



2015

Annual Report

James Cook
University

Cairns
Singapore
Townsville

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At James Cook University we acknowledge Australian Aboriginal and Torres Strait Islander people of this nation.

“We acknowledge the Australian Aboriginal and Torres Strait Islander peoples as the Traditional Owners of the lands and waters where we operate our business. We honour the unique cultural and spiritual relationship to the land, waters and seas of First Australian peoples and their continuing and rich contribution to James Cook University (JCU) and Australian society. We also pay respect to ancestors and Elders past, present and future.”

Source: JCU Reconciliation Action Plan 2015-2017.

Open data

The James Cook University Annual Report and additional reports on Consultancies, Overseas Travel, and Government Bodies are published online at <https://www.jcu.edu.au/about-jcu/annual-report>

Public availability

For information about this report, please contact James Cook University on Ph: 07 47814111 (Quality, Planning and Analytics Directorate) or email statistics@jcu.edu.au

Statement of compliance

This Annual Report fulfils the prescribed reporting requirements for 2015 of James Cook University to the Queensland Minister for Education and Minister for Tourism and Major Events, Training and Employment, and provides a comprehensive summary of the University’s operations and achievements during the year.

It illustrates the role of the University within the communities it serves, portrays the scope and importance of its activities and displays the University’s effective utilisation of the resources available to it. The report outlines a wide range of developments, innovations and achievements that provide a yardstick by which to measure the performance of the University in 2015 against its strategic intent, aim and objectives.

Letter of compliance

26th of February 2016

The Honourable Kate Jones MP
Minister for Education and Minister for Tourism and Major Events
PO Box 15033
CITY EAST QLD 4002

Dear Minister

I am pleased to present the Annual Report 2015 and financial statements for James Cook University.

I certify that this Annual Report complies with:

- the 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 found accompanying this annual report accessible at <https://www.jcu.edu.au/about-jcu/annual-report>.

Yours sincerely

John Grey, AC
Lieutenant General (Retd)
Chancellor
James Cook University

Year in review

2015 has been a year of renewal and refresh for James Cook University (JCU) at both the governance and management levels. From a governance perspective, the Academic Board's new structure and Charter was implemented throughout 2015. Professor Stephen Naylor, the former Campus Dean at JCU Singapore and Deputy Chair Academic Board was appointed Chair in August. Professor Naylor has embarked on a rigorous and strategic engagement with academia bringing further focus to the One University, Two Countries, Three Tropical Campuses theme.

In February, we moved into a refurbished campus at 149 Sims Drive in Singapore, with room for continued growth. Having these modern learning spaces and amenities for the more than 3,000 students in Singapore also assisted JCU Singapore officially earning the distinction of being the first private education institution to attain an EduTrust Star quality mark by the Council for Private Education on 13 April 2015. The new campus was officially opened on 28 June by the then Prime Minister the Hon Tony Abbott MP, with in attendance: Mr Phillip Green OAM, Australia High Commissioner to Singapore; Hon Anastacia Palaszczuk, Premier of Queensland; Hon Andrew Robb AO, Minister for Trade & Investment; and Ms Indraneel Rajah, Senior Minister of State, Ministry of Finance and Ministry of Law, Singapore.

JCU Singapore has for a long time sought to use the word university in its brand name. With this EduTrust achievement, and recognition by the Australian and Singapore governments of the quality of the offering and student experience in Singapore, we have sought and it has been agreed the company be simply James Cook University Pte Ltd. This has been an exceptional achievement for the University after 13 years of operation.

In Australia, significant capital works continue including the opening of the Townsville CBD Campus in March with new student learning spaces and the Cullinane Moot Court was opened in December. Also, the ground works for the \$80 million 'The Science Place' funded through the Education Investment Fund, have begun on Douglas Campus.

2015 also marked our 20 year anniversary of the opening of the JCU Cairns Campus. With some 900 students in 1995, it has grown to 4,500 in 2015. Located in a spectacular location which is surrounded on three sides by World Heritage rainforest-covered mountains, it is also home to The Cairns Institute and is a vibrant campus being a major centre of learning, research, innovation and employment.

It remains a challenging time for the governance and management of universities with uncertainty in the political realm, where refresh and renewal seem also to be a theme at both the Federal and State level. After the election of the minority Labor State Government in January, the Hon Kate Jones, Minister for Education, announced a review of the legislative Acts governing Queensland's universities. Coincidentally, I had already embarked on a review of the structure and operations of the existing Council's size, composition and appointment processes, which had not been done since 2004. The purpose was to ensure that Council would continue to serve our communities efficiently and effectively through best practice governance. We await the outcomes of consultations within the Queensland sector and Government which are ongoing.

In November I announced to the University community that I would be retiring as Chancellor in late March 2016. After 17 years' service and in a spirit of renewal, I am very pleased to be handing over the chairmanship of Council to His Excellency Mr Bill Tweddell. He has enjoyed a distinguished career in Australia's diplomatic service spanning four decades and has been Australia's Ambassador to the Philippines since 2012. Mr Tweddell retires from the Department of Foreign Affairs and Trade in February 2016. He is an Outstanding Alumnus of the University and intends to settle in Townsville. I wish him every success in the role.

Since I joined James Cook University in early 1999, the University Council has overseen the establishment of a Medical School and Dental School, expansion into Singapore, extensive capital development works including; in Cairns: the Sir Robert Norman Building housing the Australian Tropical Herbarium, Queensland Tropical

Health Alliance research building, The Cairns Institute, Dental teaching and clinical buildings, and expansion to the Crowther Theatre; in Townsville: George Roberts Hall, Rotary International, Creative Arts, the Anton Breinl Centre, Rehabilitation Sciences, Australian Tropical Science and Innovation Precinct (with CSIRO), Education Central, and the potential developments envisaged through Discovery Rise with the Clinical Practice Building being the first project delivered. The campus in Mt Isa has been successful in delivering rural health courses to suit remotely located students and their families and our Mackay campus has been rehoused. The Australian Institute of Tropical Medicine has been delivered across both Australian tropical campuses and on Thursday Island.

Sustainability has been a core focus of these developments. One of the major initiatives focused on improving energy efficiency, conservation and management were the Campus District Cooling Systems on both the Townsville and Cairns campuses. These deliver chilled water to buildings to provide more efficient air-conditioning (60% of JCU's total energy usage). On completion the systems have reduced daytime peak electricity usage by 40%, saving JCU over \$2 million per annum and reducing carbon emissions by 10,600 tonnes per annum. The facility on the Townsville campus remains the largest of its type in the southern hemisphere.

The University's Strategic Intent has crystallised over this time too from the 'JCU in the Third Millennium' document to the current succinct, clear and unambiguous Statement of Intent. In conjunction with the Reconciliation Statement, which I initiated with Council in 2007, followed by management's Action Plan, I believe JCU is well placed to serve its regional communities. As a regional university, JCU promotes access and participation opportunities for higher education to residents of northern Queensland. We continue to support innovative ways to partner with industry and business to deliver work ready graduates to meet the requirements of northern Queensland and broader tropical region. Many graduates remain in the region thereby contributing to higher wages, while the ongoing graduation of students creates a pipeline of human capital supporting the region's economic development and sustainability into the future.

I have been privileged to have served the University as its Chancellor and I wish the staff, students, alumni and the incoming Chancellor every success for the future. May the work of James Cook University continue to pursue a brighter future by improving life in the tropics worldwide through graduates and discoveries that make a difference.

**John Grey AC,
Lieutenant General (Retd)
Chancellor**

Introduction

2015 certainly passed very quickly, and despite the challenges driven by continuing public policy instability, the University community notched up many achievements.

James Cook University (JCU) remained committed to innovate both content and delivery to ensure we continue to be a destination of choice in this very competitive sector. The current Commonwealth Government's focus on development in northern Australia and the growing global realisation of the importance of the Tropics has continued to provide great impetus to our strategic intent, to create a brighter future for life in the Tropics world-wide through graduates and discoveries that make a difference.

A special milestone was achieved this year: 2015 marked 20 years since teaching commenced on our Smithfield campus in Cairns. The anniversary was celebrated during the year, with a regional signature event on the 24 July. Many alumni attended, and I was delighted to celebrate and reflect on that part of JCU's history with them.

Our fifth annual Outstanding Alumni Awards Ceremony recognised 14 exceptional graduates of the University and its predecessor institutions, each of whom has made an outstanding contribution in their field of endeavour. The Chancellor's Outstanding Alumna was selected from the College Winners. This year's winner was Magistrate Cathy-Ann McLennan, the first JCU graduate to be appointed to the bench.

JCU is internationally recognised as a university that spans two countries – Australia and Singapore – we were honoured to have Australia's then Prime Minister, the Hon Tony Abbott officially open JCU's new Singapore campus in June, and honoured to have Queensland's Premier, the Hon Annastacia Palaszczuk in attendance too. It has been a year of highs for JCU Singapore, with JCU Singapore earning the distinction of being the first private education institution to attain the EduTrust Star quality mark from the Council for Private Education.

Innovation is at the heart of what we do at JCU, particularly in the Tropics. As well as providing access to higher education to the people of northern Queensland, JCU was established with the clear purpose of delivering teaching and research on areas of importance to the Tropics.

We were delighted when Her Excellency Ms Gillian Bird PSM announced in 2015 that the Australian Government would lead efforts to establish a United Nations endorsed International Day of the Tropics on 29 June, the anniversary of the launch of the inaugural State of the Tropics report. Her Excellency's announcement was followed by a media release by the Minister for Foreign Affairs, the Hon Julie Bishop and the Minister for Northern Australia, the Hon Josh Frydenberg, announcing the same on behalf of the Australian Government.

An International Day of the Tropics would highlight the challenges and opportunities facing the world's tropical regions and promote greater collaboration between countries to secure a more prosperous future for the fastest growing and soon to be most populous zone in the world.

The University continues to be a leading Australian research and teaching institution being ranked in the top 30 universities in the world and second among Australian universities in Environmental Sciences and Ecology according to US News and Global Report Rankings 2016.

The Times Higher Education World University Rankings 2015 recognised JCU's standing as a world-class institution based on criteria related to teaching, research, citations, institutional income, and degree of internationalisation, placing it in the top 251-300 rank among the world's universities.

For the sixth year in a row, the Academic Ranking of World Universities released by the Center for World-Class Universities at Shanghai Jiao Tong University has ranked JCU in the 301-400 group of universities.

JCU performed particularly well in this year's Excellence in Research for Australia report with 77% of fields of research rated world class or above and a marked increase in ERA 5 ratings to eight (up from three in 2012). The ERA 5 ratings, defining areas of research endeavour that have been independently assessed as being 'well above world standard' were in the fields of environmental science and management, ecology, geology, physical geography and environmental geoscience, ecological applications, plant biology, medical microbiology and neurosciences.

JCU was also awarded four prestigious National Office for Learning and Teaching Citations for Outstanding Contributions to Student Learning this year, recognising the outstanding efforts of JCU staff in this area, and, for the fifth time in a row, JCU received five stars for job success in the Good Universities Guide.

Many individuals from our JCU community received well-deserved awards this year: Dr Sue-Ann Watson was a finalist in the 2015 Australia Museum Eureka Prize for Outstanding Early Career Researcher; Dr Andrew Chin and Dr Kate Hutson were each a recipient of a Queensland Young Tall Poppy Award; Professor Peter Leggat AM was selected as the inaugural Mindset Scholar hosted by the University of Nottingham, Malaysia Campus; Distinguished Professor Bill Laurance was a recipient of the ZSL Award for Outstanding Contributions to Conservation; and Adjunct Professor Gracelyn Smallwood was presented with a Congress of Aboriginal and Torres Strait Islander Nurses and Midwives, Lifetime Achievement Award.

Several key facilities were also recognised – The Daintree Rainforest Observatory was awarded a Regional Commendation in the Far North Queensland Division of the 2015 Queensland Architecture Awards and JCU's Centre for Macroalgal Resources and Biotechnology (MACRO) won this year's United Nations Association of Australia World Environment Day Award in the category Excellence in Sustainable Water Management.

The year ended with the release of the Government's National Innovation and Science Agenda, which provides a welcome focus on the core business of universities, the development of new knowledge and, working with industry, the application of that new knowledge into new opportunity and economic returns for our country. This, coupled with the focus on northern Australia's development, means that JCU is well placed both to assist in this endeavour and to leverage the natural advantages that a focus on the growing Tropics presents for our region.

In March 2016, James Cook University will farewell our Chancellor Lt. Gen. John Grey AC (Ret'd) after 17 years of truly distinguished service and welcome His Excellency, Mr Bill Tweddell, as JCU's fifth Chancellor. The Chancellor is the Chair of the University's Governing Body (Council) and the role is performed on an honorary basis. His Excellency is a JCU Outstanding Alumnus with four decades of distinguished diplomatic service, including as Australian Ambassador to the Philippines, Ambassador to Vietnam, High Commissioner to Sri Lanka and the Maldives, and Deputy High Commissioner to India and the United Kingdom, and will bring to the University his vast international experience, particularly in the region. It is a special moment in the life of any University when the institution is sufficiently mature to be able to welcome back one of its own, as an eminent Australian, to lead the University Council as it undertakes its very important governance role.

Once again, I would like to take this opportunity to thank the members of Council for their positive and important contributions to the governance of the University – and in particular, I applaud Lt. Gen. John Grey AC (Ret'd) whose outstanding and tireless commitment to JCU over so many years has seen our University elevated to new levels of excellence with a clear, long term strategy in place that will serve the University well for decades to come. I would also like to most warmly thank members of the various advisory committees and all staff, students, donors, alumni and the JCU and northern Queensland and Singapore communities for their critical contributions to, and support for, the efforts of JCU throughout 2015.

Positioned well as we are, we can look forward with confidence to an even more productive and engaging year in 2016 and many exciting developments ahead.

Professor Sandra Harding
Vice Chancellor and President

Role and main functions

Establishment and enabling legislation

The University was established by an Act of the Queensland Parliament, the James Cook University of North Queensland Act 1970, that provided for “the establishment and incorporation of a University at Townsville, and for purposes connected therewith”. It received assent on 20 April 1970. In 1997 the Department of Education proceeded with the remaking of Acts of Queensland universities. As a result, the James Cook University Act 1997 received assent by the Governor in Council on 29 August 1997, and is the current binding legislation.

Role

James Cook University is an Australian public university. The University’s role is further defined by the enacted functions.

Functions as per James Cook University Act 1997

- (a) to provide education at university standard; and
- (b) to provide facilities for study and research generally and, in particular, in subjects of special importance to the people of the tropics; and
- (c) to encourage study and research generally and, in particular, in subjects of special importance to the people of the tropics; and
- (d) to provide courses of study or instruction (at the levels of achievement the council considers appropriate) to meet the needs of the community; and
- (e) to confer higher education awards; and
 - (ea) to disseminate knowledge and promote scholarship; and
 - (eb) to provide facilities and resources for the wellbeing of the university’s staff, students and other persons undertaking courses at the university; and
- (f) to exploit commercially, for the university’s benefit, a facility or resource of the university, including, for example, study, research or knowledge, or the practical application of study, research or knowledge, belonging to the university, whether alone or with someone else; and
- (g) to perform other functions given to the university under this or another Act.

General powers of university as per James Cook University Act 1997

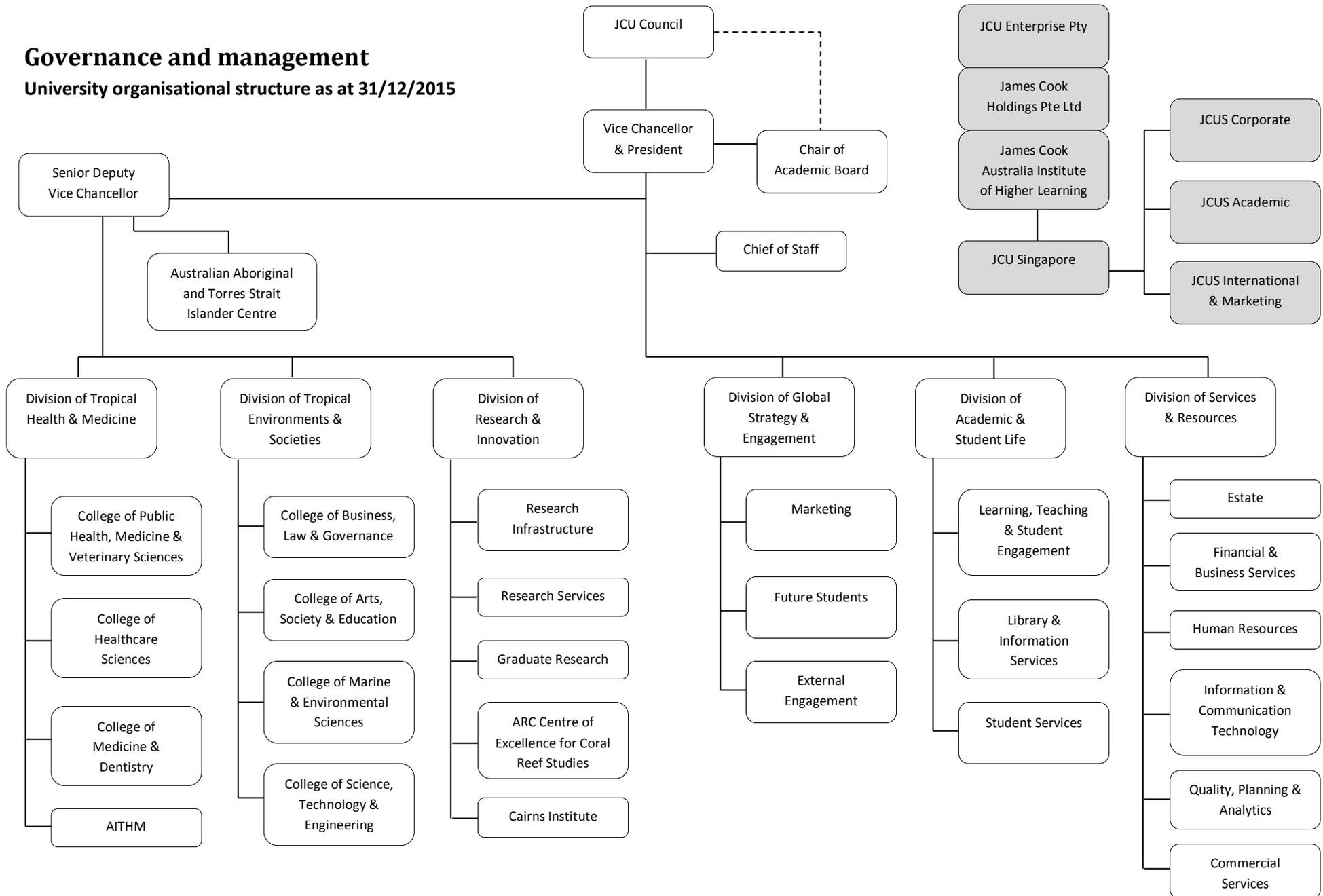
- (1) The university has all the powers of an individual, and may, for example—
 - (a) enter into contracts; and
 - (b) acquire, hold, dispose of, and deal with property; and
 - (c) appoint agents and attorneys; and
 - (d) engage consultants; and
 - (e) fix charges, and other terms, for services and other facilities it supplies; and
 - (f) do anything else necessary or convenient to be done for, or in connection with, its functions.
- (2) Without limiting subsection (1), the university has the powers given to it under this or another Act.
- (3) The university may exercise its powers inside or outside Queensland.
- (4) Without limiting subsection (3), the university may exercise its powers outside Australia.

Significant regional locations

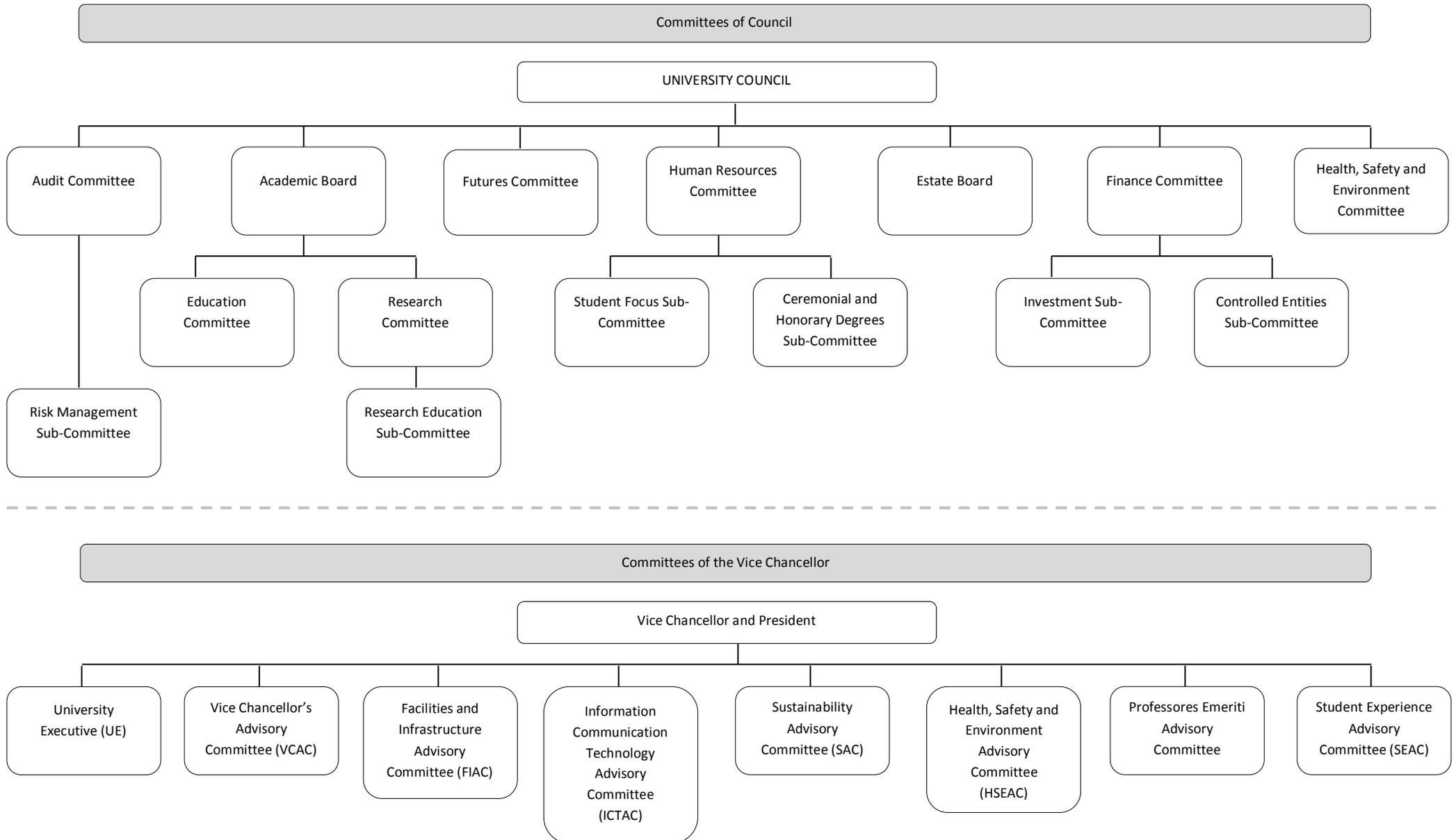
- Townsville
- Cairns
- Singapore (international campus)

Governance and management

University organisational structure as at 31/12/2015



Governance structures as at 31/12/2015



Governing body - Council

The University Council is the University's governing authority. Its primary role is to oversee the affairs of the University and, in so doing, to ensure that the appropriate structures, policies, processes and planning are in place for JCU to effectively manage its activities and achieve its goals. Council is also responsible for setting and reviewing the strategic direction of the University, as outlined in the Statement of Strategic Intent.

The University Council was established under the James Cook University Act 1997. The term of the Sixteenth Council commenced on the 20th of April 2014 for a term of four years.

Council – Primary Responsibilities

Consistent with the James Cook University Act 1997 and Council's function as the prime instrument of University governance, the Council of James Cook University has primary responsibility for:

- (a) appointing the Vice Chancellor and monitoring his/her performance;
- (b) approving the mission and strategic direction of the University, as well as the annual budget and business plan;
- (c) overseeing and reviewing the management of the University and its performance;
- (d) establishing policy and procedural principles;
- (e) approving and monitoring systems of control and accountability;
- (f) overseeing and monitoring the assessment and management of risk across the University, including commercial undertakings;
- (g) overseeing and monitoring academic activities;
- (h) approving significant commercial activities.

Council – Membership criteria, review and nomination procedures

The University Council is elected for a specified term of office of not more than four years consisting of 22 members. However during the term of a Council, members may resign and/or be replaced in accordance with election or appointment processes associated with their particular appointment. The Chancellor is elected for a term of no longer than five years as fixed by the Council and the person elected need not be a member of Council. The incumbent Chancellor's three-year term of office was extended by Council at its 17 May 2013 meeting by two years and will conclude on 25 March 2016. The Chairperson of Academic Board is appointed by the Council for a term of no longer than three years. The incumbent Chairperson was appointed by the Council at its 12 April 2012 meeting for an additional three-year term from 28 May 2012.

