

CATEGORY A & CATEGORY B CRITERIA

Category A

A University will be in Category A if it can demonstrate a forecast reduction in total revenue between 5.0% and less than 10.0% (measured over a 12-month period against 2019 actuals); and it has a core operating cash flow margin of greater than 3.0% and less than or equal to 6.0%; OR it meets one of the Category B metrics.

Category B

A University will be in Category B if it can demonstrate a forecast reduction in total revenue of 10.0% or greater (measured over a 12-month period against 2019 actuals); and it has a core operating cash flow margin of 3.0% or less.

Total revenue reduction is to be measured on a calendar actual year to date and forecast basis for 2020 and 2021 compared to 2019 full year total revenue actual result.

Core Operating Cash Flow Margin is: Core Operating Cash Flow [1][2][3] / Revenue excluding non-core and non-cash revenue items [4][5]

Core Operating Cash Flow Margin Notes:

[1] Core operating cash flow = Operating result excluding non-core items [2] + Depreciation + Interest/finance costs + Other non-cash items [3]

[2] Examples of non-core items to be excluded from operating result are capital grants, impact of significant one-off items.

[3] Examples of non-cash items to be excluded from operating result are unrealised gains/losses in investments, leave provisions, gain/loss on disposal of assets. If any non-cash item has already been excluded from the operating result as a non-core item [2], do not exclude it here again (to prevent double counting).

[4] Example of non-core items reported in revenue and to be excluded from revenue is capital grants.

[5] Examples of non-cash items reported in revenue and to be excluded from revenue are unrealised gains/losses on investments, gains/losses on disposal of assets.