Ltd, Toowoomba

Mr Chris Bazley

BBus Qld, FAICD

Agricultural Business Advisor/Farmer

Ms Jan Boys (Deputy Chancellor)

DipT BCAE, BEd QUT, BA Qld, MEd GU

Retired (previously Regional Executive Director of Education, Moreton)

Mr Tim Davis

BBus USQ, FCA, CTA

Partner, Horizon Accounting Group, Toowoomba

Mrs Kylee Valentine

BCom USQ, FCA

Senior Partner – Toowoomba, Crowe Horwath Australia.

The University Secretary, **Professor Mark Toleman**

BAppSc GDipInfProc DDIAE, MSc JCU, PhD Qld, MACS, MAIS, MAICD
Served as secretary to the Committee.

The Vice-Chancellor, Deputy Vice-Chancellor (Enterprise Services) and Chief Financial Officer attended Audit and Risk Committee meetings by invitation, had rights of audience and debate, but were not members of the Committee.

The USQ Council reviewed the financial statements and accounting policies for appropriateness and compliance with prescribed accounting and other requirements, with reference to recommendations by the Queensland Audit Office.

The Audit and Risk Committee met on six occasions during 2018. Remuneration details can be accessed via: <https://policy.usq.edu.au/>

Some selected specific achievements of the Committee in 2018 include:

- Approval of the appointment of an Acting Head of Internal Audit (from September 2018).
- Review and approval of 22 final Internal Audit reports.
- Approval of the 2019 Internal Audit Plan.
- Review of the Audit and Risk Committee Terms of Reference for recommending to USQ Council for approval.
- Endorsement of the insurance strategy for the University's 2019 insurance renewal program.
- Receipt of regular reports on Risk Management.
- Monitoring of Fraud Control activities.
- Receipt and monitoring of regular management reports, including on Integrity and Professional Conduct, Litigation, Information Privacy, Safety, Workplace Relations, Right to Information, Legal Discovery and Administrative Access.

External Scrutiny

Independent scrutiny of the University's performance is provided by a range of State bodies which may publish reports on significant operational or performance issues.

Education: 2016–17 results of financial audits (Reports 15: 2017–18)

This report summarised the results of the Queensland Audit Office financial audits of the education sector. The University enacted a strategic response to the minor issues identified in the report.

Queensland public sector responses to corrupt conduct incidents in recruitment and selection activities

The Crime and Corruption Commission report published in 2017 examined how allegations of corrupt conduct were dealt with in Queensland. In response the University examined processes and in 2018 commenced adoption of a complaint management system for handling of matters involving allegations of corrupt conduct.

Other Legislative Requirements

Records Management

The University continues to promote compliance with the *Public Records Act 2002 (Qld)*, the *Queensland State Archives Records Governance Policy* and *Records Governance Policy Implementation Guidelines*. Internally, the *Records and Information Management Policy and Procedure* direct and guide the University's recordkeeping procedures. USQ's retention and disposal schedule was last reviewed in October 2014.

Recordkeeping business tools such as 'retention and disposal schedules' and the 'Business Classification Scheme', together with associated policies, have been developed to assist employees in the execution of their recordkeeping responsibilities and activities.

There were no serious breaches of the public authority's recordkeeping system during 2018.

Corporate Records

USQ Corporate Records provides a lead role in recordkeeping at the University through the implementation, maintenance and support of a broad range of records and information management services and is responsible for the enterprise-wide deployment and functional support to the University's electronic document and records management system Content Manager.

Throughout 2018, USQ Corporate Records pro-actively supported University business enterprise through the provision of ongoing records and information management services including:

- major upgrade of records management system Records Manager to Content Manager
- automatic download of employee and student folders to Content Manager
- automatic transfer of student records from PeopleSoft to student files

- digitisation program for corporate, student and employee files
- deployment of Content Manager to system users to promote recordkeeping across the organisation
- consultancy and advisory service for internal and external enquiries
- self-paced online records and information management training module through the HR Professional Development program and from the Corporate Records Resources web page
- information lifecycle management of the University's records and information that includes creating, capturing, storing, retrieving, archiving and potential authorised disposal of records.

The USQ Historical Archives managed by Corporate Records continues to play an important role in preserving the history and memory of the University and its communities.

Information Privacy Act 2009 (Qld)

The Privacy Office ensures the University complies with the information privacy principles. Eleven formal applications to access documents containing the individual's personal information were decided within 25 business days as permitted in the *Information Privacy Act 2009 (Qld)*.

Right to Information Act 2009 (Qld)

USQ continued to meet its statutory obligations under the *Right to Information Act 2009 (Qld)* through the following:

- pro-active release of documents under the University's Administrative Access Scheme (where possible)
- processing of formal access requests for documents held by the University
- maintaining its Publication Scheme, which describes and categorises information routinely available from USQ
- maintaining its Disclosure Log, which makes information available that has been released in response to an access application under the Act
- ensuring right to information policy and procedures are in place to provide information.

The Right to Information training module for all employees is incorporated as a mandatory component of the University's eInduction Program under the 'compliance module'.

Two formal requests under the *Right to Information Act 2009 (Qld)* were processed in the reporting period.

Queensland Public Sector Ethics Act 1994

The ethics principles and values of the *Queensland Public Sector Ethics Act 1994* are reflected in the University's Code of Conduct, policy and procedures. Employees undertake an online training course each year, as well as on initial induction. Material covering the Code of Conduct, equity and diversity, workplace health and safety, and emergency response are available.

Integrity and professional conduct

The Director (Integrity and Professional Conduct) takes a leading role in:

- developing, maintaining and where necessary improving the University's integrity systems and practice in keeping with the *Queensland Public Sector Ethics Act 1994* and the University's organisational values;
- strengthening where necessary policies and processes to encourage ethical practice and accountability across the organisation to the highest standard possible; and
- undertaking specialised coordinating and external reporting roles under statutory obligations including public interest disclosure.

A core value of the University, integrity is also fundamental to maintaining trust with our stakeholders and securing lasting mutually exclusive partnerships. USQ's commitment to ongoing improvement is demonstrated through ongoing revision of policy, procedures and administrative standards impacting integrity and professional conduct. The framework for managing conflicts of interest was a particular focus for improvement in 2018.

Supporting Queensland Government's Objectives for the Community

USQ actively supports the Queensland government's objectives for the community as stated in – *Our Future State: Advancing Queensland's Priorities* – through its teaching, research and engagement programs.

Engage more young Queenslanders in education, training or work:

- Producing career-ready graduates is a major focus of USQ's academic programs, achieved through partnering with the professions and industry, professional accreditation of awards, industry experience, clearly articulated graduate attributes and extensive careers education.
- USQ is ranked number one in Queensland for graduates in full-time work; and is itself one of the largest employers on the Darling Downs.
- USQ is a leader in broadening higher education attainment with one of the most diverse student constituencies in the higher education sector. One half of the University's student body is from non-metropolitan areas, and one third is from low socioeconomic background. The University consistently rates in the top quintile in the sector for the proportion of its students from Aboriginal and Torres Strait Islander backgrounds, and has the highest proportion of 'first generation' students in Queensland, at 40%.
- Over 80% of USQ's domestic student enrolments are Queenslanders with 90% of these being young adult or mature aged students seeking to advance their careers.
- The University's broad range of school outreach programs includes specialist programs such as USQ's 'Astronomy for Schools' which builds on The School of Astronomy and Astrophysics, an accredited online high school teaching program intended to influence school teachers and children, including through visits to USQ's Mt Kent Observatory.
- The University co-founded the Toowoomba Flexi School in 1998 and has taken a leading role in research programs related to the education of disenfranchised and homeless youth.

Keep Queenslanders healthy:

- USQ boasts large nursing and health award programs accounting for 10% of student enrolments.
- The University has major health research programs including Innovative Mental Health Solutions, Physically Active Lifestyles, Improving Health Outcomes among Vulnerable Communities, and Agricultural Health and Medicine.
- The University has close links with community agencies such as Headspace Toowoomba and the Toowoomba Older Men's Network, with a particular emphasis on improving mental health outcomes and reducing suicides.

Keep communities safe:

- USQ is a leader in providing education programs to offenders in custody; in particular through building on the multi-award winning Making the Connection project to provide a virtual learning environment to incarcerated students. It is now well established that prisoners engaged in post-secondary education have a greatly reduced re-offending rate once released.

Reduce Queensland's contribution to climate change:

- USQ has major research programs in Energy and Resource Recycling, Fundamental Climate Science Research, and Climate Systems Modelling in Agriculture and Water Resources.
- In 2018, USQ's Professor Roger Stone was elected President of the World Meteorological Organization's Commission for Agricultural Meteorology. This role will see Professor Stone lead the Commission, which will prioritise the need for better services for farmers and agribusiness (ranging from localised weather forecasts to seasonal climate outlooks), and better weather and climate risk management.

Improve water quality:

- USQ has major research programs in Sustainable Agricultural Environments, Agricultural Systems Modelling, and Irrigation and Water Management.

University Strategy

The *USQ Strategic Plan 2016–2020* was approved by USQ Council in March 2016. The strategic plan states the University's purpose, vision and values; and lists the University's goals, objectives and strategies under three organisational pillars of *Education, Research* and *Enterprise*. Ten strategic success indicators are described for assessing the University's progress towards implementing the strategic plan. In the following sections of this Report, details of achievements toward these indicators are included, and factors affecting their status are also discussed.

Education

Overarching Goal: *USQ successfully blends access with excellence and is a leading university for student experience and graduate outcomes.*

The University strives to broaden higher education attainment and social impact. Through ensuring the high quality of its programs in partnership with graduate employers and professional bodies, and demonstrating leadership and innovation in the quality of the student experience, USQ enhances its global standing as a source of graduates who excel in the workplace and develop as leaders.

Research

Overarching Goal: *USQ is internationally recognised for high impact research in specified areas of research focus.*

By aligning with regional and global agendas in agriculture and agribusiness, cultural heritage and archaeology, environmental sciences, regional health and wellbeing, materials and mechanical engineering, computational mathematics and space sciences, regional community health and economic development as well as education and digital literacy, the University works alongside its partners to develop solutions that can be applied directly to industry and the community. The University is building on its reputation for research training that produces innovators and entrepreneurs.

Enterprise

Overarching Goal: *The University is a socially responsible and well managed enterprise with a work culture that promotes high performance and is reflective of its values.*

By embracing a workplace culture that values and recognises staff contributions to the achievement of its priorities, USQ aspires to be an employer of choice. Recruitment and talent management and frameworks have been refreshed to enhance a commitment to productivity, diversity, equity and opportunity across the workforce.

The University continues to build a profile as an organisation that is a responsible corporate citizen and a business partner of choice by managing its physical and digital infrastructure and systems for a successful and sustainable enterprise.

Jasmine Hunt graduated with a Bachelor of Education in 2018



EDUCATION

USQ successfully blends access with excellence and is a leading university for student experience and graduate outcomes.

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USQ's overarching goal for Education as stated in the *USQ Strategic Plan 2016–2020* is that *USQ successfully blends access with excellence and is a leading university for student experience and graduate outcomes*. The University's Vision is to excel within a global context. USQ's education achievement lies not just in providing wide access to enrolment into university awards, but in enabling students with the capability and commitment to successfully complete academic awards that are relevant to their study objectives and future graduate goals. This enablement depends on both the academic (learning and teaching) and the non-academic (general student support and services) experience of students. The overarching Education goal is to be reached through the following key objectives.

Objective 1: Broaden Higher Education Attainment and Social Impact

With one of the most diverse student bodies of any Australian university, USQ continues to provide opportunities for access to higher education for Queenslanders from all walks of life, as well as connecting regional and outer metropolitan Queensland with the global community.

Priorities for 2018 included: Increasing domestic enrolments and achieving growth in target international markets.

In September, QANTAS CEO Alan Joyce announced that a Pilot Academy would be opened in Toowoomba in 2019. Mr Joyce is pictured here with USQ Aviation students Thomas Fanshawe and Kimberley Pike.

Domestic Recruitment in 2018: Bringing higher education to more Queenslanders

Through the Commonwealth Grant Scheme (CGS), the Australian Government subsidises tuition costs for higher education students across a wide range of discipline areas and qualification levels. The University receives funding for these Commonwealth supported places (CSPs) as a combination of a tuition subsidy and a regulated student contribution in accordance with the funding amounts determined for each field of education. From 2012 until 2017, under the 'demand-driven system', the Australian Government supported an unlimited number of domestic bachelor-degree students. However, through a measure introduced in the MYEFO 2017–18, the Government capped the level of funding for these students at 2017 levels for 2018 and 2019.

For 'designated' courses of study (non-research postgraduate courses, medicine courses, enabling courses and sub-bachelor courses of study), the Commonwealth provides funding for an agreed number of CSPs in a given year as defined in the funding agreement with the Commonwealth. While in previous years the University has had the flexibility to transfer any allocation of Commonwealth supported places for designated courses of study between sub-degree and postgraduate courses, this practice was not permitted in 2018.



Both of these changes, creating an effective cap in bachelor-degree CSPs and separate non-transferable caps for designated sub-degree and postgraduate courses for 2018, presented major challenges for USQ to manage and optimise its Commonwealth income and has created challenges for the University to achieve targets for domestic recruitment for the foreseeable future.

Domestic marketing

USQ's Semester 2 2018 campaign 'Become more' was initially launched on 26 April 2018. The largely digital media campaign targeted in particular upskill and career change audiences with a heavy focus on positive employability outcomes and postgraduate study.

'Become more' showcased USQ's belief and determination to help every individual become even more than employable – to be valuable, courageous, purposeful, and influential. This vision has helped USQ to become the No. 1 University for Graduate Employment in Queensland.

Brand recognition

The results from the annual USQ Brand Tracking Insights Report were released during 2018 and found that USQ's brand continues to be relatively well known compared to other regional universities and those with an online presence.

While awareness of USQ remains lower than its larger urban-headquartered Queensland competitors, of those who would consider studying, the level of preference for USQ has increased slightly along with conversion from 'consideration' to 'ever studied'. This is an early indication of a positive shift in conversion.

Among students, USQ is considered a market leader in online education and has a strong image for its flexible entry and study options and pathways. The brand continues to be strongly associated with being accessible, diverse and student-focused. Continuing to retain its leadership in online studies will further help to differentiate USQ's brand proposition in the wider market.

USQ website refresh

USQ's website (usq.edu.au) is the University's most active and visible brand asset, with customers, partners, staff, industry and the community intuitively deriving expectations about who we are today, what we represent and where we are going from our digital presence.

Throughout 2018, a systematic roll-out of USQ's refreshed digital brand identity commenced with the launch of a suite of revitalised websites including Current Students, About USQ, Alumni, Scholarships, News, Events and USQ Library. USQ's digital refresh culminated with the redevelopment of the USQ homepage, using immersive rich media and cinema graphics to reflect the life and vision of the University.

International Recruitment in 2018: Connecting Queensland to the world

During 2018 USQ has continued to develop existing international relationships with the view of growing the University's recruitment footprint in regions including India, Nepal, South East Asia and the Middle East. USQ has worked on identifying countries where additional allocation of resources can be applied to stimulate on-shore international student load generation. While international market growth requires a unique approach for each country, some general initiatives can be implemented in most regions in varying models.

These include the following:

- New 'in country representatives'.
- More regular International Business Manager visits to regions and countries.
- Additional training and incentives for existing and new agents.
- Additional scholarship opportunities for students to help establish and market the USQ brand.
- Opening office(s) in-country to support marketing and admission activities and to assist building links with other institutions, and government. In particular, India and Malaysia are being considered.
- A key country focus to align resources with the country activities.
- Revitalising sustainable off-shore partnerships.

In 2001 Canterbury Institute of Technology (CIT) entered into a partnership with the University of Southern Queensland to deliver a number of higher education programs to international students in Sydney. During 2018, while extending the current CIT partnership agreement in a non-exclusive capacity, the University commenced a tender process to work with partners in Brisbane, Sydney and Melbourne for the provision of USQ programs to international students. In a process managed by USQ's On-shore Partner Steering Committee, tenders from suitable third party providers were evaluated.

Study Toowoomba and Study Ipswich initiatives

USQ, together with Toowoomba Regional Council, was successful in obtaining Study Toowoomba funding through Trade and Investment Queensland's International Education and Training Partnership Program, to engage a specialist to conduct consultation within the community and gauge the appetite for developing an education study cluster in Toowoomba. The findings from this were extremely positive and a Study Toowoomba Steering Committee was established with Toowoomba Regional Council's Mayor as Chair. Study Toowoomba is currently moving towards incorporated association status.

One of the initiatives of Study Toowoomba was the 'Cooee International Student Welcome' event, which was held at Cobb & Co Museum, Toowoomba on 25 February 2018. This event was open to the community and welcomed new international students to the region across all schools, TAFE and the University by celebrating all things Australian. A 'Hackathon' was also held later in the year, where international students were teamed with local residents to generate ideas around promoting Toowoomba as an international study destination. The outcomes from this event are serving to guide the future activities of Study Toowoomba.

USQ is also part of the Ipswich Region Education Consortium, Study Ipswich, which has been successful in sourcing funds from Trade and Investment Queensland's International Education and Training Partnership Fund for the next stage of its development.

Both study clusters are active and various activities were planned during the year including familiarisation tours by selected agents and countries.

Supporting Students from Diverse Backgrounds for Success

Higher Education Participation and Partnership Program (HEPPP) funding

USQ received a full allocation of \$5,347,468 from the Commonwealth's *Higher Education Participation and Partnership Program* (HEPPP) in 2018. The HEPPP program aims to increase access to and participation in higher education by domestic undergraduate students from low socio-economic backgrounds, and to support the retention, success and attainment of those students. Initiatives funded by HEPPP served to support the achievement of the University's *Access and Participation Plan 2018*, as required by the Department of Education. By investing in projects that address inequalities in education, these funds also contributed to the attainment of USQ's strategic equity initiatives.

Schools outreach

Serving many communities that have relatively low rates of higher education attainment, USQ conducts a range of programs involving school students which aim to raise educational aspirations and awareness of post-secondary study options and careers.

As an example, the Making Career Choices program provided a career outreach service to high school students, parents and teachers to build career decision-making capacity and informed pathways into higher education. The program also provided career outreach services to community organisations which support staff and clients in their understanding of pathways to higher education.

USQ also maintains a program of Student Experience Days to expose school students to University campuses and deliver aspiration building and career development activities to students, particularly from schools in disadvantaged areas or with high proportions of students from under-represented groups. The program included Year 9 and 10 Careers Days which provided support for Senior Education and Training planning and exposure to a range of post-school options. Conversely, Year 11 and 12 Student Experience Days were designed to immerse students in a study area of their choice, with undecided students taking part in career development activities.

Equity Scholarships

The 2018 HEPPP-funded Equity Scholarships were merit-based, non-repayable scholarships that assisted students experiencing financial hardship through book bursaries and direct deposits. The scholarships are designed to assist in the participation, retention, progression and attainment of students by relieving some of the financial pressures surrounding study.

Residential College Scholarships

USQ's Residential College Scholarships contributed towards accommodation costs at the University's residential colleges for regional and rural commencing and continuing full-time undergraduate students experiencing financial hardship. Benefits included enhanced accessibility to attend classes, college support through the academic assistance program, pastoral care and wellbeing support, and access to learning communities and engagement activities.

USQ hosted the 2018 Darling Downs Science and Engineering Challenge for high school students in Toowoomba in May. Pictured is the winning team from Centenary Heights State High School.

USQ Advancement Strategy

USQ's Student Endowment Fund was established in mid-2015 with an allocation of \$5 million from the University and a commitment that USQ will match philanthropic and corporate donations on a dollar-for-dollar basis up to a further \$10 million.

The Endowment Fund aims to foster academic achievement through encouraging students, particularly those who might not otherwise commit to higher education, to enrol, progress and graduate successfully at USQ. In so doing, it acts as a bridge that links the educational, academic and career aspirations of individuals to the potential outcomes that may be realised from higher education success. Only students enrolled at USQ can be eligible for an award from the Fund.

At the end of 2018, the Fund holds in excess of \$9.9 million and has provided support to more than 300 students during the year, including a record 106 bursaries to support nursing students with the costs of undertaking their clinical placement obligations where they were required to travel more than 200 kilometres to the location of their placement. The Fund also awarded more than 100 bursaries to disadvantaged undergraduate students with almost \$126,000 worth of awards being offered.



The University is actively pursuing further relationships with corporate donors to fund individual bursaries and scholarships. This work has seen an expansion of donor-funded awards for students across the University. In all, some 1400 students or 5% of the student population have received direct financial support from USQ through these programs in 2018.

Scholarship Application Management System

The Scholarship Application Management System Project was responsible for designing and implementing an online system to receive, assess and manage all scholarship applications from students. The key objective of this project was to phase out paper-based applications, streamline processing times for assessment of applications and to automate communication to and from students in regard to their applications, thereby significantly improving service to students.

Admissions transparency

A joint higher education sector and Australian Government effort was undertaken during 2017–18 to improve access to clear, comparable information regarding higher education course entry requirements and application processes. The overall aim was to better position prospective Year 12 school-leaver applicants to make informed enrolment decisions through improved information availability.

USQ along with all other Queensland institutions had a target of 31 May to have their reference pages (including but not limited to website and program guides) updated to reflect the standardised approach to displaying lowest unadjusted and adjusted ranks for admission into each of the undergraduate programs on offer. Due to data delivery beyond USQ's control total compliance was delayed but USQ was formally compliant before the end of June 2018 – well ahead of many competitors.

The next stage of the Higher Education Transparency Agenda was the release of the new comparison platform which piloted in a consultation workshop with QTAC Forum members on 21 August in Brisbane and formally released to market in its first iteration at the end of September 2018.

The changes will affect admissions information provided for Year 12 school-leaver applicants to study higher education in 2019 and beyond.

Pathways programs

In addition to providing the largest fully online university preparatory program in Australia – the Tertiary Preparation Program – USQ also offers the Accelerated Entry Pathway Program (AEPP), formerly known as the Tertiary Preparation (Intensive Pathway) HEPPP-funded Program.

AEPP is an intensive on-campus mode of tertiary preparation which specifically targets Year 12 school leavers and provides a direct pathway into selected undergraduate programs. The aim of the Program is to increase the total number of people from under-represented and diverse backgrounds who access and participate in higher education with a particular focus on those from disadvantaged communities. It also provides a pathway into university for non-OP eligible secondary school students and those anticipating an OP score which will not gain them access to a suitable undergraduate program.

AEPP supports collaboration between USQ and secondary school providers to ensure a coordinated approach to identifying and engaging with students from targeted disadvantaged communities where aspirations to enter higher education are low and where transition to university is poor.

Excellence in Aboriginal and Torres Strait Islander Education

Queensland has the second highest proportion of Aboriginal and/or Torres Strait Islander peoples in its population. This places an added responsibility on Queensland universities to ensure that there are strong programs in place to address the particular needs of this diverse group of Australians.

USQ Reconciliation Action Plan

Following on from the successful first *USQ Reconciliation Action Plan 2015–2017*, a working group with strong Aboriginal and Torres Strait Islander peoples representation led a process to refresh the Plan during 2018. The process included the commissioning of a study to investigate the retention, success and attainment rates for Aboriginal and Torres Strait Islander students, with a view to identifying strategies for improving higher education provision to these students; reviewing strategies for encouraging and supporting Aboriginal and Torres Strait Islander students to undertake postgraduate study; and conducting broad-based consultancy across the University's three campuses and its communities. The refreshed USQ Reconciliation Action Plan will be launched in early 2019.

Deadly Ways

The Deadly Ways program delivered an Indigenous secondary school program that included leadership camps, an on-campus residential program, and school and community outreach. The program incorporated Indigenous cultural traditions and methodologies with the aim of demystifying university, increasing aspiration, celebration of identity, and building pathway knowledges for Aboriginal and Torres Strait Islander high school students.

