



Annual Report



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



28 February, 2017

The Honourable Kate Jones MP
Minister for Education and Minister for Tourism,
Major Events and the Commonwealth Games
PO Box 15033
City East Qld 4002

I am pleased to present the Annual Report 2016 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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The QUT 2016 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, overseas travel and QUT Council including remuneration of Council members can be accessed through the Queensland Government Open Data website (qld.gov.au/data) or at www.qut.edu.au/about/governance-and-policy/annual-report

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Introduction and review

From the Chancellor and Vice-Chancellor

While the Federal Government sought some savings from the university sector in 2016, proposals for wider reform were deferred in order to allow further consultation. In this window of relative stability, QUT took the opportunity to reappraise and build upon its own reform agenda and to prepare the university for what is likely to be a volatile period ahead, not only nationally but globally.

The principal strategic plan for the university, the QUT Blueprint, was significantly refreshed in 2016. We have come far in a relatively short time, but QUT has much more it can offer and we are preparing for a step-change in our research performance, and in the ways we prepare our students and graduates for the real world of tomorrow.

QUT's research profile continued to grow apace, and was recognised for its quality by significant leaps in our global research rankings, including a rise from the 401–500 band to the 201–300 band in the respected Academic Ranking of World Universities (ARWU). Among the highlights of the year were the naming of Professor Peter Waterhouse and Professor Dmitri Golberg as ARC Laureate Fellows,

and the advancement of our work in biomanufacturing through a new ARC Industrial Transformation Training Centre in Additive Biomanufacturing, led by Professor Dietmar Hutmacher, and the establishment of the Biofabrication Institute in partnership with Metro North Hospital and Health Service.

Strong demand for QUT's undergraduate education programs and very positive results in the areas of graduate employment and student success are due to a deep commitment to excellence and innovation by QUT's academic and professional staff. As a sign that teaching across the university sector is becoming increasingly professionalised, the UK Higher Education Academy has been extended to other nations, and QUT's share of staff in the highest category of fellowship placed it in the top five institutions worldwide in 2016. Technology continues to be woven into teaching and the wider student experience, from the large-scale refurbishment of teaching spaces to the development of MOOCs and in the provision of student services and support. Particular mention should also be made of the second phase

of QUT's Creative Industries Precinct expansion which was opened in August, providing high-quality teaching and research facilities in music, dance, drama and visual arts.


Despite university places being made more widely available, Australia will fall short of the goal of widening access for all people, including those from disadvantaged backgrounds, if we do not help the many students who struggle financially in order to be able to study. The QUT Learning Potential Fund, targeted to students in financial need, grew its endowment to nearly \$45 million in 2016 and, since its inception in 1998, more than 15 000 scholarships or bursaries have been awarded. It is gratifying to see that a culture of support for those in need has built across QUT, with some 700 staff regular donors to this and other philanthropic programs.

QUT is cognisant of the fact that in uncertain times both enterprise and prudence are required, and there are many parties who have a stake in our success. The university has been drawing on increasingly sophisticated data and analytics to support the changes being made to achieve the aims of the Blueprint. This includes the development of

targeted student support through the Student Success program, use of workforce and performance data, and comprehensive review of the ways we provide services for students. There is also ample evidence that productive relationships with the professions, the business community, government, the media, and colleagues in the education and research sectors continue to deepen.

We wish to acknowledge members of QUT Council for their guidance of the university and their support for these external engagements.

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 (CORPORATE PROGRAMS AND PARTNERSHIPS)

Professor Peter Little AM



DEPUTY VICE-CHANCELLOR (TECHNOLOGY, INFORMATION AND LEARNING SUPPORT)

Ms Judy Stokker

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



DEPUTY VICE-CHANCELLOR (INTERNATIONAL AND DEVELOPMENT)

Professor Scott Sheppard

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



EXECUTIVE DIRECTOR (FINANCE AND RESOURCE PLANNING)

Mr Graham Fryer*

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



DEPUTY VICE-CHANCELLOR (LEARNING AND TEACHING)

Professor Suzi Derbyshire

- Learning and Teaching Unit
- Oodgeroo Unit
- QUT Transform



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

* Mr Fryer was appointed as executive director in October, following the resignation of Mr Stephen Pincus in March. Professor Peter Little undertook the role in the interim.

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
- Media, Entertainment and Creative Arts



EDUCATION

EXECUTIVE DEAN

Professor Carol Nicoll PSM

- Early Childhood
- Curriculum
- Cultural and Professional Learning



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*

* Professor Harch was appointed as the new executive director in July, succeeding Professor Ian Mackinnon who has resumed his QUT research program.

Our vision, values and key priorities

The QUT Blueprint is the university's institutional strategic plan. The fourth iteration of the plan, titled *Blueprint 4*, provided a planning framework for the university in 2016.

A fifth iteration of the university's strategic plan, *Blueprint 5*, released in September 2016, provides a planning framework for 2017. This can be accessed at qut.edu.au/about/strategic-ambitions/blueprint-for-the-future

Blueprint 4 sets out priorities, strategies, targets and key performance indicators (KPIs) for the university's three spheres of activity: students, learning and teaching; research and innovation; and people, culture and sustainability.

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

- to provide outstanding learning environments and programs that lead to excellent outcomes for graduates, enabling them to work in and guide a diverse and complex world characterised by increasing change
- to undertake high-impact research and development in selected areas, at the highest international standards, reinforcing our applied emphasis and securing significant commercial and practical benefits for the community and for our partners

- to strengthen and extend our strategic partnerships with professional and broader communities to reflect both our academic ambitions and our civic responsibility.

QUT values:

- scholarship, learning and achievement in all student and staff endeavours
- engagement with and responsiveness to our diverse internal and external communities
- social justice and equal opportunity in education, employment and research, and a particular emphasis on strategies which enable Indigenous Australians to achieve excellent educational outcomes
- a safe, supportive and healthy working environment which supports work/life balance
- honesty, integrity and ethical behaviour and practices
- a spirit of experimentation, innovation, entrepreneurialism and responsive and reliable client service.

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 <https://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, namely:

- Realigning student composition
- Strengthening learning and teaching
- Building QUT's research reputation
- Developing a sustainable workforce
- Building further QUT's community
- Focusing on sustainability.

Council membership

CHANCELLOR (CHAIR)

Mr Tim Fairfax, AC
DUniv *QUT*, DUniv *Sunshine Coast*, FAICD
(attended 6 of 6 meetings)

VICE-CHANCELLOR

Professor Peter Coaldrake AO
BA (Hons) *James Cook*, PhD *Griff*, DUni *Griff*,
FAIM, FRIPAA
(5/6)

CHAIR OF UNIVERSITY ACADEMIC BOARD

Professor Carol Dickenson AM
BBus *QIT*, PhD *Qld*, CMAHRI
(5/6)

MEMBERS APPOINTED BY GOVERNOR IN COUNCIL

Mr Wesley Enoch
BA(Hons)(Drama) *QUT*
(1/6)

Ms Teresa Handicott
LLB(Hons) *QUT*, GAICD, MCEW, SF Fin
(1/1)
Commenced 24 November 2016

Mr Peter Howes
BBus *QIT*, MBusAdmin *Qld*, FAHRI (Life), FAIM
(1/1)
Commenced 24 November 2016

Dr Hugh Nalder
B Bus(Acc) DUniv *QUT*, FCPA, GAICD, MICA
(5/5)
Concluded 20 November 2016

Professor Mary O’Kane AC
BSc *Qld*, PhD *ANU*, DUniv *CQU*, Hon DSc *Macq*,
DUniv *Canberra*, Hon DSc *W’gong*, FTSE, Hon
FIEAust, CPEng
(0/1)
Commenced 24 November 2016

Mrs Jenny Parker
BCom *Qld*, CMIIA, FCA
(2/6)

Mr Mario Pennisi
BAppSc(MedLabSc) *QIT*, MAICD, MBIO, MDIA
(2/6)

Dr Lee-Anne Perry AM
BEd(Hons) MEd *Syd*, DipCL *BIF*, EdD *QUT*, FACE,
FACEL. *QUT Deputy Chancellor*
(6/6)

Dr John Puttick
DUniv *QUT*, FACS
(4/6)

Dr Rosemary Vilgan
BBus DUniv *QUT*, DipSupMgt *Macq*, FASFA,
FAICD
(5/5)
Concluded 20 November 2016

Mr Warren Tapp
RFD, MBA LLM *Bond*, GradDip (AppCorpGov)
CSA, FAICD
(4/5)
Concluded 20 November 2016

ELECTED PROFESSIONAL STAFF MEMBERS

Ms Gwen Amankwah-Toa
BJourn *James Cook*
(1/1)
Commenced 21 November 2016

Mr Ross Hall
BA(Music) *DDIAE*, GradDip(CompEd) *QUT*
(3/5)
Concluded 20 November 2016

Miss Anne-Marie Lacaze
BBehavSc(Psych) *QUT*, Grad Cert eLearning
UNE
(1/1)
Commenced 21 November 2016

Dr Samuel Nielsen
BA *Qld*, BIT BSc(AppPhys) *CQU*,
PGradDipPsych *Qld*, MEd(Res) PhD *QUT*
(4/5)
Concluded 20 November 2016

ELECTED ACADEMIC STAFF MEMBERS

Associate Professor Colin Anderson
BCom(Hons) LLB(Hons) DipEd PhD *Qld*,
LLM *QUT*
(5/5)
Concluded 20 November 2016

Distinguished Professor Judith Clements AC
BAppSc MAppSc *RMIT*, PhD *Monash*
(4/5)
Concluded 20 November 2016

Dr Lee Duffield
BA DipEd DipJourn BEdSt *Qld*, MA *Syd*,
PhD *JCU*
(5/5)
Concluded 20 November 2016

Dr Kerry Manton, BAppSc(Hons)
Grad Cert Acad Prac, MEd, PhD *QUT*, FHEA
(1/1)
Commenced 21 November 2016

Professor Paula McDonald
BSocSc(Hons)(Psych), PhD *QUT*, AICD FHEA
(0/1)
Commenced 21 November 2016

Dr David Nielsen
BArch *Wits*, MTech *TWR*, PhD *QUT*
(0/1)
Commenced 21 November 2016

ELECTED STUDENT MEMBERS*

Mr Thomas Cramsie
(3/3)
Concluded 27 July 2016

Miss Kate Donnelly
(1/2)
Commenced 28 July 2016
Concluded 20 November 2016

Mr Charles Harris
(1/1)
Commenced 21 November 2016

Mr Jack McGuire
(1/5)
Concluded 17 November 2016

Mr Lachlan Spedding
(1/1)
Commenced 21 November 2016

ELECTED ALUMNI MEMBERS

Dr Tim Baker
BA *Qld*, BEd EdD *QUT*, FAHRI, ILPF
(3/6)

Mrs Kerri McConnel
BBus(Acctg) *QUT*
(1/1)
Commenced 21 November 2016

Ms Jennifer Robertson
LLB GradCertBus *QUT*, FAICD
(2/5)
Concluded 20 November 2016

ADDITIONAL MEMBERS APPOINTED BY COUNCIL

Ms Teresa Handicott
LLB(Hons) *QUT*, GAICD, MCEW, SF Fin
(4/5)
Concluded 20 November 2016 – moved to
Governor in Council category 24 November
2016

Professor Mary O’Kane AC
BSc *Qld*, PhD *ANU*, DUniv *CQU*, Hon DSc
Macq, DUniv *Canberra*, Hon DSc *W’gong*,
FTSE, Hon FIEAust, CPEng
(4/5)
Concluded 20 November 2016 – moved to
Governor in Council category 24 November
2016

SECRETARY

Ms Shard Lorenzo
University Registrar
BEd *Flind*, GradDipEd *UniSA*, GradCertMgt
Adel

TENURE

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 1998* (the 'QUT Act'). The university is constituted as a body corporate and has the general powers outlined in the 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 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. Council term expired on 20 November 2016, with the Council being reconstituted from 21 November 2016 for a new four-year term of office to 2020. Elections for nine elected members from the university community were undertaken over the period from August to November 2016 and eight Governor in Council appointments for the new Council term were also made in 2016.

In 2016, Council and other committee members external to QUT were not remunerated.

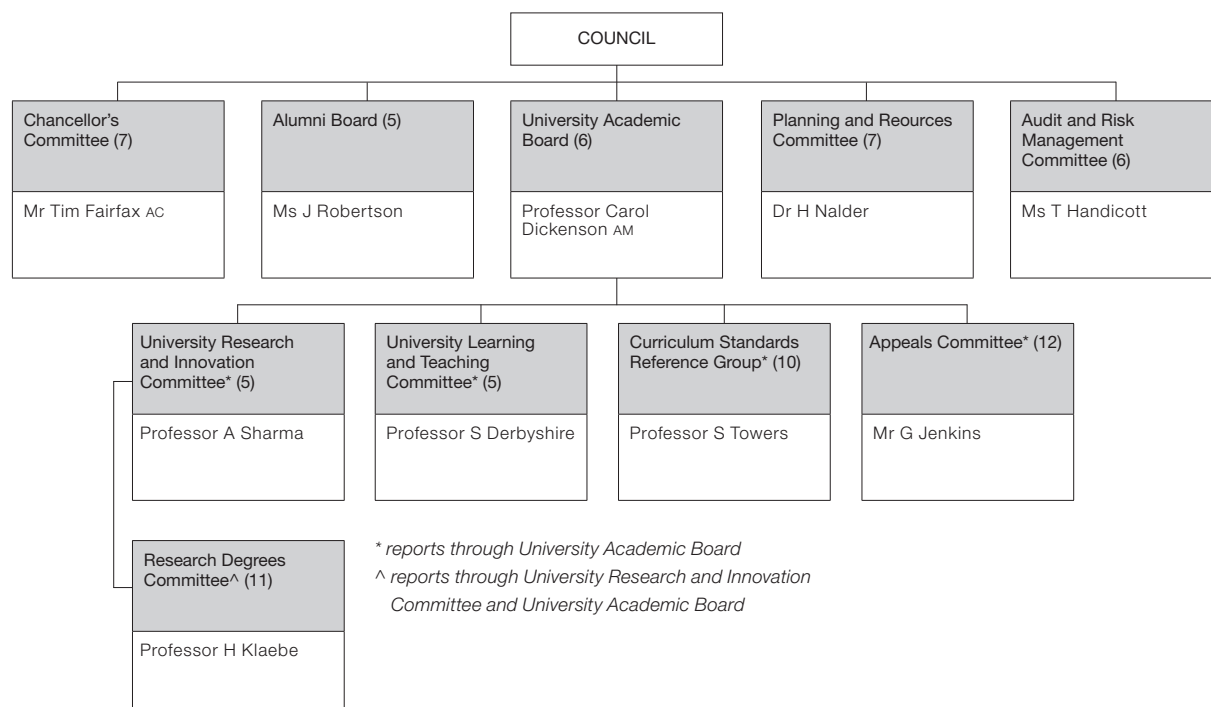
Council business in 2016

Council met six times, and held a one-day retreat in February which focused on governance, external settings and challenges.

During 2016 Council considered the following items in carrying out its role:

- approval of 2017–2019 Consolidated Budget and 2017–2021 Asset Management Plan
- approval of the 2015 financial statements
- approval of a revised QUT Blueprint and key performance indicators, and a new research and innovation strategy
- 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)

Council committees and committee chairs (number of meetings in 2016)



- 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 Council for the 2016–2020 term of office
- approval of conferral of honorary titles
- amendment of terms of gift for endowments for scholarships and prizes
- reports and relevant policy items from 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.

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 Council Procedure 1 – Committees
- Conflict of interest policy
- 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 and gifts, have also been developed. Reports are provided to each university committee on members' disclosed interests annually or more frequently if interests change.

The rollout of online training on corruption and fraud awareness and prevention continued in 2016, to reinforce a culture of high ethical standards and accountability in learning and teaching, research and community activities. Staff are required to complete this training upon appointment and then two yearly.

In regard to external scrutiny, in 2016 QUT addressed improvements identified by the Queensland Ombudsman concerning several student matters, including student appeals processes and processes for termination of research student candidature. There were no significant issues identified by the Fair Work Ombudsman or the Crime and Corruption Commission. The Office of the Information Commissioner reviewed some Queensland universities' compliance with Right to Information and Information Privacy legislation, in the ***Follow-up of Report No. 2 of 2014–15: Review of universities' implementation of recommendations — Compliance with Right to Information and Information Privacy: Griffith University, Queensland University of Technology, University of Queensland and University of Southern Queensland, Report No.3 to the Queensland Legislative Assembly for 2016–17.*** The Office of the Information Commissioner had made 11 recommendations, which have been addressed through: amendments to policy to clarify open access and engagement strategies; and enhancements to training, together with the development of the corporate information asset register. In the follow-up review, the Office of the Information Commissioner noted that all recommendations had been implemented, and noted QUT's good practices for information management including staff training, and implementation of an information asset register.

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 2016, a significant update of compliance obligations was undertaken, which included the development of information resources to assist responsible officers, and a revised compliance policy which was approved by QUT Council in June 2016.

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 2016 the university centrally administered a number of reviews, including a review of the Faculty of Education, and thematic reviews relating to research and innovation, and academic governance.

Recordkeeping

The university's strategic approach to recordkeeping is to capture records in electronic formats. Substantial work has been undertaken to implement its corporate electronic recordkeeping and documents management system, HP RM, in a comprehensive way, 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 2016, the recordkeeping program included the following activities:

- a upgrade to system architecture for HP RM
- continuation of a program of digitisation of student record cards from QUT's predecessor institutions
- assessment of risks for the early disposal of temporary records following digitisation
- development of improved recordkeeping auditing processes for certain secure record classes.

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 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 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.

Audit and Risk Management Committee'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 USC, FAICD

(attended 6 of 6 meetings)

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

Dr R Vilgan

BBus QUT, DipSupMgt Macq, DUniv QUT, FASFA, FAICD

(6/6)

Ms T Handicott

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

(nominated as Chair by Chancellor)

(6/6)

Mr S Maitland OAM

RFD, BEc Syd, MBus LLM QUT, FCPA, FAICD, FCIS, SF Fin, FAIM

(5/6)

Mrs J Parker

BCom Qld, CMIIA, FCA

(6/6)

No members of the ARMC were remunerated by QUT in 2016.

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 the Queensland Audit Office also attended two meetings of Audit and Risk Management Committee in 2016 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 audit approach in 2016 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 2016 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

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 2016 the following initiatives were implemented to further embed risk management into university activities:

- risk management framework was reviewed for continuous improvement
- risk workshops with the Primary Risk Owners which informed the update of the Corporate Risk Register and the university's risk appetite for key activities.

