The James and Mary Emilia Mayne Centre opened in April as a cultural asset for the nation following a 12-month, $6.5 million architectural transformation of the former Mayne Hall.
Objectives
– to provide professional, client-focused management structures, information services, policies and practices
– to devolve resource management, increase non-government funding and manage resources for optimal outcomes
– to recruit, retain and develop high-quality staff
– to coordinate widespread strategic planning supporting the University’s overall Plan
– to provide high-quality physical, teaching and research environments
– to build effective relationships with prospective students and staff, business, government, the professions, alumni and the community

Key outcomes
– enhancements to SI-net to comply with Higher Education Reforms
– rolling program of reviews of administrative and central service units
– 71 percent of total income additional to the base Commonwealth Operating Grant
– comprehensive Marketing and Communication Plan
– inaugural Equity and Diversity Plan for staff and students
– cited Employer of Choice for Women by Equal Opportunity for Women in the Workplace Agency

Outlook for higher education sector
– more income from non-government sources and students
– partial deregulation of higher education fees regime
– increased scrutiny by and accountability to Commonwealth Government
– increased emphasis on governance
– examination of Commonwealth and State responsibilities relating to universities
– competition for international students

Our year ahead
– implementation of Higher Education Reforms
– impending Commonwealth legislation relating to voluntary student unionism and fees for student services
– significant infrastructure support for major research institutes

Management and resources

In 2004 we employed 5081 staff. Our total operating revenue was $736.01 and our total assets grew from $1.42 billion to $1.45 billion

Our systems

Supporting academe
Reviews, restructures (page 39, 68-69) and streamlined procedures boosted administrative efficiency and supported our core activities of teaching and research. Student and Administrative Services Division (SASD) initiatives included:
– preparation for implementing new national governance protocols for Higher Education Reforms (page 12);
– increased management capacity to handle growth in undergraduate scholarships, plus introduction of Commonwealth scholarships and development of selection criteria;
– a new Aussie International Friendship Program for students (page 31);
– recoding course discipline descriptors to match DEST descriptors, as part of Higher Education Statistics Agency reforms and changes to course-based fees;
– new accommodation options for visiting academics and staff, using under-utilised property assets;
– a feasibility study assessing strategic options for the future use of our property assets; and
– improvements to Health Service (page 31).

Benchmarking
Numerous review and benchmarking activities (pages 32, 39, 65) helped lift standards.
Our Environmental Management System added pre-assessment certification to ISO 14001 standard to its credentials.
Personnel Services participated in a University Benchmarking Program coordinated by Queensland University of Technology; and surveyed structure, staffing and reporting lines at other Go8 and Brisbane universities for presentation at the Division’s review (page 68-69).
Our Equity Office initiated the International Equity Benchmarking Project (page 50); and Information Technology Services benchmarked its activities via:
– the Educause Core Data Survey (comparisons with 600 universities in Australia, New Zealand, North America, UK and Europe); and
– CAUDIT IT (detailed comparisons with Australian and New Zealand universities).

Making the most of IT
We launched a UQ-specific online employment service for students seeking jobs in their fields of study. In its first eight months of operation, UQ CareerHub registered more than 800 employers and advertised 1000 jobs. In 2005 we will upgrade the site and launch a UQ Careers portal.
We developed a system enabling managers to monitor and control Internet traffic spending in their organisational units.
MyUQ and myAdvisor websites are under review with the aim of introducing a myServices site to host all student-related services.
SASD initiatives included:
– implementation of UQOracle, enabling every one of our reportable entities to link its systems to an authoritative public information source;
– implementation of a new class and examination timetabling system, Ad Astra Blue, via mySI-net (with plans to implement the Platinum version from first semester 2005);
– modification (in partnership with PeopleSoft and other Australian universities) of SI-net student administration system to accommodate changes due to the new Higher Education Reforms;
– a fee calculator to help students calculate tuition fees; and
– successfully trialling electronic transfer of students’ study details from SI-net to Centrelink, to help avoid youth allowance debt.

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Our finances

Our 2004 financial operations produced a deficit of $19 million, compared with the $31.7 million surplus recorded in the previous year. Several “abnormal” items (as detailed below) impacted on this year’s outcome. When these were added back, the underlying result of our 2004 financial operations was a surplus of $16.6 million.