The only executive members of Council appointed by the Council are the Vice Chancellor and the Chair of Academic Board. The other members of staff on Council are considered non-executive and each serves on Council as an elected member of a particular constituency. There are no University policies governing the appointment and retirement of non-executive members of Council. Official members are appointed to Council by virtue of the office they hold, whether by appointment or election. The Governor in Council appoints the eight (8) appointed members. Elected members are those representatives who are elected on the advice of the Council's Human Resources Committee, from the prescribed stakeholder groups, by ballot, to sit on Council as follows:

- Members of the Academic Staff (3);
- Members of the General Staff (2);

- Students (3), including one undergraduate student, one postgraduate student and one undergraduate or postgraduate student;
- Members of the Convocation (2) other than those eligible above.

Council may appoint one (1) additional member who must not be a member of the Academic or General Staff or a student. Council has a formal process for the review of its membership and that of its committees. The Human Resources Committee of Council is responsible for the nomination of appointed members. Members of Council or of the various committees of Council do not receive remuneration for duties performed as members.

Council – Membership

The following table on page 12 lists the Council membership of the Sixteenth Council as at the reporting period end (31st of December 2015). There were a total of 9 meetings in 2015 of the Sixteenth Council. The table lists position of membership, member names, qualifications, and the number of meetings attended for the reporting year.

Executive management

The Executive Management structure of the University (as at 31st of December 2015) is summarised in the Executive Management table on page 13.

James Cook University Council membership as at the 31st of December 2015 (for the Sixteenth Council)

Membership type	Position on Council	Member's name	Member's qualifications	Attendance
Official members	Chancellor	Lieutenant General John Grey, AC (Retd)		9 / 9
	Vice Chancellor	Sandra Harding	BSc (Hons) ANU, MPubAdmin UQ, PhD NCSU, Hon Doc JIU, FACE, FQA, FAICD, FAIM	9 / 9
	Chairperson of the Academic Board	Stephen Naylor (appointed 19/8/2015)	BEd <i>Melb</i> , MA RMIT, PhD <i>Monash</i> .	5 / 5
Appointed members	Appointed members	Campbell (Cam) Charlton	BCom, LLB JCU, GAICD	9 / 9
		Ryan Haddrick	LLB JCU, LLM QUT, GradDipLegPrac ANU, Barrister (Qld, NSW, ACT)	6 / 9
		The Hon. Peter Lindsay		6 / 9
		Lynette McLaughlin	DipTeach (TTC)	6 / 9
		His Honour Magistrate Steven Mosch	LLB (QUT)	8 / 9
		Peter Phillips	BBus Curtin, CA, FIIA, CIA, CFE	8 / 9
		Trent Twomey	BPharm (JCU) BBus (JCU) FAICD FACP FAIM	9 / 9
		Les Tyrell, OAM		8 / 9
Elected members	Academic staff	Peter Leggat, AM	MD Qld, PhD SAust, DrPH JCU, FAFPHM, FFPH RCP(UK), FACAsM, FACTM, FFTM FEWM (ACTM), FFTM RCPS (Glasg), FACRRM, FAICD, FSIA, FACE, FRGS, ACPHM (CMSA), Hon FACTM	9 / 9
		David Smorfitt	PhD (UQ) M Com (JCU) B Com (Hons)(UNISA) B Com (Ntl) HD Ed (Ntl) NH Dip Tax (Ntl Tech) CPA Australia	9 / 9
		Anthony Leicht	BAppSc(Hons) (USQ), GDip(FET) (USQ), PhD (USQ), ESSAF, FECSS	9 / 9
	General staff	Vanessa Cannon	BA (Lib&InfoMgmt)(USA) Dip (ResMgmt) Dip (VocInst) Ass Dip (PersAdmin) Cert Pub	8 / 9
		Julie Caswell (appointed 13/10/2015)	B Bus, MConflMgtResol	3 / 3
	Students	Edward Harridge	LLB/BBus, Undergraduate – (TSV)	8 / 9
		Mark Dodge	GAIDC, AFAIM, C Dec, MBA, Postgraduate - (CNS)	7 / 9
		Laura Walker	LLB/BBus, Undergraduate – (CNS)	7 / 9
	Convocation	Robin Gilliver	BA Well 1969, BInfTech JCU 2010	9 / 9
		Graham Kirkwood	BEC (Hons) (JCU), AAUQ (Qld)	9 / 9
	Additional member	Additional member	Ernie Landy	B Com. JP, CPA and AICD
Non-member (Secretary)	Secretary	Michael William Kern	BCom JCU CA Grad DipCSP ACIS	8 / 9

James Cook University Executive Management as at the 31st of December 2015

Executive Position	Name	Qualifications	Major duties
Vice Chancellor & President	Sandra Harding	BSc (Hons) <i>ANU</i> , MPubAdmin <i>UQ</i> , PhD <i>NCSU</i> , Hon Doc <i>JIU</i> , FACE, FQA, FAICD, FAIM	Responsible for oversight of key strategic and operational aspects of the University; overarching responsibility for the core business of learning, teaching and research. The Vice Chancellor has oversight of the Chief of Staff, chancellery services, legal & assurance, media & communications, and secretariat & records.
Senior Deputy Vice Chancellor	Chris Cocklin	DipBusStud, BSocSci MA, PhD, FAICD, FAIM	Focus on learning, teaching and research with oversight of the academic divisions, colleges and the Indigenous Centre. Responsibility for research and also holds the role of Deputy Vice Chancellor of the Division of Research and Innovation. Has oversight of research infrastructure, graduate research, research services, the Cairns Institute and the ARC Centre of Excellence for Coral Reef Studies.
Deputy Vice Chancellor and Head of Singapore Campus	Dale Anderson	BEdSt (<i>UQ</i>), Dip Sch Couns (<i>UQ</i>), MEd (<i>UNE</i>), PhD (<i>RMIT</i>), FACE, FAICD	Responsibility for the operation of the University's Singapore Campus and delivery of pre-university pathway, undergraduate, postgraduate and doctoral programs in Singapore.
Deputy Vice Chancellor of the Division of Tropical Health & Medicine	Ian Wronski	MB BS <i>Monash</i> , DTMH <i>Liv</i> , MPH, SM(Epi) <i>Harv</i> , DipRACOG, FAFPHM, FACTM, FACRRM	Responsibility for the operations of the Division and oversight of the following Colleges: - College of Public Health & Veterinary Sciences - College of Healthcare Sciences - College of Medicine and Dentistry
Deputy Vice Chancellor of the Division of Tropical Environments and Societies	Iain Gordon	BSC (Hons) <i>University of Aberdeen</i> , PhD <i>Cambridge University</i> , DSC <i>Abertay University</i> , CBiol, FARLF, FRSB, FRSE	Responsibility for the operations of the Division and oversight of the following Colleges: - College of Business, Law & Governance - College of Arts, Society & Education - College of Marine & Environmental Sciences - College of Science, Technology & Engineering
Deputy Vice Chancellor of Global Strategy & Engagement and Head of Cairns Campus	Robyn McGuiggan	BSc (Pharm) <i>Syd</i> MComm <i>NSW</i> PhD <i>Macq</i>	Key responsibility for oversight of marketing, external engagement and future students. Head of Cairns Campus.
Deputy Vice Chancellor of Academic & Student Life	Sally Kift	LLB (Hons) <i>UQ</i> . LLM <i>QUT</i>	Key responsibility for oversight of learning, teaching & student engagement. Key responsibility for oversight of library & information services and student services.
Deputy Vice Chancellor of Services & Resources	Patricia Clare Brand	BCom <i>JCU</i> , FCPA, FAICD, FAIM	Key responsibility for oversight of enabling services for the University. This includes the estate, financial and business services, human resources, information & communication technology, business analytics, quality enhancement, business reviews, planning & performance and commercial services.
Chairperson of the Academic Board	Stephen Naylor	BEd <i>Melb</i> , MA <i>RMIT</i> , PhD <i>Monash</i> .	Oversees the Academic Board, which advises the Council about teaching, research and scholarship matters, makes proposals for the academic policies, monitors the academic activities and promotes scholarship and research.

Overview of JCU Controlled Entities

Details of control over entities listed below, and each entity's contribution to the University's operating surplus/deficit can be found in Notes to the Financial Statements. All Australian controlled entities are audited by, or on behalf of, the Queensland Audit Office. The two Singapore based companies are audited by approved auditors in Singapore. Most company constitutions provide that each director must have a Certificate of Approval from the Vice-Chancellor.

In addition to end of year financial reporting, each of the entities provides an annual report in relation to the entity's activities including Health, Safety and Environment (HSE) and risk, which are reported separately to this report. The HSE reports are also provided to the HSE Sub-Committee of JCU Council.

JCU Enterprises Pty Ltd *(registered 10/11/1989)*

The company has a board of 3 directors, chaired by Mr Campbell Charlton, a member of JCU Council and a board member of JCU Singapore. The Company does not trade. JCU Enterprises Pty Ltd owns all the shares in James Cook Holdings Pte Ltd.

James Cook Holdings Pte Ltd *(Incorporated 21/04/2011)*

The company has a board of 4 directors, chaired by Mr Graham Kirkwood, a member of JCU Council. The Company does not trade. The company was incorporated in Singapore in 2011 and owns all the shares in James Cook Australia Institute of Higher Learning Pte Ltd.

James Cook Australia Institute of Higher Learning Pte Ltd *(JCU Singapore) (Incorporated in Singapore 07/02/2001)*

The company has a board of 5 directors chaired by Professor Sandra Harding, Vice-Chancellor and President of JCU and delivers JCU courses to JCU enrolled students in Singapore. This is a Singapore based entity.

JCU Early Learning Centres Pty Ltd *(Registered 13/08/1993)*

The company provides child care primarily for children of students, staff and graduates of JCU. It also promotes the development, wellbeing and education of children, encouraging parent and community involvement in its operations.

The company has a board of 3 directors, chaired by Mr Brett Dinsdale [Executive Officer, Division of Services and Resources]. The company is registered with the Australian Charities for Not-for-Profit Commission (ACNC).

JCU Health Pty Ltd *(Registered 04/03/2002)*

The company provides medical services to students and staff of JCU as well as members of the public. The company also provides clinical training for JCU medical students and works closely with JCU clinics operated by the University in the Clinical Practice Building.

The company has a board of 7 directors and is chaired by Professor Richard Murray, [Dean of Medicine & Dentistry]. The company is registered with ACNC.

JCU UniVet Pty Ltd *(Registered 14/08/2009)*

The company was incorporated in 2009, with objectives that include providing facilities for study, research and clinical education in the field of Veterinary Science as well as aiding in the development or promotion of research in that field. The company trades as JCU Vet. The company is registered with ACNC.

This company has a board of 5 directors, chaired by Ms Heather Gordon [Director, Library and Information Services]. JCU, the company and Greencross Limited (GXL) entered into an agreement under which GXL will provide management services to the company from 2 February 2015 for a minimum period of 3 years.

Tropical Queensland Centre for Oral Health Pty Ltd (*Registered 25/10/2011*)

The company's objectives are to provide students enrolled in the Bachelor of Dental Surgery and related post graduate programs within the University with the required clinical placements, and to improve the availability of oral health services in Northern Queensland, particularly to disadvantaged members of the community.

The company trades as JCU Dental and has a board of 5 directors, chaired by Mr Clive Skarott. The company is registered with ACNC. The company's main operations are on the Cairns campus with –

- 80 student and 4 individual dental chairs in Building D2 – Cairns; and
- 14 student and 1 individual dental chairs in Building D1 – Cairns.

In the Clinical Practice Building at the Townsville Campus there are 18 student and 2 individual dental chairs. The company is registered with ACNC.

JCU CPB Pty Ltd (as trustee for the CPB Trust - *Established 07/10/2011*)

The CPB Trust owns and operates the Clinical Practice Building, completed in December 2013. It holds a ground lease of the CPB site from JCU. Tenants in the Clinical Practice Building include commercial tenants and JCU health based clinics. James Cook University is the sole beneficiary under the CPB Trust.

The trustee company has a board of 4 directors and is chaired by Mr Ian Jessup.

North Queensland Commercialisation Company Pty Ltd (as trustee for The JCU Asset Trust – *Established 08/04/2008*)

The Trust assists JCU in research commercialisation including oversight of start-up entities involved in commercialisation processes.

The Trust has a 39% interest in Smart Arm Pty Ltd. This company is currently engaged in research and commercialisation of an upper limb rehabilitation device.

The trustee company has a board of 2 directors, chaired by Professor Chris Cocklin [Senior Deputy Vice-Chancellor].

JCU Pathways Pty Ltd (*Registered 21/08/2015*)

The company was formed to provide educational pathways and English language tuition for JCU students and prospective students. The company commenced trading in November 2015 and is registered with ACNC.

The company has a board of 4 directors and is chaired by Professor Robyn McGuiggan [Deputy Vice-Chancellor Global Strategy and Engagement]. The company works closely with JCU Singapore. Two members of the board are Singapore based, including the Deputy Vice Chancellor Singapore.

Governance – risk management and accountability

Risk Management

The University's Risk Management Framework is reviewed and updated annually to ensure its currency and relevance. Amendments in 2015 included reflecting the University's changed structure, reporting and notification processes to Audit Committee and Council. Work also commenced on a Risk Appetite Statement.

The University Executive undertakes an annual University Level Risk Assessment including mitigation strategies and treatment plans. Senior management are responsible for identifying, evaluating and managing University-wide risks and risks within their Divisions, Colleges and Directorates. JCU has an integrated governance risk and compliance model with risk and compliance, internal audit, insurance and legal services functions in one organisational unit; Legal and Assurance within the Chief of Staff Office. The Chief of Staff has responsibility for providing assurance that key risks are being effectively evaluated and reviewed, and also has the responsibility for facilitation and coordination of risk management activities across JCU.

A six-monthly report on risk management is reviewed by the Vice Chancellor's Advisory Committee, the Audit Committee of Council. The report contains details of:

- Any risk management initiatives undertaken during the previous quarter;
- Any major incidents that have occurred during the previous quarter;
- Heat maps showing the distribution of risks across the risk evaluation matrix;
- The high and very high inherent and residual risks facing the organisation and the controls in place to manage those risks;
- Progress in implementing key risk treatment plans; and
- Any other matters that may be of relevance

In 2015, Council also approved a Compliance Policy and Framework designed to provide assurance to the Vice Chancellor and Council that the University is giving real attention to our legislative compliance requirements, actively considering impacts of any changes, and ensuring these are embedded in practice and procedures across the University. The Compliance Framework uses a three pillar approach:

- Inform - legislative alerts service and a legislative database or compliance register noting all obligations and responsible officers; University procedures;
- Comply - Deputy Vice Chancellors sign an annual compliance statement which provides a summary outlining level of compliance with the relevant Act or regulations and detail of any actual or potential breaches, and any action taken, outcomes and recommendations in response to legislative change (if any). Where there is non-compliance, a Compliance Action Plan is developed by the relevant Division with timeframes and includes a risk assessment with mitigation strategies where appropriate; and
- Assure - as well as external auditing bodies including the Tertiary Education Quality Standards Agency (TEQSA), the annual Internal Audit Work Plan includes a rolling compliance audit, using a risk based approach, to assure the Vice Chancellor and Audit Committee that the University is indeed compliant or to assess whether any business

improvement implemented to meet legislative change is fit for purpose and meets requirements.

External scrutiny

The two major bodies responsible for external scrutiny of the University are the Tertiary Education Quality Standards Agency (TEQSA) and the Queensland Audit Office (QAO), the latter with a particular focus on financial accountability. The QAO's 'independent audit report' is included within the financial section of this annual report. TEQSA conducts an annual provider risk assessment for all higher education providers and also determines each provider's eligibility for placement on the National Register. The University was re-registered in 2011 for the maximum period of seven years until 2018.

Audit Committee

The Audit Committee is responsible for all audit and related matters, and for monitoring the assigned performance measures on behalf of Council — thereby assisting the University to fulfil its responsibilities under the Financial Accountability Act 2009. The Act requires the mandatory appointment of the Auditor-General of Queensland as the University's external auditor. It is the role of the Audit Committee to maintain effective oversight of all internal audit functions and to manage the relationship with the University's external auditor including the review of the adequacy of existing external audit arrangements particularly the scope and quality of the audit.

The Audit Committee reviews annually the letter of engagement between the University and the Queensland Audit Office (QAO), which details specific areas of audit emphasis, reliance on internal audit and the audit fee. The Committee also reviews the QAO's approved audit strategy, observes the terms of the committee charter, and has due regard to QLD Treasury's Audit Committee Guidelines.

The Audit Committee has six members, comprising two ex-officio members, (Chancellor and Vice Chancellor) and four members, including the Chair, elected by and from the Council (who are neither a member of the staff nor a student of the University). Audit Committee members are not financially remunerated for their membership. Below is a table of the JCU Audit Committee as at the end of the reporting period:

2015 Audit Committee Membership (January to December)			
Membership type	Position	Member's name	Attendance
Chair	(External)	Graham Kirkwood	5 / 5
Ex officio	Chancellor	Lieutenant General John Grey, AC (Retd)	4 / 5
	Vice Chancellor	Sandra Harding	5 / 5
Elected members	(External) – Deputy Chair	Trent Twomey	1 / 5
	(External)	Campbell (Cam) Charlton	3 / 5
	(External)	Lynette McLaughlin	3 / 5
Secretary	Deputy Director, Governance Support & Corporate Information	Ian Troupe (or representative)	5 / 5

Internal audit

Internal Audit is an independent, objective assurance and consulting activity designed to add value and improve the University's operations. It assists the University accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. Internal audit activity encompasses the review of all financial and non-financial policies and operations of the University, excluding controlled entities.

Internal Audit operates under the Internal Audit Charter which is annually reviewed and approved by Audit Committee. The Internal Audit Charter is consistent with the requirements of The International Standards for the Professional Practice of Internal Auditing, in particular Attribute Standards 1000.

The Manager, Internal Audit is responsible for implementing a quality assurance and improvement program which includes external and internal assessments to ensure the effective, efficient and economical operation of the Internal Audit function, with oversight from the Chief of Staff.

In keeping with good practice, Internal Audit aligns its focus and activities to the University's risks. Audit planning is based on risk assessment to ensure that its program of audit is appropriate to the size, functions and risk profile of the University. In order to provide optimal audit coverage to the University and minimise duplication of assurance effort, due consideration is given to the following aspects:

- The University Level Risk Assessment;
- Any key risks or control concerns identified by management;
- Assurance gaps and emerging needs; and
- Scope of work of other assurance providers, internal and external.

The internal audit planning framework consists of:

- A strategic plan that relates the role of internal audit to the requirements of the University by outlining the broad direction of internal audit over the next three years; and
- An annual work plan that specifies the proposed internal audit coverage within the calendar year.

The Internal Audit Strategic and Annual Work Plans are reviewed at least annually and approved by Audit Committee. Any significant deviation from the approved Internal Audit Plans is communicated to the Audit Committee for approval.

As an important part of the audit support activities, Internal Auditors also give due regard to Treasury's Audit Committee Guidelines in providing assistance to the Audit Committee to discharge its responsibilities, including facilitating Audit Committee reports to the University Council.

The Manager, Internal Audit is responsible for implementing a quality assurance and improvement program which includes external and internal assessments to ensure the effective, efficient and economical operation of the Internal Audit function, with oversight from the Chief of Staff. The ability of the internal audit activity to carry out internal audit responsibilities in an unbiased manner is assured through operational independence where the Manager, Internal Audit reports functionally

to the Vice Chancellor and Audit Committee; and has an open and independent relationship with the external auditor (Queensland Audit Office).

Since becoming part of the Office of the Chief of Staff in May 2014, Internal Audit has undertaken a major review of audit processes. More effective and efficient assurance and consulting services have been provided through a refreshed Internal Audit Charter which reflects the new organisational structure and best practice; a revitalised Internal Audit strategic planning framework which aligns more closely with the University's planning and risk management framework; and the implementation of a web based Audit Management System (including Audit Recommendation Follow-Up) to more effectively track internal audit activity and the end to end internal audit process.

Ethical conduct and social responsibility

The University has a Statement on Integrity, that was last reviewed in April 2012. The intent of the Statement is aspirational and supports the University's desire to maintain the highest level of ethical standards. Integrity is identified as one of the pillars of sound ethical behaviour.

In concert with the Public Sector Ethics Act 1994 (QLD), the JCU Code of Conduct applies to all employees of the University and to other 'officers' such as external committee members, adjunct and visiting academics, and volunteers acting on behalf of JCU. The Code of Conduct outlines the ethical obligations of all these parties. New staff are alerted to the JCU Code of Conduct during induction, and it is publicly available online via the JCU website.

The Code of Conduct of Council Members applies to Council members and sets expected standards of conduct for those members. All members of Council and its Committees are reminded annually of their confidentiality obligations through a Statement on Confidentiality Provisions – JCU Council, Council Committees, Controlled Entity Directors and Nominee Directors of Non-Controlled Entities.

The University recognises that the interests of public office and personal or other interests may come into conflict. The University has developed a policy statement, 'Conflict of Interests of Members of Council', to assist such officers in dealing with any conflicts.

The JCU Code for the Responsible Conduct of Research sets out the obligations on all University researchers, staff and students to comply with the ethical framework governing research at the University and other relevant institutional and regulatory requirements.

The JCU Animal Ethics Committee (AEC), established in accordance with relevant state legislation and national protocols, reviews all teaching and research activities involving animals. The Committee reports to the JCU Ethics Review Committee (ERC). The JCU Human Research Ethics Committee (HREC), established in accordance with relevant national protocols, reviews all research and teaching applications in accordance with the National Statement on Ethical Conduct in Human Research, 2007.

Policies

All University Policies are contained in the Policy Library and are accessible to all staff and students and the public. The Policy Library also contains the delegations registers, policy handbook and templates. All policies are scheduled for review on a regular basis by designated responsible officers.

During 2015, particular emphasis was focused on the review of the Policy and Delegation Framework. The major outcome was the approval of a revised policy and delegations framework by the University Council. The objectives of the review were to improve clarity, coverage and consistency of JCU policies and alignment with the University Plan. The review also focused on creating a source for financial, human resource, academic and student, and governance and administration delegations. Single point of contact for policy changes and updates has been achieved as part of these enhancements.

Information systems and recordkeeping

The University is required to report on its compliance with the provisions of the Public Records Act 2002, Information Standard 40: Recordkeeping and Information Standard 31: Retention and Disposal of Public Records.

JCU is working towards full compliance with the Public Records Act and in pursuit of this has implemented an EDRMS (Electronic Document and Records Management System) EDRMS, known internally as TRIM (Tower Records Information Management).

The EDRMS was configured with the full Queensland State Archives (QSA) Retention and Disposal schedules, tailored to produce the first Business Classification Scheme specific to James Cook University and also a requirement under Information Standard 40: Recordkeeping and Information.

The JCU Records Management Framework and Records Management Policy have also been reviewed and updated. An action plan and road map has been developed to address areas to progress compliance, and the University's Strategic Recordkeeping Implementation Plan (SRIP) and Operational Recordkeeping Implementation Plan (ORIP) were reviewed and updated in 2014, following the implementation of the EDRMS.

The University's recordkeeping compliance information is informed by the University's response to the Queensland State Archives. It is also informed by the Recordkeeping Survey of Queensland Public Authorities issued by the State Archivist, and other internal or external recordkeeping monitoring and assessment activities.

Statement of Strategic Intent

Intent (Vision / Mission)

Creating a brighter future for life in the tropics world-wide through graduates and discoveries that make a difference.

Comprehensive, but focussed

We are a comprehensive University. Our teaching and research focuses on four themes:

- Tropical Ecosystems and Environment
- Industries and Economies in the Tropics
- Peoples and Societies in the Tropics
- Tropical Health, Medicine and Biosecurity.

Place is powerful

The Tropics is our place: a vast geographic area that Aristotle called the Torrid Zone. Our three tropical campuses are complemented and extended by regional and remote study centres and research stations. Students are at the heart of our University and we inspire them to make a difference in their fields of endeavour and in their communities by:

- Delivering high quality teaching and learning programs in a research-rich environment; and
- Fostering their professional expertise and intellectual curiosity. Our world-class research generates new knowledge and understanding to meet the challenges facing the peoples of the tropics.

Diversity and reconciliation

Embracing the diversity of the communities we serve in two countries, we work with them to create opportunities and enduring benefits for our region and beyond. Acknowledging the First Nation peoples of the world, their rich cultures and their knowledge of the natural environment, we pay particular respect to Aboriginal and Torres Strait Islander peoples, the traditional custodians of the lands and waters of Australia. We are pledged to achieve genuine and sustainable reconciliation between the Aboriginal and Torres Strait Islander peoples and the wider community.

Sustainability

Committed to the principles of sustainability, we will ensure that our actions today do not limit the range of social, cultural, environmental and economic options open to future generations.

Values

Excellence; Authenticity; Integrity; Sustainability; Mutual Respect; Discovery.

Beliefs

We recognise that knowledge has the power to change lives; We ignite and support a passion for learning in our community; We are enriched by and celebrate our communities' diversity; We understand that a sustainable environment is central to our lives and our work; We uphold our commitments.

An international University as reflected in our people, our places, and our research, we take quiet pride in being recognised as a leading tertiary institution in Australia, our Asia-Pacific region and among the universities of the world.

University Plan: our priorities

The University's plan (2013-2017) builds upon our Strategic Intent through stating our priorities and presenting aims and objectives in relation to our core business and the enablers – the resources, services and capabilities that underpin the activities of the University.