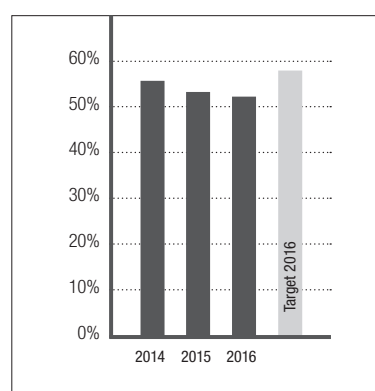
Realigning student composition

Professor Carol Dickenson AM, Senior Deputy Vice-Chancellor

Student enrolments	2013	2014	2015
Total enrolments	45575	47229	48503
Course group			
Higher degree research	2453	2517	2604
Higher degree coursework	5225	6195	5868
Other postgraduate	2980	3184	3563
Bachelor degree	33 459	33 766	34 789
Other undergraduate	641	528	515
Other	817	1039	1164
Enrolment kind			
Commencing	17 891	19 297	19 301
Continuing	27 684	27 932	29 202
Gender			
Female	24 812	25 600	26 212
Male	20 763	21 629	22 291
Attendance type			
Full-time	30 384	31 169	32 257
Part-time	15 191	16 060	16 246
Campus			
Gardens Point	25 608	26 316	27 374
Kelvin Grove	14 162	14 510	14 188
Caboolture	790	785	846
Overseas	248	195	82
External postgraduate	3019	3600	4149
External undergraduate	1355	1473	1595
External non award	393	350	269
Domestic/international			
Domestic	38 413	39 247	40 285
International	7162	7982	8218
Course faculty			
Business	7987	8192	8971
Creative Industries	5369	5540	5499
Education	4231	4516	4003
Health	9691	9714	10 005
Law	3958	4086	4016
Science and Engineering	9589	9960	10 278
University-wide	4254	4637	5118
QUT International College	408	510	518
Other	88	74	95

QUT continued in 2016 to report a strong result for the quality of its undergraduate intake, with more than 52 per cent of OP 1-15 students who accepted an offer through QTAC having an OP of 1-6.

Quality of undergraduate intake



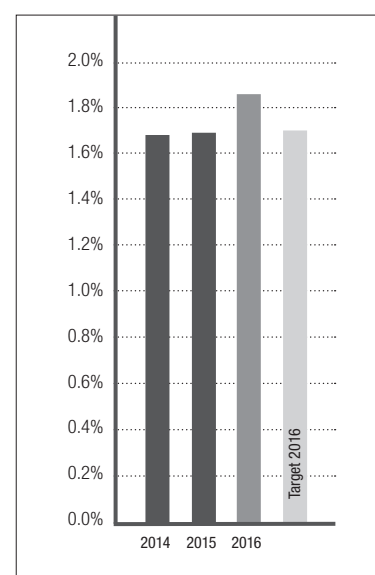
QUT's student population was more than 48 800 enrolments in 2016. Between 2013 and 2015, QUT's external student enrolments increased by 26 per cent.

In February 2016 QUT's first university-wide student leader development model was launched. The model aims to increase accessibility, scalability and flexibility of training opportunities for students through a blended approach integrating online and face-to-face interaction. In preparation for Orientation, some 550 students across 20 programs participated in the inaugural Student Leader integrated training day.

The number of undergraduate students who are Aboriginal and Torres Strait Islander people again increased from the previous year, representing 1.83 per cent of domestic undergraduate students in 2016 compared to 1.69 per cent in 2015.

In 2014 and 2015, QUT's percentage was above the higher education sector average.

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

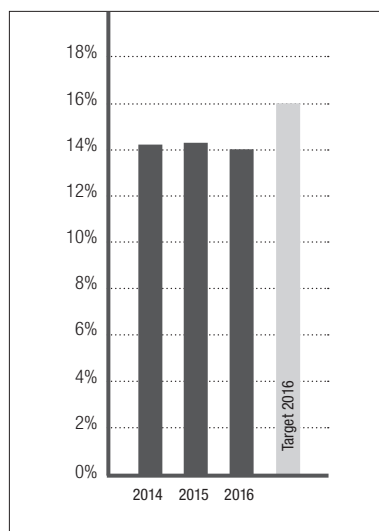


The new Keystones of Success program is delivered in partnership with key QUT, community and industry stakeholders. The program supports Aboriginal and Torres Strait Islander students at QUT achieve academic success through to graduation and transition to employment or progression to postgraduate studies. A total of 242 students applied for tutoring throughout 2016 with 956 sessions being run. Overall there was a success rate of 83.24 per cent for students receiving pass grades or above.

QUT hosted the fourth annual Indigenous Australian Science and Infrastructure Development Winter School in June–July. This was attended by 32 Years 10, 11 and 12 students from across Queensland, Northern New South Wales and South Australia. The focus was on science, technology, engineering and mathematics (STEM) careers with a particular emphasis on science, technology, stakeholder engagement, urban development and planning.

Students from low socioeconomic status (SES) backgrounds represented 14 per cent of domestic undergraduate students in 2016.

Share of domestic undergraduate students from low SES



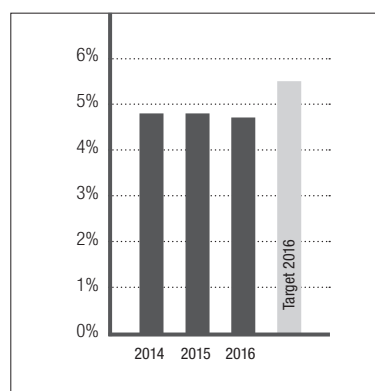
The Tim Fairfax AC Learning Potential Fund Scholarships presentation was held on 25 May, with 64 students being awarded scholarships for 2016. Thirty-two students from remote and regional Queensland and the Northern Territory received whole-of-course scholarships, and 32 from Brisbane and greater Brisbane received one-year scholarships.

In 2016 the Science and Engineering Faculty engaged 22 000 Queensland students in experiential STEM programs. The Widening Participation Program engages with students through the Extreme Science and Engineering Van in School Program, Science and Engineering Challenge, Power of Engineering, the Engineering Project Link, Queensland Minerals and Energy Academy (QMEA) Energy of the Future, Boeing Futures and Spatial Real World. Additional grants were received from Google Grants to run Imagine IT Teacher Professional Development Day and National Science Week.

Caboolture campus continues to play a very significant role in QUT's Widening Participation activities and runs 90 events, bringing 7800 visitors to the campus.

Higher degree research (HDR) student load represented 4.7 per cent of QUT student load in 2016.

HDR student share of all students



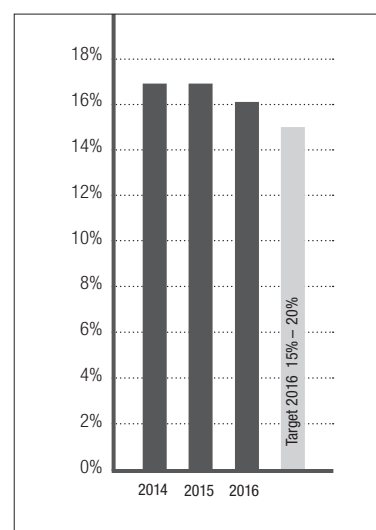
In 2014 and 2015, QUT's percentage was close to the higher education sector average.

At the end of 2016 QUT had 33 Indigenous HDR candidates, up from 28 in 2015.

In 2016 QUT offered 386 (up from 349 in 2015) HDR scholarships and had an uptake of 279 (up from 258 in 2015). Only students with Honours 1 or equivalence were offered scholarships.

International student enrolments in 2016 accounted for 16.1 per cent of the student population, with 11.4 per cent of international students being HDR students.

International student share of total population

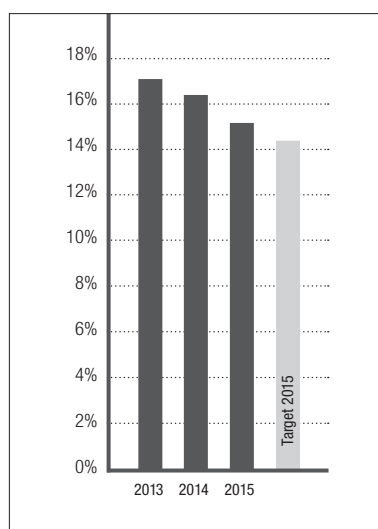


In 2014 and 2015, QUT's percentage was less than the higher education sector average, but within QUT's target range of 15 to 20 per cent.

Commencing bachelor degree students at risk of withdrawing from their QUT courses were the focus of the Student Success Program (SSP) in 2016. Using data mining

techniques, 18 elements were identified which are significant in determining whether a student is at risk of withdrawing. The SSP designed a proactive communication strategy to support these students to seek additional assistance to meet their educational goals.

Commencing ex-QUT bachelor degree attrition



In 2013 and 2014, QUT's percentage was favourably less than the higher education sector average.

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. Higher education statistics for QUT and other universities are available from the Australian Government Department of Education and Training at <https://www.education.gov.au/higher-education-statistics>

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 are compared annually. Gender equity parameters relating to the seniority and promotion of women are similarly benchmarked.

Strengthening learning and teaching

Professor Suzi Derbyshire, Deputy Vice-Chancellor (Learning and Teaching)

The 2017 *Good Universities Guide* gave QUT five-star ratings for 'Staff Qualifications', 'Learning Resources', and 'Skills Development', placing the university in the top 20 per cent of institutions.

In 2016 the QUT Business School (QBS) received a five-year European Quality Improvement System (EQUIS) reaccreditation from the European Foundation for Management Development (EFMD). This five-year renewal represents the highest level of accreditation with EFMD and is held by fewer than 100 business schools worldwide.

In addition, QBS was reaccredited by the Association to Advance Collegiate Schools of Business (AACSB) for the maximum five-year period. QBS will therefore continue to hold its prestigious Triple Crown of International Accreditation, a position held by only two Australian schools and fewer than 80 schools worldwide.

QBS was the only Australian business school featured in the 2016 Masters in Finance (Pre-experience) global rankings issued by the *Financial Times*.

The number of registrants for QUT's Massive Open Online Courses (MOOCs) has reached 176 000 across eight MOOC topics and 16 course launches.

In partnership with FutureLearn (the world's third largest MOOC provider), QUT is expanding the number of topic areas and its global reach, engaging learners from a range of countries including Australia, India, the United Kingdom and the United States. A focus of the MOOC program is generating learner pathways from open courses to award and corporate offerings. QUT is presently developing a MOOC into a graduate certificate course, and partnering with corporations in the development of MOOCs and Small Private Online Courses (SPOCs).

In 2016, QUT offered five new award courses in areas of new business for the university. Additionally, there were 11 new versions of existing single degrees, representing transformation and reaccreditation activity, and 12 new versions of associated double degree courses.

QUT has more than 250 Fellows of the United Kingdom's Higher Education Academy (HEA). QUT has 12 Principal Fellows (the highest category of fellowship) which places the university in the top five institutions worldwide.

The QUT Academy of Learning and Teaching (QALT) was launched in February 2016, offering multiple pathways to international recognition

for QUT staff members, using the HEA Professional Standards Framework.

QUT was recognised for education excellence and delivering outstanding learning in 2016, with Australian Awards for University Teaching (AAUT) presented to Professor Gayle Kerr, QUT's Sessional Success Program, and the STIMulate program.

AAUT citations were awarded to Associate Professor Ruth Bridgstock, Mrs Michelle Fox, Associate Professor Gene Moyle, Professor Larry Neale and Associate Professor Debbie Starkey. QUT staff members have received more than 100 Australian Awards for University Teaching since the awards were established in 1997.

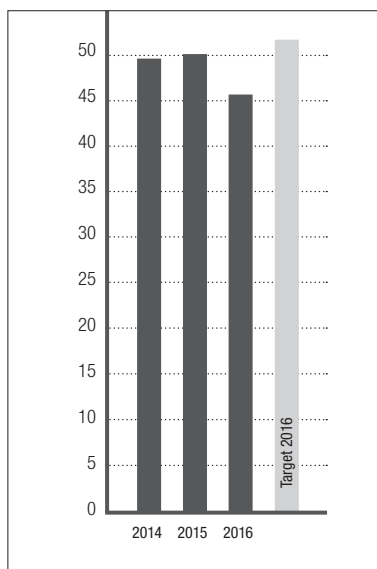
QUT received three awards for two projects in the prestigious global Wharton-QS Stars Reimagine Education competition. QUT's STIMulate program won a Gold Award for 'presence learning' and was the Gold Award winner in the Oceania

Regional awards. A bronze award went to Professor Larry Neale for 'nurturing employability' through the Google Online Marketing Challenge.

In 2016, Associate Professor Laura Gregory and Associate Professor Nicolas Suzor were recipients of The David Gardiner QUT Teacher of the Year Award.

By the end of 2016, close to 200 QUT staff had successfully completed the Graduate Certificate in Academic Practice since its introduction in 2011.

Student satisfaction: CEQ for bachelor graduates



In 2014 and 2015, QUT's student satisfaction score was close to the higher education sector average.

QUT aims to ensure that students have opportunities to undertake international study experiences.

The overall number of international student mobility experiences reported during 2015 was 1611, or 14.2 per cent of the graduating cohort.

Eight QUT students were selected in the 2017 New Colombo Plan scholarship round, the largest number awarded to any university nationally.

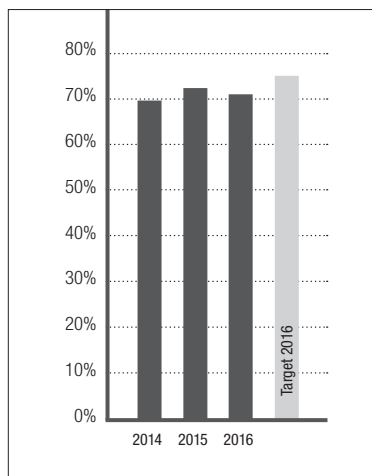
Two of QUT's eight scholars have been successful in receiving the PricewaterhouseCoopers New Colombo Plan Scholarship in 2017, offering a six-month internship and extensive training/mentorship opportunities. QUT will receive a total of \$690 000 to support 21 programs in 2017. This will provide 183 students with a study or internship experience in the Asia-Pacific region across 12 countries.

More than 400 students participated in Study Abroad programs in 2016. This group of students, coming predominantly from Brazil, Denmark, Germany and Norway, continue to contribute to classroom and campus diversity.

The Confucius Institute at QUT (CIQ) attracted 190 enrolments in short courses for Chinese language programs. CIQ visited 30 schools delivering the program 'Chinese Language and Culture' to more than 3500 school students. The Chinese language competitions for school students, in collaboration with the Chinese Teachers' Association of Queensland, were held in Cairns, Townsville, Rockhampton and Hervey Bay, and the Queensland State competitions at Kelvin Grove. More than 500 school students participated in these competitions.

QUT aims to maintain a position in the top quartile of Australian universities for graduate employment outcomes.

Graduate Destinations Survey outcomes for bachelor graduates looking for full-time work

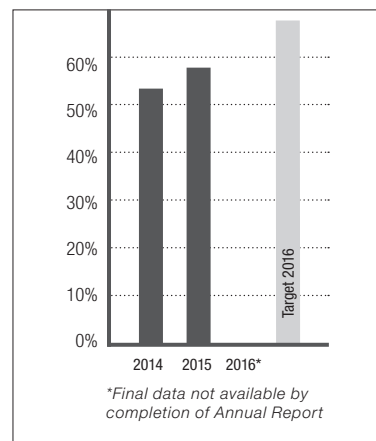


QUT's outcomes were above the higher education sector average for 2014 and 2015.

In 2016, the Continuing Professional Education Unit offered and managed 79 open 'short course' programs generating \$1.8 million in revenue, and engaging more than 2300 students with either face-to-face, online or blended course delivery.

QUT aims to enhance opportunities for work integrated learning (WIL) and transitions into professional practice across all undergraduate programs, and to increase WIL opportunities for postgraduate students.

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



Benchmarking activities

QUT compares its key performance indicator outcomes to prior years' averages for universities in the Australian higher education sector, Group of Eight, Australian Technology Network and Queensland. Higher education statistics for QUT and other universities are available from the Australian Government Department of Education and Training at <https://www.education.gov.au/higher-education-statistics>

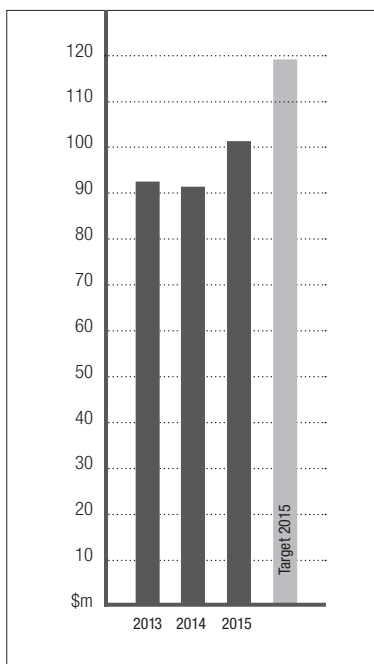
Building QUT's research reputation

Professor Arun Sharma, Deputy Vice-Chancellor (Research and Commercialisation)

The university's research income for the 2015 calendar year (reported in 2016) was QUT's highest to date, reaching \$101.090 million.

Research income, incorporating the four research income categories of the Higher Education Research Data Collection (HERDC), is one of QUT's key performance indicators.

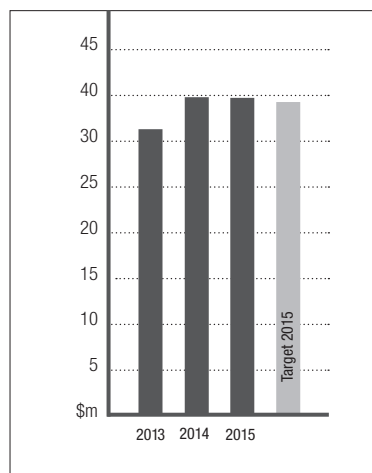
Research income (\$M)



Competitive research income, in the HERDC Category 1: Australian competitive grants group, is another QUT key performance indicator.

In 2015 QUT's competitive research income was \$39.476 million, which exceeded the university's target of \$38.829 million.

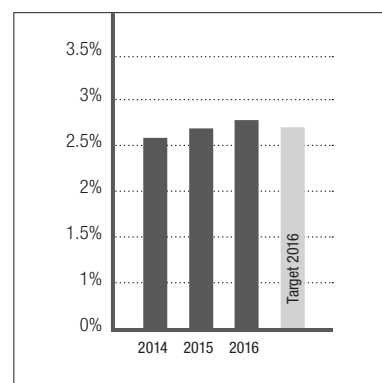
Competitive research (\$M)



In 2016 QUT continued to increase its share of national research block grant income, achieving 2.76 per cent of the national total.

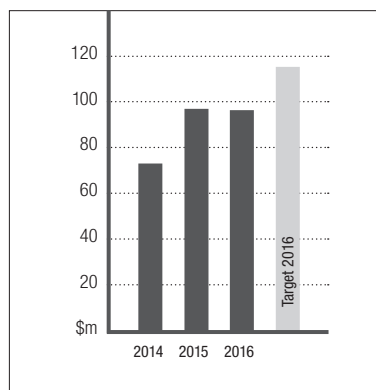
QUT maintained ninth position nationally through its performance in research income and output indicators.

QUT share of national research block grant income



In 2016, QUT's commercial income, which includes income from commercial research, as well as consultancy activity, customised education and licensing income, reached \$95.1 million.

Commercial income (\$M)



QUT researchers secured funding totalling \$8.6 million for 23 projects across Australian Research Council (ARC) Discovery Projects, Discovery Early Career Researcher Awards, Discovery Indigenous and Linkage Infrastructure, and Equipment and Facilities schemes to commence in 2017. QUT's National Health and Medical Research Council funding totalled \$5.151 million.

Professor Peter Waterhouse and Professor Dmitri Golberg were among the 16 scholars nationally who were named as ARC Laureate Fellows.

