



ANNUAL REPORT 2017



a university for the **real** world[®]



27 February 2018

The Honourable Grace Grace MP
Minister for Education and Minister for
Industrial Relations
PO Box 15033
City East Qld 4002

I am pleased to present the Annual Report 2017 and financial statements for QUT.

I certify that this Annual Report complies with:

- prescribed requirements of the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*, and
- the detailed requirements set out in the *Annual report requirements for Queensland Government agencies*.

A checklist outlining the annual reporting requirements can be accessed at www.qut.edu.au/about/governance-and-policy/annual-report

Yours sincerely

A handwritten signature in black ink that reads 'Tim Fairfax'.

Tim Fairfax AC
Chancellor

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CRICOS No. 00213J

Published by
QUT Marketing and Communication

The QUT 2017 Annual Report is available from QUT Marketing and Communication (see back cover) or online at www.qut.edu.au/about/governance-and-policy/annual-report

Information on consultancies and overseas travel can be accessed through the Queensland Government Open Data website (www.data.qld.gov.au) or online at www.qut.edu.au/about/governance-and-policy/annual-report

ISSN 0819-209X
ABN 83 791 724 622

Introduction and review

From the Chancellor and Vice-Chancellor

Throughout 2017 QUT continued to consolidate its position as a university which exemplifies the highest standards in providing education and research aimed at improving the lives of individuals and society.

In April the university hosted the Times Higher Education Young Universities Summit, an international event which highlighted QUT's strengthening position on the world stage. While global university rankings have limitations, being focused predominantly on academic research, it is reassuring to note that QUT held or improved its position on the major rankings, a reflection of the increasing depth of our research portfolio.

QUT has long-standing research performance in fields such as creative industries, education, plant biotechnology, infrastructure and transport, and allied health. Just one example of the global reach and impact of this research is the renewed funding in 2017 from the Bill and Melinda Gates for Phase IV of the project to produce biofortified and disease-resistant bananas in Uganda. Over recent years we have developed strength in new areas, particularly science and technology fields such

as materials science, robotics, big data and biomedical engineering. In 2017 our strong showing in national ARC and state grant funding, as well as the news that QUT hosted five 'highly cited' researchers across mathematics and materials science, illustrated the success of this diversification and bodes very well for the future.

QUT has also had long-standing success in national awards for university teaching, culminating in 2017 with Distinguished Professor Peter Corke named as the 2017 Australian University Teacher of the Year. The award acknowledges advanced student learning, educational leadership and scholarly contribution to teaching and learning, and provides welcome recognition not only of Peter's personal commitment to student learning and educational leadership, but also of the culture of excellence and innovation in education at QUT.

In line with this, over the course of the year, QUT laid the groundwork for the transformation of the university's learning and teaching programs. We are aiming to have large-scale impact by reviewing curriculum across our major undergraduate flagship courses

in order to achieve the goals set out in the *QUT Blueprint* plan and our 'Real World Learning 2020' vision. These changes will reinforce a major strengthening of our commitment to students, following significant improvements over recent years to our campus environments and support services. This commitment can also be seen in the continuing growth of the QUT Learning Potential Fund, targeted to students in financial need, which saw its endowment stand at \$59.3 million in 2017.

In 2017 progress was made on a number of developments under the broad heading of the Business Transformation Program. The first phase of a \$22 million Student Experience (HiQ) project was completed with the opening of the HiQ centre and launch of a student app in April. The project was focused on improving service delivery for frequent student enquiries and establishing the physical and virtual infrastructure on which subsequent stages can be built. Other projects aligned to student experience include the Student Success Group Business Transformation which brings together a group of disparate student support activities into co-ordinated multi-skilled teams. In addition, a number

of 'back office' transformation activities were developed, with establishment of enterprise-wide models for IT, Finance, HR, and Health, Safety and Environment Projects. These are important reforms which will continue. They aim to streamline and improve services across QUT while securing operational efficiencies that will help the university to prosper in the face of greater financial uncertainty.

The progress QUT has made reflects the outstanding achievements of

our students and proud alumni, and the energy, commitment and achievements of our people at all levels across the organisation. We wish to acknowledge in particular the members of QUT Council for their guidance and support of the university.

We commend this report to all colleagues, partners and stakeholders in the university.



Tim Fairfax AC
Chancellor



Professor Peter Coaldrake AO
Vice-Chancellor



Organisation



VICE-CHANCELLOR

Professor Peter Coaldrake AO*

- Assurance and Risk Management Services (operational aspects)
- Strategic Intelligence Unit



SENIOR DEPUTY VICE-CHANCELLOR

Professor Carol Dickenson AM

- Executive Deans of Faculties
- Research institutes
- Caboolture campus



DEPUTY VICE-CHANCELLOR (RESEARCH AND COMMERCIALISATION)

Professor Arun Sharma

- Office of Commercial Services
- Office of Research
- Office of Research Ethics and Integrity
- Research Students Centre



DEPUTY VICE-CHANCELLOR (INTERNATIONAL AND DEVELOPMENT)

Professor Scott Sheppard

- Alumni and Development
- Confucius Institute at QUT
- QUT International
- QUT International College
- QUT Precincts



DEPUTY VICE-CHANCELLOR (TECHNOLOGY, INFORMATION AND LIBRARY SERVICES)

Ms Judy Stokker

- eLearning Services
- Information Technology Services
- Learning Environments and Technology Services
- Project Portfolio Office
- QUT Library
- HIQ



DEPUTY VICE-CHANCELLOR (LEARNING AND TEACHING)

Professor Suzi Derbyshire

- Learning and Teaching Unit
- Oodgeroo Unit



EXECUTIVE DIRECTOR (FINANCE AND RESOURCE PLANNING)

Mr Graham Fryer

- Corporate Finance
- Facilities Management
- Planning and Budget
- Reporting and Analysis



UNIVERSITY REGISTRAR AND HEAD ADMINISTRATIVE SERVICES

Ms Shard Lorenzo

- Equity Services
- Governance and Legal Services
- Health, Safety and Environment
- Human Resources
- Marketing and Communication
- Student Business Services
- Student Ombudsman's Office
- Student Support Services

* Professor Coaldrake retired from this role on 31 December 2017. Professor Margaret Sheil AO was appointed as QUT's next Vice-Chancellor in September 2017, to commence duties on 12 February 2018.

Faculties



QUT BUSINESS SCHOOL

EXECUTIVE DEAN

Professor Robina Xavier

- Accountancy
- Advertising, Marketing and Public Relations
- Economics and Finance
- Management
- QUT Graduate School of Business



CREATIVE INDUSTRIES

EXECUTIVE DEAN

Professor Mandy Thomas

- Design
- Creative Practice
- Communication



EDUCATION

EXECUTIVE DEAN

Professor Carol Nicoll PSM

- Early Childhood and Inclusive Education
- Teacher Education and Leadership



HEALTH

EXECUTIVE DEAN

Professor Ross Young

- Biomedical Sciences
- Clinical Sciences
- Exercise and Nutrition Sciences
- Nursing
- Optometry and Vision Science
- Psychology and Counselling
- Public Health and Social Work

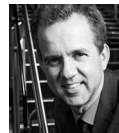


LAW

EXECUTIVE DEAN

Professor John Humphrey

- Justice
- Law
- Legal Practice



SCIENCE AND ENGINEERING

EXECUTIVE DEAN

Professor Gordon Wyeth

- Chemistry, Physics and Mechanical Engineering
- Civil Engineering and Built Environment
- Earth, Environmental and Biological Sciences
- Electrical Engineering and Computer Science
- Information Systems
- Mathematical Sciences

Institutes



INSTITUTE OF HEALTH AND BIOMEDICAL INNOVATION

EXECUTIVE DIRECTOR

Professor Lyn Griffiths



INSTITUTE FOR FUTURE ENVIRONMENTS

EXECUTIVE DIRECTOR

Professor Bronwyn Harch

Our vision, values and key priorities

The *QUT Blueprint* is the university's institutional strategic plan. The fifth iteration of the plan, titled *Blueprint 5*, provided a planning framework for the university in 2017.

Blueprint 5 sets out priorities, strategies, targets and key performance indicators (KPIs) for the university's three spheres of activity: graduates, learning and teaching; real-world research; and people, culture and sustainability. *Blueprint 5* can be accessed at www.qut.edu.au/about/strategic-ambitions/blueprint-for-the-future

As a leading Australian university, QUT's overall vision for the future is:

- to provide outstanding real-world education through physical and virtual learning environments and innovative courses that lead to excellent outcomes for graduates living in a diverse and complex environment characterised by rapid, transformative change
- to deliver solutions to the challenges of today and of the future through high-impact research that spans discipline boundaries and works in partnership with end users, leveraging our deep technological strengths and alignment to the human capital and innovation needs of the global economy
- to strengthen and extend partnerships with professional and broader communities to build our reputation as a source of knowledge that is applied to real world challenges.

In summary, QUT's principles are to:

- focus on quality
- solve real-world problems
- optimise opportunities provided by technology
- use resources effectively and improve services
- cultivate organisational agility
- foster a culture of community.

In summary, QUT strategic goals are:

- to be bold and drive transformative change
- to enhance QUT's reputation internationally as a 'university for the real world', facilitate engagement and connectivity with practising professionals and select partners at local, national and international levels
- to ensure QUT has a strongly performing workforce that achieves exceptional results, and an agile culture
- to be inspired and shaped by talented students and staff from diverse communities
- to establish a visible whole-of-organisation approach to innovation and entrepreneurship.

QUT's values support Queensland's public service values.

QUT contributes to the Queensland Government's objectives for the community by stimulating economic growth and innovation, through courses that increase the knowledge and skills of Queenslanders and research that makes a real difference to the people of this state and their economy. The government's objectives can be accessed at www.premiers.qld.gov.au/publications/categories/plans/governments-objectives-for-the-community.aspx

The following pages offer summaries of achievements against the objectives and key performance indicators of each of the key priorities of the *Blueprint*.

QUT Council membership

CHANCELLOR (CHAIR)

Mr Tim Fairfax AC
DUniv QUT, DUniv Sunshine Coast, FAICD
(attended 7 of 7 meetings)

VICE-CHANCELLOR

Professor Peter Coaldrake AO
BA (Hons) James Cook, PhD Griff, DUni Griff,
FAIM, FRIPAA
(6/6)

CHAIR OF UNIVERSITY ACADEMIC BOARD

Professor Carol Dickenson AM
BBus (Mgt) QIT, PhD Qld, CMAHRI
(7/7)

MEMBERS APPOINTED BY GOVERNOR IN QUT COUNCIL

Mr Wesley Enoch
BA(Hons)(Drama) QUT
(4/7)

Ms Teresa Handicott
LLB(Hons) QUT, GAICD, MCEW, SF Fin
(5/7)

Mr Peter Howes
BBus QIT, MBusAdmin Qld, FAHRI (Life), FAIM
(7/7)

Professor Mary O’Kane AC
BSc Qld, PhD ANU, DUniv CQU, Hon DSc Macq,
DUniv Canberra, Hon DSc W’gong, FTSE, Hon
FIEAust, CPEng
(4/6)

Mrs Jenny Parker
BCom Qld, CMIIA, FCA
(5/7)

Mr Mario Pennisi
BAppSc(MedLabSc) QIT, MAICD, MBIO, MDIA,
MACRP
(6/7)

Dr Lee-Anne Perry AM
BEd(Hons) MEd Syd, DipCL BIF, EdD QUT, FACE,
FACEL, GAICD.
(7/7)

Dr John Puttick
DUniv QUT, FACS
(7/7)

NOMINEES OF QUT COUNCIL

Ms Susan Rix AM
BFin Admin UNE, CA FICA, FAICD
(6/7)

Dr Richard Ashby AM
MBBS Qld, BHealthAdmin UNSW, FIFEM,
FRACGP, FACEM, FRACMA
Commenced 4 May 2017
(4/5)

ELECTED ACADEMIC STAFF MEMBERS

Dr Kerry Manton
BAppSc(Hons), Grad Cert Acad Prac, MEd,
PhD QUT, FHEA
(7/7)

Professor Paula McDonald
BSocSc(Hons)(Psych), PhD QUT, AICD FHEA
(7/7)

Dr David Nielsen
BArch Wits, MTech TWR, PhD QUT
(7/7)

ELECTED PROFESSIONAL STAFF MEMBERS*

Mrs Gwen Amankwah-Toa
BJourn James Cook, PhD
(7/7)

Ms Anne-Marie Lacaze
BBehavSc (Psych) QUT
(6/7)

ELECTED ALUMNI MEMBERS

Dr Tim Baker
BA Qld, BEd EdD QUT, FAHRI, ILPF
(4/7)

Mrs Kerri McConnel
Resigned 4 December 2017
(4/6)

ELECTED STUDENT MEMBERS

Mr Charles Harris
(5/7)

Mr Lachlan Spedding
(5/7)

SECRETARY

Ms Shard Lorenzo
University Registrar
BEEd Flind, GradDipEd UniSA, GradCertMgt
Adel

TENURE

QUT Council serves a four-year term.
The current term commenced on
21 November 2016.

* Student members serve a two-year term.

Governance

QUT values good corporate governance and seeks to adopt best practice.

Management and oversight

QUT was established on 1 January 1989 under the *Queensland University of Technology Act 1988*. The university is constituted as a body corporate and has the general powers outlined in the current *Queensland University of Technology Act 1998* (the 'QUT Act').

Functions

The university's functions are to:

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

Financial reporting arrangements

QUT is audited by the Auditor-General and transactions are accounted for in the financial statements approved by QUT Council each year.

Governing body

The university's governing body is the QUT Council and its chief executive officer is the Vice-Chancellor.

QUT complies with the Voluntary Code of Best Practice for the Governance of Australian Universities, approved by the Ministerial Council for Tertiary Education and Employment in 2011. In 2016, an annual review by QUT Council of compliance with the voluntary code confirmed that QUT fully complies with almost all aspects of the code.

Structure of QUT Council

QUT Council has up to 22 members and is constituted in accordance with the QUT Act. QUT Council's current term commenced on 21 November 2016. In 2017, QUT Council was fully constituted following the appointment of an additional member by QUT Council.

In 2017, QUT Council and other committee members external to QUT were not remunerated.

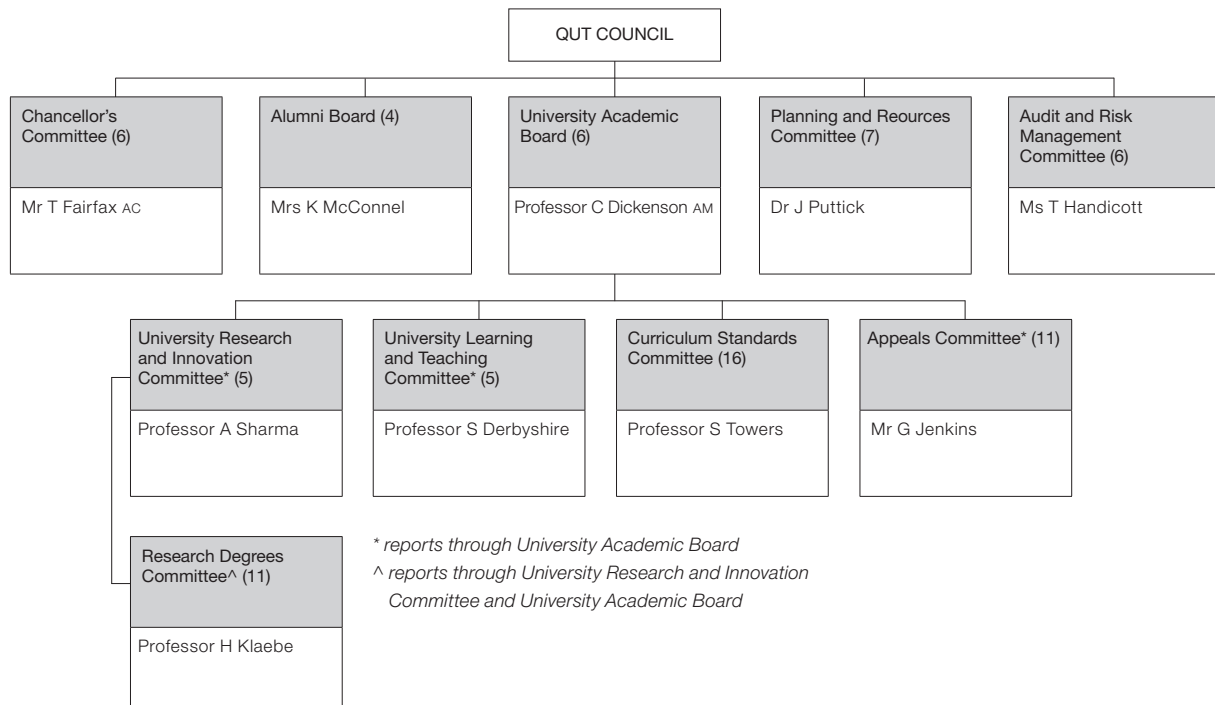
QUT Council business in 2017

QUT Council met seven times in 2017, including one special meeting, and held a one-day retreat in February which focused on governance, external settings and challenges.

During 2017 QUT Council considered the following items in carrying out its role:

- appointment of a new Vice-Chancellor to commence in 2018 (at a special meeting)
- approval of 2018–2020 Consolidated Budget and 2018–2022 Asset Management Plan
- approval of the 2016 financial statements
- approval of transfer of the Caboolture campus to the University of the Sunshine Coast, and oversight of the transition process
- financial management reports (at each meeting)
- corporate performance reports (February, June, August and December)
- corporate risk register and other risk matters
- reports relating to oversight of QUT Enterprise Holdings and its subsidiaries
- report on academic governance activities undertaken by University Academic Board (all meetings except February)

QUT Council committees and committee chairs (number of meetings in 2017)



- strategic reports on teaching and learning, course developments, and research and commercialisation matters
- reports on health and safety matters
- reports relating to faculty, division and thematic reviews under QUT's program of corporate reviews
- appointment of an additional member to QUT Council for the current term of office
- approval of conferral of honorary titles
- approval of revisions to various policies, including policies on intellectual property, student misconduct and public interest disclosure management
- reports and relevant policy items from QUT Council sub-committees.

Ethical conduct and social responsibility

QUT recognises its obligation to act in a socially responsible manner.

The QUT Staff Code of Conduct has been prepared under the *Public Sector Ethics Act 1994* and applies

to all employees of QUT and to other 'officers' such as external committee members, adjunct and visiting academics, and volunteers acting on behalf of QUT.

The QUT Staff Code of Conduct outlines the ethical obligations of all staff for integrity, accountability, and the efficient use of university resources. The university has a formal communication strategy in place for senior staff relating to their role in supporting the principles set out in the Code of Conduct, and provides an online, required training module to all staff on ethical decision making and behaviour. New staff must complete this training within one month of commencement and other staff two yearly.

The university actively promotes the Code of Conduct and ethical behaviours through a number of staff processes and information resources throughout the year, particularly performance planning and review. In particular, staff must complete online training on corruption and fraud awareness and prevention which reinforces a culture of high

ethical standards and accountability in learning and teaching, research and other activities. Other required training supporting ethical obligations includes information privacy awareness (completed on appointment, thereafter two yearly) and training on equal opportunity principles for work and study environments. Staff are required to complete these training activities upon appointment and then two yearly.

QUT has a number of procedures and codes of conduct to guide and assist individuals to discharge their responsibilities in an ethical and responsible manner. They include:

- the QUT Council Procedure 1—Committees
- Conflict of interest policy and associated procedures
- policy on staff gifts and benefits
- QUT Code of Conduct for Research
- University Animal Ethics Committee
- University Human Research Ethics Committee
- University Biosafety Committee.

QUT maintains a Register of Disclosed Interests to assist staff in recognising and declaring conflicts of interest. Policies on conflicts of interest, including conflicts related to research activities, have also been developed. Reports are provided to each university committee on members' disclosed interests annually or more frequently if interests change.

In regard to external scrutiny, in 2017 QUT addressed improvements identified by the Queensland Ombudsman concerning a small number of student matters, including intervention strategies undertaken for international students identified at risk of unsatisfactory academic progress and processes for issuing letters of release to international students. There were no significant issues identified by the Fair Work Ombudsman, the Crime and Corruption Commission or the Office of the Information Commissioner.

In June 2017, the following Queensland Audit Office (QAO) report was tabled in the Queensland legislative assembly 'Universities and grammar schools: 2016 results of financial audits (Report 18: 2016–17)'. This report summarises the results of QAO financial audits of the seven Queensland public universities and their controlled entities with a financial year end of 31 December 2016. It provides an overview of the universities' finances at 31 December 2016 and of the financial accounting issues that arose during the audits.

Compliance Program

The university's Compliance Program includes a register of obligations, an annual compliance reporting process, including risk assessment, and a communication strategy incorporating targeted education and training activities. The Compliance Program also includes a Register of Licences, which is reviewed annually to ensure that a record of all current

licences and registrations held by QUT is available at all times. In 2017, work was undertaken to ensure compliance with new obligations, such as data retention laws, and to ensure that QUT's compliance procedures for various obligations relating to teaching and research activities, were robust.

QUT planning and quality frameworks

QUT's policies around its planning framework, corporate reviews, and quality framework provide the overall structure to guide these activities at university and organisational area level. The policies are approved by QUT Council and are published online.

Consistent with the corporate reviews framework, in 2017 the university centrally administered a number of reviews, including a review of the Division of Finance and Resource Planning, and thematic reviews relating to data and reporting. A substantial program of review work to ensure compliance with Higher Education Standards issued by the Commonwealth Government was also undertaken.

Recordkeeping

The university's strategic approach to recordkeeping is to capture records in electronic formats. Substantial work has been undertaken to implement the corporate electronic recordkeeping and documents management system for critical records, and to integrate it with corporate information systems supporting key business processes.

This strategic approach is supported by a recordkeeping program including policies and procedures documenting roles and responsibilities, and other resources such as a business classification scheme and training programs which support records management activities.

During 2017, the recordkeeping program included the following activities:

- improvements to recordkeeping practices in certain key functional areas of the university and for business transformation activities
- continuation of a program of digitisation of student record cards from QUT's predecessor institutions
- approval of policies and procedures for early disposal of temporary records following digitisation
- review of QUT's recordkeeping policy.

All staff using the corporate records system undertake mandatory online training on recordkeeping and privacy principles before access to use the system is granted. In addition, face-to-face training sessions are available to system users to promote high-quality recordkeeping.

Audits of recordkeeping compliance are conducted annually in key areas such as decision-making committees in faculties and records of various academic integrity functions, and recordkeeping is also considered as part of university audits and reviews. Additionally, records user permissions are audited annually.

A records management services unit is responsible for implementing QUT's records management program and for supporting faculties and divisions in undertaking their records management activities.

Audit and Risk Management Committee

Audit and Risk Management Committee (ARMC) advises both QUT Council and the Vice-Chancellor, as accountable officer, on the performance or discharge of functions and duties under the *Financial Accountability Act 2009*, *Financial Accountability Regulation*

2009, *Financial and Performance Management Standard 2009* and the university's Assurance and Risk Management Services Charter.

ARMC's main functions are to:

- assess and contribute to the audit process including evaluation and facilitation of the internal audit function
- oversee and approve financial and operational reporting
- review business risk as reported, including compliance, corruption and fraud.

Committee membership

CHANCELLOR

Mr T Fairfax AC

DUniv *QUT*, DUniv *Sunshine Coast*, FAICD

(attended 6 of 6 meetings)

Four external members with professional accounting, financial or auditing expertise nominated from or by QUT Council:

Ms T Handicott

LLB(Hons) *QUT*, GAICD, MCEW, SF Fin

(nominated as Chair by Chancellor) (6/6)

Mrs J Parker

BCom *Qld*, CMIIA, FCA

(6/6)

Ms S Rix AM

BFinAdmin *UNE*, CA, FICA, FAICD

(4/6)

Mr D Hodges

(Commenced 10 March 2017)

BCom *Qld*, LLB *QUT*,

GradDipAppCorpGov *GIA*, FCPA, MAICD, MIIA, AGIA, CIA

(5/5)

No members of the ARMC were remunerated by QUT in 2017.

The Vice-Chancellor, the Executive Director Finance and Resource Planning, and the Director Assurance and Risk Management Services have rights of audience and debate but are not members of the committee.

Relationship with Queensland Audit Office (QAO)

Staff from the university's Corporate Finance Department and Assurance and Risk Management Services worked closely with the QAO during the year to facilitate the university's annual audit. Staff from QAO also attended two meetings of Audit and Risk Management Committee in 2017 and were given the opportunity to meet with the committee without the presence of management.

Assurance and Risk Management Services

The primary purpose of Assurance and Risk Management Services, mandated through the approved Assurance and Risk Management Charter, is to add value to the university's operations and assist the university to achieve its corporate goals by providing independent analysis, appraisals, recommendations, counsel and information on the university's systems of internal control, effectiveness of risk management and the quality of performance.

The assurance and audit approach in 2017 involved:

- incorporating a blend of compliance, operational, strategic, and information technology audits and reviews to achieve a two-fold impact of internal controls enhancement and business process improvements
- supporting management through proactive preventative auditing rather than 'after-the-event' detective auditing
- a focus on risk management to assist management in embedding it into the day-to-day university activities
- providing management advice on an effective and efficient internal control framework
- assisting management in responding to emerging issues and the changing environment.

The annual Assurance and Risk Management Plan for 2017 was achieved after approved additions and deferrals.

Financial management and accountability

QUT has a number of policies relating to financial management and accountability, including specific policies on balance sheet management, user charging and expenditure.

The university also has a financial management practice and procedures manual and a project proposal framework for the support of significant projects or proposals.

Recognising and managing risk

QUT Council through the ARMC is responsible for ensuring there are adequate policies and procedures in relation to risk management, compliance and internal control systems.

The Vice-Chancellor and the senior management team are responsible for the implementation of these policies and managers at all levels are accountable for effective risk management.

The university's risk management framework provides detailed guidelines on application of the risk management process, the roles and responsibilities of key stakeholders, level of documentation and reporting requirements.

In 2017 the following initiatives were implemented to further embed risk management into university activities:

- risk management framework was reviewed for continuous improvement
- risk workshop was facilitated for QUT Council and senior management to enable shared appreciation of risk appetite, opportunities and risks
- risk workshops with the Primary Risk Owners and the Action owners which informed the update of the Corporate Risk Register and the university's risk appetite for key activities.

Real-world graduates, learning and teaching

Student enrolments	2014	2015	2016
Total enrolments	47229	48503	48833
Course group			
Higher degree research	2517	2604	2655
Higher degree coursework	6195	5868	5493
Other postgraduate	3184	3563	3446
Bachelor degree	33 766	34 789	35 922
Other undergraduate	528	515	558
Other	1039	1164	759
Enrolment kind			
Commencing	19 297	19 301	18 854
Continuing	27 932	29 202	29 979
Gender			
Female	25 600	26 212	26 451
Male	21 629	22 291	22 361
Other			21
Attendance type			
Full time	31 169	32 257	36 611
Part time	16 060	16 246	12 222
Campus			
Gardens Point	26 316	27 374	27 397
Kelvin Grove	14 510	14 188	16 020
Caboolture	785	846	915
Overseas	195	82	0
External postgraduate	3600	4149	3847
External undergraduate	1473	1595	606
External non award	350	269	48
Domestic/international			
Domestic	39 247	40 285	40 986
International	7982	8218	7847
Course faculty			
Business	8192	8971	8878
Creative Industries	5540	5499	5584
Education	4516	4003	3556
Health	9714	10 005	10 399
Law	4086	4016	3921
Science and Engineering	9960	10 278	10 212
University-wide	4637	5118	5545
QUT International College	510	518	558
Other	74	95	80

NOTE: 2017 data not finalised by completion of Annual Report

Our real-world graduates benefit from QUT's distinctive learning experiences, delivered by outstanding teachers. QUT produces highly skilled, enterprising graduates who are well-suited to 21st century employment and careers, and who thrive in changing and complex working environments.