Indigenous Connections

In 2018 the Indigenous Connections program delivered the Ipswich Education Youth Sports Program (IEYSP) Winter School and Literacy Development Program. The IEYSP programs were delivered in collaboration with Kambu Aboriginal and Torres Strait Islander Corporation for Health. The aim of the programs was to connect families with USQ, to develop health and education awareness, and to develop career and post-school aspiration in a culturally positive setting.

Graduating Indigenous Leaders Commitment Board

The Graduating Indigenous Leaders Commitment Board was formed during 2018. It utilised a project management framework to oversee the implementation of three new initiatives to support the educational outcomes of USQ's Aboriginal and Torres Strait Islander students – (1) development of an Indigenous Education Strategy; (2) the undertaking of a data insights project to merge a range of datasets at USQ to facilitate analysis and the identification of insights in relation to Indigenous student cohorts; and (3) the implementation of an 'Ask Aunty' website and student support structure.

The latter strategy, 'Ask Aunty', is an interactive digital support space for all Aboriginal and Torres Strait Islander students undertaking programs with USQ, accessible via the USQStudyDesk. On this site students can access personal and academic support resources, and connect with academic and Indigenous student support staff.

Formed as part of the *Indigenous Student Success Plan*, the Graduating Indigenous Leaders Commitment Board provided a support structure and incorporated outreach and academic assistance to students at-risk of attrition. This work was part of a new overarching Indigenous Education Strategy to drive USQ's organisational responsibilities; and to provide data insights to inform program design and report on outcomes. An important aspect to this work was improving self-identification rates for Aboriginal and Torres Strait Islander students. A *Communication Action Plan* was developed across a number of key stakeholder areas to encourage identification and create awareness of the Indigenous support services available at USQ through personalised messaging.

Global Leadership in Education Provision to Incarcerated Students

Making the Connection

'Making the Connection' developed as a \$4.39 million project funded by HEPPP. Commencing in 2014, the project built on three previous projects led by USQ which trialled various digital technologies for learning in correctional centres. Most notable of these was the Office for Learning and Teaching-funded project, *From Access to Success*, which developed an offline version of the University's learning management system, USQ Offline StudyDesk, which was installed onto the correctional centre education lab server.

The project attracted some 1700 student enrolments across 39 correctional centres in four jurisdictions (Queensland, Tasmania, Western Australia and the Northern Territory). In Queensland, the project was responsible for raising the number of eligible prisoners in higher education from 3.1% to 6.4%. The impact of Making the Connection student success has been recognised by two national awards: Australian Award for University Teaching – Programs that Enhance Student Learning (Widening Participation) in 2016; and the inaugural *Australian Financial Review* Higher Education Award in the Student Experience category in 2015. The project formed the basis for USQ's submission into the Australian Research Council Engagement pilot.

Though the Making the Connection project finished at the end of June 2018, the Vice-Chancellor's Executive endorsed the *Incarcerated Student Strategy* that builds on the development and processes established as part of the project. This represents the way that all incarcerated students will be supported at USQ into the future.

Objective 2: Leadership in Quality of the Student Experience

The capacity to provide high quality learning and social experiences to a highly diverse student constituency through commitment and innovation represents a major market differentiator for USQ.

Priorities for 2018 included: Transforming the on-campus experience, reinvigorating the online offering, and implementing a coordinated student retention strategy.

Student Assessment of the Quality of the Education Experience

The latest Student Experience Survey data (2017) measured the percentage of Australian undergraduate students who rated components of their educational experience positively. Its outcomes have been widely used as a proxy of current teaching quality.

While USQ scored higher than the national average for 'student support' (75% versus the National Average of 73%), the outcomes for 'teaching quality', 'learning resources', 'skills development' and 'overall experience of current undergraduate students' were less favourable.

These outcomes have served to inform reform measures initiated by the new administration of Vice-Chancellor Geraldine Mackenzie during 2018.

Enhancing Academic Quality

Quality control and quality assurance of both curriculum and delivery are a crucial component to attracting students and meeting the needs of the graduate employment market. There is a multiplicity of academic quality review cycles within USQ's freshly established multi-layered quality assurance framework. The key regular cycles are those for accreditation, both internal and available external professional accreditations, and the new academic performance review (health check) cycles.

The role of accreditation and re-accreditation in academic quality

Accreditation is a strong, formal means by which almost all professional entry awards attest their real world relevance and the inclusion of relevant skill and knowledge development. USQ continues to have a solid record of accomplishment in achieving professional accreditation of its awards. In addition, all study areas have an external advisory board that provides an ongoing external voice in academic discussions.

In 2018, innovative new postgraduate programs were accredited in the areas of professional communication, workforce diversity and inclusion, creative arts, editing and publishing, public relations, leadership and coaching, and finance and wealth management. USQ's suite of law programs as well as programs in engineering, spatial science, psychology and sciences successfully passed through the internal re-accreditation process.

Also during 2018, a key focus of academic quality was once again the successful external accreditation of programs with relevant professional bodies, with the following programs receiving external (re)accreditation:

- The Bachelor of Education (Early Childhood) received Stage 2 (re)accreditation against the newer 2015 Standards and Procedures with Queensland College of Teachers, Professional Standards Committee.
- The Bachelor of Education (Primary) received Stage 2 (re)accreditation against the newer 2015 Standards and Procedures with Queensland College of Teachers, Professional Standards Committee.
- The Bachelor of Education (Secondary) received Stage 2 (re)accreditation against the newer 2015 Standards and Procedures, with Queensland College of Teachers, Professional Standards Committee.
- The Master of Education (Guidance and Counselling) and Master of Education (Career Development) received (re) accreditation from the Australian Counselling Association and the Careers Industry Council of Australia.
- The Bachelor of Business and Commerce (Accounting major) and the Master of Professional Accounting received (re)accreditation with the CPA Australia and the Chartered Accountants Australia and New Zealand.
- The Bachelor of Urban and Regional Planning (Honours) received provisional accreditation with the Planning Institute of Australia and graduates may seek Planner registration with the Planning Institute of Australia (PIA).

In addition, the following two professional body accreditations are in progress:

- Australian Community Workers Association (ACWA) approval for the Bachelor of Human Services – majors in Child and Family Studies, Community Development and Indigenous Studies and Health and Social Wellbeing.
- Exercise Science and Sport Australia (ESSA) preliminary external accreditation for the Bachelor of Sport and Exercise (Sport and Exercise Science) and Bachelor of Sport and Exercise (Honours) (Clinical Exercise Physiology).

Academic policies and procedures

Another key aspect of academic quality relates to policies and procedures, and the continual improvement and adjustment of these in line with the changing needs of the University. During 2018, focus was given to improving and streamlining the suite of policies, procedures and schedules in the academic program and re-accreditation space to ensure that the University's approach to program accreditation and re-accreditation is fit for purpose, sustainable, and fully compliant with TEQSA requirements. New policy instruments will be rolled out in early 2019.

The new Integrated Management Program and Course Specifications system was a specific initiative in 2017 that was continued in 2018. The project aimed to both streamline and enhance the processes around program accreditation, changes to program and course specifications, and the publication of the USQ Handbook and Program Guide. Members of the project were involved in the workshops held in relation to the upgrading of the policy instruments referred to above.

The Assessment Procedure was also considered in great detail during 2018 with some suggested changes which will further assist students in their student learning journey. Publication of the updated and revitalised procedure and associated instruments will take place during 2019.

The Assessment Hurdles Schedule, approved in early 2018, underwent some revision in relation to its scope and will come into effect in early 2019.

The Graduate Attributes Policy was gazetted to all University staff and feedback collated and considered. This policy addresses an important part of the student learning journey, that is, the attributes which students attain during their studies at USQ and which they can utilise throughout their careers.

Ongoing review and refinement of the academic program portfolio

DISCONTINUATION OF LANGUAGES

In 2018, after broad consultation and an analysis of student demand over the preceding decade, the University made the decision to discontinue offering the Language and Culture major in the Bachelor of Arts. The impact of this change on the very small number of students enrolled in this major is being managed, with a teach-out occurring, as well as cross-institutional language offerings being made available via online or on-campus enrolment at other institutions.

REVIEW OF CREATIVE ARTS AND ARTSWORX

The University's Creative Arts discipline areas, as well as its arts venue and production house Artsworx, underwent an external review in 2018, with a range of commendations and recommendations made to the University by the external review panel. These recommendations were considered by the University, with this process including consultation across both staff and student groups in these areas. As a result, a range of changes will be made in 2019, including separating the School of Arts and Communication into two units, namely the School of Creative Arts and the School of Humanities and Communication.

Learning and Teaching Quality (LTQ) Taskforce

The LTQ Taskforce was launched in April 2018 to identify and address key areas of focus for enhancing academic quality at the University. Led by the Pro Vice-Chancellor (Education), the initiative involved extensive consultation and staff forums across all three campuses, leading to an action plan and establishment of working groups to drive key initiatives. An example of initiatives arising from this work was the setting up of an advisory group to inform the development of USQStudyDesk Standards, and the redevelopment of the procedures relating to the (re)accreditation process. Considerable work was undertaken to streamline the processes involved, and to ensure alignment with the Australian Qualifications Framework and the Higher Education Standards Framework 2015.

Strategic Commissioned Learning and Teaching Grants

In 2018, the University introduced Strategic Commissioned Learning and Teaching Grants. The grants fund tangible, practical, and measurable solutions to current educational priorities for USQ. The 2018 Grant topics were:

- enhancing the first year experience
- strategies to enhance online/external learner engagement
- improving assessment and feedback.

USQ Learning and Teaching Citations

The USQ Learning and Teaching Citations scheme is designed to recognise, promote, celebrate, and honour University staff who are making significant contributions to student learning, through excellence in their teaching practices. In 2018, USQ recognised and celebrated excellent learning and teaching via the awarding of eight USQ Learning and Teaching Citations, one in each of USQ's strategic areas of priority, as follows:

1. Widening Participation: Dr Susan Hopkins, Open Access College
2. Early Career Teacher: Melissa Fanshawe, School of Teacher Education and Early Childhood
3. Employability in the Curriculum:
 - Careers in Food Science Team: Dr Polly Burey, Luke Stephenson, Ben Meares, Jason Myatt
 - Dr Syed Shams, School of Commerce
 - Leanne Dooley, School of Health and Wellbeing
 - Professor Retha Wiesner, School of Management and Enterprise
4. Online Learning Innovation: Dr Katie Burke, School of Teacher Education and Early Childhood
5. Students as Partners: Dr Beata Batorowicz and student Ellie Coleman, School of Arts and Communication.

A book launch featuring 26 published works by USQ academics from the Education discipline areas was held in November. Pictured are Associate Professor Jeong-Bae Son and Professor Patrick Danaher.

Learning and Teaching Staff Scholarships

Learning and Teaching Staff Scholarships are grants made to support an individual USQ staff member's (or a team of USQ staff members') leadership and approaches to improving students' educational experiences and/or graduate outcomes. Scholarships enable staff to implement and evaluate an innovative response to an important learning and teaching challenge, problem or opportunity. Scholarships enable the embedding of that innovation beyond 2018 and generate publications, presentations and heightened impact.

The 2018 Learning and Teaching Staff Scholarships aimed to resource problem-solving, action and research to be conducted between June 2018 to August 2019. The design of these Scholarships was informed by the practices and outcomes of previous University grant schemes, including the successful Open Educational Practice grant scheme. Scholarships were offered in six different categories organised into two programs including:

- Innovation and Development Program
 - o Early Career Academics
 - o Leaders/Capacity-builders
 - o All Staff
- Open Educational Practice Program
 - o Open Assessment
 - o Open Courses
 - o Open Textbooks.



Promoting innovation in learning and teaching

Technology Demonstrators is an innovative initiative to enable USQ academics to try out new and emerging technologies in their teaching practice. Supported by the Office for the Advancement of Learning and Teaching, the Technology Demonstrator initiative supports the trialling of innovative ways to facilitate leading edge teaching pedagogy through technology.

A number of new initiatives were undertaken in 2018 to innovate program offerings and to expand market reach; for example, involving flexibility in award offerings, and targeting emerging and future needs of the graduate employment market. Examples from 2018 included:

- The USQ Lightboard – designed to enhance teacher presence through worked examples, mini-tutorials and presentations.
- Articulate 360 Trial – exploring capacity for academic and professional staff to build rapid digital learning resources.
- iSEE Moot Court – leveraging 3D Virtual Reality environments for law students to gain experience in a virtual and simulated working environment.

Microcredentialling

A pilot project to offer microcredentialling of two courses in professional communication and financial literacy was undertaken in 2018 within the Faculty of Business, Education, Law and Arts. With changing employment opportunities and work requirements, professionals require just-in-time learning and microcredentialling of courses enable students to focus on targeted, specific skill sets. The University has engaged an external provider to assist with the pedagogical and infrastructure requirements for the future microcredentialling of a range of other courses.

USQ Salon

The USQ Salon involves a series of forums for the exchange of ideas through discussion. In 2018 USQ Salons continued to provide opportunities to engage in vibrant and intellectual conversation and enabled scholarly discourse within USQ on all things pertinent to the University's future and functions. The Salon also helped to showcase USQ to prospective students, staff and industry partners. A Salon presentation was held each month with attendance either in person at the Toowoomba Campus or online.

Since the Salon was established in 2015 there have been 28 speakers and over 1500 participants. Salon presentations in 2018 included:

- creating and sharing a distinctive learning and teaching profile
- addressing the problem of contract cheating
- the 'Untold history of Toowoomba: The battle of One Tree Hill'
- 'Hyperlinked campus: connected learning and collaborative reflection'.

My eQuals Award

My eQuals is a joint initiative between Australian and New Zealand universities to develop a shared digital platform for the hosting and authentication of digital academic records, such as academic transcripts, testamurs and Australian Higher Education Graduation Statements.

USQ received the 'Most Outstanding University Change and Communication' Award for the implementation of digital documents through the My eQuals platform at the national Heads of Student Administration (HOSA) Conference in Hobart in August 2018.

Improving Services and Positioning Students for Success

With a highly diverse student constituency, including high proportions of students considered academically or socially vulnerable, USQ necessarily has a wide range of strategies in place to support students through their learning journey. Examples of these services follow.

Online orientation

Effective student orientation provides the basis for kick-starting early engagement and subsequent successful university study. USQ Online Orientation delivers activities for all USQ students including facilitating orientation information sessions, learning skills workshops, the delivery of student engagement and social events, the creation of refined orientation registration systems and the provision of peer mentoring opportunities. Online Orientation includes the development of a personalised online orientation planner which may involve customising an events management system.

Student transitions

Using funding received through HEPPP, the USQ Student Transition project was extended in 2018 to identify sector best practices in institutional student transition planning and qualitative research on staff perceptions of USQ's current transition approach.

The project resulted in the University implementing holistic support strategies focussed on times of critical transitions for USQ's student body to assist students to navigate these key changes. Students were also encouraged to perform their own transition planning to ensure that they were intrinsically aware of the need for change in their own higher education learning journey, and actively implement their own strategies to accomplish those transitions successfully.

Headstrong Online Program

Headstrong Online is a self-paced online program designed to help current students succeed in their studies through a series of modules based on Acceptance and Commitment Therapy (ACT). The program aims to enhance students' ability to cope with stress, be less vulnerable to the effects of stress, feel competent in their academic abilities, and become better equipped to overcome barriers that they might face in their studies. Research shows that university students exposed to ACT based activities such as values exploration significantly increase their academic performance and that goal-setting activities provide benefits in areas such as retention and student experience.

The Residential Life team was awarded the 2018 USQ Excellence Award for Values-Based Leadership for the vital role they play in supporting USQ's on-campus students.

Meet-Up

Meet-Up provides opportunities for students at all levels to develop their learning skills and increase their knowledge and understanding of the core concepts in their chosen discipline area. In addition to course based Meet-Up, USQ provides Murri Meet-Up, which is run for Aboriginal and Torres Strait Islander students by Indigenous students. Murri Meet-Up offers Indigenous students at USQ a place to talk with student leaders who are also Aboriginal and Torres Strait Islander and who are achieving well in their studies. In 2018 A-Skills Meet-Up was offered for the first time for students on the Autism Spectrum.

Assistive Intervention Management Strategies Framework

USQ has in place an Assistive Intervention Management Strategies Framework which at a high level involves:

- personalised support based on individual circumstances or identifiers
- inbound inquiry, feedback and complaint management
- communication campaigns and outreach
- late enrolment admissions framework
- international on-campus arrivals
- student learning journey review.



Digital student communications

Specifically for the optimisation of the University's engagement with current students, the digital communication channels initiative aimed to reduce the multiple single subject emails sent to varying cohorts of students. By consolidating and coordinating communication to students, a single, monthly communication continued to provide relevant information via a single point of contact with students. This program accommodated the increasing need for digital communication output in support of the *Student Communication Policy and Procedure* adopted in November 2015 and to the continued student communication demand across the orientation, retention and support elements of the student learning journey. This also supports the *Retention Strategy* through the provision of communication services; for example, the successful pilot of Student Relationship Officer communication to first term active enrolled postgraduate students.

The focus has been on developing communication plans for all University projects, programs and opportunities; the consolidation of experiential, event and engagement messaging in a monthly Student News outbound email to students; and targeted campaigns to at risk students.

Social media platforms

With a substantial following on social media platforms, USQ uses its virtual communities and networks to facilitate the communication and sharing of information, ideas and career interests. The ability to circulate important and timely information from the USQ Social Hub via channels that are used frequently by students has many advantages; including providing opportunity for greater interaction with peers. This transparency of the student experience and encouragement of peer networking allowed the current student body to connect and foster relationships with fellow USQ students globally.

Retention Taskforce

In January 2018, the Vice-Chancellor's Executive approved the establishment of a USQ Retention Taskforce, with a view to addressing the University's issues relating to student retention. The Taskforce brought together a mix of senior academics and key operational stakeholders to take a fresh look at USQ retention priorities, to analyse USQ's performance in student retention and success, and identify and progress innovative initiatives to address issues identified and regularly report back to the Vice-Chancellor's Executive on progress. The resulting University-wide *Retention Strategy* was incorporated into an annual action plan which was implemented and

In 2018, Zach Lochard graduated from USQ with an Associate Degree in Engineering, which he completed whilst working at Casey Station, Antarctica for the Australian Antarctic Division. Zach chose to study at USQ because of the flexibility and support offered for off-campus students.



regularly reviewed during 2018. Round table discussions were facilitated during 2018 with staff giving them the opportunity to contribute, further explore what the barriers and enablers are, and identify how USQ can continue to improve student learning outcomes and support student progression through to graduation.

CRM Upgrade Project

USQ adopts a customer relationship management (CRM) focus as a basis for ensuring a satisfying and high quality study experience for students. The CRM Upgrade Project focussed on improving the interface design of CRM student facing components, the redesign of components aiming for improved efficiencies in incident handling, and the retention, extension and optimisation of student communication channels including phone, SMS and additional social media platforms. The Project also provided greater access to data contained within the CRM including management dashboards that allow for more informed data-driven decision making and analysis.

Library systems upgrade

In 2018 the Library replaced the main systems that support its operations. This major change enabled the University to decommission 11 separate systems, and replace them with three integrated library systems. These new systems positioned the Library to provide a better educational service to students and staff.

Student awards

The USQ Student Awards recognise outstanding achievement and student contribution to the community and the University. Categories include Aboriginal and Torres Strait Islander Community Service, Multicultural Community Service, Sports person and All Rounder awards, amongst others.

Ensuring the Care and Welfare of Students

Complaints and Appeals Management System

USQ is one of a few universities which has a custom-built, fully online and CRM-integrated complaints management system which improves the student experience, saves staff time through automation of data extraction and email responses, saves resources through reduced copying and emailing, and provides a valuable educational tool on USQ complaint processes for both students and staff.

A report was submitted to USQ Council in July 2018 which represented full year complaint comparisons for the years 2016 and 2017. In summary this reported that between 1 January and 31 December 2017, USQ received and processed 105 Formal Student Complaints (compared with 86 in 2016) through the Online Complaints Management System. For 2017, 15.2% (16.3% in 2016) of complaints were resolved on the day they were received. A further 63.8% (64% in 2016) of all complaints received were resolved within the recommended 15 business days which represents a total of 79% (80.3% in 2016) of all formal complaints being resolved within the recommended time period in 2017.

Some 16 complaints (15.2% in 2017 and 16.3% in 2016) were open for between 16 and 30 days as they included high levels of complexity and sometimes involved delays caused by scheduling conciliation, professional assessments or hearings, or seeking advice from the USQ Legal Office.

The University Complaint Management User Satisfaction Survey response rate has doubled between 2016 and 2017. The most positive aggregate scores over both 2016 and 2017 were given for the two questions relating to ease of finding information on the complaints website and ease of navigation within the website for particular complaint types.

The lowest satisfaction ('Strongly Disagree') related to the question on 'The response I received included a clear reason for the outcome'. Again this question attracted consistently low levels of satisfaction over both 2016 and 2017 which prompted the development of strategies in relation to giving clearer justification for the decisions made. Overall, for all five questions the average aggregate scores have improved with regard to student satisfaction by around 50% in all cases.

Anonymous complaints

For the full year 2017 (which is reported in 2018 owing to USQ's three semester system), 11 student complaints were received anonymously. In accordance with the USQ Complaints Type and Responsibilities Schedule, anonymous complaints are managed by the Office of Integrity and Professional Conduct. Overall, nine matters were referred to senior managers for consideration. The issues primarily involved academic quality or student experience concerns with the Office of Integrity and Professional Conduct advising that all matters were satisfactorily resolved. On balance, students reported that they were more satisfied than dissatisfied with the Complaints Management System and Complaints Handling at USQ.

Toowoomba, Springfield, Ipswich and Online Student Representative Councils (SRC)

USQ Student Representative Councils provide students the opportunity to represent fellow students on issues affecting the cohort and bring them to the attention of relevant University stakeholders, contribute to the creation of a positive and inclusive campus culture to increase student retention, advocate for and maintain quality learning and recreation spaces for students on-campus, develop leadership capacity and the achievement of graduate attributes in students, and engage students in events and activities.

Online counselling

This project established the required framework, systems, training and resources, and communication plan to enable existing personal and career counsellors to provide counselling online. An appropriate framework enables USQ to have a clear understanding of how to manage risk in the online environment and have a clear articulation of what constitutes 'counselling' as opposed to the offer of general support and advice. It will continue to provide clear parameters and business processes for managing an online counselling service.

Pictured celebrating 10 years of USQ's Phoenix Radio, which provides hands-on experience to USQ's Film, Television and Radio students, are from left Dr Ashley Jones, current student Jesse Butfield and USQ alumnus Glen Dinsdale.



The Welfare Network

The Welfare Network was established in 2012 through Student Amenities Fee Funding approved by the USQ Student Forum. The continuation of these services in 2018 recognises the importance of welfare support to students, particularly those from disadvantaged backgrounds. Student Amenities Fee funding primarily provides both full and part-time Student Wellness Advisors supporting all USQ campuses. These provide referral services and financial support to students who are experiencing significant disadvantage in the areas of accommodation, financial literacy, financial support, student safety, legal advice and general wellbeing.

Respect. Now. Always.

In February 2016, Universities Australia launched a major initiative to prevent and address sexual assault and harassment across the Australian higher education sector under the banner – Respect. Now. Always. In response to this campaign, USQ has developed a range of training and supports to University staff and students including but not limited to: healthy relationships training, training and resources around responding to disclosures of sexual assault, and bystander training. The training and supports were developed collaboratively between the student Health and Wellness team, Human Resources, and Residential Colleges.

Ally Network

USQ is passionate about fostering a culture free from harassment and discrimination and actively supports the USQ Ally Network.

On 26 March 2018, the USQ Ally Network welcomed high profile LGBTIQ rights advocate the Honourable Mr Michael Kirby AC CMG former Justice (High Court of Australia) to USQ Toowoomba. The day was hosted by the USQ School of Law and Justice.

