Business Plan & Budget

2019 – 2021

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2   Executive Summary

The University of New England (UNE) was founded on the premise that geography and circumstance should be no barrier to tertiary education. Since our inception, we have lived by that premise: pioneering high quality distance education when other institutions saw this as a compromise on a "proper" university experience, and then leading the sector in adoption of online delivery. Our research has continued to deliver a strong impact on our regional communities and industry. Our foot print continues to grow as we engage in teaching and research with international partners across our global region – the Pacific, Asia and Africa.

Although our mandate has remained consistent, our environment has not. As the way we work changes, jobs which require a fixed, static skill set will disappear. We have a duty to equip our graduates with the skills that they will need to succeed: creativity, critical thinking and a passion for asking "why?" and "how?". The shift in the way that the world of work is conceptualised applies equally to UNE as an organisation as it does to our students. We can no longer assume that our students will come to us for months at a time and devote themselves solely to study. Indeed, this has not been the case at UNE for some time. We must be able to deliver our courses in a flexible model, this is how we will distinguish ourselves from the crowd. In order to achieve these changes, and remain viable in a competitive marketplace, we need to invest in our curriculum, infrastructure – built and digital – and in our workforce.
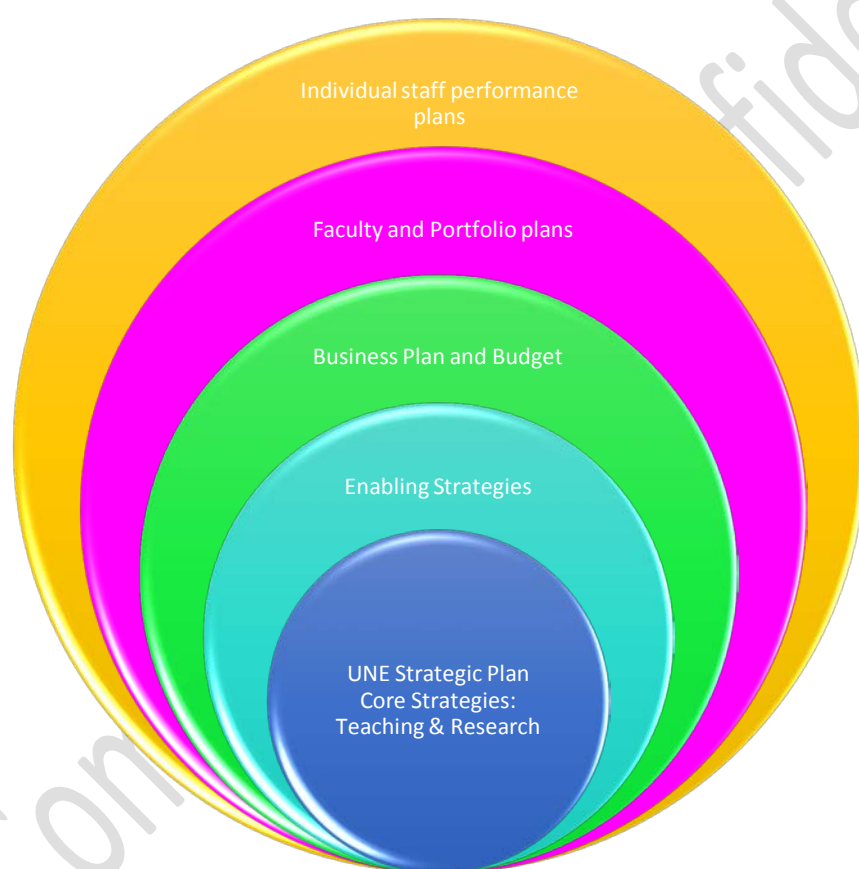
We have initiated discussion about the vision for UNE in 2025 and beyond, and about the manner in which we aspire to construct the future of UNE. It is clear that there are some consistent and enduring themes: excellent research with high impact, digitally enabled and student-focused teaching and learning, resources sustainability and a vibrant culture of scholarship and community amongst our staff, students and alumni. It is equally important to acknowledge that the future is likely to bring fiercer competition, particularly for our online students, and that our excessive reliance on Government teaching grant income presents significant risks to sustainability.

With these things in mind, this business plan and budget aims to articulate the way in which we address the current challenges while ensuring that we have the capacity and capability to succeed into the future.

3 Background and Context

3.1 UNE Planning and Performance Framework

Our business plan and budget are set in the context of a planning, performance and risk management framework. The framework guides strategy development and strategic performance review at the University level, while also informing the conduct of a range of associated operational planning, budgeting and review activities within faculties and senior executive portfolios. It also specifies a hierarchy of planning documents and processes that cascade from and are informed by, the strategic plan.

Individual staff performance plans

Faculty and Portfolio plans

Business Plan and Budget

Enabling Strategies

UNE Strategic Plan
Core Strategies:
Teaching & Research

Over the lifecycle of this plan, our progress towards the targets articulated in this Business Plan and Budget will be periodically reported against in the context of the Key Performance Indicators (KPIs) articulated in this document. These indicators will form the basis of our performance measurement framework, which will integrate cascading objectives and targets across our portfolio plan structure, and which will provide the context for individual level performance plan.

3.2 Planning Timetable

UNE Annual Planning and Performance Timetable

Activity	Responsibility	Indicative Timing	Activity Description
strategy setting & review; planning & budgeting; load & revenue forecast; Implement & monitor; performance reporting	*Faculties & SE Portfolios; Corporate Comms; Corporate Planning; Vice-Chancellor; Council and its Committees*	*January – December*	

Activity Description	Category	Timing
Faculties and SE portfolios finalise reports on 1-year organisational plan outcomes (prior year)	performance reporting	January–February
Faculties and SE portfolios review and renew PPDR plans with individual staff members aligned to approved organisational unit plans	planning and budgeting	January
Faculties and SE porfolios implement and monitor progress against approved 1-year action plans	implement and monitor	January–December
Post T3 census review of final EOY load and revenue outcomes against budget (prior year)	student load and revenue forecast	February
Annual KPI performance report prepared for March Council meeting (prior year)	performance reporting	January–February
UNE Annual Report prepared for consideration by March Council meeting (prior year)	performance reporting	January–February
Undertake environmental scan to inform refresh of strategic plan, core strategies and/or enabling plans	strategy setting & review	January–February
Refresh strategic plan, strategic risks, core plans and/or enabling plans (if required)	strategy setting & review	February–March
Post T1 census review of load and revenue outcomes against current year budget	student load and revenue forecast	March
Refreshed strategic plan and associated documentation considered by May Council meeting (if required)	strategy setting & review	April–May
Communicate any change in strategic focus to stakeholders, especially staff members	strategy setting & review	April–May
YTD progress report against Business Plan and Budget (prior year) considered by May Council meeting	performance reporting	April
Planning and budgeting parameters established for upcoming year	planning and budgeting	April
Establish and communicate annual planning and budgeting process (guidelines, templates etc.) and timetable	planning and budgeting	April
Initial load and revenue forecasts prepared for out-years (1-year and 3-year)	student load and revenue forecast	May
Draft 3-year and 1-year organisational plans prepared by Faculties and SE portfolios	planning and budgeting	May–June
Post T2 census review of load and revenue outcomes against current year budget	student load and revenue forecast	June
Final load and revenue forecasts prepared for out-years (1-year and 3-year)	student load and revenue forecast	June
Approval of final 3-year and 1-year organisational plans prepared by Faculties and SE portfolios	planning and budgeting	July
YTD Progress Report against Business Plan and Budget (prior year) considered by September Council meeting	performance reporting	August
UNE Business Plan and Budget prepared incorporating approved 1-year organisational unit action plans	planning and budgeting	August
UNE Business Plan and Budget considered and approved by Finance Committee	planning and budgeting	September
UNE Business Plan and Budget considered and approved by Council	planning and budgeting	September
Approved Faculty and SE portfolio 3-year and 1-year plans communicated to staff	planning and budgeting	October