QUT's student numbers increased again in 2017 with enrolments reaching 49 843, including 41 485 domestic and 8358 international students (preliminary data).

Good progress continued to be made towards realising QUT's Real World Learning 2020 vision and in implementing the blended and online framework.

Distinguished Professor Peter Corke was named as the 2017 Australian Awards for University Teaching (AAUT) University Teacher of the Year.

This premier university teaching award is made to an academic with an exceptional record of advancing student learning, educational leadership and scholarly contribution to teaching and learning.

Associate Professor Laura Gregory was a recipient of an AAUT Award for Teaching Excellence.

AAUT citations were also received by Dr Deanna Grant-Smith, Professor Fiona Naumann and Associate Professor Nick Suzor.

QUT has now been recognised a total of 114 times since the inception of the national teaching awards in 1997.

Between 2007–2017, QUT has received 21 teaching excellence awards and 13 program awards, giving QUT the highest position nationally for the combined number of these awards.

QUT was one of 27 global finalists in the Global Teaching Excellence Award (GTEA). Launched in 2017, the GTEA is believed to be the first global accolade to recognise higher education providers demonstrating an institution-wide, world-class commitment to teaching and learning excellence. In association with Times Higher Education, over 300 institutions across 47 countries submitted applications in 2017.

The QUT Graduate School of Business Executive MBA was recognised as the best in Australia in the *Australian Financial Review's* BOSS Magazine 2017 biennial rankings. In 2015, QUT was ranked third.

QUT also enjoyed success once again in the 2017 Wharton-QS Stars Reimagine Education Awards which reward innovative initiatives aimed at enhancing student learning outcomes and employability. The accolades were for *Teach Connect: Enabling preservice teacher professional identity*, led by Dr Nick Kelly and Steven Kickbush. Teach Connect won the gold award for the Regional Award: Asia Pacific (QUT's third over three consecutive years); the gold award for the Social Sciences Discipline, and the silver award in the category of Nurturing Employability.

The 2017 David Gardiner QUT Teacher of the Year Award was awarded to Associate Professor Jennifer Finn and Associate Professor Timothy Moroney.

The Confucius Institute at QUT (CIQ) was named the 2017 Confucius Institute of the Year (Australia). The award recognises the CIQ's ongoing dedication to Chinese teacher training via innovative approaches, professional development and cultural awareness. CIQ was the only Australian Confucius Institute to receive the award in 2017. This is the third time the institute has been honoured, having previously won the award in both 2010 and 2011.

Dr Charmaine Glavas was named as the Australia and New Zealand Marketing Academy's (ANZMAC) Emerging Marketing Educator of the Year for her outstanding contribution to—and excellence in—learning and teaching in marketing.

It is anticipated that QUT will have some 500 Fellows of the United Kingdom's Higher Education Academy (HEA) by the end of the year. The HEA has recently made QUT a Global Strategic Partner.

Professor Suzi Derbyshire was elected as the chair of the HEA Australasian Strategic Advisory Board which represents subscribing institutions in Australia and New Zealand.

Professor Abby Cathcart has been appointed by HEA as Australasian Strategic Advisor and will play a key role in leading policy development through the Australasian Strategic Advisory Board.

QUT has been awarded funding for a Queensland International Education and Training Partnership pilot project exploring leadership in higher education teaching. The project, supplemented by additional funding from the HEA, will enhance Queensland's reputation as a centre for excellence in university teaching.

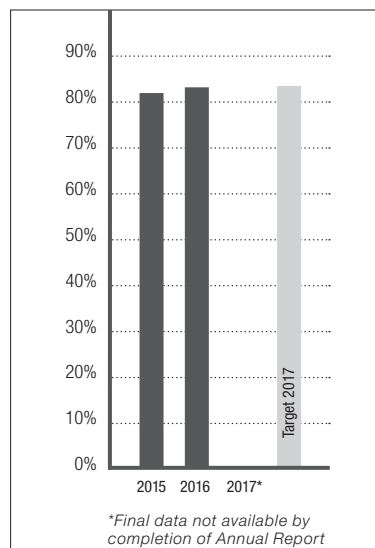
Expert Peer Review of Educational Practice (ExPREP) was introduced in 2017—approved as one of three Learning and Teaching performance indicators. ExPREP is an evidence—based review approach which builds from performance-based discussions between line manager and academics.

The Student Perceptions of Teaching (SPOT) survey was introduced across QUT in 2017 enabling students to provide feedback on teaching.

The overall quality of students' educational experience whilst studying at QUT has been increasing over recent years.

QUT was above the higher education sector average over 2014–2016.

Overall quality of educational experience



Professor Tania Broadley and Associate Professor Judith Smith received Australian Technology Network (ATN) grants of \$130,000 and \$150,000 respectively in 2017. The ATN grant scheme allows staff to collaborate, share knowledge, practices and resources to deliver world-class teaching and learning, and provide an exceptional student experience across all five ATN universities.

Demand for sessional staff programs continues to be strong, with 700 QUT staff attending development workshops through 2017.

A recipient of three national awards, the Sessional Success Program (SSP) has set a national sector benchmark for quality systemic sessional academic professional development. SSP trains and deploys experienced sessional academics as advisers to support, develop and ensure a sense of belonging for commencing sessional staff. In 2017 it was expanded to include advisers dedicated to supporting international sessional staff, and an Indigenous Sessional Academic Success Adviser. Since its inception, the program has contributed to a continued reduction in attrition of sessional staff by fostering a sense of belonging, and providing local capability building and support.

QUT's Graduate Certificate in Academic Practice (GCAP) offers a postgraduate qualification as well as taught postgraduate pathways to associate fellowship and fellowship of the HEA. To date, 214 QUT staff have graduated from GCAP (2012–2017) and 123 Associate Fellows and Fellows have gained recognition through its taught pathways.

QUT's commitment to developing technology solutions that enhance the learning experience has seen the establishment of the Synchronous Teaching Space at QUT's Kelvin Grove campus. The layout of the technology and furniture allows student cohorts to engage in peer-based learning both locally and remotely via web

conferencing. The room facilitates movement of staff within the teaching environment to enable closer engagement with students, and has 'follow me' cameras, projection fields and project-based learning-style pods.

A significant refurbishment was completed in 2017 to expand the Continuing Professional Education (CPE) facilities on Level 5 of B Block at our Gardens Point campus. The project supports the ongoing growth in executive education and complements the recently completed CPE space on Level 4.

The Compass Project received significant funding to develop and implement a technology solution to provide a new authoritative source for curriculum. This will facilitate whole-of-course design and assurance of learning experiences and course learning outcomes. It will enable staff and students to access, visualise, and explore whole-of-course connections and curriculum change.

QUT has created a prototype 360-degree virtual reality (VR) tour of the Kelvin Grove library. The library is making VR technologies accessible to students, with the installation of a PlayStation VR headset into the Games Lab and the purchase of an Oculus Rift. This project is the first of its kind for an academic library in Australia.

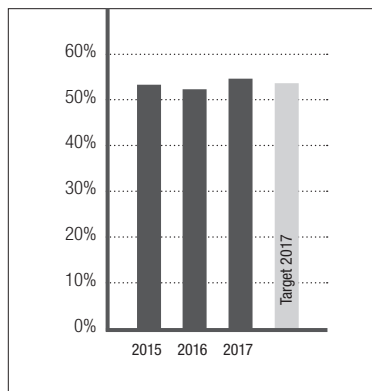
In 2017 student internet access quotas were increased to 50GB per month during business hours and unlimited access outside of these hours. This increase provides students with greater flexibility to use internet services at a time of their choice and ensures they have access to all of the internet-enabled resources they require for a successful learning experience.

QUT has developed action plans for implementation (over a three-year period) of QUT's response to *Respect. Now. Always.*—a national survey on sexual assault and sexual harassment of university students.

The plan incorporates local ideas as well as the recommendations of the Australian Human Rights Commission and Universities Australia. It includes strategies for the prevention of harassment/assault, and addresses issues of disclosures and complaints, and support for students.

QUT increased its percentage of OP 1–15 students with an OP 1–6 who accepted an offer through QTAC, exceeding its 2017 target.

Quality of undergraduate intake



Major recruitment events for 2017 included QUT Open Day and our attendance at the Tertiary Studies Expo (TSXPO). Around 20 000 visitors spoke to staff and students at the two-day TSXPO event. Open Day attracted 24 358 visitors who attended seminars and tours across both Gardens Point and Kelvin Grove campuses. There were 618 staff and 181 student ambassadors on hand to provide advice.

The Future Leaders Program was offered in 2017 for the third consecutive year. It provided extension and enrichment activities for more than 170 high-achieving students over the two years of their senior schooling.

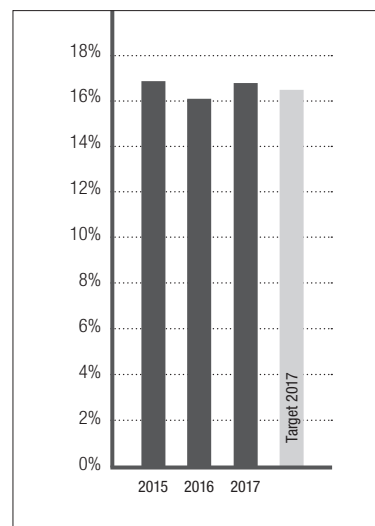
Focusing on the science, technology, engineering and mathematics (STEM) disciplines, the STEM for Schools Program provided STEM workshops and events to 8300 high school students, teachers and parents in 2017.

- 150 on-campus STEM workshops were delivered free to 5036 local high school students from 56 schools.
- Seven on-campus STEM professional learning events were attended by 216 teachers.
- 160 high-achieving Year 11 students attended the Vice-Chancellor's STEM camp.
- 250 applications were received for the High School Research Internships Program which offers only 24 places.

QUT increased its international student percentage to 16.8 per cent in 2017, exceeding its 2017 target.

Of QUT's international students, 11.2 per cent were higher degree research (HDR) students.

International student share of total population

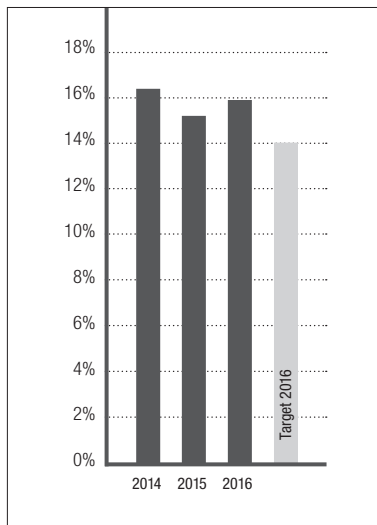


In 2017, 25 students graduated from the dual-badged degree WIPO (United Nations' World Intellectual Property Organisation)/QUT Master of Laws in Intellectual Property award.

Twenty-seven QUT students were enrolled in joint Doctor of Philosophy programs being offered with several overseas institutions in 2017. An additional six students graduated in 2017.

QUT International College expanded its suite of programs in 2017 with the commencement of the Diploma in Health Science into which 59 students enrolled. Graduate certificates in engineering and health have been approved for commencement in 2018.

Commencing ex-QUT bachelor degree attrition



This measure shows the percentage of commencing bachelor degree students who neither complete their course in the same year nor return to QUT in the following year. The university's 2016 commencing bachelor degree attrition increased slightly from 2015. QUT was aiming to reduce this attrition to 14 per cent.

Throughout 2016 QUT explored ways to support the university's vision to transform and enhance the student experience through a student-centred approach providing seamless services.

QUT's new student support model, HiQ, was launched on 29 April.

HiQ brings together library enquiries, technology assistance and student administrative support into a single service available on campus, online and via the contact centre. HiQ enhances the student experience through a combination of state-of-the-art technology and peer-to-peer support. More complex needs are

supported via chat, phone and face-to-face interactions with student concierges, HiQ Advisers, and 'tier 3' service providers. Response to the new service from QUT students has been overwhelmingly positive.

The signature element of the HiQ experience, the HiQ Digital Wall which is located in V Block at Gardens Point, provides QUT students with the most advanced and interactive digital campus experience in Australia. At 17.5 metres in length, the digital wall is the largest interactive, indoor LED screen in Australia, and uses 'gesture and swipe' interactivity.

A new QUT student app and refurbished student website was also launched on 29 April. The app is the undergraduate student's personal mobile companion to access information and services, guiding them through their QUT experience from 'day one' to graduation, and beyond.

In 2017 the Student Success Group was created which brings together QUT's support for learning and its employability services. The Student Success Group will play an important role, working alongside HiQ, in meeting some of the more complex student needs by bringing together learning support units from across QUT.

The Student Success Program made 6647 successful contacts in 2017. Some 87 per cent of students were recorded as appreciative or very appreciative of the call, and 449 referrals were made to QUT academic and personal support services.

The Academic Skills Adviser service—a referral-only specialist consultation case management service for high-risk and/or high-need students—supported 409 unique students through the delivery of 1516 consultations. The Academic Language and Learning Service delivered 396 events to 948 unique students across the university,

and 3352 individual consultations to 862 unique students.

The STIMulate Team continued to provide mathematics, science and IT one-to-one and group support for QUT students. For 2017, attendance was 3988 at drop-in support, 2602 at group support and 70 for virtual support sessions. The team of 162 active Peer Learning Facilitators provided 3761 hours of volunteer time, and were supported by 12 academic and professional staff.

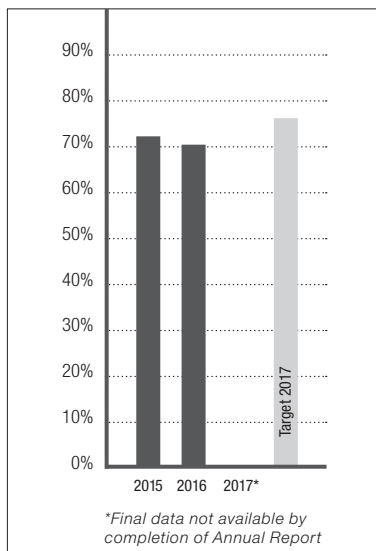
The Leadership, Development and Innovation (LDI) team, in close partnership with 104 students, delivered 189 workshops and experiences with a total participation involving 2744 students. Currently 3061 students are enrolled in LDI and within this engaged group of student leaders, approximately 235 students have identified as having a disability and 160 students as having English as an additional language.

Client demand in all student services has risen from 2016. As at early November, Counselling Services had 6457 service contacts, and over 2100 students accessed the disability support program—an increase of 12 per cent from 2016. Over 1900 students received equity scholarship offers including 296 Indigenous students, 60 Smith Family students and 786 Q-Step students, 330 of whom were allocated a free computer. Over 440 students received an emergency/WIL bursary. Fewer loans were allocated than in 2016.

QUT continued to provide excellent career development services to students through over 2700 one-to-one career counselling sessions and over 2600 outcomes in QUT's industry-engagement programs.

The REAL Employability project launched a FutureLearn massive open online course (MOOC) for prospective students (Kickstart Your Career).

Full-time employment rate for bachelor graduates available for full-time work

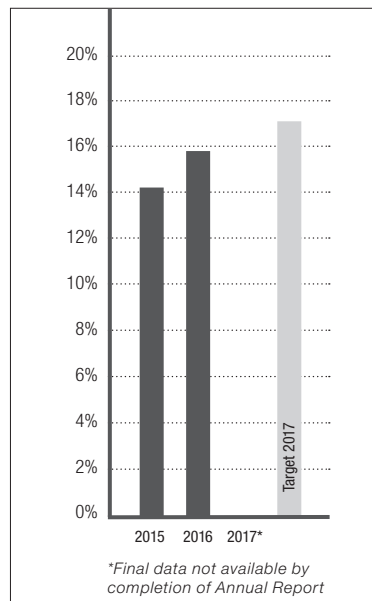


After several years being above the higher education sector average, QUT's full-time employment rate was slightly under the sector average in 2016.

QUT has been successful in the 2018 round of the New Colombo Plan (NCP) Mobility Program, receiving over \$1.4 million to support 369 student experiences in the Indo-Pacific region.

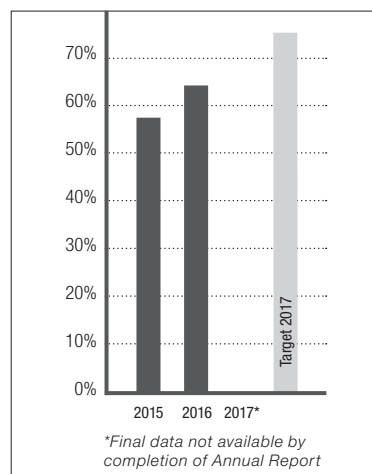
This is up on the 2017 round where QUT received over \$660 000 to support 174 student experiences. In addition to significant growth in short-term mobility, 2017 saw the highest ever levels of interest and participation in semester exchange, with over 400 students studying overseas for a semester or longer. QUT was awarded the highest number of prestigious NCP Scholarships in 2017—nine scholars (eight in 2016).

Percentage of students who have an international experience



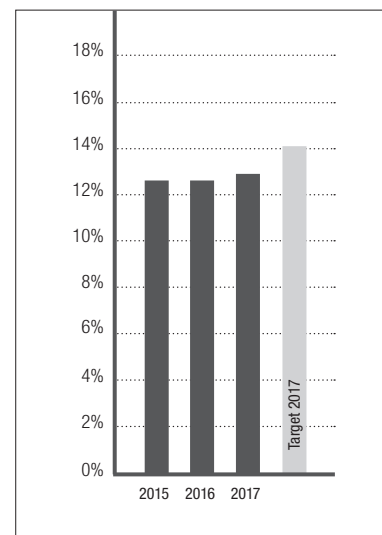
Strong partnerships with students and industry, and a focus on employability, frame the student experience with an institutional target that 90 per cent of students will have completed Work Integrated Learning (WIL) upon graduation by 2019. In 2016, over 21 500 WIL activities were undertaken by students. Indicative data for 2017 shows that this number is increasing, with two out of every three of the 2017 graduating students having undertaken WIL activities.

Percentage of students who have completed Work Integrated Learning units upon graduation



In 2017, QUT increased its share of domestic undergraduate students from low socioeconomic backgrounds to 12.9 per cent.

Share of domestic undergraduate students from low SES

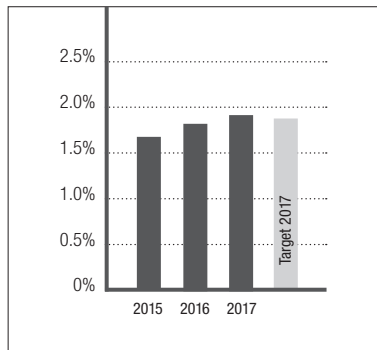


The Widening Participation (WP) Program continued with high levels of engagement in the Moreton Bay community with 8500 school students involved in on-campus activities and thousands participating in activities such as curriculum workshops, awards and careers talks. The WP Careers team supported many hundreds with free careers advice, and fee relief was provided to adults undertaking the Certificate IV in Adult Tertiary Preparation at the Caboolture campus.

QUT's share of domestic undergraduate students who are Aboriginal and Torres Strait Islander people increased again in 2017, to a historical high of 1.91 per cent.

Over recent years, QUT's percentage has been above the higher education sector average.

Share of domestic undergraduate students who are Aboriginal and Torres Strait Islander people



QUT, partnering with nine other organisations, hosted the fifth annual Indigenous Australian Science and Infrastructure Development (SID) School in June. Attended by 30 Year 10, 11 and 12 students from across Queensland and Northern New South Wales, the focus was on STEM careers with a particular emphasis on science, technology, stakeholder engagement, urban development and planning. This experience not only demystifies university for students, but also provides them with the chance to immerse themselves in hands-on activities and interact with academics and professionals from a range of career areas.

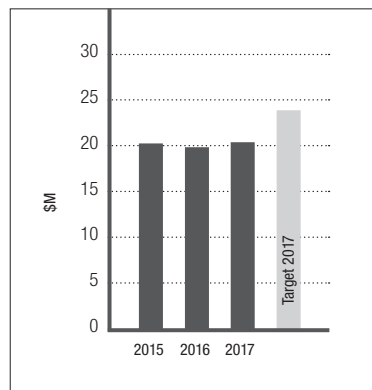
As part of its transformation initiatives, QUT is undertaking strategic whole-of-course design activities for eight flagship courses in nursing, pharmacy, science, design, creative industries, fine arts and education using a design studio model. A design studio space at Gardens Point has been created to facilitate this initiative.

QUT offers online programs on FutureLearn. The program approach connects stand-alone courses by theme to enable learning pathways. QUT now offers programs in Big Data Analytics, Introduction to Robotics and Robotic Vision. For the open online courses offered until September 2017, there were 37 905 learners, 74 per cent of whom rated the courses as ‘excellent’ or ‘good’.

The use of a range of data analytics has enabled an improved experience for QUT’s open online course learners. During course teaching, assistance

is provided in real time with feedback about enrolment data, student usage of the FutureLearn platform, and quantitative analysis of student comments on each webpage for the course. This enables teachers to identify how students are engaging with the course and how best to address their learning needs through targeted communication.

Graduate and professional education income (\$M)



The Australian Centre for Health Services Innovation, AusHSI, has been engaged to deliver health services evaluation and study design for assessment of the quality and effectiveness of initiatives funded by Queensland Health’s \$35 million Integrated Care Innovation Fund. As part of the project, AusHSI will also build skills via short courses in key areas including cost effectiveness, statistical analysis and implementation science.

In 2017, QUT’s Continuing Professional Education Unit offered 84 short courses and engaged over 3250 students in either face-to-face, online or blended course delivery. Business-to-customer and business-to-business short courses offered by the unit generated a total of \$4.7 million in revenue for 2017.

Graduate and student achievements

The 2017 QUT Outstanding Alumni Awards ceremony was held on 1 August. Darryl McDonough was named QUT Alumnus of the Year, and Kate Gifford as QUT Young Alumnus of the Year.

QUT engineering graduates Josh Loyd and Maryanha Lee were named in the GradConnection Top 100 Future Leaders list in February as part of an awards program recognising the top students coming out of the nation’s universities across a variety of fields.

QUT industrial design graduate William Mason was named the Australian winner of the 2017 James Dyson Foundation prestigious international design award for his development of a device to improve delivery of chemotherapy to cancer patients.

QUT PhD graduate Dr Linh Tran, now Head of the School of Nursing at the University of Medicine and Pharmacy in Ho Chi Minh, Vietnam, was named Alumnus of the Year in the 2017 Queensland IET Excellence Awards.

Five QUT students—Kanupriya Agarwal, Maria Vargas Duque, Niamh Conway, Vanessa Li and Riva Mendoza—were among 32 named as 2017 Westpac Young Technologists.

Four QUT students presented on the role of Indigenous ambassadors at QUT at the World Indigenous Peoples Conference on Education between 24–28 July in Toronto.

Benchmarking activities

QUT Blueprint key performance indicators compare QUT’s outcomes to prior years’ averages for universities in the Australian higher education sector, Group of Eight, Australian Technology Network and Queensland. Progress reporting on these indicators is undertaken on a quarterly basis.

Student and staff equity data is routinely benchmarked against past performance, against other universities, and against aspirational targets.

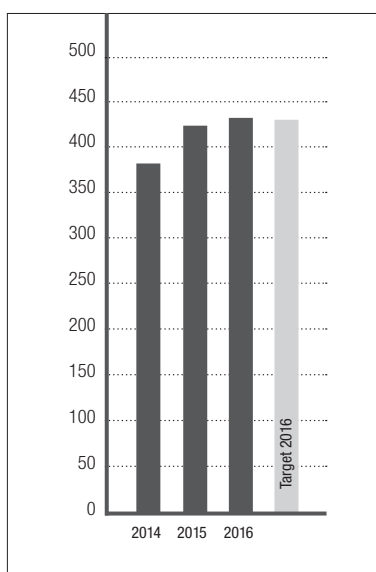
Specifically, access, participation, success and retention data for equity students is compared annually. Gender equity parameters relating to the seniority and promotion of women are similarly benchmarked.

Real-world research

Our real-world research priorities focus on being a globally leading university that delivers solutions to the challenges of today and the future. This is achieved through high-impact research that spans discipline boundaries and is pursued in partnership with end users, leveraging our deep technological strengths and responding to human capital and innovation needs of the global economy.

QUT's HDR completions increased to 431 in 2016, placing it seventh among Australian universities.

HDR completions



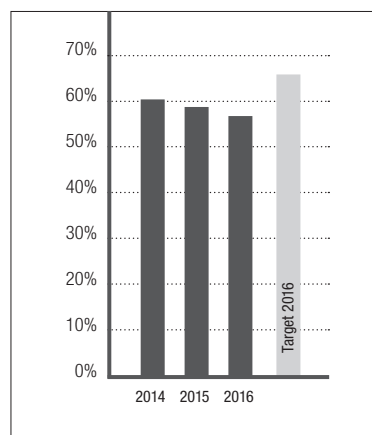
QUT increased its proportion of international commencing HDR students to 38.5 per cent of total commencing HDR students for 2017.

QUT supported international engagement in research degrees by arranging new strategic research student international agreements with global partners in Sri Lanka, India, Poland and France.

QUT launched a new university-wide Master of Philosophy degree in July 2017.

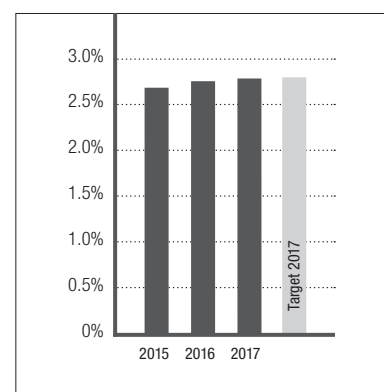
QUT aims to increase the number of HDR completions within maximum equivalent full-time student load (EFTSL). In 2016 this measure reduced slightly to 56.8 per cent.

HDR completions within maximum EFTSL



QUT, in 2017, continued to be the ninth largest recipient of Research Block Grant allocations.

QUT share of national research block grant income



QUT ePrints ranked first in Australia for Open Access Web Repositories in the first edition of the 2017 Webometrics Ranking Web of Repositories. QUT ranked 18th in the world, with more than 2200 institutions participating. QUT ePrints is an institutional repository of publications, and showcases the research output of QUT staff and postgraduate students. The repository contributes to the growing body of research literature that is now available via Open Access.

Five QUT researchers are on the 2017 list of 3400 highly cited researchers (from some 120 Australian institutions) published by Clarivate Analytics. This raised QUT's number of such researchers from three in 2016.