Professor Dietmar Hutmacher was awarded \$3.72 million for an ARC Industrial Transformation Training Centre in Additive Biomanufacturing, to make Australia a world-leader in the 3D printing of body parts.

The Dementia Collaborative Research Centre: Carers and Consumers (DCRC:CC), led by Professor Elizabeth Beattie, received an

extra \$1.4 million for an 18-month extension. In addition, QUT was awarded five grants as lead institution in the DCRC round, totalling approximately \$300 000.

Professor David Kavanagh was awarded an additional \$2.03 million in funding from the Australian Government to extend the successful E-Mental Health program for a further 12 months.

QUT was awarded funding for four projects under the first round of the Queensland Government's \$15 million Advance Queensland Innovation Partnerships program. The four projects were awarded a total of \$2.7 million from an available pool of \$9.65 million.

QUT received 10 awards under the 2016 Advance Queensland fellowships and scholarships round. Three were for PhD scholarships, four for early career fellowships and three for mid-career fellowships.

QUT researchers won seven grants under the Queensland Department of Education and Training Education Horizon 2016 research grant scheme. The grants targeted a range of priority areas in school-based education. Total grant funding awarded to QUT amounted to 40 per cent of the \$1.02 million pool available in the scheme.

The Motor Accident and Insurance Commission continued its partnership with QUT through the signing of a three-year agreement worth \$3.14 million to support activities undertaken by the Centre for Accident Research and Road Safety-Queensland.

The Australian Renewable Energy Agency is providing funding of \$2.09 million to Professor Ian O'Hara to undertake a three-year project investigating biogas from sugarcane residues in the sugar milling industry.

QUT is partnering with Metro North Hospital and Health Service to establish the Herston Biofabrication Institute, the first in Australia dedicated to 3D technologies for the hospitals of the future. The institute is due to open in 2017.

QUT is a member of the successful consortium selected to deliver The Bridge Program under the MedTech and Pharma Growth Centre, the MTPConnect. The program aims to transfer practical skills on the commercialisation of pharmaceutical research through a training program for researchers and entrepreneurs.

QUT and the Shanghai Institute of Ceramics, Chinese Academy of Sciences continued a long-running collaboration with the opening of the Joint Laboratory of Biomaterials and Tissue Engineering, in Shanghai.

In June 2016, the Johnson & Johnson Innovation (JJI) Partnering Office was opened at QUT, providing the life sciences industry with access to commercialisation skills and the JJI global network.

The Australian Society for Medical Research (ASMR) Queensland Health and Medical Research Awards 2016 were held on 2 June. These prestigious awards recognise excellence in all areas of health-related research performed in Queensland. QUT researchers won three of the four categories: Dr Mark Adams (Postdoctoral Researcher Award), Dr Makrina Totsika (Senior Researcher Award) and Professor Louise Cullen (Clinical Researcher Award).

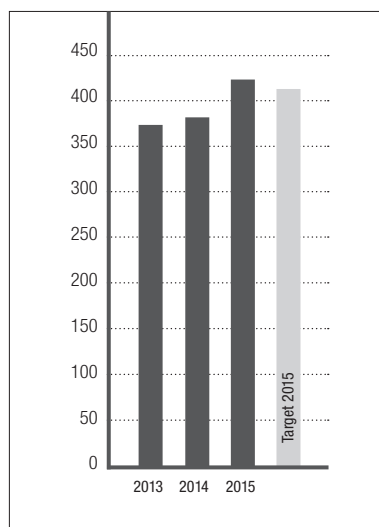
Professor Arun Sharma was listed as one of the Knowledge Nation 100, a list compiled by consulting group Knowledge Society and the Office of the Chief Scientist and published in *The Australian* in December 2015. Professor Sharma was included as 'one of the country's most effective advocates for the research/wealth-creation nexus'.

Professor Steven Bottle, Professor Margot Brereton, Professor Anthony Clarke and Professor You-Gan Wang were selected for membership of the ARC College of Experts from 2017.

QUT again achieved an historic high of 424 HDR student completions in 2015, up from 381 in 2014.

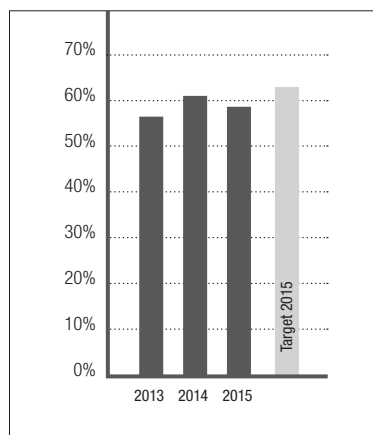
This put QUT at seventh place nationally for 2015.

HDR completions

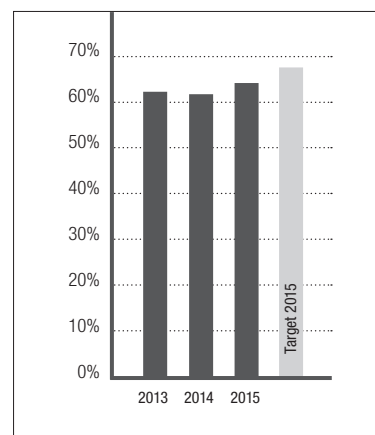


The university aims to increase the number of HDR completions within maximum equivalent full-time student load (EFTSL). In 2015 this measure was 58.7 per cent.

HDR completions within maximum EFTSL



Quality of research publications



Benchmarking activities

In 2016 QUT increased its relative international rank in most major international higher education ranking schemes.

QUT achieved a 201–300 world ranking in the 2016 Academic Ranking of World Universities (ARWU). The ARWU ranks research excellence of world-class universities. QUT's 2016 ranking in the 201–300 band reflects a dramatic rise from QUT's 2015 position in the 401–500 band.

QUT annually benchmarks its research income, competitive grants performance and block grant funding against other Australian universities, including the Australian Technology Network. Data for QUT and other universities are available from the Australian Government Department of Education and Training at <https://www.education.gov.au/research-block-grants>

QUT also monitors its performance against global university rankings that take different aspects of research quality and achievement into account.

A number of strategies have been implemented to improve quality of research publications, incentivising

publication in *Nature* and *Science* and other journals of high impact, and improving citation rates through data cleansing and use of the ORCID digital identification system.

QUT ePrints promotes QUT to a global audience by making QUT research outputs more visible and more accessible online. In the January 2016 edition of the *World Ranking of Institutional Repositories*, QUT was the highest ranked institutional repository in Australia and was ranked thirteenth in the world.

Developing a sustainable workforce

Ms Shard Lorenzo, University Registrar and Head Administrative Services

The university welcomed another three professors through the capacity building professor scheme which brings the total number recruited to date to 54.

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.

Key priorities for 2016 were to enhance the sustainability and performance of the university's operations.

Significant progress was made towards maturing workforce analytics practices to support the growing need for accurate and timely workforce information, insights and decision making. The need to ensure a sustainable workforce for the future, coupled with a strong transformation agenda and a renewed focus on performance has seen a greater reliance on workforce data and analytics. In 2016 a number of strategies were implemented to

support this aim including greater accessibility and use of workforce and performance data.

The university continues to recruit in areas of research strength and maintain capability in teaching through targeted development programs and strategies.

QUT's Early Career Academic Recruitment and Development (ECARD) program was delivered to 25 staff in 2016.

The Mid-Career Academic Development program was delivered to 18 participants, and 30 participants attended the Sessional Career Advancement Development program.

A professional development and networking event incorporating Vice-Chancellor's Research Fellows, other QUT research fellows and the 2016 ECARD cohort was held in June 2016 to support connectivity and career development for these researchers.

A QUT key priority is to develop a sustainable and high-quality workforce profile. QUT full-time equivalent (FTE) staff figures are shown in the following table.

QUT Staff Full-Time Equivalent (FTE)

	2014	2015	2016
Total staff FTE	4701	4872	4854
Fixed term and ongoing	3752	3947	3930
Casual *	949	924	924
Fixed term and ongoing FTE			
Academic	1454	1516	1556
Professional	2298	2431	2374
Campus			
Gardens Point	1781	1884	1886
Kelvin Grove	1807	1900	1857
Caboolture	53	45	44
Off Campus	111	119	143
Academic			
Female	659	710	734
Male	795	806	822
Professional			
Female	1469	1552	1523
Male	829	880	851

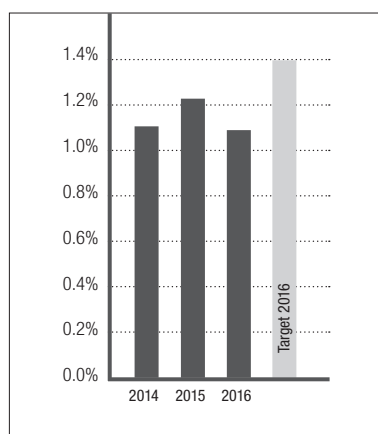
* Due to timing, 2016 casual FTE uses 2015 casual FTE

QUT's permanent separation rate was 9 per cent in 2016.

The university continues to explore innovations in recruitment to improve the quality of applicant pools and to improve candidate care. Pilots are currently underway using proactive recruitment strategies, digital campaigns and video interview platforms. Authentic assessment processes are being used to better enable candidates to demonstrate their capabilities.

Staff who are Aboriginal and Torres Strait Islander people made up 62 FTE of QUT's ongoing and fixed-term staff in 2016.

Share of staff who are Aboriginal and Torres Strait Islander people



In 2014 and 2015, QUT's percentage was above the higher education sector average.

A detailed Indigenous Employment Strategy outlining actions and key performance indicators under four key objectives is in place. This strategy supports the 1.7 per cent Indigenous workforce target outlined in the Blueprint. The university is continuing to build on the success of the Indigenous Traineeship Program. In 2016, one of the trainees was awarded the Bob Marshman Trainee of the Year at the Department of Education and Training Regional Queensland Training Awards.

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 intervention when required. All staff also are 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 who 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.

University policies

- Leave policies (online Manual of Policies and Procedures (MOPP) B/6)
- Attendance and working hours (MOPP B/7.1)
- Pre-retirement employment arrangements (MOPP B/7.5)

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

The university grievance resolution policies and related documents clearly articulate the parameters, principles and procedures for managing workplace-related grievances and allegations of workplace bullying. This policy was under review in 2016 to ensure that it provides the best approach to satisfactorily manage staff complaints. A dedicated web page was developed to provide information and support available 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.

An integrated and extensive performance framework and reward and recognition strategy seeks to identify, review, develop, recognise and reward work performance.

Significant progress was made to build and maintain the real-world capabilities of staff throughout 2016 with a number of successful programs aligned with the Blueprint, the QUT Research and Innovation Strategy, and the Real World Learning 2020 Vision.

The Realeadership Program for near-senior leaders was delivered to 17 participants.

Twenty-five Heads of School participated in the Leading Transformational Change program which was developed and implemented for senior leaders during the year.

The Women in Leadership Committee provided development and support to 86 QUT women through a number of initiatives that included the Quality Women in Leadership program, 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.

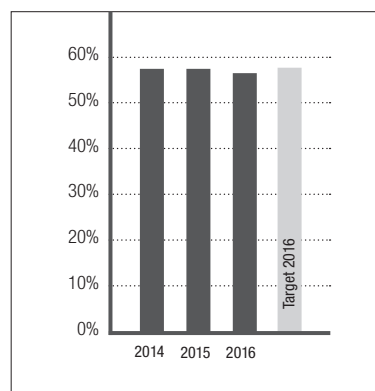
The university's long-standing target for the proportion of senior staff who are female (40 per cent) was achieved in 2015 for the first time and increased again in 2016 to 42.4 per cent.

QUT has joined the SAGE (Science in Australia Gender Equity) Pilot of Athena SWAN in Australia which requires the university to examine all aspects of gender equity in the science, technology, engineering, mathematics and medicine (STEMM) area, develop an action plan to improve them, and be assessed on its efforts.

Through the 2016 Vice-Chancellor's Awards for Excellence (VCAE) and the Vice-Chancellor's Performance Fund (VCPF), the outstanding achievements of more than 39 VCAE and 530 VCPF academic and professional staff were acknowledged and rewarded.

A key performance indicator is workforce sustainability, which represents total employee benefits and on-costs as a proportion of total revenue.

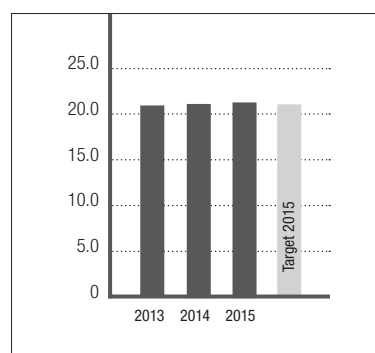
Workforce sustainability



QUT's target to improve student to staff ratios was to be clearly in the national top half of universities by 2016. In 2015 QUT's overall student to staff ratio was 21.5.

QUT's student to staff ratio was better than the higher education sector average in 2013 and 2014.

Student: staff ratio



Sessional staff make a significant contribution to QUT's academic workforce, and sessional staff full-time equivalent (FTE) data is included in the student to staff ratio.

In 2015 QUT's Wellness Matters program won Gold recognition by Queensland Health under its *Healthier. Happier. Workplaces Program*, the only university program to receive this level of recognition. In March 2016 Queensland Health announced that QUT achieved reaccreditation of its Gold Status.

Benchmarking activities

For workforce sustainability, the share of staff who are Aboriginal and Torres Strait Islander people and the student: staff ratio, 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 and Training at <https://www.education.gov.au/finance-publication>

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

Building further QUT's community

Professor Scott Sheppard, Deputy Vice-Chancellor (International and Development)

Dino Zoo, a simulated recreation of hyper-realistic, prehistoric reptiles and their environment, attracted more than 24 000 visitors to the Cube at Gardens Point campus during January.

The display also provided an archaeological dig simulator, an interactive Earth timeline as well as the delivery of STEM-related workshops for visiting high school students.

The Cube team partnered with Queensland Museum's renowned palaeontologist Dr Scott Hocknull to develop Dino Zoo, its most popular program to date.

The university aims to build further QUT's sense of community. This includes promoting a culture of community, philanthropy, scholarship, service and high achievement; and further developing QUT's international and alumni networks and partnerships.

On 4 November, Chancellor Tim Fairfax AC and Queensland Premier and Minister for the Arts The Hon Anastacia Palaszczuk MP welcomed their Majesties King Willem-Alexander and Queen Máxima of

the Netherlands to QUT's Gardens Point campus. The royal couple visited The Cube and launched the Smart Scanner for Water Resilient Cities, developed with QUT's Dutch collaborators Deltares and HydroNET, and also launched the fourth edition of the Australia-Netherlands Water Challenge, a national competition inviting students and young professionals to devise original ideas for water management.

On 5 August, Brian Sandoval, Governor of the State of Nevada, visited QUT and met with senior staff, along with David Camerlengo, Trade and Investment Commissioner for North America; Dr Marc Johnson, President of the University of Nevada, Reno and a number of other officials. The visit included a roundtable discussion on science and technology issues.

The QUT Business Leaders' Forum had another successful year.

Speakers included Simon McKeon AO, Chairman, AMP Limited; Steve McCann, Group Chief Executive Officer and Managing Director, Lendlease; Andrew Thorburn, Group Chief Executive Officer, National Australia Bank Group; and Ann Sherry AO, Executive Chairman, Carnival Australia. More than 2000 people attended the forums in 2016 which raised more than \$19 000 for charity.

Guest speakers at the Vice-Chancellor's Forum events in 2016 were:

- Gerfried Stocker, Artistic Director of Ars Electronica (Linz, Austria)
- Dr Alan Finkel AO, Australia's Chief Scientist
- Dr Alex Zelinsky, Chief Defence Scientist and Chief Executive of the Defence Science and Technology Organisation
- Professor Jeanne Liedtka OAM, Professor of Business at the Darden Graduate School of Management at

the University of Virginia and former Chief Learning Officer for United Technologies

- Dr Jim Chalmers MP, Federal Shadow Minister for Finance.

Award-winning journalist and QUT alumnus Peter Greste addressed the QUT Learning Potential Fund Breakfast on 10 November.

Murri-Ailan Way celebrates Australia's first nation community, culture and talent at QUT as part of National Aboriginal Islander Day Observance Committee week. This three-day event ran from 16 to 18 August across Caboolture, Kelvin Grove and Gardens Point campuses and showcased traditional and contemporary performers and artists.

More than 160 000 people attended QUT Precincts events in 2016.

This included attendances at workshops for school children, theatre performances, Old Government House and the William Robinson Gallery, QUT Art Museum, The Cube and exhibitions and activities in the Block and the Loft at Kelvin Grove. Of the total 424 events held across all QUT's Precincts, 49 of these were weddings.

The Miss Fisher Exhibition, which ran in Old Government House between July and September 2016, was the first ticketed exhibition presented by QUT Precincts. A total of 17 764 visitors netted more than \$250 000 in ticket sales for QUT and its partner institution, the National Trust Queensland.

In the interests of the health and wellbeing of students, staff and visitors to the university, all QUT campuses and distributed sites became smoke free from 1 July 2016.

Emeritus Professor Mary O'Kane was appointed a Companion (AC) in the General Division in the Australian Honours in 2016. Professor Carol Dickenson and Adjunct Professor Sue Hooper were appointed Member (AM) in the General Division, and Professor Prasad Yarlagadda was appointed Medal (OAM) in the General Division.

The Oodgeroo Alumni Chapter was launched on 29 April 2016. The chapter reconnects Aboriginal and Torres Strait Islander QUT graduates, provides support to graduates, and strengthens their connections to the Oodgeroo Unit and QUT. This event coincided with the celebration of the Oodgeroo Unit's twentieth-fifth anniversary.

Professor Aileen Moreton-Robinson has cemented her status as a globally relevant scholar with the award of Best Subsequent Book Award in Native American and Indigenous Studies Prize by the Native American and Indigenous Studies Association. She also was conferred the title of Distinguished Professor.

Professor Kerrie Mengersen was awarded the title of Distinguished Professor, as well as the Statistical Science of Australia's prestigious Pitman Medal.

Professor Wendy Patton received the 2016 Miller-Grassie Award for Outstanding Educational Leadership. Professor Patton also received an Award for Outstanding Service to Education by the Australian Council of Deans of Education.

Professor Robina Xavier was appointed in June 2016 to the EQUIS Committee at the General Assembly of the European management education accreditation body, EFMD, in Rome.

Professor Lynne Daniels was awarded the prestigious Fellow credential by the Dietitians Association of Australia.

Mary Kelly received the award of STARS (Students Transitions Achievement Retention and Success) Fellow at the 2016 STARS National Conference for academic and professional staff who work in support of student retention.

Professor Kerry Carrington and Professor David Kavanagh were named Fellows of the Academy of the Social Sciences in Australia.

Dr Lyn Alderman received the LH Martin Institute Award for Excellence in Leadership.

QUT Creative Writing academic, and award-winning poet, editor and critic Sarah Holland-Batt was awarded the prestigious 2016 Prime Minister's Literary Award for Poetry.

Sarah was also awarded a 2016 Sidney Myer Creative Fellowship.

The National Exceptional Teaching for Disadvantaged Schools program, developed by Associate Professor Jo Lampert and Associate Professor Bruce Burnett, won the award for community engagement at the *Australian Financial Review* Higher Education Awards.