The largest “abnormal” item resulted from a DEST decision this year to change the timing of regular grant payments. Up to 2003, the University received the first payment for the coming year (representing eight percent of the total recurrent funding for that year) in December of the previous year. Consequently, our first payment for 2005 was made in January 2005 instead of, as would have occurred under the previous arrangements, in December 2004; and the effect on our 2004 results amounted to $25.6 million. A detailed explanation of this event is provided in note 1(d) to the Annual Financial Statements (Appendix A, separate volume).

Other major “abnormal” items involved adjustments. We made a $6.1 million adjustment in 2004 to change the classification of funds received in 2003 from the Smart State Research Facilities Fund (SSRFF). In the previous year, these funds were recognised as grants instead of loans from the SSRFF. They are now recorded as liabilities in the Annual Financial Statements.

Other adjustments totalling $1.4 million were made to write down or write off investments in several external companies including two companies related to the CITR Group (page 10). The product, customer base and CITR staff transferred to a new company, CITR Asia Pacific, during 2004.

Total financial assistance provided by the Commonwealth Government amounted to $411.1 million, an increase of 0.6 percent on that provided in 2003. The Queensland Government’s contributions to building projects for the Institute for Molecular Bioscience and the Sustainable Minerals Institute (page 50) continued with $14 million received in this year.

Revenue from fees and charges, particularly tuition fees paid by international students, was $98.6 million – 17.7 percent more than
in 2003. This reflects a continuing trend for increasing numbers of fee-paying international students at our University. Commencing on January 1, 2005, the Commonwealth Government’s Higher Education Reforms contain a complex new system of funding and administration for higher education. This is likely to herald a similar trend for rising numbers of Australian undergraduate fee-paying students as opportunities become available and universities compete increasingly for fee-paying students.

Changes to Commonwealth funding
In September 2004, our Vice-Chancellor signed a funding agreement under the Higher Education Support Act 2003 arising out of the Commonwealth reforms mentioned above. This provides more funding opportunities, subject to compliance with conditions, than were available under the former Higher Education Funding Act 1988 triennial funding system.

For 2005, we are expecting to receive an additional $162 million under the Commonwealth Grants Scheme and an estimated $107 million from contribution charge liabilities incurred by students. Part of the latter sum (estimated at $6 million) will come from the enhanced student contribution income and will be used to improve student:teacher ratios (page 30), undergraduate learning environments and the quality of teaching and learning facilities.

Expenditure
Total expenditure on ordinary activities of the University was $749 million in 2004 and 57 percent of this ($427 million) was attributed to the payment of salaries to staff and the on-costs on those employee benefits. Salary expenditure and associated on-costs were 55 percent of the total expenditure in the previous year.

Expenditure on property, plant and equipment amounting to $87 million was capitalised during the year and depreciation of $59.6 million on property, plant and equipment was charged in the accounts.

Although our Operating Budget income exceeded actual expenditure by $1.2 million during 2004, expenditure commitments totalled $39.5 million against budget allocations at the end of the year.

After adding the cumulative budget position brought forward from 2003, the operating budget for 2004 showed a deficit of $18.6 million. We plan to reduce this deficit to no more than $15 million by 2006.
Our investments
The value of our long-term investment portfolio was $94 million at the end of 2004 (compared with $83 million at the end of the previous year).

Our investment policy is to earn a rate of return which allows a long-term distribution of 4.5 percent of the initial value of the portfolio, indexed to the Consumer Price Index for all future years.

Our long-term portfolio is managed by four external specialist managers appointed in 2002. They are required to operate within defined asset allocation benchmarks, and each has separate responsibilities for investments in:
- Australian shares;
- overseas shares;
- private equity; and
- listed property, fixed interest and cash.

The combined return by all managers for the year was 17.8 percent compared with the benchmark return of 16.8 percent. Comparative returns for the previous year were 8.9 percent and 8.8 percent respectively.

Asset allocation benchmarks were:
- Australian shares 40 percent;
- overseas shares 29 percent;
- listed property seven percent; and
- fixed interest and cash 24 percent.