QUT Library integrated a new alternative metrics tool, Altmetric Explorer for Institutions, into QUT ePrints. This platform enables researchers to monitor the online activity surrounding their research outputs. The tool monitors a number of channels including online news outlets, policy sources, research blogs, Twitter, Facebook and Mendeley. The colourful badges that contain the Altmetric data are displayed on each QUT ePrint record that contains a digital objective identifier. This integration provides an indicator of online impact within QUT ePrints.

Under the membership agreement with the Committee on Publication Ethics (COPE), QUT has collaborated with foundation members from the University of Ottawa and California Institute of Technology to develop new research integrity guidance for publishers, researchers and institutions about peer review.

QUT's new research web platform was launched in 2017 and provides a quick and easy way for researchers to publish websites which showcase QUT's research to the world.

The platform enables researchers to easily update and manage research project information, including automated integration of information from other QUT systems.

QUT complemented the research web platform with the release of a revitalised QUT research website. The platform and website release marks a significant milestone in developing a dynamic, online contemporary presence for QUT research.

The migration of the High Performance Computing and research data storage system to an off-site provider has allowed greater flexibility and capability in computational capacity for the research community. It has also reduced onsite data centre electricity load by 42 per cent.

The establishment of QUT's new Nanoscale Imaging Laboratory entailed significant capital works and resulted in the relocation of the Omicron Ultra High Vacuum-Scanning Probe and the Zeiss ORION NanoFab Helium Focused Ion Beam microscopes. This is a significant advance in QUT's research infrastructure which will be particularly valuable for materials science research.

QUT's new Research Engineering Facility (REF) was launched on 16 November. REF provides specialist engineering services such as design, systems integration, data collection, and data management and processing.

QUT is a leading partner in two of four new Cooperative Research Centres (CRCs) announced in March.

The Food Agility CRC was awarded \$50 million over 10 years and has attracted \$35 million in cash from partners, including 41 government and industry participants. The CRC aims to use digital technologies to enhance Australia's food industries. Professor Bronwyn Harch will be its first research director.

The iMOVE CRC was awarded \$55 million over 10 years with \$54 million committed by its partners, including 29 government and industry organisations. The iMOVE CRC aims to address innovation across the transport, logistics and freight sectors.

QUT is also a participant in the new Cyber Security CRC awarded in September 2017. This CRC attracted \$50 million in Commonwealth funding and around \$22 million in partner funding over seven years.

QUT is a partner in the following CRCs and equivalent centres:

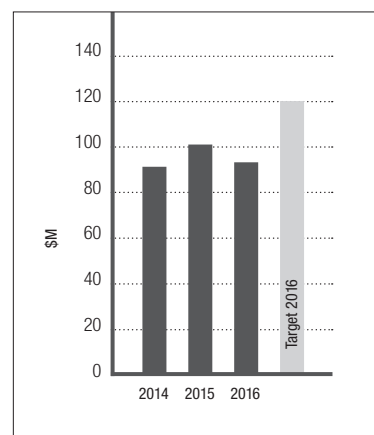
- Autism CRC
- Bushfire and Natural Hazards CRC
- Capital Markets CRC
- CRC for Cell Therapy Manufacturing
- CRC for Optimising Resources Extraction

- CRC for Polymers
- CRC for Spatial Information 2
- Defence Materials Technology Centre
- Innovative Manufacturing CRC (IMCRC)
- Plant Biosecurity CRC
- Rail Manufacturing CRC
- The Lowitja Institute CRC
- Wound Management Innovation CRC.

The Australian Translational Genomics Centre (ATGC) was established at the Princess Alexandra Hospital. The ATGC received \$1.69 million in funding for sequencing services in 2017.

QUT's 2016 total research income was \$93.4 million. This was under the university's target and puts QUT in eleventh place of Australian universities.

Total research income (\$M)



QUT performed strongly in the 2018 Australian Research Council (ARC) Discovery Projects (DP), Discovery Early Career Researcher Award (DECRA) and Linkage, Infrastructure Equipment and Facilities (LIEF) rounds, securing 32 new grants worth over \$12 million.

DP funding is for 22 new grants worth \$7.8 million. DECRA funding is for eight new grants worth \$2.9 million. LIEF funding is for two grants worth \$1.88 million.

QUT secured six grants worth \$287 583 in the Education Horizon round. These grants are funded by the Queensland Department of Education.

QUT was successful in attracting seven early-career and seven mid-career research fellowships in the Queensland Government's Advance Queensland Fellowships round. Total funding of \$3.36 million was awarded by the Queensland Government, with additional funding of \$1.71 million from industry-based co-sponsors.

Advance Queensland will provide \$1.5 million for a social robotics research program which will involve collaboration with ST Solutions Australia (STSA), a subsidiary of SoftBank Corp, and the Australian Centre for Robotic Vision.

Dr Mark Harrison and Professor Ian O'Hara have secured research funding of \$250 000 from the Advance Queensland Biofutures Commercialisation Program, in partnership with North Queensland-based MP Australia Holdings, to demonstrate bioethanol production from the agave plant at the pilot scale.

QUT is also part of a 20-partner consortium under the lead of Meat and Livestock Australia that won Rural Research and Development for Profit funding of \$14 million over four years for the Waste to Profit Project. QUT will be the project manager, and the Chief Investigator is Professor Ian O'Hara.

QUT has been awarded an Australia India Strategic Research Fund grant worth \$995 977 to undertake a project looking at a new class of intelligent robotic imaging system for keyhole surgeries. The project, led by Professor Ross Crawford, involves the Indian Institute of Technology, Madras as a collaborating partner.

QUT and Urban Art Projects (UAP) attracted funding from the Innovative Manufacturing CRC for a \$3 million project in design robotics developing high-value mass customised manufacturing solutions. The project

is co-funded by UAP and the CRC. It is led by QUT and also involves researchers from RMIT University.

On 5 June the former Minister for Education and Training announced the award of an ARC Australian Laureate Fellowship to Professor Chris Barner-Kowollik.

The fellowship is valued at \$3.276 million to support work in the area of light-induced chemical modality.

Dr Anders Eriksson has been awarded an ARC Australian Future Fellowship with funding of \$808 140.

QUT has been awarded two grants under the first round of funding of the Queensland Genomics Health Alliance. Distinguished Professor Matt Brown was awarded \$600 000 over 18 months for a clinical demonstration project in lung cancer, and Professor Lyn Griffiths will lead a \$480 000 workforce development project.

Professor Patsy Yates secured funding of \$27 million over four years in the area of palliative care for: Specialist Palliative Care and Advance Care Planning Advisory Services, Program of Experience in the Palliative Approach; and integration of palliative care training in health undergraduate, entry-to-practice and postgraduate curricula.

QUT's pioneering research into autonomous systems will be an initial focus for a research partnership with Rheinmetall Defence Australia, announced in Canberra on 15 August. The research partnership will be funded through an \$80 million Technology and Product Development Fund which Rheinmetall will establish as part of the Australian Industry Capability Program for the Commonwealth of Australia LAND 400 Phase 2 Program.

A collaborative project among researchers from the Defence Science

and Technology Group, QUT and Flinders University was announced as a winner of the Counter Improvised Threats Grand Challenge and will receive \$1.35 million under the scheme.

The American Association for Aerosol Research (AAAR) announced Professor Lidia Morawska as the recipient of the prestigious 2017 David Sinclair Award.

Professor Monika Janda received the 2017 Women in Research Award in the Scopus Researcher of the Year Awards. This is a new award which was created to inspire and encourage women researchers who choose to pursue academic work.

Microbiologist Dr Alex Beliaev, who has worked at the US Department of Energy Pacific Northwest National Laboratory (PNNL), took up the first joint research and academic appointment between QUT and PNNL in the field of developing bioenergy from plant and waste matter.

Professor Wil van der Aalst, a computer scientist based at Eindhoven University of Technology and Adjunct Professor with QUT's Science and Engineering Faculty, was awarded one of Germany's most valuable and prestigious research prizes—the Alexander von Humboldt Professorship.

A team from the Australian Centre for Robotic Vision (ACRV)—a partnership of QUT, Adelaide, Monash and Australian National universities—won the \$US80 000 first prize at the 2017 Amazon Robotics Challenge in Japan. The team solved a key robotics problem, picking items and stowing them in boxes in an unstructured environment, using a custom-built Cartesian robot.

Professor Dmitri Golberg and Professor Nerina Jimmieson were selected as members of the ARC College of Experts (COE) from 2018. This brings QUT's total ARC COE membership commencing in 2018 to nine.

Associate Professor Kirsten Vallmuur was awarded a Fellowship in Trauma by the Motor Accident Insurance Commission (MAIC). This project will establish a state-wide trauma data warehouse to integrate data across the continuum of trauma and injury prevention policy and will enable injury research to improve the care and outcomes of injured patients in Queensland.

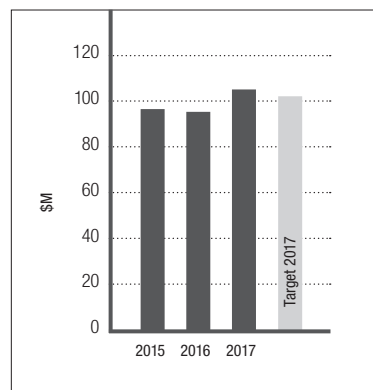
Distinguished Professor Aileen Moreton-Robinson attended four meetings of the Australian Council Of Learned Academies (ACOLA) Research Training Implementation Group following the ACOLA Review of Australia's Research Training System, and contributed to the Research Training Implementation Plan (released by the Department of Education on 20 December).

In 2017, QUT's Indigenous Research Engagement Unit (IREU) had 30 enrolled HDR students with six completions (four doctoral and two masters) throughout the year, marking a significant increase from two completions in 2016.

In June, IREU and the National Indigenous Research and Knowledges Network (NIRAKN) co-hosted the *Race, Whiteness and Indigeneity International Conference* which included discipline-leading scholars from UCLA, University of Kansas, University of Newcastle and University of Waikato. In September IREU hosted *IndigiSearch*, a HDR Pathfinding event for Indigenous students, which was attended by 10 prospective Indigenous HDR students.

In 2017, the ARC agreed to the extension of NIRAKN for an additional year, with funding of \$800 000.

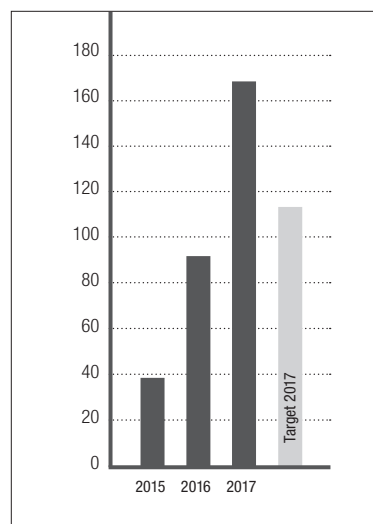
Commercial income (\$M)



QUT's new co-working space for encouraging entrepreneurship, FoundryInD, has become an active shared working space, housing a range of student start-up activities.

The MIT Global Entrepreneurship Bootcamp was held at QUT from 26–31 March. More than 120 entrepreneurs from 38 countries were challenged to create a start-up in just one week. Participants were mentored by world leaders from the robotics, construction, biotechnology, energy, healthcare, social enterprise and telecommunications industries.

Number of founders (cumulative 2015–19)



On 19 June, MDxHealth announced that it had signed a scientific agreement with qutbluebox (MDXBB)

to develop a liquid biopsy epigenetic assay for the detection of oral cancer.

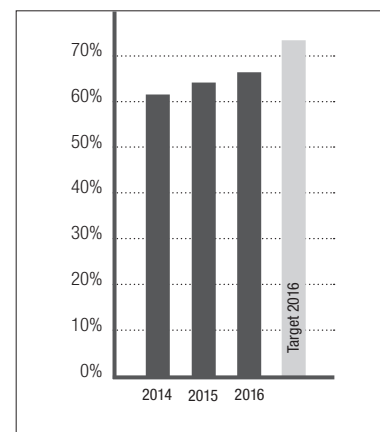
QUT's MTPConnect Bridge Tech Program, led by Professor Lyn Griffiths, includes 12 consortium partners from a range of industry, training and regulatory bodies. The program will provide mid-career and senior entrepreneurs and scientists with relevant, specific commercialisation training, and builds on the successful pharmaceutical-focused Bridge Program currently being offered through QUT.

Leaf Resources Ltd, a QUT spinout company, entered the biodegradable packaging market using lignin technology, also developed at QUT.

Benchmarking activities

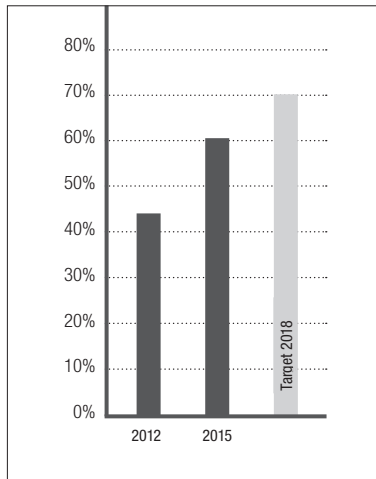
QUT annually benchmarks its research income, competitive grants performance and block grant funding against other Australian universities, including the Australian Technology Network. QUT also monitors its performance against global university rankings that take different aspects of research quality and achievement into account.

Quality of research publications



QUT has been increasing its quality of research publications over recent years, with a result of 66.6 per cent in 2016.

Excellence in Research for Australia (ERA) rating of 'above world standard' or higher



The ERA exercises have been undertaken three years apart. In the latest exercise (2015) QUT's rating put it at 13th place of Australian universities.

In the 2017 CWTS Leiden Ranking which was released in May, QUT ranked 364 (11th nationally) for publication output and 378 (23rd nationally) for the publication quality indicator 'proportion of publications in the top 10 per cent most frequently cited'.

Real-world people, culture and sustainability

Our real-world people, culture and sustainability priorities focus on developing the capabilities and performance of our people, while also maintaining our strong organisational culture, financial viability and environmental sustainability.

QUT staff full-time equivalent (FTE)

	2015	2016	2017
Total staff FTE*	4871	4802	4698
Fixed term and ongoing	3947	3930	3826
Casual *	924	873	873
Fixed term and ongoing FTE			
Academic	1516	1556	1478
Professional	2431	2374	2348
Campus			
Gardens Point	1884	1886	1810
Kelvin Grove	1900	1857	1797
Caboolture	45	44	42
Off campus	119	143	177
Academic			
Female	710	734	684
Male	806	822	794
Professional			
Female	1552	1523	1503
Male	880	851	844

2016 total staff FTE has been finalised since the 2016 Annual Report

* 2016 casual FTE has been finalised since the 2016 Annual Report. Due to timing, 2017 casual FTE uses 2016 casual FTE.

QUT's permanent separation rate was 9.7 per cent in 2017.

In accordance with the *QUT Blueprint*, the university continued its focus on lifting performance expectations and outcomes across all sectors of QUT: attracting, developing and retaining the best qualified and capable people; reflecting community diversity; embracing change; and seeking efficiencies in key business processes.

In 2017, the university advertised for seven professors through the capacity building professor scheme. Three appointments have been made bringing the total number recruited to date to 57 since the scheme's inception in 2006.

In 2017 the university embarked on a process of business transformation towards more strategically focused, centralised administrative support functions including human resources, information technology, finance, and health, safety and environment.

Progress continues to be made towards maturing workforce analytics practices to support the growing need

for accurate and timely workforce information, insights and decision making. Workforce analytics practices are actively supporting the drive towards a sustainable workforce for the future, business transformation activities, and the increasing focus on performance. In order to support the business' increasing appetite for, and reliance on, workforce data and analytics, in 2017 the workforce analytics area was expanded and a review of the self-service report options commenced.

Progress continues to be made to build and maintain the real-world capabilities of staff throughout 2017 through the programs aligned with the *Blueprint*, and the QUT Research and Innovation Strategy. Work towards supporting the achievement of the QUT Research and Innovation Strategy included:

- effective and flexible talent sourcing;
- comprehensive and integrated human resources policy (including reward and recognition); and
- capability building.

Modules for Managers is a suite of five modules designed to uplift management skills, support staff moving through organisational change, and support Real World Capability Development. Two hundred staff participated in the Modules for Managers in 2017. A total of 550 staff members participated in the Career, Capability and Support suite of modules which were developed to provide staff with ongoing support through times of organisational change.

A targeted leadership strategy was approved by the university that included the redesign and renewal of a range of leadership and coaching skills programs to support development at all levels of QUT.

The university delivered the Leader as Coach Program to 125 staff throughout 2017. The program is a cornerstone of the university's strategy to develop a coaching culture.

The Accelerated Leadership Pathways Program was delivered to 25 high-performing researchers selected by the Vice-Chancellor. The aim of the program was to support connectivity and leadership development for these researchers.

The Leading Transformational Change Program was delivered to 25 heads of school. This program aimed to elevate conversational intelligence and leadership skills through providing 360 degree feedback and developing coaching skills.

The university continues to explore innovations in talent sourcing to improve the quality of applicant pools and candidate care. The targeting of passive candidates through digital platforms has been introduced for key roles, and assessment processes reflective of the workplace continue to be used to enable candidates to authentically demonstrate their capabilities. A suite of analytics is under development to assess the effectiveness of QUT's sourcing strategies.

Four Indigenous trainees completed the Indigenous Traineeship Program in 2017 and a number of other targeted strategies have been undertaken to attract and retain Indigenous staff. A detailed Indigenous Employment Strategy outlining actions and performance indicators within four key objectives is in place to support the 1.7 per cent Indigenous workforce target outlined in the *Blueprint*.

Support for staff

The university has a dedicated team of health professionals offering a range of preventative and rehabilitation services to support staff at risk of, or working with, a physical or mental health condition. These comprehensive services include dedicated training and information sessions, online resources, university-wide campaigns and specific interventions when required. All staff are also able to access the free and confidential counselling and support services offered by the university's employee assistance provider. The Employee Assistance Program service is promoted widely to staff and is in addition to specific or targeted intervention or support strategies.

For industrial and employment matters, the university manages the relationships with specific unions that represent the academic and professional staff cohorts, and manages regular staff consultative committees on workplace relations matters.

Enterprise agreements

Information on employment and industrial-related matters such as leave, staff development, health, safety and environment, misconduct, performance issues, workload concerns and redundancy is contained in the Enterprise Agreements (QUT Enterprise Agreement (Academic Staff) 2014–2017; QUT Enterprise Agreement (Professional Staff) 2014–2017), senior staff employment contracts and/or university policy.

The information is extensive and includes:

- job flexibility
- hours and patterns of work
- leave entitlements, including personal leave, sick/carer's leave and compassionate leave
- reduced working year scheme
- modes of employment i.e. full time/part time
- flexibility agreement
- job sharing.

The university has been meeting regularly with union representatives to negotiate the future enterprise agreements covering professional and academic staff.

University policies

The university consults with and/or informs staff of workplace policies and entitlements through a range of communication channels.

The university staff complaints policy and related documents clearly articulate the parameters, principles and procedures for managing workplace-related complaints and allegations of workplace bullying. QUT values the importance of a harmonious working and learning environment and a dedicated web page provides information and support for staff in relation to workplace bullying.

QUT has a comprehensive work-life balance framework that enables staff members—particularly those with family, carer, personal or other responsibilities, or a disability—to request a change to their working arrangements on a temporary or permanent basis.

The QUT Women in Leadership Committee provided development and support to 67 QUT women through a number of initiatives that included a Quality Women in Leadership (QWIL) alumni event, the Women in Research Grant Scheme, Women in Research Speaker Events, Women in Research

Writing Retreats and sponsorship of women to complete the Australian Institute of Company Directors Course.

The university's long-standing target for the proportion of senior staff who are female (40 per cent) was achieved in 2015 for the first time, and in 2017 is 41.2 per cent. The target has now been revised to 45 per cent.

In 2017 QUT actively participated in the SAGE (Science in Australia Gender Equity) pilot of Athena SWAN in Australia. QUT signed up to the charter and undertook a rigorous self-examination of all aspects of gender equity in the science, technology, engineering, mathematics and medicine (STEMM) area. The resulting four-year action plan which outlines the activities QUT has committed to, has been readied for submission for Bronze accreditation.

Under the National Health and Medical Research Council (NHMRC) Administering Institution Policy, all institutions in receipt of NHMRC grants were reviewed in respect of their gender equity policies that support the progression and retention of women in medical research. QUT was reviewed as 'excellent', with all requirements met.

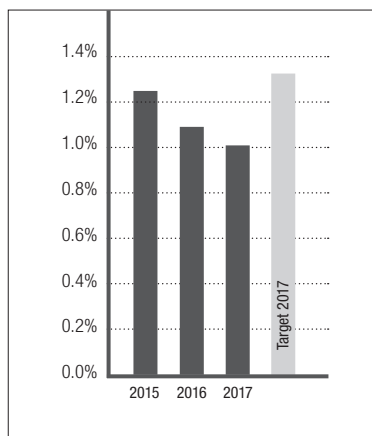
Through the 2017 Vice-Chancellor's Awards for Excellence (VCAE) and the Vice-Chancellor's Performance Fund (VCPF), the outstanding achievements of 35 VCAE and 626 VCPF academic and professional staff were acknowledged and rewarded.

In 2015, QUT's Wellness Matters Program was awarded gold recognition by Queensland Health under its Healthier, Happier, Workplaces Program. It was the only university program to receive this level of recognition. In March 2017, Queensland Health announced that QUT achieved reaccreditation of its gold status for the third year running.

The Wellness Matters Program had impressive staff engagement, with 3336 total staff participation in

wellness activities including 777 Global Challenge participants, 651 keynote attendees and 1908 participants at all other events/offerings. The central Wellness Matters team was supported by a network of 98 Wellness Ambassadors and 42 Senior Wellness Leaders.

Share of staff who are Aboriginal and Torres Strait Islander people



Staff who are Aboriginal and Torres Strait Islander people made up 52 FTE of QUT's ongoing and fixed-term staff in 2017.

QUT's percentage of staff who are Aboriginal and Torres Strait Islander people was above the higher education sector average in 2015 and 2016, and just under the sector average in 2017.

Staff training in the three-hour cultural competence workshop saw 714 attendees; 1300 staff completed EO online; 27 staff attended Assertiveness for Women sessions; 60 attended Ally (LGBTIQ support) training; and three, two-day mental health first aid courses were provided.

A new email service for former QUT staff was implemented to provide options for staying connected with the university. This included availability of a staff alumni email account and standardised auto-responses for published staff.

The Kelvin Grove sportsfield car park opened for semester one 2017.

The project consisted of a two-storey car park accommodating approximately 800 cars and 80 bicycles with an artificial turf sportsfield and associated amenities located on the rooftop. As part of the project a new elevated walkway from the carpark lifts to the existing P Block lift was completed in July. QUT was the winner of the Outstanding New or Refurbished Car Park Award at Parking Australia's 2017 Parking Awards. The sportsfield is being well utilised by QUT, sports clubs and the broader community.

The project to upgrade the LaBoite Theatre was completed in May, and included the installation of a high-level suspended access catwalk to the theatre, and a refurbishment of the foyer and café area. This has improved functionality inside and outside the theatre, as well as reflecting the artistic vision of the LaBoite Theatre Company.

A new prominent digital billboard was installed in place of the existing static Kelvin Grove Urban Village sign at the intersection of Kelvin Grove Road and Musk Avenue. The project was completed in September 2017 and is being utilised by QUT and the broader Kelvin Grove Urban Village business community.

A comprehensive refurbishment of the Owen J Wordsworth Room in S Block at Gardens Point was completed in February. The project provided a modern and flexible function and conference space, increased capacity, and addressed usability of the balcony areas.

QUT received the *Enterprise Service Management Implementation of the Year Award* for the HiQ Project at the IT Service Management Forum Australia Awards in August. QUT also received an *Australian*

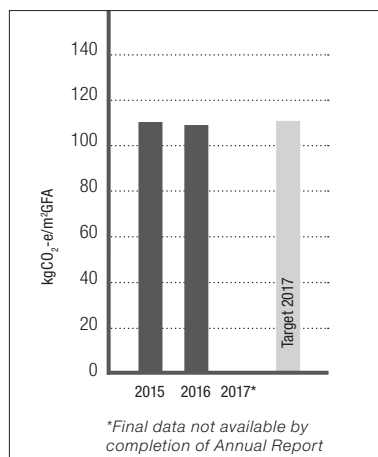
Service Excellence Award for HiQ at the Customer Service Institute of Australia's (CSIA) annual awards ceremony in October.

In December the Australian Government provided its approval of the transfer of the Caboolture campus from QUT to the University of the Sunshine Coast for 2018.

QUT is working in partnership with the Queensland Department of Education to design a new multi-storey state high school in Fortitude Valley. The project was announced by the former Queensland Minister for Education and Training in June. The school is planned to open in 2020.

QUT continues to contribute to a low-carbon future, with its level of carbon emissions reducing over recent years.

Carbon emissions



As at December 2017 the university had 575 staff donors to the QUT Learning Potential Fund. This represents a participation rate of approximately 14.2 per cent, exceeding the industry benchmark of five per cent.

At the end of 2017 there was a \$59.3 million balance in the Learning Potential Fund endowment.

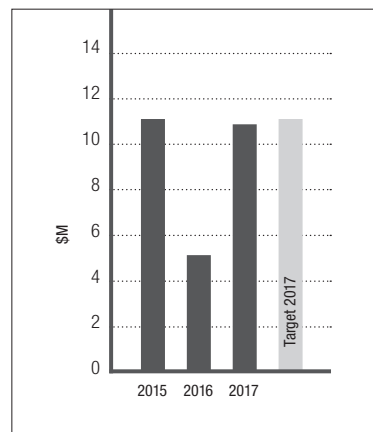
The Tim Fairfax AC Learning Potential Fund Scholarship presentation was held on 22 May, with 36 new scholarships awarded to students.

More than 100 students have benefited from these scholarships over the past four years.

At the Dr Laurie Cowled Scholarship presentation on 31 May, 10 Learning Potential Fund scholarships were awarded, including one PhD scholarship.

QUT's Learning Potential Fund won 'Best Fundraising Campaign or Initiative—Established' at the Universities Australia—Marketing, Communications and Development Conference on 7 September.

Philanthropy income (\$M)



Dr Bill Robinson AO has generously donated five large artworks that form the Mountain Series to QUT. Ownership of the entire series of the works will significantly strengthen the university's collection, which now totals 182 works.

In November 2017, QUT launched the Friends of QUT in America Foundation. Led by three high-profile US-based alumni and supported by two QUT senior executive members, the foundation will be chaired by Mr Greg Creed, 2014 Alumnus of the Year and Chief Executive Officer of Yum! Brands Inc. The foundation will facilitate the promotion of QUT's leading-edge research and support philanthropic giving to QUT.

A new digital version of QUT's alumni magazine—*Links*—was launched in

2017 to provide an enriched reader experience complete with in-depth articles, interactive features and videos.

A customer relationship management system (Partnerships Engagement Portal) was delivered in April 2017 to enable active relationship management with QUT's strategic and significant partners across faculties, institutes and divisions. Value from a partner's strategic alignment, philanthropic contribution, alumni connections, networks and activities can be captured in the system and leveraged for further opportunities.