A University for the Tropics, World-Wide

Our aim is to position James Cook University as a national and international leader in teaching and research, addressing critical challenges facing the tropics worldwide. We commit ourselves to research of excellence and high impact, particularly on issues of importance to the world's tropics. We will build on current areas of world-class excellence to achieve strong performance in scholarship and teaching, inspired by a research-enriched environment. We recognise that the University is judged not only on its quality but equally on its wider relevance, impact and the force and integrity of its intellectual leadership.

One University, Two Countries, Three Tropical Campuses

Through our three tropical campuses – Cairns, Townsville and Singapore – James Cook University will become a tri-city university at which internationalisation is integral to our intent and our make-up. The University began in Townsville more than 50 years ago and in Cairns 25 years later. In 2011 the Singapore campus, established in 2002, became fully owned by James Cook University. Expanding and consolidating the University's activities in Singapore was a natural evolution. We have always been at home in the tropics, and embracing Singapore gives us even more ability to fulfil our tropical agenda. Our three tropical campuses are complemented by regional and remote study centres and research stations through which James Cook University extends its reach and responsiveness to our northern Queensland communities.

People and Place

We want James Cook University to be an employer of choice for staff and a university of choice for students. We are committed to building an environment that makes excellence possible, that promotes performance and productivity, values equity and diversity, and fosters community spirit and personal wellbeing. James Cook University will continue to build on its reputation for being socially responsive and, in particular, meeting the needs of people in rural, remote, Indigenous and tropical Australia.

We are committed to excellence, equity, diversity and wellbeing for our students, staff and alumni who come from many backgrounds. We are inspired by our northern Queensland region, home to Aboriginal and Torres Strait Islander peoples, and we recognise their special spiritual relationship with the land and sea. Our diversity is also strongly expressed and reflected through the Singapore campus. Collectively, the diverse tropical environments of our campuses enliven the University.

James Cook University is committed to building a strong sense of community and belonging for its students, staff and alumni. In supporting the total student experience, we understand that learning does not only take place in the classroom, and that students' time at university covers a broad range of experiences and engagement with the University community. These things collectively foster student success. We support and develop staff throughout the employment lifecycle, understanding that in doing so we are developing the leaders of the future.

Development, More Sustainably

Sustainable development finds expression in how we deal with global challenges such as climate change, diminishing biodiversity, food security, human rights, poverty alleviation, multiculturalism and global security. We believe that social, environmental and economic sustainability must be embedded in our daily practices and integrated in everything we do. Sustainable development comes from respect for our natural and social contexts, and from the knowledge that we will be judged by future generations according to our success in realising our sustainability goals.

In seeking a brighter future for people in the tropics worldwide, James Cook University staff and students will work to ensure that our actions today do not limit the range of social, cultural, environmental and economic options of future generations. Through our scholarship and practices, James Cook University seeks to meet the challenges that affect the tropics, materially contributing to sustainable development, worldwide.

Connecting, Locally and Globally

James Cook University's scholarly activities are inspired by its locations in the tropics. The University brings perspectives and understanding to our local communities that are informed by our interactions globally, while our window on the global tropics is framed by our experiences locally. As a regionally-based university, we recognise our obligation to engage with industry and government and to share our research findings. We form partnerships with other research organisations to get the most out of our research effort. James Cook University recognises its "power of place" and works within its own communities, promoting socially inclusive and sustainable regions. James Cook University will continue to be a good corporate citizen, responding proactively in terms of our civic responsibilities, interacting with our stakeholders in mutually beneficial ways to ensure that our regions grow and prosper sustainably. James Cook University will be a partner and advocate, integral to the social, cultural and intellectual life of its communities.

From our tropical regional location, we will seek relationships with research organisations, employers, campuses and users of new knowledge wherever they may be around the world. We will explore, implement and support opportunities for collaboration and learning, both physically and virtually, through encouraging staff and student mobility and using information and communication technology to give our activities global reach.

Operating environment

Review of achieving statutory obligations

The University's objectives, found within the University Plan 2013-2017 and outlined throughout this annual report, and the University's achievements are aligned with the Queensland **Government's objectives for the Community**, including: academic excellence; literacy and numeracy; skills training; career pathways and development; professional learning; community services and relationships; fiscal responsibility; and new infrastructure.

Outline nature and range of operations

The nature and range of operations are further expanded in this annual report throughout each individual 'Domain'. A Domain is identified as a major area of focus for the University that has significant strategic planning, resourcing, performance alignment, and is critical to the core business/purpose or operation of the University. The University Domains are:

Broad category	Domain
Core business	• Learning and Teaching
	• Research
	• Engagement
Enablers (support and services)	• Organisational effectiveness
	• Human and intellectual capital
	• Physical and virtual infrastructure
	• Finance and resources

Environmental factors, government policy changes, funding changes

The Federal Government announced in the May 2014 Budget, and continued into 2015, proposed significant changes to the Higher Education Sector. These changes were not passed in 2015, however are still on the current Government's agenda. To enact these changes requires amendment to legislation and, at the time of writing, had not yet passed through the Senate. The proposed changes are wide-spread and if passed would have very large impacts for the higher education sector from 2016 or 2017. The major impact for universities and students would be the deregulation of the domestic undergraduate higher education market; deregulation of the fees for Commonwealth-supported students; coinciding with a proposed reduction in Commonwealth funding for these students. There were no major changes in this reporting year, but significant work was undertaken by the University to prepare for the proposed changes.

Major / significant initiatives

Major / significant initiatives are outlined in in this annual report under each individual Domain. By outlining the initiatives under each individual Domain, it links the initiative to the appropriate area of focus for the University.

Matters of interest to key stakeholders

Matters of interest to key stakeholder are outlined in this annual report under each individual Domain. By outlining the matters of interest to key stakeholders under each individual Domain, this links the matters to the appropriate area of focus for the University.

Domain: Learning and teaching

Aim

To deliver high quality learning environments and programs that are inclusive, relevant and engaging, position students at the heart of the university experience and lead to excellent outcomes for graduates.

Statement of context

Over the past triennium we have enacted an institution-wide curriculum vision that seeks to align our courses and their delivery with the University's Strategic Intent and four tropical themes. Our staff have been recognised for their outstanding contributions to student learning through national teaching awards and citations, and we have established a Teaching and Learning Academy to provide an explicit focus on the scholarship of learning and teaching.

With the advent of a new national regulatory and quality assurance framework, we have taken on the challenge of managing growth and widening participation while maintaining our commitment to quality and excellence. We will continue to refine our policies, practices and processes to assure academic standards, quality and integrity and to embed a culture of continuous improvement, informed by scholarship, practice and meaningful learning and teaching data. We will also continue to ensure that our professional programs secure accreditation to meet community and professional needs and to remain at the forefront of national and international best practice.

We recognise that knowledge has the power to change lives and we are committed to meeting the learning and support needs of all students. We will continue to focus on improving retention and the student experience and respond to the impact of attrition and retention on the viability of our programs. In particular, James Cook University will strive to improve access and retention of Aboriginal and Torres Strait Islander students and students from non-traditional and disadvantaged backgrounds.

Objectives

1. Continue to develop and assure high quality learning environments that emphasise the Curriculum Refresh themes, in particular our tropical focus.
2. Build and enhance teaching capacity and learning leadership through the delivery of appropriate professional development opportunities and other targeted support.
3. Deliver flexible and inclusive learning environments that capitalise on both face-to-face and virtual innovations.
4. Implement and monitor effective and integrated strategies to improve pathways, retention and the student experience.
5. Refine approaches for mapping, assuring and enhancing course learning outcomes and the collection of assurance of learning data, and develop processes for external benchmarking of academic standards against similar courses of study.

Major achievements

- In 2015, JCU was awarded four national Office for Learning & Teaching (OLT) citations for Student Learning. The awards recognise teaching excellence and innovative approaches to learning and teaching. Each winner receives \$10,000 and is presented with their citations at a special ceremony held in Brisbane. The 2015 recipients are listed in the table below:

OLT Citation Recipient	OLT Citation
Dr Sue Devine	Citation for championing public health and health promotion in the tropics through leadership that inspires multi-disciplinary health professionals.
Mr Peter Hartin	Citation for bringing the outsiders in: inspiring multi-campus regional and remote students in the nursing capstone to learn, connect and succeed.
Dr Kate Hutson	Citation for bringing aquaculture to life through a networked, authentic and career-focused curriculum.
Associate Professor Wenxian Lin	Citation for using problem-centred learning pedagogy to achieve high level engagement, enthusiasm and exceptional learning outcomes for diverse students in mathematics-based engineering subjects.

- For the fifth year running, James Cook University achieved a five star result in the 2015 edition of the Good Universities Guide, with its graduates continuing to be highly sought after by employers. The rating means that JCU is in the top 20% of universities whose graduates (aged under 25) were able to find full time work within four months of graduation.
- The Sessional Teaching Awards recognise the significant contributions made by sessional staff (not in tenured or permanent position) to the teaching and learning community of JCU. The 2015 recipients are listed in the table below:

College	Recipients
College of Arts & Society & Education	Ms Jennifer Francis Mr Benjamin van Houts
College of Business, Law & Governance	Dr Irina Kinchin
College of Healthcare Sciences	Ms Fiona Crowther Mr Zane Quinn
College of Medicine and Dentistry	Dr Karen Carlisle
College of Public Health, Medical and Veterinary Sciences	Bio-medicine Team: Dr Martin Van der Meer; Dr Beena Suvarna & Mr James Phie
College of Science, Technology & Engineering	Dr Bronson Philippa

- The Inclusive Practice Awards recognise the efforts made by staff to be flexible, consultative, proactive, and/or innovative in minimising the challenges for students studying with a temporary or permanent disability, injury, illness or health condition. Recipients are from nominations submitted by students registered with AccessAbility Services. The 2015 recipients are listed in the table below:

Campus Location	Recipients
Cairns	Dr Carol Conway, Diploma of Higher Education
	Dr Felicity Croker, College of Medicine and Dentistry
	Mr Brian Kenady, Library and Information Services
	Miss Jennifer Francis, College of Arts, Society and Education
Townsville	Dr Alexandra Trollope, College of Medicine and Dentistry
	Dr Beryl Buckby, College of Healthcare Sciences
	Dr Julie Lovisa, College of Marine and Environmental Sciences
	Dr Mark David Chong, College of Arts, Society & Education
	Dr Phil Schneider, College of Science, Technology and Engineering
	Dr Sue Devine, College of Public Health, Medical & Veterinary Sciences
	Miss Hollie Baxter, College of Healthcare Sciences
	Mr Michael Meehan, College of Science, Technology and Engineering
Mr Raul Posse Emiliani, College of Arts, Society & Education	

- JCU citations for outstanding Contributions to Student Learning recognises individuals and teams that have demonstrated sustained commitment to enhancing the student experience,

curriculum innovations and transformative approaches to learning and teaching. The 2015 recipients are listed in the table below:

Recipient	JCU Citation
Dr Sue Devine	Citation for championing public health and health promotion in the tropics through leadership that inspires multi-disciplinary health professionals.
Ms Florence Boulard	Citation for inspiring the next generation of language learners in the Tropics.
Ms Jo Mensinga	Citation for attention to group processes that create a safe environment in which students can explore and identify their own strengths and values.
Mr Neil Dunbar	Citation for focusing on the changing student cohort and the individual student's learning needs to inspire, engage and encourage students to reach their full potential.
Ms Jodie Maxfield	Citation for flipping over accounting: Engaging first year accounting students through blended and collaborative learning strategies to improve learning outcomes and success rates.
Dr Kate Hutson	Citation for bringing aquaculture to life through a networked, authentic and career-focused curriculum.
Associate Professor Wenxian Lin	Citation for using problem-centred learning pedagogy to achieve high level engagement, enthusiasm and exceptional learning outcomes for diverse students in mathematics-based engineering subjects.
Dr Ellen Ariel	Citation for the sum of the parts: The power and the passion of a holistic approach to virology to inspire students to learn
Mrs Nicole Brown	Citation for inspiring, motivating and engaging allied health students in learning by using an enthusiastic and approachable teaching method, clear assessments, and providing authentic real-world experiences.
Mr Peter Hartin	Citation for bringing the outsiders in: inspiring multi-campus regional and remote students in the nursing capstone to learn, connect and succeed.
Miss Teneale McGuckin	Citation for supporting sport and exercise science students' transition at a regional university
The MBBS Home Group Team	(Ms Simone Ross, Ms Maggie Grant, Dr Teresa O'Connor, Professor Tarun Sen Gupta, Ms Karen Knight, Ms Julie Mudd, Ms Karen Johnston, Ms Justine Olsen) For the JCU Bachelor of Medicine, Bachelor of Surgery (MBBS) Home Group Program – a unique program to foster student connectedness, academic engagement and success in a regional medicine undergraduate course.

- The following quality assurance enhancements in the learning and teaching domain were achieved: Revisions to Course Performance Reporting (CPR) process (in collaboration with the Quality, Planning and Analytics directorate) to enhance the continuous improvement cycle.
- 2015 had a record number of student completions. Student completions can be represented in numerous ways, and this definition is for 'Award Completions' that excludes non-award, enabling, study abroad, exchange and foundation courses. The table below splits these completions by JCU campus locations:

Campus Location	Number of Award Completions
Townsville	2,399
Singapore	815
Cairns	665
Brisbane (RHE 3 rd party operated campus)	428
Beijing University of Technology (3 rd party operated study site)	79
Mackay	8
Mount Isa	6
Thursday Island	0
TOTAL	4,400

Key Performance Indicators

Measure name:	Institutional Total Student Load (EFTSL)
Type of measure:	Student enrolments and financial performance
2014 Result:	16,795
2015 Target:	17,009
2015 Result:	16,153
Commentary and variance reporting about 2015 result:	Target not met. The 2015 result was 854 EFTSL or 5.03% under target. The result was heavily impacted by the underperformance of the Commencing Student Load being 637 EFTSL under target.

Measure name:	Institutional Commencing Student Load (EFTSL)
Type of measure:	Student enrolments and financial performance
2014 Result:	6,693
2015 Target:	6,887
2015 Result:	6,250
Commentary and variance reporting about 2015 result:	Target not met. The 2015 result was 637 EFTSL or 9.3% under target. A very large proportion of this underperformance can be attributed to the drop in International Fee Paying commencing student load. This is a combination of competition and external / overseas factors.

Measure name:	Overall Student Satisfaction (CEQ)
Type of measure:	Teaching quality measure
2014 Result:	83.2%
2015 Target:	85.0%
2015 Result:	83.5%
Commentary and variance reporting about 2015 result:	The result was within the acceptable variance to target. The result represented a small fractional improvement over 2014 (being 83.2%).

Measure name:	Total Undergraduate Student Retention (%) in tropical Australia
Type of measure:	Student retention measure
2014 Result:	82.3%
2015 Target:	83.0%
2015 Result:	81.5%
Commentary and variance reporting about 2015 result:	The result was within the acceptable variance to target. The result was slightly below the 2014 result of 82.3%.

Domain: Research

Aim

To undertake and deliver research and research education that is at the forefront of scholarly activity nationally and internationally. Our research will be visionary, generating discoveries that make a difference by advancing disciplinary knowledge, and benefiting the wider community, government and industry.

Statement of context

Over the past triennium, James Cook University has progressively increased its research grant income and publications. The University will continue to establish new institutes and centres in areas of research strength. A training and mentoring program for Early Career Researchers has been established, and research performance reporting has improved.

Research capability and performance varies across the University, though. In particular, the number of staff able to compete for prestigious research grants needs to increase. The retention and recruitment of high performing research staff is a risk for the University. Domestic demand for Higher Degree by Research places remains soft, while scholarships for international Higher Degree by Research students are limited in number. Acquiring, maintaining and operating research infrastructure presents financial and other resource challenges.

The preciseness of James Cook University's Strategic Intent delivers focus. The power of our place is a magnet for people with interests in many fields of research in the tropics. Research performance has potential to rise in several fields, notably health and medicine and in the social sciences. Recent appointments, particularly of Tropical Leaders, have increased the depth and breadth of research capability. Research performance in key fields continues to improve, and we are building national profiles around our areas of expertise. As our expertise and networks grow, our international research collaborations are growing too, driven by our commitment to improving life in the tropics worldwide. These achievements and aspirations are paying dividends, with James Cook University becoming a prestigious employer of people with varied tropical research expertise.

Objectives

1. Increase the alignment of research and research education with the strategic intent, purpose and values of the University.
2. Develop the capability of our staff to participate in high quality, relevant research and recruit and retain staff whose research interests are strongly aligned with our strategic intent.
3. Procure and maintain infrastructure to support world- class research and research education, particularly in our areas of research priority.
4. Develop real value partnerships regionally, nationally and internationally to support our research endeavours and research education in our defined areas of research priority.
5. Deliver best practice research education and training to our post-graduate students, by providing quality learning environments, academic support and effective candidature management.
6. Improve the effectiveness and efficiency of research and research education support services and the associated processes.

Major achievements

- In late 2015 the Australian Research Council announced the outcomes of Excellence in Research for Australia (ERA) for 2015. ERA results are conducted approximately every 3 years. ERA evaluates the quality of Fields of Research (FoR) at every Australian university, and rates them on a scale of one to five from well below world standard (1), to well above world standard (5), with a (3) at world standard. JCU performed particularly well in the 2015 round with 77% of fields of research rated world class or above (3 to 5). A total of eight Fields of Research, or 18%, received the highest rating of (5) as per below:
 - Environmental science and management;
 - Ecology;
 - Geology;
 - Physical geography and environmental geoscience;
 - Ecological applications;
 - Plant biology;
 - Medical microbiology; and
 - Neurosciences.
- JCU's research performance ensured strong standing in the two most prestigious Global University Rankings:

Ranking Entity	Rank
Shanghai Academic Ranking of World Universities (ARWU)	312
Times Higher Education World University Rankings	Top 300 (251 to 300 band)

- Outstanding applied research was acknowledged with the 'Green Concrete' work of Shi Yin (PhD candidate) and Dr Rabin Tuladhar winning the Manufacturing, Construction and Innovation category of the 2015 The Australian Innovation Challenge.
- The Australian Research Council Industrial Transformation Research Hub (ARC ITRH) for Advanced Prawn Breeding is hosted by JCU near Cardwell and was officially launched in May 2015. The Hub has \$4.9m funding from the ARC plus significant co-investment from our industry partner; Seafarms Queensland. The other research partners are the University of Sydney, CSIRO, Australian Genome Research Facility and Universiteit Gent (Belgium).
- The 2015 JCU Dean's List and Dean's Award for Excellence Award recipients demonstrated excellence in a research higher degree and were commended by their independent examiners for substantial contribution to their field of research. The below table outlines award winners and their research topic:

Researcher	Research Topic and Advisors
Dr Lynne Bartlett, Doctor of Public Health	<i>'Faecal Incontinence in North Queensland'</i> <ul style="list-style-type: none"> • Primary Advisor: Emeritus Prof Richard Speare • Associate Advisor: Dr Madeleine Nowak • Co-Advisor: Prof Yik-Hong Ho
Dr Scott Engle, Doctor of Philosophy (Astronomy)	<i>'The Secret Lives of Cepheids: A Multi-Wavelength Study of the Atmospheres and Real-Time Evolution of Classical Cepheids.'</i> <ul style="list-style-type: none"> • Primary Advisor: Prof Edward Guinan • Co-Advisor: Prof Ian Whittingham
Dr Christopher Goatley, Doctor of Philosophy (Marine Biology)	<i>'The Ecological Role of Sediments on Coral Reefs'</i> <ul style="list-style-type: none"> • Primary Advisor: Prof David Bellwood • Co-Advisor: Prof Geoffrey Jones

Researcher	Research Topic and Advisors
Dr Johannes Hammerli, Doctor of Philosophy (Geology)	<p><i>'Using Microanalysis of Minerals to Track Geochemical Processes during Metamorphism: Examples from the Mary Kathleen Fold Belt, Queensland, and the Eastern Mt. Lofty Ranges, South Australia'</i></p> <ul style="list-style-type: none"> • Primary Advisor: A/Prof Carl Spandler • Associate Advisor: Dr Anthony Kemp • Associate Advisor: Dr Christa Placzek • Co-Advisor: Dr Simon Richards
Dr Ryl Harrison, Doctor of Philosophy (Political Science)	<p><i>'Telling Lies to Little Girls: The Sexual Politics of Mothering Girls'</i></p> <ul style="list-style-type: none"> • Primary Advisor: Dr Nonie Harris • Co-Advisor: Dr Surin Maisrikrod
Dr Kelly Hodgson, Doctor of Philosophy (Microbiology)	<p><i>'The Development and Characterisation of a Murine Model of Type 2 Diabetes and Burkholderia pseudomallei Infection.'</i></p> <ul style="list-style-type: none"> • Primary Advisor: Prof Natkunam Ketheesan • Co-Advisor: Dr Jodie Morris • Co-Advisor: A/Prof Brenda Govan
Dr Ruth Kamrowski, Doctor of Philosophy (Environmental Science)	<p><i>'Coastal Light Pollution in Australia: Insights and Implications for Marine Turtle Conservation'</i></p> <ul style="list-style-type: none"> • Primary Advisor: A/Prof Mark Hamann • Associate Advisor: Dr Renae Tobin • Associate Advisor: Dr Col Limpus • Co-Advisor: Dr Stephen Sutton • Co-Advisor: Dr James Moloney
Dr Jutta Kockler, Doctor of Philosophy (Pharmacy)	<p><i>'Sunscreens: Evaluation of Photostability, Formulation and Skin Penetration'</i></p> <ul style="list-style-type: none"> • Primary Advisor: Prof Beverley Glass • Associate Advisor: Dr Sherryl Robertson • Co-Advisor: A/Prof Michael Oelgemoeller
Dr Joleah Lamb, Doctor of Philosophy (Marine Biology)	<p><i>'Influence of Marine-Based Industries on Coral Health and Disease'</i></p> <ul style="list-style-type: none"> • Primary advisor: Prof Bette Willis • Associate advisor: Prof Garry Russ • Co-advisor: Dr Britta Schaffelke
Dr Rhian Morgan, Doctor of Philosophy (Anthropology)	<p><i>'Virtually Reality: An Ethnographic Study of Sociality, Being and Money in a Multi-Player Online Game-World'</i></p> <ul style="list-style-type: none"> • Primary Advisor: Dr Robin Rodd • Co-Advisor: Prof Ian Atkinson
Dr Sandra Sewell, Doctor of Philosophy (Women's Studies)	<p><i>'Women and the Environment: An Indicative Study on Tamborine Mountain, Queensland'</i></p> <ul style="list-style-type: none"> • Primary Advisor: Dr Nonie Harris • Associate Advisor: A/Prof Susan Gair • Co-Advisor: Mr Peter Jones

Key Performance Indicators

Measure name:	Research Income (HERDC categories 1-4)
Type of measure:	Research activity
2014 Result:	\$64.3m
2015 Target:	\$51.0m
2015 Result:	\$50.9m
Commentary and variance reporting about 2015 result:	The 2015 result is within the acceptable variance to target, and is only a small fraction under target. The result is unaudited and unadjusted. The final result will come from the HERDC Return mid-year.

Measure name:	HERDC Publication (points)
Type of measure:	Research activity
2014 Result:	1,082
2015 Target:	1,082
2015 Result:	1,082
Commentary and variance reporting about 2015 result:	Target was met with the result being the exact targeted amount.

Measure name:	Total number of HDR Student Completions (International & Domestic)
Type of measure:	Student outcomes, and research outputs (RTS)
2014 Result:	105
2015 Target:	112
2015 Result:	137
Commentary and variance reporting about 2015 result:	Target exceeded. The result was 25 completions above target, being 22.3% above target, and 30.5% above the 2014 result. This is a great result and is a record number of completions for JCU.

Measure name:	Reputation - International Rankings
Type of measure:	International reputation
2014 Result:	Top 400
2015 Target:	Top 400
2015 Result:	Top 400
Commentary and variance reporting about 2015 result:	Target met. Rankings as per the Academic Ranking of World Universities.

Domain: Engagement

Aim

The University through its staff, students, graduates, research outcomes and partnerships will engage with communities, industry and the professions in the tropics worldwide, and be recognised and acknowledged as a leading international university for and of the tropics.

Statement of context

For more than 40 years James Cook University has focused on issues of importance to the tropical world, and has helped drive sustainable social, cultural and economic development in northern Queensland. James Cook University embraces the diversity of the communities it serves in two countries, and works with those communities and stakeholders to create opportunities and lasting benefits. In addition, through our work integrated learning (WIL) programs across a variety of disciplines, and through student-led clinics, James Cook University is expanding the range of services available to communities.

Key risks include increased competition for domestic undergraduate students, and the volatility of the international student market caused in part by economic circumstances, government regulation and increased competition.

Objectives

1. Provide opportunities for our students to travel and study overseas through cross-campus opportunities, exchanges, short courses and study abroad programs.
2. Stay in touch with our domestic and international alumni and find ways they can meaningfully contribute to our institutional priorities.
3. Be a partner and advocate, integral to the social, cultural and intellectual life of our communities.
4. Work closely with professional bodies, employers, government agencies and other partners to constantly update our knowledge of what tropical regions need, and ensure that our research and academic programs can meet those needs.
5. Attract students, staff and visitors from within and outside the tropics, and thereby promote understanding and advocacy of the region.