The Great Barrier Reef's Foundation's plans for a low-cost 'robo reef protector' was given the thumbs up by the public and by Google. The foundation's RangerBot project with QUT roboticists Dr Matthew Dunbabin and Dr Feras Dayoub won a \$750 000 people's choice vote in the Google Impact Challenge Australia, a competition which assists not-for-profit organisations develop technologies that can help to tackle the world's biggest social challenges.

Professor Bronwyn Harch was appointed as one of three new members to the Board of Innovation and Science Australia (ISA). ISA provides strategic, whole-of-government advice on all science, research and innovation matters.

Emeritus Professor Allan Luke AO was named the 2016 recipient of the Literacy Research Association's Distinguished Scholar Lifetime Achievement Award.

Professor Des Butler was awarded a prestigious Janders Dean LexisNexis Legal Innovation Award for his innovative use of technology in legal education.

QUT Law students demonstrated their strength in advocacy by winning the Red Cross International Humanitarian Law Mooting Competition in Hong Kong.

Nicholas Johnson was named Alumni Student Leader of the Year at the 2016 QUT Student Leadership Awards Ceremony on 31 May. Another nine students were recognised with excellence awards on the night.

A QUT Law Team (represented by Shael Geffen, Storm Scarlett and Laura Falkner) won the 2016 Michael Kirby Contract Law Moot competition in Melbourne in late September. Storm Scarlett was awarded the best speaker of the final.

A QUT team has been awarded \$100 000 after winning the Global Business Challenge, in which seven of the world's top graduate schools and universities competed to improve health care in remote communities.

Kate Miller-Heidke was awarded 2016 QUT Alumnus of the Year.

Jessa Rogers was awarded 2016 Young Alumnus of the Year. Special Excellence Award winners were Greg Dower, Paul Quilliam and Dr Lim Su Lin.

Kate Miller-Heidke and the Tasmanian Symphony Orchestra were awarded the 2016 Helpmann Award for the Best Australian Contemporary Concert.

QUT journalism graduate Elly Bradfield won the overall Young Australian Journalist of the Year award from the Walkley Foundation. She also won two individual awards for her radio work focusing on issues in regional Queensland.

QUT Business School Outstanding Alumnus of the Year 2016, Caitlin Wilson, Deputy Permanent Representative of Australia to the United Nations (New York) and Deputy Head of Mission, was recognised in September 2016 as one of only 30 AACSB International Influential Leaders in Minneapolis, United States.

QUT continued its commitment to educational opportunity for all through its Learning Potential Fund (LPF), which has provided more than 15 200 scholarships to students since its inception in 1998.

QUT has established a key performance indicator for philanthropy income, which is defined as gifts and donations to QUT. This includes gifts from individuals, alumni and staff and grants made by philanthropic organisations. For 2016 QUT's philanthropy income target

was \$13.5 million, and the actual income was \$5.4 million. In addition, QUT received \$15.8 million worth of grants from businesses, non-profit organisations or community partners to support research.

The philanthropic goal of the LPF has been increased to \$100 million by 2019. The endowment fund sat at \$44.49 million at the end of 2016.

In 2016, 666 staff signalled their commitment to giving back to QUT, with 16.7 per cent (higher than the industry benchmark) contributing regularly through payroll. Additionally, a new pilot initiative included a phone-a-thon to re-engage with alumni and boost annual giving and its success will underpin its expansion in 2017.

The Body Bequest program received more than 60 donors, making an important contribution to research, teaching and surgical training activities.

Focusing on sustainability

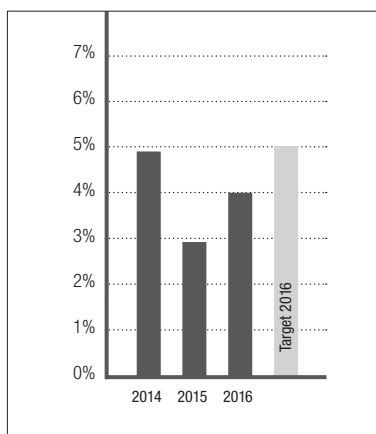
Mr Graham Fryer, Executive Director (Finance and Resource Planning)

Ms Judy Stokker, Deputy Vice-Chancellor (Technology, Information and Learning Support)

QUT aims to strengthen and diversify its resource base to support the aims of the Blueprint and maintain the financial viability of the university by achieving an appropriate underlying operating surplus.

QUT has established a key performance indicator for the underlying operating margin, with the target of 5 per cent (rolling three-year average)

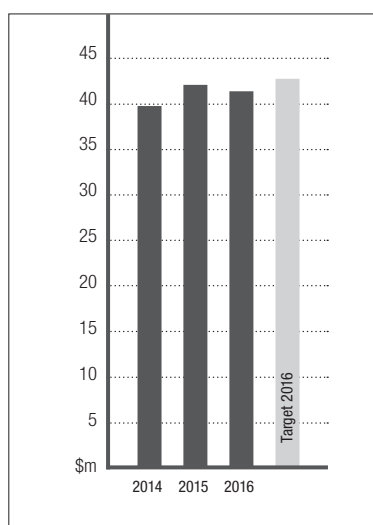
Underlying operating margin



QUT's 2016 underlying operating margin was 4 per cent, which was below the 2016 target but represents a reversal of trends in recent years.

Recognising the increasing pressures on higher education funding, QUT is focusing on growing and diversifying non-government income streams, including commercial research partnerships, corporate education and domestic fee paying students, which is included in QUT's key performance indicators.

Domestic fee-paying income (\$M)



QUT's domestic fee paying income was above the higher education sector average in 2014 and 2015.

During the year QUT revised its investment policy to ensure it derives a high level of return from retained funds and endowments while balancing QUT's stewardship responsibilities with respect to risk and appropriate investment strategy.

QUT aims to maintain its two city campuses as extremely attractive destinations for students, staff and the wider community, and to continue to develop QUT's Caboolture campus.

Queensland Premier and Minister for the Arts The Honourable Anastacia Palaszczuk MP opened the second phase of QUT's Creative Industries Precinct expansion on 23 August.

The project has provided the expected high-quality teaching and research facilities in music, dance, drama and visual arts. The buildings incorporate state-of-the-art performance, sound and art studios, research and development

areas, open workshop spaces as well as student and staff facilities. The mix of new and refurbished heritage buildings has sympathetically addressed the heritage issues associated with the site, and the new building is now a landmark for QUT and the Kelvin Grove Urban Village.

The refectory upgrade at Kelvin Grove has delivered a new retail precinct to the upper campus. The precinct includes an exciting and revitalised mix of food and beverage operators, a new bookshop and an updated contemporary dining area. The new space was open for semester one 2016.

Wayfinding and building directory signage at Gardens Point and Kelvin Grove campuses was upgraded to improve and harmonise signage across the campuses. The project included significant QUT entry signage, general campus wayfinding signs and building directories.

QUT Bookshop won two of the five Australian Publishers Association (APA) category awards and was named runner-up in three other categories, including the major APA Campus Bookseller of the Year award for 2016. The two category awards won by QUT Bookshop were Best Ordering and Stocking Policy, and Best Engagement with University Campus.

The QUT Blueprint aims to continue to integrate information and communication technologies into teaching, research, business support functions and infrastructure.

In May, QUT launched the new student intranet.

Features of the new intranet, which was co-designed with a student reference group, include customised content, a directory of QUT apps that can assist students with their studies, and an improved search function which allows students to set personal search preferences. The new LaunchPad enables students to

quickly access any study links they use regularly, including current units in Blackboard. Other features can help with enrolment, studies, student life, technology and research.

QUT received a Gold Award in the 2016 Intranet and Digital Workplace Awards for the new Digital Workplace which was launched in May 2015.

These global Intranet and Digital Workplace Awards (formerly the Intranet Innovation Awards) 'recognise outstanding contributions to the fields of intranets and digital workplaces ... [and] uncover remarkable solutions that deliver business value, and then share them with the wider community.' The award is an acknowledgement of QUT's innovative use of technology, not only in the core areas of the university's business, but also for the benefit of the QUT community more broadly.

QUT students have access to free Microsoft Office software and the OneDrive file storage and sharing tool. This enables collaboration and productivity tools to be available in any location, any time, on any device. Under a revised agreement with Microsoft, QUT students can now download and install up to five copies of Microsoft Office (e.g. Word, Excel, OneNote, PowerPoint) on their personal computers and mobile devices. They can also store up to 1TB of data in OneDrive so they can always access their files from any device, and share files with their peers, enhancing group work and collaboration opportunities.

Students have a new online reading list management system, QUT Readings. QUT Readings allows students to personalise their 'course materials experience' by adding notes and annotating readings, and creating bibliographies from selected referencing styles.

During 2016, the technology within 59 rooms was updated, 28 new collaborative learning spaces/classrooms were developed, and 35 flat-floor classrooms were refreshed.

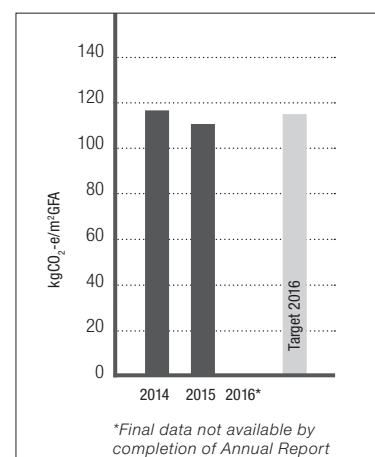
The High Performance Computing and research data storage system was successfully relocated to improve flexibility and capability for future computational capacity for QUT's research community.

Create a Better Online You (CBOY) received a Highly Commended in the Information Award category at the Australia and New Zealand Internet Awards during August. CBOY is a suite of online resources created by the Library to help develop the social media skills of undergraduate students.

QUT aims to sharpen the focus on environmental sustainability through academic activities (coursework and research) and QUT's own operations.

Carbon emissions is one of the university's key performance indicators.

Carbon emissions



Benchmarking activities

QUT compares its outcomes to prior years' averages for universities in the Australian higher education sector, Group of Eight, Australian Technology Network and Queensland.

Summary of financial performance

Mr Graham Fryer, Executive Director Finance and Resource Planning
(Chief Financial Officer)

Summary

The university has managed its resources diligently, continuing to generate an operating surplus whilst maintaining a strong balance sheet underpinned by considerable holdings of property, plant and equipment and liquid assets (cash and investments). Gearing remains low at 7.0 per cent and liquidity is healthy at a current ratio of 3:1.

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 the Creative Industries Precinct expansion at Kelvin Grove and other major capital projects underway at that campus including the Kelvin Grove Sportsfield Carpark and a new Education Precinct. Gardens Point campus has also experienced significant upgrades to research laboratories and the Executive Education Centre.

While the university generated an operating surplus, during 2016 it recognised that there were some

trends in revenue and expenses that warranted actions to assure the long-term financial sustainability of QUT. The results of these actions have started to impact on the 2016 result and will continue to progressively underpin future period results.

Income Statement

*Operating Result and Margin
(\$51.6 million or 5.2 per cent)*

QUT achieved an operating surplus of \$51.6 million or 5.2 per cent operating margin which was higher than the previous year (2015: \$33.7 million or 3.5 per cent).

Revenue growth (3.8 per cent) outpaced expenses growth (2.0 per cent) reversing trends of recent years. The operating surplus was also higher than the original budgeted surplus of \$37.0 million or 3.8 per cent margin, mainly due to improved investment returns and the Federal Government refunding of the previously withheld efficiency dividend. Expenses growth was primarily driven by employee-related expenses including negotiated enterprise agreement increases and voluntary early retirement scheme severance payments.

Underlying Operating Result and Margin (\$38.2 million or 4.0 per cent)

The 2016 operating result included various revenues and expenses that were considered either abnormal or had accounting treatments or valuations with exposures to external markets movements. To evaluate QUT's underlying operating result, adjustments are made to nullify these impacts. A standard approach is applied as agreed by all Queensland public universities based on adopting a framework recommended by the Australian Institute of Company Directors (AICD) and the Financial Services Institute of Australasia (FINSIA).

The 2016 underlying operating result and margin (\$38.2 million or 4.0 per cent) were an improvement over the prior year results (2015: \$26.8 million or 2.9 per cent). While the rolling three-year average underlying margin (2014-16: 3.9 per cent) is below the benchmark target rate of 5.0 per cent across the budget triennium, the university is 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.

Underlying Result Reconciliation:

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

Statutory Operating Result	\$'000
Revenue	992,519
Type 1 – significant one off events	
Efficiency Dividend	(8,301)
Type 2 – Provisions and Fair Value Adjustments	
Unrealised Gains	(18,654)
Underlying Operating Revenue	965,564
Expenses	940,928
Type 1 – significant one off events	
Severance Payments	(9,414)
Business services transformation program	(4,135)
Type 2 – Provisions and Fair Value Adjustments	-
Underlying Operating Expenses	927,379
Underlying Operating Result	38,185
Underlying Operating Margin	4.0%

Income (\$992.5 million, increased \$36.7 million or 3.8 per cent)

Australian Government grants increased \$18.2 million (5.0 per cent) primarily due to the refund of the 2015 Efficiency Dividend (\$8.3 million) and the retention of the 2016 Efficiency Dividend (\$8.6 million) coupled with a small increase in student load.

Higher Education Loan Program payments increased \$11.6 million (5.2 per cent) aligned with increases in student load and more students electing to defer their debt.

Fees and charges decreased \$0.8 million (-0.3 per cent) largely driven by a net reduction in course fees of \$0.5 million associated with a decline in Fee Paying Domestic revenues (-\$3.0 million) offset by Fee Paying Overseas student revenue increase (\$2.5 million). Upfront payment of Student Amenities fees increased (\$0.3 million).

Investment income increased \$8.9 million primarily attributable to the Queensland Investment Corporation (QIC) managed investments \$8.6 million (2016: \$14.5 million; 2015: \$5.8 million) improved performance in the QIC Growth Fund investments in domestic and international equities markets.

Other revenue and income decreased by \$10.4 million largely due to a decline in achieving the equivalent of the prior year major donations totalling \$6.0 million for the Learning Potential Fund. Non-Government Grants decreased by \$5.2 million, mainly attributable to a decrease in funding from the National Breast Cancer Foundation and the Bill and Melinda Gates Global Health Program.

Other Investment income increased substantially over last year largely due to unrealised investment gains in QIC investments \$14.8 million (2016: \$16.9 million; 2015: \$2.1 million). Other movements were due to significant valuation adjustments

applied in 2015 for investments in Factor Therapeutics \$2.3 million (2016: \$0.1 million; 2015 -\$2.2 million) and Education Australia -\$6.4 million (2016: \$1.6 million; 2015 \$8.0 million).

Expenses (\$940.9 million, increased \$18.8 million or 2.0 per cent)

Employee related expenses increased \$16.6 million (3.0 per cent) driven by salary rate increases associated with negotiated enterprise agreements (approx. 3 per cent) and severance payments. Academic salaries were up \$12.9 million (4.9 per cent) largely impacted by the Voluntary Early Retirement scheme separation payments, whilst Non-academic salaries increase was constrained to \$3.7 million (1.3%).

Depreciation and Amortisation decreased by \$8.5 million (-12.5 per cent) due to the decisions made in 2015 to demolish some buildings at Kelvin Grove campus (E and L blocks) to make way for a new Education Precinct. The subsequent revisions to the useful life of the existing assets contributed to a decrease in depreciation expense of \$8.3 million.

Other Expenses increased \$4.1 million (1.5 per cent) mainly attributable to: Scholarships (\$2.8 million), Consultants and contractors (\$3.8 million of which \$2.5 million was aligned to the business services transformation program). This was offset in part by a reduction in advertising, promotional and marketing expenses (-\$2.0 million) and other minor expense reductions (-\$0.5 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 (\$1,491.7 million,
Increased \$56.4 million or
3.9 per cent)*

QUT's net asset position as at 31 December 2016 was \$1,491.7 million representing an increase of \$56.4 million (3.9 per cent) driven by several key factors:

Current assets increased \$56.9 million (12.4 per cent) largely driven by an increase in Other Financial Assets associated with Investments (\$42.6 million), Cash and Cash equivalents (\$18.3 million), Prepayments (\$1.5 million) and a reduction in Receivables (-\$5.4 million).

Non-current assets increased \$36.3 million (3.0 per cent) mainly due to increases in Property Plant and Equipment \$30.7 million and Other Financial Assets associated with investments \$8.1 million, partially offset by the regular annual amortisation of intangible assets (-\$3.2 million).

Total liabilities increased by \$36.9 million (15.0 per cent) largely driven by the university drawing down a new loan in 2016 for the Kelvin Grove Sportsfield Car Park totalling \$34.0 million.

Liquidity (Current) Ratio (3.1:1)

The university's liquidity ratio of current assets to current liabilities is 3.1:1. This is deemed reasonable due to the significant investment funds under management by the Queensland Investment Corporation which are recorded as current assets and readily converted to cash. The remaining funds held in cash and cash equivalents are actively managed

for the purpose of supporting the university's obligations to granting bodies and the significant asset management plan.

In conclusion, the operating surplus and underlying result in 2016 present an improvement when compared to the previous year and the original budget estimates. This improvement was largely due to strong investment returns and the retention of funds previously withheld relating to the Federal Government efficiency dividend. Management initiatives applied in 2016 contributed to some initial one-off growth in expenses necessary to initiate and deliver improved financial performance across the coming budget triennium. 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.