Events and visitors

Speakers at the QUT Business Leaders' Forum in 2017 included: Andrew Bassat, Chief Executive Officer and Co-founder, SEEK Limited; Sam Walsh AO, former Chief Executive Officer, Rio Tinto Limited; Lance Hockridge, former Managing Director and Chief Executive Officer, Aurizon Holdings Limited; and Susan Lloyd-Hurwitz, Chief Executive Officer and Managing Director, Mirvac Group.

Guest speakers at the 2017 Vice-Chancellor's Forum were:

- Dr Rodney Brooks, Founder, Chairman and CTO, Rethink Robotics
- Michael Cameron, CEO and Managing Director, Suncorp
- Michelle Guthrie, Managing Director, Australian Broadcasting Corporation
- Dr Sue Thomson, Director, Educational Monitoring and Research, Australian Council for Educational Research
- Sir Timothy Gowers, University of Cambridge
- Hon. Josh Frydenberg MP, Minister for the Environment and Energy
- Dr Richard Ashby, Chief Executive Officer and Chief Information Officer, eHealth Queensland and new member of QUT Council
- Hon. Tanya Plibersek MP, Deputy Leader of the Opposition.

The Times Higher Education Young Universities Summit was held at Gardens Point from 5–7 April, and featured a range of speakers from overseas and Australian institutions.

QUT was a partner in the World Science Festival Brisbane (WSFB) held at Brisbane’s Cultural Precinct from 22–26 March. WSFB was an important success for both science and Brisbane which attracted a stellar line up of scientists and a series of thought-provoking events. Attendance was estimated at 182 000 with some 62 000 people participating in the Street Science! activities over 25–26 March.

On 27 May QUT’s Confucius Institute joined with the Chinese Language Teachers Association of Queensland to host the 2017 Chinese Language Speaking Competition. The institute also hosted the 2017 Queensland ‘Chinese Bridge’ Language Proficiency Competition in conjunction with the Chinese Consulate General Queensland and Hanban (Chinese National Ministry of Education). Some 550 people participated in the competitions, including 240 school students representing seven Queensland regions.

Six Queensland business luminaries were honoured as 2017 inductees in the Queensland Business Leaders Hall of Fame at a ceremony on 20 July. The Hall of Fame—in its ninth year in 2017—is a joint initiative between QUT Business School, State Library of Queensland and Queensland Library Foundation.

QUT, Griffith University and The University of Queensland jointly hosted the international Open Repositories Conference (OR2017) from 26 to 30 June. OR2017 brought together users and developers of open digital repository platforms from higher education, government, galleries, libraries, archives and museums for an interactive forum that explored the global challenges and opportunities facing libraries and the broader scholarly information communities.

QUT’s Mabo Day 2017 marked 25 years since the historic Mabo decision. Guest speaker Mr Charles Passi—eldest son of David Passi, one of the plaintiffs in the 1992 High Court ruling—engaged the 50 plus audience of QUT staff, students and community members with a discussion around Mabo’s Law, the basis of the Mabo decision, and reconciliation between Indigenous and non-Indigenous Australia.

QUT’s third Robotronica festival was held on 20 August and attracted a crowd of around 22 000 people.

The event combined public talks with demonstrations of robotics and artistic displays. Robotronica was a media success, with #Robotronica mentioned 2900 times across social media platforms throughout the day.

QUT was the principal academic sponsor of the World of Drones Congress, an international expo held at the Brisbane Convention and Exhibition Centre from 8–11 August. QUT’s drone and remote-sensing innovations were on show at the congress’ accompanying expo.

In August, QUT hosted its fourth Murri-Ailan Way event celebrating Aboriginal and Torres Strait Islander community, culture and talent at QUT. Known as QUT’s NAIDOC celebrations, the event was held over three days across all campuses with music, dance, arts, food and conversation.

QUT hosted the *Let’s Get Real Showcase* in Penang, Malaysia in May 2017. The showcase brought together over 100 partners from 18 countries (North, South and South East Asia and Gulf States) making it the largest overseas showcase QUT has hosted. During the event, staff promoted the university’s outstanding infrastructure, innovation, industry connections, teaching and learning, student services and research.

The QUT International Articulation Partners’ Symposium—an inaugural event held in August 2017 for key international articulation partners (19 partners, 28 participants)—was designed to ensure participants experienced QUT from a student’s perspective.

The Mercedes Benz Fashion Festival was hosted at Gardens Point in August.

The Physics Playroom summer program for children attracted an average of 1000 participants per day over the 10 days the event was hosted in The Cube at Gardens Point.

QUT Library staff design and deliver workshops that assist secondary school students to develop research and study skills for current and future studies. During 2017, QUT Library conducted 21 sessions for a total of 1290 high school students from 15 high schools.

Eduardo Acevedo-Diaz, Deputy Head of Mission Embassy of the Argentine Republic, attended a meeting of the Australia-Argentina Higher Education/ Industry Collaboration Action Network at Gardens Point on 23 February.

The university awarded Madame Xu Lin, Counsellor, State Council of the People’s Republic of China, an honorary doctorate in July in recognition of her contribution to Sino-Australian educational advancement and the critical role she has played in the establishment and development of Queensland’s first Confucius Institute at QUT.

Her Excellency Dr Anna Prinz, Ambassador of the Federal Republic of Germany in Australia, visited QUT on 2 August.

Australian Consul-General in Shanghai, Graeme Meehan, shared his extensive experience of issues relating to China with QUT staff in a presentation on 25 September.

Ambassador-designate to the European Union, His Excellency Mr Michael Pulch, visited QUT on 3 October.

Staff achievements

Professor Peter Coaldrake AO was invited to chair the editorial board of the *Journal of Higher Education Policy and Management* for a three-year term from January 2017. In April he was honoured with the 2016 CASE Asia-Pacific Leadership Award in recognition of his inspirational guidance and development of a strong culture of advancement at the institution. Professor Coaldrake was announced as a Queensland Great in June, and the Governor in Council approved his appointment as Chair of the Queensland Performing Arts Trust Board for a period of three years from 1 October 2017.

Emeritus Professor Ray Frost was appointed an Officer of the Order of Australia (AO) in the 2017 Australia Day Honours.

Distinguished Professor Kerrie Mengersen was named as the 2016 winner of the Statistical Society of Australia Pitman Medal, the first such award presented to a female statistician.

Professor Joanne Wood received an Honorary Doctor of Science from Aston University, United Kingdom, for her significant contribution to vision and optometry.

Professor Kostya Ostrikov was elected to membership of the Academic Europaea in recognition of his international scholarship and sustained contribution to European research.

QUT awarded the title of Distinguished Professor to Professor Dietmar Hutmacher, Professor Matt Brown and Professor Peter Corke in 2017.

In 2017, Distinguished Professor Dietmar Hutmacher was awarded the European Society of Biomaterials' highest honour—the International Award—for scientists who have been internationally recognised, have a high scientific profile and have made major contributions to the field of biomaterials.

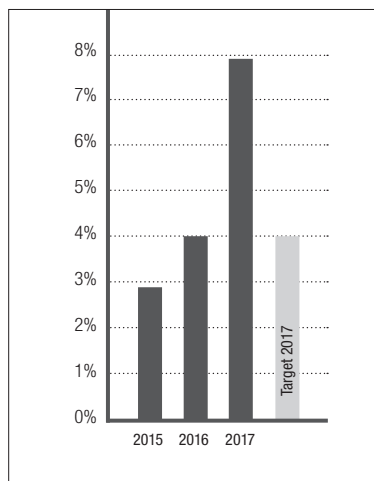
Professor Robina Xavier was invited to join the Initial Accreditation Committee of the Association to Advance Collegiate Schools of Business (AACSB).

Professor Nunzio Motta was awarded the Order of the Star of Italy and received the title of 'Knight of the Italian Star' by the Italian Consul on 23 March.

Chief Operating Officer of the Australian Centre for Robotic Vision, Dr Sue Keay, is one of only 30 women named Superstars of STEM by Science and Technology Australia (STA). Dr Keay was selected from more than 300 applicants in the inaugural year of the program.

Professor Terry Flew was announced as President-Elect of the International Communication Association (ICA). The ICA is the world's oldest, largest and most prestigious communication association. He is only the second Australian to serve as ICA President.

Underlying operating margin



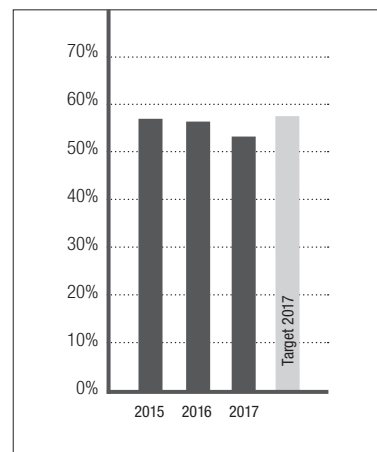
During 2017, QUT implemented change and efficiencies in several key business processes.

A new travel management system and service provision model was implemented to deliver improved service experience, better oversight of travel arrangements and reduced administrative processes.

A new payment channels platform was implemented, expanding flexible options for customers to pay QUT and improve receipting functionality.

A new chemical management procurement and inventory system was implemented to reduce associated risks of safeguarding the management of chemicals.

Employee expenditure as share of total revenue



Benchmarking activities

For employee expenditure as share of total revenue, the share of staff who are Aboriginal and Torres Strait Islander people and philanthropy income, QUT compares its outcomes to prior years' averages for universities in the Australian higher education sector, Group of Eight, Australian Technology Network, and Queensland. Financial data for QUT and other universities are available from the Australian Government Department of Education at www.education.gov.au/finance-publication

QUT continued to participate in the UniForum professional staff activity survey with other sector stakeholders.

In the Times Higher Education (THE) World University Ranking, QUT maintained a strong position in the 201–250 band, and achieved score increases across the Teaching, Research, Citations, Industry Income and International Outlook indicators.

In the 2017 THE ranking for the top 200 universities established worldwide within the last 50 years, QUT's position rose from 28 to 24. QUT was the second highest ranked Australian university in the list, behind the University of Technology Sydney which ranked at 15.

QUT was ranked at 32 in the THE Asia-Pacific University Rankings, published on 5 July.

QUT has risen 29 places to an international rank of 247 in the 2017–18 QS World University Ranking. Contributing to the overall rank increase is improvement on reputation indicators—QUT rose 38 places to a world rank of 213 for Academic Reputation and 24 places to a world rank of 155 for Employer Reputation (and increased from a national position of 11th to 10th for both reputation indicators).

In the QS Subject Rankings, released in 2017, QUT featured in the Top 50 for five subjects.

In the second edition of the QS Graduate Employability Ranking, QUT occupies the 111–120 band (national rank 9).

Key statistics

- a** 2017 student data is preliminary and will be finalised after completion of Annual Report
- b** Final data not available by completion of Annual Report
- c** Full-time/fractional full-time staff data is at 31 March each year as per Commonwealth Government reporting. Casual staff data is for the whole calendar year (January–December) for each year.
- d** 2017 data not available by completion of Annual Report. 2017 casual staff FTE uses 2016 casual staff FTE as an estimate.

STUDENTS	2014	2015	2016	2017 ^a
Total enrolments	47229	48503	48833	49843
Commencing students	19297	19301	18854	19200
Continuing students	27932	29202	29979	30643
Full time	31169	32257	36611	37974
Part time	16060	16246	12222	11869
Undergraduate	34294	35304	36480	37792
Postgraduate coursework	9379	9431	8939	8660
Higher degree research	2517	2604	2655	2650
Non-award	1039	1164	759	741
Female	25600	26212	26451	26954
Male	21629	22291	22361	22849
Other			21	40
Aboriginal and Torres Strait Islander	589	636	711	759
Domestic	39247	40285	40986	41485
International	7982	8218	7847	8358

GRADUATES	2014	2015	2016	2017
Total completions	11098	11674	11543	b
Undergraduate	6834	7027	7143	b
Postgraduate coursework	3883	4223	3969	b
Higher degree research	381	424	431	b

STAFF ^c	2014	2015	2016	2017
Total staff FTE	4700.6	4871.5	4802.3	4698.5
Academic staff FTE	2107.3	2157.5	2173.7	2096.0
Professional staff FTE	2593.3	2713.9	2628.6	2602.5
Full-time/fractional full-time staff FTE	3751.5	3947.4	3929.6	3825.8
Casual staff FTE ^d	949.1	924.1	872.7	872.7
Total staff including casuals (bodies)	12983	13107	12859	b

FINANCE (\$'000)	2014	2015	2016	2017
Total revenue	907008	955854	992519	1063605
Australian Government grants	351133	364647	382832	385489
Higher Education Contribution Scheme (HECS)	233807	243912	254762	265045
Fees and charges	203244	220250	219490	239161
Other revenue	118824	127045	135435	173910
Total expenditure	873121	922127	940928	963185
Salary and wages expenses	518595	546545	563139	565551
Other expenses	354526	375582	377789	397634

AUDITED RESEARCH INCOME (\$'000)	2014	2015	2016	2017
Total research income	91474	101090	93431	b
Australian competitive grants	39825	39476	32871	b
Other public sector research funding	22511	26974	30832	b
Industry and other funding for research	22396	29051	24612	b
Cooperative research centre funding	6742	5589	5115	b

Summary of financial performance

Summary

The university has continued to generate an operating surplus whilst managing its resources diligently and maintaining a strong balance sheet underpinned by considerable holdings of property, plant and equipment and liquid assets (cash and investments). Gearing remains low at 6.2 per cent and liquidity healthy with a current ratio of 1.5.

The university's strong financial position provides capacity to continue to make strategic investments in learning, teaching and research within an increasingly competitive and resource intensive higher education sector. The demand for our services and quality of our students remain strong. Significant investments in capital infrastructure has delivered upgrades to research laboratories at Gardens Point campus; Kelvin Grove Campus Sportsfield Carpark and other major capital projects underway at that campus including the new Education Precinct.

Income Statement

Operating Result and Margin
(*\$100.4 million or 9.4 per cent*)

QUT achieved an operating surplus of \$100.4 million and 9.4 per cent operating margin which was significantly higher than the original budgeted surplus of \$30.3 million

or 3.0 per cent and higher than the previous year (2016: \$51.6 million or 5.2 per cent).

The main contributors to the variance between the actual result and the original budget were:

- Investment income was \$44.1 million higher than the original budget driven by both unrealised gains and increased dividend distributions;
- Commonwealth supported student places (CSP) and HECS income was \$13.1 million higher due to a 3.6 per cent increase in student load above the original budget;
- International Fee Paying Overseas Student income was \$8.7 million higher through a 4.0 per cent increase in student load above the original budget;
- Employment costs and Repairs and Maintenance were respectively \$7.0 million and \$5.6 million below the original budget; other various savings contributed a further \$2.3 million; whereas these were offset in part by higher Depreciation (\$7.7 million) and Scholarships (\$3.1 million).

Underlying Operating Result & Margin
(*\$81.3 million or 7.9 per cent*)

The 2017 operating result included various income and expenses that were considered either abnormal or had accounting treatments or valuations with exposures to external market valuation movements. To evaluate QUT's underlying operating result, adjustments are made to nullify these impacts which aligns with a standard approach based on the framework for reporting underlying results recommended by the Australian Institute of Company Directors (AICD) and the Financial Services Institute of Australasia (FINSIA).

The 2017 underlying operating result and margin (\$81.3 million or 7.9 per cent) was an improvement over the prior year results (2016: \$38.2 million or 4.0 per cent). While the rolling three year average underlying margin (2015–17: 4.9 per cent) is very close to the benchmark target rate of 5.0 per cent across the budget triennium, the university has been addressing the challenge of tightening margins over recent years and has actively implemented strategies to improve the underlying financial performance for both the current year and future budgeted plans.

A reconciliation of the adjustments made to the statutory operating results when compared to the underlying operating result is provided on the following page.

Underlying Result Reconciliation:

(Note: the reported underlying results do not form part of the audited financial statements)

	\$'000
Statutory Operating Result	100 420
Revenue	1 063 605
Type 1 – significant one off events	
Major donations	(4 401)
Type 2 – Provisions and Fair Value Adjustments	
Unrealised Gains	(36 859)
Underlying Operating Revenue	1 022 345
Expenses	963 185
Type 1 – significant one off events	
Severance Payments	(5 860)
Performance bonus – early payment	(3 156)
Business services transformation program	(7 988)
Abnormal Depreciation (Caboolture transfer)	(5 100)
Type 2 – Provisions and Fair Value Adjustments	-
Underlying Operating Expenses	941 081
Underlying Operating Result	81 264
Underlying Operating Margin	7.9%

Income (\$1064 million, increased \$71.1 million or 7.2 per cent)

Total Income of \$1064 million was up \$71.0 million (7.2 per cent) on the previous year driven by the following major categories.

Australian Government grants increased \$2.6 million (0.7 per cent) primarily due to the 2016 result including a refund to QUT of the 2015 Efficiency Dividend (\$8.3 million). There was no similar payment in 2017. The additional revenue in 2017 was driven by a small increase in Commonwealth Supported Places (CSP) student load.

Higher Education Loan Program payments increased \$11.4 million (4.9 per cent) although the number of students opting to use the HELP Scheme increased only by 1.0 per cent. The main contributor was the change to the mix of students in the various funding clusters moving toward the

higher funded cluster bands coupled with an increase in student fees.

State and Local Government financial assistance has increased \$3.1 million (62.5 per cent) driven by 29 new Advance Queensland projects from the Department of Science, Information Technology and Innovation totalling \$2.8 million.

Fees and charges increased by \$19.6 million (9.0 per cent) of which fee paying onshore international student income increased by \$19.4 million driven by a combination of student load and fee increases.

Consultancy and Contracts income increased \$6.4 million (11.7 per cent) sourced through contract research activity across the Australian Government, Australian Business and Non-Australian Business sectors.

Other revenue and income increased by \$3.5 million (8.1 per cent) million largely due to receiving major

donations in 2017 totalling \$4.4 million. The net increase was partly offset by a decrease in recoveries (-\$1.38 million) associated with a large one-off recovery in 2016 of a construction performance payment following the completion of the Science and Engineering Precinct.

Investment income increased by \$5.9 million (30.7 per cent) primarily attributable to the QIC investment fund distributions increasing by \$5.6 million (total 2017: \$20.1 million; 2016: \$14.5 million). This was as a result of improved performance in both QIC Growth Fund and QUT Endowment fund largely driven by the outstanding performance of both domestic and international equities markets.

Other Investment income increased substantially over last year by \$19.3 million (146.8 per cent) with the largest contribution through unrealised investment gains in QIC investments \$15.3 million (2017: 32.2 million; 2016: \$16.9 million); and Education Australia \$3.09 million (2017: \$4.7 million; 2016: \$1.6 million).

Expenses (\$963.1 million, increased \$22.1 million or 2.4 per cent)

Total expenditure of \$963.2 million was up \$22.2 million (2.4 per cent) driven by the following major categories.

Employee related expenses increased marginally by \$2.4 million (0.4 per cent) driven by the flow-on effect of the salary rate increases for academic and professional staff enterprise agreements in December 2016 (3.0 per cent); plus additional spend in 2017 arising from the business transformation projects such as HiQ; and the forward timing of the 2017 Senior Staff Bonus Payment previously scheduled in the following year (\$3.1 million). These increases were offset in part through savings achieved through various business transformation and efficiency initiatives.

Depreciation and Amortisation

increased by \$8.3 million (14.1 per cent). The transfer of Caboolture campus equipment and other assets to University of Sunshine Coast (USC) increased depreciation abnormally by (\$5.1 million) arising from the associated useful life review adjustments. Building depreciation increased by (\$2.1 million) primarily due to revaluation and indexation adjustments in 2017.

Other Expenses increased \$12.9 million (4.7 per cent) driven by increases to Scholarships (\$5.2 million), Consultants and contractors (\$1.7 million), advertising, promotional and marketing expenses (\$2.2 million), Utilities (\$2.1 million) and other minor expenses (\$1.6 million).

Statement of Financial Position

The Statement of Financial Position outlines the financial strength of the university and its capacity to meet current obligations and support long term priorities.

Net Assets (\$1,638.4 million, increased \$146.6 million or 9.8 per cent)

QUT's net asset position as at 31 December 2017 was \$1 638.6 million representing an increase of \$146.6 million (9.8 per cent) driven by several key factors:

Current assets decreased \$268.2 million (52.1 per cent) largely driven by the reporting reclassification of investments held with QIC in 2017 (\$320 million) in response to the review of the QUT investment strategy and reporting classification change required to align with the Federal Government Department of Education reporting requirements which necessitated the reclassification from Current Assets to Non-Current Assets. This was partly offset by an increase in Cash and Cash equivalents of (\$48.3 million).

Non-current assets increased \$415.9 million (33.0 per cent), largely driven by the reclassification of financial investments (\$320 million) from Current to Non-Current Assets. In addition to this reclassification, investments managed by QIC increased \$52.9 million (including \$32.2 million unrealised gains and \$18.9 million realised dividend distributions reinvested). Education Australia increased by (\$3.09 million) and Property Plant and Equipment also increased by (\$36.1 million).

Total liabilities increased by \$1.0 million (0.4 per cent) largely driven by Trade and Other payables increasing by (\$1.6 million) and Other Liabilities increasing by (\$2.8 million) offset by a decrease in non-current Borrowings (\$3.3 million).

Liquidity (Current) Ratio (1.5:1)

The university's liquidity ratio of current assets to current liabilities is 1.5:1. (2016: 3.1:1). The drop in the ratio is largely due to the reclassification of the QIC Growth Fund investments from Current to Non-Current assets.

In conclusion, the operating surplus and underlying result in 2017 present a significant improvement when compared to the previous year and the original budget estimates. This improvement was largely driven by strong financial investment returns, increased international fee paying student income, and contracted research income, offset slightly by moderate increases to expenses. With the ongoing commitment of QUT's staff and management the university remains strongly positioned to achieve its budgeted plans, objectives and longer-term aspirations.

**Financial Statements for
Queensland University of Technology
for the 2017 Reporting Period**

Queensland University of Technology
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For the Year Ended 31 December 2017

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Queensland University of Technology
Income Statement
For the Year Ended 31 December 2017

	Note	Consolidated		Parent	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Income from continuing operations					
Australian Government financial assistance					
Australian Government grants	2	385,547	382,832	385,489	382,832
HELP - Australian Government Payments	2	243,470	231,998	243,470	231,998
State and Local Government financial assistance					
HECS-HELP - Student Payments	3	8,666	5,073	8,245	5,073
Fees and charges	4	239,104	219,141	239,161	219,490
Investment revenue	5	25,447	19,478	25,409	19,436
Royalties, trademarks and licences		109	306	85	140
Consultancy and contracts	6	61,529	54,952	61,434	54,975
Other income	7	46,826	41,847	46,193	42,663
Total revenue from continuing operations		1,032,273	978,391	1,031,061	979,371
Gains on disposal of assets		90	-	90	-
Other investment income	5	36,859	18,654	32,454	13,148
Total income from continuing operations		1,069,222	997,045	1,063,605	992,519
Expenses from continuing operations					
Employee related expenses	8	569,223	566,415	565,551	563,139
Depreciation and amortisation		67,657	59,292	67,657	59,291
Repairs and maintenance	9	36,564	38,686	36,561	38,679
Borrowing costs		4,291	3,543	4,291	3,543
Impairment of assets	10	331	236	329	234
Loss on disposal of assets		-	144	-	144
Other expenses	11	292,357	277,381	288,796	275,898
Total expenses from continuing operations		970,423	945,697	963,185	940,928
Net result attributable to members of Queensland University of Technology		98,799	51,348	100,420	51,591

The accompanying notes form part of these financial statements

Queensland University of Technology
Statement of Comprehensive Income
For the Year Ended 31 December 2017

	Note	Consolidated		Parent	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Net result attributable to members of Queensland University of Technology		98,799	51,348	100,420	51,591
Other comprehensive income					
Gain (loss) on revaluation of land, buildings, heritage and cultural assets, net of tax	15.	46,252	14,032	46,252	14,032
Gain (loss) on revaluation of available for sale financial assets, net of tax		1,582	128	-	-
Total other comprehensive income		47,834	14,160	46,252	14,032
Total comprehensive income for the year		146,633	65,508	146,672	65,623
Total comprehensive income attributable to:					
Members of Queensland University of Technology		146,633	65,508	146,672	65,623
Total		146,633	65,508	146,672	65,623

The accompanying notes form part of these financial statements

Queensland University of Technology
Statement of Financial Position
As At 31 December 2017

	Note	Consolidated		Parent	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Assets					
Current Assets					
Cash and cash equivalents	12	193,477	144,377	190,024	141,767
Receivables	13	30,724	26,950	30,473	26,852
Inventories		1,987	2,432	1,991	2,437
Other financial assets	14	-	320,201	-	320,201
Other non-financial assets	17	23,823	23,286	23,744	23,214
Total Current Assets		250,011	517,246	246,232	514,471
Non-Current Assets					
Other financial assets	14	462,899	82,748	465,332	84,674
Property, plant and equipment	15	1,131,681	1,095,549	1,131,667	1,095,545
Intangible assets	16	21,939	22,728	21,940	22,713
Other non-financial assets	17	56,467	56,556	56,467	56,556
Total Non-Current Assets		1,672,986	1,257,581	1,675,406	1,259,488
Total Assets		1,922,997	1,774,827	1,921,638	1,773,959
Liabilities					
Current Liabilities					
Trade and other payables	18	37,336	35,546	36,667	35,058
Borrowings	19	3,506	3,376	3,506	3,376
Provisions	20	95,132	95,926	94,788	95,690
Other liabilities	21	33,708	31,889	33,337	31,786
Total Current Liabilities		169,682	166,737	168,298	165,910
Non-Current Liabilities					
Borrowings	19	98,056	101,364	98,056	101,364
Provisions	20	9,539	8,964	9,516	8,914
Other liabilities	21	7,403	6,077	7,403	6,077
Total Non-Current Liabilities		114,998	116,405	114,975	116,355
Total Liabilities		284,680	283,142	283,273	282,265
Net Assets		1,638,317	1,491,685	1,638,365	1,491,694
Equity					
Reserves	22	403,681	355,848	401,971	355,720
Retained Earnings/profit	22	1,234,636	1,135,837	1,236,394	1,135,974
Parent entity interest		1,638,317	1,491,685	1,638,365	1,491,694
Total Equity		1,638,317	1,491,685	1,638,365	1,491,694

The accompanying notes form part of these financial statements

Queensland University of Technology
Statement of Changes in Equity
For the Year Ended 31 December 2017

	Parent		
	Retained Earnings	Reserve	Total
	\$'000	\$'000	\$'000
Balance at 1 January 2017	1,135,974	355,720	1,491,694
Net operating result	100,420	-	100,420
Gain (loss) on revaluation of land, buildings, heritage and cultural assets, net of tax	-	46,251	46,251
Total comprehensive income	1,236,394	401,971	1,638,365
Balance at 31 December 2017	1,236,394	401,971	1,638,365

	Retained Earnings	Reserve	Total
	\$'000	\$'000	\$'000
	Balance at 1 January 2016	1,093,598	341,688
Net operating result	51,591	-	51,591
Gain (loss) on revaluation of land, buildings, heritage and cultural assets, net of tax	-	14,032	14,032
Prior year adjustment	(9,215)	-	(9,215)
Total comprehensive income	1,135,974	355,720	1,491,694
Balance at 31 December 2016	1,135,974	355,720	1,491,694

	Consolidated		
	Retained Earnings	Reserve	Total
	\$'000	\$'000	\$'000
Balance at 1 January 2017	1,135,837	355,848	1,491,685
Net operating result	98,799	-	98,799
Gain (loss) on revaluation of land, buildings, heritage and cultural assets, net of tax	-	46,251	46,251
Gain (loss) on revaluation of available for sale financial assets, net of tax	-	1,582	1,582
Total comprehensive income	1,234,636	403,681	1,638,317
Balance at 31 December 2017	1,234,636	403,681	1,638,317

	Retained Earnings	Reserve	Total
	\$'000	\$'000	\$'000
	Balance at 1 January 2016	1,093,704	341,688
Net operating result	51,348	-	51,348
Gain (loss) on revaluation of land, buildings, heritage and cultural assets, net of tax	-	14,032	14,032
Gain (loss) on revaluation of available for sale financial assets, net of tax	-	128	128
Prior year adjustment	(9,215)	-	(9,215)
Total comprehensive income	1,135,837	355,848	1,491,685
Balance at 31 December 2016	1,135,837	355,848	1,491,685

The accompanying notes form part of these financial statements

Queensland University of Technology
Statement of Cash Flows
For the Year Ended 31 December 2017

	Note	Consolidated		Parent	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Cash Flows from:					
Operating Activities					
Australian Government Grants		624,245	614,596	624,187	614,596
OS - HELP (net)		134	(2,864)	134	(2,864)
State Government Grants		8,531	4,990	8,110	4,990
Local Government Grants received		135	83	135	83
HECS HELP - Student payments		21,575	22,764	21,575	22,764
Receipts from student fees and other customers		350,108	303,716	349,872	304,651
Interest received		4,892	4,876	4,854	4,833
Payments to suppliers and employees (inclusive of GST)		(897,995)	(867,681)	(891,526)	(862,282)
Interest paid		(4,291)	(3,543)	(4,291)	(3,543)
GST recovered / paid		350	353	248	169
Net cash provided by/(used in) operating activities	30	107,684	77,290	113,298	83,397
Investing Activities					
Proceeds from sale of property, plant and equipment		412	376	409	376
Proceeds from sale of available-for-sale financial assets		25	-	-	-
Refund of imputation credits from ATO		1,038	2,173	1,038	2,173
Distributions received		18,889	13,273	18,889	13,273
Advances of cash into investment fund		(20,744)	(33,463)	(20,744)	(33,463)
Payment for additional investment in subsidiary		-	-	(7,350)	(5,500)
Payments for property, plant and equipment		(51,920)	(73,554)	(51,881)	(73,539)
Payment for intangible asset		(2,223)	-	(2,223)	-
Payment for investments		(882)	(375)	-	-
Net cash used by/(used in) investing activities		(55,405)	(91,570)	(61,862)	(96,680)
Financing Activities					
Proceeds from borrowings		-	34,000	-	34,000
Repayment of borrowings		(3,179)	(2,400)	(3,179)	(2,400)
Net cash provided by/(used in) financing activities		(3,179)	31,600	(3,179)	31,600
Net increase/(decrease) in cash and cash equivalents held		49,100	17,320	48,257	18,317
Cash and cash equivalents at beginning of year		144,377	127,057	141,767	123,450
Cash and cash equivalents at end of financial year	12	193,477	144,377	190,024	141,767

The accompanying notes form part of these financial statements

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1. Summary of Significant Accounting Policies

The significant accounting policies adopted in the preparation of these financial statements are set out below. These policies are consistently applied to all the years presented, unless otherwise stated. The financial report includes separate financial statements for the Queensland University of Technology (QUT) as the parent entity and the consolidated entity consisting of QUT and its subsidiaries.