Major achievements

- In 2015, the *JCU Townsville Fire* WNBL (Women's National Basketball League) team won the 2014/2015 premiership title. James Cook University became the principal naming rights partner of the *Townsville Fire* at the beginning of the 2014/2015 season – for a period of three years, with the agreement cementing the University's acronym (JCU) to appear at the front of the team name. The premiership title win has been a great boost for JCU's national exposure and engagement opportunities. During the partnership, JCU will offer scholarships to a number of players who wish to undertake tertiary study. JCU joined the National Network of Elite Athlete Friendly Universities in 2013, which provides support for athletes to help balance sport and study, further cultivating JCU's commitment to community engagement.
- 2015 JCU Outstanding Alumni awards recognise the achievement by individuals who are part of the JCU global community. The 2015 Outstanding Alumni award recipients are listed in the below table:

Award category	Award recipient
Arts, Society and Education	Commissioner Katarina Carroll
	Dr Bradley Garrett
Business, Law and Governance	Cathy-Ann McLennan
	Mr Andrew Anderson
Marine and Environmental Sciences	Dr Donna Kwan
	Dr Danielle Dixson
Science, Technology, and Engineering	Mr Doug Kirwin
	Mr Leigh Graham
Healthcare Sciences	Dr Jennifer Sando
	Mrs Lauren Chapman
Public Health, Medical and Veterinary Sciences	Professor Marc Shaw
	Dr Suman Majumdar
Medicine and Dentistry	Mr Trent Twomey
	Dr Dylan Morris
The Chancellor's Outstanding Alumnus Recipient	Cathy Ann-McLennan

- In 2015, JCU was the winner of the Green Gown Awards Australasia in the category of Student Engagement. The award for the Student Engagement category was won for the work of the JCU Green Bike Fleet. This program is built around a low-cost, sustainable business model, with the purpose to refurbish abandoned or unwanted bicycles, and then sell them to students at a fraction of the price of new bicycles. The program's success has been evidenced by the fact that demand continually outstrips supply, with initial targets exceeded by over 260%.

Key Performance Indicators

Measure name:	Number of 1st Preferences to QTAC
Type of measure:	Market share
2014 Result:	6,554
2015 Target:	6,685
2015 Result:	6,778
Commentary and variance reporting about 2015 result:	Target met with 93 first preferences above target. This is a good result and represents a 3.4% increase in first preferences from 2014 to 2015. In comparison, the group of QLD Universities that JCU tracks its performance against only increased by 0.4% from 2014 to 2015.

Domain: Organisational effectiveness

Aim

To be an innovative university with a culture of accountability, responsive to opportunity and the capacity to respond to the ever-changing external environment. We will achieve organisational and operational effectiveness through high quality leadership and management.

Statement of context

Through good leadership and management we plan, implement, evaluate and improve the University's operations and performance. We are accountable through informed and flexible decision making based on our values and evidence- based analysis.

Our decisions and services are aligned with the University's strategic intent, priorities and core business. We will always seek to improve the way we do things through using resources wisely and challenging "business-as-usual" approaches. New ideas will always be welcome. New services and processes help us do business in the most sustainable and efficient way possible.

Objectives

1. Make continuous improvement and accountability the norm.
2. Systematically evaluate and assess university performance and operational effectiveness.
3. Provide high quality client service, decrease costs, and improve productivity and results.
4. Effectively communicate improvements and changes.

Major achievements

- Continued development and implementation of Cognos Business Intelligence tools across student datasets, and development work done on the staff and financial datasets, which were deployed in 2015. This work has enabled staff to have easy and timely access to data, has increased our business intelligence and analytics capability, and has begun to change the culture of the University towards more evidence-based decision making.
- Process improvements were implemented by the Strategic Procurement Office to streamline some operations and improve efficiencies and effectiveness for the University.
- A new Policy and Delegations Framework was developed and endorsed by Council, and progress was made to implement the Framework in the reporting year. The new Framework aims to improve clarity and effectiveness for policy users. Improvements were also implemented to enhance the processes for the development and approval of policies, procedures, and delegations and the management of policy library.
- In line with the principles of the University's Quality Enhancement Framework, an independent review of the Student Services Directorate was conducted in May 2015. The Review Panel comprised five members with significant relevant expertise, including two external to JCU. The Panel's report considered current practices and performance, and identified key opportunities and strategies for further improvement to support the University's Strategic Intent and the student experience. The review report and an action plan to address the review findings were considered by the University Executive, and actions will be implemented over the coming year.
- An independent review of The Cairns Institute was conducted in November 2015 under the University's policy for five yearly reviews of Research Institutes and Centres. The Review

Panel comprised three members with significant relevant expertise, including two external to JCU. The Review Terms of Reference focused on the Institute’s performance to date and future opportunities and strategies in support of the University’s Strategic Intent, and ambitions for the Institute. The review report and an action plan to address the review findings will be presented to University’s Council in early 2016.

- During 2015, JCU undertook the first full year of participation in the UniForum benchmarking group. The purpose of UniForum is to analyse university operations, which excludes academic and research efforts. The information provided from the 2015 benchmarking exercise provided insights into ways to improve effectiveness and efficiency for the service (enabling) operations of the University. The benefits of UniForum benchmarking will be fully realised in future years when a trend of reliable benchmarked data can be utilised.

Key Performance Indicators

Measure name:	TEQSA Compliance (Threshold Standards)
Type of measure:	Compliance
2014 Result:	Yes (Compliant)
2015 Target:	Yes (Compliant)
2015 Result:	Yes (Compliant)
Commentary and variance reporting about 2015 result:	Target met. Current work plans and milestones are being met and continually monitored.

Domain: Human and intellectual capital

Aim

To attract, engage, develop and retain quality people with the skills, knowledge, experience, competencies and values required to fulfil the needs and deliver the outcomes of the University both now and in the future.

Statement of context

The next five to ten years will see more exits from the Australian workforce than incoming recruitments due to decreased fertility rates and the aging of the Australian population. The recent global financial crisis and the removal of a forced retirement age have delayed the impact of the restricted labour market, although some areas are discovering that recruitment is becoming more competitive. Therefore, retaining employees through strategies and initiatives that support employee engagement has become a high priority.

Aligning strategic workforce planning with corporate planning is needed to forecast future demands and identify potential supply. Strategic workforce planning can be used to expand, reduce or better utilise a workforce, providing a direct link between the workforce and the future direction of the University. The University must become more flexible and agile to respond to changing demands and industrial frameworks must deliver flexibility.

Strategic planning will be used to develop staff initiatives and workforce development programs by identifying future capability and cultural requirements. Such planning not only drives professional development but also provides the foundation for strategic recruitment and retention.

James Cook University is committed to developing its future leaders. Building upon the wealth of wisdom and experience embodied by our current academic leaders, we will use succession planning to identify and nurture those who will take James Cook University into the future. Wherever leadership potential is found, we will match it with experienced coaches and mentors who lead by example.

James Cook University is strongly committed to equity and diversity in the workplace and aspires to continue developing a workforce that reflects the diversity, capacities and capabilities of people from the regions in which we operate.

Objectives

1. Align workforce planning to the corporate planning cycle in order to identify and plan for future capability requirements.
2. Attract, develop and retain quality employees and be recognised by the Commonwealth Government as an Employer of Choice.
3. Deliver a HR framework that affords flexibility to meet future University change.
4. Develop an effective management culture and leadership capabilities.
5. Create an environment that recognises and supports the diverse cultural communities, in which the University resides.
6. Ensure the well-being of staff/students/visitors by providing healthy and safe campuses and facilities.

Major achievements

- The Human Resources directorate successfully completed a significant structural change in 2015 in order to deliver greater benefits to the University. This involved the streamlining of functions, including a greater focus on service culture, and continuous improvement.
- Human Resources (HR) dashboards were developed and launched in 2015 through JCU's BI (Business Intelligence) project. The new HR dashboards allow university management to better understand, monitor and influence HR related factors within their business units. This tool will also assist in future planning and meeting the requirements of the organisation's Enterprise Agreement and other commitments.
- Results from latest JCU Staff Opinion Survey were distributed in 2015 via face-to-face feedback forums and electronic communication. The results highlighted a keen interest in improving leadership, and leadership capability, across the organisation. University-wide action plans have been developed to bring leadership in a sharper focus. A leadership workshop was run at the annual Senior Staff Conference in November, which was professionally facilitated by an external HR consultant.
- Prof Bill Laurance elected Fellow of the Australian Academy of Science; Prof Helene Marsh elected Fellow of the Australian Academy of Science; Prof Sean Ulm elected Fellow of the Australian Academy of the Humanities. This increases number of current staff who are Fellows to eight; Prof Marsh was previously elected Fellow of the Australian Academy of Technological Sciences and Engineering (ATSE).
- Dr Jodie Rummer was awarded a UNESCO L'Oreal Women in Science fellowship; one of three awarded in Australia in 2015.

Workforce planning, attraction and retention, and performance

QLD Government Measures	2015 Result
Workforce Profile: Full-time equivalent staff (FTE)*	2096
Workforce Profile: Permanent separation rate*	13%

*Excludes JCU Singapore (international campus), and JCU Brisbane Campus (third party operation). Definitions are QLD Government definitions. Results are rounded.

Factors that generally affect the workforce profile (FTE and permanent separation rate) include:

- Level and structure of Government funding;
- Short-term Government funding for special initiatives / programs;
- Organisational-wide restructuring;
- Continuous improvement initiatives (including streamlining of processes, change of processes, technology and process improvements);
- Regional unemployment; and
- Responsible financial management to maintaining a sustainable organisation.

Key Performance Indicators

Key Performance Indicators are currently not applicable to this Domain. There are other performance measures that are used to assess performance of the University's human and intellectual capital.

Domain: Physical and virtual infrastructure

Aim

To match our physical and virtual infrastructure to the needs of a scholarly institution of international renown, where students, staff and visitors can gather in environments that are safe, sustainable and fit-for-purpose. James Cook University research and learning facilities, services and communication technologies will encourage productivity and excellence among staff and students.

Statement of context

We speak of the power of place, of our location being our laboratory. While that place is the tropics, the notion of place also speaks to our physical fabric and facilities. In recent years, we have significantly increased our investment in physical and virtual assets to underpin our work and to enable staff and students to work and study in environments of the calibre they deserve.

We must continue to develop and deliver targeted, sustainable, enabling infrastructure and services - a fresh interpretation of the importance of place. Our investment in, and costs of, managing our estate will increase over the next decade as the Cairns campus grows rapidly, we work to meet accreditation, pedagogical and research related requirements and we establish a campus in Singapore that matches our aspirations. We will be looking at increasing our use of existing space and implementing new energy efficiency measures to help manage spiralling costs. We have deployed significant additional funding to invest in our physical and virtual infrastructure, part of the long process of redressing our ageing infrastructure and capital renewal challenges.

We will provide information and communication technology systems and services that achieve a balance between corporate, research and teaching and learning needs while being efficient and environmentally sustainable. Our ICT systems will place our scholarly activities first, both on and off our campuses.

Universities always face tensions between operating and capital investment. We recognise that failure to continue investing in physical and virtual infrastructure will make our future aspirations harder to achieve. Through careful planning, we aim to get the balance right.

Objectives

1. Deliver safe and contemporary learning spaces that make our campuses places of destination.
2. Be a leader in environmentally sustainable infrastructure development and operations and innovative information and communication technologies.
3. Create a knowledge community through implementing Discovery Rise on the Townsville campus.
4. Provide a robust virtual and physical environment that fosters sustainable teaching and research and builds a sense of community both on and off our campuses.
5. Increase use of existing space to maximise return on investment and defer the need for investment in new infrastructure.
6. Investigate alternative options for new infrastructure (such as the Clinical Practice Building and the Science Place, as well as Cloud hosted ICT solutions) that don't detract from existing operations.

Major achievements

- Construction has commenced at both the Townsville campus and Cairns campus of the Australian Institute of Tropical Health and Medicine (AITHM). \$42m was contributed by the Qld State Government, being matched by \$42m from the Federal Government, totalling \$84m across all locations. The key nodes will be located in Townsville, Cairns, the Torres Strait and Mackay. AITHM's programs will encompass public health, biomolecular, clinical, translational, and health systems research that is strongly focused on the health issues of most importance to tropical Australia, delivering significant public health benefit locally, regionally and globally. Through its research and innovation, and in partnership with key community organisations and health service providers, AITHM aims to be a world leader and fill a major gap that currently exists at the interface between cutting edge research and scientific expertise, and health service, workforce and policy delivery.
- The JCU Townsville City Campus was officially opened on 16th of March 2015. JCU undertook a long term lease of the new three-story, almost 1,000 square metre teaching and student services centre in the middle of Townsville's CBD (Central Business District). The Townsville City Campus includes a boardroom, the Cullinane Moot Court (law court), and meeting facilities; allowing the University to engage more directly with business and the local community. This has enhanced accessibility and experiences for students who live or work near the city centre.
- Construction work began in 2015 on the new \$80m Science Place located at the Townsville campus. The Science Place will span approximately 12,000 square metres of gross floor space for the purpose of consolidating science and engineering based study and research education together. The new Science Place will be used to promote and encourage science-based careers, and to improve the overall science skill base in Northern Australia. The new site will eventually replace three major substandard buildings, which will be demolished as part of the scope of the new development. One major building has already been successfully demolished, with an impressive 96% of materials being recycled.
- Former Prime Minister, The Hon. Tony Abbott, officially opened the new JCU Singapore Campus on 28th June 2015. Queensland Premier, Annastacia Palaszczuk, was also in attendance with many other dignitaries from both Australia and Singapore. JCU Singapore was previously located over two sites, and has now been amalgamated into a new single larger site to accommodate expansion. The new campus has been secured from the Singapore Government via leasehold arrangement, and has been extensively redeveloped from its previous use as a major public high school, into a vibrant and modern university campus. The redevelopment work was finalised in early 2015 with operations commencing shortly after. The proximity of the new campus to the Singapore CBD and new sports hub has further enhanced the experience of students and links to business and industry. The Singapore Campus is a gateway to Asia, and is a cornerstone for JCU to deliver on its objective of creating a brighter future for life in the Tropics world-wide.

Key Performance Indicators

Measure name:	Estate Management (GFA/EFTSL)
Type of measure:	Efficiency of space utilisation
2014 Result:	17.11
2015 Target:	16.66
2015 Result:	16.88
Commentary and variance reporting about 2015 result:	The result was within the acceptable variance to target. Both of the targeted student EFTSL (Equivalent Full-Time Student Load) and GFA (Gross Floor Area) for this measure (being Cairns and Townsville campuses) were very close to the result. A lower result is considered better, as it generally means a better use of physical space.

Domain: Finance and resources

Aim

To be financially sustainable and ensure sufficient resources are available to invest in our continued growth to enable achievement of our aspirations.

Statement of context

We are operating in an increasingly competitive global environment, confronted by new challenges and opportunities, both domestically and internationally. We need to be sensitive to international events including factors outside our control. Competition is rising within our region from other universities. The introduction of the new demand driven model from 2012 has heightened competition and our branding and marketing strategies need to be flexible enough to respond. An important factor in our planning is the fact that domestic students tend to seek a university place during times of economic downturn.

Changing government policy and funding arrangements will influence how we operate. The ever-changing external environment has to be accommodated, while we remain true to our strategic intent and continue serving the needs of our region.

We are in an investment phase as part of the next stage of our development. We are making decisions about the best way to deploy our resources so that we can fulfil our objectives and keep on investing in our future. Prioritising resources is carried out in accordance with prescribed processes and aligned to the Vice Chancellor's priorities set annually. We are guided by a need to keep James Cook University growing while controlling our expenditure.

Challenging but attainable planning targets are developed for our student population at our Townsville, Cairns and Singapore campuses. These targets provide a foundation for the University budget and lay down the path we need to follow. We expect that our research income will grow, based on current projections.

The higher education environment is volatile and many matters are outside our direct control. Nevertheless, we can work with these constraints by managing our finances and resources in a smart and flexible way.

Objectives

1. Manage resources in an ethical, financially responsible and sustainable way.
2. Make the most of our capabilities to achieve accountable, consistent and efficient financial management.
3. Ensure that we have a teaching funding base sufficient to support our research aspirations and a planned approach to enterprise management and growth.
4. Meet both domestic and international student demand challenges by investing in new initiatives.
5. Adopt a continuous improvement culture that places productivity and value for money as top priorities.
6. Integrate the risk management framework into University wide processes, procedures and decision making.

Major achievements

- JCU has continued with its predicative modelling and cost modelling projects. These projects have allowed the university to focus management efforts on understanding the underlining costs in the business, and have enhanced future decision making capabilities.
- During 2015, JCU undertook further reviews of resource allocations and strategic funding for major priority projects. This work will help towards the goal of becoming a truly sustainable organisation.
- 2015 marked a milestone with the release of the finance stage in the Information to Analytics Business Intelligence project. The finance stage replaced the aged *FinWeb* software with the new *Finance at JCU* platform. The new platform brings substantial improvements, especially in the area of project management of accounts. The new platform will be continuously improved with the aim of delivering further tangible benefits.

Key Performance Indicators

Measure name:	% Net Operating Result/Income
Type of measure:	Financial management success
2014 Result:	11.9%
2015 Target:	3.4%
2015 Result:	6.17%
Commentary and variance reporting about 2015 result:	The target was exceeded. The target ratio of 3.40% was based on a budgeted Net Operating result of \$17.031m. The target was exceeded due to lower than expected expenses within: Employee Benefits Expense; and Other Expenses. These decreases to expenses resulted in a better than expected Net Operating result of \$29.728m and a final ratio of 6.17%.

Measure name:	Unqualified Audit Outcome
Type of measure:	Financial management standard
2014 Result:	Yes
2015 Target:	Yes
2015 Result:	Yes
Commentary and variance reporting about 2015 result:	Target achieved. JCU received an Unqualified Audit outcome.

Financial overview

Consolidated financials

2015 Net Result (after Income Tax)	\$m
Total	26.254

2015 Employee Benefits as a % of Total Expenses	\$m
Total	51.86%

2015 Assets V Liabilities	\$m
Current Assets	307.768
Current Liabilities	99.407
Current Ratio	3.10

2015 Revenue	\$m
Australian Government grants	187.691
HECS-HELP - Australian Government payments	72.901
FEE-HELP - Australian Government payments	2.685
SA-HELP - Australian Government payments	2.236
Other Australian Government grants	53.953
State and Local Government financial assistance	20.721
HECS-HELP - Student Payments	7.917
Fees and charges	137.417
Investment revenue	9.661
Royalties, trademarks and licenses	0.062
Consultancy and contracts	26.424
Sale of goods	0.085
Other revenue	2.892
Share of profit or loss on investments accounted for using the equity method	-0.071
Other investment income	0.652
Other Income	0.446
Total	525.672

2015 Capital Expenditure	\$m
Land and Buildings & WIP	33.276
Other Plant & Equipment	7.285
Computer Hardware	0.262
Library Collections	0
Museums and Art	0
Leasehold Improvements	24.155
Infrastructure	4.195
Vehicles	0.557
Total	69.73

2015 Expenditure	\$m
Employee benefits and on costs	258.988
Depreciation and amortisation	53.001
Repairs and maintenance	24.451
Finance costs	3.988
Impairment of assets	1.143
Investment losses	0
Other expenses	157.699
Income tax expense	0.148
Total	499.418

Financial statements and notes

The following pages contain the financial Statements and notes

JAMES COOK UNIVERSITY

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Notes	Consolidated \$'000		Parent Entity \$'000	
		2015	2014 restated	2015	2014
REVENUE FROM CONTINUING OPERATIONS					
Australian Government financial assistance					
Australian Government grants	2	187,691	216,817	187,691	216,817
HECS-HELP - Australian Government payments	2	72,901	70,507	72,901	70,507
FEE-HELP - Australian Government payments	2	2,685	3,396	2,685	3,396
SA-HELP - Australian Government payments	2	2,236	1,985	2,236	1,985
Other Australian Government grants	2	53,953	48,861	53,953	48,859
State and Local Government financial assistance	3	20,721	10,705	20,721	10,705
HECS-HELP - student payments		7,917	8,611	7,917	8,611
Fees and charges	4	137,417	139,548	86,759	90,633
Investment revenue	5	9,661	8,702	10,863	9,519
Royalties, trademarks and licences		62	20	4,140	5,165
Consultancy and contracts	6	26,424	33,069	26,424	33,069
Sale of goods		85	4,541	85	4,542
Other revenue	7	2,892	5,502	2,829	6,147
Total revenue from continuing operations		524,645	552,264	479,204	509,955
Share of profit or loss on investments accounted for using the equity method	20	(71)	9	-	-
Other investment income	5	652	2,631	652	2,631
Other income	7	446	(2,340)	1,770	(3,112)
Total revenue and income from continuing operations		525,672	552,564	481,626	509,474
EXPENSES FROM CONTINUING OPERATIONS					
Employee benefits and oncosts	8	258,988	265,424	239,315	246,730
Depreciation and amortisation	9	53,001	39,942	48,727	37,194
Repairs and maintenance	10	24,451	17,818	22,369	16,384
Finance costs		3,988	5,711	3,766	5,567
Impairment of assets	11	1,143	2,011	968	1,966
Investment losses	5	-	1	-	1
Other expenses	12	157,699	158,805	136,753	140,512
Total expenses from continuing operations		499,270	489,712	451,898	448,354
Net result before income tax		26,402	62,852	29,728	61,120
Income tax expense	13	148	673	-	-
Net result after income tax for the period attributable to members of James Cook University		26,254	62,179	29,728	61,120
Other comprehensive income after income tax					
Items that will not be reclassified to profit or loss:					
Gain/(loss) on revaluation of land, buildings and infrastructure	22(b)	36,427	48,567	36,427	48,567
Change in fair value of available for sale financial assets	21(b)	8,048	(1,904)	8,048	(1,904)
Exchange differences on translation of foreign operations	30(b)	516	575	-	-
Total other comprehensive income for the period		44,991	47,238	44,475	46,663
Total comprehensive income for the period attributable to members of James Cook University		71,245	109,417	74,203	107,783

JAMES COOK UNIVERSITY

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015**

	Notes	Consolidated \$'000		Parent Entity \$'000	
		2015	2014 restated	2015	2014 restated
CURRENT ASSETS					
Cash and cash equivalents	16	94,914	70,411	81,829	43,030
Trade and other receivables	17	27,126	29,152	27,181	26,590
Inventories	18	588	612	34	90
Non-current assets held for sale	19	-	125	-	125
Other financial assets	21	174,300	170,161	174,300	170,161
Prepayments		10,840	8,326	10,385	8,249
Total current assets		307,768	278,787	293,729	248,245
NON-CURRENT ASSETS					
Trade and other receivables	17	-	-	26,984	28,773
Investments accounted for using the equity method	20	193	344	-	-
Other financial assets	21	35,723	33,996	36,645	34,918
Property, plant and equipment	22	754,878	703,290	693,090	657,414
Intangible assets	23	4,938	4,983	4,938	4,983
Other non-current assets	24	457	430	82	-
Total non-current assets		796,189	743,043	761,739	726,088
TOTAL ASSETS		1,103,957	1,021,830	1,055,468	974,333
CURRENT LIABILITIES					
Current tax liabilities	25	274	853	-	-
Trade and other payables	26	40,537	22,336	31,575	15,448
Borrowings	27	7,499	21,291	6,039	18,495
Employee benefit liability	28	27,521	25,927	27,280	25,682
Other liabilities	29	23,576	23,968	9,329	10,124
Total current liabilities		99,407	94,375	74,223	69,749
NON-CURRENT LIABILITIES					
Deferred tax liabilities	25	119	114	-	-
Borrowings	27	77,308	71,730	73,186	71,035
Employee benefit liability	28	25,670	25,403	25,557	25,250
Total non-current liabilities		103,097	97,247	98,743	96,285
TOTAL LIABILITIES		202,504	191,622	172,966	166,034
NET ASSETS		901,453	830,208	882,502	808,299
EQUITY					
Parent entity interest					
Retained earnings	30(a)	611,168	584,914	593,522	563,794
Asset revaluation surplus	22(b)	277,312	240,885	277,312	240,885
Amounts recognised directly in equity relating to non-current assets classified as held for sale	21(b)	11,668	3,620	11,668	3,620
Foreign currency translation reserve	30(b)	1,305	789	-	-
Total parent entity interest		901,453	830,208	882,502	808,299
TOTAL EQUITY		901,453	830,208	882,502	808,299

The above statement of financial position should be read in conjunction with the accompanying notes. Page 47

JAMES COOK UNIVERSITY

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

Consolidated	Retained earnings \$'000	Asset revaluation surplus \$'000	Available-for-sale reserve \$'000	Foreign currency translation reserve \$'000	Total equity \$'000
Balance at 1 January 2014	522,735	192,318	5,524	214	720,791
Net operating result for the period	62,179	-	-	-	62,179
Other comprehensive income	-	48,567	(1,904)	575	47,238
Total comprehensive income	62,179	48,567	(1,904)	575	109,417
Balance at 31 December 2014	584,914	240,885	3,620	789	830,208
Balance at 1 January 2015	584,914	240,885	3,620	789	830,208
Net operating result for the period	26,254	-	-	-	26,254
Other comprehensive income	-	36,427	8,048	516	44,991
Total comprehensive income	26,254	36,427	8,048	516	71,245
Balance at 31 December 2015	611,168	277,312	11,668	1,305	901,453
Parent Entity	Retained earnings \$'000	Asset revaluation surplus \$'000	Available-for-sale reserve \$'000	Foreign currency translation reserve \$'000	Total equity \$'000
Balance at 1 January 2014	502,674	192,318	5,524	-	700,516
Net operating result for the period	61,120	-	-	-	61,120
Other comprehensive income	-	48,567	(1,904)	-	46,663
Total comprehensive income	61,120	48,567	(1,904)	-	107,783
Balance at 31 December 2014	563,794	240,885	3,620	-	808,299
Balance at 1 January 2015	563,794	240,885	3,620	-	808,299
Net operating result for the period	29,728	-	-	-	29,728
Other comprehensive income	-	36,427	8,048	-	44,475
Total comprehensive income	29,728	36,427	8,048	-	74,203
Balance at 31 December 2015	593,522	277,312	11,668	-	882,502

JAMES COOK UNIVERSITY

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Notes	Consolidated \$'000		Parent Entity \$'000	
		2015	2014 restated	2015	2014 restated
CASH FLOWS FROM OPERATING ACTIVITIES					
Australian Government financial assistance					
Australian Government		190,184	217,333	190,184	217,336
Capital grants - Australian Government		20,000	15,254	20,000	15,254
HECS-HELP - Australian Government payments		69,751	67,567	69,751	67,567
FEE-HELP - Australian Government payments		2,975	3,200	2,975	3,200
SA-HELP - Australian Government payments		2,241	2,128	2,241	2,128
Other Australian Government grants		33,953	33,605	33,953	33,605
HECS-HELP - student payments		7,917	8,611	7,917	8,611
FEE-HELP - student payments		2,660	1,553	2,660	1,553
Queensland State Government		9,221	6,705	9,221	6,705
Capital Grants - Queensland State Government		11,500	4,000	11,500	4,000
Interest received		7,889	7,106	9,080	7,214
Dividends and property trust distributions received		1,916	1,340	1,916	1,340
Receipts from student fees and other customers		168,658	200,764	120,807	142,471
Payments to suppliers and employees		(432,738)	(459,705)	(393,130)	(405,977)
Interest and other costs of finance		(3,985)	(3,790)	(3,765)	(3,612)
GST recovered / (paid)		(88)	(902)	(72)	(857)
Income tax paid		(722)	(822)	-	-
Net cash provided by / (used in) operating activities	39	91,332	103,947	85,238	100,538
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale of financial assets		255,066	215,063	254,986	215,063
Proceeds from sale of property, plant and equipment		270	435	270	435
Payments for property, plant and equipment		(65,342)	(30,376)	(43,133)	(27,770)
Payments for financial assets		(252,155)	(312,027)	(252,151)	(311,967)
Payments for other non-current assets		(90)	(481)	(90)	-
Proceeds from loans to related parties		2,103	3,121	7,660	8,774
Payments of loans to related parties		-	(1,391)	(5,039)	(382)
Net cash provided by / (used in) investing activities		(60,148)	(125,656)	(37,497)	(115,847)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from borrowings		13,200	-	8,350	-
Repayments of borrowings		(20,193)	(7,310)	(17,292)	(4,686)
Net cash provided by / (used in) financing activities		(6,993)	(7,310)	(8,942)	(4,686)
Net increase / (decrease) in cash and cash equivalents		24,191	(29,019)	38,799	(19,995)
Effects of exchange rate changes on cash and cash equivalents		312	371	-	71
Cash and cash equivalents at the beginning of the financial year		70,411	99,059	43,030	62,954
Cash and cash equivalents at end of financial year	16	94,914	70,411	81,829	43,030

The above statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied for all years reported unless otherwise stated. The financial statements include separate statements for James Cook University (the University) as the parent entity and the consolidated entity consisting of James Cook University and its controlled entities (the Group).