StarRez (Student Accommodation System) Upgrade

The USQ Residential Colleges upgrade to StarRez in 2018 has created a number of efficiencies for both staff and students by automating processes and facilitating data accessibility. The resulting enhanced application processes have allowed USQ to improve accommodation services to students and conversion rates. The StarRez refresh project includes a refreshed interface with new capabilities and a student-facing portal for self-service and short stay accommodation.

Objective 3: Graduates who Excel in the Workplace and as Leaders

With high quality degrees developed with professional bodies and employers to meet existing and future job needs and an emphasis on producing career-ready graduates, USQ is ranked No.1 in Queensland for graduates in full-time work.

Priorities for 2018 included: Refreshing the academic program portfolio and implementing recommendations based on the learnings from the 2017 Employer Satisfaction Survey.

Graduate Employability and Leadership

Careers and employability

Effective careers education helps to ensure 'the right fit' between student and academic program, provides a commitment to study that increases student resilience, and lays the groundwork for successful future careers. The USQ Careers and Employability team is responsive to the diverse needs of individuals and empowers them to make informed career choices that optimise their life opportunities, through the provision of current, relevant and professional career and employment services. The team conducted 1463 student appointments for students seeking support in understanding self, their strengths and values, career and study decision making, program support and subject selection and employment-seeking skills support.

In 2018 the Careers and Employability team continued its trial of an eMentoring platform for the Industry Experience Program, specifically designed to connect students with industry irrespective of geographical location. There were 224 student participants and 196 industry participants engaged across five mentoring programs with 71% being online students.

Real world industry experience

The Careers and Employability team host the Industry Experience Program. This is a non-assessable non-compulsory placement program for students. The program enables students to engage in work experience in their program area, and develop their networks and relationships with employers and future colleagues. In 2018 there were over 40 students who engaged in the Industry Experience Program ranging from a five to 30 day placement.

Student employability resources

This initiative extended the suite of Graduate Employability online resources developed since 2015. For 2018, the work included maintenance of existing resources as well as the development of new online resources, inclusive of more targeted program area career resources, postgraduate career development and resources supporting the graduate recruitment process. Once created, the resources were disseminated across online platforms including social media, the USQ Social Hub and the new monthly careers email outbound. This output supports student success, progression, retention and the ultimate employment of USQ students.

Ignition Project

The Ignition Project aims to promote and develop a centralised program that provides opportunities for USQ students to develop an entrepreneurial mindset as a key employability skill. In 2018, the project has established an Innovation and Entrepreneurship webpage hosting introductory resources, details of entrepreneurship events and links to entrepreneurship courses at USQ. There have been a number of webinars and a short course, *Entrepreneurship 101* hosted through the Ignition Project. This project seeks to provide the first steps towards the introduction of an in-house USQ entrepreneur accelerator program.

Extra-curricular and enrichment activities

Operational across all USQ campuses and online, USQ's Phoenix Central has developed extra-curricular and enrichment activities to enable students to develop the foundational and transferable skills necessary to be successful university students and become career ready. Phoenix Central ensures equitable exposure to a wide range of extracurricular and enrichment opportunities that build leadership capabilities, nurture talents and interests, and increase engagement with the University. These activities are aimed at assisting with the recruitment and retention of students, improving of relationships between students and University staff, fostering partnerships between USQ sections, and providing opportunities for students to develop graduate qualities including leadership, problem solving and teamwork.

Successful participation in informal and 'non-academic' activities serves to enhance student self-confidence and promote increased engagement in academic activities; while outside-of-class activities present students with opportunities to contextualise academic learning (to see application and practical relevance of learning) and boost motivation for further learning. Of particular benefit are the transferable skills that students hone through participation in these initiatives which enhance their employability.

VFair

In 2017, USQ trialled a virtual career fair – VFair. The 2017 VFair was a virtual Vacation and Volunteer Fair focused on vacation programs, internships and volunteering opportunities. In 2018, the Careers and Employability team hosted another VFair during graduate program recruitment in March. The VFair platform reached capacity with 42 organisations from a range of industries hosting a virtual booth. The event included USQ hosting organisations such as Mars Australia, NEC Australia, Queensland Government, Westpac, Suncorp, Deloitte, PwC, Australian Rail Track Corporation, Harvey Norman, Telstra, John Deere and Wagners. There were 836 visits to VFair from 278 unique student users from across Australia and from countries around the world including the United Arab Emirates, United States, India, Canada, Switzerland, China, Columbia and Ecuador. There were 1500 virtual booth visits, for an average of 34 visits per booth. Students used the live chat function in the booths to ask questions and otherwise engage with employers. Careers and employability staff also joined chat rooms to lend support and advice to students and engage with employers.

Online Speed Networking

The Careers and Employability team held a trial Online Speed Networking event in January 2018 aimed at connecting current USQ students with industry professionals in an online environment. The team used the online breakout group functionality through ZOOM whereby each student was able to meet an industry representative one on one and rotate through the industry representatives for up to 15 minutes per session. Participants came from rural Queensland, Brisbane, Melbourne and Toowoomba, and attracted 50 expressions of interest to participate. All participants were satisfied or very satisfied with the event and the technology.

USQ Makerspace

USQ's Makerspace involves organised events where a community space is made available for students and staff to come together to make and create. The initiative was identified as an exemplar in the 2018 New Media Consortium Australian Tertiary Education Horizon Report. The Horizon Report specifically recognised the Maker-kits initiative, which involved online students in Makerspace activities by posting kits to them and conducting workshops via webinar.

Physically located in the USQ Toowoomba Library, but also running online and as a pop-up Makerspace at USQ Springfield and USQ Ipswich, the initiative facilitates informal learning, entrepreneurship and creativity. During 2018, USQ Makerspace held workshops every month on topics which included coding, 3D design and printing, wearable technology, robotics, and various crafts. Pop-up Makerspace events were held on all campuses.

Alumni Network

Creating an engaged, supportive alumni network is crucial to a university's success. USQ actively seeks to keep alumni informed so they can remain engaged and keep abreast on the progress of the University. Good alumni relationships bring many benefits to both the University and the alumni. In particular, alumni provide prospective and current USQ students with role models who reflect positively on the benefits of successful study and the range of achievements possible.

The Alumni Relations Office has continued with an approach implemented in 2017 aimed to raise the profile and attractiveness of Alumni membership to USQ graduates and increase the number signing up to the Alumni Network. The USQ Alumni Relations Office has found an increase in graduate sign ups immediately following their graduation ceremony from 1946 in 2017 to 2711 in 2018. The Alumni Relations team also make contact with all graduating students within a month of the graduation ceremony to promote and encourage sign up to the Alumni Network.

USQ has a global network of over 110,000 graduates, with chapters located in 18 countries. USQ's first discipline specific chapter the USQ Education Alumni Chapter was formed and the official launch took place in October 2018. This growing connection to graduates has enhanced USQ's ability to maintain ongoing relationship with alumni.

The Alumni Relations team has also fostered engagement with graduates through a newly launched Facebook Group and through the bi-monthly e-newsletter *Phoenix Rising* which is distributed to a network of nearly 46,000 recipients.

Columbo Plan Scholarships

Two USQ students were named 2019 Columbo Plan scholars and one student a fellow by the Federal Minister for Foreign Affairs at a ceremony in Canberra in December 2018. The New Colombo Plan, an initiative of the Australian Government, aims to lift knowledge of the Indo Pacific in Australia by supporting undergraduates to study and undertake internships in the region. Reuben Caudill, who is studying a Bachelor of Health, will travel to Malaysia and India to study health and biomedical science. Bachelor of Arts and Bachelor of Laws student Seana McPhie will explore political science, history and international relations at the Republic of Korea's Yonsei University, whilst Margaret Lye, who was chosen as a New Columbo Plan Fellow, will be the program's first scholar to travel to the Cook Islands. The Bachelor of Nursing student will study primary health care, acute care and professional practice at the Cook Islands School of Nursing – Ministry of Health. She also plans to undertake a placement at Rarotonga Hospital.



From left: Margaret Lye, Seana McPhie and Reuben Caudell were selected as 2019 Columbo Plan Scholars and Fellows.



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RESEARCH

USQ is internationally recognised for high impact research in our areas of research focus.



USQ's overarching goal for Research as stated in *USQ Strategic Plan 2016–2020* is that *USQ is internationally recognised for high impact research in our areas of research focus*. Our vision is to employ world-leading research to help create world-changing results.

Integral to USQ's focussed research programs is the offering of Higher Degrees by Research (HDR) awards. Postgraduate research students at USQ have access to a wide range of facilities and are mentored by our researchers and partners, to foster a dynamic and rewarding environment that fosters innovation and the nurturing of future entrepreneurs.

The overarching Research goal is to be reached through the following key objectives.

Objective 1: High Quality Research that Makes a Difference to Communities

USQ continues to strive to enhance our national and international standing for high quality, focused and engaged research that makes a difference to communities.

Priorities for 2018 included: Implementing the Research Institute and Centre realignment.

Distinct Research Focus

Research is a fundamental purpose of a university and is integral to its role within the community, particularly for regional universities. In recent times, USQ's research performance has significantly strengthened and the University's research profile has been substantially raised.

These achievements were borne from a commitment to research excellence, the formation of new research structures, continuous improvement of research systems, implementing mechanisms to foster a vibrant research culture, and the targeted investment of Strategic Research Funds.

Through targeted investment, the University has continued to build focused and distinct programs in fundamental and applied research that draw on expertise across disciplines, attract world-class researchers and deliver impact. The University's areas of research focus include:

- Agriculture and Agribusiness
- Cultural Heritage and Archaeology
- Environmental Sciences
- Health and Behavioural Sciences, principally Health and Wellbeing

- Materials Engineering and Engineering Technology
- Mathematical and Data Sciences, principally Computational
- Mathematics and Space Sciences
- Regional Community and Economic Development
- Education.

Research Institute and Centre Realignment

During 2018, the University research structures were reviewed and realigned to include three Institutes and nine Centres. It is envisaged that this new structure will promote mentorship across the University and strengthen pathways from USQ undergraduate to higher degree by research programs. The Institutes and Centres are as follows:

- Institute for Advanced Engineering and Space Sciences
 - Centre for Agricultural Engineering
 - Centre for Future Materials
 - Centre for Astrophysics
- Institute for Life Sciences and the Environment
 - Centre for Crop Health
 - Centre for Sustainable Agricultural Environments
 - Centre for Applied Climate Sciences
- Institute for Resilient Regions
 - Centre for Health, Informatics and Economic Research
 - Centre for Heritage and Culture
 - Rural Economies Centre of Excellence

At the launch of the new Centre for Population Health, Informatics and Economic Research at the Springfield campus in October 2018 are HRH Princess Dina Mired of Jordan and Professor Geraldine Mackenzie.



Investment in Research

USQ has invested in developing industry and innovation partnerships that align with research focus areas.

Construction was completed on a new facility upgrade to the Mount Kent Observatory. The Observatory's expanding research profile builds on its perfect position in the Southern Hemisphere, enabling USQ researchers to discover and characterise planets around stars of different ages, temperatures, luminosities, and with a different mass. USQ astronomers have been working closely with the NASA Exoplanet Science Institute collecting and analysing ground-based observations for the Transiting Exoplanet Survey Satellite mission, which launched in April. The Observatory is the only Southern Hemisphere site fully dedicated to this work.

The construction of the new plant sciences research facility within the Agricultural Science and Engineering Precinct was completed in late 2018. Covering approximately six hectares, the Precinct provides a new home for USQ's Centre for Crop Health and enables the expansion of field trial and laboratory facilities for the Centre for Agricultural Engineering. Funded by USQ with significant co-investment from the Grains Research and Development Corporation, the facility will house environmentally-controlled glasshouses, laboratories, outdoor trial sites and a centre for the study of biopesticides as well as an education hub for scientists and postgraduate students. The facility will undertake specialist activities that will help supplement current research into crop production, harvesting, and yield outputs and will provide farmers with more accurate information for improved crop returns on their farming methods.

Attending the launch of the Centre for Agricultural Engineering on 7 November were, from left: Associate Professor Ben Lyons, Professor Gavin Ash, Director-General, Qld Department of Agriculture and Fisheries Dr Beth Woods, Professor Craig Baillie, Minister for Agricultural Industry Development and Fisheries the Hon Mark Furner MP, Professor Geraldine Mackenzie, Professor Mark Harvey, Professor Roger Stone.

Industry Engagement

Fundamental to USQ achieving its research goal is the production of research outputs of international quality and leveraging external research income to fund our research programs. Also critical is engaging effectively with industry and our stakeholders, and contributing to innovation that will benefit our communities, the nation and globally.

USQ has enhanced engagement with industry through strong and sustainable research networks and partnerships with like-minded organisations. USQ focuses its research efforts on making a significant difference to our local communities, regional governments and industries. Over the past year, genuine engagement has brought people together to build regional capacity and investment to share in the process of developing regions within USQ's geographic footprint.

Through an ongoing partnership with global giant John Deere, along with investments from both USQ and various funding bodies, USQ researchers continued to explore new intelligence-based technologies and solutions for the agricultural industry – including machine automation and control such as driverless tractors. The ground-breaking research helped provide a gateway for the commercialisation of other technologies for applications such as automated weed management systems.

USQ has coordinated a team of consultants, Climate Mates, who work with graziers across drought-ridden northern Australia to share critical knowledge and offer climate information and forecasts specifically tailored to their region. The initiative was part of the \$8 million Northern Australia Climate Program, a partnership between the Queensland Government, Meat and Livestock Australia Donor Company and USQ, which contributed to helping the grazing industry better manage drought and climate risks through a range of research, development and extension activities.



Community Engagement and Education

In 2018, USQ remained active in working with and within communities to promote the importance of research and communicate the University's own passion for new knowledge. The University continued to implement the *USQ Aboriginal and Torres Strait Islander Research Strategy* to promote research that is respectful of and relevant to Indigenous peoples and communities. A wide range of festivals, forums and public presentations were also conducted concerning disciplines from archaeology to astronomy.

The Festival of Astronomy once again attracted an international presenter, Dr Jessie Christiansen from the NASA Exoplanet Science Institute. Dr Christiansen was joined by Dr Duane Hamacher from the Indigenous Studies Centre at Monash University, to share their work with community members at the Festival's main event.

The Centre for Future Materials held its inaugural Open Day in August. More than 140 delegates attended the day of presentations and demonstrations with external industry representatives from sectors including aerospace, defence, space, transport, mining and construction. The program featured a range of industry-focused research presentations and demonstrations highlighting the Centre's four priority areas; manufacturing next-generation aerospace composites, pioneering functional composites, advancing civil composite applications, and developing green geopolymers.

Resilient Regions Week once again brought together health experts, researchers and community organisations to events at both Toowoomba and Ipswich campuses. The University collaborated with leading health and regional development organisations, including Toowoomba and Surat Basin Enterprise, the Prostate Cancer Foundation Australia, the Darling Downs and West Moreton Public Health Network and the Darling Downs Hospital and Health Service.

Dr Rajib Rana was awarded a Queensland Young Tall Poppy Award in recognition of his achievement in research into the development of a tool to automatically determine mood simply from day-to-day phone conversations on a smartphone and a system for early diagnosis of relapse by tracking mood in real-time



HRH Princess Dina Mired from Jordan, President-Elect of the Union for International Cancer Control (UICC), helped to launch the new Centre for Population Health, Informatics and Economic Research at the Springfield campus in October 2018. The event reinforced the importance of the University's role in the global cancer research community and highlighted the Centre's research focus on reducing the burden of chronic disease.

USQ's Women in Rural, Remote, Regional Enterprises program continued to promote and cultivate women's entrepreneurship and innovation, encouraging women to progress their business and career aspirations. The project aims to boost Australia's entrepreneurial capacity by assisting women in areas outside metropolitan areas to overcome major business hurdles, including lack of availability of assistance, mentoring, information, technology and learning facilities.

In September, Dr Rajib Rana from USQ's Institute for Resilient Regions was awarded a 2018 Queensland Young Tall Poppy Science Award for his research, scientific contribution and community engagement efforts in computer science. Dr Rana is using machine learning to research the early detection of mood changes, which are typical of mental health issues and relapses.

Recognition of Research Excellence

USQ has optimised impact by ensuring alignment with state, national and international industry and government priorities in key focus areas; and through responsive and managed business and communication processes.

This has been reflected in the growing number of state, national and international awards and fellowships received by USQ researchers in the past year.

In late 2018, USQ researchers received more than \$1.8 million in Australian Research Council (ARC) funding commencing in 2019. A total of five USQ-led projects were successful, as well as three projects led by other institutions involving USQ staff. Dr Pingan Song, Associate Professor Zhigang Chen, Professor Bryce Barker and Associate Professor Lara Lamb were all successful in their bids for Discovery Project grants. Dr Song is aiming to develop eco-friendly flame retardants; Associate Professor Chen will develop next-generation electronic nanomaterials, and Professor Barker and Associate Professor Lamb will investigate the inhabiting of the Great Papuan Plateau by early modern humans. Professor Rob Wittenmyer and Professor Jonti Horner's Linkage Infrastructure, Equipment and Facilities (LIEF) grant will go towards a dedicated telescope at USQ's Mount Kent Observatory, while Dr Bin Yu (who will be joining USQ in 2019) was successful in his bid for a Discovery Early Career Researcher Award grant to develop high-performance flame retardant polymer foams. Associate

Professor Georgina Barton and Professor Hao Wang are involved in two successful ARC Discovery Projects led by other institutions, and Professor Brad Carter and Professor Rob Wittenmyer in a LIEF grant led by another institution.

Professor Geoff Cockfield from USQ's Institute of Life Sciences and the Environment spent five months undertaking research in the USA after being appointed to the role of Distinguished Chair in Agriculture and Life Sciences at Kansas State University through the Australian-American Fulbright Commission. The prominent appointment in America's top foreign exchange scholarship program saw Professor Cockfield analyse ways in which governments support, or could support, farmers and agricultural industries.

Researchers from USQ's Smart Automated Irrigation Research Team – Dr Malcolm Gillies, Dr Joseph Foley and Dr Alison McCarthy – were recognised for their exceptional work with industry in irrigation and water management by being awarded the Cotton Seed Distributors Researcher of the Year Award at the 2018 Australian Cotton Industry Awards. Nominated by industry peers for bringing engineering expertise and knowledge to the cotton industry in a number of areas including in-field irrigation and water management skills, as well as software and instrumentation development for irrigation improvement.

Professor Craig Baillie, Director of the Centre for Agricultural Engineering received notification in November 2018 that he had been awarded a 2019 Fulbright Scholarship. Professor Baillie's project involves a systematic approach to establishing collaborative research in agricultural technology development, which will inform agricultural engineering research at USQ, and across the sector nationally and internationally.

Professor Stuart Biddle was named in the annual Highly Cited Researchers 2018 List, for ranking in the top one per cent by citations for his field of research. The citation analysis identifies influential researchers as determined by their peers around the globe – those who have consistently won recognition in the form of high citation counts over a decade. Dr David Ciardi and Adjunct Professor Dinesh Mohan were also named on the list.

Dr Martin Kerby from the University's School of Teacher Education and Early Childhood received a Q ANZAC 100: Memories for a New Generation Fellowship from the State Library of Queensland, to investigate the nature of how Queenslanders imagined the years between 1914 and 1939. The fellowship supports research projects that uncover and explore untold stories about Queensland's experience during the First World War or other significant military campaigns from the past 100 years.

Contribution to National and Global Research Communities

Professor Roger Stone from USQ's Centre for Applied Climate Sciences was elected President of the World Meteorological Association's Commission for Agricultural Meteorology – the first Australian to be selected for this role. The four-year position will see Professor Stone lead the Commission, which will prioritise the need for better services for farmers and agribusiness (ranging from localised weather forecasts to seasonal climate outlooks), and better weather and climate risk management.

During 2018, Dr Erin Rayment, Director of the University's Office of Research Development was appointed Chair of Knowledge Commercialisation Australia, the peak body for research organisations leading in best practice for commercialisation, industry engagement and entrepreneurship.

Professor Jeff Dunn AO, Director of USQ's Centre for Health, Informatics and Economic Research, was appointed a non-executive member on the West Moreton Hospital and Health Board in 2018. The Board is responsible for local performance of their health services and the delivery of public health services within the community.

Professor Stuart Biddle, the University's Physical Activity and Health Research Program Director, was appointed an Honorary Doctor at the Norwegian School of Sport Sciences at the University's 50 year anniversary ceremony in Oslo in September 2018. The internationally-respected physical activity, sedentary behaviour and health expert was recognised for his contribution to the development of health, exercise and sport psychology.

Philip Steel from Cotton Seed Distributors, Federal Minister for Agriculture and Water Resources Hon David Littleproud MP, USQ researchers and 2018 Cotton Industry Awards Researchers of the Year Dr Malcolm Gillies, Dr Alison McCarthy and Dr Joseph Foley with Cotton Australia Chairman Hamish McIntyre
(Image: Cotton Australia)



Objective 2: Research Training that Produces Innovators and Entrepreneurs

USQ continues to build a reputation for research training that produces innovators and entrepreneurs for the jobs of the future.

Priorities for 2018 included: Progressing the Graduate Research School.

Research Training and Development

USQ has continued to build a research culture of excellence, embedding commitment and accountability for high-quality performance outcomes within the organisation.

USQ's Researcher Development and Training Program, ReDTrain, is a comprehensive, all-of-University program that provides resources, enrichment and rewards across the spectrum of USQ researchers. The Program continued to play a major role in driving the University's research performance through its suite of coordinated initiatives and in strengthening a vibrant research culture to help researchers and research students grow their capacity and skills. ReDTrain continued to be one of the key drivers of change to the research culture at USQ. In 2018, ReDTrain supported the Research Giants program and Eminent Visiting Scholars Scheme (EVISS), which made it possible for world-leading international and domestic scholars to visit USQ, helping to increase the University's research capacity. In total, USQ hosted 11 Research Giants and nine EVISS in areas ranging from environmental sciences to engineering to astronomy.

Also in 2018, USQ continued to build on its innovative Higher Degree by Research (HDR) programs that broaden students' horizons and prepare them for challenging careers in their chosen fields. This has included expanding the range of professional doctorates. In 2018, the University had over 800 HDR students. Since 2015, the annual number of HDR graduates has increased by 18%.

USQ has actively sought to enhance the University's research supervision capability including by expanding the use of non-traditional models for supervising and delivery of HDR programs. In 2018, USQ strategically appointed world-leading senior researchers, particularly in the areas of agriculture, engineering and health, to build supervisory capacity for our HDR students.

In addition, by strategically expanding the range of scholarships and financial support available for both domestic and international HDR students, USQ is continuing to build capacity and outcomes in key research priority areas.

Graduate Research School

A Graduate Research School was established within the Research and Innovation Division in November 2018, to provide a centralised structure to enhance coordination of support for prospective and current Higher degrees by research (HDR) students, their supervisory teams, affiliated organisational units and thesis examiners. The School will significantly reduce the complexity of HDR processes, with a strong service culture and an emphasis on high-quality supervision, and maintain a close collaboration with USQ International and Domestic Recruitment and Admissions.

Dr Martin Kerby receives his Q ANZAC 100: Memories for a New Generation Fellowship from Captain Andrew Craig, Chair of the Queensland Anzac Centenary Grant Committee.
(Image: Joe Ruckli)



Professor Roger Stone from USQ's Centre for Applied Climate Sciences was elected President of the World Meteorological Association's Commission for Agricultural Meteorology – the first Australian to be selected for this role.



ENTERPRISE

USQ is a socially responsible and well managed enterprise with a work culture that promotes high performance and is reflective of our values.

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USQ's overarching goal for Enterprise as stated in the *USQ Strategic Plan 2016–2020* is that *USQ is a socially responsible and well managed enterprise with a work culture that promotes high performance and is reflective of our values.* In a challenging and dynamic operating environment, best practice in governance and business management is key to future sustainability and success. Innovation and collaboration, ethical practice and social responsibility, leadership and impact all inform the manner in which USQ conducts its diverse operations in service of its broad range of stakeholders.