The Principal address of Queensland University of Technology is:

Gardens Point Campus
2 George Street
Brisbane, Qld, 4000

(a) Basis of preparation

The annual financial statements represent the audited general purpose financial statements of the Queensland University of Technology. They are prepared on an accrual basis in accordance with Australian Accounting Standards.

Additionally the statements are prepared in accordance with the following statutory requirements:

- *Higher Education Support Act 2003* (Financial Statement Guidelines)
- *Financial Accountability Act 2009 (Qld)* and the *Financial and Performance Management Standard 2009*

The Queensland University of Technology is a not-for-profit entity and these statements are prepared on that basis. Some of the Australian Accounting Standards requirements for not-for-profit entities are inconsistent with the International Financial Reporting Standards (IFRS) requirements.

Date of authorisation for issue

The annual financial report was authorised for issue by the University Council on 26 February 2018 as per the Certificate of the Queensland University of Technology.

Historical cost convention

These financial statements are prepared under the historical cost convention, as modified by the revaluation of available for sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss, and certain classes of property, plant and equipment.

Critical accounting estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entities accounting policies. Such estimates, judgements and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods as relevant.

Estimates and assumptions that have a potential significant effect are outlined in the following financial statement notes:

- Property, Plant and Equipment (refer note 15)
- Provisions (refer note 20)
- Contingencies (refer note 25)

Changes in accounting policy and methodology and prior period error

There were no material prior period errors in 2017.

1. Summary of Significant Accounting Policies

(b) Principles of consolidation

(i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of QUT (parent entity) as at 31 December 2017. QUT and its subsidiaries together are referred to in this financial report as the consolidated entity.

Subsidiaries are all those entities (including special purpose entities) over which the consolidated entity has the ability to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the consolidated entity controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the University. They are de-consolidated from the date control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the consolidated entity (refer note 28).

Inter-company transactions, balances and unrealised gains on transactions between the consolidated entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

(ii) Associates

Associates are entities over which the consolidated entity has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Depending on materiality and substance over form, investments in associates may not be accounted for using the equity method of accounting. Investments in listed securities are recorded at fair value and unlisted securities are recorded at the lower of cost and fair value.

(iii) Joint ventures

Joint venture operations

Interests in the assets, liabilities and expenses of joint venture operations are incorporated in the financial statements under the appropriate headings. Details of the joint venture are set out in note 29.

(c) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the consolidated entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in Australian dollars, which is QUT's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the income statement.

(iii) Consolidated entity companies

The results and financial position of all the consolidated entity's subsidiaries (none of which has the currency of a hyperinflationary economy) do not have a functional currency different from the presentation currency.

1. Summary of Significant Accounting Policies

(d) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The consolidated entity recognises revenue when: the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the consolidated entity; and specific criteria have been met for each of consolidated entity's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale are resolved. The consolidated entity bases estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major business activities as follows:

(i) Government grants

QUT treats operating grants received from Government entities as income in the year of receipt (refer note 2). Grants are recognised at fair value where QUT obtains control of the right to receive the grant, it is likely that economic benefits will flow to QUT and it can be reliably measured.

(ii) Student fees and charges

Fees and charges are recognised as income in the year of receipt, except to the extent that fees and charges relate to courses to be held in future periods. Such income is treated as income in advance. Fees and charges relating to debtors are recognised as revenue in the year to which the prescribed course relates.

(iii) Human resources

Contract revenue is recognised in line with the percentage of the service performed. Other human resources revenue is recognised when the service is provided.

(iv) Lease income

Lease income from operating leases is recognised in income on a straight-line basis over the lease term, where material.

(v) Sale of goods

Revenue from the sale of goods is recognised upon the delivery of the goods to customers.

(e) Income tax

QUT is exempt from income tax under Subdivision 50 B of the Income Tax Assessment Act 1997, however the following subsidiaries are not:

- Brisbane Business School Pty Ltd
- QUT Enterprise Holdings Pty Ltd
- QUT Enterprise Holdings Trust
- qutbluebox Pty Ltd
- QUT bluebox Trust
- Creative Industries Precinct Pty Ltd

For the 2017 Financial Statements, the consolidated entity has not incurred an income tax liability. However, should an income tax liability be incurred in the future, deferred tax assets will be recognised for unused tax losses in cases where it is probable that future taxable amounts will be available to utilise those losses.

Income tax on cumulative timing differences will also be set aside to the deferred tax liability or the deferred tax asset account at the rates which are expected to apply when those timing differences reverse.

(f) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using a weighted average method of calculation.

1. Summary of Significant Accounting Policies

(g) Rounding of amounts

The financial statements preparation software (CaseWare) used within QUT for the preparation of these statements, has an automatic rounding function which sums all accounts in a mapping group before rounding to the nearest \$1,000.

Rounding adjustments are off set against inventories in the statement of financial position.

(h) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case, it is recognised as part of the cost of acquisition of the asset or as part of the expense.

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

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

(i) Arrangements containing a lease

In accordance with AASB Interpretation 4 *Determining whether an Arrangement contains a Lease*, the consolidated entity has determined that the following arrangement conveys the right to use an asset and has accounted for it in accordance with AASB 117 *Leases*:

(i) Caboolture campus shared use agreement

The agreement permits the shared use of the Caboolture Campus and facilities by QUT and TAFE Queensland, Brisbane. QUT will be exiting this lease from the 8th January 2018.

(j) Comparative amounts

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

(k) New accounting standards and interpretations

The University is not permitted to early adopt a new or amended accounting standard ahead of the specified commencement date unless approval is obtained from Queensland Treasury.

There has only been one new accounting standard issued which would impact on the reporting period beginning 1 January 2017 and that is AASB 124 Related Party Disclosures. This standard extends Related Party disclosures to not-for-profit public sector. Not-for-profit public sector entities will now be required to provide related party disclosures in the same way as for profit entities. The accounting standard requires a range of disclosures about the remuneration of key management personnel, transactions with related parties/entities and relationships between parent and controlled entities. The University already discloses information on key management personnel remuneration and related party transactions.

The following new or amended accounting standards have a future commencement date:

AASB 9 Financial Instruments and AASB 2016-8 Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities [AASB9 & AASB 15] (December 2016)

This Standard will become effective from reporting periods beginning on or after 1 January 2018 for public companies and 1 January 2019 for Not-for-Profit organisations. The main impacts of these standards will change the requirements for the classification, measurement, impairment and disclosures associated with the financial assets. AASB 9 will introduce different criteria for whether financial assets can be measured at amortised cost or fair value.

AASB 1058 Income of Not-for-Profit and AASB 15 Revenue from Contracts with Customers along with AASB 2016-8 Amendments to Australian Accounting Standards Australian Implementation Guidance for Not-for-Profit Entities [AASB9 & AASB15] (December 2016).

1. Summary of Significant Accounting Policies

(k) New accounting standards and interpretations

These two standards AASB 1058 and AASB 15 will become effective from reporting periods beginning on or after 1 January 2018 for public companies and 1 January 2019 for Not-for-Profit organisations and contains much more detailed requirements for the accounting of certain types of revenue from customers. Under AASB 15 when there is specific contractual terms and performance obligations, the new requirements may potentially result in a change to the timing of revenue such that some revenue may need to be deferred to a later reporting period to the extent that the University has received cash but has not met its associated obligations, such amounts would be reported as a liability (unearned revenue in the meantime). Under AASB 1058 grants that are not enforceable and/or not sufficiently specific will not qualify for deferral, and continue to be recognised as revenue as soon as they are controlled. The University is yet to complete its analysis of current arrangements for the sale of its goods and services.

AASB 16 Leases

This Standard will become effective for reporting periods beginning on or after 1 January 2019. When applied, the standard supersedes AASB117 Leases, AASB Interpretation 4 Determining whether an Arrangement contains a Lease, AASB Interpretation 115 Operating Leases - Incentives and AASB Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

Impact for Lessees unlike AASB 117 Leases, AASB 16 introduces a single lease accounting model for lessees. Lessees will be required to recognise a right-of-use asset (representing rights to use the underlying leased asset) and a liability (representing the obligation to make lease payments) for all leases with a term of more than 12 months, unless the underlying assets are of low value. In effect, the majority of operating leases (as defined by the current AASB 117) will be reported on the statement of financial position under AASB 16. The impact on the reported assets and liabilities will be largely in proportion to the scale of the University's leasing activities.

The right-of-use asset will be initially recognised at cost, consisting of the initial amount of the associated lease liability, plus any lease payments made to the lessor at or before the commencement date, less any lease incentive received, the initial estimate of restoration costs and any initial direct costs incurred by the lessee. The right-of-use asset will give rise to a depreciation expense.

The lease liability will be initially recognised at an amount equal to the present value of the lease payments during the lease term that are not yet paid. Current operating lease rental payments will no longer be expensed in the Statement of Comprehensive Income. They will be apportioned between a reduction in the recognised lease liability and the implicit finance charge (the effective rate of interest) in the lease. The finance cost will also be recognised as an expense.

AASB 16 allows a 'cumulative approach' rather than full retrospective application to recognising existing operating leases. If a lessee chooses to apply the 'cumulative approach', it does not need to restate comparative information. Instead, the cumulative effect of applying the standard is recognised as an adjustment to the opening balance of accumulated surplus (or other component of equity, as appropriate) at the date of initial application. The University has not yet quantified the impact on the Statement of Comprehensive Income or the Statement of Financial Position of applying AASB 16 to its current operating leases, including the extent of additional disclosure required.

(l) Issuance of financial statements

The QUT Council has approved the financial statements upon recommendation from the Audit and Risk Management Committee. The financial statements are authorised for issue by the Chancellor, Vice-Chancellor and Executive Director, Finance and Resource Planning (Chief Finance Officer) at the date of signing the Management Certificate.

(m) Non-adjusting events after the end of the reporting period

On the 8th of January 2018 the Caboolture campus operation was transferred to the University of the Sunshine Coast.

2. Australian Government financial assistance including Australian Government loan programs (HELP)

QUT treats operating grants received from Government entities as income in the year of receipt. Grants are recognised at fair value where QUT obtains control of the right to receive the grant, it is likely that economic benefits will flow to QUT and it can be reliably measured.

(a) Commonwealth Grants Scheme and Other Grants

	Note	Consolidated		Parent	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Commonwealth Grants Scheme #1		278,419	275,965	278,419	275,965
Indigenous Student Success Program #3		3,950	3,277	3,950	3,277
Access and Participation Fund		4,096	4,852	4,096	4,852
Disability Performance Funding #2		530	351	530	351
Promotion of Excellence in Learning and Teaching		237	344	237	344
Improving the Quality of Maths & Science Teaching Program		-	979	-	979
Other		58	-	-	-
Total Commonwealth Grants Scheme and Other Grants	33(a)	287,290	285,768	287,232	285,768

(b) HELP - Australian Government Payments

	Note	Consolidated		Parent	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
HECS - HELP		214,272	202,350	214,272	202,350
FEE - HELP #4		24,978	25,595	24,978	25,595
SA-HELP		4,220	4,053	4,220	4,053
Total HELP - Australian Government Payments #4a	33(b)	243,470	231,998	243,470	231,998

(c) Scholarships

	Note	Consolidated		Parent	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Research Training Program #5		30,842	30,534	30,842	30,534
Total Scholarships	33(c)	30,842	30,534	30,842	30,534

2. Australian Government financial assistance including Australian Government loan programs (HELP)

(d) Education Research

Note	Consolidated		Parent	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Research Support Program #6	21,882	19,615	21,882	19,615
Total Education Research	21,882	19,615	21,882	19,615

(e) Other Capital Funding

Note	Consolidated		Parent	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Linkage Infrastructure Equipment Facilities grants	1,150	-	1,150	-
Total Other Capital Funding	1,150	-	1,150	-

(f) Australian Research Council

Note	Consolidated		Parent	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
(i) Discovery				
Discovery - Projects	7,996	7,911	7,996	7,911
Discovery - Fellowships	4,282	3,989	4,282	3,989
Discovery - Indigenous Researchers Development	158	155	158	155
Total Discovery	12,436	12,055	12,436	12,055
(ii) Linkages				
Linkages - Projects	2,618	3,558	2,618	3,558
Industrial Transformational Research Program	1,008	964	1,008	964
Total Linkages	3,626	4,522	3,626	4,522
(iii) Networks and Centres				
Networks and Centres - Centres	2,938	2,895	2,938	2,895
Total Networks and Centres	2,938	2,895	2,938	2,895
Linkages - Special Research Initiatives	899	443	899	443
Total ARC	19,899	19,915	19,899	19,915

2. Australian Government financial assistance including Australian Government loan programs (HELP)

(g) Other Australian Government Financial Assistance

	Consolidated		Parent	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Non-capital				
National Health & Medical Research Council (NHMRC)	8,698	9,834	8,698	9,834
Department of Foreign Affairs and Trade	4,461	5,377	4,461	5,377
Sugar Research & Development Corporation	2,287	2,319	2,287	2,319
Department of Health	1,831	1,554	1,831	1,554
Department of Education and Training	1,432	771	1,432	771
Other	5,775	7,145	5,775	7,145
Total Other Australian Government Financial Assistance	24,484	27,000	24,484	27,000
Total Australian Government Financial Assistance	629,017	614,830	628,959	614,830

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

#2 Disability Performance Funding includes Additional Support for Students with Disabilities.

#3 Indigenous Student Success Program has replaced the Indigenous Commonwealth Scholarships Program and the Indigenous Support Program as of 1 January 2017. Prior year programs have been combined and reported in Indigenous Student Success Program for 2016.

#4 This program is in respect of FEE-HELP for Higher Education only and excludes funds received in respect of VET FEE-HELP.

#4a HELP payments increased by \$7 million in 2017 due to increased student load and fee increases.

#5 Research Training Program has replaced Australian Postgraduate Awards, International Postgraduate Research Scholarships and Research Training Scheme as of 1 January 2017. Prior year programs have been combined and reported in Research Training Program for 2016.

#6 Research Support Program has replaced Joint Research Engagement, JRE Engineering Cadetships, Research Block Grants and Sustainable Research Excellence in Universities as of 1 January 2017. Prior year programs have been combined and reported in Research Support Program for 2016.

3. State and local government financial assistance

	Consolidated		Parent	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Non-capital				
State government financial assistance	8,281	4,740	7,860	4,740
Local government financial assistance	135	83	135	83
Total	8,416	4,823	7,995	4,823
Capital				
State and local government financial assistance	250	250	250	250
Total	250	250	250	250
Total State and Local Government Financial Assistance	8,666	5,073	8,245	5,073

4. Fees and charges

Course fees and charges are recognised as income in the year of receipt, except to the extent that fees and charges relate to courses to be held in future periods. Such income is treated as income in advance.

Other non-course fees and charges relating to debtors are recognised as revenue in the year to which the prescribed fee relates. Lease income from operating leases is recognised on a straight-line basis over the lease term, where material. Conversely, fees and charges relating to debtors are recognised as revenue in the year to which the prescribed course relates.

	Consolidated		Parent	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Course fees and charges				
Fee-paying onshore overseas students #1	193,539	174,184	193,539	174,184
Continuing education #5	9,090	9,202	8,643	9,054
Fee-paying domestic postgraduate students #2	9,714	9,950	9,714	9,950
Fee-paying domestic undergraduate students #6	6,410	5,861	6,410	5,861
Fee-paying domestic non-award students	18	44	18	44
Other domestic course fees and charges	25	24	25	24
Total course fees and charges	218,796	199,265	218,349	199,117
Other non-course fees and charges				
Facilities hire fees	1,676	1,539	1,678	1,539
Health services fees	1,118	1,026	1,118	1,026
Student services fees from students	3,651	3,502	3,651	3,502
Late fees	171	128	171	128
Library photocopier fees	701	818	701	818
Parking fees #3	5,961	5,421	6,053	5,513
Registration fees	1,775	1,701	1,775	1,701
Rental charges	3,993	4,108	4,403	4,513
Student accommodation	70	65	70	65
Other fees and charges #4	1,192	1,568	1,192	1,568
Total other fees and charges	20,308	19,876	20,812	20,373
Total fees and charges	239,104	219,141	239,161	219,490

#1 Fee-paying onshore overseas student revenue increase (11%) was largely driven equally by the approved fees increase and an increase in EFTSL.

#2 Fee-paying domestic postgraduate students load decreased. This led to the decline in the domestic post graduate student revenue.

#3 Parking fees increased which can be attributed to the new Kelvin Grove Campus Sportsfield carpark becoming operational early in 2017.

#4 Other fees and charges decrease was mainly driven by the 2016 recognition and subsequent write-off of outstanding library debts.

#5 Continuing education has dropped due to a facilitation workshop not running in 2017.

#6 Fee-paying domestic undergraduate student revenue increase was largely driven by the approved fees increase.

5. Investment revenue and income

	Consolidated		Parent	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Investment revenue				
Interest	4,817	4,950	4,779	4,908
Realised investment gains	20,130	14,528	20,130	14,528
Dividends	500	-	500	-
Total investment revenue	25,447	19,478	25,409	19,436
Other investment income				
Unrealised investment gains #1	36,859	18,654	32,454	13,148
Total other investment income	36,859	18,654	32,454	13,148
Total investment income	62,306	38,132	57,863	32,584

#1 Unrealised investment gains includes an offset diminution (2017: \$4.45 million, 2016: \$5.5 million) write-down of QUT subsidiary (QUT Enterprise Holdings).

6. Consultancy and contracts

Contract revenue is recognised in line with the percentage of the service performed. Other human resources revenue is recognised when the service is provided.

	Consolidated		Parent	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Consultancy	21,372	21,972	21,252	21,995
Contract research #1	40,157	32,980	40,182	32,980
Total consultancy and contracts	61,529	54,952	61,434	54,975

#1 Increase driven by Contract Research agreements with various business and government departments including: Department of Health & Ageing for the Palliative Care and Advance Care planning.

7. Other Income

Revenue from the sale of goods is recognised upon the delivery of the goods to customers.

	Consolidated		Parent	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Donations and bequests #1	10,207	4,952	10,207	4,952
Scholarships and prizes	713	437	713	462
Non-government grants #2	16,960	15,300	17,174	15,825
Sale of goods #3	6,176	7,266	6,176	7,266
Recoveries #4	8,179	9,584	8,423	9,803
Sponsorships	1,684	1,555	1,731	1,547
Other	2,907	2,753	1,769	2,808
Total other revenue and income	46,826	41,847	46,193	42,663

#1 Donations and bequests increased mainly due to significant donations from anonymous donors and estates.

#2 Non-government grants increased primarily due to increased funding from Melinda and Bill Gates Foundation, with offsetting increase/decrease from Non-Australian Businesses and Australian Non-for-Profit organisations, respectively.

#3 Sale of Goods decreased due mainly to reduced sales in the bookshop.

#4 Recoveries decrease was mainly attributed to receipt of retention funds from Leighton Contractors after completion of buildings works in 2016.

8. Employee related expenses

	Consolidated		Parent	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Academic				
Salaries	205,120	208,536	205,120	208,547
Contributions to superannuation and pensions - Funded schemes	33,372	33,772	33,372	33,772
Payroll tax	12,362	12,467	12,362	12,467
Worker's compensation	270	248	270	248
Long service leave expense	4,272	4,314	4,272	4,314
Annual leave	17,316	17,149	17,316	17,149
Parental leave expense	2,023	1,788	2,023	1,788
Total academic	274,735	278,274	274,735	278,285
Non-academic				
Salaries	218,599	212,665	215,481	209,833
Contributions to superannuation and pensions - Funded schemes	35,828	35,430	35,535	35,179
Payroll tax	13,209	12,881	13,043	12,727
Worker's compensation	317	290	304	279
Long service leave expense	4,525	4,380	4,525	4,380
Annual leave	19,575	20,361	19,493	20,322
Parental leave expense	2,435	2,134	2,435	2,134
Total non-academic	294,488	288,141	290,816	284,854
Total employee related expenses	569,223	566,415	565,551	563,139
Deferred superannuation expense	-	-	-	-
Total employee related expenses, including deferred benefits for superannuation #1	569,223	566,415	565,551	563,139

#1 Employee related expenses (Parent) increased by \$2.41 million or 0.44%, (2016; \$16.59 million; 3.0%) primarily due to salary entitlement increases of 2% and leave provisioning adjustments, while staff FTE decreased by -2.3% (2016: -3.0%).

9. Repairs and maintenance

	Consolidated		Parent	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Buildings	12,613	11,102	12,613	11,102
Non-capitalised construction	5,577	9,748	5,577	9,748
Computing	15,212	14,598	15,212	14,598
Equipment	1,321	1,481	1,321	1,481
Other	1,841	1,757	1,838	1,750
Total repairs and maintenance	36,564	38,686	36,561	38,679

10. Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of asset fair value less costs of disposal and value in use.

	Consolidated		Parent	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Doubtful debts written off	199	522	197	520
Change in provision for bad and doubtful debts	132	(286)	132	(286)
Total impairment of assets	331	236	329	234

11. Other expenses

	Consolidated		Parent	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Scholarships, grants and prizes #1	71,408	66,215	71,408	66,215
Non-capitalised equipment	17,559	17,091	17,453	17,035
Advertising, marketing and promotional expenses #2	15,110	11,895	13,787	11,577
Audit fees, bank charges, legal costs and insurance expenses	7,986	7,076	7,766	7,076
General consumables	11,685	10,756	11,678	10,753
Printing and stationery	2,341	2,654	2,289	2,636
Rental, hire and other leasing fees	24,204	23,350	24,204	23,351
Telecommunications	2,553	2,641	2,518	2,611
Travel and related staff development and training	25,795	25,053	25,603	24,884
Consultants and contractors #3	36,917	35,383	36,304	34,601
Commission	12,335	11,819	12,335	11,819
Cost of sales	3,514	4,059	3,514	4,023
Contributions to collaborative projects #4	16,960	20,810	16,990	20,835
Library acquisitions	14,139	14,142	14,139	14,142
Utilities #5	15,211	13,119	15,211	13,119
Act of grace and special payments	682	-	682	-
Other #6	13,958	11,318	12,915	11,221
Total other expenses	292,357	277,381	288,796	275,898

#1 Scholarships, grants and prizes increased by 7.84% driven by Scholarships Higher Degree Research students \$1.61 million (total \$18.5 million); Post Graduate Scholarships increased \$1.62 million (total \$29.5 million); Miscellaneous Scholarships (Non-Payroll) Prizes & Bursaries increased by \$1.44 million (total \$16.39 million) and Equity Based Scholarships (Non-Payroll) increased by \$0.5 million (total \$7.0 million).

#2 Increase in Advertising payments for new contracts - Research Web Page Campaign, Public Sector Management Program (PSMP) & Policy Campaign, and Robotronica Campaign.

#3 Consultant and contractors increased by \$1.7 million mainly driven by Employment Agency Services for QHUB (HI-Q) improving student services project.

#4 Decrease primarily due to a lower contributions to collaborative projects and transfer of Shared Grants to other universities.

#5 Increase was mainly driven by a new supplier agreement for Electricity Consumption and Greenhouse Gas Emissions at GP.

#6 Increase was mainly due to return of unexpended government grant \$1.36 million (total return \$2.43 million) with the largest being Department of Foreign Affairs & Trade due to the university incurring less expenditure than anticipated to run these projects.

12. Cash and cash equivalents

For statement of cash flows presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

	Consolidated		Parent	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Bank balances	4,851	3,764	2,198	1,870
Deposits at call	187,826	99,897	187,826	99,897
Term deposits	800	40,716	-	40,000
Total cash and cash equivalents	193,477	144,377	190,024	141,767

(a) Reconciliation to cash at the end of the year

The above figures are reconciled to cash at the end of the year as shown in the statement of cash flows as follows:

Balances as above	193,477	144,377	190,024	141,767
Balance per statement of cash flows	193,477	144,377	190,024	141,767

(b) Cash at bank and on hand

Cash at bank is an interest bearing account with interest received monthly. The effective interest rate as at 31 December 2017 was 1.00% (2016: 1.00%).