Legend:
- 🟩 strategy setting & review
- 🟥 planning and budgeting
- 🟦 implement and monitor
- 🟪 performance reporting
- ⬜ student load and revenue forecast

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UNE Business Plan & Budget | 2019-2021

3.3   Performance Framework

UNE Planning and Performance Framework

quality	planning	performance

strategic

- **Stakeholder quality expectations**

  Students, graduates and staff
  Government
  Employers, Industry & professional accreditation bodies
  Armidale and the broader New England community

- **External quality standards**

  Higher Education Standards Framework
  National Code of Practice for Providers (Overseas Students)
  External course accreditation standards
  Higher Education Support Act (2003) and Guidelines

- **University quality statement and objectives**

  Establishes strategic vision with respect to quality
  Commits to quality cycle and continuous improvement philosophy
  Identifies key quality priorities
  Sets internal quality standards and benchmarks
  Reviewed and refreshed as needed

- **University Strategic Plan & Core Strategies**

  Establishes strategic mission, vision, purpose, values & priorities
  Includes two core strategies - i) Teaching & Learning ii) Research
  Five-year horizon
  Reviewed and refreshed as needed

- **Enabling Strategies**

  A select number of enabling strategies
  Articulate strategy-specific goals and key result areas
  Five-year planning horizon
  Reviewed and refreshed as needed

- **University Business Plan and Budget**

  Proposes the disbursement of resources to deliver against the strategy
  Consolidates the strategies, SDCs and BAU to be funded in the period
  Two planning horizons: three-year and one-year, refreshed annually
  Developed through an integrated planning and budget process
  Shaped by strategies (above) and organisational unit plans (below)

- **University Key Performance Indicators (KPIs)**

  aligned with University mission, vision & purpose
  Dashboard reporting to Council mid-year
  Annual performance report to Council
  Reviewed and refreshed as needed

- **Strategy and quality performance indicators**

  Aligned with core and enabling strategies
  Aligned with quality standards and benchmarks
  Reported annually to Council
  Reviewed and refreshed as needed

- **Organisational and project performance**

  Progress against UNE Business Plan and Budget
  Lead indicators of success
  Dashboard reporting to Council mid-year
  YTD performance monitored throughout year by Senior Executive
  UNE annual report prepared for NSW Government

operational

- **University quality management framework**

  Academic Policy and Procedures
  Benchmarking - Teaching and learning inlcuding courses and student performance
  Benchmarking - research
  Course approval, review & improvement
  Academic & research integrity

- **Organisational unit quality management activity**

  quality planning and implementation
  quality review and improvement
  Outcomes of review/improvement activity inform future planning cycles

- **Organisational Unit Plans**

  Three (3) Faculty and eight (8) Portfolio organisational unit plans
  Two planning horizons: three-year and one-year
  Refreshed annually through integrated planning and budgeting process

- **Individual PPDR Plans**

  Individual Performance Plannning Development and Review (PPDR)
  Developed by individual staff members and their supervisor
  Reviewed and refreshed annually

- **Outcomes from Organisational Unit Plans**

  YTD performance monitored by HoS and Senior Executive
  Annual performance report on outcomes achieved

- **Progress against Individual PPDR plans**

  Annual outcomes reported through HR system
  Annual outcomes used to inform next planning cycle

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University of
New England

3.4   UNE Strategic Plan and Priorities

The UNE Strategic Plan 2016-2020, "Together, we can do this", was approved by Council in November 2015. The plan articulates a vision and purpose for UNE, and outlines six (6) strategic priorities. The UNE Teaching and Learning Plan 2016-2020 and the UNE Research Plan 2016-2020 underpin the strategic plan. These documents provide greater detail on the outcomes to be achieved and the strategies that will be pursued in relation to the core business of the University. As such, these documents are described as the University's "core strategies".

Vision:

By 2020, we will be the university of choice for students and researchers who desire to transform their lives and help to build resilient communities.

Purpose:

Our role is to develop individual aspirations, potential and capability and to enhance the future of our communities through quality research, fostering innovation and delivering a formative educational experience. Our heart is our single campus embedded in the community of the New England. The magnitude of our research and student participation is global. We will connect with our students for life. We will build enduring, global partnerships with industry, professions, business and government.

Strategic Priorities:

1.   Delivery of Excellent Research with High Impact

2.   Delivery of an Outstanding Student Experience

3.   Diversify and Grow Income

4.   Digital Dominance

5.   Improve Operational Resilience

6.   Create a Bold and Innovative Culture

University Business Plan and Budget:

Consistent with the University's planning framework, the University Business Plan and Budget outlines a series of activities and initiatives that the University will undertake over the next three years in pursuit of the strategic priorities articulated in the UNE Strategic Plan. It also includes the associated financial forecasts for this period, and addresses risk associated with the pursuit of our strategic objectives. While the business plan and budget has a three-year planning horizon, it will be updated annually, on a rolling basis, to ensure its continued currency and relevance.

3.5   Towards UNE 2025

2019-2020 are the final years of our current UNE Strategic Plan 2016-2020 "Together, we can do this". In this context, the 2019-2021 business plan and budget has been developed not only in response to the need to achieve our current strategic priorities, but also with an objective of ensuring that the University is in a strong, future-ready position to support the future strategic plan. This Business Plan and Budget, while building on the foundational work undertaken in 2018, extends the principles of flexible and personalised education to ensure that, with the implementation of the UNE model, we can achieve strength and sustainability over the longer term planning horizon to 2025.

3.6   SWOT and Related Metrics

An analysis of the University's strategic strengths, weaknesses, opportunities and threats provides a strong contextual and environmental backdrop for a number of the initiatives in this Business Plan.

3.6.1   Strengths

High quality student experience: The quality of the student experience at UNE remains our most distinguishing hallmark. Our students and our graduates continue to report the highest levels of overall satisfaction with their educational experience, placing UNE in the top echelon of universities for student experience. External public benchmarking of student experience, through both the annual Good Universities Guide and the data presented on the QILT website, provide independent validation of the high esteem in which the university is held by its students and graduates. This excellence extends to our international student cohort, with UNE achieving the highest ranking of all Australian universities for overall student satisfaction in the 2017 International Student Barometer.