The overarching Enterprise goal is to be reached through the following key objectives.

Objective 1: Employer of Choice

USQ aspires to be an employer of choice with a high performance, values-based culture that enables achievement of its education and research goals.

Priorities for 2018 included: Continuing to diversify the workforce; building a collaborative, performance and service culture; and empowering staff to innovate.

Strategic Workforce Planning and Performance

The people and culture initiatives undertaken during 2018 were guided by the key talent strategies outlined in the *USQ Workforce and Talent Management Plan 2016–2020*. This Plan outlines the critical people strategies needed to develop the University's future workforce to align with and achieve its long-term strategic priorities and directions. It helps focus and reshape how we think about work, what constitutes work, and the capabilities needed to be productive contributors to work in the future. A brief commentary on these initiatives and actions, including key highlights, is contained below, categorised by the key USQ talent strategy themes of workforce structure, capability and engagement.

Workforce Structure and Flexibility

Industrial frameworks

Enterprise Bargaining negotiations concluded in July 2018 with formal endorsement received from the Union representatives on the Bargaining Group in late August 2018. The required consultation and voting process commenced early September with an anticipated approval by the Fair Work Commission in early 2019. The new Enterprise Agreement will govern the conditions of employment at the University for the 2018–2021 period, and will provide a strong industrial foundation for the University's future workforce requirements.

Organisational change

The University undertook a range of organisational reviews and structural realignments to ensure that the workforce is structured in an optimal way to achieve USQ's strategic objectives and meet current and future needs.

The changes have occurred in all divisions within the University and included aligning the University's research institutes and centres to the University's Research Plan 2016–2020, and establishing a Research Graduate School to streamline and consolidate the way HDR students are engaged, supported, and retained. The Office of Advancement of Learning and Teaching and the Library have both reviewed their operations and implemented revised structures and processes to improve service delivery to academics and students within the University. Further, the creation of a Pro Vice-Chancellor (Engagement) and Pro Vice-Chancellor (International) have brought renewed focus to these key university priority portfolios.

These changes, in addition to a range of others that occurred in 2018, provide clear evidence that the University is taking proactive steps to improve its service and overall competitiveness in an increasingly crowded and highly-competitive higher education sector.

Workforce and Leadership Capability

People capability

Following the establishment of the USQ People Capability Framework in the previous year, 2018 was focused on building employee capability in the key areas of improving performance, fostering relationships, and building resilience. When combined with a new customised learning solutions approach where learning was taken to, and contextualised within organisational units, a total of 53 sessions were delivered to over 735 employees. The self-reported impact of this program was a 17.3% increase in participant capability. This year also saw a deliberate strategic focus on providing on-demand, contemporary online content to employees, with a total of over 1750 completions of courses offered via eLearning.

A concentrated effort continued in 2018 to support the advancement of all female employees at USQ through the Aspire Program. Key highlights of the program included a series of 'Owning Your Career' workshops where early and mid-career employees were provided with individual support and coaching to own and proactively manage their careers. For senior academic employees, a customised learning program was created for those ready to progress their career through academic promotion, while for senior professional employees a range of competitive, professional development grants were provided to support individualised, context-bound development.

Leadership development

USQ's annual leadership development program Ignite continued to make a difference for participants. Learning opportunities this year ranged from personalised and tailored promotion support for senior academic women, to individual leadership development grants, and the introduction of cutting edge neuroscience in the brain-based 'Leading Others' program. USQ-wide mentoring and coaching again proved popular with 212 participants, while another new offering this year focused on upskilling leaders on how to better leverage team diversity and inclusion in achieving results.

Career progression – academic promotion

A key focus in 2018 has been improving the way academics are supported to manage and advance their careers. An extensive review of academic promotion and the related support program for outside studies has been completed with a range of improvements to be implemented. A series of career workshops and individual coaching sessions were offered to academic employees to support early and mid-career employees to own and proactively manage their careers.

Through the Aspire Program a number of senior female academics preparing for academic promotion were provided with individualised career support. All academic employees who applied to move to Level E were provided individual executive coaching to support their academic promotion applications.

The application numbers for academic promotion remained steady in 2018. In 2017, a total of 64 applications were submitted with an overall success rate of 61%. In the 2018 round, 61 applications were submitted, with an overall success rate of 68%.

Workforce Engagement and Culture

Employee engagement

USQ surveys employees on a regular basis to gauge the level of engagement within the workplace. The University conducted its fifth employee engagement survey in February 2018 and achieved a strong participation rate of 79%. Overall the results showed that employee engagement remained high at 75%, placing USQ on a par with university sector benchmarks. High levels of satisfaction from employees were found in regards to USQ's diversity and inclusion practices, alignment to organisational purpose and values, and the workplace benefits that USQ employees enjoy.

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Fifteen staff graduated from the Ignite: Leading Self program in 2018. The program is designed to build a strong sense of self in order to optimise professional relationships and sustain individual wellbeing.



The results also highlighted some continuing themes that the University must give focus to over the coming years as we continue to strive towards improved impact from our educational and research activities, including building a shared understanding of the future direction and strategy for the University, and increasing collaboration, communication and innovation across the organisation.

Organisational values

USQ fosters a values-driven culture and code of conduct that is built around relationships and community, diversity and inclusion, and a strong commitment to Respect, Integrity, and Excellence. Following substantial enterprise-level work over the preceding two years to embed the values into the organisation, the focus in 2018 was to deliver customised workshops focused on building high performance team cultures through values alignment. This work assisted individual teams to articulate a desired culture, clarify work expectations, and create a greater sense of purpose for team members.

Sustained commitment from the University to its core values resulted in a broad buy-in to value-based behaviour in the organisation. The results from the 2018 employee engagement survey support this, and highlight that, over the past two years, there has been significant improvement in employee awareness and belief in USQ's values. This item in the survey scored 91%, the highest score received, and a score that outperforms other universities by 13 percentage points.

The USQ Service Excellence Program continued to expand and be embedded across the University and the Service Excellence Training Program conducted through HR Professional Development is now in the fourth year. This program aims to embed a revitalised service culture in all interactions. Development and consultation began on a USQ Service Commitment to assist with providing guidance on our service standards and also work on ensuring a consistent approach to our service response times.

Employee recognition

After the successful implementation of a renewed formal employee award program in 2017, the focus this year was the implementation of improvements to employee recognition. To achieve this, a customised peer-to-peer instant recognition platform was developed and introduced. The platform, called My STARS, provides all USQ employees with the opportunity to instantaneously recognise the contributions of their fellow colleagues. Since being introduced, over 700 employees have been recognised by their peers for the positive contribution they have made at the University.

Staff Excellence Awards

In 2018, the following staff were recognised for their commitment to excellence in their work via Excellence Awards:

- Excellence Award for Community Engagement and Service: Erin Byles, Anton La Vin and Liam Scott, organisers of the 2018 USQ Secondary Schools Moot Competition
- Excellence Award for Learning and Teaching: Dr Syed Shams, School of Commerce
- Excellence Award for People, Culture and Values – Diversity and Inclusion: Professor Shahjahan Khan, School of Agricultural, Computational and Environmental Sciences
- Excellence Award for People, Culture and Values – Innovation and Change: Mark Phythian, Melissa Bradey, Sean Davidson, Jessica Grills, Ashly Peterson and Gemma Wharton, Faculty of Health, Engineering and Sciences
- Excellence Award for Values-Based Leadership: The Residential Life team
- Excellence Award for Research: Professor Roger Stone, Centre for Applied Climate Sciences
- Excellence Award for Research (Early Career): Dr Jayne Persian, School of Arts and Communication
- Ronel Erwee Memorial Award for Excellence in Research Supervision: Professor Peter McIlveen
- Excellence Award for Service to Research: Danielle Joyce.

Values Champions

USQ's Values Champions are employees who have exemplified living our core values through their performance, attitude, behaviour and actions by bringing our values to life. In 2018, the following Values Champions were recognised:

- Dr Sara Hammer, Associate Director, Office for the Advancement of Learning and Teaching
- Professor Raj Gururajan, School of Management and Enterprise
- Vanessa Dossetto, Financial Services
- Rachel Hunt, Office of Research Development.

USQ 2018 Values Champions, from left: Dr Sara Hammer, Professor Raj Gururajan, Vanessa Dossetto and Rachel Hunt



Employee value proposition and talent acquisition

USQ has articulated a compelling Employee Value Proposition to build on its external visibility and preference as an employer of choice. External communication, promotion, and messaging targeted at high quality, potential employees has focused on those initiatives critical to USQ's attractiveness as an employer. Channels used to communicate this messaging have included LinkedIn, Twitter and Instagram. A result of this work has been that USQ continued to win talent from key organisations at a greater rate than it is losing talent to those organisations. On average, USQ gained between 500 and 600 new followers on the LinkedIn career page each month, and social engagement using LinkedIn saw a consistent upward trend (over 1% increase for the year).

Health, safety and wellbeing

In 2018, USQ received the results of the previous year's health checks with employees and students which were conducted by Ford Health. The purpose of the Health Checks was to identify and address employee and student health needs and priorities (work, lifestyle, physical, medical and psychological health); and review and identify gaps in current health and wellbeing initiatives. The findings indicated that the risk profile of USQ employees and students was higher in certain areas of health and wellness, principally in mental health areas such as anxiety, depression and stress. In response, the University committed to a mental health strategy, and the development of appropriate communication channels to assist with these initiatives such as employees and student information hubs, and senior advocates and department champions.

As part of its proactive and integrated approach to health and wellbeing USQ enabled supervisors to undergo Mental Health First Aid Australia (MHFA) training. Research conducted on the efficacy of the MHFA courses found that participants demonstrated improvement in their mental health literacy, attitudes towards individuals suffering mental illness and confidence in providing assistance. The course offered to USQ supervisors was tailored for tertiary education settings, and over 10 sessions were conducted online and at all campuses.

In addition, employees were provided the opportunity to participate in a standalone Mindfulness and Wellbeing program designed to increase engagement, performance and wellbeing. The results of this program were statistically significant improvements in participant workplace wellbeing, the ability to be mindful, and psychological flexibility.

USQ campuses became smoke-free from 31 May 2018, World No Tobacco Day. Across the Australian higher-education sector, a growing number of tertiary institutions and TAFE colleges are joining around 40 Universities who are already

smoke-free. In the lead up to 31 May, USQ undertook a range of activities to communicate and promote the transition. USQ custom designed posters, signature blocks, palm-cards, PowerPoints and a new website were developed along with communications to employees and students regarding support for stopping smoking.

As part of USQ's Health and Wellbeing framework, the 2018 Health and Benefits Fair events took place in Ipswich and Toowoomba in August. The Fair showcases health and wellbeing products and services for students and staff, including employee benefit providers, to help promote a healthy work-life blend. Attendance across both events exceeded some 850 participants and received positive feedback from staff, students and exhibitors.

A range of other staff engagement activities were undertaken to promote the *USQ Health and Wellbeing Strategy 2016–2020* and general health promotion to staff, including the Health and Wellbeing Network, regular HR Notices, health campaigns and presentations to staff at on-boarding, appropriate professional development sessions, and in work areas.

The University's safety committee structure was also realigned to the new organisational structure in early 2018, and elections held for Health and Safety Representatives on the University Safety Committee. A number of reconstituted Safety Sub-Committees and representatives were also established. These structures help build visible leadership commitment to, and shared responsibility for, a healthy, safe and respectful culture at USQ.

Social Responsibility and Inclusion

Diversity and inclusion strategy

In 2018 the University adopted the new *USQ Employee Diversity and Inclusion Strategy 2018–2020*. Built around a framework that focuses on three elements – inclusive leadership, inclusive infrastructure and connectivity – the strategy brought together a range of initiatives that recognise the diversity of USQ's workforce and allows all employees to fully contribute and support USQ's activities in an equitable, inclusive and diverse environment.

Resources and metrics

To enact the University's aim of removing employment barriers and promoting the inclusion of all employees, including those from identified groups, the University created the ability for employees to self-disclose their diversity through the HR Self Service System. This diversity information helps the University set realistic goals and measure progress, and in turn create initiatives that provide targeted support for employees in those groups and connect them with employee networks and other employees who have similarly self-identified.

A diversity and inclusion resources hub was also created to ensure equity of access and accessibility to information and resources that allow employees to increase their knowledge, skill and capability in creating an inclusive working environment.

Inclusive training and development

The University aims to provide an inclusive environment by ensuring opportunities are provided for employees to increase their awareness of inclusion. Training offered in this area included:

- disability awareness training
- domestic and family violence awareness training
- LGBTIQ awareness training
- 'The Big Picture – A Hidden History' workshops on the history of Queensland from the perspective of Aboriginal and Torres Strait Islander peoples
- discrimination and harassment awareness training
- a 10 week Inclusive leadership program.

These training offerings continue to provide alignment with the USQ values and values based behaviours.

Diversity and inclusion events

USQ has a long history of supporting and promoting multiculturalism both within the University and across the broader community. USQ proudly supports, values and respects the wide variety of cultural identities, languages, and beliefs within the University. USQ provides students and employees with a safe environment where they are free to respectfully and openly express ideas and opinions regardless of their culture identity or religious affiliation.

The University also works with its communities to promote a respect for diversity; for example, USQ was active in supporting Toowoomba to become a Refugee Welcome Zone and in nurturing a strong multi-faith community. The University's campuses in Springfield and Ipswich are at the centre of diverse multicultural and multilingual communities.

In line with USQ's Multiculturalism Policy and Procedure, the University promotes the concept of multiculturalism and its benefits through various initiatives, programs and events including a long-standing annual celebration of Harmony Day.

The University also celebrates a number of awareness-raising initiatives relating to diversity and inclusion as a means of promoting conversations about important issues and providing visibility to causes that might otherwise have a lower profile in the public sphere. Celebrations included:

- International Day Against Homophobia, Transphobia and Biphobia Day
- Disability Action Week
- Domestic and Family Violence Prevention Month
- White Ribbon Day
- International Women's Day
- NAIDOC Week
- R U OK Day.

A Diversity Forum for all the employee support networks across USQ was also provided on 'Connectivity', aligned to the *USQ Employee Diversity and Inclusion Strategy*. The forum hosted guest speakers from across Australia.



On September 12, the USQ community gathered at the Toowoomba Campus to mark R U OK Day. The event, which included representatives from a range of external health care providers, aims to build awareness of mental health and encourage meaningful conversations.

Aboriginal and Torres Strait Islander peoples initiatives

Built on extensive consultation with stakeholders and communities, the University launched its new Aboriginal and Torres Strait Islander Peoples Workforce Strategy 2018–2020 in March. The Strategy provides a framework to increase the employment and participation of Aboriginal and Torres Strait Islander peoples at all levels, across all organisational areas of the University.

A high priority item within the Strategy under development is the Indigenous Career Pathway with a focus on a 'grow your own' approach. The pathway will focus on the attraction, development, advancement and retention of Aboriginal and Torres Strait Islander employees to meet the University target of 3% employment of Aboriginal and Torres Strait Islander peoples by 2020. This target has increased from the previous 2.5% target which was achieved at the end of 2017.

In support of the Strategy, the highly successful Aboriginal and Torres Strait Islander Traineeship Program commenced for its sixth year in early January with an intake of four trainees progressing through this year's program. For the first time, an Indigenous mentoring network was established for the trainees.

The USQ Aboriginal and Torres Strait Islander Employee Network was reframed in 2018 and is now recognised as an Indigenous-led network, providing peer support, networking and development opportunities for all staff who identify as Aboriginal and Torres Strait Islander.

To help build cross cultural awareness, the University continued to offer a number of 'Hidden Histories' workshops for all staff to help understand the impact that colonisation, past practices, policies and legislation have had on the land, way of life, identity and culture of local Indigenous peoples. The sessions are conducted by trained USQ Aboriginal and Torres Strait Islander staff as a leadership and development opportunity. A cultural competency program for senior leaders was also piloted at the University by a respected Aboriginal and Torres Strait Islander external facilitator, and an online cultural competency building program was implemented for supervisors and employees who have regular interaction with Aboriginal and Torres Strait Islander people and/or have a requirement to have an understanding of Aboriginal and Torres Strait Islander culture to effectively carry out their role.

In March, Uncle Wayne Fossey, Professor Geraldine Mackenzie, Professor Tracey Bunda, Dianne Lucas and Jane Farmer attended the launch of the *Aboriginal and Torres Strait Islander Peoples Workforce Strategy 2018–2020*.



Gender equality initiatives

Early 2018 saw USQ awarded its second consecutive Workplace Gender Equality Agency Employer of Choice for Gender Equality citation in recognition of initiatives and practices in place at the University reflecting its strong commitment to gender equality.

The University also joined the third cohort of participants in the Science in Australia Gender Equity Athena Swan Accreditation program, designed to improve gender equity in Science, Technology, Engineering, Mathematics and Medicine (STEMM) in the Australian higher education and research sectors. A self-assessment team has been formed, and extensive data and qualitative analysis has been undertaken to inform USQ's application to be submitted in July 2019. The application will include a robust and measurable action plan to address identified gaps and barriers to improve gender equity in STEMM.

The University remained an accredited member of the White Ribbon Australia Workplace Program to build awareness of, and help prevent and respond to violence against women. To help support this aim, this year saw the development of the Respect.Now.Always. sexual assault and sexual harassment online learning program for all employees to raise awareness on behaviours that constitute sexual assault and sexual harassment, consent and respectful relationships, bystander intervention, appropriate support, and responding to disclosures of sexual assault and sexual harassment. Over 240 employees completed the program since its launch in April 2018.

USQ People

USQ's 2018 workforce has the following FTE profile (excluding casual employees):

Classification (Excluding Casual Staff)	FTE
Academic Staff Total	
Continuing	429.5
Fixed-Term Contract	161.2
Professional Staff Total	
Continuing	710.9
Fixed-Term Contract	186.5

A range of strategic HR initiatives play an important role in the University's employee attraction, engagement and retention activities, and this has seen USQ's employee initiated separation rate remain low at a steady rate of 7.95%.

Objective 2: Partnering with Business and the Community

USQ continues to build a profile as an organisation that is a responsible corporate citizen and a business partner of choice.

Priorities for 2018 included: Streamlining contract development and enhancing risk management practices.

Responsible Corporate Citizenship

USQ is a values-driven organisation based on the corporate values of *Respect, Integrity and Excellence*.

USQ employs service models that provide high quality, consistent and sustainable service; and that promote the development of a strong organisation-wide service culture.

Reducing our Carbon Footprint

As a responsible corporate citizen, USQ is taking positive action to reduce its carbon footprint and to support and inspire its communities to introduce their own strategies for a greener future.

The central focus for environmental initiatives across 2018 was directly aligned to the ecological transformation of the University to a less carbon intensive operation. Despite an expanding estates portfolio, the University continued to achieve measurable reductions in energy, waste and water consumption.

In early 2018 the final stage of the 2MW Sustainable Energy Solution was commissioned. The annual performance of the Solar Array Project across its first year of generation has resulted in the clean energy produced exceeding the normalised guaranteed yield. The overall combined system performance for all active solar arrays as at the end of December 2018 was 3145.20MW of clean energy offsetting the University's carbon footprint by 2501.85tCO₂-e.

Year on year indirect emissions comparisons for Scope 2 (Purchased Electricity) data across all three campuses has been directly impacted by the on-campus solar generation significantly reducing the daytime demand on grid electricity. At the end of 2018, there has been a 10% decrease in carbon emissions directly associated with purchased electricity.

Implementation of energy efficiency lighting upgrades continued across 2018 in line with the University's Energy Savings Action Plan. Upgrades were rolled out across all campuses which has resulted in significant measurable reductions in energy consumption reducing both energy and

maintenance related costs. Overall energy savings equate to 196,260kWh per year which is equivalent to reducing the University's carbon emissions by 165.28 tonnes of carbon per year.

With a continued focus on-campus waste management and resource recovery programs, carbon emissions generated from waste to landfill have been contained to 2017 emission levels with a notable increase in recycling performance evidenced across all campuses.

Environmental Key Performance Indicators	2018
Carbon Emissions	
Total direct and indirect greenhouse gas emissions by weight	Scope 1 (Direct) = 975.80tCO ₂ -e/year, Scope 2 (Indirect) = 12,706.70 tCO ₂ -e
Other relevant indirect greenhouse gas emissions by weight	Scope 3 (Other Indirect) Air Travel = 1053.72tCO ₂ -e, Rental Vehicle Use = 28.04tCO ₂ -e, Waste to Landfill = 345.07tCO ₂ -e
Energy	
Direct energy consumption	Direct Energy Consumption by Source: Natural Gas = 1123.45 GJ, Fleet Vehicle Use = 6505 GJ, Standby Generators = 583.13GJ Plant & Equipment Fuel = 239.01GJ
Indirect energy consumption	Purchased Electricity sourced from 1 Jan to 30 June 2018 = 90% non-renewable for Toowoomba, Springfield, Ipswich & QCWT. Purchased Electricity Consumption: Toowoomba Campus = 9,633,164.13 kWh, = kWh, Springfield Campus = 2,630,679.32kWh, Ipswich Campus = 2,805,471.00kWh & Queensland College of Wine & Tourism = 268,296.03 kWh.
Renewable Energy	Onsite Solar PV Generation: Toowoomba = 2550.69 MWh, Springfield = 321.08 MWh, Ipswich = 273.43 MWh
Waste	
Total weight of waste by type and disposal method	Toowoomba Campus – 262.43 tonnes of waste sent to landfill, 12.57 tonnes of cardboard recycled, 3.76 tonnes of plastic recycled, 5 tonnes of concrete recycled, 5.31 tonnes of organic waste. Ipswich Campus – 24.21 tonnes of waste sent to landfill, 5.97 tonnes of cardboard recycled, 3.04 tonnes of commingled waste recycled, 4.91 tonnes of metal recycled, 2.48 tonnes of organic waste. Springfield Campus – 21.63 tonnes of waste sent to landfill, 5.21 tonnes of cardboard recycled, 2.43 tonnes of commingled waste recycled, tonnes of concrete recycled, 0.38 tonnes of organic waste.

Strategic Communications

Reputation management is an integral part of business continuity and in 2018 the Office of Corporate Communication and Public Relations implemented a refreshed and targeted corporate communication strategy to coordinate the communication function across the University.

The communication strategy extended on communicating the position of USQ as a contemporary university, respected and recognised for being a leading partner for industry and business, committed to working and connecting with stakeholders and communities. Specific focus was directed to USQ's priority areas of student experience and retention, research outcomes, industry engagement, leadership and workforce performance targets, and international development.

USQ achieved more than \$8 million in media coverage during 2018 after 324 releases were generated and published. Media coverage was considered positive and neutral with the University's sentiment being recorded as a positive result of above 91%.

The University has two news-based websites – one for staff and one externally-focused. The staff-news focused website, usq.edu.au/staff-news, continued to grow in popularity, with year-end results showing increased page views. The externally-focused website, usq.edu.au/news, was also popular, recording more than 320,000 page visits.

Improving vertical information transfer across USQ is a major communications focus. Forty-four editions of the Vice-Chancellor's Newsletter, which is sent weekly to the University's staff, were published in 2018. In addition to this, 30 editions of the USQnews bulletin – a weekly news bulletin sent to targeted media, pitching USQ stories generated positive media coverage.

As well as providing a platform to reinforce and support USQ's broader communication and profiling activities, social media also served as an excellent channel to communicate directly with corporate audiences.

The integration of an in-depth digital program within the *2018 Corporate Communication Strategy* resulted in an organic (that is, without paid promotion) increase in social media followers and overall engagement. The University maintains two news-based social media channels: twitter.com/USQnews and [instagram.com/usqnews](https://www.instagram.com/usqnews). Twitter followers increased to 5068 and Instagram followers also increased to 854, the second highest following across USQ's various Instagram channels.