Queensland University of Technology
Income Statement
For the Year Ended 31 December 2016

	Note	Consolidated		Parent	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Income from continuing operations					
Australian Government financial assistance					
Australian Government grants	2	382,832	364,647	382,832	364,647
HELP - Australian Government Payments	2	231,998	220,445	231,998	220,445
State and Local Government financial assistance	3	5,073	5,304	5,073	5,304
HECS-HELP - Student Payments		22,764	23,467	22,764	23,467
Fees and charges	4	219,141	219,886	219,490	220,250
Investment revenue	5	19,478	10,628	19,436	10,557
Royalties, trademarks and licences		306	249	140	101
Consultancy and contracts	6	54,952	54,764	54,975	55,000
Revenue and other income	7	41,847	52,299	42,663	53,109
Total revenue from continuing operations		978,391	951,689	979,371	952,880
Gains on disposal of assets		-	767	-	306
Other investment income	5	18,654	7,891	13,148	2,668
Total income from continuing operations		997,045	960,347	992,519	955,854
Expenses from continuing operations					
Employee related expenses	8	566,415	549,188	563,139	546,546
Depreciation and amortisation		59,292	67,750	59,291	67,749
Repairs and maintenance	9	38,686	31,889	38,679	31,875
Borrowing costs		3,543	3,564	3,543	3,564
Impairment of assets	10	236	635	234	636
Loss on disposal of assets		144	-	144	-
Other expenses	11	277,381	273,554	275,898	271,757
Total expenses from continuing operations		945,697	926,580	940,928	922,127
Net result attributable to members of Queensland University of Technology		51,348	33,767	51,591	33,727

The accompanying notes form part of these financial statements

Queensland University of Technology
Statement of Comprehensive Income
For the Year Ended 31 December 2016

	Note	Consolidated		Parent	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Net result attributable to members of Queensland University of Technology		51,348	33,767	51,591	33,727
Other comprehensive income					
Gain (loss) on value of land, buildings, heritage and cultural assets, net of tax	15	14,032	34,455	14,032	34,455
Gain (loss) on value of available for sale financial assets, net of tax		128	-	-	-
Total other comprehensive income		14,160	34,455	14,032	34,455
Total comprehensive income for the year		65,508	68,222	65,623	68,182
Total comprehensive income attributable to:					
Members of Queensland University of Technology		65,508	68,222	65,623	68,182
Total		65,508	68,222	65,623	68,182

The accompanying notes form part of these financial statements

Queensland University of Technology
Statement of Financial Position
As At 31 December 2016

		Consolidated		Parent	
		2016	2015	2016	2015
	Note	\$'000	\$'000	\$'000	\$'000
Assets					
Current Assets					
Cash and cash equivalents	12	144,377	127,057	141,767	123,450
Receivables	13	26,950	32,358	26,852	32,205
Inventories		2,432	2,624	2,437	2,634
Other financial assets	14	320,201	277,568	320,201	277,568
Other non-financial assets	17	23,286	21,747	23,214	21,679
Total Current Assets		517,246	461,354	514,471	457,536
Non-Current Assets					
Other financial assets	14	82,748	74,136	84,674	76,570
Property, plant and equipment	15	1,095,549	1,064,832	1,095,545	1,064,826
Intangible assets	16	22,728	25,894	22,713	25,894
Other non-financial assets	17	56,556	55,856	56,556	55,856
Total Non-Current Assets		1,257,581	1,220,718	1,259,488	1,223,146
Total Assets		1,774,827	1,682,072	1,773,959	1,680,682
Liabilities					
Current Liabilities					
Trade and other payables	18	35,546	34,772	35,058	33,800
Borrowings	19	3,376	1,853	3,376	1,853
Provisions	20	95,926	94,734	95,690	94,589
Other liabilities	21	31,889	27,459	31,786	27,392
Total Current Liabilities		166,737	158,818	165,910	157,634
Non-Current Liabilities					
Borrowings	19	101,364	71,288	101,364	71,288
Provisions	20	8,964	11,122	8,914	11,022
Other liabilities	21	6,077	5,452	6,077	5,452
Total Non-Current Liabilities		116,405	87,862	116,355	87,762
Total Liabilities		283,142	246,680	282,265	245,396
Net Assets		1,491,685	1,435,392	1,491,694	1,435,286
Equity					
Reserves	22	355,848	341,688	355,720	341,688
Retained Earnings/profit	22	1,135,837	1,093,704	1,135,974	1,093,598
Parent entity interest		1,491,685	1,435,392	1,491,694	1,435,286
Total Equity		1,491,685	1,435,392	1,491,694	1,435,286

The accompanying notes form part of these financial statements

Queensland University of Technology
Statement of Changes in Equity
For the Year Ended 31 December 2016

	Parent		
	Retained Earnings	Reserve	Total
	\$'000	\$'000	\$'000
Balance at 1 January 2016	1,093,598	341,688	1,435,286
Net operating result	51,591	-	51,591
Gain (loss) on value 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

	Retained Earnings	Reserve	Total
	\$'000	\$'000	\$'000
Balance at 1 January 2015	1,059,871	307,233	1,367,104
Net operating result	33,727	-	33,727
Gain (loss) on value of land, buildings, heritage and cultural assets, net of tax	-	34,455	34,455
Total comprehensive income	1,093,598	341,688	1,435,286
Balance at 31 December 2015	1,093,598	341,688	1,435,286

	Consolidated		
	Retained Earnings	Reserve	Total
	\$'000	\$'000	\$'000
Balance at 1 January 2016	1,093,704	341,688	1,435,392
Net operating result	51,348	-	51,348
Gain (loss) on value of land, buildings, heritage and cultural assets, net of tax	-	14,032	14,032
Gain (loss) on value 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

	Retained Earnings	Reserve	Total
	\$'000	\$'000	\$'000
Balance at 1 January 2015	1,059,637	307,533	1,367,170
Net operating result	33,767	-	33,767
Gain (loss) on value of land, buildings, heritage and cultural assets, net of tax	-	34,455	34,455
Total comprehensive income	1,093,404	341,988	1,435,392
Transfer to/(from) retained earnings	300	(300)	-
Balance at 31 December 2015	1,093,704	341,688	1,435,392

The accompanying notes form part of these financial statements

Queensland University of Technology
Statement of Cash Flows
For the Year Ended 31 December 2016

		Consolidated		Parent	
	Note	2016	2015	2016	2015
		\$'000	\$'000	\$'000	\$'000
Cash Flows from:					
Operating Activities					
Australian Government Grants	2(g)	614,596	583,383	614,596	583,383
OS - HELP (net)	2(g)	(2,864)	1,661	(2,864)	1,661
State Government Grants		4,990	5,261	4,990	5,261
Local Government Grants received		83	43	83	43
HECS HELP - Student payments		22,764	23,467	22,764	23,467
Receipts from student fees and other customers		303,716	332,736	304,651	333,736
Interest received		4,876	4,977	4,833	4,908
Payments to suppliers and employees (inclusive of GST)		(867,681)	(855,724)	(862,282)	(851,335)
Interest paid		(3,543)	(3,564)	(3,543)	(3,564)
Dividends received		-	263	-	263
GST recovered / paid		353	2,636	169	2,635
Net cash provided by/(used in) operating activities	30	77,290	95,139	83,397	100,458
Investing Activities					
Proceeds from sale of property, plant and equipment		376	2,635	376	2,635
Proceeds from sale of available-for-sale financial assets		-	647	-	-
Refund of imputation credits from ATO		2,173	-	2,173	-
Distributions received		13,273	4,892	13,273	4,892
Advances of cash into investment fund		(33,463)	(34,892)	(33,463)	(34,892)
Payment for additional investment in subsidiary		-	-	(5,500)	(3,763)
Payments for property, plant and equipment		(73,554)	(70,194)	(73,539)	(70,187)
Recall of cash from investment trust		-	30,000	-	30,000
Payment for investments		(375)	(294)	-	-
Net cash used by/(used in) investing activities		(91,570)	(67,206)	(96,680)	(71,315)
Financing Activities					
Proceeds from borrowings		34,000	-	34,000	-
Repayment of borrowings		(2,400)	(22,843)	(2,400)	(22,843)
Net cash provided by/(used in) financing activities		31,600	(22,843)	31,600	(22,843)
Net increase/(decrease) in cash and cash equivalents held		17,320	5,090	18,317	6,300
Cash and cash equivalents at beginning of year		127,057	121,967	123,450	117,150
Cash and cash equivalents at end of financial year	12	144,377	127,057	141,767	123,450

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 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 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 2016.

1 Summary of Significant Accounting Policies continued

(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 2016. 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 1(g)).

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 continued

(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 2016 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.

1 Summary of Significant Accounting Policies continued

(f). 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 (refer note 26). As at 31 December 2016, the consolidated entity had not entered into any finance leases.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases (refer note 26). Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease, where material.

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

(g). Business combinations

The purchase method of accounting is used to account for all business combinations, including business combinations involving entities or businesses under common control, regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange.

(h). 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 an asset's fair value less costs of disposal and value in use.

(i). Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, term deposits, and other short-term, highly liquid investments. These investments have 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. Bank overdrafts would be shown within borrowings in current liabilities on the statement of financial position.

(j). Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Cash flows relating to short term receivables are not discounted if the effect of discounting is immaterial, as their carrying amount is assumed to approximate their fair value.

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.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recorded in the income statement against 'impairment of assets'. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables, with subsequent recovery of amounts previously written off credited against 'impairment of assets' in the income statement.

1 Summary of Significant Accounting Policies continued

(k). Inventories

(i) Raw materials and stores, work in progress and finished goods

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(ii) Bookshop

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

(l). Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale and stated at the lower of their carrying amount and fair value less costs of disposal, if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale, that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale.

As at 31 December 2016, the consolidated entity did not have any non-current assets (or disposal groups) held for sale or any discontinued operations.

(m). Investments and other financial assets

The consolidated entity classifies its investments in the following categories; financial assets at fair value through profit or loss; loans and receivables; and available for sale financial assets. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

(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. Financial assets in this category are classified as current assets, if acquired principally for the purpose of selling in the short term, or as non-current assets if management does not intend to dispose of the investment within 12 months of the statement of financial position date.

The University classifies a portion of its investments with Queensland Investment Corporation (QIC) as non-current assets, which represent the endowment funds. These investments are used to fund scholarships, prizes, sponsorships and research initiatives.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in receivables in the statement of financial position.

(iii) 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 balance sheet date.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in other comprehensive income are included in the income statement as gains and losses from investment securities.

1 Summary of Significant Accounting Policies continued

(n). Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The University designates certain derivatives as either: hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or hedges of highly probable forecast transactions (cash flow hedges).

(i) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

(ii) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the income statement within other income or other expense.

Amounts that have been recognised in other comprehensive income are reclassified from equity to profit or loss as a reclassification adjustment in the periods when the hedged item affects profit or loss (for instance when the forecast sale that is hedged takes place). The gain or loss relating to the effective portion of forward foreign exchange contracts hedging export sales is recognised in the income statement within 'sales'.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in other comprehensive income from the period when the hedge was effective shall remain separately in equity until the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was recognised in other comprehensive income shall be reclassified to profit or loss as a reclassification adjustment.

(iii) Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in the income statement and are included in other income or other expenses.

(o). Fair value measurement

The fair value of assets and liabilities must be measured for recognition and disclosure purposes.

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.

All assets and liabilities of the University for which fair value is measured or disclosed in the financial statements are categorised within the following fair value hierarchy, based on the data and assumptions used in the most recent specific appraisals:

- level 1 – represents fair value measurements that reflect unadjusted quoted market prices in active markets for identical assets and liabilities;
- level 2 – represents fair value measurements that are substantially derived from inputs (other than quoted prices included within level 1) that are observable, either directly or indirectly; and
- level 3 – represents fair value measurements that are substantially derived from unobservable inputs.

Fair value measurement of non-financial assets is based on the *highest and best use* of the asset. The University considers market participants use of, or purchase of the asset, to use it in a manner that would be highest and best use.

1 Summary of Significant Accounting Policies continued

(o). Fair value measurement continued

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 the University for similar financial instruments.

More specific fair value information about the University's property, plant and equipment and investments is detailed in note 32.

(p). Property, plant and equipment

Asset recognition thresholds:

(i) Land

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

(ii) Buildings (including land improvements)

Buildings (including land improvements) 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.

(iii) Major plant and equipment

This asset class may be used at management discretion and includes assets with high price volatility, for example, specialised vehicles, shipping vessels and earthmoving equipment. The consolidated entity has not classified any assets within the 'Major plant and equipment' category.

(iv) Plant and equipment

Plant and equipment with a value equal to or greater than \$5,000 is initially recorded at cost. However, 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.

(v) Library – Reference

The consolidated entity does not hold any assets within the 'Library – Reference' category.

(vi) Heritage and cultural assets

Heritage buildings with a value equal to or greater than \$5,000 are initially recorded at cost.

Heritage 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. Heritage 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.

The asset recognition threshold limit for artwork is \$1. 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.

(vii) Work in progress

Work in progress is shown at cost.

1 Summary of Significant Accounting Policies continued

(p) Property, plant and equipment continued

Depreciation

Depreciation on an asset is calculated using the straight line method to allocate cost (or re-valued 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
Heritage and cultural assets	100 - 120

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.

Revaluations

The following information outlines the revaluation basis and frequency for each asset class:

(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.

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.

(ii) Buildings (including land improvements)

An independent valuation of buildings (including land improvements), based on fair value, being depreciated replacement cost, is carried out at least every five years and is indexed in intervening years. In accordance with these requirements the independent valuation occurred in 2016.

In accordance with Queensland Treasury policy, 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) Heritage and cultural assets

An independent valuation of heritage buildings, based on fair value, being depreciated replacement cost, is carried out at least every five years and is indexed in intervening years. In accordance with these requirements the independent valuation occurred in 2016.

In accordance with Queensland Treasury policy, 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.

1 Summary of Significant Accounting Policies continued

(p). Property, plant and equipment continued

Increases in the carrying amount arising from revaluation of heritage 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.

An external, independent valuation of the museum art collections, based on fair value, being current market value, is carried out at least every five years and indexed in intervening years. In accordance with these requirements the independent valuation of the museum art collections occurred in 2016.

Increases in the carrying amount arising from revaluation of the art collection 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 directly in equity to the extent of the remaining reserves attributable to the asset, all other decreases are charged to the income statement. Revaluation increments and decrements may only be offset against one another within a class of non-current assets.

Indexations

Indexation is undertaken annually across a range of asset classes within property, plant and equipment, when an independent valuation is not scheduled to take place (refer note 15).

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.

(q). Intangible assets

(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.

1 Summary of Significant Accounting Policies continued

(q). Intangible assets continued

(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.

(r). Unfunded superannuation

The consolidated entity does not have any unfunded superannuation liabilities.

(s). 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 agreed trading terms.

(t). Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method.

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. Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or other expenses.

(u). Employee benefits

(i) Key management personnel and remuneration

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

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 2016.

Position	Responsibilities	Contract classification and appointment authority	Appointment date Resignation date
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.	Appointed April 2003
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).	Appointed March 2012
Deputy Vice-Chancellor, Corporate Programs & Partnerships	The DVC, Corporate Programs and Partnerships is responsible to the VC for leading growth of the University's corporate education.	The VC has the authority to appoint the DVC, Corporate Programs & Partnerships as set out in the QUT MOPP.	Appointed May 2012 Resigned December 2016
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.	Appointed February 2008

1 Summary of Significant Accounting Policies continued

(u). Employee benefits continued

Position	Responsibilities	Contract classification and appointment authority	Appointment date Resignation date
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.	Appointed February 2011
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.	Appointed January 2008
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.	Appointed January 2014
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.	Resigned March 2016 Appointed October 2016
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.	Appointed May 2012

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.
- Non-monetary benefits – consisting of provision of vehicle together with fringe benefits tax applicable to the benefit.

Long term employee benefits include long service leave accrued.

Post-employment benefits include superannuation contributions.

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.

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.

1 Summary of Significant Accounting Policies continued

(u). Employee benefits continued

(ii) Annual leave

The liability for annual leave is recognised in current provisions 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. Regardless of the expected timing of settlements, provisions made in respect of employee benefits are classified as a current liability, unless there is an unconditional right to defer the settlement of the liability for at least 12 months after the reporting date, in which case it would be classified as a non-current liability.

(iii) Wages and salaries

Liabilities for wages and salaries, including non-monetary 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.

(iv) 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. Consideration is given to anticipated future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that approximate the estimated future cash outflows.

(v) Retirement benefit obligations

Employees of the consolidated entity are entitled to benefits on retirement, disability or death from the consolidated entity's superannuation plan. The consolidated entity has a defined benefit division and a defined contribution division within its plan. The defined benefit division provides a defined lump sum benefit or pension based on years of service and final average salary.

The UniSuper Defined Benefit Division (DBD), which is the predominant plan within the University, 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. The DBD receives fixed contributions from the consolidated entity and the consolidated entity's legal or constructive obligation is limited to these contributions. Additionally, any actuarial risk and investment risk falls on the consolidated entity's employees.

(vi) 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.

(v). 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.

(w). 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 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

1 Summary of Significant Accounting Policies continued

(w). Goods and services tax (GST) continued

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.

(x). 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.

(y). Investment property

During the reporting period, the University did not hold any investment properties.

(z). Comparative amounts

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

(aa). Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognised less cumulative amortisation, where appropriate.

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of subsidiaries or associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

(ab). 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 have been no new standards issued/or standards which would impact on the reporting period beginning 1 January 2016.

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

AASB 124 Related Party Disclosures

Extends Related Party disclosures to not-for-profit public sector entities and applies for annual reporting periods beginning on or after 1 July 2016. Not-for-profit public sector entities will now be required to provide related party disclosures in the same way as for profit entities. That 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.

1 Summary of Significant Accounting Policies continued

(ab). New accounting standards and interpretations continued

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 15 Revenue from Contracts with Customers and AASB 2016-8 Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities [AASB9 & AASB15] (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 and contains much more detailed requirements for the accounting of certain types of revenue from customers. Depending on the specific contractual terms, 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). 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.

(ac). 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.

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

None.

2 Australian government financial assistance including Australian government loan programs (HELP)

(a). Commonwealth Grants Scheme and Other Grants

	Note	Consolidated		Parent	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Commonwealth Grants Scheme ^{#1}		275,965	253,309	275,965	253,309
Indigenous Support Program		1,783	1,655	1,783	1,655
Partnership & Participation Program ^{#2}		5,203	5,612	5,203	5,612
Promotion of Excellence in Learning and Teaching		344	653	344	653
Improving the Quality of Maths & Science Teaching Program		979	1,017	979	1,017
Total Commonwealth Grants Scheme and Other Grants	33(a).	284,274	262,246	284,274	262,246

(b). HELP - Australian Government Payments

	Note	Consolidated		Parent	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
HECS - HELP		202,350	192,821	202,350	192,821
FEE - HELP ^{#3}		25,595	23,539	25,595	23,539
SA-HELP		4,053	4,085	4,053	4,085
Total HELP - Australian Government Payments ^{#3a}	33(b).	231,998	220,445	231,998	220,445

(c). Scholarships

	Note	Consolidated		Parent	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Australian Postgraduate Awards		9,074	8,769	9,074	8,769
International Postgraduate Research Scholarships		725	694	725	694
Commonwealth Education Costs Scholarship ^{#4}		521	426	521	426
Commonwealth Accommodation Scholarships ^{#4}		333	313	333	313
Indigenous Access scholarships		640	613	640	613
Total Scholarships	33(c).	11,293	10,815	11,293	10,815

2 Australian government financial assistance including Australian government loan programs (HELP) continued

(d). Education Research

	Note	Consolidated		Parent	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Joint Research Engagement Program		10,629	10,858	10,629	10,858
JRE Engineering Cadetships		55	-	55	-
Research Training Scheme		20,735	19,994	20,735	19,994
Research Infrastructure Block Grants		5,088	4,278	5,088	4,278
Sustainable Research Excellence in Universities		3,843	3,004	3,843	3,004
Total Education Research	33(d).	40,350	38,134	40,350	38,134

(e). Australian Research Council

		Consolidated		Parent	
		2016	2015	2016	2015
		\$'000	\$'000	\$'000	\$'000
(i) Discovery					
Discovery - Projects		5,770	6,576	5,770	6,576
Discovery - Fellowships ^{#5}		6,130	6,638	6,130	6,638
Discovery - Indigenous Researchers Development		155	153	155	153
Total Discovery	33(e).	12,055	13,367	12,055	13,367
(ii) Linkages					
Linkages - Infrastructure		-	570	-	570
Linkages - Projects		3,558	3,629	3,558	3,629
Industrial Transformational Research Program		964	-	964	-
Total Linkages	33(e).	4,522	4,199	4,522	4,199
(iii) Networks and Centres					
Networks and Centres - Centres	33(e).	2,895	2,846	2,895	2,846
Total Networks and Centres		2,895	2,846	2,895	2,846
Linkages - Special Research Initiatives	33(e).	443	871	443	871
Total ARC		19,915	21,283	19,915	21,283

2 Australian government financial assistance including Australian government loan programs (HELP) continued

(f). Other Australian Government Financial Assistance

	Consolidated		Parent	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Non-capital				
National Health & Medical Research Council (NHMRC)	9,834	11,986	9,834	11,986
Department of Foreign Affairs and Trade	5,377	6,527	5,377	6,527
Sugar Research & Development Corporation	2,319	823	2,319	823
Department of Health	1,554	2,598	1,554	2,598
CSIRO	988	905	988	905
Other	6,928	9,330	6,928	9,330
Total Other Australian Government Financial Assistance	27,000	32,169	27,000	32,169
Total Australian Government Financial Assistance	614,830	585,092	614,830	585,092

- #1 Includes the basic CGS grant amount, CGS - Regional Loading, CGS - Enabling Loading, Maths and Science Transition Loading and Full Fee Transition Loading. Also includes reimbursement of 2015 efficiency dividend (\$8.3 million).
- #2 Includes Equity Support Program.
- #3 This program is in respect of FEE-HELP for Higher Education only and excludes funds received in respect of VET FEE-HELP.
- #3a HELP payments increased by \$13 million in 2016 due to increased student load and fee increases.
- #4 Includes Grandfathered Scholarships, National Priority and National Accommodation Priority Scholarships respectively.
- #5 Includes Early Career Researcher Award.