Figure 1: Student Unit Satisfaction
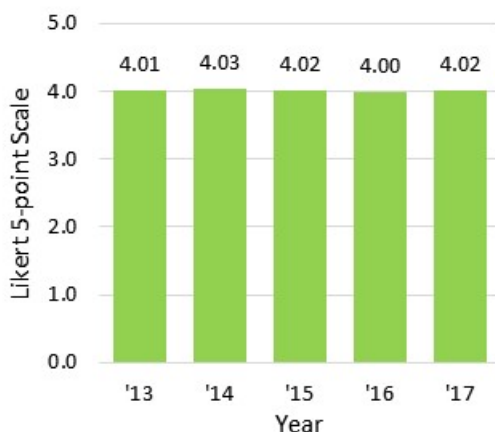
Data Source: UNE Unit Monitoring Data
Reporting Period 1, 09/2017

Figure 2:Graduate Satisfaction
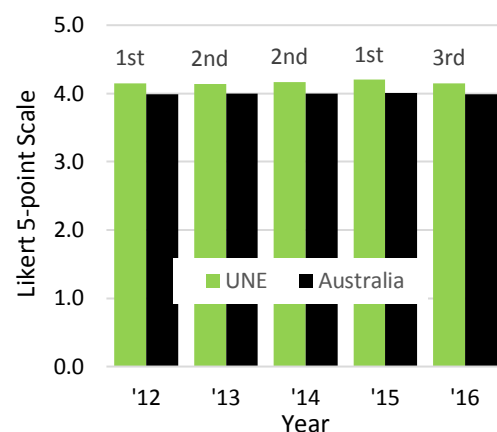
Data Source: National CEQ Data
Surveys Tabular Model Table A and B providers – 10/2017
Note: 2016 data uses new survey instrument.
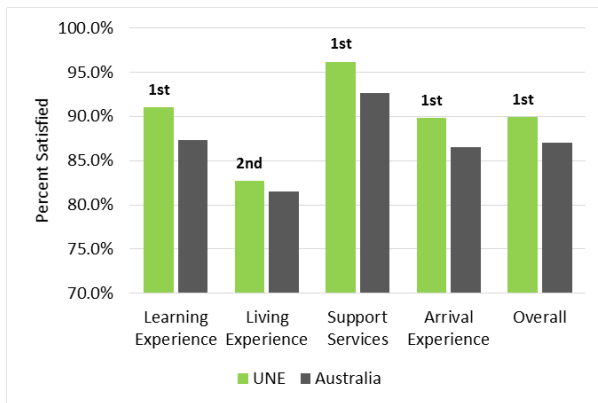
Data Source: 2017 ISB UNE ToplineSummary Sheet data

Experienced and committed staff: Our reputation for providing an excellent student experience is underpinned by the experience and commitment of our staff, both academic and professional. Our on campus students benefit from small classes, individual attention and pastoral care while our online students engage with both academic and professional staff who actively support them in achieving their educational outcomes.

Research excellence: The University has recognised research strengths in both agriculture and science developed over many years through the innovative capacity of our workforce and with the support of strong regional, industry and government partnerships. Our concentrated and continued investment in these fields has bolstered the University's research ranking and led to a robust and growing quantum of research outcomes. Our research excellence also continues to be demonstrated through high quality research into education, the humanities and the social sciences with a heightened focus on research that addresses the needs of our communities; particularly in relation to health and well-being, social equity and inclusive education.

Figure 4: Total Research Income ($M)

Figure 5: HDR Course Completions
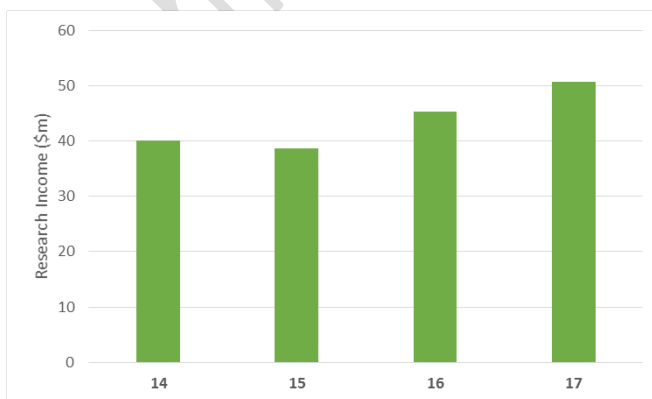
Data Source: Management report prepared by Finance 02/2018
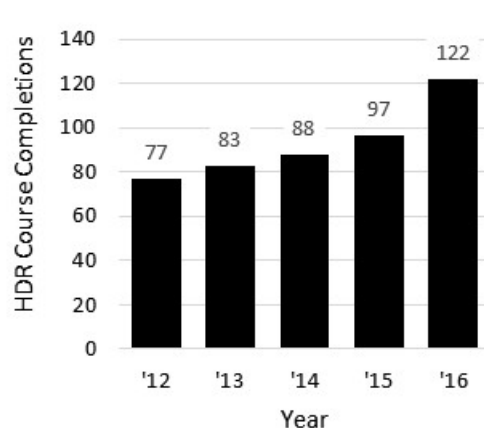
Data Source: HEIMS graduation data– year relates to year of course completion – 05/2017

Expertise in online and distance education: For more than sixty years, the University has been a leader in the higher education sector through our innovative approach to flexible delivery - firstly via distance education and, more recently, through online learning pedagogy. Our expertise in online learning is well regarded by stakeholders, particularly the many thousands of Australians from all walks of life who have studied with us in the past and benefited from our flexible and supportive learning environment, as well as those who may aspire to study with us in the future.

3.6.2   Weaknesses

Reliance on government teaching revenue: Compared with the broader Australian higher education sector, UNE places a disproportionate reliance on the enrolment of students in Commonwealth Supported Places (CSP) with such places being partially funded by the Australian Government and partially funded through a student contribution. Many Australian universities have increased their fee-paying domestic and international student enrolment numbers. This strategy has strengthened their bottom line and diversified their teaching revenue base, such that their exposure to changes in government higher education funding policy is reduced.

Figure 6: Percentage Teaching Revenue from Government
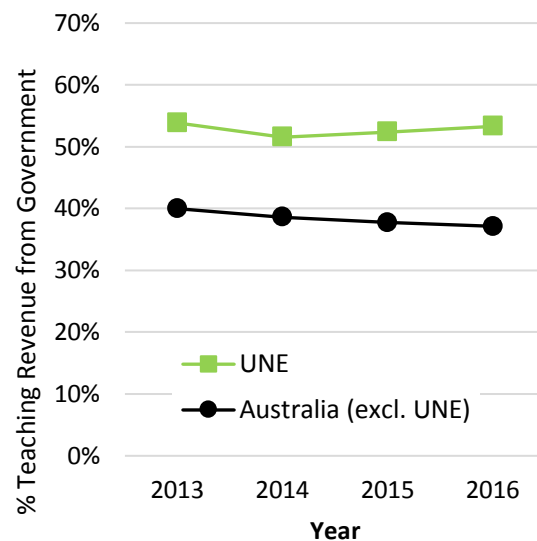
Data Source: Australian Government Department of Education and Training – Annual Finance Publication – 09/2017

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Challenging financial and regulatory environment: Changes announced in the 2017 Mid-Year Economic and Fiscal Outlook (MYEFO) signalled the end of the demand-driven system for undergraduate (non-medical) places that has contributed significantly to overall market growth since 2012. The cap on Government funding for undergraduate Commonwealth Supported Places (CSP) limits the financial viability of growing CSP

Figure 7: UNE and Australian average income per EFTSL and Enrolment
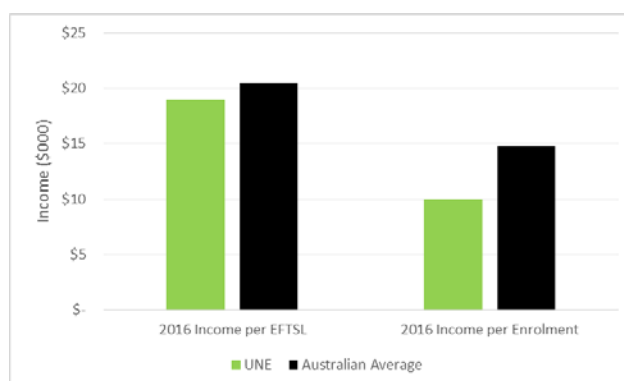
Data Source: Australian Government Department of Education – Higher Education Information Management System

student load. UNE has experienced significant growth in CSP student load since 2012, however we must now target growth primarily in fee-paying domestic and international student load, markets in which we have historically engaged to a very limited degree. Excessive reliance on Government teaching income has resulted in average income per EFTSL that is significantly lower than sector standards, while our online, part-time student cohort drives average income per enrolment even further below average. The effect of caps on Government income will result in further dilution of our income per student.