USQ Global Engagement

USQ is engaging in a range of activities to further develop sustainable Global Engagement to improve its international reach and business. Global engagement is a USQ-wide responsibility and not unlike brand, is representative of the values and culture of our organisation on a global scale. Engaging with high quality organisations and having high expectations of all interactions and relationships provides USQ with the opportunity to build educational opportunities for students.

In 2018, USQ commenced investigation of the viability of establishing off-shore campuses through the development of a strategy to inform the business opportunities.

Establishment of an International Office on the USQ Springfield campus served to expand the opportunities to engage on the global stage. Springfield is in a high growth area and with access to Brisbane and the Gold Coast via rail, and a quick transit to the Domestic and International Airports and is becoming a hub for international student recruitment for the University.

Ensuring Informed Decision-Making: Data Warehouse and Business Intelligence

The establishment of USQ's Enterprise Data Warehouse and Business Intelligence Platform as a central data repository for reporting and analysis was completed in 2016 with further investment planned for 2019 to modernise the platform to align with current data and reporting needs of the University. The platform has integrated more than 20 disparate systems from the six functional areas of the University: student, staff, learning and teaching, research, finance, and facilities.

USQ now has a complete view of data that provides a 'single source of truth', which enhances its decision-making capabilities and ensures the University makes optimal use of its data resources. Dashboards provide regular online and timely information.

Integral to the reporting is the 'Health Check' for all programs and courses, which provides quality assurance in the Academic Division.

Business Partner of Choice

During 2018, USQ continued to determine parameters and progressed a University-wide strategy to build our capacities as a preferred business partner.

Business continuity management

A Business Continuity Project continues to facilitate the further development of the University's business continuity management program to carry out critical business activities and support continual operations when facing internal and/or external business disruption events.

The project assesses the key risks and associated control effectiveness in order to embed business-as-usual practices.

Contract management

The cloud based contract management system and contract management framework established across the University continues to provide an improved contract identification and management capability in all divisions. Training courses, system and process-related help guides, information and resources have continued to be updated by the Contract Support team in conjunction with other organisational sections.

Policy and Procedure Framework

The Policy and Procedure Framework continues to be critical to the University's change management process. During 2018 a triennial review was commenced to ensure its alignment to strategic intent and continued deployment saw 37 new developments or major reviews, 37 minor amendments and 577 editorial amendments to policy instruments.

Business frameworks

USQ continues to embed critical business frameworks to enhance business infrastructure that assist operations, enhance project management capabilities and inform effective decision-making.

University management continued to improve accountability and reporting to USQ Council. A comprehensive report on organisational activities is provided to each Council meeting; the regular data-rich University Performance Report has been streamlined and focuses on performance data against the Strategic Success Indicators outlined in the *USQ Strategic Plan*; and a comprehensive report on performance in each organisational area – Education, Research and Enterprise – is presented to USQ Council annually.

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Industry and community representatives from sectors including aerospace, defence, transport, mining and construction attended USQ's Centre for Future Materials Open Day in September 2018.



Objective 3: Best Practice in Resources Management

USQ strives to manage our physical and digital infrastructure and systems for a successful sustainable enterprise.

Priorities for 2018 included:

- enhancing technology-enabled learning and teaching
- refreshing the USQ Campus Masterplan
- strengthening crisis capability.

ICT Infrastructure Development

Technology-based improvements to the student experience

Significant investment was undertaken in improving technology available to teachers and students. This was enabled by a four year \$13 million strategic ICT investment by the USQ Council completed in 2018, which provided a major boost to operational activities. The Student Portal, UConnect, received a major upgrade to a modern, mobile responsive, and a platform able to be personalised. USQ's web search system was replaced, improving information discovery. USQ's learning management systems, USQStudyDesk and ePortfolio, received significant upgrades, maintaining their functionality and improving the experience for students. New learning analytics functionality was developed to allow capability to assist teachers improving identification and communication with students who may be falling behind. The USQ Library System was replaced with a modern cloud-based solution.

The student on-campus experience also saw significant improvements, including the strategic investment program of upgrading centrally timetabled teaching spaces across Toowoomba, Springfield and Ipswich campuses reaching completion. This has seen a significant increase in the accessibility of video conferencing from teaching spaces, facilitating synchronous teaching between campuses and hybrid sessions with on-campus and online students. Computer labs on all three campuses were upgraded with faster technology to improve their speed. The student residential colleges in Toowoomba had a new wireless network deployed providing high speed in-room internet access.

Enterprise productivity

ICT-enabled enterprise productivity continued to be enhanced with the implementation of the Microsoft Office 365 cloud technology suite providing a significant boost in email and data storage and mobile capability. National Broadband Network switchover was enabled at all campuses. The USQ finance system had a major upgrade, with significant improvements to the mobile user experience.

Research infrastructure

Computationally-intensive researchers on the Toowoomba campus have benefited from significant network speed increases through the rollout of new inter-building fibre optic connections and 10Gbps links.

USQ's Mount Kent Observatory astronomy facility had a major on-site network extension to provide for significant future expansion.

Cyber security

Cyber security remains an area of significant focus securely enabling USQ's activities. Implementation of a Cyber Security Strategy was conducted during 2018. Improvements included upgrades to malware detection with heuristic sandboxing technology which enables detection and remediation of never-seen-before threats based on their behaviour. Capacity was expanded on USQ's firewalls to accommodate significant growth in internet traffic while maintaining and extending cyber security threat detection.

Campus Development

USQ Infrastructure

A complete refurbishment of the library space at USQ Springfield delivered a high quality collaboration and study space for students.

A variety of seating options inside has allowed for multiple activities to occur, from quiet study to interactive group work. The Library was linked to the external environment with a new shaded outdoor collaboration zone reinforcing the campus Quad space and creating a more vibrant campus.

The construction of a new observatory was completed at USQ's Mount Kent Observatory facility. This observatory will support ongoing research for the Centre for Astrophysics. The new facility includes an office control space, two temperature controlled clean rooms to house spectrographs and 12 new concrete pads to support a new telescope array. The building surrounds were also enhanced with landscaping, gravel access paths and a new car park.

At the beginning of Semester 2, USQ Ipswich bookshop was relocated to L Block and integrated with the existing café. The integration has allowed for a consolidation of space and improved service delivery, as well as enhancing student activity in and around L Block by providing a more engaging social space.

A new state of the art laboratory complex was completed in the Agricultural Science and Engineering Precinct at USQ Toowoomba. The complex provides new office space for staff and PhD students in a staff administration building, four new glasshouses, a new head-house laboratory and a new microbiology laboratory space. In addition to meeting internal research needs, the complex will support external partnerships and research collaborations.

Master Planning – Stage 1

A significant planning project was initiated in 2018, which will reflect the vision for USQ campuses for the next 10 to 20 years and set out the objectives and principles that will guide informed future campus development and ensure there is space for future growth. Stage 1 of the project was completed in 2018 and provides a set of principles and priorities that will inform the subsequent development of individual campus master plans.

The newly refurbished library at the Springfield Campus was opened in September 2018.



Operational priorities

A second 39 seat inter-campus shuttle bus entered service in 2018, providing increased passenger comfort, accessibility, amenity and safety in transporting staff and students between USQ's three campuses. The popularity of the service (providing regular timetabled transport between campuses) continues to grow with just over 30,000 passengers carried between campuses in 2018. The inter-campus shuttle service is now fully compliant with the *Disability Standards for Accessible Public Transport 2002*.

The 2016–17 Strategic Asset Management System implementation resulted in a significant improvement in the information available to senior management to make evidence based investment decisions around the built estate.

Work continued on water conservation and management projects including an upgrade of the submersible water pump, rainwater capture systems and pipeline infrastructure at USQ Toowoomba's iconic Japanese Gardens to improve access between the two water dams on the Baker Street side of the Toowoomba campus.

Strengthening Crisis Capability

Crisis management capability and competency continued to improve through the provision of realistic and desktop crisis exercises requiring the Crisis Management Team to activate and manage the simulated crisis incident.

The Crisis Management Team continued to work closely with Queensland Police and other Emergency Service partners to observe, train and conduct joint exercises to mutual benefit. One such exercise was conducted in September 2018 to assess the Police, Emergency Services and USQ response to a counter terrorism scenario.

Emergency lockdown sirens were installed across USQ Toowoomba, USQ Ipswich and USQ Springfield campuses and form a vital element of the University's emergency communication framework. The sirens are only intended to be activated in the event a credible threat is confirmed and an online training module around the 'lockdown' scenario informs staff and students of appropriate actions and responses to the sirens.

The Emergency Control Organisation (warden network) was further strengthened through the provision of regular in-house training for wardens and by externally accredited training for Chief Wardens.

The Business Continuity Plans for critical business functions, developed in 2017, were integrated into the Crisis and Emergency Structure and Response Framework. The Business Continuity Plans can be considered individually or holistically as part of a broader event or training exercise and will improve the University's resilience.



Financial Statements and Appendices 2018



Institutional Performance

PERFORMANCE INDICATOR	2012	2013	2014	2015	2016	2017	2018
Student Enrolments and Load							
[a] Total Students	27227	27337	28086	28202	27478	26458	25905
[a] Total Student Enrolments	27647	27711	28620	28680	28005	26921	26318
Total Student Load	13950	13761	14385	14726	14557	14241	14016
Enrolments – Commencing Students	11520	11334	12381	11704	11274	11067	10332
Enrolments – All Undergraduate	20551	20723	20869	21392	21131	20762	20746
Enrolments – Higher Degree Research	450	497	539	598	691	752	818
Enrolments – Higher Degree Coursework	6646	6491	7212	6690	6183	5407	4754
Postgraduates as % of Total Students	26%	25%	27%	25%	25%	23%	21%
Load – All Undergraduate	11066	10906	11081	11519	11492	11350	11363
Load – All Postgraduate	2884	2855	3304	3207	3065	2891	2653
[b] Market Share and Student Demand							
USQ Share of Queensland Providers enrolments	12.1%	11.6%	11.5%	11.4%	11.0%	10.4%	*
USQ Share of Australian Distance Education enrolments	11.5%	10.3%	9.7%	9.1%	8.3%	7.6%	*
USQ Share of International Student enrolments (Australian Providers)	1.8%	1.6%	1.4%	1.2%	1.0%	0.8%	*
USQ Share of Australian graduations	1.6%	1.5%	1.4%	1.4%	1.4%	1.2%	*
USQ Share of International Distance Education enrolments	38.8%	39.2%	32.6%	29.3%	23.2%	16.9%	*
USQ Share of Queensland provider Distance Education enrolments	48.8%	46.4%	44.6%	43.7%	40.8%	42.2%	*
[c] Client Satisfaction and Teaching Quality							
[d] Overall Course Satisfaction (score/5)	3.82	3.83	3.81	3.82	3.90	3.91	3.90
Australian Graduate Survey							
[e] CEQ: % Good Teaching Satisfaction	85.8%	85.0%	85.1%	88.5%	88.1%	87%	*
[e] CEQ: % Generic Skills Satisfaction	92.6%	93.0%	93.4%	95.5%	96.0%	95%	*
[e] CEQ: % Overall Rating Satisfaction	92.7%	91.0%	90.8%	91.3%	91.9%	90%	*
[f] GDS: % Graduates in Full-Time Study	8.0%	8.7%	10.3%	11.2%	9.3%	9.0%	*
[g] GDS: % Graduates in Full-Time Employment	69.7%	69.8%	68.3%	80.5%	77.6%	72.8%	*
[h] GDS: Median Starting Salary	53000	52100	55000	63000	65700	67700	*
[i] GDS: % Graduates Seeking FT Employment	14.2%	15.2%	14.4%	9.7%	15.8%	20.6%	*
Student Performance							
[j] Student Retention	79.1%	77.4%	77.9%	76.4%	75.3%	77.6%	*
[k] Course Progression rate	79.4%	79.2%	78.0%	77.9%	78.6%	77.9%	*
Student Completions	4787	4575	4573	4599	4472	4096	*

Institutional Performance cont'd

PERFORMANCE INDICATOR	2012	2013	2014	2015	2016	2017	2018
Flexibility							
% Enrolments Internal	12.3%	13.5%	12.6%	13.4%	13.9%	11.7%	11.9%
% Enrolments External	73.4%	72.3%	72.6%	70.2%	70.1%	68.6%	66.9%
% Enrolments Multi-Modal	14.3%	14.1%	14.8%	16.4%	16.0%	19.8%	21.2%
Web-Based Subjects Offered	237	244	254	339	416	994	1033
Web-Based Student Enrolments in Courses	17530	17563	19550	27969	26705	66900	64455
Enrolment Trends							
Enrolment Density (= Ratio of Enrolments to Load)	1.95	1.99	1.95	1.92	1.89	1.86	1.85
Median Age of Students	28	28	29	29	29	29	29
[l] Research and research higher degrees							
Research Completions – PhD + Research Masters	78	64	70	60	85	78	*
Staff							
[m] Staff FTE – Academic (FT & FFT)	465	483	489	529	548	580	591
[m] Staff FTE – General (FT & FFT)	866	913	894	959	991	969	897
Casual Staff FTE	271	272	300	307	313	300	300
Student Staff Ratio (EFTS:FTE)	21.9	20.9	21.9	22.0	21.1	20.6	20.6
% Academic Staff with PhD	62%	66%	67%	67%	67%	70%	67%
% Academic Staff with Higher Degree	86%	88%	89%	88%	88%	89%	85%
Staff Separation Rate (%)	6%	6%	5%	5%	8%	6%	8%
Mean Age of Staff – Academic	50	50	50	50	51	51	50
Mean Age of Staff – General	43	43	43	44	44	43	43
% Academic Staff who are Female	49%	50%	52%	50%	50%	50%	52%
% Senior Staff who are Female	22%	22%	25%	27%	28%	26%	26%
% Staff covered by Collective Bargaining Agreements	96%	96%	96%	96%	96%	96%	96%
[n] Health and Safety							
[o] Lost Time Injury Frequency Rate (LTIFR)	3.50	4.39	4.27	5.30	3.42	5.49	5.29
Occupational Disease Rate	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
[p] Lost Work Day Rate	14.27	19.71	43.23	21.07	58.26	28.56	32.98
Fatalities	0	0	0	0	0	0	0
[q] New Workers Compensation Claims	*	29	32	27	41	19	27
[r] Average Days to Return to Work	*	14.00	13.29	12.40	8.00	11.21	4.00
[s] Average paid Days	*	11.71	12.56	42.25	34.21	18.29	10.67
Internationalisation							
Market Breadth 1: Number Countries Serviced	100	92	94	88	86	86	90
Market Breadth 2: # Countries Accounting for 80%	12	11	13	12	12	11	11
International Student Load	3362	2902	2820	2636	2217	2058	1933

Institutional Performance cont'd

PERFORMANCE INDICATOR	2012	2013	2014	2015	2016	2017	2018
Equity and Multiculturalism							
Females as % of Total Students (Domestic)	57.1%	56.8%	56.7%	56.8%	56.2%	57.3%	57.8%
Females as % of Commencing Students (Domestic)	58.6%	58.5%	58.2%	58.2%	56.9%	59.8%	59.2%
% of Females in Engineering (Domestic)	10.3%	10.7%	10.2%	9.8%	10.2%	10.1%	9.9%
Enrolments – Indigenous Students	2.2%	2.2%	2.5%	2.8%	2.9%	3.0%	3.2%
Indigenous Student Progression (Pass Rate Parity)	81.9%	85.3%	82.3%	79.1%	78.7%	81.4%	*
Enrolments – People with Disabilities	1189	1399	1534	1620	1708	1798	1741
% of Students Socioeconomically Disadvantaged	28.1%	28.1%	28.4%	28.9%	27.8%	28.3%	28.6%

* Data not available at time of publication or lags a year behind

[a] Reporting headcount and student - level of program count for consistency with reporting counts a level of program

[b] Market share is based on enrolments

[c] Client satisfaction is from data taken from USQ's internal Student Evaluation of Teaching (SET) course survey; and the Course Experience Questionnaire (CEQ) national survey of graduates. Graduate Outcomes are assessed using the Graduate Destination Survey (GDS) conducted by all universities; and a survey of employers of USQ graduates conducted by USQ

[d] Ratings are from students undertaking courses using a 5 point scale to indicate their response to the comment: "Overall, I am satisfied with this course"

[e] The CEQ percentages shown above are the proportion of all respondents that broadly agreed with the items on the two CEQ scales and the Overall Satisfaction Index. Respondents indicated broad agreement by rating the scale item as 3, 4 or 5 on a 5 point scale. The percentages shown are derived from figures supplied by GCCA which consisted of the percentage of graduates in each qualification level and broad area of study that rated the scale as 3, 4 or 5

[f] These are Australian first-degree graduates in further full-time study.

[g] This is the number of Australian first-degree graduates in full-time employment as a percentage of those available for full-time employment. 2015 figures are based on the new GOS survey. Labour Force Indicators are based on a new set of principles.

[h] These are Australian bachelor degree graduates who were in their first full-time job.

[i] The number of Australian first degree graduates in part-time employment or unemployed seeking full-time as a percentage of those available for full-time employment.

[j] Retention Rate Calculation: (Continuing Yr2) / (Total Yr1 – Grads End Yr1)

[k] Progression Rate calculations exclude Non award students

[l] 2017 Research outputs not completed or verified until June meeting of HDREC

[m] FTE refers to Full-Time staff Equivalents

[n] All system rules are applied, reported and recorded in respect with the Work Health and Safety Act 2011 (QLD) and Workers Compensation and Rehabilitation Act 2003 (QLD)

[o] LTIFR = (number of injuries x 1 000 000) / total hours worked

[p] Lost work day rate = (total lost work days/total hours worked) x 200000

[q] New statutory claims: The number of new statutory claims that have been registered during a given financial year, irrespective of the claimants' accident dates

[r] Average days to first return to work: The average number of days taken to secure any form of return to work, where the return occurs within the reporting period. Only time loss claims are included in this calculation

[s] Average paid days: The number of paid days (partial or total) on a statutory claim divided by the number of new statutory claims, in a given financial year

Note: Some data may have changed slightly from the previous Annual Report due to back dated student withdrawals or similar. If you require additional information, please contact the Editor

General Statistics

STUDENT LOAD (EFTSL)*	2016	2017	2018
Attendance			
On Campus	4811.0	4634.3	4737.4
External/Online	9745.9	9606.7	9278.2
Commencement Status			
Commencing	5673.5	5719.4	5267.2
Continuing	8883.4	8521.6	8748.4
Discipline Area			
Agriculture, Environmental and Related Studies	62.4	68.1	82.8
Architecture and Building	29.8	35.5	34.5
Creative Arts	1377.1	1019.8	945.0
Education	2654.0	2480.6	2178.1
Engineering and Related Technologies	1765.8	1622.5	1529.9
Health	1567.2	2086.0	2512.4
Information Technology	1123.4	1158.1	1099.6
Management and Commerce	1986.3	1659.1	1510.3
Natural and Physical Sciences	1506.0	1515.5	1566.1
Society and Culture	2446.1	2298.9	2250.5
Mixed Field Programmes	39.0	296.9	306.5
Program Level			
Higher Degree Research	431.9	482.8	501.9
Higher Degree Coursework	1854.0	1778.5	1734.1
Other Postgraduate	774.8	627.3	414.1
Bachelor	9449.8	9457.7	9419.8
Other Undergraduate	734.3	601.6	527.1
Enabling	1158.6	1161.1	1298.4
Cross-institutional	77.5	55.3	46.5
Non-Award	76.1	76.8	73.7
Funding Source			
Commonwealth Funded	11401.2	11235.7	11085.9
Domestic Fee-paying	657.3	611.4	644.6
International	2217.3	2053.9	1928.6
Research Training Program	281.1	339.9	356.5
TOTAL STUDENT LOAD	14556.9	14241.0	14015.6

Note:

* Figures show the EFTSL for the full year, based on annual submissions to The Department of Education

STUDENT ENROLMENTS*	2016	2017	2018
Gender			
Female	14649	14437	14321
Male	12822	11998	11562
Indeterminate/Unspecified	7	23	22
Attendance Mode			
On Campus – Toowoomba	4932	4606	4390
On Campus – Springfield	2182	2155	2199
On Campus – Ipswich	1111	1552	1986
External / Online	19253	18145	17330
Commencement Status			
Commencing	11226	11014	10300
Continuing	16252	15444	15605
Field of Education			
Architecture and Building	132	120	99
Creative Arts	3072	2829	3036
Education	5049	4694	4118
Engineering and Related Technologies	4055	3750	3701
Health	2507	3344	3683
Information Technology	1280	1264	1223
Management and Commerce	5598	4633	4062
Natural and Physical Sciences	1610	1633	1833
Society and Culture	3683	3599	3546
Non-Award	426	407	403
Mixed Field Programmes	66	185	201
Program Level			
Higher Degree Research	689	752	814
Higher Degree Coursework	4016	3661	3420
Other Postgraduate	2110	1714	1295
Bachelor	15443	15414	15247
Other Undergraduate	1795	1515	1341
Cross-institutional	402	311	305
Enabling / Non-award	3023	3091	3483
International			
Offshore	1587	919	507
On-campus	2226	2340	2339
Australian	23665	23199	23059
Indigenous			
Indigenous	691	706	730
Non-Indigenous	26787	25752	25175
TOTAL STUDENT ENROLMENTS	27478	26458	25905

*Figures show the headcount of students for the full year, based on annual submissions to The Department of Education

General Statistics cont'd

STAFF (FTE)	2016	2017	2018
ALL STAFF			
Gender			
Female	1089	1080	1037
Male	764	768	751
Classification			
Academic Staff	789	805	816
General Staff	1063	1043	972
Current Duties Term			
Tenured	1186	1196	1140
Limited Term	354	352	348
Other Term			
Casual	313	300	300
TOTAL STAFF	1852	1848	1788
ACADEMIC STAFF			
Faculty			
Faculty of Business, Education, Law and Arts	384	366	359
Faculty of Health, Engineering and Sciences	237	244	245
Open Access College	36	38	38
College for Indigenous Study, Education and Research	8	15	13
Non-faculty	124	143	161
Level			
Above Senior Lecturer	125	132	139
Senior Lecturer (C)	136	156	155
Lecturer (B)	255	262	247
Lecturer (A)	273	255	275
TOTAL ACADEMIC STAFF	789	805	816

Notes:

1. FTE indicates Full-Time Equivalence of full-time, fractional full-time and casual staff
2. Casual staff numbers are estimates provided on June 30 each year.