Organisational change
Restructuring academe
We reviewed the School of Engineering and the School of Information Technology and Electrical Engineering in the Faculty of Engineering, Physical Sciences and Architecture (EPSA). Various course and program changes affected seven academic positions with a combination of voluntary severances and retrenchments.

Closure of the Cattle Blood Typing Unit at Pinjarra Hills, a cost recovery unit within the School of Veterinary Science, resulted in two voluntary redundancies and one redeployment to the St Lucia campus. We also endorsed a proposal to relocate our School of Veterinary Science by 2008, with the intention of replacing ageing facilities at its current St Lucia site with state-of-the-art facilities at UQ Gatton.

In the Faculty of Health Sciences, the Greenslopes Private Hospital Academic Unit closed when funding from Department of Veterans’ Affairs was withdrawn. Four staff accepted voluntary redundancy.

A review of administrative arrangements within the School of Journalism, Faculty of Social and Behavioural Sciences resulted in a restructure of general staff positions. We created two new positions and reorganised the duties of other positions. All general staff were accommodated within the new structure.

In the Faculty of Arts, a review of IT services and administration in the School of English, Media Studies and Art History affected two positions and resulted in one voluntary redundancy and one retrenchment.

Restructuring administration
Our Vice-Chancellor’s Executive agreed a timetable for review of our central services and divisions. This accorded with policy implemented in 2003 requiring regular reviews of administrative and central service divisions similar to the external reviews of schools conducted under the auspices of the Academic Board.

The review process involves self- and peer analysis and benchmarking of the area, including future directions. Internal Audit (page 13) and our Library (pages 34-35) were reviewed in 2004.

The Board of UQ Press (UQP) initiated a major review of UQP Publications Division. The subsequent restructure affected all staff in the unit and nine staff took voluntary redundancies.

Business Services Division also undertook a major review. The subsequent restructure aligned the unit with current best practices in centralised financial management and reporting. A significant number of staff were redeployed and 12 staff opted for voluntary redundancy.

Changes included the merger of Salaries/ Salary Packaging and Superannuation sections into an Employee Benefits section. This section transferred to HR Division on January 1, 2005. Benefits include tailoring of information and systems to meet client demand.

We also reviewed three Academic Board committees: Academic Programs Policy; Academic Programs Review; and Teaching and Learning.

The Deputy Vice-Chancellor (Academic) and the Secretary and Registrar commissioned a widespread review of the personnel function across the University. Results included:
- renaming of Personnel Services, to be
Student Kirsty Pappalardo and Property and Facilities staff member Peter Luck set up possum boxes as part of a staff-student project at UQ Gatton. The former golf course and Lake Galletly area was transformed into a 10-hectare bushland park with wildlife shelters, bird-watching hides and revegetated native forest. This will serve as a conservation park for native plants and wildlife and an educational resource for environmental programs.

known from 2005 as Human Resources (HR) Division; and faculty human resource coordinators, to be known as HR consultants;
– amended reporting lines for HR consultants (to report formally to HR Division but remain in faculties and the IMB);
– new reporting lines for Staff System Support Group (still located in HR Division and now reports to Information Technology Services);
– streamlined business processes in Aurion, our HR information system;
– a HR strategy for the University; and
– a cost benefit analysis of Aurion and the Peoplesoft HR system Version 8.9 with a view to determining if change is warranted.

In April, we convened a project team to review core business processes and associated staffing arrangements underpinned by Aurion. Recommended changes have been delayed pending the outcome of the review of Aurion and Peoplesoft HR systems.

Our staff

Training our people

Coordinated by our Teaching and Educational Development Institute (TEDI – page 33), our 2004 Staff Development Program included 726 courses for 7445 participants. We also granted fellowships, educational opportunities and subsidies for selected staff to attend workshops presented by the Australian Vice-Chancellors’ Committee and the Association for Tertiary Education Management.

Our 2004 Staff Development Program budget of $350,000 (unchanged from 2003) supported:
– induction, career advancement, performance enhancement and self development training;
– Graduate Certificates in Education; and
– staff development at outlying sites.

A new policy enabled staff with carer responsibilities to request professional development support for activities such as attending conferences, workshops, symposia essential to their research or careers, and organisational unit retreats.