The principal address of James Cook University is: 1 James Cook Drive, Townsville, Queensland 4811.

Basis of preparation

The annual financial statements represent the audited general purpose financial statements of James Cook University and its controlled entities. They have been prepared on an accrual basis and comply with Australian Accounting Standards.

James Cook University applies tier 1 reporting requirements.

Additionally the statements have been prepared in accordance with the following statutory requirements:

- *Higher Education Support Act 2003* (Cth) (Financial Statement Guidelines)
- *Financial Accountability Act 2009* (Qld)
- Financial Reporting Requirements for Queensland Government Agencies (including Accounting Policy Guidelines)

James Cook University is a not-for-profit entity and these statements have been 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 financial statements were authorised for issue by James Cook University at the date of signing the Management Certificate.

Critical Accounting Estimates and Judgements

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 University's accounting policies. The estimates and underlying assumptions are reviewed on an ongoing basis. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed below:

Key judgements

- (i) *Smart State Research Facility Fund debt forgiveness*

In the financial statements the Parent and the Group recognised revenue amounting to \$1.134m for the year ended 31 December 2015 (\$Nil for the year ended 31 December 2014). Refer to Note 27 for further details.

Apart from the above management has made no judgement in the process of applying accounting policies that would have a significant impact on the amounts disclosed in the finance report other than the normal operational judgements effecting depreciation, impairment, revaluation of assets and calculation of employee benefits.

Reporting basis and conventions

The financial statements have been prepared on an accruals basis and are based on historical costs modified by the revaluation of selected non-current assets, and financial assets and liabilities for which the fair value basis of accounting has been applied.

(a) Principles of consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by James Cook University as at 31 December each year.

A controlled entity of James Cook University is one where James Cook University is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the controlled entities of James Cook University is contained in Note 33 to the financial statements. All consolidated entities have a 31 December year-end.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(b) Taxation

James Cook University and certain controlled entities are, by virtue of Section 50-5 of the *Income Tax Assessment Act 1997* (Cth), exempt from the liability to pay income tax. The controlled entities subject to income tax adopt the following method of tax effect accounting.

The income tax expense or revenue for the year is the tax payable on the current year's taxable income based on the notional income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantially enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

The University and certain controlled entities are subject to payroll tax, fringe benefits tax and goods and services tax (GST).

Revenues, expenses and assets (excluding receivables) are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component on investing and financing activities, which are disclosed as operating cash flows.

(c) Fair value of assets and liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurements also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(d) Foreign currency translation

Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the Parent Entity's functional and presentation currency.

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 and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Translation differences on non-monetary items, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the fair value reserve in equity.

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- assets and liabilities are translated at exchange rates prevailing at the end of the reporting period;
- income and expenses are translated at average exchange rates for the period; and
- all resulting exchange differences shall be recognised in other comprehensive income.

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the statement of financial position. These differences are recognised in the statement of comprehensive income in the period in which the operation is disposed.

(e) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short-term, highly liquid investments with an original maturity of 90 days or less.

(f) Trade receivables

Trade receivables are generally due for settlement within 30 days of the date of invoice. The carrying value less provision for impairment is a reasonable approximation of their fair values due to the short-term nature of trade receivables.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is recognised in the statement of comprehensive income as 'Impairment of assets' (refer Note 11), and is the difference between the assets carrying amount and the present value of estimated future cash flows.

(g) Inventories

Inventories are valued at the lower of cost and net realisable value.

(h) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value, less where applicable, any accumulated depreciation and impairment losses.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the statement of comprehensive income.

Land, buildings and infrastructure assets

Land, buildings and infrastructure assets are valued at fair value in accordance with the Queensland Treasury and Trade's asset policy - "Non-Current Asset Policies for the Queensland Public Sector" (December 2014), less accumulated depreciation for building and infrastructure assets. Buildings under construction are recorded at cost. The asset recognition threshold for land is \$1 and \$10,000 for building and infrastructure assets.

Plant and equipment

Plant and equipment with a value of equal to or greater than \$5,000 is recorded at cost less accumulated depreciation and accumulated impairment losses. Plant and equipment donated to the University is recorded at management's valuation in the year of donation. Additions with a value of less than \$5,000 are expensed in the year of purchase.

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 Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Leasehold improvement assets

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Library Collections

In accordance with the "Non-Current Asset Policies for the Queensland Public Sector" (December 2014) collections are classified as a common use, reference or heritage (rare book) collection. Each collection type is subject to specific accounting treatments.

Common Use

A common use collection generally has a limited life with the greatest usage within the first year and a rapid decline in use in subsequent years. With the declining use and obsolescence, common use items are expensed on acquisition.

Reference

A reference collection generally has a longer useful life and would be replaced if lost or damaged. A recognition threshold of \$1 million applies to the collection. At balance date the University's reference collection had a carrying value of less than \$1 million. As a result, the University's reference collection has been expensed.

Rare books

Rare books are valued at fair value in accordance with Queensland Treasury and Trade's asset policy - "Non-Current Asset Policies for the Queensland Public Sector" (December 2014). The asset recognition threshold is \$5,000.

Museums and art

Museums and art are valued at fair value in accordance with Queensland Treasury and Trade's asset policy - "Non-Current Asset Policies for the Queensland Public Sector" (December 2014). Additions to the collections purchased since the last valuation date are recorded at cost. The asset recognition threshold is \$5,000.

Revaluations

Land, buildings, infrastructure and cultural assets (including the museums and art, and rare books) are revalued every five years in accordance with Queensland Treasury and Trade's asset policy - "Non-Current Asset Policies for the Queensland Public Sector" (December 2014), by an external independent valuer and are included in the financial statements at the revalued amounts. Interim revaluations of assets valued at fair value are performed using relevant indices or other reliable measures.

Any accumulated depreciation at the date of revaluation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount.

Revaluation increments are credited directly to the asset revaluation surplus, except where the increment reverses a decrement previously recognised in the statement of comprehensive income. In such cases the increments are recognised as revenue in the statement of comprehensive income. Revaluation decrements are recognised as an expense in the statement of comprehensive income except where the decrement reverses a revaluation increment held in the asset revaluation surplus.

(i) Depreciation of property, plant and equipment

Property, plant and equipment, other than land, library (rare books), museum and art collections, are depreciated on a straight line basis over their expected useful lives. Leasehold improvement assets are depreciated over the unexpired period of the lease.

The depreciation rates used are:

	2015	2014
Buildings	2.00% to 10.00%	2.00% to 10.00%
Infrastructure	1.11% to 12.50%	1.11% to 12.50%
Leasehold improvement assets	4.00% to 10.00%	4.00% to 10.00%
Plant and Equipment	2.50% to 50.00%	2.50% to 50.00%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of the reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

(j) Intangible assets

Computer software

Computer software with a value equal to or greater than \$100,000 is recognised at cost of acquisition less accumulated amortisation and accumulated impairment losses. Computer software is amortised over its useful life, which varies from 5-32 years. Additions with a value of less than \$100,000 are expensed in the year of acquisition.

Licences

Licences which have a finite useful life are carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of licences over their estimated useful lives, which at present is 10 years. Licences which have an indefinite useful life are tested annually for impairment and carried at cost less accumulated impairment losses.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Research and development

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

(k) Impairment of assets

At the end of each reporting period, the Group reviews the carrying values of its tangible and intangible assets (with a finite useful life) to assess whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is transferred to the asset revaluation surplus. The excess of the asset's carrying value over the asset revaluation surplus for that class of asset is expensed to the statement of comprehensive income.

(l) Investments and other financial assets

The Group classifies its investments in the following categories: loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at the end of each reporting period.

Investments and other financial assets are initially measured at cost on trade date, when the related contractual rights or obligations exist. Subsequent to initial recognition these investments and other financial assets are measured as set out below.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method. They are included in current assets, except for those with maturities greater than 12 months after the end of the reporting period which are classified as non-current assets.

Held-to-maturity investments

These investments have fixed maturities, and it is the Group's intention to hold these investments to maturity. Held-to-maturity investments are stated at amortised cost using the effective interest rate method. They are included in current and non-current assets where they are expected to mature later than 12 months after the end of the reporting period.

Available-for-sale financial assets

Available-for-sale financial assets, comprising principally managed funds, are non-derivatives that are either designated in this category or not classified in any of the other categories. Available-for-sale financial assets are reflected at fair value which is based on the market value of investments as at 31 December. Unrealised gains and losses are recognised as other comprehensive income in the available-for-sale reserve in equity. They are included in non-current assets unless the intention is to dispose of the investment within 12 months of the statement of financial position date.

Fair value

The fair value of investments and other financial assets are based on quoted prices in an active market. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques that maximise the use of relevant data. These include reference to the estimated price in an orderly transaction that would take place between market participants at the measurement date. Other valuation techniques used are the cost approach and the income approach based on the characteristics of the asset and the assumptions made by market participants.

Impairment

The Group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

(m) Investments in associates

Associates are entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the entity but is not control or joint control of those policies. Investments in associates are accounted for in the Parent Entity financial statements using the cost method and in the consolidated financial statements using the equity method of accounting, after initially being recognised at cost and adjusted thereafter for the post-acquisition change in the Group's share of the net assets of the associate. In addition, the Group's share of the profit or loss of the associate is included in the Group's profit or loss.

Profits and losses resulting from transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(n) Interests in joint arrangements

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a joint venture and accounted for using the equity method.

Joint operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Group's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the consolidated financial statements.

(o) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year, which are unpaid at the end of the reporting period. The amounts are unsecured and are usually paid within 30 days of recognition. The carrying value is a reasonable approximation of their fair values due to the short-term nature of trade and other payables.

(p) 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 statement of comprehensive income over the period of the borrowings using the effective interest method.

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.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period and does not expect to settle the liability for at least 12 months after the end of the reporting period.

(q) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the statement of comprehensive income in the period in which they are incurred.

(r) Leased non-current assets

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the period in which they are incurred.

(s) Employee benefits

Wages and salaries

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

Annual leave

The liability for annual leave employee benefits expected to be paid within 12 months after the end of the reporting period is recognised as a current liability and measured at the amount expected to be paid when the liability is settled.

Long service leave

The liability for long service leave is recognised for the Group's liability for employee long service leave benefits arising from services rendered by employees to balance date.

The University recognises a liability for long service leave for employees from commencement of employment. The part of the liability that is expected to be payable within 12 months of the end of the reporting period is classified as a current liability and measured at its nominal amount. The part expected to be settled more than 12 months after the end of the reporting period is recognised as a non-current liability 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 end of the reporting period. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms of maturity and currency that match, as closely as possible, the estimated future cash outflows.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Retirement benefit obligations

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

The UniSuper Defined Benefit Division (DBD), 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 University and the University's legal or constructive obligation is limited to these contributions.

Contributions made by the University to employee superannuation funds are charged as expenses when incurred.

(t) Revenue recognition

Revenue is measured at 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.

Government Grants

Australian Government financial assistance (excluding Commonwealth Grants Scheme Income) and State and Local Government financial assistance is recognised as revenue when the University obtains control over the income. Control over the income would normally be obtained upon the earlier of their receipt or their becoming contractually due. Commonwealth Grants Scheme income is recognised in the year in which it is earned. Financial assistance that the Department of Education has identified as being recoverable from the University is disclosed as "Australian Government unspent financial assistance", within other liabilities.

HELP payments

Revenue from HELP is categorised into those received from the Australian Government and those received directly from students. Revenue is recognised and measured in accordance with the above disclosure.

Student fees and charges

Fees and charges are recognised as income in the year received/invoiced, except to the extent that fees and charges relate to courses to be held in future periods. Such income is treated as unearned revenue within other liabilities.

Fees and charges for services

Revenue from services rendered is recognised in the period in which the service is provided, having regard to the stage of completion of the service.

Sale of goods

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

Interest

Interest revenue is recognised on receipt or on an accrual basis at the end of the reporting period, taking into account the interest rates applicable to the financial assets.

Dividends

Dividend revenue is recognised when the right to receive a dividend has been established. Dividends received from associates and joint venture entities are accounted for in accordance with the equity method of accounting.

Royalties

Royalty revenue is recognised when the right to receive a royalty has been established.

Rendering of services

Revenue from rendering of services is recognised upon the delivery of the service to the customer.

Contributions

Grants and contributions that are non-reciprocal in nature are recognised as revenue in the year in which the Group obtains control over them. Where grants that are reciprocal in nature are received, revenue is recognised as it is earned over the term of the funding arrangements.

(u) Comparative Figures

Where required, comparative figures have been adjusted to conform with changes in presentation in the current financial year and so may differ from the prior year audited financial statements.

(v) Rounding amounts

Amounts shown in these financial statements have been rounded to the nearest thousand dollars (\$1,000).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(w) Change in accounting policy

Cash and cash equivalents

The Group changed its accounting policy relating to the classification of cash and cash equivalents for the financial year ending 31 December 2015. Cash and cash equivalents were previously recognised by the Group as cash on hand, deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities within 12 months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of a change in value. In accordance with AASB 107: Statement of Cash Flows, the Group will now classify cash and cash equivalents as cash on hand, deposits held at call with financial

The tables below provide a summary of the amounts of the adjustments for each financial statement line item affected by the change in accounting policy.

Parent Entity	Note	2014 \$'000	Increase / (decrease) \$'000	2014 Restated \$'000
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Statement of financial position (extract)
as at 31 December 2014

Current Assets				
Cash and cash equivalents	16	213,191	(170,161)	43,030
Other financial assets	21	-	170,161	170,161

Statement of cash flows (extract)
as at 31 December 2014

Cash Flows From Investing Activities				
Proceeds from sale of financial assets		10,266	204,797	215,063
Payments for financial assets		(11,463)	(300,504)	(311,967)
Net cash provided by / (used in) investing activities		(20,140)	(95,707)	(115,847)
Net increase / (decrease) in cash and cash equivalents		75,712	(95,707)	(19,995)
Cash and cash equivalents at end of financial year		213,191	(170,161)	43,030

Consolidated	Note	2014 \$'000	Increase / (decrease) \$'000	2014 Restated \$'000
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Statement of financial position (extract)
as at 31 December 2014

Current Assets				
Cash and cash equivalents	16	240,572	(170,161)	70,411
Other financial assets	21	-	170,161	170,161

Statement of cash flows (extract)
as at 31 December 2014

Cash Flows From Investing Activities				
Proceeds from sale of financial assets		10,266	204,797	215,063
Payments for financial assets		(11,523)	(300,504)	(312,027)
Net cash provided by / (used in) investing activities		(29,949)	(95,707)	(125,656)
Net increase / (decrease) in cash and cash equivalents		66,688	(95,707)	(29,019)
Cash and cash equivalents at end of financial year		240,572	(170,161)	70,411

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(x) Correction of a prior period error

Consolidation elimination

During the preparation of the financial statements for the reporting period 31 December 2015 an error which related to the prior reporting period was identified. An intercompany transaction between group members had not been eliminated. This error had the effect of overstating investment revenue and finance costs. The 2014 comparatives have been changed to correct this error. The table below is a summary of the effect.

Consolidated	Note	2014 \$'000	Increase / (decrease) \$'000	2014 Restated \$'000
Statement of comprehensive income (extract) for the year ended 31 December 2014				
Revenue From Continuing Operations				
Investment revenue	5	10,034	(1,332)	8,702
Expenses From Continuing Operations				
Finance costs		7,043	(1,332)	5,711
Statement of cash flows (extract) as at 31 December 2014				
Cash Flows From Operating Activities				
Interest received		8,438	(1,332)	7,106
Interest and other costs of finance		(5,122)	1,332	(3,790)

(y) New Accounting Standards and Interpretations

Certain new Accounting Standards and Interpretations have been published that are not mandatory for 31 December 2015 reporting periods. The Group does not anticipate early adoption of any of the following Australian Accounting Standards or Interpretations.

AASB 9: *Financial Instruments* and associated Amending Standards (applicable for annual reporting periods commencing on or after 1 January 2018).

The Standard will be applicable retrospectively (subject to the comment on hedge accounting below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

The key changes made to the Standard that may affect the Group on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the University hedge and elect to change its hedge in line with the new hedge accounting requirements of AASB 9, the application of such accounting would be largely prospective.

Although the Group anticipate that the adoption of AASB 9 may have a significant impact on the Group's financial instruments, it is impracticable at this stage to provide a reasonable estimate of such impact.

AASB 2014-1: Amendments to Australian Accounting Standards (applicable for annual reporting periods commencing:- Part D - 1 January 2016; Part E - 1 January 2018)

AASB 2014-3: Amendments to Australian Accounting Standards - Accounting for Acquisitions of Interests in Joint Operations (applicable for annual reporting periods commencing on or after 1 January 2016)

The Standard sets out guidance on the accounting for the acquisition of interests in Joint Operations in which the activity constitutes a business.

AASB 2014-4: Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation (applicable for annual reporting periods commencing on or after 1 January 2016).

The Standard provides additional guidance on how the depreciation or amortisation of property, plant and equipment and intangible assets should be calculated.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(w) New Accounting Standards and Interpretations (cont'd)

AASB 15: *Revenue from Contracts with Customers* (applicable to annual reporting periods commencing on or after 1 January 2018).

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principle-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

The Group will review its revenue recognition policies for contracts with customers. The Group has not yet determined the magnitude of any changes which may be needed.

Amendments to IAS27: *Equity Method in Separate Financial Statements* (applicable to annual reporting periods commencing on or after 1 January 2016).

Amends paragraph 10 of IAS 27 Separate Financial Statements to allow an entity to use the equity method in these statements as an alternative to the current rules which require an entity to account for investments in subsidiaries, joint ventures and associates either at cost or in accordance with IFRS 9 Financial Instruments.

The impact of the standard is expected to be minimal.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	Parent Entity and Consolidated \$'000	
		2015	2014
NOTE 2. AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE including HECS-HELP, FEE-HELP and SA-HELP			
(a) Commonwealth Grants Scheme and Other Grants	40		
Commonwealth Grants Scheme ^{#1}		140,527	136,789
Indigenous Support Program		2,089	2,071
Partnership and Participation Program		-	3,412
Disability Support Program		30	44
Access and Participation Program		4,176	-
National Priorities Pool		180	-
Clinical Outreach Program		-	-
Promotion of Excellence in Learning and Teaching		119	544
Total Commonwealth Grants Scheme and Other Grants		147,121	142,860
(b) Higher Education Loan Programs	40		
HECS-HELP		72,901	70,507
FEE-HELP		2,685	3,396
SA-HELP		2,236	1,985
Total Higher Education Loan Programs		77,822	75,888
(c) Scholarships	40		
Australian Postgraduate Awards		3,650	3,428
International Postgraduate Research Scholarships		289	274
Commonwealth Education Costs Scholarships ^{#2}		689	608
Commonwealth Accommodation Scholarships ^{#2}		508	374
Indigenous Access Scholarships		574	428
Indigenous Staff Scholarships		-	80
National Priority Scholarships		-	-
Total Scholarships		5,710	5,192
(d) Education Research	40		
Joint Research Engagement		4,330	3,807
JRE Engineering Cadetships		66	48
Research Training Scheme		9,099	8,727
Sustainable Research Excellence in Universities		2,291	2,151
Research Infrastructure Block Grants		3,159	3,222
Total Education Research Grants		18,945	17,955
(e) Australian Research Council	40		
(i) <i>Discovery</i>			
Projects		2,019	2,921
Fellowships		3,184	3,988
Indigenous Researchers Development		414	187
Early Career Researcher Award		967	1,226
Total Discovery		6,584	8,322
(ii) <i>Linkages</i>			
Infrastructure		311	168
Projects		722	669
Industrial Transformation Research Hubs		1,049	1,530
Total Linkages		2,082	2,367
(iii) <i>Networks and Centres</i>			
Centres		4,195	4,121
Special Research Initiatives		3,054	36,000
Total Networks and Centres		7,249	40,121
Total Australian Research Council		15,915	50,810

^{#1} Includes the basic CGS grant amount, CGS - Regional Loading, CGS - Enabling Loading, CGS - Facilitation Loading,

^{#2} Includes National Education Priority and National Accommodation Priority Scholarships.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

	Parent Entity and Consolidated \$'000	
	2015	2014
NOTE 2. AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE including HECS-HELP, FEE-HELP and SA-HELP (cont'd)		
(f) Other Australian Government grants		
<i>Non-capital</i>		
Australian Centre for International Agricultural Research	1,110	2,486
Australian Renewable Energy Agency	840	2,230
Commonwealth Scientific and Industrial Research Organisation	1,437	610
Department of Agriculture	139	444
Department of Education	-	497
Department of Education - Study Overseas Short-term Mobility Program	737	776
Department of Foreign Affairs and Trade	291	-
Department of Health - University Department of Rural Health	2,159	2,124
Department of Health - Rural Clinical Training and Support	5,749	5,655
Department of Health - Clinical Training Program	11,167	9,376
Department of Health - Generalist Medical Training	2,154	-
Department of Industry	10	48
Department of the Environment	392	1,046
Department of the Environment - Australian Marine Mammal Centre	57	260
Fisheries Research and Development Corporation	408	860
Great Barrier Reef Marine Park Authority	752	799
Indigenous Tutorial Assistance Scheme	805	769
National Health and Medical Research Council	4,007	3,474
Torres Strait Regional Authority	182	448
Other	1,557	1,703
Total Non-capital	<u>33,953</u>	<u>33,605</u>
<i>Capital</i>		
Department of Education - The Science Place	20,000	14,824
Department of Health - Clinical Training Program	-	430
Total Capital	<u>20,000</u>	<u>15,254</u>
Total other Australian Government financial assistance	<u>53,953</u>	<u>48,859</u>
Total Australian Government financial assistance	<u><u>319,466</u></u>	<u><u>341,564</u></u>
Reconciliation		
Australian Government grants [2(a) + 2(c) + 2(d) + 2(e)]	187,691	216,817
HECS-HELP - Australian Government payments [2(b)]	72,901	70,507
SA-Help [2(b)]	2,236	1,985
Other Australian Government loan programs [FEE-HELP] [2(b)]	2,685	3,396
Other Australian Government financial assistance [2(f)]	53,953	48,859
Total Australian Government financial assistance reported in the statement of comprehensive income	<u><u>319,466</u></u>	<u><u>341,564</u></u>
(g) Australian Government grants received - cash basis		
CGS and other Education Grants	147,337	142,641
Higher Education Loan Programs	77,942	74,287
Scholarships	5,012	4,538
Education Research	18,945	17,955
ARC grants - Discovery	6,584	8,322
ARC grants - Linkages	2,082	2,367
ARC grants - Networks and Centres	7,249	40,121
Other Australian Government grants	53,953	48,859
Total Australian Government grants received - cash basis	<u>319,104</u>	<u>339,090</u>
OS-HELP (net)	1,515	1,134
Total Australian Government funding received - cash basis	<u><u>320,619</u></u>	<u><u>340,224</u></u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

	Consolidated \$'000		Parent Entity \$'000	
	2015	2014	2015	2014
NOTE 3. STATE AND LOCAL GOVERNMENT FINANCIAL ASSISTANCE				
<i>Non-capital</i>				
Dental clinic operations	3,550	3,550	3,550	3,550
North Queensland clinical school	1,385	831	1,385	831
Queensland regional training networks	-	830	-	830
Australian Institute of Tropical Health and Medicine	3,300	900	3,300	900
Other	986	594	986	594
Total non-capital	9,221	6,705	9,221	6,705
<i>Capital</i>				
Australian Institute of Tropical Health and Medicine	11,500	4,000	11,500	4,000
Total capital	11,500	4,000	11,500	4,000
	20,721	10,705	20,721	10,705

NOTE 4. FEES AND CHARGES

Course fees and charges

Fee paying overseas students	104,682	107,008	63,054	66,691
Fee paying domestic postgraduate students	2,819	2,366	2,819	2,366
Other domestic course fees and charges	212	126	212	126
	107,713	109,500	66,085	69,183

Other fees and charges

Library fines and fees	35	34	35	34
Parking fines and fees	398	362	398	362
Professional, testing and technical services	3,318	3,619	4,584	4,973
Rental income	3,677	3,694	1,689	2,137
Conference fee income	474	582	474	582
Student accommodation	9,376	9,356	9,376	9,356
Student amenities fee	1,653	1,876	1,653	1,876
Lecture, marking and examination fees	197	230	982	230
Fees incidental to studies	1,018	989	416	411
Child care fees and charges	2,014	1,895	-	-
Medical fees and charges	2,332	1,858	-	-
Veterinary fees and charges	2,590	2,717	-	-
Dental fees and charges	1,387	1,043	-	-
Other	1,235	1,793	1,067	1,489
	29,704	30,048	20,674	21,450
	137,417	139,548	86,759	90,633

NOTE 5. INVESTMENT REVENUE AND INCOME

Investment revenue

Interest	7,437	7,362	8,639	8,179
Dividends	2,224	1,269	2,224	1,269
Property trust distributions	-	71	-	71
	9,661	8,702	10,863	9,519

Other investment income

Net gain on disposal of investments	652	2,631	652	2,631
	652	2,631	652	2,631

Investment losses

Net loss on write off of investments	-	1	-	1
	-	1	-	1

Net investment revenue and income

	10,313	11,334	11,515	12,151
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Comparatives have changed due to the correction of a prior year error. Refer to Note 1(x).