UNIVERSITY OF SOUTHERN QUEENSLAND
Financial Statements
for the Year Ended 31 December 2018

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UNIVERSITY OF SOUTHERN QUEENSLAND
Income Statement
for the Year Ended 31 December 2018

		2018 \$'000	2017 \$'000
	Note		
Income from continuing operations			
Australian Government financial assistance			
Australian Government grants	2	155,689	157,057
HELP-Australian Government payments	2	79,808	81,727
State and local Government financial assistance	3	4,538	3,680
HECS-HELP student payments		7,834	8,484
Fees and charges	4	58,633	55,440
Investment income	5	6,428	5,241
Royalties, trademarks and licences		16	62
Consultancy and contracts	6	10,197	4,825
Other revenue	7	5,362	4,035
		328,505	320,551
Expenses from continuing operations			
Employee related expenses	8	209,615	221,271
Depreciation and amortisation	9	20,705	18,983
Repairs and maintenance	10	6,597	5,467
Borrowing costs		499	811
Impairment of assets		(17)	(102)
Losses on disposal of assets		298	726
Other expenses	11	80,460	73,989
		318,157	321,145
70	Total expenses from continuing operations		
		318,157	321,145
	Net result before income tax	10,348	(594)
	Income tax expense	1(b)	-
	Net result attributable to the University	10,348	(594)

UNIVERSITY OF SOUTHERN QUEENSLAND
Statement of Comprehensive Income
for the Year Ended 31 December 2018

		2018	2017
		\$'000	\$'000
	Note		
Net result after income tax for the period		10,348	(594)
Items that will not be reclassified to profit or loss:			
Gain on equity instruments designated at fair value through other comprehensive income ('FVOCI')	21(a)	7,603	4,675
Gain on revaluation of property, plant and equipment	21(b)	9,790	14,684
Total comprehensive income attributable to the University		27,741	18,765

UNIVERSITY OF SOUTHERN QUEENSLAND
Statement of Financial Position
as at 31 December 2018

		2018 \$'000	2017 \$'000
	Note		
ASSETS			
Current assets			
Cash and cash equivalents	12	17,622	14,173
Receivables	13	9,054	8,237
Inventories		1,267	1,181
Other financial assets	14	136,502	151,003
Other non-financial assets	15	14,014	7,372
Total current assets		178,459	181,966
Non-current assets			
Other financial assets	14	28,856	15,702
Property, plant and equipment	16	474,646	453,890
Intangible assets	17	5,580	5,900
Other non-financial assets	15	931	423
Total non-current assets		510,013	475,915
Total assets		688,472	657,881
LIABILITIES			
Current liabilities			
Trade and other payables	18	25,411	25,837
Borrowings	19	2,263	2,144
Provisions	20	31,502	31,551
Other liabilities		1,069	1,288
Total current liabilities		60,245	60,820
Non-current liabilities			
Borrowings	19	7,206	9,474
Provisions	20	10,055	10,272
Total non-current liabilities		17,261	19,746
Total liabilities		77,506	80,566
Net assets		610,966	577,315
EQUITY			
Reserves	21	182,821	159,877
Retained earnings		428,145	417,438
Total equity		610,966	577,315

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UNIVERSITY OF SOUTHERN QUEENSLAND
Statement of Changes in Equity
for the Year Ended 31 December 2018

	Note	Reserves \$'000	Retained Earnings \$'000	Total \$'000
Balance at 1 January 2017		140,518	418,032	558,550
Net result		-	(594)	(594)
Gain on equity instruments designated at FVOCI	21(a)	4,675	-	4,675
Gain on revaluation of property, plant and equipment	21(b)	14,684	-	14,684
Total comprehensive income		19,359	(594)	18,765
Balance at 31 December 2017		159,877	417,438	577,315
Balance at 1 January 2018		159,877	417,438	577,315
Retrospective changes	1(x)	5,551	359	5,910
Balance as restated		165,428	417,797	583,225
Net result		-	10,348	10,348
Gain on equity instruments designated at FVOCI	21(a)	7,603	-	7,603
Gain on revaluation of property, plant and equipment	21(b)	9,790	-	9,790
Total comprehensive income		17,393	10,348	27,741
Balance at 31 December 2018		182,821	428,145	610,966

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UNIVERSITY OF SOUTHERN QUEENSLAND
Statement of Cash Flows
for the Year Ended 31 December 2018

		2018 \$'000	2017 \$'000
	Note		
Cash flows from operating activities			
Australian Government grants		239,019	239,972
OS – HELP (net)	30(h)	(58)	65
State Government grants		4,496	3,625
Local Government grants		42	55
HECS - HELP - student payments		7,834	8,484
Receipts from student fees and other customers		70,210	66,097
Interest received		4,697	3,702
Finance costs		(499)	(811)
Payments to suppliers and employees (incl. GST)		(302,717)	(304,316)
GST paid		(608)	(63)
Net cash provided by operating activities	29	22,416	16,810
Cash flows from investing activities			
Receipts/(payments) for financial assets		14,501	(7,001)
Proceeds from sale of non-current assets held for sale		-	3,500
Proceeds from sale of property, plant and equipment		585	449
Dividends received		500	-
Payments for property, plant and equipment		(31,122)	(16,105)
Payments for intangible assets		(1,282)	(3,659)
Net cash used in investing activities		(16,818)	(22,816)
Cash flows from financing activities			
Proceeds from borrowings		-	1,835
Repayment of borrowings		(2,149)	(1,878)
Net cash used in financing activities		(2,149)	(43)
Net Increase/(decrease) in cash and cash equivalents		3,449	(6,049)
Cash and cash equivalents at the beginning of the financial year		14,173	20,222
Cash and cash equivalents at the end of the financial year	12	17,622	14,173

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UNIVERSITY OF SOUTHERN QUEENSLAND

Notes to the Financial Statements

for the Year Ended 31 December 2018

Note 1 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years reported unless otherwise stated.

The University of Southern Queensland is a Higher Education Provider established under the *University of Southern Queensland Act 1998* and is a statutory body as defined in the *Financial Accountability Act 2009*. The University of Southern Queensland is domiciled in Australia with a principle address of West Street, Toowoomba.

(a) Basis of preparation

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

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

- *Higher Education Support Act 2003* (Financial Statement Guidelines)
- *Financial and Performance Management Standard 2009* issued pursuant to the *Financial Accountability Act 2009*
- *Australian Charities and Not-for-profits Commission Act 2012*.

The University is a not-for-profit entity and these financial 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

These financial statements were authorised for issue by the University Council on 25th February 2019.

Historical cost convention

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

Critical accounting estimates

The preparation of financial statements in conformity 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:

- Investments in equity instruments (note 14)
- property, plant and equipment (note 16)
- provisions (note 20)

(b) Income Tax

The University is exempt from Australian income tax under the provisions of Division 50 of the *Income Tax Assessment Act 1997*.

(c) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case, it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from or payable to the ATO, are presented as operating cash flows.

(d) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the University and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed are net of returns, trade allowances, duties and taxes paid.

Revenue is recognised for the University's major business activities as follows:

UNIVERSITY OF SOUTHERN QUEENSLAND
Notes to the Financial Statements
for the Year Ended 31 December 2018

Government grants

Grants from the government are recognised at their fair value where the University obtains control of the right to receive the grant, it is probable that economic benefits will flow to the University and they can be reliably measured.

HELP payments

Revenue from HELP is categorised into those received from the Australian Government and those received directly from students. Revenue is recognised and measured in accordance with the disclosure for government grants.

Student tuition fees

Student tuition fees and charges are recognised in the accounting period in which the service is provided.

Consultancy, contract/fee for service and industry research

Revenue from rendering a consultancy, a contract/fee for service or an industry research activity is recognised only when the University (i) has a right to be compensated, (ii) it is probable that compensation will be received and (iii) the amount of revenue and the stage of completion of a transaction can be reliably measured.

Bequests and donations

Bequests and donations are recognised as income in the accounting period they are received.

Investment income

Interest income is recognised as it accrues. Dividend income is recognised when the right to receive payment is established, which is generally, when shareholders approve the dividend.

Sales income

Sales income from Business Units is recognised as income in the accounting period in which it is earned.

Asset sales

The profit or loss on disposal of assets is brought to account in the income statement at the date the contract of sale becomes unconditional.

(e) Depreciation of property, plant and equipment

Items of property, plant and equipment are depreciated over their estimated useful lives using the straight-line method based on useful lives that reflect the assets' remaining service potential.

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance date.

Assets are depreciated from the month of acquisition or, in respect of assets constructed, from the time the asset is complete and ready for use.

Annual depreciation rates for the various classes are as follows:

Buildings and Infrastructure	1%—10%
Plant and Equipment:	
Computer Equipment	20%
Motor Vehicles	20%
Other Plant and Equipment	10%

Leasehold Improvements are amortised over the shorter of the useful life of the improvement or the lease period.

Depreciation rates have not changed from the prior year. Land, construction in progress and heritage and cultural assets are not depreciated.

(f) Special payments

Special payments include ex-gratia expenditure and other expenditure that the University is not contractually or legally obligated to make to other parties. In compliance with the *Financial and Performance Management Standard 2009*, the University maintains a register setting out the details of all special payments greater than \$5,000. The total of all special payments (including those of \$5,000 or less) is disclosed within Other Expenses (refer note 11).

(g) Superannuation plans

Payments to superannuation plans are expensed as incurred. Total contributions for the year are disclosed in note 8.

The UniSuper Defined Benefit Division is the predominant plan within the University. It is deemed a defined benefit contribution plan under Australian Accounting Standards. The University's obligation is limited to fixed contributions expensed each period.

UNIVERSITY OF SOUTHERN QUEENSLAND

Notes to the Financial Statements

for the Year Ended 31 December 2018

(h) Cash and cash equivalents

For statement of cash flows presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and 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.

(i) Trade receivables

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.

Contract and student trade receivables are due for settlement no more than 30 days from the date of recognition or in accordance with contract conditions.

A simplified impairment approach is adopted to calculate expected credit losses (ECL's). Therefore, the University does not track credit risk, but instead recognises a loss allowance based on lifetime ECL's at each reporting date. A provision matrix has been established, based on historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

(j) Inventories

Inventories are valued at the lower of cost and net realisable value using the weighted average method of assigning cost. Costs of purchased inventory are determined after deducting rebates and discounts.

(k) Other financial assets

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI), and fair value through profit or loss. The classification at initial recognition depends on the financial asset's contractual cash flow characteristics and the University's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the University 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.

In order for a financial asset to be classified and measured at amortised cost or FVOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The University's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines 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 (the date that the University commits to purchase or sell the asset).

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in five categories:

- (Other) financial assets at amortised costs
- (Other) financial assets designated at FVOCI
- Investments in equity instruments designated at FVOCI
- (Other) financial assets at fair value through profit or loss
- (Other) financial assets designated at fair value through profit or loss

The University holds financial assets in the following two categories:

(1) Financial assets at amortised cost

The University 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 method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The University's financial assets at amortised cost include cash and cash equivalents, trade receivables and short-term bank deposits.

UNIVERSITY OF SOUTHERN QUEENSLAND
Notes to the Financial Statements
for the Year Ended 31 December 2018

(2) Investments in equity instruments designated at FVOCI

The University has elected to classify, irrevocably, its non-listed equity investments under this category as they meet the definition of equity under AASB 132 Financial Instruments: Presentation and are not held for trading.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the income statement when the right of payment has been established, except when the University benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI.

Equity instruments designated at FVOCI are not subject to impairment assessment.

The University's investments in equity instruments at FVOCI are shares in unlisted companies. Refer note 14.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the University's statement of financial position) when:

- The rights to receive cash flows from the asset have expired or
- The University has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either the University has (a) transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

(l) Property, plant and equipment

Land, buildings, infrastructure and heritage and cultural collections are shown at fair value, based on periodic, but at least triennial, valuations by external independent valuers less subsequent accumulated depreciation if applicable.

All other property, plant and equipment is shown at historical cost, less any accumulated depreciation and impairment losses if applicable. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Any revaluation gain is credited to the property, plant and equipment revaluation reserve (refer note 21(b)). Any revaluation loss directly offsetting a previous gain in the same asset category is offset against the asset revaluation reserve, with any balance charged to the income statement.

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An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss on de-recognition of the asset (calculated as the difference between the net disposable proceeds and the carrying amount of the item) is included in the income statement in the year the item is derecognised.

Items of property, plant and equipment with an initial cost or valuation in excess of the following thresholds are recognised for financial reporting purposes in the year of acquisition:

Land	\$1
Buildings	\$10,000
Construction in progress	\$10,000
Plant and equipment	\$5,000
Leasehold improvements	\$10,000
Infrastructure	\$10,000
Heritage and cultural assets	\$1

Construction in progress

Assets under construction recognise the extent of completion of construction work, as represented by progress payments to date. Contracts signed for the purpose of construction projects that have not been completed at year end have been disclosed as commitments for capital expenditure (refer note 26(a)).

(m) Intangible assets

Software research

Expenditure on research activities is recognised in the income statement as an expense when it is incurred.

Software development

Expenditure on development activities, relating to the design and testing of new or improved products, are recognised as intangible assets when it is probable that the project will, after considering its commercial and technical feasibility, be completed and generate future economic benefits and its costs can be measured reliably.

The expenditure capitalised comprises all directly attributable costs, including costs of materials, services, direct labour and an appropriate proportion of overheads. Other development expenditure is recognised in the income statement as an expense as incurred. Intangible assets are amortised from the point at which the asset is ready for use using the straight-line method to allocate the cost over 5 years.

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

UNIVERSITY OF SOUTHERN QUEENSLAND
Notes to the Financial Statements
for the Year Ended 31 December 2018

(n) Impairment of assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised in the income statement for the amount by which the asset's carrying amount exceeds its recoverable amount, unless the asset is carried at a revalued amount in accordance with another standard. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

The impairment testing undertaken by the University indicated that there were no impaired assets during 2018.

(o) Trade and other payables

These amounts represent liabilities for goods and services provided to the University prior to the end of the financial year, which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(p) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method.

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 the borrowing and the consideration paid is recognised as other income or other expenses.

Borrowings are classified as current liabilities unless the University has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

(q) Employee benefits provision

Short-term obligations

Liabilities for wages, salaries and annual leave due but unpaid at reporting date, are recognised in the statement of financial position at the remuneration rates expected to apply at the time of settlement and include related on-costs such as payroll tax, WorkCover premiums and employer superannuation contributions.

Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

Other long-term obligations

The liability for other long-term employee benefits includes long service leave, which represents the present value of the estimated future cash outflows to be made by the employer resulting from employees' services provided up to the reporting date.

In determining the liability for employee benefits, consideration has been given to future increases in wage and salary rates, including on-costs, and the University's experience with staff turnover history.

Liabilities for employee benefits that are not expected to be settled within 12 months are discounted using the rates applicable to Commonwealth Government securities at reporting date, which most closely match the terms to maturity of the related liabilities.

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 12 months after the reporting date, in which case it would be classified as a non-current liability.

(r) Fair value measurement

The fair value of assets and liabilities must be measured for recognition and disclosure purposes. The University classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Fair value of assets or liabilities traded in active markets is based on quoted market prices for identical assets or liabilities at the reporting date (Level 1). The fair values of assets or liabilities that are not traded in an active market is determined using valuation techniques. Quoted market prices or dealer quotes for similar instruments (Level 2) are used for long-term debt instruments held. Other techniques that are not based on observable market data (Level 3) such as estimated discounted cash rate swaps are used to determine fair value for the remaining assets and liabilities.

Fair value measurement of non-financial assets is based on the highest and best use of the asset by market participants. The valuation techniques used to determine the net fair values of assets and liabilities are disclosed in note 23(c).

UNIVERSITY OF SOUTHERN QUEENSLAND
Notes to the Financial Statements
for the Year Ended 31 December 2018

(s) Controlled entities

University of Southern Queensland (South Africa) Pty Ltd.

This company was incorporated on 16/02/2000 to meet South African legislative requirements in order to deliver higher education programs in that country. The company has never traded and holds no assets or liabilities.

(t) Joint venture

Queensland College of Wine Tourism (QCWT)

The University is a 50% joint venture partner with the Queensland Department of Education in QCWT. Due to the immaterial effect of applying equity accounting, 100% of the assets, liabilities, income and expenses of the joint venture have been consolidated into these financial statements.

Separate special purpose financial statements are prepared for the joint venture and audited annually by the Queensland Audit Office.

(u) Comparative amounts

Where necessary, comparative information has been reclassified to enhance comparability in respect of changes in presentation adopted in the current year.

(v) Rounding of amounts

Amounts in the financial statements have been rounded off to the nearest thousand dollars.

(w) Prior period adjustments

Prior period adjustments that do not have a material effect on the prior year's results or financial position are corrected in the current year through equity.

(x) New accounting standards and interpretations

AASB 9 Financial Instruments

AASB 9 Financial Instruments replaces *AASB 139 Financial Instruments: Recognition and Measurement* for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The University has applied AASB 9 under the modified retrospective approach with an initial application date of 1 January 2018. Comparatives have not been restated and continue to be reported under AASB 139. Differences arising from the adoption of AASB 9 have been recognised directly in retained earnings and other components of equity.

The nature and effect of the changes as a result of adopting this standard are described below:

	Ref	1 January 2018 \$'000
Assets		
Trade receivables	(i)	359
Investment in equity instruments designated at FVOCI	(ii)	5,551
		5,910
Equity		
Retained earnings – trade receivables	(i)	359
Reserves		
Fair value reserve – investment in equity instruments designated at FVOCI	(ii)	5,551
		5,910

Classification and measurement

In accordance with the initial recognition and measurement policy for financial assets in note 1(k), the following changes in the classification of the University's financial assets have been made:

- (i) Trade receivables classified as receivables as at 31 December 2017 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These assets are therefore classified and measured as debt instruments at amortised cost beginning 1 January 2018.

UNIVERSITY OF SOUTHERN QUEENSLAND
Notes to the Financial Statements
for the Year Ended 31 December 2018

- (ii) Equity investments in non-listed companies classified as available-for-sale financial assets as at 31 December 2017 are classified and measured as investments in equity instruments designated at FVOCI beginning 1 January 2018 as the University's investments are not held for trading purposes. As a consequence of this reclassification, the University's available-for-sale financial assets reserve has been reclassified to fair value reserve. Refer note 21(a).

This adjustment represents the fair value measurement of the University's investment in AARNet Pty Limited previously measured at cost. Refer note 14(ii).

Impairment

The adoption of AASB 9 has fundamentally changed the University's accounting for impairment losses for financial assets by replacing the incurred loss approach in AASB 139 with a forward-looking expected credit loss (ECL) approach. Refer note 1(i).

Set out below is the reconciliation of the ending impairment allowances in accordance with AASB 139 to the opening loss allowances determined in accordance with AASB 9:

	Allowance for Impairment under AASB 139 as at 31 December 2017 \$'000	Re-measurement \$'000	ECL under AASB 9 as at 1 January 2018 \$'000
Impaired receivables			
Trade receivables	154	(145)	9
Student receivables	300	(213)	87
Opening retained earnings			
Retained surplus	(454)	358	(96)

(y) New accounting standards and interpretations not yet applicable

The following Australian Accounting Standards and Interpretations issued or amended are applicable to the University but are not yet effective for the 2018 financial year and have not been early adopted in the preparation of these financial statements:

Standard	Title	Issue date	Applies to reporting periods beginning or after
AASB 15	Revenue from Contracts with Customers	December 2014	1 January 2019
AASB 16	Leases	February 2016	1 January 2019
AASB 1058	Income of Not-for-Profit Entities	December 2016	1 January 2019

(1) AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities

An election has been made to adopt these new accounting standards from 1 January 2019 according to a modified retrospective approach, with adjustments made to opening retained earnings at 1 January 2019. No adjustments will be required to comparative balances.

Under the new standards, revenue currently recognised immediately under AASB 1004, may now be recognised progressively, as enforceable and specific performance obligations are satisfied under a contract with a customer. Funding received under arrangements that are neither enforceable or specific will continue to be recognised as revenue on receipt.

The University, in collaboration with six other Queensland Universities, engaged an external expert to assist in determining the financial impact of these standards on the financial statements. These impacts are set out below:

UNIVERSITY OF SOUTHERN QUEENSLAND
Notes to the Financial Statements
for the Year Ended 31 December 2018

Income Type	Revenue Recognition under AASB 15	Estimated \$ impact at 1 January 2019	Estimated \$ impact on 2019 Revenue
Commonwealth Grants Scheme and other grants	Revenue is recognised over time as tuition is provided to the student	Increase in deferred revenue/decrease in retained earnings of \$6.9M	Immaterial impact due to recognition of deferred 2018 revenue in 2019, offset by deferral of 2019 receipts to 2020 for Semester 3 student fees
Higher Education Loan Programs		Increase in deferred revenue/decrease in retained earnings of \$4.7M	
HECS-HELP Student payments		Increase in deferred revenue/decrease in retained earnings of \$0.5M	
Australian Research Council	Revenue is recognised as and when performance obligations are satisfied by transferring a service to the customer	Increase in deferred revenue/decrease in retained earnings of \$0.5M	Immaterial impact due to number and dollar value of incomplete contracts
Other Australian Government financial assistance	Revenue is recognised as and when performance obligations are satisfied by transferring a service to the customer	Increase in deferred revenue/decrease in retained earnings of \$2.2M. Increase in liabilities to third parties/decrease in retained earnings \$0.1M	
State & Local Government financial assistance	Revenue is recognised as and when performance obligations are satisfied by transferring a service to the customer	Increase in deferred revenue/decrease in retained earnings of \$0.6M. Increase in liabilities to third parties/decrease in retained earnings \$0.5M	Immaterial impact due to number and dollar value of incomplete contracts
Course fees and charges	Revenue is recognised over time as tuition is provided to the student	Increase in deferred revenue/decrease in retained earnings of \$0.9M	Immaterial impact due to recognition of deferred 2018 revenue in 2019, offset by deferral of 2019 receipts to 2020 for Semester 3 student fees
Consultancy and contracts	Revenue is recognised as and when performance obligations are satisfied by transferring a service to the customer	Increase in deferred revenue/decrease in retained earnings of \$2.6M.	Immaterial impact due to number and dollar value of incomplete contracts
Other Revenue	Revenue is recognised as and when performance obligations are satisfied by transferring a service to the customer	Increase in liabilities to third parties/decrease in retained earnings of \$0.1M	Immaterial impact

In addition to the financial impacts, this new accounting standard will require changes to the presentation and disclosures in the financial statements. In particular, accounting policies for revenue recognition (refer note 1(d)) and the critical accounting estimates note (refer note 1(a)) will be updated to reflect adoption of the new standard. Deferred revenue will be disclosed in the statement of financial position as an 'other liability' and detailed in a separate note to the financial statements if material.

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Notes to the Financial Statements
for the Year Ended 31 December 2018

(2) AASB 16 Leases

AASB 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

A lessee is required to recognise a lease liability representing the present value of its obligations to make lease payments. This calculation will take into account an appropriate discount rate and assumptions about lease terms and increases in lease payments. A corresponding right-of-use asset representing its right to use the underlying leased asset, will be recognised and depreciated over the term of the lease.

An election has been made to adopt this new accounting standard from 1 January 2019 according to a modified retrospective approach, with adjustments made to opening retained earnings at 1 January 2019. No adjustments will be required to comparative balances.

The following University lease arrangements will be impacted by this new standard as follows:

Lease type	Anticipated impact on financial statements
Short term and low value leases	Nil. Election made to continue to recognise lease payment expenses
Commercial lease of land	New lease liabilities \$0.3M New right-of-use asset \$0.3M
Non-commercial 'peppercorn' leases for land and buildings at QCWT Stanthorpe Campus	Nil. Election made to recognise the right-of-use lease asset at cost

This new accounting standard will require changes to the presentation and disclosures in the financial statements. In particular, a new accounting policy for lease liabilities will be required reflect adoption of the new standard.