Aged and dated infrastructure: UNE's campus infrastructure is in many areas dated and in need of investment to remain viable. Our level of backlog maintenance is high. We have developed a campus masterplan to guide ongoing development of the Armidale campus. Implementation of the campus masterplan requires commitment of ongoing investment over a number of decades. Investments in improving our campus infrastructure must be weighed against investment in our digital infrastructure, which is also essential to achieve growth in online students which comprise the bulk of our income.

Relatively low and declining annual student retention: UNE has not achieved its internal retention rate target of 75% in recent years and has recorded incrementally lower levels of student retention since 2010, consistent with the decline in retention rates recorded across the sector (see Fig. 8). Subject to the passage of legislation, a performance funding component may be introduced into future funding

Figure 8: Commencing Bachelor Student Retention Rate

Data Source: Department of Education Selected Higher Education Statistics – 2016 Student Data appendix 4.7

agreements with the Australian government. The government has signalled that student retention is one metric that might be used to fund performance. Thus, a continued focus on understanding and improving student retention rates is warranted.

Inability to respond to change in a timely and effective manner: Our ability to take best advantage of opportunities as they arise is strengthened by our adaptability to embrace new circumstances and our capacity to respond in innovative ways. Sometimes our natural response is to blink in the face of change rather than to face new circumstances with a fresh determination to work toward a shared vision. External changes in our environment also challenge the capacity of our leaders to engage and empower staff to adapt and innovate. A range of strategies focussed on enhancing our approaches to dealing effectively with people and organisational culture would build the University's operational resilience and agility in this area.

An enterprise agreement that does not support agility to adapt to future change: A modern UNE enterprise agreement should recognise the context in which universities now operate and in particular changes to the funding environment. Our current agreement imposes unnecessary restrictions that impact on UNE's ability to operate and employ staff as appropriate. A revised approach to measuring academic workload should support the individual strengths and specialised skills of our staff, maximise teaching quality for the benefits of our students, allow for flexible ways of working, enable ongoing professional development and industry experience and enable the organisation and individuals to respond to change.
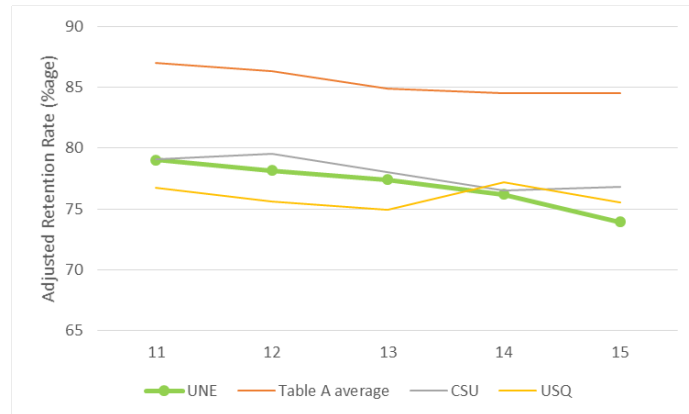
3.6.3 Opportunities

Low level of exposure to the international and domestic fee-paying student markets: In recent years, the University has regularly enrolled relatively low proportions of both domestic and international fee-paying students compared to most other Australian universities. Though we have been able to improve our performance in attracting international students through targeted strategic initiatives over the past two years, this is coming from a low base and opportunities remain to generate further growth. Significant increases in fee-paying international student enrolments is a strategic target and a range of strategies to achieve and sustain the desired level of growth in both international and domestic fee-paying student markets are required.

Figure 9: Percentage fee-paying load, 2016

Data Source: Australian Government Department of Education and Training – uCube – 03/2018

Potential for growth in the online education market: The University has identified the latent domestic market as a new and potentially strong opportunity for long-term growth in online student numbers. Through extensive market research, we have built our understanding of the psychographic profile of the latent market and their preferences for various attributes of higher education 'products'. Based on evidence provided by this market research, we believe that there are significant opportunities to target and positively influence people (who are not currently participating in higher education) toward choosing to undertake tertiary studies through UNE. A marketing and branding strategy has been developed that will target this market.

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3.6.4 Threats

New entrants in online market:

Many higher education providers, within Australia and overseas (both new and existing, public and private), are recognising the market opportunity that online technologies provide, and our share of the online higher education market is increasingly being eroded. In Australia, particularly, a significant number of universities

Figure 10: Total External Students and UNE Share

Data Source: Australian Government Department of Education and Training – uCube – 03/2018

and non-university private providers are looking to online delivery for improved ROI compared to their traditional, and more labour intensive, on campus delivery models. In some cases, more aggressive competitors appear willing to lower standards, challenging our commitment to maintaining quality. Many universities are choosing to partner with specialist online providers to quickly build brand and market share online. As a result, while the overall domestic, external student market has continued to grow over the past 10 years UNE's share has declined for much of this period.

Change in government policy: Changes in government policy can have a dramatic effect on the University's operations, especially in terms of the revenue we receive, but also in terms of other unexpected knock-on effects. For example, while uncapping of the domestic bachelor degree market from 2012 provided the opportunity to accrue additional revenue, this decision encouraged many universities (including ourselves) to look increasingly to online delivery as a cost effective means of growing their student footprint as an add-on to their existing business models. The strategic and budgetary impact from the re-introduction of capped funding for domestic bachelor degrees announced in the 2017 MYEFO demonstrates our vulnerability. Without diversification of our sources of income we will remain at threat from policy change and constrained in our ability to chart our own strategic course.

Rapid pace of change in technology and pedagogy: With the global and exponential rise in the functionality and availability of online learning technologies, UNE has taken many steps to migrate from a 'distance education' to an 'online' educational paradigm. However, change is ongoing in this space and it is possible that our adoption and implementation of educational technology (and its integration with pedagogy) must accelerate to keep us at the leading edge of online higher
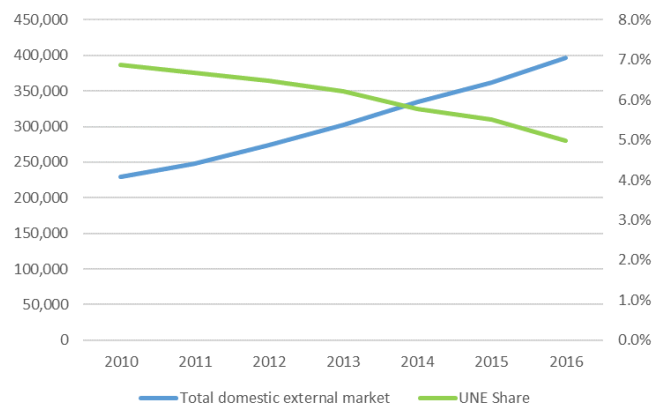
education delivery. The currency and effectiveness of our administrative and corporate services are also heavily dependent on the application of new technologies. The University recognises that it must keep abreast of the latest available technologies to achieve improved efficiencies while also providing the high quality of service that our clients increasingly expect.