We also:
– rolled out Aurion Training Reports to HR consultants, enabling them to access staff development information relevant to their faculties;
introduced practical training in policies and procedures; reviewed training needs identified in the Strategic Record-keeping Implementation Plan and implemented information management training; revised our curriculum of courses on teaching and learning; and began a TEDI pilot of mentoring activities (including teaching and learning).

Enterprise bargaining
Uncertainty about future government funding and workplace reforms for universities affected negotiations on new enterprise agreements for academic and general staff.

The academic agreement was close to acceptance in late 2004, but a staff ballot was delayed pending the outcome of discussions about extending the agreement beyond June 30, 2006, as negotiated previously.

The general staff agreement was not finalised and negotiations will continue in 2005. We maintained the practice of administratively applying salary increases with a further three percent paid on January 1, 2005.

Negotiations for a new ICTE/TESOL Enterprise Agreement began early in 2004 and we expect to finalise this in 2005. TESOL staff received a four percent pay increase on July 1 this year.

Equity and diversity
We developed our first Equity and Diversity Plan for staff and students (page 29) for implementation in 2005. Features include increasing numbers of Aboriginal and Torres Strait Islander staff; more support for parents; and initiatives to increase numbers of senior academic female staff.

Our University became the first in Australia awarded breastfeeding-friendly accreditation from the Australian Breastfeeding Association; and for the third year in a row, the Federal Equal Opportunity for Women in the Workplace Agency designated us an Employer of Choice for Women; and .

Equity Office activities ranged from staff development and support for Diversity Week (page 54) to maintenance of and training for networks such as equity contact officers, discrimination and harassment contact officers and Allies (page 29).

Streamlining HR management
The Human Resource System Support Team in Personnel Services worked with Management Information Systems Section to develop a set of Workload Key Performance Indicator reports. These will streamline management by identifying situations where staff:
- accumulate excessive balances for recreation or long service leave;
- take frequent sick leave or flexitime; and
- work excessive overtime within a six-month period.

We customised enquiry access to the Aurion HR System for all our managers. The new menu gives each manager access to HR, leave, payroll and superannuation data for staff in his or her own organisational unit.

Continuing appointments and promotions (academic)
Sixty-two people at all levels applied for promotion or confirmation of continuing appointment, and 48 candidates were successful. These included nine new professors.

General staff classifications
We classify general staff positions in levels ranging from Higher Education Worker (HEW) 1 to HEW 9, using the Hay Group Methodology. New and existing positions are assessed via questionnaire and then evaluated by a computer-assisted job evaluation system.

Of 302 positions classified this year, 60 were referred to a manual panel for further evaluation. Eighteen of these improved from their current levels, and the rest either remained unchanged or decreased from the levels set via the computer-assisted job evaluation.

Three positions were ultimately determined by our Review Committee.

Superannuation
UniSuper member benefits accumulate within the Defined Benefit Plan (DBP), Investment Choice Plan (ICP) and/or Award Plus Plan (APP). The Trustee’s Report for the year ended June 30, 2004 noted:
- combined DBP/ICP membership of 72,491 (up from 68,724 the previous year);
- APP membership of 160,610 (up from 139,280); and
- total assets under management of $12.6 billion (up from $10.1 billion).
UniSuper expanded its national seminar program and launched an advisory service addressing superannuation and other financial matters.

In July 2005, UniSuper will simplify its system for member accounts, replacing each member’s multiple accounts with a single account. This will streamline administration and improve product development, including investment choice splitting. This move, along with a new UniSuper administration system, will coincide with implementation of the Federal Government’s Choice of Fund legislation.

UniSuper has advised that the legislation will not cover Defined Benefit Plan arrangements or arrangements certified in an enterprise bargaining agreement. Our current round of enterprise bargaining agreements (page 70) will specify our current superannuation arrangements as the appropriate arrangements for the life of the agreements.

Health and safety

Our Occupational Health and Safety (OH&S) Unit implemented a new University-wide risk management system to further reduce accidents and incidents. Other initiatives included:

- development of an electrical safety management plan;
- an external safety management systems audit (results exceeded the benchmark set by Workplace Health and Safety Queensland); and
- training for more than 1400 staff and students.