2 Australian government financial assistance including Australian government loan programs (HELP) continued

	Consolidated		Parent	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Reconciliation				
Australian Government Grants (a+c+d+e+f)	382,832	364,647	382,832	364,647
HECS - HELP	202,350	192,821	202,350	192,821
FEE - HELP	25,595	23,539	25,595	23,539
SA-HELP	4,053	4,085	4,053	4,085
Total Australian Government Financial Assistance	614,830	585,092	614,830	585,092

(g). Australian Government Grants received - cash basis

	Note	Consolidated		Parent	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
CGS and Other Education Grants		284,096	262,246	284,096	262,246
Higher Education Loan Programmes		231,732	220,005	231,732	220,005
Scholarships		11,292	10,813	11,292	10,813
Education research		40,351	38,135	40,351	38,135
ARC grants - Discovery		11,625	13,367	11,625	13,367
ARC grants - Linkages		4,501	4,159	4,501	4,159
ARC grants - Networks and Centres		2,895	2,846	2,895	2,846
ARC grants - Special Research Initiatives		443	871	443	871
Other Australian Government Grants		27,661	30,941	27,661	30,941
Total Australian Government Grants received - cash basis		614,596	583,383	614,596	583,383
OS-Help (Net)	33(f).	(2,864)	1,661	(2,864)	1,661
Total Australian Government funding received - cash basis		611,732	585,044	611,732	585,044

3 State and local government financial assistance

	Consolidated		Parent	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Non-capital				
State government financial assistance	4,740	5,261	4,740	5,261
Local government financial assistance	83	43	83	43
Total	4,823	5,304	4,823	5,304
Capital				
State and local government financial assistance	250	-	250	-
Total	250	-	250	-
Total State and Local Government Financial Assistance	5,073	5,304	5,073	5,304

4 Fees and charges

	Consolidated		Parent	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Course fees and charges				
Fee-paying onshore overseas students ^{#1}	174,184	171,214	174,184	171,214
Fee-paying offshore overseas students ^{#2}	-	437	-	437
Continuing education	9,202	9,292	9,054	9,140
Fee-paying domestic postgraduate students ^{#3}	9,950	12,447	9,950	12,447
Fee-paying domestic undergraduate students	5,861	6,303	5,861	6,303
Fee-paying domestic non-award students	44	16	44	16
Other domestic course fees and charges	24	59	24	59
Total course fees and charges	199,265	199,768	199,117	199,616
Other non-course fees and charges				
Facilities hire fees	1,539	1,596	1,539	1,595
Health services fees	1,026	1,100	1,026	1,100
Student services fees from students ^{#4}	3,502	3,199	3,502	3,199
Late fees	128	159	128	159
Library photocopier fees	818	1,098	818	1,098
Parking fees ^{#5}	5,421	5,701	5,513	5,783
Registration fees	1,701	1,741	1,701	1,741
Rental charges	4,108	4,123	4,513	4,558
Student accommodation	65	79	65	79
Other fees and charges	1,568	1,322	1,568	1,322
Total other fees and charges	19,876	20,118	20,373	20,634
Total fees and charges	219,141	219,886	219,490	220,250

#1 Fee-paying onshore overseas student revenue marginal increase was largely driven by the approved fees increase, offsetting a small decline in EFTSL.

#2 Fee-paying offshore overseas student revenue decreased as there was no courses run overseas in 2016.

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

#4 Student amenities fee slight increase of \$0.304 million was largely driven by both the increase in student load and upfront payment.

#5 Parking fees decreased by \$0.27 million. This can be attributed to half of the KG oval carpark not being operational in 2016 due to the construction of the new sports field carpark

5 Investment revenue and income

	Consolidated		Parent	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Investment revenue				
Interest	4,950	4,524	4,908	4,453
Realised investment gains	14,528	5,841	14,528	5,841
Dividends	-	263	-	263
Total investment revenue	19,478	10,628	19,436	10,557
Other investment income				
Unrealised investment gains	18,654	7,891	13,148	2,668
Total other investment income	18,654	7,891	13,148	2,668
Net investment income	38,132	18,519	32,584	13,225

6 Consultancy and contracts

	Consolidated		Parent	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Consultancy ^{#1}	21,972	20,850	21,995	20,827
Contract research	32,980	33,914	32,980	34,173
Total consultancy and contracts	54,952	54,764	54,975	55,000

#1 Increase driven by Consultancy agreements with Coffrey International Development Pty Ltd and Scope Global Pty Ltd, Directorate of Secondary & Higher Education in Bangladesh for Teaching Quality.

7 Revenue and Other Income

	Consolidated		Parent	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Donations and bequests ^{#1}	4,952	10,816	4,952	10,816
Scholarships and prizes	437	433	462	433
Non-government grants ^{#2}	15,300	20,484	15,825	21,084
Sale of goods	7,266	7,749	7,266	7,749
Recoveries	9,584	9,178	9,803	9,615
Sponsorships	1,555	1,863	1,547	1,864
Other	2,753	1,776	2,808	1,548
Total other revenue and income	41,847	52,299	42,663	53,109

#1 Donations and bequests decreased due to two extraordinary large one-off donations recognised in 2015 totalling \$6 million.

#2 Non-government grants declined primarily due to reduced income from National Breast Cancer Foundation and Melinda and Bill Gates Foundation.

8 Employee related expenses

	Consolidated		Parent	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Academic				
Salaries	208,536	197,531	208,547	197,531
Contributions to superannuation and pensions - Funded	33,772	32,585	33,772	32,585
Payroll tax	12,467	11,849	12,467	11,849
Worker's compensation	248	224	248	224
Long service leave expense	4,314	4,388	4,314	4,388
Annual leave	17,149	17,111	17,149	17,111
Parental leave expense	1,788	1,708	1,788	1,708
Total academic	278,274	265,396	278,285	265,396
Non-academic				
Salaries	212,665	209,852	209,833	207,617
Contributions to superannuation and pensions - Funded	35,430	35,049	35,179	34,828
Payroll tax	12,881	12,724	12,727	12,605
Worker's compensation	290	258	279	249
Long service leave expense	4,380	4,544	4,380	4,544
Annual leave	20,361	19,307	20,322	19,249
Parental leave expense	2,134	2,058	2,134	2,058
Total non-academic	288,141	283,792	284,854	281,150
Total employee related expenses	566,415	549,188	563,139	546,546
Deferred superannuation expense	-	-	-	-
Total employee related expenses, including deferred benefits for superannuation ^{#1}	566,415	549,188	563,139	546,546

#1 Employee related expenses (Parent) increased by \$16.5 million primarily driven by salary rate increases and voluntary early retirement (VER) separation payments.

9 Repairs and maintenance

	Consolidated		Parent	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Buildings	11,102	12,616	11,102	12,608
Non-capitalised construction	9,748	5,158	9,748	5,158
Computing	14,598	11,227	14,598	11,227
Equipment	1,481	1,360	1,481	1,360
Other	1,757	1,528	1,750	1,522
Total repairs and maintenance	38,686	31,889	38,679	31,875

10 Impairment of assets

	Consolidated		Parent	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Doubtful debts written off	522	413	520	414
Change in provision for bad and doubtful debts	(286)	222	(286)	222
Total impairment of assets	236	635	234	636

11 Other expenses

	Consolidated		Parent	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Scholarships, grants and prizes ^{#1}	66,215	63,367	66,215	63,367
Non-capitalised equipment ^{#2}	17,091	18,430	17,035	18,330
Advertising, marketing and promotional expenses	11,895	14,015	11,577	13,584
Audit fees, bank charges, legal costs and insurance expenses	7,076	7,248	7,076	7,077
General consumables	10,756	9,984	10,753	9,973
Printing and stationery	2,654	3,068	2,636	3,039
Rental, hire and other leasing fees	23,350	21,942	23,351	21,942
Telecommunications	2,641	2,751	2,611	2,705
Travel and related staff development and training ^{#3}	25,053	27,577	24,884	27,352
Consultants and contractors ^{#4}	35,383	31,285	34,601	30,781
Commission	11,819	12,162	11,819	12,162
Cost of sales	4,059	4,761	4,023	4,713
Contributions to collaborative projects	20,810	21,404	20,835	21,429
Library acquisitions	14,142	13,043	14,142	13,043
Utilities	13,119	12,600	13,119	12,600
Act of grace and special payments	-	13	-	13
Other ^{#5}	11,318	9,904	11,221	9,647
Total other expenses	277,381	273,554	275,898	271,757

#1 Increase in Scholarships, grant and prizes was predominantly driven by an increase in funding for Equity scholarships in 2016.

#2 Decrease in Non-Capitalised equipment was mainly driven by Information Communication Technology Hardware < \$5,000 (\$1.57 million).

#3 Decreased mainly due to overseas travel costs for staff and student & visitor has decreased from a total of \$16.83 million in 2015 to \$14.97 million in 2016. Training costs has decreased by \$0.243 million from \$1.26 million in 2015 to \$1.03 million in 2016.

#4 Consultant costs increase driven by a \$2.5 million contract to support significant business transformation initiative (Real Difference Program).

#5 Other expenses was driven by: in 2015 the university made a foreign currency hedge gain of \$0.615 million. However, in 2016 the university made a loss on the foreign currency hedge of \$0.171 million.

12 Cash and cash equivalents

	Consolidated		Parent	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Bank balances	3,764	6,857	1,870	5,000
Deposits at call	99,897	118,450	99,897	118,450
Term deposits	40,716	1,750	40,000	-
Total cash and cash equivalents	144,377	127,057	141,767	123,450

(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	144,377	127,057	141,767	123,450
Balance as per cash flow statement	144,377	127,057	141,767	123,450

(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 2016 was 1.00% (2015: 1.50%).

(c). Deposits at call

Deposits at call are interest bearing on floating interest rates. The annual effective interest rate as at 31 December 2016 was 2.46% (2015: 2.84%).

(d). Term deposits

Term deposits are bearing floating interest rates at 2.70% (2015: 3.44% and 3.51%). These deposits have an average maturity of 90 days (2015: 90 days).

For the majority of 2016, the QTC at call cash account outperformed term deposits. However, in the December 2016, term deposit rates strengthened against QTC and as a result term deposits once again were utilised.

13 Receivables

	Consolidated		Parent	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Current				
Student fees	1,472	1,224	1,472	1,224
Student loans	234	203	234	203
Trade receivables	10,745	10,649	10,718	10,573
Less: provision for impairments	(1,074)	(1,396)	(1,072)	(1,392)
	11,377	10,680	11,352	10,608
GST receivable	1,929	1,927	1,856	1,846
Accrued revenue ^{#1}	13,644	19,751	13,644	19,751
Total current receivables	26,950	32,358	26,852	32,205
GST receivable consists of:				
Gross amount of input tax credits receivable from the ATO	2,892	2,894	2,803	2,799
Gross GST payable to the ATO	(963)	(967)	(947)	(953)
Net GST receivable	1,929	1,927	1,856	1,846

#1 There has been a prior period remission error of \$9.215 million included in 2016.

The accrued revenue increase from 2015 to 2016 has been largely driven by the increase in student applications deferring fee payment through the Commonwealth Government HECS-HELP loan program.

(a). Impaired receivables

As at 31 December 2016 current receivables of the University with a nominal value of \$1.074 million (2015: \$1.396 million) were impaired. The individually impaired receivables comprise student fees of \$0.02 million (2015: \$0.194 million); student loans of \$0.133 million (2015: \$0.113 million); and trade receivables of \$0.921 million (2015: \$1.089 million). The ageing of these receivables is as follows:

	Consolidated	
	2016	2015
	\$'000	\$'000
Current receivables		
3 to 6 months	89	161
Over 6 months	985	1,235
Total current impaired receivables	1,074	1,396

13 Receivables continued

(a). Impaired receivables continued

As at 31 December 2016 receivables of \$3.757 million (2015: \$5.321 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:

	Consolidated	
	2016 \$'000	2015 \$'000
Receivables		
Between 0 to 3 months	3,535	4,308
Between 3 to 6 months	24	356
Over 6 months	198	657
Total past due but not impaired receivables	3,757	5,321

Movements in the provision for impaired receivables are as follows:

At 1 January	1,396	1,169
Provision for impairment recognised during the year	284	641
Receivables written off during the year as uncollectible	(520)	(414)
Unused amount reversed	(86)	-
At 31 December	1,074	1,396

14 Other financial assets

	Consolidated		Parent	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Current				
<i>Fair value through profit or loss</i>				
Managed investment funds ^{#1}	320,201	277,568	320,201	277,568
Total current other financial assets	320,201	277,568	320,201	277,568
Non-current				
<i>Fair value through profit or loss</i>				
Shares in subsidiaries	-	-	3,199	3,204
Managed investment funds ^{#2}	69,844	63,454	69,844	63,454
Listed securities	935	852	935	852
Unlisted securities ^{#3}	10,696	9,060	10,696	9,060
<i>Available for sale</i>				
Listed corporations	1,273	770	-	-
Total non-current other financial assets	82,748	74,136	84,674	76,570
Total other financial assets	402,949	351,704	404,875	354,138

#1 The current portion of managed investment funds include the QIC Growth balances excluding the non-current portion of managed investment funds relating to the new QUT Endowment Fund established in November 2016.

#2 The non-current portion of managed investment funds includes the balance of the endowment funds and the holdings of Sciventures Pre-seed Fund.

#3 Unlisted securities include the holdings in Aarnet Pty Ltd and Education Australia.

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:

	Work in progress \$'000	Land \$'000	Buildings \$'000	Plant and equipment \$'000	Heritage / cultural assets \$'000	Total \$'000
Parent						
At 01 January 2015						
- Cost	93,366	-	-	203,743	1,640	298,749
- Valuation	-	230,545	907,664	-	119,970	1,258,179
- Accumulated depreciation	-	-	(370,502)	(105,011)	(52,290)	(527,803)
Net book amount	93,366	230,545	537,162	98,732	69,320	1,029,125
Year ended 31 December 2015						
Opening net book amount	93,366	230,545	537,162	98,732	69,320	1,029,125
Revaluation	-	78	31,223	-	3,154	34,455
Additions	52,375	-	-	15,425	369	68,169
Disposals	-	(1,050)	(581)	(589)	(35)	(2,255)
Depreciation charge	-	-	(40,786)	(20,713)	(3,073)	(64,572)
Reclassification	(44,606)	-	41,634	2,169	707	(96)
Closing net book amount	101,135	229,573	568,652	95,024	70,442	1,064,826
At 31 December 2015						
- 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

	Work in progress \$'000	Land \$'000	Buildings \$'000	Plant and equipment \$'000	Heritage / cultural assets \$'000	Total \$'000
Parent						
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

15 Property, plant and equipment continued

Consolidated	Work in progress \$'000	Land \$'000	Buildings \$'000	Plant and equipment \$'000	Heritage / cultural assets \$'000	Total \$'000
At 01 January 2015						
- Cost	93,366	-	-	203,851	1,641	298,858
- Valuation	-	230,545	907,664	-	119,970	1,258,179
- Accumulated depreciation	-	-	(370,502)	(105,119)	(52,291)	(527,912)
Net book amount	93,366	230,545	537,162	98,732	69,320	1,029,125
Year ended 31 December 2015						
Opening net book amount	93,366	230,545	537,162	98,732	69,320	1,029,125
Revaluation	-	78	31,223	-	3,154	34,455
Additions	52,375	-	-	15,431	369	68,175
Disposals	-	(1,050)	(581)	(589)	(34)	(2,254)
Depreciation charge	-	-	(40,786)	(20,714)	(3,073)	(64,573)
Reclassifications	(44,606)	-	41,634	2,169	707	(96)
Closing net book amount	101,135	229,573	568,652	95,029	70,443	1,064,832
At 31 December 2015						
- 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

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

15 Property, plant and equipment continued

(a). Valuations of land and buildings (including heritage buildings)

The consolidated entity's land values are indexed using rates provided by an independent valuer on a 'per campus' basis. In 2016 the consolidated entity's land values were indexed as follows: Gardens Point campus 10%, Kelvin Grove campus 10%, Samford properties 4%.

An independent valuation of Buildings (including heritage and land improvements) was carried out in 2016 in line with University policy as detailed in note 1(p).

(b). Non-current assets pledged as security

There are no non-current assets pledged as security by QUT or any of its controlled entities.

(c). Valuation of cultural assets

An independent valuation of the QUT museum collections was carried out in 2016 in line with University policy as detailed in note 1(p).