4 Our Performance in 2018

4.1 YTD Performance against Business Plan 2018 – 2020

This year marks the mid-point of our 2016-2020 Strategic Plan. While progress has been significant there are areas where further development is needed. The impact of regulatory changes announced in the 2017 mid-year financial and economic outlook (MYEFO) statement highlighted our continuing, excessive reliance on Government teaching grant income. Though we have made progress in diversifying our sources of income this has been from a low base and continuing focus is required to alleviate our exposure to unpredictable policy changes. One of our principal areas of focus over the past two years has been on seeking to attract a large but latent market of online learners through redesign of our course offerings to be more flexible and relevant. We have undertaken major innovations in pursuit of a product design that meets market expectations, and while results to date have not been of the magnitude hoped for, we have gained greater understanding of market need and the largely internal limitations we must overcome.

The below tables provide a summary of our performance to 31 August against the targets outlined in the *2018-2020 Business Plan*. To realise the ambitious targets we identified in the 2018 Business Plan, the following key strategic programs of work were established. Each of these programs has a number of benefits associated with them, the realisation of which would enable us to meet the targets associated with the Business Plan and Budget. Commentary is also provided on these initiatives as they relate to our strategic priorities and KPIs.

It is important to note, that the progress that we have made to date in 2018 has highlighted that the magnitude of change required across the organisation to achieve our targets and outcomes has been under estimated. Across all areas, a number of important findings have been made which will provide a strong foundation for achievement of our objectives across 2019-2021.

4.1.1 Strategic Priority One: Deliver Excellent Research with High Impact

We are on track to deliver on the ACIAR funded IndoBeef project, with one major contract signed in April ($4.5m - PalmCow project), and another ($5m - CropCow project) shortly to be signed.

IndoBeef was officially launch by senior Indonesian and Australian government officials in January this year.

Five Indigenous Early Career Academic Fellowships for Indigenous HDR candidates in the final year of their PhD, have been established. This project, funded under the People and Culture budget, will help significantly increase the number of Indigenous research staff at UNE, as well as create pathways for future Indigenous HDR students.

The Australia Research Council will now release the results of the 2018 ERA exercise in early 2019, as such, no result can be provided at this stage.

The establishment of CASI (Computation, Analytics, Software and Informatics) as UNE's data transformation Hub is well underway. CASI's focus is to engineer software and data science tools that extract new value from data and translate research into innovative solutions for end-users, including industry, government and community.

KPI	Target	YTD	Status	Commentary
Research Income ($M)	34.57[1]	21.875	**GREEN**	Significant ACIAR funding for Indo Beef is highly likely to be signed off on by EOY.
HDR Student Load (EFTSL)	475	468.6	**GREEN**	HDR Load is on track to meet the budget.
ERA 5-star research fields (4-digit FOR)	8	n/a	**N/A**	The result of the 2018 ERA are likely to be released by the ARC in late Q1 2019.

4.1.2   Strategic Priority Two: Deliver an Outstanding Student Experience

UNE has again achieved a 5 star rating for student experience in the 2019 Good Universities Guide.

Significant work has been under taken through the Student Success program to address institutional factors which affect our students' ability to succeed at university. Year on year continuation rate will be available after T1 2019 census data has been collected and analysed.

The project to renew all teaching and learning and student related rules and policies is underway, and expected to complete in early 2019. The changes to the course progression Rule and Procedures has resulted in 300 additional students accessing support, rather than being excluded (which would have occurred under the previous procedure).

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[1] This target has been reduced from $39.5M to reflect changes in the research income reporting parameters under the Higher Education Research Data Collection (HERDC), which from 2018, no longer includes HDR fee income under Category 3 research income reporting.

We are performing significantly below target with regard to our Trimester 3 fee paying load. This is partly due to a restricted number of courses being available to the market for commencement in this period and partly due to current practice around management of CSP and full fee offers.

KPI	Target	YTD	Status	Commentary
Good University's Guide student experience rating	5	5	**GREEN**	UNE received 5 stars for Overall Experience 13 years in a row.
Student Continuation rate (%)	+1	+3.6	**GREEN**	T1-T2 2018 continuation rate +3.6% on T1-T2 2017 continuation rate. Annual continuation rate will be reported early 2019.
Trimester 3 fee paying load (%)	+25	-34.1	**AMBER**	The T3 fee-paying load is currently underperforming however this is significantly off-set by increased income from partnerships, in particular through Open Universities Australia.

4.1.3   Strategic Priority three: Diversify and Grow Our Income

Growth in CSP load has continued, which signals a positive response to UNE's brand, amongst other things. However, this put us at risk of exceeding the funding cap imposed by MYEFO, after which, we will only attract the student contribution associated with the excess CSP student load. In the short term, this means that we will receive less income per CSP student. This can be offset by further measures to ensure a more efficient delivery model. Should there be a longer term return to a demand driven system, having a larger base of CSP enrolments will result in a stronger position. To date our ability to attract domestic full–fee paying load has remained low.

A number of initiatives are under way with regard to our International Student Growth Strategy which will see up to a further 130 international students commence at the Armidale campus by the end of the year, further strengthening this result.

While our philanthropic donations have remained below targets, the new Director of Advancement, Communications and Events (ACE) is implementing a number of strategies to better engage our alumni and donors. It is highly likely that the Abbott Foundation commitment will be realised by the end of the year, which will see this target exceeded.

Income Growth

KPI	Target	YTD	Status	Commentary
Income ($M)	321.1	205.1	**AMBER**	Income remains considerably below target due to lower than expected research and teaching income.
Underlying margin (%)	-1.0	0.5	**GREEN**	
Research income ($M)	34.75	21.875	**GREEN**	Significant ACIAR funding for Indo Beef is highly likely to be signed off on by EOY.

Income diversification

KPI	Target	YTD	Status	Commentary
CSP revenue as a proportion of total teaching income (%)	86	86.6	**AMBER**	Both domestic fee-paying and international load are currently tracking below budget, while CSP load is growing.
Committed philanthropic donations acquired through alumni and donor engagement activities led by UNE ($M)	3.5	0.88	**AMBER**	This figure includes donations to UNE and UNEF. UNE $80k, UNEF $800k. While YTD donations are well below budget, it is likely that the Abbott Foundation donation will be committed by EOY.
CSP Growth (%)	0	3.4	**AMBER**	CSP load has continued to grow, and will likely exceed our capped funding amount.
Domestic Fee-paying growth (%)	25	-21.2	**AMBER**	Domestic fee-paying load is performing below budget expectations.
International Fee-paying load (%)	20	27.8	**GREEN**	Increases have been made at a rate above overall market growth.
Higher Degree research (%)	5	5.3	**GREEN**	HDR student load is continuing to grow, primarily through recruitment of international HDR students.