The OH&S minor works funding allocation increased from $360,000 to $400,000 and was used to address urgent issues and improve facilities and systems, for example:

- the dust extraction ventilation system (Princess Alexandra Hospital Biological Research Facility);
- oxygen monitoring and ventilation systems (Gehrmann Laboratories);
- scissor lift installation (Warehouse mail room); and
- safety equipment and systems for our diving and boating facility.

Early provision of ergonomics and rehabilitation (E&R) services to 278 staff with musculoskeletal symptoms minimised frequency and costs for workers’ compensation claims. E&R interventions also helped reduce the number of musculoskeletal injuries precipitating workers’ compensation claims requiring medical treatment and sick leave.

Self-insured workers’ compensation

Our onsite workers’ compensation program focused on early intervention through management and rehabilitation as a way of returning injured workers to full health and work functionality.

We managed 187 statutory workers’ compensation claims in our third full year of self insurance. This was about the same as in previous years (185 in 2003, and 181 plus two damages claims in 2002). Total costs also remained stable, with a marginal increase attributable to higher fees for medical treatment and University wage increases.

Independent audits by the Queensland Regulatory Authority, Q-Comp, external auditors and the Trisafe auditor all confirmed full compliance with the Workers’ Compensation and Rehabilitation Act and Regulations and associated Regulatory requirements.

Data and statistics provided by the Regulator on our performance within the Queensland scheme confirm we are exceeding industry standards and benchmarks in virtually all criteria set down for assessment and comparison.
Strategic planning

Our strategic planning cycle and quality management framework is described on page 13 of this Report.

In November, Senate received a report on progress towards achievement of the operational priorities in our 2004-2008 Strategic Plan. Senate also noted revised faculty and central services Operational Plans (including specific sections on risk management) and approved an Asset Management Plan, subject to State Treasury approval of a new Treasury Management Policy. These support initiatives outlined in our 2005-2009 Strategic Plan.

These measures, together with planning initiatives in teaching and learning and research, support and extend our central Strategic Plan (pages 18-21).

Information flows

Marketing and communications

Our Office of Marketing and Communications (OMC – page 54) provided direction and leadership University-wide, extending the University’s profile and strengthening relationships with internal and external communities. It also developed a comprehensive Marketing and Communications Plan, integrating all activities undertaken by OMC.

Activities included advice and work on internal and external communications, media relations, branding and corporate standards, marketing, advertising, major corporate publications, website development, design and publishing, events assistance with domestic and international graduations, protocol and community relations.

OMC Web Services helped enhance our Web presence by:
- implementing new website templates and guidelines;
- training 600 staff using the Online Content Management system; and
- developing new sites such as a University-wide calendar of events www.uq.edu.au/events, UQ CareerHub (page 65) and UQ International www.uq.edu.au/international.

Self-review of OMC operations included:
- market research measuring effectiveness of the 2003 You can corporate advertising campaign (led to launch of Inspired thinking campaign in June); and
- three reader surveys: magazines UQ News and Graduate Contact, and weekly...
e-newsletter UQ Update (led to re-evaluation of content and presentation).

Informing our staff

Internal communication included Web-based publications such as:
– UQ Update (page 54) weekly e-newsletter;
– staff portal;
– NRAVS News, produced at UQ Gatton;
– UQ Ipswich Update;
– UQ Staff Bulletin (HR-related matters);
– Student and Administrative Services Weekly; and

Our environment

Developing our campuses

Property and Facilities staff managed a capital program totalling $66.9 million – $14.2 million more than in the previous year, when we completed several major building projects.

Three of these won Royal Australian Institute of Architects (RAIA) Awards:
– General Purpose North Three ($15 million) – Brisbane Building of the Year and Subtropical Design Award;
– Queensland Bioscience Precinct ($105 million) – Regional Commendation; and
– new teaching and seminar facilities, Heron Island Research Station – Central Queensland Building of the Year.

This year’s increased expenditure reflected continuing major construction projects to house two of our four world-class institutes (page 50):
– the $18.2 million Sustainable Minerals Institute (SMI), due for completion in 2005; and
– the $73 million Australian Institute for Bioengineering and Nanotechnology (AIBN), due for completion in 2006.