16 Intangible Assets

	Software under development ^{#1} \$'000	Software at cost \$'000	Total \$'000
Consolidated			
At 1 January 2015			
Cost	2,459	40,299	42,758
Accumulated amortisation	-	(15,135)	(15,135)
Net book amount	<u>2,459</u>	<u>25,164</u>	<u>27,623</u>
Year ended 31 December 2015			
Opening net book amount	3,459	25,164	28,623
Additions	448	-	448
Disposals	-	-	-
Amortisation charge	-	(3,177)	(3,177)
Reclassification	(3,261)	3,261	-
Closing net book amount	<u>646</u>	<u>25,248</u>	<u>25,894</u>
At 31 December 2015			
Cost	646	42,538	43,184
Accumulated amortisation	-	(17,290)	(17,290)
Net book amount	<u>646</u>	<u>25,248</u>	<u>25,894</u>
At 1 January 2016			
Cost	646	42,538	43,184
Accumulated amortisation	-	(17,290)	(17,290)
Net book amount	<u>646</u>	<u>25,248</u>	<u>25,894</u>
Year ended 31 December 2016			
Opening net book amount	646	25,248	25,894
Additions	233	-	233
Disposals	-	-	-
Amortisation charge	-	(3,399)	(3,399)
Reclassification	(879)	879	-
Closing net book amount	<u>-</u>	<u>22,728</u>	<u>22,728</u>
At 31 December 2016			
Cost	-	42,966	42,966
Accumulated amortisation	-	(20,238)	(20,238)
Net book amount	<u>-</u>	<u>22,728</u>	<u>22,728</u>

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

16 Intangible Assets continued

	Software under development ^{#1} \$'000	Software at cost \$'000	Total \$'000
Parent			
At 1 January 2015			
Cost	3,459	40,299	43,758
Accumulated amortisation	-	(15,135)	(15,135)
Net book amount	3,459	25,164	28,623
Year ended 31 December 2015			
Opening net book amount	3,459	25,164	28,623
Additions	448	-	448
Disposals	-	-	-
Amortisation charge	-	(3,177)	(3,177)
Reclassifications	(3,261)	3,261	-
Closing net book amount	646	25,248	25,894
At 31 December 2015			
Cost	646	42,538	43,184
Accumulated amortisation	-	(17,290)	(17,290)
Net book amount	646	25,248	25,894
At 1 January 2016			
Cost	646	42,538	43,184
Accumulated amortisation	-	(17,290)	(17,290)
Net book amount	646	25,248	25,894
Year ended 31 December 2016			
Opening net book amount	646	25,248	25,894
Additions	233	-	233
Disposals	-	-	-
Amortisation charge	-	(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	-	(20,253)	(20,253)
Net book amount	-	22,713	22,713

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

17 Other non-financial assets

	Consolidated		Parent	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Current				
Prepayments	23,286	21,747	23,214	21,679
	23,286	21,747	23,214	21,679
Non-current				
Prepayments	56,556	55,856	56,556	55,856
	56,556	55,856	56,556	55,856
Total other non-financial assets	79,842	77,603	79,770	77,535

18 Trade and other payables

	Consolidated		Parent	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Current				
Trade payables	9,269	8,885	9,208	8,392
Accrued expenses	24,187	20,933	23,760	20,454
OS-HELP liability to Australian Government	2,090	4,954	2,090	4,954
Total current trade and other payables	35,546	34,772	35,058	33,800
Non-current				
Total trade and other payables	35,546	34,772	35,058	33,800

OS-HELP is a loan scheme to assist eligible undergraduate students to undertake some of their course of study overseas. Due to the short term nature of current trade creditors, the carrying value is assumed to approximate the fair value. The decrease in the OS-HELP liability is due to reduced funding from government.

19 Borrowings

	Consolidated		Parent	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Current				
Unsecured				
Queensland Treasury Corporation loans (commercial)	3,376	1,853	3,376	1,853
Total current unsecured borrowings	3,376	1,853	3,376	1,853
Total current borrowings	3,376	1,853	3,376	1,853
Non-current				
Unsecured				
Queensland Treasury Corporation loans (commercial)	101,364	71,288	101,364	71,288
Total non-current borrowings	101,364	71,288	101,364	71,288
Total borrowings	104,740	73,141	104,740	73,141

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 Sports field Car Park. 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.

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 2016.

(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	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Australian dollar	104,740	73,141	104,740	73,141
	104,740	73,141	104,740	73,141

20 Provisions

	Consolidated		Parent	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Current provisions expected to be settled within 12 months				
Employee benefits				
Annual leave	31,144	30,440	30,943	30,295
Long service leave	4,158	2,298	4,123	2,298
Parental leave	399	385	399	385
Defined benefit obligation	-	-	-	-
Subtotal	35,701	33,123	35,465	32,978
Current provisions expected to be settled after more than 12 months				
Employee benefits				
Annual leave	12,845	12,163	12,845	12,163
Long service leave	47,380	49,448	47,380	49,448
Subtotal	60,225	61,611	60,225	61,611
Total current provisions	95,926	94,734	95,690	94,589
Non-current provisions				
Employee benefits				
Long service leave	8,964	11,122	8,914	11,022
Defined benefit obligation	-	-	-	-
Total non-current provisions	8,964	11,122	8,914	11,022
Total provisions	104,890	105,856	104,604	105,611

The current liability provision reflects an entitlement currently due to employees. This current liability has been split into two categories i.e. settlements expected within 12 months and settlements expected after more than 12 months. This split is estimated based on historical trends and probability.

The non-current liability provision reflects those employee entitlements which are not classified as current and is also based on historical trends and probability.

Annual leave provision: reflects the amount of annual leave accrued as at 31 December 2016. The increase in provision of 3.1% (2015: 9.3% Parent), reflects movement in salary and wage rates.

Long service leave provision: reflects the accumulated cost of long service leave accrued as at 31 December 2016. The current provision reflects entitlements for employees with over 7 years of service. The non-current provision reflects the accumulated cost of long service leave for employees with under 7 years of service. The decrease in provision of -3.7% (2015: increase 1.5%) is primarily due to a decrease in staff leave balances and retention rate probability rates, offset by increases in salary rates.

Parental leave provision: reflects the accumulated cost of parental leave accrued as at 31 December 2016. The increase in provision of 3.5% (2015: decrease -6.8%) is due predominantly to the value of parental leave days carried forward.

21 Other liabilities

	Consolidated		Parent	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Current				
Unearned revenue ^{#1}	31,889	27,459	31,786	27,392
Australian government unspent financial assistance	-	-	-	-
Total current other liabilities	31,889	27,459	31,786	27,392
Non-current				
Lease expenses ^{#2}	6,077	5,452	6,077	5,452
Australian government unspent financial assistance	-	-	-	-
Total non-current other liabilities	6,077	5,452	6,077	5,452
Total other liabilities	37,966	32,911	37,863	32,844

#1 Unearned revenue is predominantly income received in advance for courses in 2017. Unearned revenue also included a building lease incentive (\$0.543 million) which had been amortised over the life of the lease term from 2009 through to October 2016. The incentive was fully amortised in 2016.

#2 Lease expenses reflect the difference between actual and straight line payments for operating leases held by the university as at 31 December 2016.

22 Reserves and retained earnings

(a). Reserves

	Consolidated		Parent	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Reserves				
Property, plant and equipment revaluation reserve surplus	355,720	341,688	355,720	341,688
Available-for-sale revaluation reserve surplus	128	-	-	-
Total Reserves	355,848	341,688	355,720	341,688
Movements				
Property, plant and equipment revaluation reserve surplus				
Opening balance	341,688	307,233	341,688	307,233
Revaluation - gross	14,032	34,455	14,032	34,455
	355,720	341,688	355,720	341,688
Available-for-sale revaluation reserve surplus				
Opening balance	-	300	-	-
Revaluation - gross	128	-	-	-
Transfer to retained earnings	-	(300)	-	-
	128	-	-	-
Total reserves	355,848	341,688	355,720	341,688

(b). Retained earnings

Movements in retained earnings were as follows:

Retained earnings at 1 January	1,093,704	1,059,637	1,093,598	1,059,871
Net result for the period	51,348	33,767	51,591	33,727
Prior period adjustment ^{#1}	(9,215)	-	(9,215)	-
Available-for-sale revaluation reserve transfer	-	300	-	-
Retained earnings at end of the financial year	1,135,837	1,093,704	1,135,974	1,093,598

#1 Prior period adjustment relates to a student remission error. The total adjustment has been to reduce both accrued revenue and retained earnings by \$9.215 million.

(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 1(p).

(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, as described in note 1(m).

The balance of the available-for-sale revaluation reserve (2015: \$0.3 million) was transferred to retained earnings during the 2015 year due to the disposal of Leaf Resources shareholdings to which it was linked. As this reserve is now realised it has been transferred to retained earnings in accordance with the AASB 139.

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	(Re-elected 21 December 2016)
Vice-Chancellor	Prof P Coaldrake, AO	
Chair, University Academic Board	Prof C Dickenson, AM	
Nominees of the Governor in Council	Mr W Enoch	
	Dr H Nalder	(Term ended 20 November 2016)
	Dr J Puttick	
	Dr L Perry, AM	
	Dr R Vilgan	(Term ended 20 November 2016)
	Mr P Howes	(Commenced 24 November 2016)
	Prof M O'Kane, AC	(Commenced 24 November 2016)
	Mr M Pennisi	
	Ms T Handicott	(Commenced 24 November 2016)
	Ms J Parker	
	Mr W Tapp	(Term ended 20 November 2016)
Nominees of Council	Ms T Handicott	(Term ended 20 November 2016)
	Prof M O'Kane, AC	(Term ended 20 November 2016)
	Ms S Rix, AM	(Commenced 7 December 2016)
Elected professional staff	Mr R Hall	(Term ended 20 November 2016)
	Dr S Nielsen	(Term ended 20 November 2016)
	Ms G Amankwah-Toa	(Commenced 21 November 2016)
	Miss A Lacaze	(Commenced 21 November 2016)
Elected academic staff	Dr L Duffield	(Term ended 20 November 2016)
	Prof J Clements, AC	(Term ended 20 November 2016)
	A/Prof C Anderson	(Term ended 20 November 2016)
	Dr K Manton	(Commenced 21 November 2016)
	Prof P McDonald	(Commenced 21 November 2016)
	Dr D Nielsen	(Commenced 21 November 2016)
Elected student members	Mr T Cramsie	(Term ended 27 July 2016)
	Mr J McGuire	(Resigned 17 November 2016)
	Miss K Donnelly	(28 July to 20 November 2016)
	Mr C Harris	(Commenced 21 November 2016)
	Mr L Spedding	(Commenced 21 November 2016)
Elected alumni members	Dr T Baker	
	Ms J Robertson	(Term ended 20 November 2016)
	Mrs K McConnel	(Commenced 21 November 2016)
Secretary	Ms S Lorenzo	

23 Key management personnel disclosures continued

(a). Names of responsible persons and executive officers continued

Directors of Creative Industries Precinct Pty Ltd	Mr G Ranger Ms K Lamprecht Mr M Smellie Ms A Birkill Prof R Xavier Prof M Thomas Dr J Harry Prof J Humphrey	
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 Dr H Nalder Dr J Harry Prof J Humphrey	(Appointed 22 March 2016) (Resigned 31 March 2016)
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:

Prof P Coaldrake, AO	Vice-Chancellor	QUT
Prof C Dickenson, AM	Senior Deputy Vice-Chancellor	QUT
Prof P Little (Retired 31 December 2016)	Deputy Vice-Chancellor, Corporate Programs and Partnerships	QUT
Prof S Sheppard	Deputy Vice-Chancellor, International & Development	QUT
Prof S Derbyshire	Deputy Vice-Chancellor, Learning & Teaching	QUT
Prof A Sharma	Deputy Vice-Chancellor, Research & Commercialisation	QUT
Ms J Stokker	Deputy Vice-Chancellor, Technology, Information & Learning Support	QUT
Mr S Pincus (Resigned 19 March 2016)	Executive Director, Finance & Resource Planning	QUT
Mr G Fryer (Appointed 4 October 2016)	Executive Director, Finance & Resource Planning	QUT
Ms S Lorenzo	Registrar & Head, Administrative Services	QUT

All of the above persons were key management persons during the year ended 31 December 2016.

23 Key management personnel disclosures continued

(c). Remuneration of board members and executives

	Parent	
	2016 Number	2015 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	1
\$440,000 to \$449,999	-	1
\$460,000 to \$469,999	1	2
\$470,000 to \$479,999	-	1
\$480,000 to \$489,999	1	-
\$490,000 to \$499,999	1	1
\$500,000 to \$509,999	1	-
\$580,000 to \$589,999	1	-
\$590,000 to \$599,999	1	-
\$600,000 to \$609,999	-	1
\$610,000 to \$619,999	-	1
\$670,000 to \$679,999	1	-
\$1,060,000 to \$1,069,999	-	1
\$1,080,000 to \$1,089,999	1	-

(d). Key management personnel compensation and performance payments

	Parent	
	2016 \$'000	2015 \$'000
Short-term employee benefits	4,190	4,329
Post-employment benefits	633	629
Other long-term benefits	95	94
Termination benefits	497	-
Total	5,415	5,052

(e). Loans to key management personnel

In 2016 there were no loans to key management personnel.

(f). Other transactions with key management personnel

In 2016 there were no other transactions with key management personnel.

24 Remuneration of auditors

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

	Consolidated		Parent	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Audit and review of the Financial Statements				
Queensland Audit Office	292	290	257	255
Total paid for audit and review	292	290	257	255
Other audit and assurance services				
Audit services				
Barr Group Pty Ltd	8	13	8	13
BDO Kendalls (QLD) Pty Ltd	-	30	-	30
Deloitte Touche Tohmatsu	50	-	50	-
Protiviti Pty Ltd	21	-	21	-
Total paid for audit services	79	43	79	43
Assurance services				
BDO (QLD) Pty Ltd	-	-	25	-
Total paid for assurance services	-	-	25	-

25 Contingencies

(a). Contingent liabilities

The University had contingent liabilities as at 31 December 2016 in respect of:

	Consolidated	
	2016 \$'000	2015 \$'000
Legal disputes and claims	2,618	2,618
	2,618	2,618

(b). Contingent assets

The University did not have any contingent assets as at 31 December 2016.

Movements in contingent assets and contingent liabilities are as follows:

	Consolidated			
	Contingent Assets		Contingent Liabilities	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'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	-	-	-	-
Closing balance 31 December	-	-	2,618	2,618

26 Commitments

(a). Capital commitments

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

	Consolidated		Parent	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
<i>Property, plant and equipment</i>				
Within one year	50,597	46,290	50,597	46,290
Between one year and five years	23,863	1,162	23,863	1,162
Total PPE commitments	74,460	47,452	74,460	47,452

The above property, plant and equipment commitments represent major capital project commitments and in 2016 include: Sportsfield Carpark at Kelvin Grove, \$7.567 million (2015: \$28.548 million); Refurbish OJW Room S Block at Gardens Point, \$1.988 million; Education Precinct - Phase 2 at Kelvin Grove, \$54.818 million; new Chemistry, Physics and Mechanical Engineering Lab M Block at Gardens Point, \$4.525 million and various other capital projects totalling \$5.561 million.

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

(b). Lease commitments

(i) Operating Leases

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	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Within one year	7,972	8,119	7,972	8,119
Between one year and five years	36,390	22,422	36,390	22,422
Later than five years	55,862	52,963	55,862	52,963
Total future minimum lease payments	100,224	83,504	100,224	83,504

The weighted average interest rate implicit in the non-cancellable operating leases is 3.06% (2015: 3.47%). The University has six leases which have been prepaid and are not included in the commitments calculation.

(ii) Finance Leases

The University does not have 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	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Sale of goods and services				
Subsidiaries	-	-	2,188	1,992
Total sale of goods and services	-	-	2,188	1,992
Purchase of goods and services				
Subsidiaries	-	-	92	57
Other related parties				
Winners-at-work Pty Ltd	1	-	1	-
Total purchase of goods and services	1	-	93	57
Other transactions				
Capital contribution provided to subsidiaries	-	-	5,500	3,763
Total other transactions	-	-	5,500	3,763

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 licence agreement (original value \$25 million) to occupy the TRI building over 30 years (lease expires April 2043), with an option to extend for a further 20 years at peppercorn rate.

27 Related Parties continued

(d). Transactions with related parties continued

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 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 2016 %	Equity holding 2015 %
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 (KGUV CTS Body Corporate)

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

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

	Consolidated		Parent	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Operating result for the period	51,348	33,767	51,591	33,727
Depreciation and amortisation	59,292	67,750	59,291	67,750
Net (gain)/loss on sale of plant and equipment	144	(767)	144	(380)
Net (gain)/loss on disposal of available for sale financial assets	-	(161)	-	-
Fair value gains on other financial assets at fair value through profit or loss	(33,232)	(7,891)	(27,677)	(2,668)
Non cash donations received	(976)	(284)	(976)	(284)
(Increase)/decrease in student loans	(31)	58	(31)	58
Increase/(decrease) in provision for doubtful debts	20	5	20	5
(Increase)/decrease in trade debtors	(96)	2,124	(145)	1,850
Increase/(decrease) in provision for doubtful debts	(167)	161	(165)	162
(Increase)/decrease in student fees debtors	(249)	2,189	(249)	2,189
Increase/(decrease) in provision for doubtful debts	(175)	61	(175)	61
(Increase)/decrease in goods and services tax refund due	(2)	2,546	(10)	2,545
(Increase)/decrease in other receivables	(3,637)	(4,068)	(3,637)	(4,110)
(Increase)/decrease in inventories	193	(80)	197	(83)
(Increase)/decrease in other financial assets at fair value through profit or loss	-	(1,830)	-	(2,005)
(Increase)/decrease in other non-financial assets	(1,539)	(8,094)	(1,535)	(8,096)
Increase/(decrease) in OS HELP liability to Australian Government	(2,864)	1,661	(2,864)	1,661
Increase/(decrease) in trade creditors	384	4,086	816	3,965
Increase/(decrease) in unearned revenue	4,430	(1,908)	4,394	(1,908)
Increase/(decrease) in accrued expenses	3,254	274	3,307	536
Increase/(decrease) in accrued employee benefits	1,193	4,572	1,101	4,515
Increase/(decrease) in other operating liabilities	-	968	-	968
Net cash provided by/(used in) operating activities	77,290	95,139	83,397	100,458

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 different 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	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash and cash equivalents	144,377	127,057	141,767	123,450
Trade and other receivables	26,950	32,358	26,852	32,205
Available for sale financial assets	1,273	770	-	-
Other financial assets	401,676	350,934	404,875	354,138
Total financial assets	574,276	511,119	573,494	509,793

	Consolidated		Parent	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Financial liabilities				
Trade and other payables	35,546	34,772	35,058	33,800
Borrowings (commercial)	104,740	73,141	104,740	73,141
Total financial liabilities	140,286	107,913	139,798	106,941

(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*. The University is limited to foreign exchange forward contracts and foreign exchange options contracts only. Transactions are limited to hedge against exposure to foreign currency rate movements in relation to the payment of annual library subscriptions and purchase of high cost 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 with QIC, where funds are invested in the QIC Growth Fund and the QUT Endowment Fund (managed by QIC). The University monitors its investments with QIC and provides regular reports to management and University Council for high level review and action as required.

31 Financial Risk Management continued

(a). Market risk continued

(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 elected to take out fixed rate loans for all commercial borrowings.

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 2016		Interest rate risk				Foreign exchange risk				Other price risk			
	Carrying amount \$'000	-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 December 2015		Interest rate risk				Foreign exchange risk				Other price risk			
		-1%		+1%		-10%		+10%		-10%		+10%	
	Carrying amount	Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets													
Cash and cash equivalents	127,057	(1,271)	(1,271)	1,271	1,271	-	-	-	-	-	-	-	-
Receivables	32,358	-	-	-	-	1	1	(1)	(1)	-	-	-	-
Other financial assets													
QIC investments	340,787	-	-	-	-	-	-	-	-	(34,079)	(34,079)	34,079	34,079
Listed securities	852	-	-	-	-	-	-	-	-	(85)	(85)	85	85
Unlisted securities / managed funds	9,295	-	-	-	-	-	-	-	-	(930)	(930)	930	930
Available for sale financial assets	770	-	-	-	-	-	-	-	-	(77)	(77)	77	77
Financial liabilities													
Trade and other payables	34,772	-	-	-	-	(183)	(183)	150	150	-	-	-	-
Borrowings (commercial)	73,141	731	731	(731)	(731)	-	-	-	-	-	-	-	-
Total increase/(decrease)		(540)	(540)	540	540	(182)	(182)	149	149	(35,171)	(35,171)	35,171	35,171

31 Financial Risk Management continued

(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 (of up to \$11.5 million for 30 days) to act as a safety net for short term cash requirements. This facility has not been used since 2009. 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 continued

(c). Liquidity risk continued

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

	Average interest rate		Variable interest rate		Within 1 year		1 - 5 years		5+ years		Non-interest		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	%	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets:														
Cash and cash equivalents	2.46	2.84	144,377	127,057	-	-	-	-	-	-	-	-	144,377	127,057
Receivables	-	-	-	-	-	-	-	-	-	-	26,950	32,358	26,950	32,358
Other financial assets														
QIC investment funds	-	-	-	-	-	-	-	-	-	-	389,810	340,787	389,810	340,787
Listed securities	-	-	-	-	-	-	-	-	-	-	935	852	935	852
Unlisted securities / managed funds	-	-	-	-	-	-	-	-	-	-	10,931	9,295	10,931	9,295
Available for sale financial assets	-	-	-	-	-	-	-	-	-	-	1,273	770	1,273	770
Total Financial Assets			144,377	127,057	-	-	-	-	-	-	429,899	384,062	574,276	511,119
Financial Liabilities:														
Trade and other receivables	-	-	-	-	-	-	-	-	-	-	35,546	34,772	35,546	34,772
Borrowings (commercial)	4.38	4.62	-	-	3,376	1,852	14,264	8,432	87,100	62,857	-	-	104,740	73,141
Total Financial Liabilities			-	-	3,376	1,852	14,264	8,432	87,100	62,857	35,546	34,772	140,286	107,913

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 receivable 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.

