

Financial Resilience Report

National benchmarks and modelling of university financial risk scenarios

Introduction

Financial Resilience is one of the 17 measures in the University Future Readiness Index™. It is a composite measure of universities' financial performance and sustainability, combining operating margin, adjusted for fluctuations in investment income and donations, liquidity, cash flow, EBTDA and growth in EBTDA. Each of Australia's public universities is scored against a set of benchmarks, with scores on individual measures summed to an aggregate tally out of 100.

Scope of Report

The Financial Resilience Report shows:

- Your universities' overall Financial Resilience score and comparison to best-in-class
- How your university scored on each of the Financial Resilience sub-measures, compared to your peers/key competitors and national benchmarks;
- Modelling of potential risk scenarios and the impact on your university;
- Implications and recommendations of further scenarios that your universities' Finance and Risk teams should consider modelling



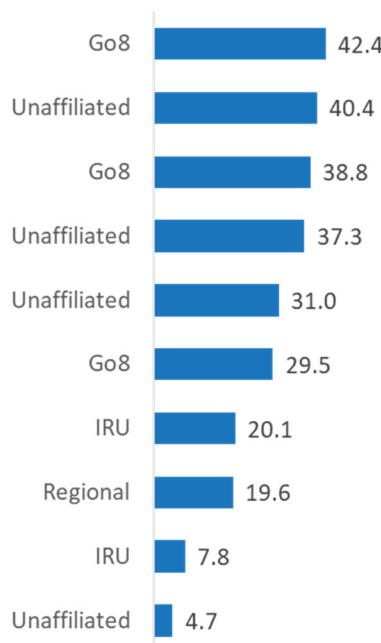
Content

The Financial Resilience Report includes a definition of each metric, charted results, commentary on the implications, recommended additional scenarios and ways to investigate further. For each measure and scenario, the report shows:

- a) Your universities' value
- b) Peer group average
- c) Peer group best-in-class
- d) National average
- e) National best-in-class
- f) Your universities' relative position amongst peer group
- g) Your universities' relative position nationally

Measuring vulnerability

Financial resilience score out of 100, bottom 10 universities in Australia



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Scenarios

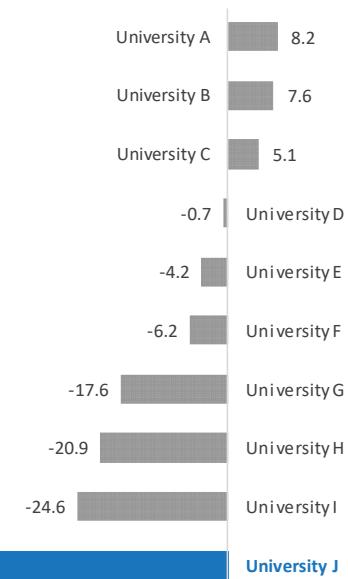
The Financial Resilience Report models your universities' finances under three key scenarios:

1. Downturn in global financial markets
2. Flattening / downturn of growth in the international student market
3. Downturn in international coinciding with a downturn in global financial markets

Each scenario is modelled in terms of its impact on your universities' revenues and operating surplus / loss, compared to peers and national benchmarks.

Scenario 3

Operating surplus/loss (ORBIT) in \$m



About Justin Bokor

Justin Bokor is a former director of EY and Monash University, author of the 2012 report University of the Future and now operates as an independent adviser specialising in the higher education sector. Justin has led numerous strategy, financial and growth assignments for universities over the last decade. He services university clients across Australia.

About the University Future Readiness Index

Justin Bokor is the creator of the University Future Readiness Index™, which benchmarks university readiness and adaptability to drivers of change in the decade ahead.



The exercise uses primary research and extensive data sets to highlight university-specific opportunities and areas of exposure, across 17 measures in five key areas: Strategic Fit and Adaptability; Market Power; Product Alignment; Channel and Operating Model Readiness; and Organisational Agility.

Client Feedback

Justin has helped us identify ways to differentiate our offer from other universities. His approach is that of an experienced strategist who synthesises and distils complex data and inputs into their core essence, enabling us to focus on key possibilities that will make a real difference to our business.

Vice-Chancellor, Victorian-based University

Contact

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