NOTE 6. CONSULTANCY AND CONTRACTS

Contract research	23,687	28,307	23,687	28,307
Research consultancy	635	522	635	522
Other consultancy	2,102	4,240	2,102	4,240
	26,424	33,069	26,424	33,069

JAMES COOK UNIVERSITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

	Consolidated \$'000		Parent Entity \$'000	
	2015	2014	2015	2014
NOTE 7. OTHER REVENUE AND INCOME				
Other revenue				
Commission income	286	337	286	337
Donations and bequests	2,224	2,435	2,224	2,435
Non-government grants - other	63	1,962	-	1,940
Non-government grants - capital	-	350	-	1,017
Scholarships and prizes	202	241	202	241
Sponsorship income	117	177	117	177
	<u>2,892</u>	<u>5,502</u>	<u>2,829</u>	<u>6,147</u>

Other income				
Net foreign exchange gain (loss)	144	90	144	90
Net gain (loss) on disposal of property, plant and equipment	(2,641)	(4,377)	(214)	(4,377)
Debt forgiveness - Smart State borrowings	1,134	-	1,134	-
Other income	1,809	1,947	706	1,175
	<u>446</u>	<u>(2,340)</u>	<u>1,770</u>	<u>(3,112)</u>

NOTE 8. EMPLOYEE BENEFITS AND ONCOSTS

Academic				
Salaries	115,777	115,243	102,125	102,660
Contribution to superannuation and pension schemes (funded)	15,135	14,818	15,135	14,818
Payroll tax	5,691	5,601	5,691	5,601
Workers compensation	294	322	294	322
Long service leave	2,094	2,313	2,094	2,313
Annual leave loading	48	50	48	50
	<u>139,039</u>	<u>138,347</u>	<u>125,387</u>	<u>125,764</u>
Professional and technical				
Salaries	90,694	97,000	84,673	90,889
Contribution to superannuation and pension schemes (funded)	14,103	13,911	14,103	13,911
Payroll tax	5,095	4,760	5,095	4,760
Workers compensation	269	294	269	294
Long service leave	1,831	2,073	1,831	2,073
Annual leave	7,957	9,039	7,957	9,039
	<u>119,949</u>	<u>127,077</u>	<u>113,928</u>	<u>120,966</u>
	<u>258,988</u>	<u>265,424</u>	<u>239,315</u>	<u>246,730</u>

NOTE 9. DEPRECIATION AND AMORTISATION

Depreciation				
Buildings	38,157	25,796	37,087	24,729
Plant and equipment	7,320	9,633	7,145	8,108
Leasehold improvements	3,614	478	684	417
Infrastructure	2,916	3,119	2,872	3,075
	<u>52,007</u>	<u>39,026</u>	<u>47,788</u>	<u>36,329</u>
Amortisation				
Intangible asset	931	865	931	865
Capitalised lease incentives	63	51	8	-
	<u>53,001</u>	<u>39,942</u>	<u>48,727</u>	<u>37,194</u>

NOTE 10. REPAIRS AND MAINTENANCE

Buildings	14,336	9,602	12,804	8,531
Grounds	1,157	576	1,121	546
Equipment	8,958	7,640	8,444	7,307
	<u>24,451</u>	<u>17,818</u>	<u>22,369</u>	<u>16,384</u>

NOTE 11. IMPAIRMENT OF ASSETS

Impairment of trade receivables	1,143	1,951	968	1,906
Impairment of financial assets	-	70	-	70
Impairment of intangible asset - licence	-	(10)	-	(10)
	<u>1,143</u>	<u>2,011</u>	<u>968</u>	<u>1,966</u>

JAMES COOK UNIVERSITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Consolidated \$'000		Parent Entity \$'000	
	2015	2014	2015	2014
NOTE 12. OTHER EXPENSES				
Advertising, marketing and promotional expenses	8,731	8,441	3,583	4,063
Bank fees and charges	467	649	403	585
Books and publications	5,296	5,147	5,296	5,147
Commissions paid	18,505	19,730	18,505	19,730
Communications	3,062	2,609	3,061	2,608
Consumables	5,016	5,190	4,160	4,194
Course fees paid	5,626	5,229	5,626	5,229
Cost of goods sold	3,274	5,761	116	3,192
Fees and charges	4,179	4,479	2,295	2,417
Insurance	2,449	2,594	2,332	2,516
Licence fees	608	1,300	497	1,190
Motor vehicle related expenses	484	561	484	561
Non-capitalised equipment	9,198	7,233	9,147	7,176
Occupancy and utilities	12,121	12,326	11,253	11,402
Other staff related expenses	5,670	6,539	6,861	8,916
Printing and stationery	1,850	2,015	1,807	1,964
Professional fees	13,207	11,673	13,389	11,303
Rental, hire and other leasing fees	9,521	8,308	1,631	1,379
Minimum lease payments on operating leases	1,794	1,449	1,793	1,375
Grants, scholarships and prizes	13,819	15,175	17,568	18,825
Staff development and recruitment	2,771	2,692	2,670	2,601
Student accommodation catering expenses	1,075	1,145	1,075	1,145
Subscriptions and memberships	3,064	2,827	3,056	2,821
Travel expenses	11,996	12,325	11,987	12,313
Losses - public property *	90	7	90	7
Special payments - ex gratia payments	65	53	65	53
Other	13,761	13,348	8,003	7,800
	<u>157,699</u>	<u>158,805</u>	<u>136,753</u>	<u>140,512</u>

* Insurance recoveries received during the year in respect to the losses of public property: \$0.027m (2014: \$0.007m).

NOTE 13. INCOME TAX EXPENSE

Tax expense attributable to profits is made up of:

Current income tax liability	274	853	-	-
Deferred tax liability	119	114	-	-
Foreign currency translation	(245)	(294)	-	-
	<u>148</u>	<u>673</u>	<u>-</u>	<u>-</u>
Profit before tax	64	6,466	-	-
Tax calculated at tax rate of 17% (Singapore tax rate)	11	1,099	-	-
Expenses not deductible for tax purposes	413	214	-	-
Income not taxable	(527)	(484)	-	-
Tax incentives	395	(194)	-	-
Tax rebate	(29)	(27)	-	-
Singapore statutory stepped income exemption	(15)	(23)	-	-
(Over) / under recognition of temporary differences	(124)	(58)	-	-
in prior year	-	-	-	-
Others	24	146	-	-
	<u>148</u>	<u>673</u>	<u>-</u>	<u>-</u>

NOTE 14. REMUNERATION OF AUDITORS

During the year the following fees were paid for services provided by the auditors of the Parent Entity, its related practices and non-related audit firms:

Audit services

Fees paid to Queensland Audit Office:				
Audit and review of financial statements	208	297	208	297
Fees paid to non-Queensland Audit Office audit firms:				
Audit or review of financial statements of any entity in the Consolidated Entity	52	24	52	24
	<u>260</u>	<u>321</u>	<u>260</u>	<u>321</u>

For the year ended 31 December 2015, Queensland Audit Office provided the Group with a quote of \$225,750 for the audit.

JAMES COOK UNIVERSITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

NOTE 15. KEY MANAGEMENT PERSONNEL DISCLOSURES

PARENT ENTITY

a) Names of council members and executive officers.

The names and details of the University's council membership and executive officers are located with the body of the Annual Report.

b) Key management personnel

The following details for key executive management personnel include those positions that have authority and responsibility for planning, directing and controlling the activities of the University. Further information on these positions can be found in the body of the Annual Report.

Position	Responsibilities	Current Incumbents	
		Contract Classification and appointment authority	Date appointed to position / (Date resigned from position)
Vice-Chancellor	Provides strategic leadership and management of all University activities.	Fixed term contract, appointment authority University Council	Appointed 15/01/2007
Chair of Academic Board	Responsible for quality of academic activities of the University.	Fixed term contract, appointment authority University Council	Appointed 28/05/2012; resigned 29/05/2015
Chair of Academic Board	Responsible for quality of academic activities of the University.	Fixed term contract, appointment authority University Council	Appointed 1/06/2015
Senior Deputy Vice-Chancellor	Leadership and management of activities of the Faculties, and the Division of Research and Innovation.	Fixed term contract, appointment authority Vice-Chancellor	Appointed 7/11/2011
Deputy Vice Chancellor Division of Tropical Health and Medicine	Leadership and management of the activities of the Division of Tropical Health and Medicine	Fixed term contract, appointment authority Vice-Chancellor	Appointed 31/03/2014
Deputy Vice Chancellor Division of Tropical Environments and Societies	Leadership and management of the activities of the Division of Tropical Environments and Societies	Fixed term contract, appointment authority Vice-Chancellor	Appointed 7/4/2014; resigned 30/10/2015
Deputy Vice Chancellor Division of Tropical Environments and Societies	Leadership and management of the activities of the Division of Tropical Environments and Societies	Fixed term contract, appointment authority Vice-Chancellor	Appointed 28/09/2015
Deputy Vice Chancellor Division of Global Strategy and Engagement	Leadership and management of University operations for the Division of Global Strategy and Engagement	Fixed term contract, appointment authority Vice-Chancellor	Appointed 14/04/2014
Deputy Vice Chancellor Division of Academic and Student Life	Leadership and management of University operations for the Division of Academic and Student Life	Fixed term contract, appointment authority Vice-Chancellor	Appointed 31/03/2014
Deputy Vice Chancellor Division of Services and Resources	Leadership and management of University operations for the Division of Services and Resources	Fixed term contract, appointment authority Vice-Chancellor	Appointed 31/03/2014

C) Remuneration of council members

No council member received remuneration for duties performed in their role as a council member. No council member is entitled to any Retirement Benefit arising from their role as a council member.

The aggregate remuneration for the employees of the University elected as council members by virtue of their employment with the University for the year ended 31 December 2015 was \$2.277m (2014: \$2.075m)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 15. KEY MANAGEMENT PERSONNEL DISCLOSURES (cont'd)

c) Remuneration and performance payments of executive officers - 2015

The remuneration and other terms of employment for key executive management personnel are specified in employment contracts. The contracts provide performance-related cash bonuses and other benefits including motor vehicles. Remuneration packages for key personnel comprise the following components:

Short Term Benefits which include:

Base - consisting of base salary, allowances and annual leave entitlements paid and provided for the entire year or for that part of the year during which the employee occupied the specified position. Non-monetary benefits - consisting of provision of vehicle, housing, private expenditure together with fringe benefits tax applicable to the benefits. The fringe benefit tax is for the year ended 31 March 2015.

Long term employee benefits include long service leave accrued and paid.

Post employment benefits include superannuation contributions.

Termination benefits - Contracts of employment provide only for notice periods or payments in lieu of notice on termination, regardless of the reason for the termination.

Performance Bonuses - may be paid or payable annually depending on the satisfaction of key performance criteria. Performance bonuses are calculated by reference to individual's base salary under their contract. Bonus payments are not included in the Base amount within Short Term Employee Benefits. The maximum bonus payable to key management personnel is 15% of base salary. The aggregate performance bonuses paid to all key executive management personnel for the year to 31 December 2015 totalled \$0.337m.

Position	Short Term Employee Benefits \$'000		Long Term Employee Benefits \$'000	Post Employment Benefits \$'000	Termination Benefits \$'000	Total Remuneration \$'000	Date Bonus Paid
	Base	Non-Monetary Benefits					
Vice-Chancellor	786	51	19	95	-	951	17/04/2015
Chair of Academic Board (1/01/2015 to 29/05/2015)	95	-	2	16	-	113	17/04/2015
Chair of Academic Board (1/06/2015 to 31/12/2015)	130	-	3	22	-	155	
Senior Deputy Vice-Chancellor	415	30	10	70	-	525	14/04/2015
Deputy Vice Chancellor Division of Tropical Health and Medicine	432	27	9	73	-	541	17/04/2015
Deputy Vice Chancellor Division of Tropical Environments and Societies (1/01/2015 to 30/10/2015)	296	14	7	51	29	397	17/04/2015
Deputy Vice Chancellor Division of Tropical Environments and Societies (28/09/2015 to 31/12/2015)	87	4	2	15	-	108	
Deputy Vice Chancellor Division of Global Strategy and Engagement	351	42	9	59	-	461	17/04/2015
Deputy Vice Chancellor Division of Academic and Student Life	351	83	9	59	-	502	17/04/2015
Deputy Vice Chancellor Division of Services and Resources	408	23	4	67	-	502	17/04/2015
TOTAL REMUNERATION	3,351	274	74	527	29	4,255	

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 15. KEY MANAGEMENT PERSONNEL DISCLOSURES (cont'd)

c) Remuneration and performance payments of executive officers - 2014

The remuneration and other terms of employment for key executive management personnel are specified in employment contracts. The contracts provide performance-related cash bonuses and other benefits including motor vehicles. Remuneration packages for key personnel comprise the following components:

Short Term Benefits which include:

Base - consisting of base salary, allowances and annual leave entitlements paid and provided for the entire year or for that part of the year during which the employee occupied the specified position. Non-monetary benefits - consisting of provision of vehicle, housing, private expenditure together with fringe benefits tax applicable to the benefits. The fringe benefit tax is for the year ended 31 March 2014.

Long term employee benefits include long service leave accrued and paid.

Post employment benefits include superannuation contributions.

Termination benefits - Contracts of employment provide only for notice periods or payments in lieu of notice on termination, regardless of the reason for the termination.

Performance Bonuses - may be paid or payable annually depending on the satisfaction of key performance criteria. Performance bonuses are calculated by reference to individual's base salary under their contract. Bonus payments are not included in the Base amount within Short Term Employee Benefits. The maximum bonus payable to key management personnel is 15% of base salary. The aggregate performance bonuses paid to all key executive management personnel for the year to 31 December 2014 totalled \$0.323m.

Position	Short Term Employee Benefits \$'000		Long Term Employee Benefits \$'000	Post Employment Benefits \$'000	Termination Benefits \$'000	Total Remuneration \$'000	Date Bonus Paid
	Base	Non-Monetary Benefits					
Vice-Chancellor	767	56	17	87	-	927	13/06/2014
Chair of Academic Board	225	-	5	37	-	267	18/04/2014
Senior Deputy Vice-Chancellor	403	26	10	68	-	507	18/04/2014
Pro-Vice Chancellor (FSE) (position ended 6/04/2014)	62	9	2	12	-	85	18/04/2014
Pro-Vice Chancellor (FMHMS) (position ended 30/03/2014)	79	9	2	7	-	97	18/04/2014
Pro-Vice Chancellor (FAESS) (position ended 20/04/2014)	87	8	2	13	-	110	18/04/2014
Pro-Vice Chancellor (FLBCA) (position ended 13/04/2014)	87	-	2	13	-	102	18/04/2014
Deputy Vice-Chancellor (USD) (position ended 2/05/2014)	119	-	5	20	-	144	
Deputy Vice Chancellor, Academic (position ended 30/03/2014)	55	67	2	1	-	125	18/04/2014
Executive Director (FRP) (position ended 30/03/2014)	55	8	2	1	-	66	18/04/2014
Deputy Vice Chancellor Division of Tropical Health and Medicine (commenced 31/03/2014)	269	13	6	43	-	331	
Deputy Vice Chancellor Division of Tropical Environments and Societies (commenced 7/04/2014)	253	13	6	42	-	314	
Deputy Vice Chancellor Division of Global Strategy and Engagement (commenced 14/04/2014)	255	35	6	42	-	338	
Deputy Vice Chancellor Division of Academic and Student Life (commenced 31/03/2014)	287	12	6	44	-	349	
Deputy Vice Chancellor Division of Services and Resources (commenced 31/03/2014)	289	10	6	44	-	349	
TOTAL REMUNERATION	3,292	266	79	474	-	4,111	

JAMES COOK UNIVERSITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Consolidated \$'000		Parent Entity \$'000	
	2015	2014	2015	2014
NOTE 16. CASH AND CASH EQUIVALENTS				
Cash at bank and on hand	26,963	19,756	16,613	10,690
Term deposits (maturity less than 90 days)	67,951	50,655	65,216	32,340
	<u>94,914</u>	<u>70,411</u>	<u>81,829</u>	<u>43,030</u>

The above figures are included as cash and cash equivalents in the statement of cash flows.

Within cash and cash equivalents the University holds cash reserves of \$41.458m representing unspent capital project funds (2014 - \$39.090m).

(a) Cash at bank and on hand

Cash at bank deposits yield interest at floating rates of between 0.00% and 1.00% (2014 - 0.00% and 2.50%).

(b) Cash held in trust

Cash held in trust deposits yield interest at floating rates of between 0.00% and 1.00% (2014 - 0.00% and 2.50%).

(c) Term deposits

Short term deposits yield interest at floating rates of between 1.90% and 3.79% (2014 - 3.29% and 4.25%). These deposits have a maturity of date of less than 90 days or at call.

Comparatives have changed due to a change in accounting policy to the prior year. Refer to Note 1(w).

NOTE 17. TRADE AND OTHER RECEIVABLES

CURRENT

Debtors	14,486	17,591	13,907	17,339
Sundry loans and advances	5,711	5,295	3,817	2,471
Loans receivable from related parties	-	-	1,698	426
	<u>20,197</u>	<u>22,886</u>	<u>19,422</u>	<u>20,236</u>
Provision for impairment	(1,538)	(1,872)	(1,254)	(1,752)
	<u>18,659</u>	<u>21,014</u>	<u>18,168</u>	<u>18,484</u>
Accrued revenue	5,319	5,082	5,900	5,064
GST receivable	3,148	3,056	3,113	3,042
	<u>27,126</u>	<u>29,152</u>	<u>27,181</u>	<u>26,590</u>

NON-CURRENT

Loans receivable from related parties	-	-	26,984	28,773
	<u>-</u>	<u>-</u>	<u>26,984</u>	<u>28,773</u>

(a) Impaired receivables

The provision for impairment of \$1.539m (2014 - \$1.871m) is a provision which is based on historical experience regarding the collectability of aged debts.

As at 31 December 2015, trade and other receivables of \$3.453m (2014 - \$4.822m) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these receivables is as follows:

> 30 to 60 days	1,674	1,300	1,464	1,260
> 60 to 90 days	478	1,165	478	1,042
> 90 days	1,301	2,357	1,301	2,357
	<u>3,453</u>	<u>4,822</u>	<u>3,243</u>	<u>4,659</u>

Movements in the provision for impaired receivables are as follows:

At 1 January	1,872	559	1,752	402
Provision for impairment recognised during the year	1,143	1,951	968	1,906
Receivables written off during the year as uncollectible	(1,477)	(639)	(1,466)	(556)
	<u>1,538</u>	<u>1,871</u>	<u>1,254</u>	<u>1,752</u>

NOTE 18. INVENTORIES

CURRENT

Bookshop and halls of residence stock	90	160	34	90
Dental supplies	345	282	-	-
Veterinary supplies	153	170	-	-
	<u>588</u>	<u>612</u>	<u>34</u>	<u>90</u>

NOTE 19. Non-current assets held for sale

Licence	-	125	-	125
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At 31 December 2014 a heads of agreement had been signed outlining the University's intention to the sale of a licence. The licence was sold on 31 August 2015.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

Notes	Consolidated \$'000		Parent Entity \$'000	
	2015	2014	2015	2014

NOTE 20. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Summarised financial information in respect of jointly controlled entities is set out below:

Interest in associated entity	193	344	-	-
	<u>193</u>	<u>344</u>	-	-

Reconciliation

Balance at 1 January	344	335	-	-
Share of profit for the year	(71)	9	-	-
Balance at 31 December	<u>193</u>	<u>344</u>	-	-

Interest in associated entity

Name of Entity	Ownership Interest %	
	2015	2014
Smart Arm Pty Ltd	33.33%	48.00%

The principal activity of Smart Arm Pty Ltd is commercialisation of intellectual property which relates to a non-robotic device that enables stroke survivors with upper limb paralysis to recover.

North Queensland Commercialisation Company Pty Ltd as trustee for the JCU Asset trust acquired a 48% interest in Smart Arm Pty Ltd on 29 June 2012. On 30 June 2015 the trust disposed a portion of this investment.

(i) The economic entity's share of the company's results and financial position:

Financial Position				
Total Assets	684	778	-	-
Total Liabilities	(31)	(63)	-	-
Net assets	<u>653</u>	<u>841</u>	-	-
Share of associates' net assets	<u>193</u>	<u>344</u>	-	-

Financial Performance

Income	45	213	-	-
Expenses	(257)	(195)	-	-
Profit/(loss)	<u>(212)</u>	<u>18</u>	-	-
Share of associates' profit/(loss)	<u>(71)</u>	<u>9</u>	-	-

(ii) Carrying amount of investment in associate

Balance at the beginning of the financial year	344	335	-	-
Disposal of investment in associate	(80)	-	-	-
Share of profit from ordinary activities after income tax	(71)	9	-	-
Balance at the end of the financial year	<u>193</u>	<u>344</u>	-	-

(iii) Reserves attributable to interest in associated company

There are no reserves attributable to the interest in the associated company.

(iv) Events occurring after the end of the reporting period

There are no events of a material nature occurring after the end of the reporting period for the associated company.

NOTE 21. OTHER FINANCIAL ASSETS

CURRENT

Term deposits (maturity greater than 90 days)	174,300	170,161	174,300	170,161
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NON-CURRENT

Available-for-sale financial assets	21 (a)	35,723	33,996	36,645	34,918
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Comparatives have changed due to a change in accounting policy to the prior year. Refer to Note 1(w).

(a) Available-for-sale financial assets comprise

NON-CURRENT - AT MARKET VALUE

Listed securities - managed funds	26,223	33,819	26,223	33,819
Unlisted securities - shares	9,500	177	10,422	1,099
	<u>35,723</u>	<u>33,996</u>	<u>36,645</u>	<u>34,918</u>

Available-for-sale financial assets comprise investments in units in managed funds and in the ordinary share capital of various entities. There are no fixed returns or fixed maturity dates attached to these investments.