4.1.4 Strategic Priority 4: Achieve Digital Dominance

Significant progress has been made on a number of shared initiatives under the Academic Innovation program, in particular, the Curriculum incubator project has been very successful at mobilising faculty and central staff to work on a number of commercially valuable projects such as UNE Boost and the Monarch financial planning partnership. It is anticipated that load in these areas will grow as our T3 intake continues and into 2019.

KPI	Target	YTD	Status	Commentary
New, fully online fee-paying courses offered	6	5	**GREEN**	Target will be met by the end of 2018.
New Fully online short courses offered	4	6	**GREEN**	There are currently six short courses completed, with an additional 10 courses in business development stage.
Student load in new, fully online courses (EFTSL)	60	5.625	**RED**	Load expected to improve as T3 enrolments continue, however, is unlikely to meet the target.
Units offering online examinations in opt out mode	70	0	**RED**	69 units offered opt-in online exams, with an uptake of 18%. Full roll out on track to occur in 2019.

4.1.5   Strategic Priority 5: Improve Operational Resilience

In 2018, we have begun work on the revitalisation of our residential college facilities by demolishing the derelict accommodation block of Robb College. Further work has also been undertaken to commence work on the backlog maintenance associated with the residential system, specifically Wright Village. After extensive technical review, the procurement phases of the Solar Farm project and of the Sport UNE Pool refurbishment have been successfully completed. It is anticipated that work will commence on both sites in early 2019.

Numerous projects are currently under way to address issues identified with aging IT infrastructure and systems. Work continues to scope the transition of core IT functions to the Cloud.

KPI	Target	YTD	Status	Commentary
Level of backlog maintenance ($M)	210	229	**AMBER**	$26.7M spent addressing backlog maintenance in 2018 YTD.
Availability of Tier 1 IT systems (%)	99.9	99.74	**AMBER**	Targeted KPI has been missed as a result of aging IT infrastructure and IT systems architecture, both of which are being remediated/ addressed by current projects.

5 Our Strategy for 2019 – 2021

2019-2021: Strategic Investment in Change

The 2019-2021 Business Plan and Budget proposes a schedule of investment to significantly redevelop our curriculum and pedagogy and the way by which we deliver our courses. Higher education analysts and our own market research have indicated that contemporary life-long learners expect greater flexibility and personalisation of their education journey. UNE is uniquely placed in delivering on this expectation. Unlike most other Australian universities we do not need to adjust our brand and business model to deliver our courses to the online, life-long learner market; it is part of our DNA. Our offerings will be more flexible through the adoption of a new academic calendar that allows almost continuous enrolment, learning, assessment and progression, that delivers courses in smaller components, where learning can take place in multiple modes and with the ability to adjust, pause and continue studies as life circumstances change. Our offerings will be personalised and rather than turning students away or unnecessarily forcing them to re-learn what they already know every prospective student will be advised of an appropriate starting point and course of study based on consideration of their background, life experience, educational goals and personal circumstances. These fundamental changes are collectively known as the "UNE Model".

In our business plan and budget 2018-2020 we established seven strategic programs of work to pursue our strategic objectives; Research Excellence, Student Success, Academic Innovation, Operational Resilience, International Student Growth, Brand Strategy and People & Culture. This approach has been successful in providing focus and structure to our efforts and we propose to continue to prioritise and monitor progress through these programs with some modification. It has become apparent that the remit of Academic Innovation and Student Success are inextricably linked. Our curriculum and pedagogy have an enormous impact on the success of our students; to treat academic innovation and student success as separate matters is to make a false distinction. The way that we teach, the structure of our curriculum and the means by which we deliver our courses are factors over which we have complete control and that significantly impact upon our students' ability to succeed. In 2019 we will bring the Academic Innovation and Student Success programs together under the more ambitious Academic Transformation program, which will focus on the development and introduction of the UNE model.

The UNE model will entail significant changes to the way we work, and the capability and expertise required of our staff. Recognising our historical weakness in achieving rapid organisational change, we will develop a workforce plan and roadmap to ensure our staff are prepared and capable to meet

future challenges, and will also invest in building our organisational change management capacity to overcome our historical weakness in responding to change, and embedding positive changes.

5.1   Academic Transformation

Implementing the UNE Model across our largest student cohorts and courses will entail a multi-year program of investment, a large component of which is programmed for the 2019-2021 planning period. In 2019, we will consolidate the success of the Academic Concierge and roll this service out across some of our largest programs. For many prospective students, their initial experience with UNE will involve a conversation with an Academic Concierge who will provide personalised guidance and advice to tailor a personalised program of study to meet the student's needs taking into account existing education and experience. Further work will be undertaken during this period to refine the service, and establish it as business as usual by 2020.

In 2019 we will commence the redesign of flexible curriculum and assessment that will enable a more flexible academic calendar with the ultimate objective of achieving continuous enrolment and assessment. In 2020, our offerings will include multiple entry points, and flexibly paced initial units, to enable students to commence their degrees at any point in the year. In 2021, as we commence widespread implementation for the UNE Model, our programs will incorporate different options for undertaking units, which vary in pace and intensity allowing students to stop and start between units while remaining engaged with the University. This will be complemented by nested exit awards developed for each program.

In 2019, we will focus intensively on redesigning the curriculum of some of our largest courses, at both the undergraduate and postgraduate levels. We will also introduce a streamed system of enrolment options across our most popular degrees to ensure that our students commence study in their chosen field at the most appropriate level – having regard to their individual circumstances and capacities. These decisions will be made with the student at the time of enrolment with the support of the Concierge enrolment model. This builds on the scaffolding already in place with our Bespoke courses. All students who apply to study at UNE will be offered a place, and a pathway to meet their unique learning, personal and career development objectives.

Some of the initiatives we will undertake within this program of work include:

5.1.1   Academic Concierge: Starting in 2019, the broader introduction of the Academic Concierge support model, which was developed under the Bespoke project, will provide personalised triage services to guide students through the course selection and enrolment process. This change will trigger changes to the UNE paradigms regarding our student support workforce.

This is a deliberate opportunity to question existing structures and rethink the workforce we need into the future, their skills and career trajectories, and the culture of these teams.

5.1.2   Learning Environment Renewal: During 2019 an extensive consultation process will be conducted with the UNE community to consider the requirements for our virtual learning environments into the future and procure the systems that will form this environment. Into 2020 any required implementations and transitions will be undertaken. The new technologies will significantly enhance UNE's teaching to include immersive multimedia/virtual reality; and ePortfolio systems that records authentic learning.

5.1.3   Curriculum Incubator: Over the 2019-2021 period, the curriculum incubator will play a central role in redeveloping our curricula in line with the UNE Model. We will target some of our largest enrolment courses such as the Bachelor of Arts, Bachelor of Nursing, and Bachelor of Science. The Incubator will also continue to undertake work towards specific commercial short course offerings including UNE Boost Courses (CkX phase 2). These courses produced as part of the curriculum incubator are designed to facilitate rapid and innovative course development by sitting beyond the regular structures of Faculties.

5.1.4   Learning Analytics: In 2019, we will commence the implementation of dynamic learning analytics at UNE. This will enable our staff and students to access data and insights that support evidence-informed engagement with, and design of, learning, teaching and engagement activities. This project will support the implementation of measures to enhance our ambitious retention program, learning environment renewal and Madgwick Campus.