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

		Carrying Amount	
		2016	2015
	Note	\$'000	\$'000
Consolidated			
Financial assets			
Cash and cash equivalents	12	144,377	127,057
Receivables	13	26,950	32,358
Available-for-sale financial assets	14	1,273	770
Other financial assets	14	401,676	350,934
Total financial assets		574,276	511,119
Financial liabilities			
Trade and other payables	18	35,546	34,772
Borrowings (commercial)	19	104,740	73,141
Total financial liabilities		140,286	107,913
		Fair Value	
		2016	2015
	Note	\$'000	\$'000
Consolidated			
Financial assets			
Cash and cash equivalents	12	144,377	127,057
Receivables	13	26,950	32,358
Available-for-sale financial assets	14	1,273	770
Other financial assets	14	401,676	350,934
Total financial assets		574,276	511,119
Financial liabilities			
Trade and other payables	18	35,546	34,772
Borrowings (commercial)	19	110,893	81,315
Total financial liabilities		146,439	116,087

32 Fair value measurement continued

(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 2016.

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 #1</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	-

#1 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).

32 Fair value measurement continued

(b). Fair value hierarchy continued

Fair value measurements at 31 December 2015

Consolidated	Note	2015 \$'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		340,787	-	340,787	-
Listed securities		852	852	-	-
Unlisted securities / managed funds		10,065	-	-	10,065
Total financial assets		351,704	852	340,787	10,065
Non-financial assets					
<i>Land, buildings, heritage & cultural assets</i>	15				
		868,667	-	271,915	596,752
Total non-financial assets		868,667	-	271,915	596,752
Financial liabilities					
<i>Borrowings (commercial)</i>	19				
		73,141	-	73,141	-
Total financial liabilities		73,141	-	73,141	-

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). This is the most representative of fair value in the circumstances.

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. For the period ending 31 December 2016, 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 continued

(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.

32 Fair value measurement continued

(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 2016 and 2015:

Consolidated

Level 3 Fair Value Measurements 2016	Unlisted securities / managed funds \$'000	Buildings and heritage assets \$'000	Total \$'000
Financial Assets			
Opening balance	10,065	596,752	606,817
Total gains/(losses) in profit or loss	1,636	66,126	67,762
Total gains/(losses) in comprehensive income	128	8,764	8,892
Purchases	375	1,111	1,486
Sales	-	7	7
Closing balance	12,204	672,760	684,964

Level 3 Fair Value Measurements 2015

Financial Assets			
Opening balance	2,258	606,482	608,740
Total gains/(losses) in profit or loss	8,015	(43,860)	(35,845)
Total gains/(losses) in comprehensive income	(503)	34,377	33,874
Purchases	295	369	664
Sales	-	(616)	(616)
Closing balance	10,065	596,752	606,817

Consolidated

Level 3 Fair Value Measurements 2016	Borrowings non-commercial \$'000	Total \$'000
Financial Liabilities		
Opening balance	-	-
Settlements	-	-
Closing balance	-	-
Level 3 Fair Value Measurements 2015		
Financial Liabilities		
Opening balance	21,097	21,097
Settlements	(21,097)	(21,097)
Closing balance	-	-

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 Support Program		Partnership & Participation Program #2	
	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	275,965	253,309	1,783	1,655	5,025	5,612
	-	-	-	-	178	-
2(a).	275,965	253,309	1,783	1,655	5,203	5,612
	-	-	-	-	-	-
	275,965	253,309	1,783	1,655	5,203	5,612
	(275,965)	(253,309)	(1,783)	(1,655)	(5,203)	(5,612)
	-	-	-	-	-	-

33 Acquittal of Australian Government Financial Assistance continued

(a). Education - CGS and other Education grants continued

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	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
	344	653	979	1,017	284,096	262,246
	-	-	-	-	178	-
2(a).	344	653	979	1,017	284,274	262,246
	210	637	390	462	600	1,099
	554	1,290	1,369	1,479	284,874	263,345
	(164)	(1,080)	(1,184)	(1,089)	(284,299)	(262,745)
	390	210	185	390	575	600

#1 Includes the basic CGS grant amount, CGS – Regional Loading, CGS – Enabling Loading, Maths and Science Transition Loading and Full Fee Places Transition Loading.

#2 Includes Equity Support Program.

33 Acquittal of Australian Government Financial Assistance continued

(b). Higher education loan programmes (excluding OS-HELP)

	HECS-HELP (Aust. Government payments only)		FEE-HELP #3		SA-HELP		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Parent Entity (University) Only								
<i>Cash Payable/(Receivable) at the beginning of the year</i>	(7,153)	(5,521)	(2,918)	(2,145)	51	209	(10,020)	(7,457)
<i>Financial assistance received in cash during the reporting period</i>	201,223	191,535	25,893	24,660	4,615	3,809	231,731	220,004
<i>Cash available for the period</i>	194,070	186,014	22,975	22,515	4,666	4,018	221,711	212,547
<i>Less revenue earned</i>	202,350	192,821	25,595	23,539	4,053	4,085	231,998	220,445
<i>Accrual adjustment #3a</i>	7,130	(346)	1,301	(1,894)	-	118	8,431	(2,122)
<i>Cash Payable/(Receivable) at the end of the year</i>	(1,150)	(7,153)	(1,319)	(2,918)	613	51	(1,856)	(10,020)

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

#3a 2016 HECS HELP and FEE HELP accrual adjustment includes an adjustment for prior period error of \$9.2 million (\$7.9 million HECS HELP and \$1.3 million FEE HELP).

33 Acquittal of Australian Government Financial Assistance continued

(c). Scholarships

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

2(c).

	Australian Postgraduate Awards		International Postgraduate Research Scholarships		Commonwealth Education Cost Scholarships #4		Commonwealth Accommodation Scholarships #4	
	2016	2015	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	9,074	8,769	725	694	521	426	333	313
	9,074	8,769	725	694	521	426	333	313
	513	915	188	67	-	58	-	103
	9,587	9,684	913	761	521	484	333	416
	(9,341)	(9,171)	(913)	(573)	(521)	(484)	(333)	(416)
	246	513	-	188	-	-	-	-

33 Acquittal of Australian Government Financial Assistance continued

(c). Scholarships continued

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

	Indigenous Access Scholarship		Indigenous Staff Scholarships			Total	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	
	640	613	-	-	11,293	10,815	
	640	613	-	-	11,293	10,815	
	-	(104)	16	16	717	1,055	
	640	509	16	16	12,010	11,870	
	(640)	(509)	-	-	(11,748)	(11,153)	
	-	-	16	16	262	717	

2(c).

#4 Includes Grandfathered Scholarships, National Priority and National Accommodation Priority Scholarships respectively.

33 Acquitment of Australian Government Financial Assistance continued

(d). Education research

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

	Joint Research Engagement		JRE Engineering Cadetships		Research Training Scheme		Research Infrastructure Block Grants #5	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
	10,629	10,858	55	-	20,735	19,994	5,088	4,278
	10,629	10,858	55	-	20,735	19,994	5,088	4,278
	-	-	-	-	-	-	858	470
	10,629	10,858	55	-	20,735	19,994	5,946	4,748
	(10,629)	(10,858)	-	-	(20,735)	(19,994)	(5,126)	(3,890)
	-	-	55	-	-	-	820	858

2(d).

33 Acquittal of Australian Government Financial Assistance continued

(d). Education research continued

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

Sustainable Research Excellence in Universities #6		Total	
2016	2015	2016	2015
\$'000	\$'000	\$'000	\$'000
3,843	3,004	40,350	38,134
3,843	3,004	40,350	38,134
1,767	403	2,625	873
5,610	3,407	42,975	39,007
(5,733)	(1,640)	(42,223)	(36,382)
(123)	1,767	752	2,625

2(d).

#5 The reported surplus for Research Infrastructure Block Grants of \$820,000 for 2016 is expected to be rolled over for future use.

#6 The reported deficit for Sustainable Research Excellence in Universities of \$123,000 for 2016 is expected to be rolled over.

33 Acquittal of Australian Government Financial Assistance continued

(e). Australian Research Council Grants

(i) Discovery
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

	Projects		Fellowships		Indigenous Researchers Development		Total
	2016	2015	2016	2015	2016	2015	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	5,340	6,576	6,130	6,638	155	153	11,625
	430	-	-	-	-	-	430
2(e)(i)	5,770	6,576	6,130	6,638	155	153	12,055
	4,916	4,465	5,491	4,820	153	-	10,560
	10,686	11,041	11,621	11,458	308	153	22,615
	(6,078)	(6,125)	(6,573)	(5,967)	(4)	-	(12,655)
	4,608	4,916	5,048	5,491	304	153	9,960
							10,560

33 Acquittal of Australian Government Financial Assistance continued

(e). Australian Research Council Grants continued

(i) Linkages

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

	Infrastructure		Projects		Industrial Transformational Research Program		Total	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
	-	570	3,538	3,629	964	-	4,502	4,199
	-	-	20	-	-	-	20	-
2(e)(ii)	-	570	3,558	3,629	964	-	4,522	4,199
	195	496	3,701	3,443	-	-	3,896	3,939
	195	1,066	7,259	7,072	964	-	8,418	8,138
	(174)	(871)	(4,060)	(3,371)	(10)	-	(4,244)	(4,242)
	21	195	3,199	3,701	954	-	4,174	3,896

33 Acquittal of Australian Government Financial Assistance continued

(e). Australian Research Council Grants continued

(iii) Networks and Centres and Special Research Initiatives Parent Entity (University) Only	Centres		Total Networks and Centres		Special Research Initiatives		Total	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<i>Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program)</i>	2,895	2,846	2,895	2,846	443	871	3,338	3,717
<i>Revenue for the period</i>	2,895	2,846	2,895	2,846	443	871	3,338	3,717
<i>Surplus/(deficit) from the previous year</i>	1,249	1,457	1,249	1,457	840	730	2,089	2,187
<i>Total revenue including accrued revenue</i>	4,144	4,303	4,144	4,303	1,283	1,601	5,427	5,904
<i>Less expenses including accrued expenses</i>	(2,992)	(3,054)	(2,992)	(3,054)	(898)	(761)	(3,890)	(3,815)
<i>Surplus/(deficit) for the reporting period</i>	1,152	1,249	1,152	1,249	385	840	1,537	2,089

2(e)(iii)

33 Acquittal of Australian Government Financial Assistance continued

(f). OS-HELP

Parent Entity (University) Only

Cash received during the reporting period

Cash spent during the reporting period

Net cash received

Cash surplus/(deficit) from the previous period

Cash surplus/(deficit) for the reporting period

2016	2015
\$'000	\$'000
852	4,911
(3,716)	(3,250)
(2,864)	1,661
4,954	3,293
2,090	4,954

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(g). Student Services and Amenities Fee

Parent Entity (University) Only

Unspent/(overspent) revenue from previous period

SA-HELP revenue earned

Student services fees direct from students

Total revenue expendable in period

Student services expenses during period

Unspent/(overspent) student services revenue

2016	2015
\$'000	\$'000
2,132	3,051
4,053	4,085
3,502	3,199
9,687	10,335
(7,811)	(8,203)
1,876	2,132

2(b).

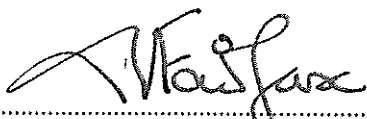
4

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:

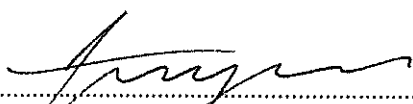
- (i) the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects;
- (ii) the financial reports have been drawn up to present a true and fair view of the transactions of the Queensland University of Technology for the period 1 January 2016 to 31 December 2016 and of the financial position as at 31 December 2016 in accordance with prescribed accounting standards and conform with the Financial Statement Guidelines for Australian Higher Education Providers for the 2016 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



O P Coaldrake, AO
Vice-Chancellor



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

Dated at Brisbane the 27th day of February 2017.

QAO
certified statements

INDEPENDENT AUDITOR'S REPORT

To the Council of the Queensland University of Technology

Opinion

I have audited the financial report of the Queensland University of Technology, which comprises the statements of financial position as at 31 December 2016, income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, notes to the financial statements including significant accounting policies and other explanatory information, and the certificate given by the Chancellor, Vice Chancellor and Executive Director, Finance and Resource Planning – Chief Financial Officer.

In accordance with s.40 of the *Auditor-General Act 2009* –

- (a) I have received all the information and explanations, which I have required;
- (b) I consider the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects; and

In my opinion, the accompanying financial report is in accordance with the prescribed requirements of the *Financial Accountability Act 2009* and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the financial position of the entity as at 31 December 2016, and of its financial performance and its cash flows for the year then ended and
- (b) complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis of Opinion

I conducted the 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 entity in accordance with the *Auditor-General Act 2009*, the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act), and the ethical requirements of the Accounting Professional and Ethical Standards Board 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.

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

Responsibilities of the Council 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 prescribed requirements of the *Financial Accountability Act 2009* and its subordinate legislation, the *Financial and Performance Management Standard 2009*. These prescribed requirements include the Australian Accounting Standards and having regard to the minimum reporting requirements included in the *Financial Reporting Requirements for Queensland Government Agencies*. The Council is also responsible for the preparation of the financial report that gives a true and fair view in accordance with the ACNC Act. The Council's responsibility also includes such internal control as the Council determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Council is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

The Council is responsible for overseeing the entity's financial reporting process.

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 the 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 the purpose of expressing an opinion on the effectiveness of the entity's internal control other than expressing an opinion on compliance with prescribed requirements.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management'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 entity'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. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity 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.

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.

Other Matters - Electronic Presentation of the Audited Financial Report

Those viewing an electronic presentation of these financial statements should note that audit does not provide assurance on the integrity of the information presented electronically and does not provide an opinion on any information, which may be hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.



J F WELSH FCPA
(as Delegate of the Auditor-General of Queensland)



Queensland Audit Office
Brisbane

Glossary

AACSB Association to Advance Collegiate Schools of Business

AAUT Australian Awards for University Teaching

AC Companion of the Order of Australia

AFR Australian Financial Review

AICD Australian Institute of Company Directors

AM Member of the Order of Australia

AO Officer of the Order of Australia

APA Australian Publishers Association

APS Australian Psychological Society

ARC Australian Research Council

ARMC Audit and Risk Management Committee

ARWU Academic Ranking of World Universities

ASMR Australian Society for Medical Research

ATN Australian Technology Network

CAB Caboolture

CBOY Create a Better Online You

CEO Chief Executive Officer

CEQ Course Experience Questionnaire

CIQ Confucius Institute QUT

CRC Cooperative Research Centre

CVO Commander of the Royal Victorian Order

DCRC:CC Dementia Collaborative Research Centre: Carers and Consumers

DVC Deputy Vice-Chancellor

ECARD Early Career Academic Recruitment And Development

EFMD European Foundation for Management Development

EFTSL Equivalent Full-time Student Load

EMBA Executive Master of Business Administration

EQUIS European Quality Improvement System

ERA Excellence in Research for Australia

FINSIA Financial Services Institute of Australasia

FoR Field of Research

FTE Full-time equivalent

GDS Graduate Destination Survey

Go8 Group Of Eight

GP Gardens Point

HDR Higher Degree Research

HEA Higher Education Academy

HERDC Higher Education Research Data Collection

Hon Honourable

HP RM HP Records Manager

HR Human Resources

IEAA International Education Association of Australia

IFE Institute for Future Environments

IGC Industry Growth Centre

IHBI Institute of Health and Biomedical Innovation

ISA Innovation and Sciences Australia

ISB International Student Barometer

JJI Johnson & Johnson Innovation

KG Kelvin Grove

KPI Key Performance Indicator

LPF Learning Potential Fund

MBA Master of Business Administration

MCAD Mid-Career Academic Development

MERF Medical Engineering Research Facility

MOOC Massive Online Open Course

MOPP Manual of Policies and Procedures

MP Member of Parliament

NETDS National Exceptional Teaching for Disadvantaged Schools

NCP New Colombo Plan

NHMRC National Health and Medical Research Council

OAM Medal of the Order of Australia

ORCID Open Research and Contributor Identification

PPR Performance Planning and Review

PSM Public Service Medal

QALT QUT Academy of Learning and Teaching

QAO Queensland Audit Office

QBS QUT Business School

QEH QUT Enterprise Holdings

QIC Queensland Investment Corporation

QMEA Queensland Minerals and Energy Academy

QTAC Queensland Tertiary Admissions Centre

QUT Queensland University of Technology

SAGE Science in Australia Gender Equity

SCAD Sessional Career Advancement Development

SEC Science and Engineering Centre

SEF Science and Engineering Faculty

SES socioeconomic status

SPOC Small Private Online Course

SSP Student Success Program

STARS Students Transitions Achievement Retention and Success

STEM Science, Technology, Engineering, and Mathematics

STEMM Science, Technology, Engineering, Mathematics and Medicine

SWAN Scientific Women's Academic Network

UQ The University of Queensland

VC Vice-Chancellor

VCAE Vice-Chancellor's Awards for Excellence

VCPF Vice-Chancellor's Performance Fund

WIL Work Integrated Learning

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
- Australian Research Centre for Aerospace Automation, Brisbane Airport
- Pilot Plant and Engineering Workshops, Banyo
- Ecological Research Facility, Samford
- Translational Research Institute (partner)
- Australian Prostate Cancer Research Centre–Qld, Princess Alexandra Hospital (partner)
- Centre for Children's Health Research, South Brisbane (partner)
- Herston Imaging Research Facility (partner)
- Renewable Biocommodities Pilot Plant, Mackay
- QUT/Paediatric Spine Research Group, Mater Hospital
- QUT 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 is a participant in 14 CRCs: Autism; Auto; Bushfire and Natural Hazards; Capital Markets; Cell Therapy Manufacture; Defence Materials Technology; Optimising Resource Extraction; Plant Biosecurity; Polymers; Railway Manufacturing; Spatial Information 2; Lowitja Institute; Wound Management Innovation; and Young and Well. .



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