NON-CURRENT - AT COST

Listed securities - managed funds	23,743	30,200	23,743	30,200
Unlisted securities - shares	312	176	1,234	1,098
	<u>24,055</u>	<u>30,376</u>	<u>24,977</u>	<u>31,298</u>

(b) Movements - available-for-sale financial assets revaluation reserve (amounts recognised directly in equity)

JAMES COOK UNIVERSITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

Balance at the beginning of the year	3,620	5,524	3,620	5,524
Revaluation adjustments	8,048	(1,904)	8,048	(1,904)
Balance at the end of the year	<u>11,668</u>	<u>3,620</u>	<u>11,668</u>	<u>3,620</u>

JAMES COOK UNIVERSITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 22. PROPERTY, PLANT AND EQUIPMENT

Consolidated	Land \$'000	Buildings \$'000	WIP \$'000	Plant and Equipment \$'000	Library Collections \$'000	Museums and Art \$'000	Leasehold Improvements \$'000	Infrastructure \$'000	Total \$'000
At 1 January 2014									
- Cost	-	-	51,612	108,787	58	-	4,549	-	165,006
- Fair value	60,333	672,304	-	-	300	1,068	-	116,650	850,655
Accumulated depreciation	-	(231,681)	-	(68,045)	-	-	(191)	(40,319)	(340,236)
Accumulated impairment	(750)	(5,020)	-	-	-	-	-	-	(5,770)
Net book amount	59,583	435,603	51,612	40,742	358	1,068	4,358	76,331	669,655
Year ended 31 December 2014									
Opening net book amount	59,583	435,603	51,612	40,742	358	1,068	4,358	76,331	669,655
Additions/transfers (including from WIP)	170	43,995	(27,925)	6,499	-	-	1,568	4,415	28,722
Revaluation / impairment	692	53,338	-	-	-	8	-	(5,472)	48,566
Depreciation expense	-	(25,796)	-	(9,633)	-	-	(478)	(3,119)	(39,026)
Disposals	-	(3,342)	-	(1,471)	-	-	-	-	(4,813)
Effect of foreign currency translation	-	-	54	132	-	-	-	-	186
Closing net book amount	60,445	503,798	23,741	36,269	358	1,076	5,448	72,155	703,290
At 31 December 2014									
- Cost	-	-	23,741	113,947	58	-	6,117	-	143,863
- Fair value	60,445	782,740	-	-	300	1,076	-	115,593	960,154
Accumulated depreciation	-	(278,942)	-	(77,678)	-	-	(669)	(43,438)	(400,727)
Accumulated impairment	-	-	-	-	-	-	-	-	-
Net book amount	60,445	503,798	23,741	36,269	358	1,076	5,448	72,155	703,290
Year ended 31 December 2015									
Opening net book amount	60,445	503,798	23,741	36,269	358	1,076	5,448	72,155	703,290
Additions/transfers (including from WIP)	300	8,883	24,093	8,104	-	-	24,155	4,195	69,730
Revaluation	9,405	24,543	-	-	-	34	-	2,445	36,427
Depreciation expense	-	(38,157)	-	(7,320)	-	-	(3,614)	(2,916)	(52,007)
Disposals	-	-	-	(511)	-	-	(2,400)	-	(2,911)
Effect of foreign currency translation	-	-	46	14	-	-	289	-	349
Closing net book amount	70,150	499,067	47,880	36,556	358	1,110	23,878	75,879	754,878
At 31 December 2015									
- Cost	-	-	47,880	121,554	58	-	28,161	-	197,653
- Fair value	70,150	816,165	-	-	300	1,110	-	122,233	1,009,958
Accumulated depreciation	-	(317,098)	-	(84,998)	-	-	(4,283)	(46,354)	(452,733)
Net book amount	70,150	499,067	47,880	36,556	358	1,110	23,878	75,879	754,878

JAMES COOK UNIVERSITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 22. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Parent Entity	Land \$'000	Buildings \$'000	WIP \$'000	Plant and Equipment \$'000	Library Collections \$'000	Museums and Art \$'000	Leasehold Improvements \$'000	Infrastructure \$'000	Total \$'000
At 1 January 2014									
- Cost	-	-	10,806	84,387	-	-	3,940	-	99,133
- Fair value	60,335	740,071	-	-	358	1,070	-	113,905	915,739
Accumulated depreciation	-	(299,451)	-	(48,035)	-	-	(171)	(37,575)	(385,232)
Accumulated impairment	(750)	(5,020)	-	-	-	-	-	-	(5,770)
Net book amount	59,585	435,600	10,806	36,352	358	1,070	3,769	76,330	623,870
Year ended 31 December 2014									
Opening net book amount	59,585	435,600	10,806	36,352	358	1,070	3,769	76,330	623,870
Additions/transfers (including from WIP)	171	3,646	11,752	5,966	-	-	1,561	3,024	26,120
Revaluation / impairment	692	53,338	-	-	-	8	-	(5,472)	48,566
Depreciation expense	-	(24,729)	-	(8,108)	-	-	(417)	(3,075)	(36,329)
Disposals	-	(3,342)	-	(1,471)	-	-	-	-	(4,813)
Closing net book amount	60,448	464,513	22,558	32,739	358	1,078	4,913	70,807	657,414
At 31 December 2014									
- Cost	-	-	22,558	85,145	-	-	5,501	-	113,204
- Fair value	60,448	921,300	-	-	358	1,078	-	132,360	1,115,544
Accumulated depreciation	-	(456,787)	-	(52,406)	-	-	(588)	(61,553)	(571,334)
Accumulated impairment	-	-	-	-	-	-	-	-	-
Net book amount	60,448	464,513	22,558	32,739	358	1,078	4,913	70,807	657,414
Year ended 31 December 2015									
Opening net book amount	60,448	464,513	22,558	32,739	358	1,078	4,913	70,807	657,414
Additions/transfers (including from WIP)	300	8,857	25,312	7,083	-	-	1,774	4,195	47,521
Revaluation	9,405	24,543	-	-	-	34	-	2,445	36,427
Depreciation expense	-	(37,087)	-	(7,145)	-	-	(684)	(2,872)	(47,788)
Disposals	-	-	-	(484)	-	-	-	-	(484)
Closing net book amount	70,153	460,826	47,870	32,193	358	1,112	6,003	74,575	693,090
At 31 December 2015									
- Cost	-	-	47,870	86,646	-	-	7,275	-	141,791
- Fair value	70,153	977,142	-	-	358	1,112	-	145,578	1,194,343
Accumulated depreciation	-	(516,316)	-	(54,453)	-	-	(1,272)	(71,003)	(643,044)
Net book amount	70,153	460,826	47,870	32,193	358	1,112	6,003	74,575	693,090

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 22. PROPERTY, PLANT AND EQUIPMENT (cont'd)

(a) Revaluation of non-current assets

In accordance with the University's policy on revaluation of assets as set out in Note 1(h), the details of the asset revaluations are as follows:

Asset Class	Full Revaluation Date	Full Valuation Basis	Interim Revaluation Date	Interim Valuation Basis
Land	15.06.2012	Independent	12.06.2015	Management
Buildings	13.06.2014	Independent	12.06.2015	Management
Infrastructure	13.06.2014	Independent	12.06.2015	Management
Museum and Art	14.06.2013	Independent	31.12.2015	Management
Library Collections (Rare Books)	14.06.2013	Independent	31.12.2015	Management

On 12 June 2015 interim revaluations of land were performed based on index factors provided by the Department of Natural Resources and Mines. There has been no material change in value between the valuation date of 12 June 2015 and the University's financial statement reporting date of 31 December 2015.

On 13 June 2014 independent valuations of buildings and infrastructure assets were performed by Opus International Consultants (Australia) Pty Ltd using fair value principles. The valuation was based on the current gross replacement value less accumulated depreciation calculated to reflect the consumed or expired service potential of the asset. Opus International Consultants (Australia) Pty Ltd have provided an opinion stating that there has been no material change in value between the valuation date of 13 June 2014 and the University's financial statement reporting date of 31 December 2014.

On 12 June 2015 buildings and infrastructure interim revaluations were performed using the 'Asset revaluation index: Non-residential construction, Queensland' provided by the Statistician's Office, Queensland Treasury. The index is also adjusted using regional indices by Rawlinsons (Australian Construction Handbook). There has been no material change in value between the valuation date of 12 June 2015 and the University's financial statement reporting date of 31 December 2015.

The independent full revaluation of the art collection was conducted by Ross Searle, Ross Searle and Associates, Brisbane (approved valuer of the Commonwealth Government's Cultural Gifts program). The valuation has been based on auction records, market information on artists and other sale information available. Ross Searle has provided an opinion stating that there has been no material change in value between the valuation date of 14 June 2013 and the University's financial statement reporting date of 31 December 2013. A subsequent desktop valuation has been performed as at 31 December 2015 by Ross Searle and Associates at fair value.

The independent valuation of the museum collection was undertaken by Bettina MacAulay, Partner, MacAulay Partners, Brisbane (approved valuer of the Commonwealth Government's Cultural Gifts program). The valuation has been based, so far as is possible, on current values for similar objects, such valuations are based on valuer's professional knowledge and research. Bettina MacAulay has provided an opinion stating that there has been no material change in value between the valuation date of 14 June 2013 and the University's financial statement reporting date of 31 December 2013. As at 31 December 2015 management have made a determination that there has been no material change in value since the independent valuation at 14 June 2013.

The library collections asset comprise of two rare book collections held at the University's library. The collections were donated to the University and were recognised at their fair value in 2004. The independent valuation of the rare book collection was undertaken by Simon Taaffe, Sydney (approved valuer of the Commonwealth Government's Cultural Gifts program). The fair value has been assessed by establishing the current replacement value which is based on auction records, booksellers' catalogues and online databases of market information. The fair value is then based on a percentage of the replacement value. Simon Taaffe has provided an opinion stating that there has been no material change in value between the valuation date of 14 June 2013 and the University's financial statement reporting date of 31 December 2013. A subsequent desktop valuation has been performed as at 31 December 2015 by Simon Taaffe at fair value.

	Consolidated \$'000		Parent Entity \$'000	
	2015	2014	2015	2014
(b) Movements - asset revaluation surplus				
Balance at the beginning of the year	240,885	192,318	240,885	192,318
Revaluation adjustments:				
Land	9,405	692	9,405	692
Buildings	24,543	53,339	24,543	53,339
Museums and Art	34	8	34	8
Infrastructure	2,445	(5,472)	2,445	(5,472)
Total increment to asset revaluation surplus	36,427	48,567	36,427	48,567
Balance at the end of the year	277,312	240,885	277,312	240,885

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	Consolidated \$'000		Parent Entity \$'000	
	2015	2014	2015	2014
NOTE 23. INTANGIBLE ASSETS				
Computer software - at cost	13,538	12,651	13,538	12,651
Accumulated amortisation - computer software	(8,627)	(7,709)	(8,627)	(7,709)
	<u>4,911</u>	<u>4,942</u>	<u>4,911</u>	<u>4,942</u>
Licences - at cost	138	138	138	138
Accumulated amortisation - licences	(111)	(97)	(111)	(97)
	<u>27</u>	<u>41</u>	<u>27</u>	<u>41</u>
	<u>4,938</u>	<u>4,983</u>	<u>4,938</u>	<u>4,983</u>

Consolidated	Computer Software	Licences	Total
	\$'000	\$'000	\$'000
Year ended 31 December 2014			
Opening net book amount	4,143	170	4,312
Additions	1,651	-	1,651
Amortisation expense	(852)	(14)	(865)
Impairment expense	-	10	10
Reclassification of licence held for sale	-	(125)	(125)
Closing net book amount	<u>4,942</u>	<u>41</u>	<u>4,983</u>

At 31 December 2014			
Cost	12,651	138	12,789
Accumulated amortisation	(7,709)	(97)	(7,806)
Net book amount	<u>4,942</u>	<u>41</u>	<u>4,983</u>

Year ended 31 December 2015			
Opening net book amount	4,942	41	4,984
Additions	886	-	886
Amortisation expense	(917)	(14)	(931)
Closing net book amount	<u>4,911</u>	<u>27</u>	<u>4,938</u>

At 31 December 2015			
Cost	13,538	138	13,676
Accumulated amortisation	(8,627)	(111)	(8,738)
Net book amount	<u>4,911</u>	<u>27</u>	<u>4,938</u>

Parent Entity	Computer Software	Licences	Total
	\$'000	\$'000	\$'000
Year ended 31 December 2014			
Opening net book amount	4,143	170	4,312
Additions	1,651	-	1,651
Amortisation expense	(852)	(14)	(865)
Impairment expense	-	10	10
	-	(125)	(125)
Closing net book amount	<u>4,942</u>	<u>41</u>	<u>4,983</u>

At 31 December 2014			
Cost	12,651	138	12,789
Accumulated amortisation	(7,709)	(97)	(7,806)
Net book amount	<u>4,942</u>	<u>41</u>	<u>4,983</u>

Year ended 31 December 2015			
Opening net book amount	4,942	41	4,983
Additions	886	-	886
Amortisation expense	(917)	(14)	(931)
Closing net book amount	<u>4,911</u>	<u>27</u>	<u>4,938</u>

At 31 December 2015			
Cost	13,538	138	13,676
Accumulated amortisation	(8,627)	(111)	(8,738)
Net book amount	<u>4,911</u>	<u>27</u>	<u>4,938</u>

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	Consolidated \$'000		Parent Entity \$'000	
	2015	2014	2015	2014
NOTE 24. OTHER NON-CURRENT ASSETS				
Capitalised lease incentives	571	481	90	-
Accumulated amortisation	(114)	(51)	(8)	-
	<u>457</u>	<u>430</u>	<u>82</u>	<u>-</u>

NOTE 25. TAX LIABILITIES

Liability to be settled within 12 months	274	853	-	-
Liability to be settled after more than 12 months	119	114	-	-
	<u>393</u>	<u>967</u>	<u>-</u>	<u>-</u>

NOTE 26. TRADE AND OTHER PAYABLES

CURRENT				
Trade creditors	12,297	5,187	9,547	4,165
OS-HELP liability to Australian Government	620	389	620	389
Salary and related payables	367	1,381	95	1,145
Accrued expenses and other creditors	27,253	15,379	21,313	9,749
	<u>40,537</u>	<u>22,336</u>	<u>31,575</u>	<u>15,448</u>

NOTE 27. BORROWINGS

CURRENT				
Unsecured				
Interest bearing	7,499	7,662	6,039	4,866
Non-interest bearing	-	13,629	-	13,629
	<u>7,499</u>	<u>21,291</u>	<u>6,039</u>	<u>18,495</u>
NON-CURRENT				
Unsecured				
Interest bearing	77,308	71,730	73,186	71,035
	<u>77,308</u>	<u>71,730</u>	<u>73,186</u>	<u>71,035</u>

The consolidated interest bearing liabilities represent outstanding loans of \$79.225m with the Queensland Treasury Corporation (QTC) (Parent Entity) and \$5.582m with ANZ (Singapore). The payout value at 31 December 2015 of the QTC loans outstanding is \$86.062m (2014 - \$84.356m). In addition, the University has an approved overdraft facility with QTC of \$3.000m.

Non-current assets pledged as security for these liabilities: \$Nil (2014: \$Nil)

The non-interest bearing borrowings relate to three 30 year loans (with a 10 year moratorium on repayments) from the Queensland Government's Smart State Research Facility Fund. On 11 September 2014 the Queensland State Government announced a sector-wide science and innovation funding package that was dependent upon the early repayment of the Queensland Government's Smart State Research Facility Fund on 5 January 2015. In November 2014, the University agreed to the early repayment of funds whereby a cash equivalent to ninety percent of the loans net present value would be made and a ten per cent discount would be recognised as debt forgiveness.

On 2 January 2015 the University finalised the loan arrangement with a cash payment of \$12.266m. (2014 - cumulative funds \$41.264m net present value \$13.629m).

Maturity Analysis

Borrowings are payable:				
- not later than one year	7,499	21,291	6,039	18,495
- later than one year and not later than five years	31,632	26,139	27,510	25,444
- later than five years	45,676	45,591	45,676	45,591
	<u>84,807</u>	<u>93,021</u>	<u>79,225</u>	<u>89,530</u>

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	Consolidated \$'000		Parent Entity \$'000	
	2015	2014	2015	2014
NOTE 28. EMPLOYEE BENEFIT LIABILITY				
CURRENT				
Annual leave	23,553	22,140	23,379	21,957
Long service leave	3,968	3,787	3,901	3,725
	<u>27,521</u>	<u>25,927</u>	<u>27,280</u>	<u>25,682</u>
NON-CURRENT				
Long service leave	25,670	25,403	25,557	25,250
	<u>25,670</u>	<u>25,403</u>	<u>25,557</u>	<u>25,250</u>
	<u><u>53,191</u></u>	<u><u>51,330</u></u>	<u><u>52,837</u></u>	<u><u>50,932</u></u>

Liability for employee benefits

Current annual leave for the consolidated and parent entity expected to be settled wholly after more than 12 months is \$2.173m (2014: \$4.927m).

In calculating the present value of future cash flows in respect of employee benefits relating to long service leave, the probability of long service being taken is based on historical data. The measurement and recognition criteria has been included in Note 1 (s).

NOTE 29. OTHER LIABILITIES

CURRENT				
Unearned revenue	17,933	18,345	8,913	9,727
Funds held in trust	5,643	5,623	416	397
	<u>23,576</u>	<u>23,968</u>	<u>9,329</u>	<u>10,124</u>

NOTE 30. RESERVES AND RETAINED EARNINGS

Balance at the beginning of the year	584,914	522,735	563,794	502,674
Operating result attributable to parent entity	26,254	62,179	29,728	61,120
Balance at the end of the year	<u>611,168</u>	<u>584,914</u>	<u>593,522</u>	<u>563,794</u>

JAMES COOK UNIVERSITY

**NOTES TO THE FINANCIAL STATEMENTS
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	Consolidated \$'000		Parent Entity \$'000	
	2015	2014	2015	2014
NOTE 30. RESERVES AND RETAINED EARNINGS (cont'd)				
(b) Foreign currency translation reserve				
Balance at the beginning of the year	789	214	-	-
Foreign currency exchange difference on translation	516	575	-	-
Balance at the end of the year	<u>1,305</u>	<u>789</u>	<u>-</u>	<u>-</u>
NOTE 31. COMMITMENTS FOR EXPENDITURE				
Capital expenditure commitments				
Contracted but not provided for and payable:				
- not later than one year	72,066	11,134	72,066	8,567
- later than one year and not later than five years	1,696	4,539	1,696	4,539
	<u>73,762</u>	<u>15,673</u>	<u>73,762</u>	<u>13,106</u>
Operating lease commitments				
Future operating lease rentals of plant and equipment not provided for and payable:				
- not later than one year	6,975	10,117	2,144	560
- later than one year and not later than five years	11,297	15,487	7,399	2,724
- later than five years	19,569	3,666	19,569	3,666
	<u>37,841</u>	<u>29,270</u>	<u>29,112</u>	<u>6,950</u>
Other contractual commitments				
Future contractual commitments not provided for and payable:				
- not later than one year	12,458	12,576	12,458	12,576
- later than one year and not later than five years	14,841	7,315	14,841	7,315
- later than five years	-	407	-	407
	<u>27,299</u>	<u>20,298</u>	<u>27,299</u>	<u>20,298</u>
Total commitments for expenditure	<u>138,902</u>	<u>65,241</u>	<u>130,173</u>	<u>40,354</u>

NOTE 32. CONTINGENT LIABILITIES

There are no contingent liabilities for the financial year ended 31 December 2015.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 33. INVESTMENTS IN CONTROLLED ENTITIES

	Note	Reporting date	Country of incorporation	Class of shares	Holding * 2015 %	Holding * 2014 %
JCU Enterprises Pty Ltd	(a)	31 Dec	Australia	Ordinary	100	100
James Cook Holdings Pte Ltd		31 Dec	Singapore	Ordinary	100	100
James Cook Australia Institute of Higher Learning Pte Ltd		31 Dec	Singapore	Ordinary	100	100
JCU Early Learning Centres Pty Ltd	(b)	31 Dec	Australia	Ordinary	100	100
JCU Health Pty Ltd	(c)	31 Dec	Australia	Ordinary	100	100
JCU Univet Pty Ltd	(d)	31 Dec	Australia	Ordinary	100	100
North Queensland Commercialisation Company Pty Ltd	(e)	31 Dec	Australia	Ordinary	100	100
JCU Asset Trust		31 Dec	-	-		
JCU CPB Pty Ltd	(f)	31 Dec	Australia	Ordinary	100	100
CPB Trust		31 Dec	-	-		
Tropical Queensland Centre for Oral Health Pty Ltd	(g)	31 Dec	Australia	Ordinary	100	100
JCU Pathways Pty Ltd	(h)	31-Dec	Australia	Ordinary	100	-

Purpose & Principal Activity

- (a) JCU Enterprises Pty Ltd's purpose and principal activity is a holding company and holds all the shares in James Cook Holdings Pte Ltd.
- (b) JCU Early Learning Centres Pty Ltd's purpose and principal activity is the provision of childcare services.
- (c) JCU Health Pty Ltd's purpose and principal activity is the provision of medical and allied health services and provides clinical education for students of the University.
- (d) JCU Univet Pty Ltd's purpose and principal activity is the provision of veterinary services and provides clinical education for students of the University.
- (e) North Queensland Commercialisation Company Pty Ltd's purpose and principal activity is trustee for the JCU Asset Trust. The JCU Asset Trust's principal activity is the management and commercialisation of intellectual property.
- (f) JCU CPB Pty Ltd's purpose and principal activity is trustee of the CPB Trust. The CPB Trust's principal activity is the ownership and operation of the Clinical Practice Building.
- (g) Tropical Queensland Centre for Oral Health Pty Ltd's purpose and principal activity is the provision of oral health services and provides clinical education for students of the University.
- (h) JCU Pathways Pty Ltd was registered on 21 August 2015. The company's purpose and principle activity is the provision of the University's English for Academic Purposes Course.

* Holding represents the share holdings and voting rights in each entity.

Directly Controlled Entities - 31 December 2015

	Total Assets \$'000	Total Liabilities \$'000	Total Revenue \$'000	Operating Result \$'000
JCU Enterprises Pty Ltd	32,464	23,534	40,349	(3,157)
JCU Early Learning Centres Pty Ltd	1,151	347	2,133	46
JCU Health Pty Ltd	1,283	325	2,659	30
JCU Univet Pty Ltd	523	566	3,602	41
North Queensland Commercialisation Company Pty Ltd	-	-	-	-
JCU CPB Pty Ltd	-	-	-	-
Tropical Queensland Centre for Oral Health Pty Ltd	1,081	229	6,148	(478)
JCU Pathways Pty Ltd	52	17	99	35

Directly Controlled Entities - 31 December 2014

	Total Assets \$'000	Total Liabilities \$'000	Total Revenue \$'000	Operating Result \$'000
JCU Enterprises Pty Ltd	30,811	19,241	41,625	3,030
JCU Early Learning Centres Pty Ltd	1,002	245	1,986	131
JCU Health Pty Ltd	1,229	300	2,227	(147)
JCU Univet Pty Ltd	573	656	4,099	29
North Queensland Commercialisation Company Pty Ltd	-	-	-	-
JCU CPB Pty Ltd	-	-	-	-
Tropical Queensland Centre for Oral Health Pty Ltd	1,463	133	5,745	(331)

JAMES COOK UNIVERSITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

NOTE 33. INVESTMENTS IN CONTROLLED ENTITIES (cont'd)

Indirectly Controlled Entities

	Note	Holding * 2015 %	Holding * 2014 %
James Cook Holdings Pte Ltd	(i)	100	100
James Cook Australia Institute of Higher Learning Pte Ltd		100	100
JCU Asset Trust		-	-
CPB Trust		-	-

(i) James Cook Holdings Pty Ltd is a wholly owned subsidiary of JCU Enterprises Pty Ltd and owns all the shares of James Cook Australia Institute of Higher Learning Pte Ltd. Both James Cook Holdings Pte Ltd and James Cook Australia Institute of Higher Learning Pte Ltd are companies which have been incorporated in Singapore.

* Holding represents the share holdings and voting rights in each entity.

NOTE 34. JOINTLY CONTROLLED OPERATIONS AND ASSETS

(i) AIMS@JCU

On 17 June 2004, James Cook University entered into an unincorporated joint venture agreement (AIMS@JCU) with the Australian Institute of Marine Science (AIMS). The principal activity of the joint venture is to facilitate collaboration between the University and AIMS. In particular, it will increase research activities, capabilities, outputs and outcomes by the two organisations.

James Cook University holds a 50% interest in the AIMS@JCU unincorporated joint venture. The venture is controlled by a Board, comprising an independent Chairperson and equal representation from both organisations, which determines the research objective for funding. The agreement specifies that the share that each participant is to receive from the joint venture is to be determined by the Board.

The University has recorded the share of the investment that directly relates to the University.

	Consolidated \$'000		Parent Entity \$'000	
	2015	2014	2015	2014
Financial Performance				
Income	276	115	-	-
Expenses	(121)	(125)	-	-
Profit / (loss)	154	(10)	-	-

(ii) Tropical Landscapes Joint Venture (TLJV)

On 20 January 2006, James Cook University entered into an unincorporated joint venture agreement (TLJV) with the Commonwealth Scientific and Industrial Research Organisation (CSIRO). The principal activity of the joint venture is to encourage relevant collaborative research and consultancy work in the field of sustainable management of tropical landscapes.