5.1.5   Madgwick Campus: Madgwick Campus will be an online space, available 24/7, where components of the student experience are visible and accessible based on personal circumstance and individual preference. The vision is of a seamless experience as students move between devices, activities and locations. Where students can support their peers - and be supported - regardless of geography or degree or discipline and where they feel connected, a sense of belonging and positive emotions and wellbeing is enhanced. It would incorporate the pastoral care, leadership opportunities and sense of community associated with a residential college in a format befitting UNE's online learning community. The implementation of the Madgwick campus will occur over the 2019-2021 period.

5.1.6   Online student engagement and support: Commencing online students are identified as a cohort requiring additional support and engagement to improve their success in higher education. From 2019 we will reintroduce the Student Services and Amenities Fee (SSAF) for

online students with all fee income allocated to providing additional engagement, support and related amenities for our online students.

5.1.7   From 2019, we will focus on enhancing our partnerships with commercial organisations and third party providers. We will also consolidate our relationship with UNEP to ensure that offerings between UNE and UNEP have clearer pathways, and are interlinked to provide a wider range of options for potential students. By developing entry Diplomas for each faculty, students with non-traditional pathways of education can be offered a place at UNE, subject to completing appropriate enabling studies within the Diploma. The Diplomas will also be used to recognise prior learning and/or professional experience where applicable.

5.1.8   Building on the work undertaken in the Student Success program in 2018, and on the findings of recent sector wide report on the student experience, we will put in place an institution wide approach to improve our retention rate by 3% each year from 2019-2021. The implementation of the UNE model and the personalised engagement and support we provide will support this target. Our curriculum design will be informed by research indicating the designs and assessment practices that promote student success.

5.1.9   UNE Retention Strategy: In 2019, we will develop a coordinated retention strategy, with local and central implementation that leverages both the UNE Model curriculum reforms and other analytics-driven student intervention strategies to maximise success and retention.

The Value of Partnerships

When selected carefully partnerships can provide significant financial benefits with little up-front investment. Taking advantage of intellectual property we have already developed in our course and unit profile and establishing partnerships can enable us to access markets that would otherwise not be attracted to UNE, or to capitalise on the marketing channels to which our partners may have exclusive access. Partnerships may be domestic or international, with other institutions, private providers or industry groups. UNE developed a number of successful partnerships during 2018, including with Monarch Institute for Financial Planners, Open Universities Australia for delivery of individual units in Law and Science and Technology, and with the International Education Group for transnational delivery in Malaysia. While our primary long-term strategy is to focus and develop our own on-campus, online and international student markets we recognise that in the short to medium term mutually beneficial partnerships may present a low-risk opportunity to improve our financial sustainability.

5.2   Research

Our strategy towards achieving research excellence is mature, with key initiatives outlined in the Research Plan well underway. In 2019 and beyond, our research will continue to build upon our existing strengths while nurturing areas of emerging strength. First and foremost, we will maintain our position as one of Australia's leading agricultural research universities through continued investment in infrastructure, talent and development of industry and international partnerships. We will continue to develop new research talent through allocation of postdoctoral fellowships to ensure a sustainable research workforce. We will also invest in areas of emerging strength through strategic allocation of Higher Degree Research (HDR) stipends and postdoctoral fellowships in support of strong research outcomes, with a specific focus on research that will impact the everyday lives of our regional communities and industries to support their capacity to sustain healthy livelihoods. We will increase our HDR load by 5% p.a. and our research income by 10%p.a. The next Excellence in Research for Australia (ERA) will likely take place in 2021. We will aim to maintain the number of disciplines with a ranking of above world standard and seek to increase our number of disciplines at world standard by two disciplines.

5.3   Brand

Over the three year planning horizon we will continue to work towards a stronger brand for UNE. The Brand Strategy seeks to position UNE as a university that supports individuals and communities adapt to a rapidly changing world. The Brand Strategy has been demonstrating that this culture is in UNE's DNA as it was this ethos upon which Madgwick established UNE and championed innovations such as distance education – all at a time when the established universities tried to have distance education by universities discontinued (https://youtube/uthYY12LZK0).

The primary objective of the Brand Strategy is to increase equity in the UNE brand which has a direct, positive impact on our teaching and research income. UNE has lost significant market share over the last 20 years because it failed to invest in brand. The domestic school leaver market for UNE has been in decline over a number of years, and the current online market is maturing while competition is increasing rapidly. Positioning UNE as a brand of choice for the current and future life-long learner is a strategy that will help to secure a growing place for UNE in Australian higher education.

Some of the initiatives we will undertake within this program of work include:

5.3.1   Social Media and Web Enhancement: We will continue to support the dedicated social media team established in 2018. Remarkably UNE has never had a dedicated social media

team which places UNE well behind competitors and limits our prospective student engagement through these increasingly important channels. Additional videos, graphics and other content will be developed for use by the social media team.

5.3.2   Engagement: We will extend our engagement efforts by providing access to quality, online academic support for year 10, 11 and 12 students within our region to strengthen our brand position and reputation, and to support success and participation among equity groups within our region. We will also undertake an alumni engagement campaign in response to market research that indicates alumni referral has a very strong impact on prospective student perception. We will continue to reach out to school students in our region through the UNE Discovery program, promoting higher education participation and life-long learning among our communities.

5.3.3   Brand Campaign: We will continue the brand campaign introduced in 2017, predominately for the online market in New South Wales, Queensland and Victoria. Applicant numbers for 2017 and 2018 have increased significantly over previous years, and we will be aiming for a further increase as we target a higher share of applicants in the face of increasing competition.

5.3.4   College Marketing: in 2019-2021 we will seek to address the downward trend of college enrolments over the past two years by undertaking a focused campaign to build brand recognition both of the UNE residential system and of individual colleges. This project will include a series of events targeted showcase our colleges to our regional catchment area, which will be supported by improving our digital and social media advertising footprint for our colleges. The benefits associated with this program include an increase of 30 students in college in 2020, and a further 30 in 2021, which represents an improvement of $300K in revenue each.

5.4   People and Culture

Our people and our culture are key enablers for our organisation. The scope and scale of the organisational changes required to realise our strategic priorities will require significant investment. While initiatives commenced through this program in 2018 will continue, a major new focus will be on developing a plan and capability to achieve the organisational changes essential to achieve other strategic priorities.

Some of the initiatives we will undertake within this program of work include:

5.4.1   Workforce Planning: Development of our 2025 vision, in particular the UNE model, will entail major changes to our future workforce structure, composition and capability. These changes will entail significant lead times and require detailed planning to meet the urgency of change without creating undue disruption. In 2018 we will commence a planning exercise that will create a clear and detailed plan to achieve an organisation with the capabilities to deliver on the promise of the UNE model and other elements of our 2025 vision. Our investment in workforce planning will be $800K over 2018-2019.

5.4.2   Capability for change: A detailed workforce plan will not automatically result in beneficial change without investment in organisational change capability. Our current approach to organisational change is industrial and process-driven and does not adequately facilitate the positive cultural change essential to achieving our strategic priorities. Recognising our lack of capability in this area we will invest $800K p.a. ($2.4M over 2019-2021) to establish an organisational change management capability and culture within the organisation. Initially this will entail recruiting or procuring services to establish this capability, with a view to embedding the internal capability within the organisation in the latter years of this plan.