UNIVERSITY OF SOUTHERN QUEENSLAND
Notes to the Financial Statements
for the Year Ended 31 December 2018

		2018 \$'000	2017 \$'000
	Note		
Note 2 Australian Government financial assistance including Australian Government Loan Programs (HELP)			
(a) Commonwealth Grant Scheme and Other Grants	30(a)		
Commonwealth Grant Scheme		129,654	129,477
Access and Participation Fund		5,347	5,674
Indigenous Student Success Program		2,243	1,939
Disability Performance Funding		101	63
Promotion of Excellence in Learning and Teaching		(80)	70
		<hr/>	<hr/>
Total Commonwealth Grant Scheme and Other Grants		137,265	137,223
(b) Higher Education Loan Programs	30(b)		
HECS-HELP		68,045	71,474
FEE-HELP		9,408	7,945
SA-HELP	30(i)	2,355	2,308
		<hr/>	<hr/>
Total Higher Education Loan Programs		79,808	81,727
(c) EDUCATION Research	30(c)		
Research Training Program		5,294	5,244
Research Support Program		3,288	3,066
		<hr/>	<hr/>
Total EDUCATION Research Grants		8,582	8,310
(d) Other Capital Funding	30(e)		
Linkage Infrastructure, Equipment and Facilities Grant		-	400
		<hr/>	<hr/>
Total Other Capital Funding		-	400
(e) Australian Research Council	30(f)		
Discovery Projects		356	416
Linkage Projects		39	80
		<hr/>	<hr/>
Total Australian Research Council		395	496
(f) Other Australian Government financial assistance	30(g)		
Capital			
Other Commonwealth		-	1,542
		<hr/>	<hr/>
Total Capital		-	1,542
Non-Capital			
Commonwealth research		8,620	8,898
Other Commonwealth		827	188
		<hr/>	<hr/>
Total Non-Capital		9,447	9,086
		<hr/>	<hr/>
Total Other Australian Government financial assistance		9,447	10,628
		<hr/>	<hr/>
Total Australian Government financial assistance		235,497	238,784

UNIVERSITY OF SOUTHERN QUEENSLAND
Notes to the Financial Statements
for the Year Ended 31 December 2018

		2018 \$'000	2017 \$'000
	Note		
Note 3 State and Local Government financial assistance			
Non-Capital			
State Government research grants		4,074	3,187
Local Government research grants		42	55
Other State Government grants		422	438
Total State and Local Government financial assistance		4,538	3,680
Note 4 Fees and charges			
Course fees and charges			
Fee paying onshore overseas students		41,914	37,365
Fee paying offshore overseas students		3,309	4,041
Continuing education		102	78
Fee paying domestic postgraduate students		2,737	3,001
Fee paying domestic undergraduate students		207	172
Fee paying domestic non award students		26	38
Other domestic course fees and charges		146	129
Total course fees and charges		48,441	44,824
Other non-course fees and charges			
Student services and amenities fees from students	30(i)	1,074	1,118
General sales and services		1,859	1,925
Residential colleges sales		2,617	2,644
Bookshop sales		3,156	3,587
Other organisational units sales		1,486	1,342
Total other fees and charges		10,192	10,616
Total fees and charges		58,633	55,440
Note 5 Investment income			
Interest			
Held to maturity investments		-	4,741
Other financial assets at amortised cost		4,528	-
Dividends			
Available for sale investments		-	500
Equity instruments designated at FVOCI		1,900	-
Net investment revenue		6,428	5,241
Note 6 Consultancy and contracts			
Consultancy		1,425	1,204
Contract research		8,772	3,621
Total consultancy and contracts		10,197	4,825

UNIVERSITY OF SOUTHERN QUEENSLAND
Notes to the Financial Statements
for the Year Ended 31 December 2018

		2018 \$'000	2017 \$'000
	Note		
Note 7 Other revenue			
Discounts received		89	85
Donations and bequests		222	207
Facilities hire		471	421
Global Learning Programs		1,087	1,102
Non-government grants		14	40
Rebates, subsidies and recoveries		1,141	929
Scholarships and prizes		323	202
Other		2,015	1,049
Total other revenue		5,362	4,035
Note 8 Employee related expenses			
Academic			
Salaries		77,572	82,054
Contributions to funded superannuation and pension schemes		12,633	12,579
Payroll tax		4,640	4,719
Worker's compensation		226	199
Long service leave expense		1,416	1,910
Annual leave		6,583	6,732
Total academic		103,070	108,193
Non-academic			
Salaries		79,691	85,273
Contributions to funded superannuation and pension schemes		13,147	13,181
Payroll tax		4,778	4,874
Worker's compensation		236	210
Long service leave expense		1,339	1,941
Annual leave		7,354	7,599
Total non-academic		106,545	113,078
Total employee related expenses		209,615	221,271
Note 9 Depreciation and amortisation			
Depreciation - property, plant and equipment	16	19,104	18,031
Amortisation - intangible assets	17	1,601	952
Total depreciation and amortisation		20,705	18,983
Note 10 Repairs and maintenance			
Buildings		1,575	2,227
Other		5,022	3,240
Total repairs and maintenance		6,597	5,467

UNIVERSITY OF SOUTHERN QUEENSLAND
Notes to the Financial Statements
for the Year Ended 31 December 2018

	2018 \$'000	2017 \$'000
Note		
Note 11 Other expenses		
Advertising, marketing and promotional expenses	3,986	4,151
Cleaning materials and services	2,240	2,226
Commissions	7,444	7,298
Cost of goods sold	3,101	3,270
Information technology expenses	8,153	5,946
Losses – public moneys (a)	1	15
Non-capitalised equipment	5,528	3,906
Printing, copying and stationery	1,297	1,403
Professional and consultancy fees	8,087	6,500
Research expenditure and grants contributions	4,258	2,946
Scholarships, grants and prizes	9,548	8,758
Special Payments - ex gratia payments (b)	271	62
- out of court settlements (c)	-	1
Teaching materials	5,364	5,064
Telecommunications	1,263	1,426
Travel, entertainment and staff recruitment and development	6,621	6,870
Utilities and services	7,324	7,967
Other	5,974	6,180
Total other expenses	80,460	73,989

(a) Non-refundable cost of change to contract conditions (2017)

(b) Staff payments on termination of employment

(c) Staff payment

Note 12 Cash and cash equivalents

Cash at bank	7,845	4,982
Cash on hand	38	37
Deposits at call	9,739	9,154
Total cash and cash equivalents	17,622	14,173

Cash on hand is non-interest bearing. Cash at bank earns interest at floating rates based on daily bank deposits rates. Deposits at call earn interest at a weighted average floating interest rate of 2.47% (2017 – 2.49%).

Note 13 Receivables

General and student receivables		
General receivables	3,053	4,326
Student receivables	509	1,082
Less: provision for impaired receivables	1(x) (81)	(454)
Total general and student receivables	3,481	4,954
Other receivables		
Net GST receivable	1,428	820
Accrued revenue	4,145	2,463
Total other receivables	5,573	3,283
Total receivables	9,054	8,237

UNIVERSITY OF SOUTHERN QUEENSLAND
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for the Year Ended 31 December 2018

2018 **2017**
\$'000 **\$'000**

Note 14 Other financial assets

Current

Other financial assets at amortised cost 136,502 151,003

Total current other financial assets

136,502 151,003

Comprise short term deposits invested for periods of greater than 90 days and less than 12 months depending on the immediate cash requirements of the University and bear floating rates between 2.70% and 2.85% (2017 – 2.50% and 2.74%).

Non-current

Investments in equity instruments designated at FVOCI 28,856 15,702

Total non-current other financial assets

28,856 15,702

Non-current financial assets comprise:

- (i) 10,000 ordinary shares in Education Australia Limited, an unlisted company owned by 38 Australian universities which holds a material investment in IDP Australia Limited, a public company listed on the Australian Stock Exchange.
- (ii) Two ordinary shares in AARNet Pty Limited, a not-for-profit private company owned by 38 Australian Universities and the CSIRO. These shares have been recorded for the first time this year at fair value requiring an adjustment to the opening balance of the Financial Assets Reserve. Refer notes 1(x) and 21(a).

The University has determined the fair value of the above investments with the assistance of an independent valuer. Note 23(c) provides information about the valuation techniques adopted in determining fair values.

Note 15 Other non-financial assets

Current

Prepayments 14,007 7,372
 Deposits/Bonds 7 -

Total current other non-financial assets

14,014 7,372

Non-current

Prepayments 931 423

Total non-current other non-financial assets

931 423

UNIVERSITY OF SOUTHERN QUEENSLAND
Notes to the Financial Statements
for the Year Ended 31 December 2018

Note 16 Property, plant and equipment

	Construction in progress	Freehold land	Freehold buildings	Plant & equipment	Leasehold improvements	Motor vehicles	Computing equipment	Heritage & cultural assets	Infrastructure assets	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2017										
Cost	5,089	-	-	31,293	-	3,282	11,169	-	-	50,833
Valuation	-	35,870	523,065	-	-	-	-	2,105	41,343	602,383
Accumulated depreciation	-	-	(169,952)	(18,877)	-	(1,642)	(8,019)	-	(12,418)	(210,908)
Net book amount	5,089	35,870	353,113	12,416	-	1,640	3,150	2,105	28,925	442,308
Year ended 31 December 2017										
Opening net book amount	5,089	35,870	353,113	12,416	-	1,640	3,150	2,105	28,925	442,308
Revaluation surplus (note 21(b))	-	1,611	12,843	-	-	-	-	36	194	14,684
Additions	8,969	-	-	3,057	2,102	1,083	854	40	-	16,105
Disposals/write down	-	-	(677)	(98)	-	(379)	(22)	-	-	(1,176)
Transfers	(11,961)	-	4,971	-	-	-	-	-	6,990	-
Depreciation charge (note 9)	-	-	(12,910)	(2,280)	(167)	(512)	(1,101)	-	(1,061)	(18,031)
Closing net book amount	2,097	37,481	357,340	13,095	1,935	1,832	2,881	2,181	35,048	453,890
At 31 December 2017										
Cost	2,097	-	-	33,176	2,102	3,459	9,859	-	-	50,693
Valuation	-	37,481	547,165	-	-	-	-	2,181	48,456	635,283
Accumulated depreciation	-	-	(189,825)	(20,081)	(167)	(1,627)	(6,978)	-	(13,408)	(232,086)
Net book amount	2,097	37,481	357,340	13,095	1,935	1,832	2,881	2,181	35,048	453,890
Year ended 31 December 2018										
Opening net book amount	2,097	37,481	357,340	13,095	1,935	1,832	2,881	2,181	35,048	453,890
Revaluation surplus (note 21(b))	-	1,870	6,958	-	-	-	-	19	943	9,790
Additions	21,362	2,307	1,982	3,025	-	1,198	982	18	249	31,123
Disposals/write down	(170)	-	-	(307)	-	(575)	-	(1)	-	(1,053)
Transfers	(22,113)	-	17,639	245	52	-	-	-	4,177	-
Depreciation charge (note 9)	-	-	(13,584)	(2,350)	(187)	(549)	(1,168)	-	(1,266)	(19,104)
Closing net book amount	1,176	41,658	370,335	13,708	1,800	1,906	2,695	2,217	39,151	474,646
At 31 December 2018										
Cost	1,176	-	-	34,966	2,001	3,524	10,734	-	-	52,401
Valuation	-	41,658	585,722	-	-	-	-	2,217	53,572	683,169
Accumulated depreciation	-	-	(215,387)	(21,258)	(201)	(1,618)	(8,039)	-	(14,421)	(260,924)
Net book amount	1,176	41,658	370,335	13,708	1,800	1,906	2,695	2,217	39,151	474,646

UNIVERSITY OF SOUTHERN QUEENSLAND
Notes to the Financial Statements
for the Year Ended 31 December 2018

		2018 \$'000	2017 \$'000
Note			
Independent valuers performed the following valuations at 31 December 2018:			
•	desktop valuation of land, building and infrastructure assets (last comprehensive valuation was performed as at 31 December 2016)		
•	desktop valuation of heritage and cultural assets (last comprehensive valuation was performed as at 31 December 2017)		
Note 17 Intangibles			
Software development costs			
	Opening balance – 1 January	5,900	3,193
	Additions	1,281	3,659
	Amortisation charge	9 (1,601)	(952)
	Closing balance – 31 December	5,580	5,900
	Cost	18,844	17,563
	Accumulated amortisation	(13,264)	(11,663)
	Total intangibles	5,580	5,900

Note 18 Trade and other payables

Current

	OS-HELP liability to Australian Government	30(h) 32	90
	Trade payables	6,742	4,367
	Accrued expenses and other creditors	18,637	13,880
	Acquisition of assets	-	7,500
	Total current trade and other payables	25,411	25,837

The payables for the acquisition of assets relate to the remaining instalments due on the University's purchase of the Ipswich Campus of the University of Queensland in January 2015. The final payment was made in January 2018.

Note 19 Borrowings

	Current - Unsecured loans	2,263	2,144
	Total current borrowings	2,263	2,144
	Non-current - Unsecured loans	7,206	9,474
	Total non-current borrowings	7,206	9,474
	Total borrowings	9,469	11,618

(a) Class of borrowings - Unsecured loans

Queensland Treasury Corporation (QTC) provided a 10-year, variable interest rate, \$15 million loan in June 2011 to assist the University in the purchase of land and buildings at the Springfield Campus. In April 2016, the interest rate terms on this loan converted to a fixed 6.22% per annum.

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	2018 \$'000	2017 \$'000
Note		
QTC provided a \$4 million loan in December 2016 to assist the University to install a sustainable energy solution across the three Campuses. This loan is repayable over a 10-year period at a fixed interest rate of 3.03% per annum. An additional \$1.835 million was drawn in December 2017, repayable over a 10-year period at a fixed interest rate of 3.0% per annum.		
(b) Fair value		
The carrying amounts and fair values of the borrowings at balance date are:		
Carrying amount	9,469	11,618
Fair value	9,765	12,059
The carrying amount of the QTC loans are measured at the amortised cost of the future cash outflows using the effective interest rate method. This method exactly discounts the estimated future cash payments to the net carrying amount of the loan, that being the current book value.		
Note 20 Provisions		
Current provisions expected to be settled within 12 months		
Employee benefits		
Long service leave	4,462	4,433
Annual leave	12,909	13,082
Total within 12 months	17,371	17,515
Current provisions expected to be settled after more than 12 months		
Employee benefits		
Long service leave	14,131	14,036
Total after more than 12 months	14,131	14,036
Total current provisions	31,502	31,551
Non-current		
Employee benefits		
Long service leave	10,055	10,272
Total non-current provisions	10,055	10,272
Total provisions	41,557	41,823
Note 21 Reserves		
(a) Fair value reserve		
Balance – 1 January	15,702	11,027
Retrospective changes	5,551	-
Restated balance – 1 January	21,253	11,027
Fair value gains (i)	7,603	4,675
Balance – 31 December	28,856	15,702
(b) Property, plant and equipment revaluation reserve		
Balance – 1 January	144,175	129,491
Net gain/(loss) on revaluation (i)	9,790	14,684
Balance – 31 December	153,965	144,175
Total reserves	182,821	159,877

(i) Represents fluctuations in the fair value of assets held.

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Note 22 Financial risk management

The University's financial instruments comprise cash at bank, receivables, short-term deposits held by banks, investments in equity instruments, accounts payable and borrowings.

The University's activities expose it to a variety of financial risks: market risk (including currency risk, price risk and cash flow interest rate risk), credit risk and liquidity risk. The University's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the University.

(a) Market risk

(i) Foreign exchange (currency) risk

Foreign exchange risk represents the potential for loss from fluctuating foreign currency rates. To mitigate this risk, where possible, the University negotiates international contracts and charges overseas student in Australian dollars. Management does not consider the financial impact of foreign exchange risk to be material and no further disclosures are provided.

(ii) Price risk

Price risk represents the risk of a decline in value of an investment due to changes in market prices. The University holds investments in unlisted companies only (refer note 14), As these investments are not publicly traded, they are not subject to price risk.

(iii) Cash flow interest rate risk

Interest rate risk represents the effect that a fluctuating interest rate may have on the financial performance and position of the entity. The University manages its short-term cash flow risk by investing in a mixture of on-call cash funds and fixed term deposits with maturities between 90 days and 12 months and by borrowing long-term funds on a fixed rate basis.

The following tables summarise the sensitivity of the University's financial assets and financial liabilities to cash flow interest rate risk. A sensitivity of +/- 1% has been used to represent reasonably possible changes in interest rates over a 12 month period.

31 December 2018	Carrying Amount \$'000			Interest Rate Risk + 1%		Interest Rate Risk - 1%	
	Total \$'000	Maturity < 1 year \$'000	Maturity > 1 year \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000
<i>Financial assets</i>							
Cash and cash equivalents	17,622	17,622	-	159	159	(159)	(159)
Receivables	9,054	9,054	-	-	-	-	-
Term deposits	136,502	136,502	-	1,438	1,438	(1,438)	(1,438)
Unlisted shares	28,856	-	28,856	-	-	-	-
	192,034	163,178	28,856				
<i>Financial liabilities</i>							
Payables	25,411	25,411	-	-	-	-	-
Borrowings	9,469	2,263	7,206	-	-	-	-
	34,880	27,674	7,206				
Total incl/(dec)				1,597	1,597	(1,597)	(1,597)

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31 December 2017	Carrying Amount \$'000			Interest Rate Risk + 1%		Interest Rate Risk - 1%	
	Total	Maturity < 1 year	Maturity > 1 year	Result	Equity	Result	Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Financial assets</i>							
Cash and cash equivalents	14,173	14,173	-	172	172	(172)	(172)
Receivables	8,237	8,237	-	-	-	-	-
Term deposits	151,003	151,003	-	1,475	1,475	(1,475)	(1,475)
Unlisted shares	15,702	-	15,702	-	-	-	-
	189,115	173,413	15,702				
<i>Financial liabilities</i>							
Payables	25,837	25,837	-	-	-	-	-
Borrowings	11,618	2,144	9,474	-	-	-	-
	37,455	27,981	9,474				
Total inc/(dec)				1,647	1,647	(1,647)	(1,647)

(b) Credit risk

Credit risk represents the risk that a customer may default on the payment of a debt. The maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is the carrying amount of those assets as indicated in the financial statements.

The University does not have any material credit risk exposure to any single receivable or group of receivables.

(c) Liquidity risk

Liquidity risk represents the risk that an entity may have insufficient funds to meet its short term financial obligations. The University manages liquidity risk by maintaining a balance between continuity of funding, flexible deposits and accessibility to loan facilities when required. As the tables in note 22(a)(iii) indicate, the University maintains a significant excess in the carrying value of financial assets over financial liabilities. Management therefore do not consider liquidity to be a material risk to the financial performance or position of the University and no further disclosures are provided.

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Note 23 Fair value measurements

(a) Fair value measurement

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The carrying value, less impairment provision where applicable, for all financial assets and financial liabilities (except for borrowings) approximate their fair values. For the fair value of borrowings, refer to note 19(b).

(b) Fair value hierarchy

The University categorises assets and liabilities measured at fair value into a hierarchy based on the following level of inputs used in measurement:

- Level 1 – quoted priced (unadjusted) in active markets for identical assets or liabilities
- Level 2 – inputs other than quoted prices within Level 1 that are observable for the assets 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 University measures and recognises the following assets and liabilities at fair value in the statement of financial position according to these levels on a recurring and non-recurring basis as indicated:

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Fair value measurements at 31 December 2018

	Note	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Recurring fair value measurements					
Financial assets					
Equity investments at FVOCI	14	28,856	-	-	28,856
Total financial assets		28,856	-	-	28,856
Non-financial assets					
Land	16	41,658	-	-	41,658
Buildings	16	370,335	-	-	370,335
Infrastructure	16	39,151	-	-	39,151
Heritage and cultural collection	16	2,217	-	2,217	-
Total non-financial assets		453,361	-	2,217	451,144

Fair value measurements at 31 December 2017

	Note	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Recurring fair value measurements					
Financial assets					
Equity investments at FVOCI	14	15,702	-	-	15,702
Total financial assets		15,702	-	-	15,702
Non-financial assets					
Land	16	37,481	-	-	37,481
Buildings	16	357,340	-	-	357,340
Infrastructure	16	35,048	-	-	35,048
Heritage and cultural collection	16	2,181	-	2,181	-
Total non-financial assets		432,050	-	2,181	429,869

(c) Valuation techniques used to derive level 2 and 3 fair values

Recurring fair value measurements

Equity investments at FVOCI (level 3) – shares in an unlisted public company have been valued on a combined methodology approach, using quoted prices adjusted for non-observable inputs for listed investments combined with a cost approach for other assets and liabilities of the company. Shares in an unlisted private not-for-profit company have been valued using an assets based methodology.

Land (level 3) – initially assessed using a market approach (direct comparison) and then applying a discount to the rate per square metre to acknowledge the specialised nature and use of University land.

Buildings and infrastructure (level 3) – a market approach is not available given the limited comparable sales of these specialised use assets. Valuations were therefore undertaken using a current replacement cost approach. This approach estimates the replacement cost of the asset utilising market data and cost guides available on current construction costs and depreciates those costs, based on condition and age factors, to arrive at the fair value. This approach incorporates componentisation and residual values where appropriate.

Heritage and cultural collection (art collection) (level 2) – valuation is based on using inputs other than quoted prices that are observable for the artwork, including auction records, consultation with art dealers and private sale information. Comparisons are then made with current market prices for similar assets and adjustments made accordingly.

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(d) Fair value measurements using significant unobservable inputs (level 3)

The following table summarises the quantitative information about the significant unobservable inputs used in the level 3 fair value measurements:

Description	Fair value 31.12.18 \$'000	Unobservable inputs	Range of inputs (probability weighted average)	Relationship of unobservable inputs to fair value
Land	41,658	Indexing of price per square metre	10% / -10%	If the indexation rate increased/decreased by 10%, the fair value would increase/decrease by \$186,969
Buildings	370,335	Indexing of gross replacement costs	10% / -10%	If the indexation rate increased/decreased by 10%, the fair value would increase/decrease by \$9,662,584
Infrastructure	39,151	Indexing of gross replacement costs	10% / -10%	If the indexation rate increased/decreased by 10%, the fair value would increase/decrease by \$940,645
Unlisted equity instruments <i>Shares in Education Australia Limited</i>	22,933	Net assets (excluding investment in IDP) per unaudited accounts.	10% / -10%	If net assets increased/decreased by 10%, the fair value would increase/decrease by \$13,000
		30% discount applied to value of shares held in listed entity, IDP Australia Limited, to reflect liquidity issues and restrictive shareholder agreement. Value based on IDP Australia Ltd ASX share price at 31 December 2018.	10% / -10%	If the application of the discount is higher or lower by 10%, the fair value would decrease/increase by \$977,000
Unlisted equity instruments <i>Shares in AARNet Pty Limited</i>	5,923	Net assets per unaudited accounts.	10% / -10%	If net assets increased/decreased by 10%, the fair value would increase/decrease by \$592,000

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Note 24 Key management personnel disclosures

(a) Names of responsible persons and executive officers

The following persons, holding positions that had authority and responsibility for planning, directing and controlling the activities of the University, were the key management personnel of the University during the financial year:

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Council Member	Position	Appointed/(Ceased) to Council
Mr John Dornbusch	Chancellor	
Professor Geraldine Mackenzie ¹	Vice-Chancellor	
Professor Aileen Cater-Steel ¹	Chair, Academic Board	(20.02.2018)
Associate Professor Alexander Kist ¹	Acting Chair, Academic Board	21.02.2018/(30.07.2018)
Professor Grant Daggard ¹	Chair, Academic Board	31.07.2018
Associate Professor Pauline Collins ¹	Academic Staff Member	
Mrs Mary McGilvray ¹	Non-Academic Staff Member	
Mr Peter Becker	Student Member	
Ms Rachel Barlow	Governor-in-Council Member	
Mr Chris Bazley	Governor-in-Council Member	
Dr A Carol Cox AM	Governor-in-Council Member	
Mr Brett Delaney	Governor-in-Council Member	
Detective Chief Superintendent Charysse Pond APM	Governor-in-Council Member	
Ms Jan Boys	Additional Member and Deputy Chancellor	
Mr George Fox	Additional Member	

¹ Council members who were also University employees.

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Executive Officers	Position	Appointed/(Ceased) as a KMP²
Professor Geraldine Mackenzie	Vice-Chancellor	
Professor Janet Verbyla	Senior Deputy Vice-Chancellor	(16.02.2018)
Professor Mark Harvey	Deputy Vice Chancellor (Research and Innovation)	
Mr Carl Rallings	Deputy Vice-Chancellor (Students and Communities)	(12.08.2018)
Mrs Helen Nolan	Head (Students and Communities)	13.08.2018
Mr Athol Kerridge	Chief Financial Officer	
Mr Ian Hawke	Acting Deputy Vice-Chancellor (Enterprise Services)	(14.01.2018)
Mr Michael Thomas	Deputy Vice-Chancellor (Enterprise Services)	15.01.2018
Professor Barbara de la Harpe	Executive Dean, Faculty of Business, Law and Arts	01.01.2018
Professor Glen Coleman	Executive Dean, Faculty of Health, Engineering and Sciences	01.01.2018
Professor Helen Partridge	Pro Vice-Chancellor (Education)	01.01.2018

² The appointed/(ceased) dates reflect the commencement/cessation in the KMP role and may not necessarily reflect employment service dates with the University.