(c) Deposits at call

Deposits at call are interest bearing on floating interest rates. The annual effective interest rate as at 31 December 2017 was 2.51% (2016: 2.46%).

(d) Term deposits

Term deposits are bearing floating interest rates between 2.60% and 2.70% (2016: 2.70%). These deposits had an average maturity of 111 days (2016: 90 days).

13. Receivables

Trade and other receivables are due for settlement within 21 days. Debtors arising from student fees are recognised at the amounts receivable, as sanctions are applied to students who do not pay. Collectability of trade and other receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off.

A provision for impairment of receivables is established when there is objective evidence that the consolidated entity will not be able to collect all the amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 90 days overdue) are considered indicators that the trade receivable is impaired. The increase/decrease to the provision is recognised in the income statement.

	Consolidated		Parent	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Current				
Student fees	154	1,472	154	1,472
Student loans	188	234	188	234
Trade receivables	11,939	10,745	11,754	10,718
Less: provision for impairments	<u>(1,206)</u>	<u>(1,074)</u>	<u>(1,204)</u>	<u>(1,072)</u>
	11,075	11,377	10,892	11,352
GST receivable	2,109	1,929	2,041	1,856
Accrued revenue #1	<u>17,540</u>	<u>13,644</u>	<u>17,540</u>	<u>13,644</u>
Total current receivables	<u>30,724</u>	<u>26,950</u>	<u>30,473</u>	<u>26,852</u>
GST receivable consists of:				
Gross amount of input tax credits receivable from the ATO	3,012	2,892	2,909	2,803
Gross GST payable to the ATO	<u>(903)</u>	<u>(963)</u>	<u>(868)</u>	<u>(947)</u>
Net GST receivable	<u>2,109</u>	<u>1,929</u>	<u>2,041</u>	<u>1,856</u>

#1 The accrued revenue increase from 2016 to 2017 is due to a combination of an increased number of students accessing HECS HELP support, a 1.5% increase across the board in funding by cluster and a change in the student mix by cluster.

(a) Impaired receivables

As at 31 December 2017 current receivables of the University with a nominal value of \$1.206 million (2016: \$1.074 million) were impaired. The individually impaired receivables comprise student fees of \$NIL (2016: \$0.02 million); student loans of \$0.121 million (2016: \$0.133 million); and trade receivables of \$1.083 million (2016: \$0.921 million). The ageing of these receivables is as follows:

	Consolidated	
	2017 \$'000	2016 \$'000
Current receivables		
3 to 6 months	143	89
Over 6 months	<u>1,063</u>	<u>985</u>
Total current impaired receivables	<u>1,206</u>	<u>1,074</u>
Movements in the provision for impaired receivables are as follows:		
At 1 January	1,074	1,396
Provision for impairment recognised during the year	284	284
Receivables written off during the year as uncollectible	(199)	(520)
Unused amount reversed	<u>47</u>	<u>(86)</u>
At 31 December	<u>1,206</u>	<u>1,074</u>

13. Receivables

(a) Impaired receivables

As at 31 December 2017 receivables of \$4.644 million (2016: \$3.757 million) were past due but not impaired. A large portion of the outstanding debt is owed by government agencies, which is considered recoverable. The ageing analysis of these receivables is as follows:

Between 0 to 3 months	3,762	3,535
Between 3 to 6 months	1	24
Over 6 months	881	198
Total past due but not impaired receivables	4,644	3,757

14. Other financial assets

Classification

QUT classifies its investments in the following categories: financial assets at fair value through profit or loss and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading. QUT classifies assets in this category as non-current assets.

(ii) Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the end of the reporting period.

	Consolidated		Parent	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Current				
Fair value through profit or loss				
Managed investment funds #1	-	320,201	-	320,201
Total current other financial assets	-	320,201	-	320,201
Non-current				
Fair value through profit or loss				
Shares in subsidiaries	-	-	6,144	3,199
Managed investment funds #1	442,965	69,844	442,965	69,844
Listed securities	792	935	792	935
Unlisted securities #2	15,431	10,696	15,431	10,696
Available for sale				
Listed and unlisted investments	3,686	1,248	-	-
Convertible notes	25	25	-	-
Total non-current other financial assets	462,899	82,748	465,332	84,674
Total other financial assets	462,899	402,949	465,332	404,875

#1 In 2017 the Investment and Borrowings Committee revised the investment strategy, aligning the growth fund to the university's long term investment strategy. The non-current portion of managed investment funds includes QIC Growth Fund, QUT Endowment Fund and Sciventures Pre-seed Fund. In previous years the fund was reported as a current asset based on its high liquidity profile. The reclassification to non-current is consistent with the changes to Australian Government Department of Education reporting guideline issued in 2017.

#2 Unlisted securities include the holdings in Aarnet Pty Ltd, Wound Management Innovation CRC and Education Australia Ltd.

15. Property, plant and equipment

Asset recognition threshold

(i) Land

Land purchased with a value equal to or greater than \$1 is initially recorded at cost.

(ii) Buildings (including land improvements and heritage buildings)

Buildings constructed since the last revaluation with a value equal to or greater than \$10,000 are initially recorded at cost.

Buildings which are capable of disaggregation into significant components are recorded as complex assets, so that the significant components and their remaining service potential are identified and depreciated independently to provide more reliable and relevant information. Buildings which are not capable of disaggregation into significant components are recorded and depreciated as one asset.

Heritage buildings are entered or provisionally entered on the Queensland Heritage Register pursuant to the *Queensland Heritage Act 1992*.

(iii) Plant and equipment

Plant and equipment with a value equal to or greater than \$5,000 is initially recorded at cost. Plant and equipment donated to the consolidated entity is recorded at the consolidated entity's estimate of fair value in the year of donation.

Leasehold improvement assets with a value equal to or greater than \$10,000 are initially recorded at cost.

(iv) Cultural assets

Art collection purchases with a value greater than \$1 are initially recorded at cost. Artwork donated to the consolidated entity is recorded at the consolidated entity's estimate of fair value in the year of donation.

(v) Work in progress

Work in progress is shown at cost.

Depreciation

Depreciation is calculated using the straight line method to allocate cost (or revalued amount), net of residual value over the estimated useful life. An asset's useful life is reviewed and adjusted, if necessary, each year. The following is a schedule of useful lives allocated to new assets:

<i>Category</i>	<i>Life (years)</i>
Buildings	20 - 100
Plant and equipment:	
• Motor vehicles	5
• IT equipment	3 - 8
• Other plant and equipment	3 - 20
• Leasehold improvements	Unexpired period of lease

Assets are depreciated from the month after acquisition or, in respect of buildings and leasehold improvements constructed, from the month after the asset is completed and ready for use. Land is not depreciated.

Revaluation

(i) Land

An independent valuation of land, based on fair value, is carried out at least every five years and indexed in intervening years. In accordance with these requirements the next independent valuation will occur in 2019. In 2017 the consolidated entity's land values were indexed as follows: Gardens Point campus 0% (2016: 10%), Kelvin Grove campus 0% (2016: 10%) and Samford properties 3% (2016: 4%).

The majority of the consolidated entity's land is reserved for educational purposes under the *Land Act 1994 (Queensland)*. The consolidated entity cannot sell this land or the assets which attach to it without Queensland Government permission.

15. Property, plant and equipment

(ii) Buildings (including land improvements and heritage buildings)

An independent valuation of buildings based on fair value is carried out at least every five years and is indexed in intervening years. In accordance with these requirements the next independent valuation will occur in 2021. In 2017 the consolidated entity's buildings were indexed using rates from the Australian Bureau of Statistics 'Non-residential Construction, Queensland' 5%. In 2017 the consolidated entity's land improvements were indexed using rates from the Australian Bureau of Statistics 'Engineering Construction, Queensland' 3.7%.

Accumulated depreciation is restated following revaluation, to reflect the lapsed utility in the asset, with the change in the gross carrying amount of the asset. The carrying amount of the asset after revaluation therefore equals its revalued amount.

Increases in the carrying amount arising from revaluation of buildings are credited to the asset revaluation reserve in other comprehensive income. However, if the increase reverses a decrease previously recognised in the income statement, the increase is first recognised in the income statement to the extent of the original decrease. Decreases that reverse previous increases of the same asset class are first charged against revaluation reserves through other comprehensive income to the extent of the remaining reserves attributable to the asset class, all other decreases are charged to the income statement.

(iii) Plant and equipment

All plant and equipment is recorded at cost and is not independently valued or indexed.

(iv) Cultural assets

An independent valuation of the QUT museum collections is carried out at least every five years and is indexed in intervening years. In accordance with these requirements the next independent valuation will occur in 2021. In 2017 the consolidated entity's museum collections were indexed 2%.

Repairs and maintenance

Repairs and maintenance costs are recognised as expenses as incurred, except where they relate to the replacement of a component of an asset, in which case, the costs are capitalised and depreciated. Other routine operating maintenance, repair and minor renewal costs are also recognised as expenses, as incurred.

Impairment of non-current assets

All non-current physical and intangible assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the University determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

15. Property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

Parent	Work in progress \$'000	Land \$'000	Buildings \$'000	Plant and equipment \$'000	Heritage / cultural assets \$'000	Total \$'000
At 01 January 2016						
- Cost	101,135	-	-	210,427	376	311,938
- Valuation	-	229,573	969,457	-	128,324	1,327,354
- Accumulated depreciation	-	-	(400,805)	(115,403)	(58,258)	(574,466)
Net book amount	101,135	229,573	568,652	95,024	70,442	1,064,826
Year ended 31 December 2016						
Opening net book amount	101,135	229,573	568,652	95,024	70,442	1,064,826
Revaluation	-	22,796	(15,529)	-	6,764	14,031
Additions	52,014	-	-	21,080	1,111	74,205
Disposals	-	-	-	(605)	(7)	(612)
Depreciation charge	-	-	(34,169)	(18,363)	(3,344)	(55,876)
Reclassification	(111,609)	-	108,157	34	2,389	(1,029)
Closing net book amount	41,540	252,369	627,111	97,170	77,355	1,095,545
At 31 December 2016						
- Cost	41,540	-	-	224,369	463	266,372
- Valuation	-	252,369	1,082,604	-	147,190	1,482,163
- Accumulated depreciation	-	-	(455,493)	(127,199)	(70,298)	(652,990)
Net book amount	41,540	252,369	627,111	97,170	77,355	1,095,545
At 01 January 2017						
- Cost	41,540	-	-	224,369	463	266,372
- Valuation	-	252,369	1,082,604	-	147,190	1,482,163
- Accumulated depreciation	-	-	(455,493)	(127,199)	(70,298)	(652,990)
Net book amount	41,540	252,369	627,111	97,170	77,355	1,095,545
Year ended 31 December 2017						
Opening net book amount	41,540	252,369	627,111	97,170	77,355	1,095,545
Revaluation	-	84	43,385	-	2,783	46,252
Additions	42,932	-	-	10,173	1,865	54,970
Disposals	-	-	-	(342)	-	(342)
Depreciation charge	-	-	(36,294)	(24,791)	(3,579)	(64,664)
Reclassification	(45,166)	-	44,353	719	-	(94)
Closing net book amount	39,306	252,453	678,555	82,929	78,424	1,131,667
At 31 December 2017						
- Cost	39,306	-	-	228,743	1,856	269,905
- Valuation	-	252,453	1,192,790	-	153,698	1,598,941
- Accumulated depreciation	-	-	(514,235)	(145,814)	(77,130)	(737,179)
Net book amount	39,306	252,453	678,555	82,929	78,424	1,131,667

15. Property, plant and equipment

Consolidated	Work in progress \$'000	Land \$'000	Buildings \$'000	Plant and equipment \$'000	Heritage / cultural assets \$'000	Total \$'000
At 01 January 2016						
- Cost	101,135	-	-	210,541	376	312,052
- Valuation	-	229,573	969,457	-	128,324	1,327,354
- Accumulated depreciation	-	-	(400,805)	(115,512)	(58,257)	(574,574)
Net book amount	101,135	229,573	568,652	95,029	70,443	1,064,832
Year ended 31 December 2016						
Opening net book amount	101,135	229,573	568,652	95,029	70,443	1,064,832
Revaluation	-	22,796	(15,529)	-	6,764	14,031
Additions	52,014	-	-	21,080	1,111	74,205
Disposals	-	-	-	(605)	(7)	(612)
Depreciation charge	-	-	(34,169)	(18,364)	(3,345)	(55,878)
Reclassifications	(111,609)	-	108,157	34	2,389	(1,029)
Closing net book amount	41,540	252,369	627,111	97,174	77,355	1,095,549
At 31 December 2016						
- Cost	41,540	-	-	224,376	463	266,379
- Valuation	-	252,369	1,082,604	-	147,190	1,482,163
- Accumulated depreciation	-	-	(455,493)	(127,202)	(70,298)	(652,993)
Net book amount	41,540	252,369	627,111	97,174	77,355	1,095,549

Consolidated	Work in progress \$'000	Land \$'000	Buildings \$'000	Plant and equipment \$'000	Heritage / cultural assets \$'000	Total \$'000
At 01 January 2017						
- Cost	41,540	-	-	224,376	463	266,379
- Valuation	-	252,369	1,082,604	-	147,190	1,482,163
- Accumulated depreciation	-	-	(455,493)	(127,202)	(70,298)	(652,993)
Net book amount	41,540	252,369	627,111	97,174	77,355	1,095,549
Year ended 31 December 2017						
Opening net book amount	41,540	252,369	627,111	97,174	77,355	1,095,549
Revaluation	-	84	43,385	-	2,783	46,252
Additions	42,932	-	-	10,186	1,865	54,983
Disposals	-	-	-	(346)	-	(346)
Depreciation charge	-	-	(36,294)	(24,791)	(3,579)	(64,664)
Reclassifications	(45,166)	-	44,353	720	-	(93)
Closing net book amount	39,306	252,453	678,555	82,943	78,424	1,131,681
At 31 December 2017						
- Cost	39,306	-	-	228,757	1,856	269,919
- Valuation	-	252,453	1,192,790	-	153,698	1,598,941
- Accumulated depreciation	-	-	(514,235)	(145,814)	(77,130)	(737,179)
Net book amount	39,306	252,453	678,555	82,943	78,424	1,131,681

16. Intangible Assets

Asset recognition

(i) Research and development

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

Expenditure on development activities, including software development, relating to the design and testing of a new or improved product is recognised as an intangible asset after considering whether: it is commercially and technically feasible; it is probable that the project will be completed and will generate future economic benefits; its cost can be measured reliably; and the cost is greater than \$100,000. The capitalised expenditure comprises all directly attributable costs, including costs of materials, services and direct labour. Other development expenditure is recognised in the income statement as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalised development expenditure is recorded as intangible assets and amortised from the point at which the asset is ready for use. Amortisation is calculated using the straight line method to allocate the cost over the period of the expected benefit, which varies from 3 to 10 years.

(ii) Computer software

Computer software is stated at historical cost less amortisation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the University and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Computer software is amortised using the straight line method to allocate the cost over the period of the expected benefit, which varies from 3 to 15 years.

(iii) Trademarks and licences

During the reporting period, the consolidated entity did not hold any significant trademarks or licences.

(iv) Impairment of non-current assets

All non-current physical and intangible assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the University determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

16. Intangible Assets

	Software at cost \$'000	Software under development #1 \$'000	Total \$'000
Parent			
At 1 January 2016			
Cost	42,538	646	43,184
Accumulated amortisation and impairment	(17,290)	-	(17,290)
Net book amount	25,248	646	25,894
Year ended 31 December 2016			
Opening net book amount	25,248	646	25,894
Additions - Internal development	-	233	233
Disposals	-	-	-
Amortisation	(3,414)	-	(3,414)
Reclassifications	879	(879)	-
Closing net book amount	22,713	-	22,713
At 31 December 2016			
Cost	42,966	-	42,966
Accumulated amortisation and impairment	(20,253)	-	(20,253)
Net book amount	22,713	-	22,713
Year ended 31 December 2017			
Opening net book amount	22,713	-	22,713
Additions - Internal development	-	2,223	2,223
Disposals	-	-	-
Amortisation	(2,996)	-	(2,996)
Reclassifications	-	-	-
Closing net book amount	19,717	2,223	21,940
At 31 December 2017			
Cost	42,752	2,223	44,975
Accumulated amortisation and impairment	(23,035)	-	(23,035)
Net book amount	19,717	2,223	21,940

#1 Software under development includes capitalisation of internally generated software.

16. Intangible Assets

Consolidated	Software at cost \$'000	Software under development #1 \$'000	Total \$'000
At 1 January 2016			
<i>Cost</i>	42,538	646	43,184
<i>Accumulated amortisation and impairment</i>	(17,290)	-	(17,290)
Net book amount	25,248	646	25,894
Year ended 31 December 2016			
<i>Opening net book amount</i>	25,248	646	25,894
<i>Additions - Internal development</i>	-	233	233
<i>Disposals</i>	-	-	-
<i>Amortisation</i>	(3,399)	-	(3,399)
<i>Reclassifications</i>	879	(879)	-
Closing net book amount	22,728	-	22,728
At 31 December 2016			
<i>Cost</i>	42,966	-	42,966
<i>Accumulated amortisation and impairment</i>	(20,238)	-	(20,238)
Net book amount	22,728	-	22,728
Year ended 31 December 2017			
<i>Opening net book amount</i>	22,728	-	22,728
<i>Additions - Internal development</i>	-	2,223	2,223
<i>Disposals</i>	(16)	-	(16)
<i>Amortisation</i>	(2,996)	-	(2,996)
Closing net book amount	19,716	2,223	21,939
At 31 December 2017			
<i>Cost</i>	42,751	2,223	44,974
<i>Accumulated amortisation and impairment</i>	(23,035)	-	(23,035)
Net book amount	19,716	2,223	21,939

#1 Software under development includes capitalisation of internally generated software.

17. Other non-financial assets

	Consolidated		Parent	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Current				
Prepayments	23,823	23,286	23,744	23,214
	23,823	23,286	23,744	23,214
Non-current				
Prepayments	56,467	56,556	56,467	56,556
	56,467	56,556	56,467	56,556
Total other non-financial assets	80,290	79,842	80,211	79,770

18. Trade and other payables

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

(i) Wages and salaries

Liabilities for wages and salaries, including nonmonetary benefits, expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for sick leave are recognised when the leave is taken and measured at the rates paid or payable.

	Consolidated		Parent	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Current				
Trade payables	6,732	9,269	6,586	9,208
Accrued expenses	28,379	24,187	27,856	23,760
OS-HELP liability to Australian Government	2,225	2,090	2,225	2,090
Total current trade and other payables	37,336	35,546	36,667	35,058
Total trade and other payables	37,336	35,546	36,667	35,058

Due to the short term nature of current trade creditors, the carrying value is assumed to approximate the fair value.

OS-HELP is a loan scheme to assist eligible undergraduate students to undertake some of their course of study overseas.

19. Borrowings

Borrowings are classified as current liabilities unless the University has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

	Consolidated		Parent	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Current				
Unsecured				
Queensland Treasury Corporation loans (commercial)	3,506	3,376	3,506	3,376
Total current unsecured borrowings	3,506	3,376	3,506	3,376
Total current borrowings	3,506	3,376	3,506	3,376
Non-current				
Unsecured				
Queensland Treasury Corporation loans (commercial)	98,056	101,364	98,056	101,364
Total non-current borrowings	98,056	101,364	98,056	101,364
Total borrowings	101,562	104,740	101,562	104,740

The University was granted approval to borrow through QTC for the following infrastructure projects:

- Construction of the Science and Engineering Centre at Gardens Point Campus. The total drawdown was \$78 million (2012) on variable rate terms that ranged from 4.62% to 5.55% (2012-2016). On the 1st April 2016, the loan became fixed at the rate of 5.066%, maturing in June 2038, with a quarterly debt service payment of \$1.363 million.
- Construction of the Kelvin Grove Sportsfield Carpark. On the 3rd August 2016, the loan was established for \$34 million, with a borrowing rate of 2.92% (2016). The loan is fixed at the rate of 2.92% over 20 years, maturing in June 2036, with a quarterly debt service payment of \$0.563 million.

The weighted average borrowing rate is 4.39% (ranging from 2.92% to 5.066%).

Under the State's Borrowing Program, the University has access to an \$11.5 million working capital loan facility through QTC. The working capital loan facility, which is a temporary overdraft (limit of up to 30 days) used for cash flow management, was not accessed during 2017.

(a) Interest rate risk exposure

Details of the University's exposure to interest rate changes on interest bearing liabilities are set out in financial risk management (refer note 31.).

(b) Fair value measurement

Details of fair value of interest bearing liabilities of the University are set out in fair value measurement (refer note 32.).

(c) Risk exposures

The University does not have any assets pledged as security for current interest bearing liabilities.

The carrying amounts of the University's borrowings are denominated in the following currencies, for an analysis of the sensitivity of borrowings to interest rate risk and foreign exchange risk refer to note 31.

	Consolidated		Parent	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Australian dollar	101,562	104,740	101,562	104,740
	101,562	104,740	101,562	104,740

20. Provisions

Annual Leave

The liability for annual leave is recognised in current provisions for employee benefits as it is part of the working capital used in the University's normal operating cycle, even if it is due to be settled more than 12 months after the reporting period. It is measured at the amount expected to be paid when the liability is settled. The total amount of annual leave accrued as at 31 December 2017 has increased by 1.9% (2016: 3.1% Parent) and reflects movement in salary rates.

Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. The accumulated cost of long service leave accrued as at 31 December 2017 is split between the current provision, which reflects entitlements for employees with over 7 years of service and the non-current provision, which reflects the accumulated cost of long service leave for employees with under 7 years of service. The decrease in provision of -1.9% (2016: decrease -3.7%) is primarily due to a decrease in staff leave balances and retention rate probability rates, offset by increases in salary rates.

Parental leave

The liability for parental leave is recognised in the current provision for employee benefits as it is due to be settled within 12 months after the end of the reporting period. It is measured at the amount expected to be paid when the liability is settled. The accumulated cost of parental leave accrued as at 31 December 2017 has increased by 0.5% (2016: increase 3.5%), due predominantly to the value of parental leave days carried forward.

Defined benefit obligations

The UniSuper Defined Benefit Division (DBD), which is the University's predominant superannuation plan, is a defined benefit plan under superannuation law however, as a result of amendments to Clause 34 of the UniSuper Trust Deed, it is deemed a defined contribution plan under Accounting Standard AASB 119 Employee Benefits and is therefore not recognised in the provision for employee benefits.

Short term obligations

Liabilities for short-term employee benefits including wages and salaries, non-monetary benefits and profit-sharing bonuses are measured at the amount expected to be paid when the liability is settled, if it is expected to be settled wholly before 12 months after the end of the reporting period, and is recognised in other payables. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates payable.

20. Provisions

	Consolidated		Parent	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Current provisions expected to be settled within 12 months				
Employee benefits				
Annual leave	31,397	31,144	31,145	30,943
Long service leave	3,056	4,158	2,964	4,123
Parental leave	401	399	401	399
Defined benefit obligation	-	-	-	-
Subtotal	34,854	35,701	34,510	35,465
Current provisions expected to be settled after more than 12 months				
Employee benefits				
Annual leave	13,491	12,845	13,491	12,845
Long service leave	46,787	47,380	46,787	47,380
Subtotal	60,278	60,225	60,278	60,225
Total current provisions	95,132	95,926	94,788	95,690
Non-current provisions				
Employee benefits				
Long service leave	9,539	8,964	9,516	8,914
Defined benefit obligation	-	-	-	-
Total non-current provisions	9,539	8,964	9,516	8,914
Total provisions	104,671	104,890	104,304	104,604

21. Other liabilities

	Consolidated		Parent	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Current				
Unearned revenue ^{#1}	33,708	31,889	33,337	31,786
Australian Government unspent financial assistance	-	-	-	-
Total current other liabilities	33,708	31,889	33,337	31,786
Non-current				
Lease expenses ^{#2}	7,403	6,077	7,403	6,077
Australian government unspent financial assistance	-	-	-	-
Total non-current other liabilities	7,403	6,077	7,403	6,077
Total other liabilities	41,111	37,966	40,740	37,863

#1 Unearned revenue is predominantly income received in advance for courses in 2018.

#2 Lease expenses reflect the difference between actual and straight line payments for operating leases held by the university as at 31 December 2017.

22. Reserves and retained earnings

(a) Reserves

	Consolidated		Parent	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Reserves				
Property, plant and equipment revaluation reserve surplus	401,971	355,720	401,971	355,720
Available-for-sale revaluation reserve surplus	1,710	128	-	-
Total Reserves	403,681	355,848	401,971	355,720
Movements				
Property, plant and equipment revaluation reserve surplus				
Opening balance	355,720	341,688	355,720	341,688
Revaluation - gross	46,251	14,032	46,251	14,032
	401,971	355,720	401,971	355,720
Available-for-sale revaluation reserve surplus				
Opening balance	128	-	-	-
Revaluation - gross	1,582	128	-	-
	1,710	128	-	-
Total reserves	403,681	355,848	401,971	355,720

(b) Retained earnings

Movements in retained earnings were as follows:

Retained earnings at 1 January	1,135,837	1,093,704	1,135,974	1,093,598
Net result for the period	98,799	51,348	100,420	51,591
Prior period adjustment	-	(9,215)	-	(9,215)
Retained earnings at 31 December	1,234,636	1,135,837	1,236,394	1,135,974

(c) Nature and purpose of reserves

(i) Property, plant and equipment revaluation reserve surplus

The property, plant and equipment revaluation reserve surplus is used to record increments and decrements on the revaluation of non-current assets, as described in note 15.

(ii) Available for sale asset revaluation reserve surplus

Changes in the fair value and exchange differences arising on translation of investments, classified as available for sale financial assets, are taken to the available for sale asset revaluation reserve surplus (refer note 14).

23. Key management personnel disclosures

Key management personnel and remuneration disclosures are made in accordance with the Australian Government Department of Education Financial Statement Guidelines.

Remuneration

The University seeks external advice and considers relevant benchmarking data when considering changes to remuneration of key management personnel.

Remuneration for the University's key management personnel is determined by the Vice Chancellor and reviewed by the Chancellor's Committee. The remuneration for the Vice Chancellor is determined by the Chancellor's Committee. Remuneration and other terms of employment for the key management personnel are outlined in their individual employment contracts. University policy provides for the provision of performance related bonuses and other benefits which can include motor vehicles.

Remuneration packages for key management personnel comprise the following components:

Short term employee benefits which include:

- Base – consisting of base salary, allowances and leave entitlements paid and provided for the entire year or for that part of the year during which the employee occupied the specified position. Amounts disclosed equal the amount expensed in the income statement.
- Nonmonetary benefits – consisting of provision of vehicle together with fringe benefits tax applicable to the benefit.

Performance bonuses may be paid or payable annually depending upon satisfaction of key criteria. Performance payments of the key management are capped at 12% of total fixed remuneration and the Vice Chancellor's is capped at 15%. In exceptional circumstances QUT policy does allow for a bonus of 20% of total fixed remuneration. The amounts payable are tied to the achievement of predetermined individual targets and organisational performance. The Vice Chancellor's bonus is determined by the Chancellor's Committee and approved by QUT Council.