Other continuing projects included:
– design phase of a building to house the $53.7 million Queensland Brain Institute (page 50), due for completion in 2005; and
– refurbishment of the Chemistry Building (first stage completed in 2004 at a cost of $14.5 million, next stage estimated at $12.5 million for completion in 2005); and
– $400,000 on works addressing OH&S issues (page 67).

We completed a $7.55 million refurbishment of the Hartley Teakle Building (page 33) and an $8 million conversion of the former Mayne Hall to The James and Mary Emelia Mayne Centre (pages 58, 64).

Other completions included a fit-out of space in Central Plaza One, Brisbane CBD as a city base for the UQ Business School, plus refurbishments of:
– the E.S. Meyers Lecture Theatre, Mayne Medical School, Herston, featuring an historic wooden domed ceiling built by craftsmen in 1939 ($900,000, including significant donations by medical alumni);
– part of the Hines Building for the ARC Centre of Excellence for Integrative Legume Research ($500,000); and
– the Central Analytical Laboratory in the John Mahon Food Studies Complex, UQ Gatton ($950,000).

We again spent $1.6 million on deferred maintenance, the same amount as the previous year. Projects included resurfacing Glasshouse Road ($92,750), a new switchboard for UQ Gatton Dining Hall ($86,977) and our roof repair/replacement program at St Lucia ($104,000).

We contributed to a $6 million University of Queensland (Student) Union revamp of the Schonell Theatre – the first since the building was constructed in 1970 – to increase patronage and create lecture space. Schonell houses the Cement Box Theatre and two cinemas. Cinema One has been converted to provide about 400 seats for lectures and conferences during the day, and movies and live performances at night. Cinema Two retains its original 240 seats.

Sustaining our environment

Our environmental practices focus on sustainability: conserving resources for the benefit of future generations. Expenditure on environment/energy conservation in 2004 was $284,737.

Proactive steps this year included:
– developing a Green purchasing guide to minimise waste at its source;
– signing up our vehicle fleet with Greenfleet to counter carbon dioxide emissions;
– expanding recycling systems in line with the Environmental Protection Agency’s Wastewise program;
– subscribing to EcoSpecifier to assist in sourcing environmentally-preferred construction materials;
– developing an energy management policy to help reduce our energy load; and
– implementing a water management plan at St Lucia.
The year 2005

- We will upgrade our UQ CareerHub online employment service for students and launch a UQ Careers portal.
- We will remodel space at UQ Gatton as a collaborative learning centre, using Commonwealth Government capital funding.
- Implementation of our first Equity and Diversity Plan will include annual reporting to our Senate on progress towards meeting the Plan’s strategic priorities.
- Significant planned reductions in recyclables going to landfill, water and power consumption will help sustain our environment.

Our environmental management system at St Lucia is certified to ISO 14001 standard, maintained since 1996 via regular review by National Association of Testing Authorities (NATA) Certification Services International. In 2004, we did not receive any non-compliances (including fines) for breach of environmental legislation.

An annual review highlighted our areas of environmental risk as construction activities, maintenance operations, transport, general waste and parking. We addressed these by:
- revising contractor induction and site management plan acceptance procedures;
- investigating future options for parking and alternative transport;
- drafting design guidelines for construction works; and
- contributing to an Australasian guide for sustainability in facilities management through the Tertiary Education Facilities Management Association.

We set goals of a 30 percent reduction by 2005 for recyclables going to landfill and for water consumption; and a 10 percent reduction by 2008 of our off-peak power consumption. Initiatives to achieve these goals included:
- reviewing energy consumption, including an audit of electrical equipment left running in non-working hours;
- installing a managed lighting system in the Molecular Biosciences Building to achieve an annual reduction of 410.8 tonnes of carbon dioxide (equivalent in volume to 50 Olympic-sized pools); and
- reviewing Properties and Facilities design guidelines and recommending use of T5 energy-efficient lighting technology in new projects.

Our Utilities Management committee completed Stage One of a database for utilities management, with the full database due to finish in 2006.

Plans for 2005 include:
- partnering with Monash Environment Institute on a Green steps program;
- using a lighting system which adjusts for daylight in the Biological Sciences Library refurbishment;
- re-tendering our energy supply contract to include a 2.5 percent green energy component; and
- conducting waste audits to boost recycling.