Further information in relation to the Council and the Executive appears in the body of the Annual Report under the section relating to Governance and Senior Executive.

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(b) Remuneration of Council Members and Executives

Council members who were not University employees received remuneration in accordance with the approved Council Remuneration Policy and associated Council Remuneration Schedule. Council members who were also University employees received only their substantive role remuneration while attending to Council business. Council members who were also public service employees of other entities received remuneration by their employing entity in accordance with arrangements with that entity. The University accepts financial responsibility for travel costs related to Council meetings and Council activities.

The Remuneration Sub-Committee of the University Council sets executive remuneration policy of the University's key executive management personnel appointed by Council. The remuneration and other terms of employment for the key executive management personnel are specified in employment contracts.

The remuneration of Council members and Executives appear in the tables below.

	2018	2017
Remuneration of Council Members (excl. Vice-Chancellor)		
\$ Nil - \$ 14,999	1	2
\$ 15,000 - \$ 29,999	-	2
\$ 30,000 - \$ 44,999	3	3
\$ 45,000 - \$ 54,999	1	-
\$ 60,000 - \$ 74,999	2	2
\$ 75,000 - \$ 89,999	-	1
\$ 90,000 - \$104,999	1	-
\$105,000 - \$119,999	1	1
	9	11

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	2018	2017
Remuneration of Executives (incl. Vice-Chancellor)		
\$ 60,000 - \$ 74,999	1	-
\$ 75,000 - \$ 89,999	-	2
\$105,000 - \$119,999	1	-
\$195,000 - \$209,999	-	1
\$225,000 - \$239,999	1	-
\$285,000 - \$299,999	1	-
\$315,000 - \$329,999	1	1
\$345,000 - \$359,999	3	-
\$360,000 - \$374,999	-	1
\$375,000 - \$389,999	1	1
\$405,000 - \$419,999	1	1
\$570,000 - \$584,999	-	1
\$645,000 - \$659,999	1	-
	11	8

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2018 **2017**
\$'000 **\$'000**

(c) Key management personnel compensation

Remuneration packages for key executive management personnel comprise the following:

- Short-term employee benefits which include:
 - Base - consisting of base salary, allowances and leave entitlements paid during 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 income statement
 - Non-monetary benefits - consisting of provision of motor vehicle and other non-cash benefits together with fringe benefits tax applicable to each benefit
- Long-term employee benefits include long service leave paid
- Post-employment benefits include employer superannuation contributions
- Redundancy payments are provided for within individual contracts of employment. Contracts of employment may also provide for notice periods or payment in lieu of notice on termination, regardless of the reason for termination
- Performance bonuses are not paid to Executive Officers at the University.

Short-term employee benefits	3,311	2,567
Post-employment benefits	469	359
Other long term benefits	108	-
Termination benefits	183	-
Total	4,071	2,926

Three existing University Senior Executives were added to the list of key management personnel in 2018, following a change to the membership of the Vice-Chancellor's Executive from 1 January 2018.

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(d) Loans to key management personnel

No loans were made, guaranteed or secured, directly or indirectly by the University to any key management personnel during the year.

(e) Other transactions with key management personnel

There were no other transactions with key management personnel during the year.

Note 25 Remuneration of auditors

During the year, the following fees were paid for services provided by the auditor of the University:

Audit of financial statements

Fees paid to Queensland Audit Office	188	188
Total paid for audit and review	188	188

Note 26 Commitments for expenditure

Capital expenditure commitments

Capital expenditure contracted for at the reporting date but not recognised as liabilities, payable as follows:

(a) Property, plant and equipment – within one year	3,408	18,199
Total property, plant and equipment expenditure commitments	3,408	18,199

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2018 **2017**
\$'000 **\$'000**

Property, plant and equipment commitments in 2017 included major building works for the Agricultural Science and Engineering Precinct at the Toowoomba Campus.

(b) Intangible assets

– within one year

6 441

Total intangible assets expenditure commitments

6 441

Note 27 Related parties

(a) Key management personnel

Disclosures relating to Council members and executive officers are set out in note 24.

(b) Transactions with related parties

The following transactions occurred during the year with the QCWT (refer note 1(t)):

Sale of goods and services	\$ 24,790
Purchase of goods and services	\$ 28,134
Contribution to Learning Program	\$ 50,000
Joint Venture capital contribution	\$250,000

Note 28 Monies held in trust

The University administers a bank account (AusAID) to facilitate the distribution of grants to students from third world countries. As the University performs a custodial role in respect of transactions and balances, they are not recognised in the financial statements.

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Note 29 Reconciliation of net result to net cash provided by operating activities

Net result for the period	10,348	(594)
Depreciation and amortisation	20,705	18,983
Net loss on sale of non-current assets	298	726
Change in assets and liabilities		
(Increase) / decrease in receivables	(958)	(467)
(Increase) / decrease in inventories	(86)	88
(Increase) / decrease in other non-financial assets	(7,149)	(936)
Increase / (decrease) in trade and other payables	(258)	(1,966)
Increase / (decrease) in provisions	(265)	844
Increase / (decrease) in other liabilities	(219)	132
Net cash provided by operating activities	22,416	16,810

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Note 30 Acquittal of Australian Government financial assistance

Note 30(a) EDUCATION – CGS and Other EDUCATION Grants

	Commonwealth Grant Scheme #1		Access and Participation Fund		National Priorities Pool		Higher Education Partnership Project Funding	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Financial Assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programs)	127,963	131,017	5,347	5,674	-	-	-	-
Net accrual adjustments	1,691	(1,540)	-	-	-	-	-	-
Revenue for the period	129,654	129,477	5,347	5,674	-	-	-	-
Surplus/(deficit) from the previous year	-	-	-	-	77	140	298	839
Total revenue including accrued revenue	129,654	129,477	5,347	5,674	77	140	298	839
Less expenses including accrued expenses	(129,654)	(129,477)	(5,347)	(5,674)	(77)	(63)	(298)	(541)
Surplus/(deficit) for reporting period	-	-	-	-	-	77	-	298

Note

2(a)

2(a)

	Indigenous Student Success Program #2		Disability Performance Funding #3		Promotion of Excellence in Learning & Teaching		Total	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Financial Assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programs)	2,249	1,964	101	63	(80)	70	135,580	138,788
Net accrual adjustments	(6)	(25)	-	-	-	-	1,685	(1,565)
Revenue for the period	2,243	1,939	101	63	(80)	70	137,265	137,223
Surplus/(deficit) from the previous year	-	-	17	-	124	75	516	1,054
Total revenue including accrued revenue	2,243	1,939	118	63	44	145	137,781	138,277
Less expenses including accrued expenses	(2,243)	(1,939)	(92)	(46)	(8)	(21)	(137,719)	(137,761)
Surplus/(deficit) for reporting period	-	-	26	17	36	124	62	516

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

#2 Replaced Indigenous Commonwealth Scholarships Program and Indigenous Support Program as of 1 January 2017

#3 Includes Additional Support for Students with Disabilities and Australian Disability Clearinghouse on Education and Training

Note 30(b) Higher Education Loan Programs (excluding OS-HELP)

	HECS-HELP <small>(Australian Government payments only)</small>		FEE-HELP		SA-HELP		Total	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Financial Assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programs)	73,557	71,134	9,193	7,886	2,272	2,330	85,022	81,350
Net accrual adjustments	(5,512)	340	215	59	83	(22)	(5,214)	377
Revenue earned	68,045	71,474	9,408	7,945	2,355	2,308	79,808	81,727
Surplus/(deficit) from the previous year	-	-	-	-	-	-	-	-
Total revenue including accrued revenue	68,045	71,474	9,408	7,945	2,355	2,308	79,808	81,727
Less expenses including accrued expenses	(68,045)	(71,474)	(9,408)	(7,945)	(2,355)	(2,308)	(79,808)	(81,727)
Surplus/(deficit) for reporting period	-	-	-	-	-	-	-	-

Note

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

Net accrual adjustments

Revenue earned

Surplus/(deficit) from the previous year

Total revenue including accrued revenue

Less expenses including accrued expenses

Surplus/(deficit) for reporting period

2(b)

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Note 30(c) Department of Education and Training – Research Programs #4

	Research Training Program		Research Support Program		Total	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
	5,295	5,244	3,282	3,066	8,577	8,310
	(1)	-	6	-	5	-
	5,294	5,244	3,288	3,066	8,582	8,310
	834	1,420	77	173	911	1,593
	6,128	6,664	3,365	3,239	9,493	9,903
	(6,128)	(5,830)	(3,365)	(3,162)	(9,493)	(8,993)
	-	834	-	77	-	910

Note

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

Net accrual adjustments

Revenue for the period

Surplus/(deficit) from the previous year

Total revenue including accrued revenue

Less expenses including accrued expenses

Surplus/(deficit) for reporting period

#4 Any reported surpluses for 2018 will be rolled over for future use by the University

Note 30(d) Total Higher Education Provider Research Training Program expenditure

Total Domestic Students		Total Overseas Students	
2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
3,585	3,511	132	209
2,116	1,918	294	186
-	-	-	6
5,701	5,429	426	401

Research Training Program Fees offsets

Research Training Program Stipends

Research Training Program Allowances

Total Support

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Note 30(e) Other Capital Funding

	Linkage Infrastructure, Equipment and Facilities Grant		Total	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Note				
Financial Assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programs)	-	400	-	400
Net accrual adjustments	-	-	-	-
Revenue for the period	-	400	-	400
Surplus/(deficit) from the previous year	400	-	400	-
Total revenue including accrued revenue	400	400	400	400
Less expenses including accrued expenses	(400)	-	(400)	-
Surplus/(deficit) for reporting period	-	-	-	-

2(d)

Note 30(f) Australian Research Council Grants

	Discovery Projects		Linkage Projects		Total	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Note						
Financial Assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programs)	356	416	39	80	395	496
Net accrual adjustments	-	-	-	-	-	-
Revenue for the period	356	416	39	80	395	496
Surplus/(deficit) from the previous year	409	122	158	106	567	228
Total revenue including accrued revenue	765	538	197	186	962	724
Less expenses including accrued expenses	(458)	(129)	(18)	(28)	(476)	(157)
Surplus/(deficit) for reporting period	307	409	179	158	486	567

2(e)

UNIVERSITY OF SOUTHERN QUEENSLAND
Notes to the Financial Statements
for the Year Ended 31 December 2018

Note 30(g) Other Australian Government Financial Assistance

	2018	2017
	\$'000	\$'000
	9,447	10,628
	(9,319)	(9,730)
Net Cash Received	128	898
Cash surplus/(deficit) from the previous year	898	-
Cash surplus/(deficit) for the reporting period	1,026	898

Note

2(f)

Cash received during the reporting period

Cash spent during the reporting period

Net Cash Received

Cash surplus/(deficit) from the previous year

Cash surplus/(deficit) for the reporting period

Note 30(h) OS - HELP

	2018	2017
	\$'000	\$'000
	(3)	92
	(55)	(27)
Net Cash Received	(58)	65
Cash surplus/(deficit) from the previous year	90	25
Cash surplus/(deficit) for the reporting period	32	90

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Cash received during the reporting period

Cash spent during the reporting period

Net Cash Received

Cash surplus/(deficit) from the previous year

Cash surplus/(deficit) for the reporting period

UNIVERSITY OF SOUTHERN QUEENSLAND
Notes to the Financial Statements
for the Year Ended 31 December 2018

Note 30(i) Student Services and Amenities Fee

Note

	2018 \$'000	2017 \$'000
Unspent/(overspent) revenue from previous period	1,957	1,910
SA-HELP revenue earned	2,355	2,308
Student services fees direct from students	1,074	1,118
Total revenue expendable in period	5,386	5,336
Student services expenses during period	(3,768)	(3,379)
Unspent/(overspent) student services revenue	1,618	1,957

2(b)

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**University of Southern Queensland
Management Certificate**

We have prepared the annual financial statements pursuant to the provisions of the *Financial Accountability Act 2009* and other prescribed requirements and we certify that:

- (a) the financial statements are in agreement with the accounts and records of the University of Southern Queensland; and
- (b) in our opinion –
 - (i) the prescribed requirements for establishing and keeping the 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 Southern Queensland for the period of 1 January 2018 to 31 December 2018 and of the financial position as at 31 December 2018 in accordance with prescribed accounting standards and conform with the Guidelines for Australian Higher Education Providers 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 reporting period was for the purposes for which it was intended and the University of Southern Queensland has complied with applicable legislation, contracts, agreements and program guidelines in making expenditure;
 - (v) the University of Southern Queensland 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; and
 - (vi) the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

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J DORNBUSCH
Chancellor

Date – 25th February 2019



G MACKENZIE
Vice-Chancellor

Date – 25th February 2019



A KERRIDGE
Chief Financial Officer

Date –25th February 2019



INDEPENDENT AUDITOR'S REPORT

To the Council of the University of Southern Queensland

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of the University of Southern Queensland.

In my opinion, the financial report:

- a) gives a true and fair view of the entity's financial position as at 31 December 2018, 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 2009, 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 statement of financial position as at 31 December 2018, the income statement, statement of comprehensive income, statement of changes in equity and statement 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 Chief Financial Officer.

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Basis for opinion

I conducted my audit in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

I am independent of the entity in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General of Queensland Auditing Standards*.

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

Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial report of the current period. I addressed these matters in the context of my audit of the financial report as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Freehold Buildings Valuation (\$370.3 million)

Refer to note 16 in the financial report.

Key audit matter	How my audit addressed the key audit matter
<p>Freehold buildings were material to the University of Southern Queensland at balance date and were measured at fair value using the current replacement cost method. The University performs a comprehensive revaluation of all of its buildings every three years with desktop valuations conducted in the intervening period. A comprehensive valuation was conducted in 2016 and desktop valuations undertaken in 2017 and 2018.</p> <p>The current replacement cost method comprises:</p> <ul style="list-style-type: none"> • Gross replacement cost, less • Accumulated depreciation <p>The University derived the gross replacement cost of its buildings at balance date through 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 contains 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 audit procedures included, but were not limited to:</p> <p>In the 2016 financial year:</p> <ul style="list-style-type: none"> • 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 • Assessing the competence, capability and objectivity of the valuation specialist • 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. <p>In the current financial year:</p> <ul style="list-style-type: none"> • Evaluating the reasonableness of the indices used against other publicly available information about movements in values for replacement costs of similar assets. • Evaluating their relevance and appropriateness to changes in Building Price Index inputs and other publicly available information. • Assessing the ongoing reasonableness of the buildings’ 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 life. • 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.



Other information

Other information comprises the information included in University of Southern Queensland's annual report for the year ended 31 December 2018, but does not include the financial report and my auditor's report thereon.

The Council is responsible for the other information.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Responsibilities of the entity for the financial report

The Council is responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2009, 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 entity'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 entity or to otherwise cease operations.

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the entity.
- Conclude on the appropriateness of the entity'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 entity'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 entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

From the matters communicated with the Council, I determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 31 December 2018:

- 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.

27 February 2019



Michelle Reardon
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

Glossary of Terms

For a complete list of USQ terms, please refer to the Definitions Dictionary in the USQ Policy and Procedure Library at <https://policy.usq.edu.au/>.

ACADEMIC PROGRAM: An approved Higher Education Award of the University, consisting of a combination of courses, the successful completion of an offering of which, together with any credit transfers and exemptions in accordance with the relevant requirements, will fulfil the prescribed requirements for that particular Award.

BLENDED DELIVERY: Combines different technologies, in particular a combination of traditional (e.g. face-to-face instruction) and online teaching approaches and media.

COURSE: The basic unit of study and assessment for which a student may be awarded a grade, and may accumulate credit units towards completion of a Program.

ENABLING PROGRAM: A program for disadvantaged students which meets Commonwealth guidelines for such programs and from which successful completion leads to automatic admission into an Academic Program of the University.

EXTERNAL/DISTANCE/OFF-CAMPUS: Each of these terms have been used interchangeably at USQ and represent courses, the offer of which involve arrangements whereby lesson materials, assignments, etc. are delivered to students, either by post or courier service or via the Internet, and for which any associated attendance at the University is of an incidental, irregular, special or voluntary nature.

ON-CAMPUS: Represents courses, the offer of which involves attendance at the University on a regular basis.

ONLINE: Represents courses in which the instruction, communication among academic staff and students, submission of assignments and feedback is offered mainly through the internet.

STUDENT LEARNING JOURNEY: A framework that is used to evaluate performance at every stage of the student life cycle. The journey commences at the first point of contact (decision to apply time) and proceeds through to graduation and alumni. The Student Learning Journey prompts people across the organisation to think about the student experience from a holistic perspective and not a series of unrelated events.

VIRTUAL LEARNING ENVIRONMENT: An encompassing term for the Learning Management System incorporating USQStudyDesk, USQStaffDesk, and USQOpenDesk and their associated systems.

Annual Report Compliance Checklist

		Basis for requirement	Annual report reference
Letter of compliance	<ul style="list-style-type: none"> A letter of compliance from the accountable officer or statutory body to the relevant Minister/s 	ARRs – section 7	Page 1
Accessibility	<ul style="list-style-type: none"> Table of contents Glossary 	ARRs – section 9.1	Page 3 Page 111
	<ul style="list-style-type: none"> Public availability 	ARRs – section 9.2	Inside front cover
	<ul style="list-style-type: none"> Interpreter service statement 	<i>Queensland Government Language Services Policy</i> ARRs – section 9.3	Inside front cover
	<ul style="list-style-type: none"> Copyright notice 	<i>Copyright Act 1968</i> ARRs – section 9.4	Inside front cover
	<ul style="list-style-type: none"> Information Licensing 	<i>QGEA – Information Licensing</i> ARRs – section 9.5	n/a
General information	<ul style="list-style-type: none"> Introductory Information 	ARRs – section 10.1	Pages 2, 4–13
	<ul style="list-style-type: none"> Agency role and main functions 	ARRs – section 10.2	Page 8
	<ul style="list-style-type: none"> Machinery of Government changes 	ARRs – section 31 and 32	(if applicable) n/a
	<ul style="list-style-type: none"> Operating environment 	ARRs – section 10.3	Pages 6–61
Non-financial performance	<ul style="list-style-type: none"> Government's objectives for the community 	ARRs – section 11.1	Page 22
	<ul style="list-style-type: none"> Other whole-of-government plans/specific initiatives 	ARRs – section 11.2	n/a
	<ul style="list-style-type: none"> Agency objectives and performance indicators 	ARRs – section 11.3	Pages 23–61, 64–66
	<ul style="list-style-type: none"> Agency service areas and service standards 	ARRs – section 11.4	Pages 23–61
Financial performance	<ul style="list-style-type: none"> Summary of financial performance 	ARRs – section 12.1	TBA
Governance – management and structure	<ul style="list-style-type: none"> Organisational structure 	ARRs – section 13.1	Pages 8–9, 15–16
	<ul style="list-style-type: none"> Executive management 	ARRs – section 13.2	Pages 10–13, 15–16
	<ul style="list-style-type: none"> Government bodies (statutory bodies and other entities) 	ARRs – section 13.3	Pages 14–16 www.usq.edu.au/about-usq/governance-leadership/plans-reports
	<ul style="list-style-type: none"> <i>Public Sector Ethics Act 1994</i> 	<i>Public Sector Ethics Act 1994</i> ARRs – section 13.4	Page 21
	<ul style="list-style-type: none"> Queensland public service values 	ARRs – section 13.5	n/a
Governance – risk management and accountability	<ul style="list-style-type: none"> Risk management 	ARRs – section 14.1	Pages 19–20
	<ul style="list-style-type: none"> Audit committee 	ARRs – section 14.2	Pages 19–20
	<ul style="list-style-type: none"> Internal audit 	ARRs – section 14.3	Pages 18–19
	<ul style="list-style-type: none"> External scrutiny 	ARRs – section 14.4	Page 20
	<ul style="list-style-type: none"> Information systems and recordkeeping 	ARRs – section 14.5	Pages 20–21

Governance – human resources	• Strategic workforce planning and performance	ARRs – section 15.1	Pages 49–55
	• Early retirement, redundancy and retrenchment	Directive No.11/12 <i>Early Retirement, Redundancy and Retrenchment</i> Directive No.16/16 <i>Early Retirement, Redundancy and Retrenchment</i> (from 20 May 2016) ARRs – section 15.2	n/a
Open Data	• Statement advising publication of information	ARRs – section 16	Inside front cover
	• Consultancies	ARRs – section 33.1	https://data.qld.gov.au
	• Overseas travel	ARRs – section 33.2	https://data.qld.gov.au
	• Queensland Language Services Policy	ARRs – section 33.3	https://data.qld.gov.au
Financial statements	• Certification of financial statements	FAA – section 62 FPMS – sections 42, 43 and 50 ARRs – section 17.1	TBA
	• Independent Auditor's Report	FAA – section 62 FPMS – section 50 ARRs – section 17.2	TBA

FAA *Financial Accountability Act 2009*

FPMS *Financial and Performance Management Standard 2009*

ARRs *Annual report requirements for Queensland Government agencies*

USQ at a Glance

Senior Executive

Vice-Chancellor

Professor Geraldine Mackenzie

Senior Deputy Vice-Chancellor

(until 16 February 2018)

Professor Janet Verbyla

Deputy Vice-Chancellor (Enterprise Services)

(from 15 January 2018)

Michael Thomas

Deputy Vice-Chancellor (Research and Innovation)

Professor Mark Harvey

Deputy Vice-Chancellor (Students and Communities)

(until 20 November 2018)

Carl Rallings

Head (Students and Communities)

(from 21 November 2018)

Helen Nolan

Pro Vice-Chancellor (Education)

Professor Helen Partridge

Executive Dean (Business, Education, Law and Arts)

Professor Barbara de la Harpe

Executive Dean (Health, Engineering and Sciences)

Professor Glen Coleman

Chief Financial Officer

Athol Kerridge

Statistics

STAFF	2017	2018
Academic	805	816
Professional	1043	972
FINANCIALS		
Total Revenue (\$'000)	320,551	328,505
Total Assets (\$'000)	657,881	688,472
Total Equity (\$'000)	577,315	610,966
STUDENT NUMBERS		
Female	14,437	14,321
Male	11,998	11,562
Indeterminate/Unspecified	23	22
STUDENT CATEGORIES		
Domestic (headcount)	23,199	23,059
International (headcount)	3259	2846
Undergraduate (load)	11,350	11,363
Postgraduate (load)	2891	2653

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The Annual Report is also available online at

www.usq.edu.au/about-usq/about-us/plans-reports

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The University of Southern Queensland is a registered provider of education with the Australian Government (CRICOS Provider No. QLD 00244B NSW 02225M)

Campus Locations

University of Southern Queensland

Telephone: +61 7 4631 2100

Facsimile: +61 7 4631 2949

Email: vc@usq.edu.au

Internet: www.usq.edu.au

USQ Toowoomba

West Street

Toowoomba Queensland 4350

Australia

USQ Springfield

Sinnathamby Boulevard

Springfield Queensland 4300

Australia

USQ Ipswich

11 Salisbury Road

Ipswich Queensland 4305

Australia

Queensland College of Wine Tourism (QCWT)

22 Caves Rd

Stanthorpe Queensland 4380

Australia

USQ acknowledges the Giabal and Jarowair peoples of Toowoomba; the Jagera, Yuggera and Ugarapul peoples of Springfield and Ipswich; and the Kambuwal peoples of Stanthorpe; as the traditional owners of the lands where USQ campuses and facilities are located.

UNIVERSITY OF SOUTHERN QUEENSLAND

Telephone: +61 7 4631 2100

Facsimile: +61 7 4631 2949

Email: vc@usq.edu.au

www.usq.edu.au



University of Southern Queensland

Toowoomba • Springfield • Ipswich

T: +61 7 4631 2100 | F: +61 7 4631 2949 | E: vc@usq.edu.au

www.usq.edu.au