5.4.3   Respect.Now.Always: Building on the work undertaken in 2017 and 2018, our commitment to ensuring that UNE have a vibrant culture of respect will continue with the *Respect.Now.Always.* program in 2019-2021, to ensure that these values are embedded in our culture as an institution and as a community.

5.4.4   Indigenous Employment Strategy – Building Indigenous academic staff numbers has been a significant challenge for UNE. In 2019 we will establish continuing positions for current Indigenous fellows and develop an ongoing funding strategy to support a tenure track pathway that will allow suitably qualified Indigenous HDR candidates to move from HDR programs to early career positions, then into continuing positions. Faculties will have access to the expertise of these individuals in their effort to build culturally competent academic environments that are inclusive of Indigenous staff and students, which will build capacity for further Indigenous teaching and research activity, so that it eventually becomes part of the University culture and core business.

5.5   International Student Growth

In 2018, we have been making significant gains with regard to increasing our international student load, and our international footprint. We have expanded our teaching base into Parramatta at the UNE Sydney campus, and have entered a number of third party agreements and agent arrangements

to boost our numbers. International students remain a desirable source of income and diversity for the University. Over 2019-2021 we will build on progress in 2018 by expanding our third party agreements. We will seek to export our successful study centre model off shore to targeted partner institutions. We will grow income from international enrolments by 20% year on year.

Some of the initiatives we will undertake within this program of work include:

5.5.1   International Partnerships: Continuing with initiatives established in 2018 we will pursue partnerships with third party providers, with a view to being able to provide offerings to international students in major metropolitan areas.

5.5.2   Teaching International Students at UNE Sydney: This project increases UNE's International student enrolments by introducing courses for teaching at UNE Sydney (Parramatta). This is a continuing initiative from 2018.

5.5.3   International Recruitment and Targeted Incentives: To provide scholarship incentives to international students to increase enrolments in specific courses from targeted countries thus, increasing International student enrolments. Project continuation from 2018 initiative.

5.5.4   Off-Shore and Transnational Arrangements: in 2019 we will establish agreements with overseas partners for offshore UNE Study Centres.This will enable UNE to mature its offshore delivery model and consolidate its trans-national education operations to achieve economies of scale, a wider range of programs and an integrated approach to offshore delivery.

5.6   Operational Resilience

The Operational Resilience program underpins our capacity to deliver the UNE model. These projects fall into three specific categories: systems, infrastructure and workforce.

Our Cloud migration program will move into the implementation phase in 2019, with full transition by the end of 2021. We will also continue our investment, committed in 2018, in our cyber security remediation program to ensure that our systems and data remain secure and avoid the reputational damage of cyber-attack suffered by a number of Australian universities.

The current admissions process is in need of remediation. The Admissions 2021 project is a multi-year program of work to establish an application and enrolment service that exceeds current Higher Education practice: the redesign will incorporate admissions, credit transfer and enrolment into a timely, streamlined and excellent experience for students.

We will continue to invest in capital development and maintenance of our campus in line with the Campus Master Plan. In 2019, work will commence on Robb College which will ensure that our on campus accommodation is significantly improved, in particular for our international student cohort. Work on the solar farm will also commence in 2019, and will, on completion by late 2020, provide onsite generation of 50% of the Armidale campus' need for electricity.

Some of the initiatives we will undertake within this program of work include:

5.6.1 Admissions 2021: The Admissions 2021 project is a multi-year program of work to conceptualise, design, develop and implement an application and enrolment service that exceeds current Higher Education practice. The redesign will incorporate admissions, credit transfer and enrolment into a timely, streamlined and excellent experience for students. The project will involve collaboration and co-creation of service design with Student Success, Faculties, MAPA and ITD. Budget is multi-year and includes system implementation (estimate only).

5.6.2 Curriculum Management: Commenced in 2018, the Curriculum Management project to date has undertaken significant analysis of the current business processes at UNE for the development and publication of our curricula. In 2019, the project will implement system functionality to support redesigned processes to make the development of courses and units at UNE more agile and market responsive. The system is also a critical component for a redesigned course and unit catalogue.

5.6.3 Security Remediation we will also continue our investment, committed in 2018, in our cyber security remediation program to ensure that our systems and data remain secure and avoid the reputational damage of cyber-attack suffered by a number of Australian universities.

5.6.4 Our workforce is the chief enabler of our success as an organisation. In 2019 we will undertake the Voice Survey, last undertaken in 2016 to gauge the cultural climate of our work force. The findings of this survey will further inform areas for focus in terms of developing our staff and inform the workforce planning and organisational change management initiatives planned through the People and Culture Program.

6 Planned Performance against UNE Mission

6.1 Teaching and Learning

Key Performance Indicator	Baseline	Target		
		2019	2020	2021
Student overall experience rating	★★★★★	★★★★★	★★★★★	★★★★★
Teaching quality rating	★★★★★	★★★★★	★★★★★	★★★★★
Student support rating	★★★★★	★★★★★	★★★★★	★★★★★
Student retention rate		+3% pa	+3% pa	+3% pa

It is envisaged that a number of new teaching and learning related KPIs will be identified and progressively introduced in the next planning and budget cycle after a period of consultation. New KPIs may, for example, include the overall student pass rate, the number of students who graduate each year, the employment rate of our graduates.

In previous years we have included Trimester 3 student load as a KPI. We now intend to monitor this as a management-level performance indicator.

6.2 Research

Key Performance Indicator	Baseline	Target		
		2019	2020	2021
Research income ($m)	37.1	43.9	45.0	47.1
HDR student load (EFTSL)	470	493	518	544
ERA 5-star research fields (4-digit FOR)	8	-	-	8

It is envisaged that a number of new research related KPIs will be identified and progressively introduced in the next planning and budget cycle after a period of consultation. New KPIs may, for example, include our percentage share of the national Research Block Grant (RBG) allocation, our share of national Category 1 Research income and our share of the national number of HDR graduates.

6.3   Sustainability and Resilience

Key Performance Indicator	Baseline	Target		
		2019	2020	2021
Total revenue ($m)	314.7	339.5	362.1	389.4
Revenue from fee-paying students ($m)	21.9	+20% pa	+20% pa	+20% pa
Underlying operating margin	0%	-1.0%	+1.2%	+3.8%
CSP revenue as a proportion of total teaching revenue	84%	86%	84%	82%
Current Ratio	2	2	2	2

It is envisaged that a number of new 'sustainability and resilience' related KPIs will be identified and progressively introduced in the next planning and budget cycle after a period of consultation. New KPIs may, for example, include the annual number of applicants for admission, our share of the national market for external domestic students, average teaching revenue per academic FTE.

In previous years we have reported the level of philanthropic donations, backlog maintenance and Tier 1 IT system availability. We now propose to monitor these as management-level performance indicators.

6.4   Creating Opportunity

UNE will continue with its mission of providing people with the opportunity for a better life through higher education regardless of their personal or geographic situation. In delivering on this promise, the university will continue to improve the levels of participation and achievement in higher education by Aboriginal & Torres Strait Islander people as well as people from low socio-economic status backgrounds, people from rural and remote Australia, and people who are first-in-family to attend university.

It is envisaged that a new suite of 'opportunity' related KPIs will be identified and progressively introduced in the next planning and budget cycle after a period of consultation. New KPIs may, for example, include measures of participation, achievement and success for each identified under-represented student cohort, referenced against the same outcomes achieved by the broader university student community.