Postemployment benefits include superannuation contributions.

Long term employee benefits include long service leave accrued.

Redundancy for non-contracted appointments, the Employee Collective agreement provides the notice period to be given. For contracted staff the individual employment contract will provide the terms and conditions of redundancy that will apply.

Termination benefits

Termination benefits are payable when employment is terminated before the nominated appointment end date, or when an employee accepts voluntary redundancy in exchange for these benefits. QUT recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance date are discounted to present value.

23. Key management personnel disclosures

The following details for key management personnel include those positions that had authority and responsibility for planning, directing and controlling the activities of the University during 2017.

Position	Responsibility	Contract classification and appointment authority
Vice Chancellor	The Vice Chancellor (VC) is responsible for the operation of the University.	The QUT Act provides QUT Council with the authority to approve recommendations to appoint the VC and the VC's remuneration is determined by the Chancellor's Committee on delegation from QUT Council.
Senior Deputy Vice Chancellor	The Senior Deputy Vice Chancellor is responsible for the academic standards of the University.	The VC has the authority to appoint the Senior Deputy Vice Chancellor and determine remuneration as set out in the QUT Manual of Policies and Procedures (MOPP).
Deputy Vice Chancellor, International & Development	The DVC, International and Development is head of the Division of International and Development, and is responsible to the VC for leading the University's international, development and engagement activities.	The VC has the authority to appoint the DVC, International & Development as set out in the QUT MOPP.
Deputy Vice Chancellor, Learning & Teaching	The DVC, Learning and Teaching is responsible to the VC for leading improvements and advancements in teaching and learning quality in the University.	The VC has the authority to appoint the DVC, Learning & Teaching as set out in the QUT MOPP.
Deputy Vice Chancellor, Research & Commercialisation	The DVC, Research and Commercialisation is head of the Division of Research and Commercialisation and is responsible to the VC for leading the University's research and commercialisation agendas.	The VC has the authority to appoint the DVC Research & Commercialisation as set out in the QUT MOPP.
Deputy Vice Chancellor, Technology, Information & Learning support	The DVC, Technology, Information and Learning Support is head of the Division of Technology, Information and Learning Support, and is responsible to the VC for leading and coordinating the University's technology, information and learning support functions.	The VC has the authority to appoint the DVC, Technology, Information & Learning support as set out in the QUT MOPP.
Executive Director, Finance & Resource Planning	The Executive Director, Finance and Resource Planning is head of the Division of Finance and Resource Planning, and is responsible to the VC for the finances and planning functions of the University.	The VC has the authority to appoint the Executive Director, Finance & Resource Planning as set out in the QUT MOPP.
Registrar & Head, Administrative Services	The Registrar is head of the Division of Administrative Services, secretary to QUT Council and the chief administrative officer of the University, responsible to the VC for the administration of the University.	The VC has the authority to appoint the Registrar as set out in the QUT MOPP.

23. Key management personnel disclosures

(a) Names of responsible persons and executive officers

The following were responsible persons and executive officers of the Queensland University of Technology or its subsidiaries during the financial year:

Chancellor	Mr T Fairfax, AC	
Deputy Chancellor	Dr L Perry, AM	
Vice-Chancellor	Prof P Coaldrake, AO	(Resigned 31 December 2017)
Chair, University Academic Board	Prof C Dickenson, AM	
Nominees of the Governor in Council	Mr W Enoch	
	Dr J Puttick	
	Dr L Perry, AM	
	Mr P Howes	
	Prof M O'Kane, AC	
	Mr M Pennisi	
	Ms T Handicott	
	Ms J Parker	
Nominees of Council	Dr R Ashby, AM	(Appointed 04 May 2017)
	Ms S Rix, AM	
Elected professional staff	Ms G Amankwah-Toa	
	Miss A Lacaze	
Elected academic staff	Dr K Manton	
	Prof P McDonald	
	Dr D Nielsen	
Elected student members	Mr C Harris	
	Mr L Spedding	
Elected alumni members	Dr T Baker	
	Mrs K McConnel	(Resigned 04 December 2017)
Secretary	Ms S Lorenzo	

23. Key management personnel disclosures

(a) Names of responsible persons and executive officers

Directors of Creative Industries Precinct Pty Ltd	Mr G Ranger Ms K Lamprecht Mr M Smellie Mr B Chenoweth Mr H Turner Ms A Birkill Prof R Xavier Prof M Thomas Dr J Harry Prof J Humphrey	(Resigned 24 October 2017) (Resigned 24 October 2017) (Resigned 09 May 2017) (Appointed 01 May 2017) (Appointed 24 October 2017)
Secretary of Creative Industries Precinct Pty Ltd	Ms A Boland	
Directors of QUT Enterprise Holdings Pty Ltd	Dr J Harry Prof J Humphrey	
Secretary of QUT Enterprise Holdings Pty Ltd	Ms A Boland	
Directors of qutbluebox Pty Ltd	Mr P Andrews Dr T Evans Mr A Loch Mr J Beevers Ms E Siganto Dr J Harry Prof J Humphrey	(Resigned 28 February 2017) (Resigned 28 February 2017) (Appointed 01 March 2017) (Appointed 01 March 2017)
Secretary of qutbluebox Pty Ltd	Mr S Denaro	

(b) Other key management personnel

The following persons also had authority and responsibility for planning, directing and controlling the activities of the Queensland University of Technology during the financial year:

Vice-Chancellor	Prof P Coaldrake, AO	Appointed April 2003
Senior Deputy Vice-Chancellor	Prof C Dickenson, AM	Appointed March 2012
Deputy Vice-Chancellor, International & Development	Prof S Sheppard	Appointed February 2008
Deputy Vice-Chancellor, Learning & Teaching	Prof S Derbyshire	Appointed February 2011
Deputy Vice-Chancellor, Research & Commercialisation	Prof A Sharma	Appointed January 2008
Deputy Vice-Chancellor, Technology, Information & Learning Support	Ms J Stokker	Appointed January 2014
Executive Director, Finance & Resource Planning	Mr G Fryer	Appointed October 2016
Registrar & Head, Administrative Services	Ms S Lorenzo	Appointed May 2012

All of the above persons were key management persons during the year ended 31 December 2017.

23. Key management personnel disclosures

(c) Remuneration of board members and executives

	Parent	
	2017	2016
	Number	Number
Remuneration of responsible officers		
Nil to \$9,999	1	1
Remuneration of executive officers		
\$100,000 to \$109,999	-	1
\$420,000 to \$429,999	-	1
\$460,000 to \$469,999	-	1
\$470,000 to \$479,999	1	-
\$480,000 to \$489,999	-	1
\$490,000 to \$499,999	-	1
\$500,000 to \$509,999	1	1
\$520,000 to \$529,999	1	-
\$560,000 to \$569,999	1	-
\$580,000 to \$589,999	1	1
\$590,000 to \$599,999	-	1
\$670,000 to \$679,999	-	1
\$740,000 to \$749,999	1	-
\$760,000 to \$769,999	1	-
\$1,080,000 to \$1,089,999	-	1
\$1,260,000 to \$1,269,999	1	-

(d) Key management personnel compensation and performance payments

	Parent	
	2017	2016
	\$'000	\$'000
Short-term employee benefits	4,713	4,190
Post-employment benefits	620	633
Other long-term benefits	97	95
Termination benefits	-	497
Total	5,430	5,415

(e) Loans to key management personnel

In 2017 there were no loans to key management personnel.

(f) Other transactions with key management personnel

In 2017 there were no other transactions with key management personnel.

24. Remuneration of auditors

During the year the following fees were paid for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	Consolidated		Parent	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Audit and review of the Financial Statements				
Queensland Audit Office	287	292	255	257
Total paid for audit and review	287	292	255	257
Other audit and assurance services				
Audit services				
Barr Group Pty Ltd	9	8	9	8
BDO (QLD) Pty Ltd	29	-	29	-
Deloitte Touche Tohmatsu	-	50	-	50
Protiviti Pty Ltd	-	21	-	21
Escott Aston	24	-	24	-
Deloitte Risk Advisory Pty Ltd	239	-	239	-
Total paid for audit services	301	79	301	79
Assurance services				
BDO (QLD) Pty Ltd	20	25	20	25
Total paid for assurance services	20	25	20	25

25. Contingencies

(a) Contingent liabilities

The University had contingent liabilities as at 31 December 2017 in respect of:

	Consolidated	
	2017 \$'000	2016 \$'000
Legal disputes and claims	2,000	2,618
	2,000	2,618

(b) Contingent assets

The University did not have any contingent assets as at 31 December 2017.

Movements in contingent assets and contingent liabilities are as follows:

	Consolidated			
	Contingent Assets		Contingent Liabilities	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Opening balance 1 January	-	-	2,618	2,618
Additional and increased contingent assets/liabilities recognised during the reporting period	-	-	-	-
Reductions in contingent assets/liabilities	-	-	(618)	-
Closing balance 31 December	-	-	2,000	2,618

26. Commitments

(a) Capital commitments

Capital expenditure contracted for at the reporting date but not recognised as liabilities are:

	Consolidated		Parent	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<i>Property, plant and equipment</i>				
Within one year	46,411	50,597	46,411	50,597
Between one year and five years	4,324	23,863	4,324	23,863
Total PPE commitments	50,735	74,460	50,735	74,460

The above property, plant and equipment commitments represent major capital project commitments and in 2017 include: Education Precinct - Phase 2 at Kelvin Grove \$43.250 million (2016: \$54.818 million); H Block Storage Facility (KG): \$0.874 million; Upgrade 3 Lifts S Blk (GP): \$0.840 million; Amphitheatre Upgrade F Blk (KG): \$0.839 million; Air conditioning E & O Blks at Gardens Point \$0.683 million and various other capital projects totalling \$4.248 million.

There are no intangible capital projects with commitments of one year or greater.

(b) Lease commitments

(i) Operating Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straightline basis over the period of the lease, where material.

The University leases various offices, research facilities and warehouses under operating leases. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

The University has a number of operating lease commitments relating to equipment and motor vehicles.

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

	Consolidated		Parent	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Within one year	7,800	7,972	7,800	7,972
Between one year and five years	27,503	36,390	27,503	36,390
Later than five years	52,206	55,862	52,206	55,862
Total future minimum lease payments	87,509	100,224	87,509	100,224

The weighted average interest rate implicit in the non-cancellable operating leases is 2.38% (2016: 3.06%). The University has six leases which have been prepaid and are not included in the commitments calculation.

(ii) Finance Leases

Leases of property, plant and equipment where the consolidated entity, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. As at 31 December 2017, the consolidated entity had not entered into any finance leases.

27. Related Parties

(a) Parent entities

The ultimate parent entity is QUT, a statutory body established under the Queensland University of Technology Act 1998.

(b) Subsidiaries

Interests in subsidiaries are set out in note 28.

(c) Key management personnel

Disclosures relating to directors and specified executives are set out in note 23.

(d) Transactions with related parties

The following transactions occurred with related parties:

	Consolidated		Parent	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Sale of goods and services				
Subsidiaries	-	-	1,264	2,188
Total sale of goods and services	-	-	1,264	2,188
Purchase of goods and services				
Subsidiaries	-	-	110	92
Other related parties				
Winners-at-work Pty Ltd	2	1	2	1
Total purchase of goods and services	2	1	112	93
Other transactions				
Capital contribution provided to subsidiaries	-	-	7,350	5,500
Total other transactions	-	-	7,350	5,500

The transactions with other related parties were conducted as arm's length arrangements and within standard commercial terms.

Other Arrangements

The following arrangements have not been deemed to be related parties under the definition of AASB 124 *Related Party Disclosures*, as there is neither control, significant influence or key management personnel representatives as part of the below entities:

Translational Research Institute (TRI)

The Institute is a joint venture operation between the University of Queensland, Queensland University of Technology, Mater Medical Research Institute Ltd and Queensland Health, developed with the aim of translating the findings of basic biomedical research into better patient outcomes. TRI is Australia's newest and most comprehensive medical research and biopharmaceutical facility.

QUT has equal holdings in the TRI Unit Trust, although does not have control or significant influence over the entity. QUT contributes towards the operational costs and also has a prepaid licence agreement (original value \$25 million) to occupy the TRI building over 30 years (lease expires May 2043), with an option to extend for a further 20 years at peppercorn rate.

Herston Imaging Research Facility (HIRF)

In April 2013, QUT entered into a collaborative agreement with the University of Queensland, Queensland Medical Research Institute, Metro North Hospital and Health Service to contribute to the establishment of the HIRF (lease expires April 2025). In late 2015, the lease was amended from an 'initial period - 5 years' to 'an expiry date - 5 April 2025'.

Centre for Children's Health Research (CCHR)

QUT has entered into an agreement between Queensland Health and the University of Queensland to contribute towards an academic and research facility adjacent to the Lady Cilento Children's Hospital. An establishment agreement between the parties provides for a 30 year lease on a portion of the premises (lease expires July 2045).

28. Subsidiaries

The purchase method of accounting is used to account for all subsidiaries. Cost is measured as the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange.

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1(b):

Name of Entity	Country of incorporation	Class of shares	Equity holding	Equity holding
			2017	2016
			%	%
Brisbane Business School Pty Ltd	Australia	Ordinary	100.00	100.00
QUT Enterprise Holdings Pty Ltd	Australia	Ordinary	100.00	100.00
QUT Enterprise Holdings Trust	Australia	N/A	100.00	100.00
qutbluebox Pty Ltd	Australia	Ordinary	100.00	100.00
QUT bluebox Trust	Australia	N/A	100.00	100.00
Creative Industries Precinct Pty Ltd	Australia	Ordinary	100.00	100.00

The above listed entities were established under authority of the Queensland University of Technology Act 1998 (Section 60).

Subsidiaries - descriptions

Brisbane Business School Pty Ltd was established in 1999 in order to establish the business name 'Brisbane Business School'. Brisbane Business School Pty Ltd did not trade during the year.

QUT Enterprise Holdings Pty Ltd was established in 2001 to act as the corporate trustee for QUT Enterprise Holdings Trust. QUT Enterprise Holdings Pty Ltd did not trade during the year.

QUT Enterprise Holdings Trust was established in 2001 as a holding entity for QUT owned entities established to undertake or to initiate, promote, facilitate and oversee research and development projects, and education and training programs in relation to any University discipline. Creative Industries Precinct Pty Ltd and qutbluebox Pty Ltd are subsidiaries of QUT Enterprise Holdings Trust. The accounts are presented to QUT and consolidated with QUT accounts.

qutbluebox Pty Ltd was established in 2006 to act as the corporate trustee for QUT bluebox Trust. qutbluebox Pty Ltd did not trade during the year.

QUT bluebox Trust was established in 2006 as an entity to carry out the commercialisation of QUT intellectual property. Under an agreed management and governance framework, QUT bluebox Trust will make decisions in relation to registration and use of intellectual property and the establishment of spin off companies. The accounts are presented to QUT Enterprise Holdings Trust and consolidated with QUT Enterprise Holdings Trust.

Creative Industries Precinct Pty Ltd (trading as QUT Creative Enterprise Australia) is a subsidiary of QUT Enterprise Holdings Trust. Creative Industries Precinct Pty Ltd was established in December 2001 to manage and operate the Creative Industries Enterprise Centre in Kelvin Grove. The company accounts are independently prepared and consolidated into the accounts of QUT Enterprise Holdings Trust.

29. Jointly controlled operations and assets

Kelvin Grove Urban Village CTS Body Corporate (KGV CTS Body Corporate)

QUT is a member of the Kelvin Grove Urban Village CTS Body Corporate (KGV CTS Body Corporate), alongside other property owners.

30. Reconciliation of operating result after income tax to net cash flows from operating activities

	Consolidated		Parent	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Operating result for the period	98,799	51,348	100,420	51,591
Depreciation and amortisation	67,657	59,292	67,657	59,291
Net (gain)/loss on sale of plant and equipment	(90)	144	(90)	144
Fair value gains on other financial assets at fair value through profit or loss	(55,928)	(33,232)	(51,537)	(27,677)
Non cash donations received	(1,703)	(976)	(1,703)	(976)
(Increase)/decrease in student loans	46	(31)	46	(31)
Increase/(decrease) in provision for doubtful debts	(12)	20	(12)	20
(Increase)/decrease in trade debtors	(1,194)	(96)	(1,036)	(145)
Increase/(decrease) in provision for doubtful debts	164	(167)	164	(165)
(Increase)/decrease in student fees debtors	1,318	(249)	1,318	(249)
Increase/(decrease) in provision for doubtful debts	(20)	(175)	(20)	(175)
(Increase)/decrease in goods and services tax refund due	(180)	(2)	(185)	(10)
(Increase)/decrease in other receivables	(3,896)	(3,637)	(3,896)	(3,637)
(Increase)/decrease in inventories	445	193	443	197
(Increase)/decrease in other non-financial assets	(537)	(1,539)	(530)	(1,535)
Increase/(decrease) in OS HELP liability to Australian Government	135	(2,864)	135	(2,864)
Increase/(decrease) in trade creditors	(2,551)	384	(2,622)	816
Increase/(decrease) in unearned revenue	1,819	4,430	1,551	4,394
Increase/(decrease) in accrued expenses	4,206	3,254	4,096	3,307
Increase/(decrease) in accrued employee benefits	(794)	1,193	(901)	1,101
Net cash provided by/(used in) operating activities	107,684	77,290	113,298	83,397

31. Financial Risk Management

The University's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The University's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the University. The University uses various methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

The University and the parent entity hold the following financial assets and liabilities:

	Consolidated		Parent	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash and cash equivalents	193,477	144,377	190,024	141,767
Trade and other receivables	30,724	26,950	30,473	26,852
Available for sale financial assets	3,711	1,273	-	-
Other financial assets	459,188	401,676	465,332	404,875
Total financial assets	687,100	574,276	685,829	573,494

	Consolidated		Parent	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Financial liabilities				
Trade and other payables	37,336	35,546	36,667	35,058
Borrowings (commercial)	101,562	104,740	101,562	104,740
Total financial liabilities	138,898	140,286	138,229	139,798

(a) Market risk

(i) Foreign exchange risk

The risk to the University that currency fluctuations will occur due to changes in the foreign exchange rates is usually minimal, as the majority of contracts are in Australian dollars. Fees charged to overseas students are generally denominated in Australian dollars. For the small number of contracts settled in other currencies payment is usually made within thirty days. The exception to this, are contracts placed by the Library in Euros, GB pounds and US dollars early in the year, of which the majority are settled in the second half of the year. QUT received approval to undertake limited derivative transactions as cited in the *Statutory Bodies Financial Amendment Regulation (No 1) 2011*. Transactions are limited to hedge against exposure to foreign currency rate movements in relation to the payment of annual library subscriptions and purchases of high value assets. All foreign exchange forward contracts were exercised prior to year end.

The University monitors its exposure to foreign currency risk and responds to this in an ongoing manner as part of its budget and treasury management review procedures where material.

(ii) Price risk

The risk to the University is that the value of a financial instrument will fluctuate as a result of changes in market prices. The University prices goods and services based on a combination of cost recovery, or market forces depending on the type of item supplied. The University's biggest exposures to competitive market movements in price levels are for its market based investments under management with Queensland Investment Corporation, where funds are invested in the QIC Growth Fund and the QUT Endowment Fund. The University monitors its investments with QIC and provides regular reports to management and University Council for review and action as required.

31. Financial Risk Management

(a) Market risk

(iii) Cash flow and fair value interest rate risk

The University's exposure to market risk for changes in interest rates relates primarily to the long-term debt obligations. To manage market risk the University has fixed rate loans across all of its commercial borrowings portfolio.

The University's exposure to market risk for changes in interest rates also relates to short-term investments. The University minimises its exposure to fluctuating market interest rates by diversifying the University's investments in cash, fixed interest and short term investments with approved financial institutions. The risk sensitivity adopted by the University is + / - 1%. This reflects market conditions generally, whereby interest rates have the capacity to move by these margins within a 12 month period.

(iv) Summarised sensitivity analysis

The following table summarises the sensitivity of the University's financial assets and financial liabilities to interest rate risk, foreign exchange risk and other price risk.

31 December 2017	Carrying amount \$'000	Interest rate risk				Foreign exchange risk				Other price risk			
		-1%		+1%		-10%		+10%		-10%		+10%	
		Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000
Financial assets													
Cash and cash equivalents	193,477	(1,935)	(1,935)	1,935	1,935	-	-	-	-	-	-	-	-
Receivables	30,724	-	-	-	-	209	209	(171)	(171)	-	-	-	-
Other financial assets													
Managed investment funds	442,965	-	-	-	-	-	-	-	-	(44,297)	(44,297)	44,297	44,297
Listed securities	792	-	-	-	-	-	-	-	-	(79)	(79)	79	79
Unlisted securities	15,431	-	-	-	-	-	-	-	-	(1,543)	(1,543)	1,543	1,543
Available for sale unlisted securities	3,686	-	-	-	-	-	-	-	-	(369)	(369)	369	369
Available for sale convertible notes	25	-	-	-	-	-	-	-	-	(3)	(3)	3	3
Financial liabilities													
Trade and other payables	37,336	-	-	-	-	(67)	(67)	55	55	-	-	-	-
Borrowings (commercial)	101,562	-	-	-	-	-	-	-	-	-	-	-	-
Total increase/(decrease)		(1,935)	(1,935)	1,935	1,935	142	142	(116)	(116)	(46,291)	(46,291)	46,291	46,291

31 December 2016	Carrying amount \$'000	Interest rate risk				Foreign exchange risk				Other price risk			
		-1%		+1%		-10%		+10%		-10%		+10%	
		Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000
Financial assets													
Cash and cash equivalents	144,377	(1,444)	(1,444)	1,444	1,444	-	-	-	-	-	-	-	-
Receivables	26,950	-	-	-	-	152	152	(124)	(124)	-	-	-	-
Other financial assets													
QIC investments	389,810	-	-	-	-	-	-	-	-	(38,981)	(38,981)	38,981	38,981
Listed securities	935	-	-	-	-	-	-	-	-	(94)	(94)	94	94
Unlisted securities / managed funds	10,931	-	-	-	-	-	-	-	-	(1,093)	(1,093)	1,093	1,093
Available for sale financial assets	1,273	-	-	-	-	-	-	-	-	(127)	(127)	127	127
Financial liabilities													
Trade and other payables	35,546	-	-	-	-	(182)	(182)	182	182	-	-	-	-
Borrowings (commercial)	104,740	-	-	-	-	-	-	-	-	-	-	-	-
Total increase/(decrease)		(1,444)	(1,444)	1,444	1,444	(30)	(30)	58	58	(40,295)	(40,295)	40,295	40,295

31. Financial Risk Management

(b) Credit risk

The risk to the University that one party of a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss is considered minimal. The University undertakes credit checks on new debtors where the assessed value exceeds \$5,000. In addition, credit risk is minimised by trading with a substantial number of parties. Credit checks are not required for government departments, public statutory bodies and government and semi government agencies. Where a customer fails a credit check, any work undertaken by the University must be paid for in advance.

For wholesale customers without credit rating, the University generally retains title over the goods sold until full payment is received. For some trade receivables, the University may also obtain security in the form of guarantees, deeds of undertaking or letters of credit which can be called upon if the counterparty is in default under the terms of the agreement.

(c) Liquidity risk

The risk to the University that the entity will encounter difficulty in raising funds to meet commitments is managed within the University's investment and borrowings policy. The investment policy keeps a safety net level of cash and cash equivalent financial assets in order to satisfy the University's financial liabilities as they fall due. The University has a very sound financial position and regularly monitors liquidity as part of its treasury operations, budget review and reporting arrangements. In regards to borrowings the University has an established working capital loan facility (up to \$11.5 million for 30 days) to act as a safety net for short term cash requirements. The University also has approved QTC borrowings for infrastructure projects.

The University's accounts payables and receivables are considered to be short term in nature.

31. Financial Risk Management

(c) Liquidity risk

The following tables summarise the maturity of consolidated entity's financial assets and financial liabilities:

	Average interest rate		Variable interest rate		Within 1 year		1 - 5 years		5+ years		Non-interest		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	%	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets:														
Cash and cash equivalents	2.49	2.46	193,477	144,377	-	-	-	-	-	-	-	-	193,477	144,377
Receivables	-	-	-	-	-	-	-	-	-	-	30,724	26,950	30,724	26,950
Other financial assets														
Managed investment funds	-	-	-	-	-	-	-	-	-	-	442,965	389,810	442,965	389,810
Listed securities	-	-	-	-	-	-	-	-	-	-	792	935	792	935
Unlisted securities	-	-	-	-	-	-	-	-	-	-	15,431	10,931	15,431	10,931
Available for sale unlisted securities	-	-	-	-	-	-	-	-	-	-	3,686	1,248	3,686	1,248
Available for sale convertible notes	-	-	-	-	-	-	-	-	-	-	25	25	25	25
Total Financial Assets			193,477	144,377	-	-	-	-	-	-	493,623	429,899	687,100	574,276
Financial Liabilities:														
Trade and other payables	-	-	-	-	-	-	-	-	-	-	37,336	35,546	37,336	35,546
Borrowings (commercial)	4.39	4.38	-	-	3,506	3,376	14,720	14,264	83,336	87,100	-	-	101,562	104,740
Total Financial Liabilities			-	-	3,506	3,376	14,720	14,264	83,336	87,100	37,336	35,546	138,898	140,286

32. Fair value measurement

(a) Fair value measurement

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

Due to the short-term nature of the current receivables their carrying value approximates their fair value and based on credit history it is expected that the receivables that are neither past due nor impaired will be received when due.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly derived from observable inputs or estimated using another valuation technique.

Observable inputs are publicly available data that are relevant to the characteristics of the assets/liabilities being valued. Observable inputs used by the University include, but are not limited to, quoted market prices for available for sale securities.

Unobservable inputs are data, assumptions and judgements that are not available publicly, but are relevant to the characteristics of the assets/liabilities being valued.

The carrying amounts and aggregate fair values of financial assets and liabilities at balance date are:

Consolidated	Note	Carrying Amount	
		2017 \$'000	2016 \$'000
Financial assets			
Cash and cash equivalents	12.	193,477	144,377
Receivables	13.	30,724	26,950
Available-for-sale financial assets	14.	3,711	1,273
Other financial assets	14.	459,188	401,676
Total financial assets		687,100	574,276
Financial liabilities			
Trade and other payables	18.	37,336	35,546
Borrowings (commercial)	19.	101,562	104,740
Total financial liabilities		138,898	140,286
Consolidated	Note	Fair Value	
		2017 \$'000	2016 \$'000
Financial assets			
Cash and cash equivalents	12.	193,477	144,377
Receivables	13.	30,724	26,950
Available-for-sale financial assets	14.	3,711	1,273
Other financial assets	14.	459,188	401,676
Total financial assets		687,100	574,276
Financial liabilities			
Trade and other payables	18.	37,336	35,546
Borrowings (commercial)	19.	109,320	110,893
Total financial liabilities		146,656	146,439

32. Fair value measurement

(b) Fair value hierarchy

Queensland University of Technology uses the following hierarchy for determining and disclosing the fair value of assets and liabilities by valuation technique:

- Level 1** The fair value of financial assets and financial liabilities with standard terms and conditions and traded in an active market is based on (unadjusted) quoted market prices.
- Financial assets are priced at current bid prices, while financial liabilities are priced at current asking prices. Assets and liabilities in this category include certain equity and debt investments where quoted prices are available from an active market.
- Level 2** The fair value of financial assets and liabilities is determined by using quoted market prices in inactive markets for similar instruments or quoted prices for identical or similar instruments in markets that are considered less than active or other valuation techniques where all significant inputs are directly (prices) or indirectly (derived from prices) observable from market data, other than quoted prices included in Level 1.
- Level 3** Where financial instruments are measured using valuation techniques based on unobservable inputs or observable inputs to which significant adjustments have been applied, such instruments are included in Level 3 of the fair value hierarchy.

(i) Recognised fair value measurements

Fair value measurements recognised in the statement of financial position are categorised into the following levels at 31 December 2017.

Fair value measurements at 31 December 2017

Consolidated	Note	2017 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Recurring fair value measurements					
Financial assets					
<i>Other financial assets</i>					
	14.				
Managed investment funds		442,965	-	442,697	268
Listed securities		792	792	-	-
Unlisted securities		15,431	-	-	15,431
Available for sale unlisted securities		3,686	-	-	3,686
Available for sale convertible notes		25	-	-	25
Total financial assets		462,899	792	442,697	19,410
Non-financial assets					
<i>Land, buildings, heritage & cultural assets #1</i>					
	15.				
		1,009,432	-	286,659	722,773
Total non-financial assets		1,009,432	-	286,659	722,773
Financial liabilities					
<i>Borrowing (commercial)</i>					
	19.				
		101,562	-	101,562	-
Total financial liabilities		101,562	-	101,562	-

#1 Level 2 non-financial assets are comprised of Land (\$252.453 million) and Artwork (\$34.205 million). Level 3 non-financial assets are comprised of Buildings (\$678.555 million) plus Heritage and Cultural Buildings (\$44.218 million).

32. Fair value measurement

(b) Fair value hierarchy

Fair value measurements at 31 December 2016

Consolidated	Note	2016 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Recurring fair value measurements					
Financial assets					
<i>Other financial assets</i>					
	14.				
QIC investment funds		389,810	-	389,810	-
Listed securities		935	935	-	-
Unlisted securities / managed funds		12,204	-	-	12,204
Total financial assets		402,949	935	389,810	12,204
Non-financial assets					
<i>Land, buildings, heritage & cultural assets #2</i>					
	15.				
		956,836	-	284,076	672,760
Total non-financial assets		956,836	-	284,076	672,760
Financial liabilities					
<i>Borrowings (commercial)</i>					
	19.				
		104,740	-	104,740	-
Total financial liabilities		104,740	-	104,740	-

#2 Level 2 non-financial assets are comprised of Land (\$252.369 million) and Artwork (\$31.707 million). Level 3 non-financial assets are comprised of Buildings (\$627.111 million) plus Heritage and Cultural Buildings (\$45.648 million).

There are no non-recurring fair value measurements.

There were no transfers between Levels 1 and 2 for recurring fair value measurements during the year.

For transfers in and out of level 3 measurements, see (d) below.

(ii) Disclosed fair values

The fair value of assets or liabilities traded in active markets (such as publicly traded securities, and available-for-sale securities) is based on quoted market prices for identical assets or liabilities at the reporting date (Level 1).

The carrying value less impairment provision of trade receivables and payables is a reasonable approximation of their fair values due to the short-term nature of trade receivables. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to QUT for similar financial instruments (Level 3).

The fair value of non-current borrowings disclosed in note 19 is estimated by discounting the future contractual cash flows at the current market interest rates that are available to the consolidated entity for similar financial instruments. The borrowing rate for the Kelvin Grove Sportsfield Car Park is 2.92% and for Science and Engineering Centre is 5.066%, all loans are fixed for the full term, the University's commercial borrowings are payable to QTC. The carrying amount (book value) is a traditional measure of indebtedness and is used to record the value of a borrowing for accounting purposes. The fair value (market value) of the debt reflects the remaining cash flows required to repay the debt, valued at the current market rate of interest at the time. The fair value represents the true value of the borrowers indebtedness and hence the amount that would be required to be paid to extinguish the debt outstanding.

32. Fair value measurement

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

(i) Recurring fair value measurements

The fair value of financial instruments that are not traded in an active market (for example, fixed interest securities) is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

For Queensland Government related entity financial instruments such as QIC Funds, QTC borrowings and the QTC Cash Fund, the fair value is measured using reports provided by QIC and QTC, such as QIC client product summaries, QTC borrowings statements and QTC cash fund statements. These financial instruments are only available to Queensland Government related entities and thus are not able to be traded in active markets.

The valuation technique used to calculate fair value for Land and Artwork is the market approach and for Buildings and Heritage Buildings is the cost approach.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. This is the case for unlisted equity securities. The fair value of financial instruments which are not traded is determined through calculating the net asset value of those instruments.

All of the resulting fair value estimates are included in Level 2 except for unlisted equity securities which are explained in (d) below.

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

The following table is a reconciliation of Level 3 items for the periods ended 31 December 2017 and 2016:

Consolidated

Level 3 Fair Value Measurements 2017	Unlisted securities / managed funds \$'000	Buildings and heritage assets \$'000	Total \$'000
Financial Assets			
<i>Opening balance</i>	12,204	672,760	684,964
<i>Total gains/(losses) in profit or loss</i>	4,768	4,480	9,248
<i>Total gains/(losses) in comprehensive income</i>	1,582	45,533	47,115
<i>Purchases</i>	882	-	882
<i>Sales</i>	(26)	-	(26)
Closing balance	19,410	722,773	742,183
Level 3 Fair Value Measurements 2016			
Financial Assets			
<i>Opening balance</i>	10,065	596,752	606,817
<i>Total gains/(losses) in profit or loss</i>	1,636	66,126	67,762
<i>Total gains/(losses) in comprehensive income</i>	128	8,764	8,892
<i>Purchases</i>	375	1,111	1,486
<i>Sales</i>	-	7	7
Closing balance	12,204	672,760	684,964

Gains/(losses) in financial investments are included in investment revenue/(expense) or grant revenue in the income statement.

33. Acquittal of Australian Government Financial Assistance

(a) Education - CGS and Other Education Grants

Parent Entity (University) Only

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

Net accrual adjustments

Revenue for the period

Surplus/(deficit) from the previous year

Total revenue including accrued revenue

Less expenses including accrued expenses

Surplus/(deficit) for reporting period

	Commonwealth Grants Scheme #1		Indigenous Student Success Program #2		Access & Participation Fund #4		Disability Performance Funding #3	
	2017	2016	2017	2016	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	277,914	275,965	3,950	3,277	4,096	4,674	530	351
	505	-	-	-	(11)	178	-	-
2(a)	278,419	275,965	3,950	3,277	4,085	4,852	530	351
	-	-	16	16	-	-	-	-
	278,419	275,965	3,966	3,293	4,085	4,852	530	351
	(278,419)	(275,965)	(3,704)	(3,277)	(4,085)	(4,852)	(530)	(351)
	-	-	262	16	-	-	-	-

33. Acquittal of Australian Government Financial Assistance

(a) Education - CGS and Other Education Grants

Parent Entity (University) Only

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

Net accrual adjustments

Revenue for the period

Surplus/(deficit) from the previous year

Total revenue including accrued revenue

Less expenses including accrued expenses

Surplus/(deficit) for reporting period

	Promotion of Excellence in Learning and Teaching		Improving the Quality of Maths & Science Teaching Program		Total	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
	237	344	-	979	286,727	285,590
	-	-	-	-	494	178
2(a)	237	344	-	979	287,221	285,768
	390	210	185	390	591	616
	627	554	185	1,369	287,812	286,384
	(223)	(164)	(185)	(1,184)	(287,146)	(285,793)
	404	390	-	185	666	591

#1 Includes the basic CGS grant amount, CGS – Regional Loading, CGS – Medical Student Loading, Allocated Places, Non Designated Courses and CGS Special Advances from Future Years.

#2 Indigenous Student Success Program has replaced the Indigenous Commonwealth Scholarships Program and the Indigenous Support Program as of 1 January 2017. Prior year programs have been combined and reported in Indigenous Student Success Program for 2016.

#3 Disability Performance Funding includes Additional Support for Students with Disabilities.

#4 Financial Assistance received in Cash agrees to Note 2(a) in 2017. As required in the Financial Statement Guidelines, return of prior year funding needs to be reported as a Net Accrual Adjustment. QUT has recorded the return of prior year funding as an expense, not negative income in the current year, and as such it is not included income in Note 2(a). Revenue for the period agrees to cash received for the year per the funding body annual payment summary.

33. Acquittal of Australian Government Financial Assistance

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

	HECS-HELP (Aust. Government payments only)											
	2017		2016		2017		2016		2017		2016	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Parent Entity (University) Only												
Cash Payable/(Receivable) at the beginning of the year	(1,150)	(7,153)			(1,319)	(2,918)	613	51			(1,856)	(10,020)
Financial assistance received in cash during the reporting period	209,899	201,223	25,267	25,893	4,337	4,615	4,337	4,615	239,503	231,731		
Cash available for the period	208,749	194,070	23,948	22,975	4,950	4,666	4,950	4,666	237,647	221,711		
Less revenue earned	214,272	202,350	24,978	25,595	4,220	4,053	4,220	4,053	243,470	231,998		
Accrual adjustment	194	7,130	-	1,301	-	-	-	-	194	8,431		
Cash Payable/(Receivable) at the end of the year	(5,329)	(1,150)	(1,030)	(1,319)	730	613	730	613	(5,629)	(1,856)		

#5 Program is in respect of FEE-HELP for Higher Education only and excludes funds received in respect of VET FEE-HELP.

33. Acquittal of Australian Government Financial Assistance

(c) Department of Education and Research Training

Parent Entity (University) Only

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

Revenue for the period

Surplus/(deficit) from the previous year

Total revenue including accrued revenue

Less expenses including accrued expenses

Surplus/(deficit) for the reporting period #8

	Research Training Program #6		Research Support Program #7		Total	
	2017	2016	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	30,842	30,534	21,882	19,615	52,724	50,149
2(c)	30,842	30,534	21,882	19,615	52,724	50,149
	244	700	752	2,626	996	3,326
	31,086	31,234	22,634	22,241	53,720	53,475
	(31,086)	(30,990)	(22,593)	(21,489)	(53,679)	(52,479)
	-	244	41	752	41	996

#6 Research Training Program has replaced Australian Postgraduate Awards, International Postgraduate Research Scholarships and Research Training Scheme in 2017. 2016 data for the programs that have been replaced is reported in the Research Training Program comparatives.

#7 Research Support Program has replaced Joint Research Engagement, JRE Engineering Cadetships, Research Block Grants and Sustainable Research Excellence in Universities in 2017. 2016 data for the programs that have been replaced is reported in the Research Support Program comparatives.

#8 The reported surplus for the Research Support Program of \$0.041M for 2017 is expected to be rolled over for future use by the University.

(d) Total Higher Education Provider Research Training Program expenditure

Research Training Program Fees offsets
Research Training Program Stipends

Total for all types of support

Total domestic students	Total overseas students
\$'000	\$'000
24,495	-
12,844	-
37,339	-

33. Acquittal of Australian Government Financial Assistance

(e) Other Capital Funding

Parent Entity (University) Only

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

Revenue for the period

Surplus/(deficit) from the previous year

Total revenue including accrued revenue

Less expenses including accrued expenses

Surplus/(deficit) for the reporting period

Linkage Infrastructure Equipment Facilities grant	Total			
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
1,150	-	1,150	-	-
1,150	-	1,150	-	-
21	195	21	195	195
1,171	195	1,171	195	195
10	(174)	10	(174)	(174)
1,181	21	1,181	21	21

2(e)

33. Acquittal of Australian Government Financial Assistance

(f) Australian Research Council Grants

Parent Entity (University) Only

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

Net accrual adjustments

Revenue for the period

Surplus/(deficit) from the previous year

Total revenue including accrued revenue

Less expenses including accrued expenses

Surplus/(deficit) for the reporting period

	Discovery		Linkages #9		Networks and Centres	
	2017	2016	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	12,436	11,626	3,626	4,501	2,938	2,895
	(259)	430	(157)	21	-	-
2(f)(i)	12,177	12,056	3,469	4,522	2,938	2,895
	9,960	10,560	4,152	3,701	1,151	1,249
	22,137	22,616	7,621	8,223	4,089	4,144
	(12,555)	(12,656)	(3,792)	(4,071)	(2,030)	(2,993)
	9,582	9,960	3,829	4,152	2,059	1,151

33. Acquittal of Australian Government Financial Assistance

(f) Australian Research Council Grants

Parent Entity (University) Only

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

Net accrual adjustments

Revenue for the period

Surplus/(deficit) from the previous year

Total revenue including accrued revenue

Less expenses including accrued expenses

Surplus/(deficit) for the reporting period

Special Research Initiatives	2016		2017		Total
	\$'000	\$'000	\$'000	\$'000	
	899	443	19,899	19,899	19,465
	-	-	(416)	(416)	451
2(f)(i)	899	443	19,483	19,483	19,916
	386	840	15,649	15,649	16,350
	1,285	1,283	35,132	35,132	36,266
	(282)	(897)	(18,659)	(18,659)	(20,617)
	1,003	386	16,473	16,473	15,649

#9 Financial Assistance received in Cash agrees to Note 2(f) in 2017. As required in the Financial Statement Guidelines, return of prior year funding needs to be reported as a Net Accrual Adjustment. QUT has recorded the return of prior year funding as an expense, not negative income in the current year, and as such it is not included in income in Note 2(f). Revenue for the period agrees to cash received for the year per the funding body annual payment summary.

33. Acquittal of Australian Government Financial Assistance

(g) Other Australian Government Financial Assistance

	2017	2016
	\$'000	\$'000
Parent Entity (University) Only		
<i>Cash received during the reporting period</i>	24,106	27,661
<i>Cash spent during the reporting period</i>	(23,345)	(21,414)
<i>Net Cash received</i>	<u>761</u>	<u>6,247</u>
<i>Cash surplus / (deficit) from the previous period</i>	<u>15,187</u>	<u>8,940</u>
<i>Cash surplus/(deficit) for the reporting period</i>	<u>15,948</u>	<u>15,187</u>

(h) OS-HELP

	2017	2016
	\$'000	\$'000
Parent Entity (University) Only		
<i>Cash received during the reporting period</i>	4,742	852
<i>Cash spent during the reporting period</i>	(4,608)	(3,716)
<i>Net cash received</i>	<u>134</u>	<u>(2,864)</u>
<i>Cash surplus/(deficit) from the previous period</i>	<u>2,090</u>	<u>4,954</u>
<i>Cash surplus/(deficit) for the reporting period</i>	<u>2,224</u>	<u>2,090</u>

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(i) Student Services and Amenities Fee

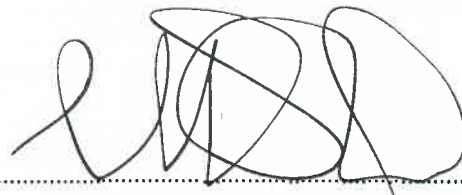
	2017	2016
	\$'000	\$'000
Parent Entity (University) Only		
<i>Unspent/(overspent) revenue from previous period</i>	1,877	2,133
<i>SA-HELP revenue earned</i>	2(b) 4,220	4,053
<i>Student Services and Amenities Fees from students</i>	4. 3,651	3,502
<i>Total revenue expendable in period</i>	<u>9,748</u>	<u>9,688</u>
<i>Student Services expenses during period</i>	<u>(7,737)</u>	<u>(7,811)</u>
<i>Unspent/(overspent) Student Services revenue</i>	<u>2,011</u>	<u>1,877</u>

We have prepared the annual financial report pursuant to the provisions of the *Financial Accountability Act 2009* and *Financial and Performance Management Standard 2009*, and other prescribed requirements and certify that:

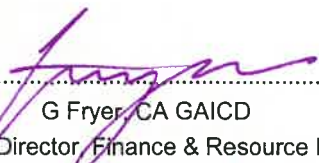
- (a) the financial reports are in agreement with the accounts and records of the Queensland University of Technology and its controlled entities; and
- (b) in our opinion:
- (i) the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects;
 - (ii) the financial reports have been drawn up to present a true and fair view of the transactions of the Queensland University of Technology for the period 1 January 2017 to 31 December 2017 and of the financial position as at 31 December 2017 in accordance with prescribed accounting standards and conform with the Financial Statement Guidelines for Australian Higher Education Providers for the 2017 Reporting Period issued by the Australian Government Department of Education;
 - (iii) at the time of the certificate, there are reasonable grounds to believe that the University will be able to pay its debts as and when they fall due;
 - (iv) the amount of Australian Government financial assistance expended during the reporting period was for the purpose(s) for which it was intended and Queensland University of Technology has complied with applicable legislation, contracts, agreements and programme guidelines in making expenditure; and
 - (v) Queensland University of Technology charged Student Services and Amenities Fees strictly in accordance with the *Higher Education Support Act 2003* and the Administration Guidelines made under the Act. Revenue from the fee was spent strictly in accordance with the Act and only on services and amenities specified in subsection 19-38 (4) of the Act.



T V Fairfax, AC
Chancellor



M M Sheil, AO
Vice-Chancellor



G Fryer, CA GAICD
Executive Director, Finance & Resource Planning
(Chief Financial Officer)

Dated at Brisbane the 26th day of FEBRUARY 2018.

INDEPENDENT AUDITOR'S REPORT

To the Council of the Queensland University of Technology

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of the Queensland University of Technology (the parent) and its controlled entities (the group).

In my opinion, the financial report:

- a) gives a true and fair view of the parent's and group's financial position as at 31 December 2017, and their financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2009, the *Australian Charities and Not-for-profits Commission Act 2012*, the Australian Charities and Not-for-profits Commission Regulation 2013 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 31 December 2017, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the management certificate given by the Chancellor, Vice-Chancellor and Executive Director, Finance & Resource Planning (Chief Financial Officer).

Basis for opinion

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

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

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

Key audit matters

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

Specialised buildings (\$678.555 million) and heritage buildings (\$44.218 million) valuations.

Key audit matter	How my audit procedures addressed this key audit matter
<p>Specialised buildings and heritage and cultural buildings were material to the Queensland University of Technology at balance date and were measured at fair value using the current replacement cost method. The University performs comprehensive revaluation of all of its buildings every five years with indexation apply in the intervening period. A comprehensive valuation was conducted in 2016 and it was indexed for the 2017 balances</p> <p>The current replacement cost method comprises:</p> <ul style="list-style-type: none"> • Gross replacement cost, less • Accumulated depreciation <p>The University derived the gross replacement cost of its buildings at balance date through using unit prices that required significant judgements for:</p> <ul style="list-style-type: none"> • identifying the components of buildings with separately identifiable replacement costs • developing a unit rate for each of these components, including: <ul style="list-style-type: none"> - estimating the current cost for a modern substitute (including locality factors and oncosts), expressed as a rate per unit (e.g. \$/square metre) - identifying whether the existing building contains obsolescence or less utility compared to the modern substitute, and if so estimating the adjustment to the unit rate required to reflect this difference. - Indexing unit rates for subsequent increases in input costs <p>The measurement of accumulated depreciation involved significant judgements for forecasting the remaining useful lives of building components.</p> <p>The significant judgements required for gross replacement cost and useful lives are also significant for calculating annual depreciation expense.</p>	<p>My audit procedures included, but were not limited to:</p> <p>In the previous year</p> <ul style="list-style-type: none"> • Assessing the adequacy of management’s review of the valuation process • Obtaining an understanding of the methodology used and assessing its design, integrity and appropriateness using common industry practices • Assessing the competence, capability and objectivity of the valuation specialist • On a sample basis, evaluating the relevance, completeness, and accuracy of source data used to derive unit costs including: <ul style="list-style-type: none"> - Modern substitute - Adjustment for excess quality or obsolescence. <p>In the current year:</p> <ul style="list-style-type: none"> • Evaluating the reasonableness of the indices used against other publicly available information about movements in values for replacement costs of similar assets. • Evaluating their relevance and appropriateness to changes in Building Price Index inputs and other publicly available information. • Assessing the ongoing reasonableness of the buildings useful lives by – <ul style="list-style-type: none"> - Reviewing management’s annual assessment of useful lives. - Assessing the appropriateness of useful lives where assets were disposed of prior to the end of their useful life. • Reviewing assets with an inconsistent relationship between condition and remaining life. • Performing reasonableness tests to confirm depreciation is calculated in accordance with the University’s accounting policies and industry standards.

Other information

Other information comprises the information included in the Queensland University of Technology's annual report for the year ended 31 December 2017, but does not include the financial report and my auditor's report thereon.

Those charged with governance are responsible for the other information.

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

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

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

I have nothing to report in this regard.

Responsibilities of the entity for the financial report

The Council is responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2009, the *Australian Charities and Not-for-profits Commission Act 2012*, the Australian Charities and Not-for-profits Commission Regulation 2013 and Australian Accounting Standards, and for such internal control as the Council determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The Council is also responsible for assessing the parent's and group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the parent or group or to otherwise cease operations.

Auditor's responsibilities for the audit of the financial report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the parent's and group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the group.
- Conclude on the appropriateness of the parent's and group's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent's or group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the parent or group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the audit of the group. I remain solely responsible for my audit opinion.

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

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

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 31 December 2017:

- I received all the information and explanations I required.
- In my opinion, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.



John Welsh
as delegate of the Auditor-General



Queensland Audit Office
Brisbane

Glossary

AAAR American Association for Aerosol Research	ExPREP Expert Peer Review of Educational Practice	QAO Queensland Audit Office
AACSB Association to Advance Collegiate Schools of Business	FTE Full-time equivalent	QIMR Queensland Institute of Medical Research
AAUT Australian Awards for University Teaching	GCAP Graduate Certificate in Academic Practice	QS Quacquarelli Symonds
AC Companion of the Order of Australia	HDR Higher Degree Research	QTAC Queensland Tertiary Admissions Centre
ACOLA Australian Council of Learned Academies	HEA Higher Education Academy	QUT Queensland University of Technology
ACRV Australian Centre for Robotic Vision	HiQ QUT student support centres	QWIL Quality Women in Leadership
AFR Australian Financial Review	Hon. Honourable	REF Research Engineering Facility
AICD Australian Institute of Company Directors	HR Human Resources	RMIT Royal Melbourne Institute of Technology
AM Member of the Order of Australia	ICA International Communication Association	SAGE Science in Australia Gender Equity
ANZMAC Australia and New Zealand Marketing Academy	IET [JR1]International, Education and Training	SES socioeconomic status
AO Officer of the Order of Australia	IMCRC Innovative Manufacturing Cooperative Research Centre	SID Science and Infrastructure Development
ARC Australian Research Council	IREU Indigenous Research Engagement Unit	SPOT Student Perceptions of Teaching
ARMC Audit and Risk Management Committee	KPI Key Performance Indicator	SSP Student Success Program
ATGC Australian Translational Genomics Centre	LGBTIQ Lesbian, Gay, Bisexual, Transgender, Intersex and Questioning	STA Science and Technology Australia
ATN Australian Technology Network	LIEF Linkage Infrastructure Equipment and Facilities	STEM Science, Technology, Engineering, and Mathematics
AusHSI Australian Centre for Health Services Innovation	LPI Leadership, Development and Innovation	STEMM Science, Technology, Engineering, Mathematics and Medicine
CASE Council for Advancement and Support of Education	MAIC Motor Accident Insurance Commission	STSA ST Solutions Australia
CEO Chief Executive Officer	MBA Master of Business Administration	SWAN Scientific Women's Academic Network
CIQ Confucius Institute QUT	MOOC Massive Online Open Course	THE Times Higher Education
COE College of Experts	MP Member of Parliament	TSXPO Tertiary Studies Expo
COPE Committee on Publication Ethics	NAIDOC National Aboriginal and Islander Day Observance Committee	UAP Urban Art Project
CPE Continuing Professional Education	NCP New Colombo Plan	VCAE Vice-Chancellor's Awards for Excellence
CRC Cooperative Research Centre	NHMRC National Health and Medical Research Council	VCPF Vice-Chancellor's Performance Fund
CSIA Customer Service Institute of Australia	NIRAKN National Indigenous Research and Knowledges Network	VR Virtual reality
CTO Chief Technology Officer	OP Overall position	WIL Work Integrated Learning
DECRA Discovery Early Career Researcher Award	OR2017 Open Repositories Conference 2017	WIPO (United Nations') World Intellectual Property Organisation
DP Discovery Projects	PNNL (US Department of Energy) Pacific Northwest National Laboratory	WP Widening Participation
EFTSL Equivalent Full-time Student Load	PSM Public Service Medal	WSFB World Science Festival Brisbane
EO Equal opportunity		
ERA Excellence in Research for Australia		

Campuses and facilities

Brisbane inner city

Gardens Point campus

2 George Street, Brisbane

- Institute for Future Environments
- QUT Business School
- Faculty of Law
- Science and Engineering Faculty
- Science and Engineering Centre
 - ARC Centre of Excellence in Robotic Vision
 - ARC Centre of Excellence for Mathematical and Statistical Frontiers of Big Data, Big Models and New Insights (partner)
 - Central Analytical Facility
 - The Cube
- Gardens Point Precinct
 - Old Government House
 - William Robinson Gallery
 - QUT Art Museum
 - QUT Gardens Theatre

Kelvin Grove campus

Victoria Park Road, Kelvin Grove

- Institute of Health and Biomedical Innovation
 - Australian Centre for Health Services Innovation
- Faculty of Health
- Centre for Accident Research and Road Safety–Queensland
- Faculty of Education
- Creative Industries Faculty
- Creative Industries Precinct
 - ARC Centre of Excellence for Creative Industries and Innovation
 - QUT Creative Enterprise Australia
- QUT bluebox

Brisbane north

Caboolture campus

- Tallon Street, Caboolture

Canberra

- QUT Business School

Major research facilities

- QUT Medical Engineering and Research Facility, Prince Charles Hospital
- Da Vinci Precinct Brisbane Airport
- Pilot Plant and Engineering Workshops, Banyo
- Ecological Research Facility, Samford
- Translational Research Institute (partner)
- Australian Translational Genomics Centre at Princess Alexandra Hospital (partner)
- Centre for Children's Health Research, South Brisbane (partner)
- Herston Imaging Research Facility (partner)
- Redlands Research Station
- Biomedical Research Centre – QIMR Herston
- Genomics Clinical Trials Centre – Mermaid Waters
- Renewable Biocommodities Pilot Plant, Mackay
- Carseldine Research Facility
- A number of field monitoring sites and glasshouse facilities



ATN member

QUT is a member of the Australian Technology Network (ATN) of universities. Other members are the University of Technology Sydney, RMIT University, the University of South Australia and Curtin University.



CRC participation

QUT participated in 16 CRCs: Autism; Auto; Bushfire and Natural Hazards; Capital Markets; Cell Therapy Manufacture; Defence Materials Technology; Food Agility; iMOVE; Innovative Manufacturing; Lowitja Institute; Optimising Resource Extraction; Plant Biosecurity; Polymers; Rail Manufacturing; Spatial Information 2; and Wound Management Innovation.



BRISBANE
AUSTRALIA

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