The venture is controlled by a Board, comprising an independent Chairperson and equal representation from both organisations. The Board approves the budget and the research plan.

As the TLJV Fund Manager, the University has recorded the cash contributions received and expenses incurred, in respect of the TLJV, in the statement of comprehensive income.

JAMES COOK UNIVERSITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 34. JOINTLY CONTROLLED OPERATIONS AND ASSETS (cont'd)

	Consolidated \$'000		Parent Entity \$'000	
	2015	2014	2015	2014
Financial Performance				
Income	430	409	-	-
Expenses	(188)	(241)	-	-
Profit / (loss)	241	168	-	-
Share of jointly controlled entity profit / (loss)	121	84	-	-
Financial Position				
Accumulated funds	472	231	-	-
Share of jointly controlled entity net assets	236	116	-	-

NOTE 35. RELATED PARTY TRANSACTIONS

(a) Parent entity

The ultimate parent entity is James Cook University.

(b) Subsidiaries

Interest in subsidiaries is set out in Note 33.

(c) Key management personnel

Disclosures relating to Council members and executive officers are set out in Note 15.

(d) Transactions with related parties

The following transactions occurred with related parties:

	Consolidated \$'000		Parent Entity \$'000	
	2015	2014	2015	2014
Revenue				
Contributions received from subsidiaries	160	667	160	667
Interest received from subsidiaries	-	-	1,311	1,332
Royalties received from subsidiaries	4,076	5,145	4,076	5,145
Fees and charges received from subsidiaries	-	-	1,266	1,353
Rental received from subsidiaries	997	1,137	997	1,137
Expenses				
Donation to subsidiary	-	17	-	17
Grants, contributions to subsidiary	3,874	3,753	3,874	3,753
Fees paid to subsidiaries for seconded staff	2,321	2,325	2,321	2,325

(e) Outstanding balances arising from transactions with related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

Current receivables - subsidiaries	-	-	1,198	1,040
Current payables - subsidiaries	-	-	-	163

No provision for impairment of trade receivables has been raised in relation to any outstanding balances, and no expense has been recognised in respect of bad or doubtful debts due from related parties.

(f) Loans to / from related parties

Loans to subsidiaries				
Balance at the beginning of the year	28,201	33,804	-	-
Loan advanced	5,039	51	-	-
Loan repayments received	(5,146)	(5,000)	-	-
Interest charged	1,470	1,367	-	-
Interest received	(1,470)	(2,021)	-	-
Balance at the end of the year	28,094	28,201	-	-

Loans to other related parties - \$Nil (2014: \$Nil)

No expense has been recognised in respect of bad or doubtful debts due from related parties in the current year (2014 - \$Nil).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 36. FINANCIAL RISK MANAGEMENT

The Group's financial instruments consist mainly of deposits with banks, short term deposits, managed funds, interest bearing securities and liabilities, accounts receivable and payable and non interest bearing liabilities.

The Group's activities expose it to a variety of financial risks; credit risk, liquidity risk and market risk (including foreign exchange risk and interest rate risk).

(a) Credit risk

The Group has no significant concentrations of credit risk. The maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is the carrying amount of those assets as indicated in the financial statements.

The Group does not have any material credit risk exposure to any single receivable or group of receivables.

The carrying amount of financial assets, as contained in Note 37, represents the Groups' maximum exposure to credit risk.

Cash transactions are limited to Australian Prudential Regulatory Authority (APRA) regulated financial institutions. The Group has policies that limit the amount of credit exposure to any one financial institution, according to the institutions' ratings. Significant use is made of the Federal Government Deposit Guarantee.

(b) Liquidity risk

The Group manages liquidity risk by the application of stringent budget principles, monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

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

31 December 2015	Average interest %	Variable interest rate \$'000	Less than 1 year \$'000	1 to 5 years \$'000	5+ years \$'000	Non interest \$'000	TOTAL \$'000
Financial Assets							
Cash	3.05%	26,963	67,951	-	-	-	94,914
Receivables	-	-	-	-	-	27,126	27,126
Other financial assets							
- Term deposits	3.05%	-	174,300	-	-	-	174,300
- Available for sale financial assets	-	-	-	-	-	35,723	35,723
		26,963	242,251	-	-	62,849	332,063
Financial Liabilities							
Payables	-	-	-	-	-	40,537	40,537
Borrowings	4.96%	-	7,499	31,632	45,676	-	84,807
		-	7,499	31,632	45,676	40,537	125,344

31 December 2014	Average interest %	Variable interest rate \$'000	Less than 1 year \$'000	1 to 5 years \$'000	5+ years \$'000	Non interest \$'000	TOTAL \$'000
Financial Assets							
Cash	3.51	19,756	50,655	-	-	-	70,411
Receivables	-	-	-	-	-	29,152	29,152
Other financial assets							
- Term deposits	3.51	-	170,161	-	-	-	170,161
- Available for sale financial assets	-	-	-	-	-	33,996	33,996
		19,756	220,816	-	-	63,148	303,720
Financial Liabilities							
Payables	-	-	-	-	-	22,336	22,336
Borrowings	4.94	-	7,662	26,139	45,591	13,629	93,021
		-	7,662	26,139	45,591	35,965	115,357

(c) Market risk

(i) Foreign exchange risk

The Group's main foreign exchange risk arises from currency exposures to the Singapore dollar, as a result of related party transactions between the Parent Entity and a subsidiary. The foreign currency gains and losses associated with these transactions are contained within the Group.

As at 31 December 2015, the translation adjustment of the foreign subsidiary's net assets to the Parent Entity's functional currency amounted to \$0.516m (2014 - \$0.575m). The Group does not hedge foreign currency denominated shareholders' equity as the foreign exchange movements are immaterial.

Foreign exchange exposures relating to receipts from other organisations and purchases from foreign suppliers are predominantly immaterial and are usually transacted at the exchange rates prevailing at the date of the transaction. For significant purchases the University maintains foreign currency accounts to mitigate exchange fluctuation risk.

NOTE 36. FINANCIAL RISK MANAGEMENT (cont'd)

(ii) Interest rate risk

The Group's interest rate risk arises from interest-bearing assets and long-term borrowings.

Interest-bearing assets

An Investment Sub-Committee meets on a regular basis to evaluate investment management strategies in the context of the most recent economic conditions and forecasts and to ensure compliance with the parent entity's investment policies.

For other entities within the Group, their respective Boards monitor interest rate risk.

Long-term borrowings

Interest rate risk is managed with a mixture of fixed and floating rate debt. Floating rate debt is primarily used as it allows the flexibility of excess liquidity to be used to reduce interest-bearing debt.

The Parent Entity has interest-bearing borrowings obtained from Queensland Treasury Corporation, which provides cost-effective financing, independent external advice and management of debt pools. The Group also has interest-bearing borrowings with ANZ.

(iii) Summarised sensitivity analysis

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

JAMES COOK UNIVERSITY

NOTES TO THE FINANCIAL STATEMENTS
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NOTE 36. FINANCIAL RISK MANAGEMENT (cont'd)

(c) Market risk (cont'd)

(iii) Summarised sensitivity analysis (cont'd)

Consolidated

31 December 2015	Carrying Amount \$'000	Interest rate risk				Foreign exchange risk				Other price risk			
		-2.00%		+2.00%		-9.55%		+9.55%		-1.00%		+1.00%	
		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	94,914	(1,898)	(1,898)	1,898	1,898	-	-	-	-	-	-	-	-
Trade and other receivables	27,126	-	-	-	-	(621)	(621)	621	621	-	-	-	-
Other financial assets - term deposits	174,300	(3,486)	(3,486)	3,486	3,486	-	-	-	-	-	-	-	-
Available for sale financial assets	35,723	-	-	-	-	-	-	-	-	-	-	-	-
	332,063	(5,384)	(5,384)	5,384	5,384	(621)	(621)	621	621	-	-	-	-
Financial Liabilities													
Interest-bearing liabilities	84,807	(1,696)	(1,696)	1,696	1,696	-	-	-	-	-	-	-	-
Non interest-bearing liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade and other Payables	40,537	-	-	-	-	(25)	(25)	25	25	-	-	-	-
	125,344	(1,696)	(1,696)	1,696	1,696	(25)	(25)	25	25	-	-	-	-

31 December 2014	Carrying Amount \$'000	Interest rate risk				Foreign exchange risk				Other price risk			
		-2.00%		+2.00%		-11.74%		+11.74%		-1.00%		+1.00%	
		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	70,411	(1,408)	(1,408)	1,408	1,408	-	-	-	-	-	-	-	-
Trade and other receivables	29,152	-	-	-	-	(871)	(871)	871	871	-	-	-	-
Other financial assets - term deposits	170,161	(3,403)	(3,403)	3,403	3,403	-	-	-	-	-	-	-	-
Available for sale financial assets	33,996	-	-	-	-	-	-	-	-	-	-	-	-
	303,720	(4,811)	(4,811)	4,811	4,811	(871)	(871)	871	871	-	-	-	-
Financial Liabilities													
Interest-bearing liabilities	79,392	(1,588)	(1,588)	1,588	1,588	-	-	-	-	-	-	-	-
Non interest-bearing liabilities	13,629	-	-	-	-	-	-	-	-	-	-	-	-
Trade and other payables	22,336	-	-	-	-	(3)	(3)	3	3	-	-	-	-
	115,357	(1,588)	(1,588)	1,588	1,588	(3)	(3)	3	3	-	-	-	-

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NOTE 37. FAIR VALUE MEASUREMENTS

(a) Fair value measurements

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

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. The quoted market price used for financial assets held by the Group is the current bid price.

The fair value of unlisted shares are measured at cost less impairment if no active market exists for those shares to be traded in and no fair value can be determined.

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

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

	Carrying Amount		Fair Value	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Financial Assets				
Cash	94,914	70,411	94,914	70,411
Receivables	27,126	29,152	27,126	29,152
Other financial assets				
- Term deposits	174,300	170,161	174,300	170,161
- Available for sale financial assets	35,723	33,996	35,723	33,996
	<u>332,063</u>	<u>303,720</u>	<u>332,063</u>	<u>303,720</u>
Financial Liabilities				
Payables	40,537	22,336	40,537	22,336
	<u>40,537</u>	<u>22,336</u>	<u>40,537</u>	<u>22,336</u>

NOTE 37. FAIR VALUE MEASUREMENTS (Cont'd)

(a) Fair value measurements (Cont'd)

The Group measures and recognises the following assets and liabilities at fair value on a recurring basis after initial recognition:

- Other financial assets - term deposits
- Available-for-sale financial assets
- Land, buildings and infrastructure
- library collections
- museums and art

The Group does not subsequently measure any assets or liabilities at fair value on a non-recurring basis.

(b) Fair value hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categories fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1 - measurement based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 - measurement based on inputs other than quoted prices within level 1 that are observable for the asset or liability either directly or indirectly.

Level 3 - measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair values are observable, the asset or liability is included in level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in level 3 (refer to table on the following page).

Valuation techniques

The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and reliable data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following approaches:

- *Market approach*: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- *Income approach*: valuation techniques that convert estimated future cash flows or income and expenses into a single present value.
- *Cost approach*: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using best information available about such assumptions are considered unobservable.

NOTES TO THE FINANCIAL STATEMENTS
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NOTE 37. FAIR VALUE MEASUREMENTS (cont'd)

The following tables provide the fair values of the Group's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy.

	Note	2015 \$'000	31 December 2015		
			Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Recurring fair value measurements					
<i>Financial assets</i>					
Other financial assets - term deposits	21	174,300	174,300	-	-
Available-for-sale financial assets					
managed funds	21	26,223	26,223	-	-
unlisted shares	21	9,500	-	-	9,500
Total financial assets recognised at fair value		210,023	200,523	-	9,500
<i>Non-financial assets</i>					
Land	22	70,150	-	-	70,150
Buildings	22	499,067	-	-	499,067
Infrastructure	22	75,879	-	-	75,879
Library collections	22	358	-	-	358
Museums and art	22	1,110	-	-	1,110
Total non-financial assets recognised at fair value		646,564	-	-	646,564

	Note	2014 \$'000	31 December 2014		
			Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Recurring fair value measurements					
<i>Financial assets</i>					
Other financial assets - term deposits	21	170,161	170,161	-	-
Available-for-sale financial assets					
managed funds	21	33,819	33,819	-	-
unlisted shares	21	177	-	-	177
Total financial assets recognised at fair value		204,157	203,980	-	177
<i>Non-financial assets</i>					
Land	22	60,445	-	-	60,445
Buildings	22	503,798	-	-	503,798
Infrastructure	22	72,155	-	-	72,155
Library collections	22	358	-	-	358
Museums and art	22	1,076	-	-	1,076
Total non-financial assets recognised at fair value		637,832	-	-	637,832

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers between Level 1 and Level 2 for assets measured at fair value on a recurring basis during the reporting period (2014: no transfers). For transfers in and out of level 3 measurements see (c) below.

(c) Valuation techniques and unobservable inputs used to measure Level 3 fair values

Unlisted shares in companies

The Group has acquired a small quantity of unlisted shares in companies that are either directly involved in the sector or involved in research which the Group is a participant. The fair value of the shares has been measured using the cost approach.

Land, buildings and infrastructure assets

Land, buildings and infrastructure (classified as property, plant and equipment) are valued independently at least every five years. At the end of the reporting period, the Group updates its assessment of the fair value of each asset class, taking into account the most recent independent valuations.

Land is valued using the Direct Comparison method in which the property being appraised is compared to sales of similar properties in order to arrive at a value. Adjustments are made to account for relevant differences between each comparable sale and the subject (eg property size). The most significant input into this valuation approach is price per square metre.

Land types that are commonly traded in the property market would be considered to have level 2 inputs, but due to the characteristics of the University's land assets level 3 valuation inputs have been assigned.

Buildings held by the University are purpose built and as such market evidence is limited. Consequently buildings have been valued within the level 3 hierarchy and measured using the replacement cost for each building by componentising the buildings into significant parts with different useful lives and taking into account a range of factors. While the unit rates based on square metres or similar capacity could be supported from market evidence (level 2) other inputs (such as estimates of residual value, useful life, pattern of consumption and asset condition) required extensive professional judgement and impacted significantly on the final determination of fair value.

Infrastructure assets are valued using level 3 inputs using the cost approach. This requires estimating the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors. While the unit rates (metres, square metres, tonnes etc) could be supported from market evidence (level 2) other inputs (such as estimates of residual value, useful life, pattern of consumption and asset condition) required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets have been classified as having been valued using level 3 valuation inputs.

Library collections

The library collections asset comprise of two rare book collections. The fair value has been assessed by establishing the current replacement value which is based on auction records, booksellers' catalogues and online databases of market information. The fair value is then based on a percentage of the replacement value. While some inputs are supported by market evidence other inputs require professional judgement and impacts on the final determination of fair value. On this basis the collection has been valued using level 3 valuation inputs.

Museums and art

The art collection is valued using auction records, market information on artists and other available sale information. The museum collection's valuation has been based, so far as is possible, on current values for similar objects.

To the extent that both collections require extensive professional judgement which impacts on the final determination of fair value, the collections have been assigned level 3 valuation inputs.

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**NOTES TO THE FINANCIAL STATEMENTS
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NOTE 37. FAIR VALUE MEASUREMENTS (cont'd)

(d) Reconciliation of recurring Level 3 Fair value measurements

The following table is a reconciliation of level 3 items for the periods ended 31 December 2015 and 2014:

	Unlisted Shares \$'000	Land \$'000	Buildings \$'000	Infrastructure \$'000	Library collections \$'000	Museums and art \$'000	Total \$'000
Level 3 Fair Value Measurements 2015							
Opening balance	177	60,445	503,798	72,155	358	1,076	638,009
Additions/transfers (including from WIP)	135	300	8,883	4,195	-	-	13,513
Depreciation	-	-	(38,157)	(2,916)	-	-	(41,073)
Recognised in other comprehensive income	9,188	9,405	24,543	2,445	-	34	45,615
Closing balance	9,500	70,150	499,067	75,879	358	1,110	656,064

Level 3 Fair Value Measurements 2014

Opening balance	154	-	-	-	-	-	154
Transfers from level 2	-	59,583	435,603	76,331	358	1,068	572,943
Additions/transfers (including from WIP)	94	170	43,995	4,415	-	-	48,674
Disposals	-	-	(3,342)	-	-	-	(3,342)
Depreciation	-	-	(25,796)	(3,119)	-	-	(28,915)
Recognised in other comprehensive income	-	692	53,338	(5,472)	-	8	48,566
Gains/(losses) recognised in profit or loss	(71)	-	-	-	-	-	(71)
Closing balance	177	60,445	503,798	72,155	358	1,076	638,009

Land, buildings, infrastructure, library collections, museums and art have been transferred between Level 2 and Level 3 for assets measured at fair value on a recurring basis during the reporting period ended 31 December 2014.

The transfers were made in accordance with the "Non-Current Asset Policies for the Queensland Public Sector" (December 2014) appendix 3.2.

NOTES TO THE FINANCIAL STATEMENTS
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NOTE 37. FAIR VALUE MEASUREMENTS (cont'd)

(d) Reconciliation of recurring Level 3 Fair value measurements (cont'd)

(i) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements. See (b) above for the valuation techniques adopted.

Description	Fair value at 31 Dec 2015 \$'000	Unobservable inputs	Range of inputs (probability weighted average)		Relationship of unobservable inputs to fair value	
			Lower	Upper	Lower	Upper
Land	70,150	Price per square meter	(2.50)%	2.50%	(1,754)	1,754
Buildings	499,067	Relationship between asset consumption rating scale and the level of consumed service potential.	(2.50)%	2.50%	(12,477)	12,477
Infrastructure	75,879	Relationship between asset consumption rating scale and the level of consumed service potential.	(2.50)%	2.50%	(1,897)	1,897

Usage of alternative values (higher or lower) that are reasonable in the circumstances as at revaluation date would not result in material changes in the reported fair value. Whilst there is some minor correlation between costs to bring to standard and condition rating, either measure in isolation does not materially affect the other. There were no significant inter-relationships between unobservable inputs that materially effects fair value.

(ii) Valuation processes

The valuation process is managed by a team in the University's Financial and Business Services Office which engages external valuers to perform the valuations of assets required for reporting purposes. The Financial and Business Services team reports to the DVC, Resources and Planning. Discussions on valuation processes are held every 12 months.

The University engages external, independent and qualified valuers, and professional engineers to determine the fair value of the University's land, buildings, infrastructure and other non-financial assets on a regular basis. An annual assessment is undertaken to determine whether the carrying amount of the assets is materially different from the fair value. If any variation is considered material a revaluation is undertaken either by comprehensive revaluation or by applying an interim revaluation using appropriate indices.

Details regarding the University's comprehensive and interim valuations are disclosed at Note 22(a).

The main level 3 inputs used are derived and evaluated as follows:

- Cost for land restricted in use (non-saleable) - estimated cost to replace the existing land if the University had to acquire it on the open market in competition with other market participants. Due to the restricted nature and unique characteristics of this land there was insufficient market evidence of directly comparable sales. Reference was made of sales of land with a limited level of comparability at distant locations and adjusted by the valuer using professional judgement to take account of the differing characteristics. These were evaluated by reasonableness against the price per area for other restricted in use land held by the University.

- Asset condition - The nature of buildings, road and water network infrastructure is that there is a very large number of components which comprise the assets and as a result it is not physically possible to inspect every asset for the purposes of completing a valuation. As a consequence reliance is placed on the accuracy of data held in the asset management system and its associated internal controls. This includes planned inspections and updates to the system following maintenance activities and renewal treatments. Likewise, especially for water networks infrastructure, a large portion of the portfolio is located underground and may only be inspected on an irregular basis,

- Relationship between asset consumption rating scale and the level of consumed service potential - Under the cost approach the estimated cost to replace the asset is calculated and then adjusted to take account of an accumulated depreciation. In order to achieve this, the valuer determines an asset consumption rating scale for each asset type based on the inter-relationship between a range of factors. These factors and their relationship to the fair value require professional engineering judgement and include asset condition, legal and commercial obsolesce and the determination of key depreciation related assumptions such as residual values, useful life and pattern of consumption of the future economic benefit.

JAMES COOK UNIVERSITY

**NOTES TO THE FINANCIAL STATEMENTS
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NOTE 38. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

There were no events occurring after balance sheet date of a material nature.

**NOTE 39. RECONCILIATION OF NET CASH INFLOW FROM
OPERATING ACTIVITIES TO OPERATING RESULT**

	Consolidated \$'000		Parent Entity \$'000	
	2015	2014	2015	2014
Net result for the period	26,254	62,179	29,728	61,120
Non-cash items				
Depreciation and amortisation	53,001	39,942	48,727	37,194
Work in Progress adjustment	98	-	98	-
Net (gain) / loss on sale of property, plant and equipment	2,641	4,377	214	4,377
Net (gain) / loss on disposal of investments	(652)	(2,631)	(652)	(2,631)
Accrued interest	-	331	-	331
Unrealised foreign currency gain	-	(71)	-	(71)
Impairment of financial asset	-	70	-	70
Impairment of intangible asset	-	(10)	-	(10)
Debt forgiveness	(1,134)	-	(1,134)	-
Loss on revaluation of investment in associate	71	-	-	-
Write off of financial asset	(1)	1	-	1
Smart State interest expense	-	1,624	-	1,624
Changes in assets and liabilities associated with operating activities				
Decrease / (Increase) in receivables	(1,780)	(5,295)	(2,347)	(3,583)
Decrease / (Increase) in inventories	24	1,346	55	1,379
Decrease / (Increase) in other assets	(2,521)	1,309	(2,138)	1,250
Increase / (Decrease) in creditors	14,078	(1,696)	11,447	(4,261)
Increase / (Decrease) in tax liability	(573)	(149)	-	-
Increase / (Decrease) in other liabilities	(39)	(1,820)	(669)	(694)
Increase / (Decrease) in employee benefits liability	1,865	4,440	1,909	4,442
Net cash inflow from operating activities	91,332	103,947	85,238	100,538

JAMES COOK UNIVERSITY

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NOTE 40. ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE

Education - CGS and Other Education Grants	Commonwealth Grants Scheme		Indigenous Support Program		Partnership & Participation Program		Disability Support Program	
	2015	2014	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in cash during the reporting period	140,743	136,591	2,089	2,071	-	3,391	30	44
Net accrual adjustment	(216)	198	-	-	-	21	-	-
Revenue for the period	140,527	136,789	2,089	2,071	-	3,412	30	44
Surplus / (deficit) from the previous year	-	-	-	-	734	440	-	-
Total revenue including accrued revenue	140,527	136,789	2,089	2,071	734	3,852	30	44
Less expenses including accrued expenses	(140,527)	(136,789)	(2,089)	(2,071)	(734)	(3,118)	(30)	(44)
Surplus / (deficit) for reporting period	-	-	-	-	-	734	-	-

Education - CGS and Other Education Grants (cont'd)	Access and Participation Program		National Priorities Pool		Clinical Outreach Program		Promo of Exc In Learn and Teaching		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in cash during the reporting period	4,176	-	180	-	-	-	119	544	147,337	142,641
Net accrual adjustment	-	-	-	-	-	-	-	-	(216)	219
Revenue for the period	4,176	-	180	-	-	-	119	544	147,121	142,860
Surplus / (deficit) from the previous year	-	-	-	-	-	145	528	138	1,262	723
Total revenue including accrued revenue	4,176	-	180	-	-	145	647	682	148,383	143,583
Less expenses including accrued expenses	(4,176)	-	(5)	-	-	(145)	(348)	(154)	(147,909)	(142,321)
Surplus / (deficit) for reporting period	-	-	175	-	-	-	299	528	474	1,262

Higher Education Loan Programs (excl OS-HELP)	HECS-HELP Australian Gov't payments only		FEE-HELP		SA-HELP		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash payable / (receivable) at beginning of year	(2,947)	(1,092)	(196)	(305)	132	(13)	(3,011)	(1,410)
Financial assistance received in cash during the reporting period	72,681	68,652	3,158	3,505	2,103	2,130	77,942	74,287
Cash available for period	69,734	67,560	2,962	3,200	2,235	2,117	74,931	72,877
Revenue earned	(72,901)	(70,507)	(2,685)	(3,396)	(2,236)	(1,985)	(77,822)	(75,888)
Cash payable / (receivable) at end of year	(3,167)	(2,947)	277	(196)	(1)	132	(2,891)	(3,011)

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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 40. ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (cont'd)

Scholarships	Australian Postgraduate Awards		International Postgraduate Research Scholarships		Commonwealth Education Cost Scholarships		Commonwealth Accommodation Scholarships		Indigenous Access Scholarships		Indigenous Staff Scholarships		National Priority Scholarships		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in cash during the reporting period	3,650	3,428	289	274	356	341	249	194	468	221	-	80	-	-	5,012	4,538
Net accrual adjustment	-	-	-	-	333	267	259	180	106	207	-	-	-	-	698	654
Revenue for the period	3,650	3,428	289	274	689	608	508	374	574	428	-	80	-	-	5,710	5,192
Surplus / (deficit) from the previous year	725	648	-	-	-	12	-	-	-	-	-	-	-	8	725	668
Total revenue including accrued revenue	4,375	4,076	289	274	689	620	508	374	574	428	-	80	-	8	6,435	5,860
Less expenses including accrued expenses	(3,497)	(3,351)	(289)	(274)	(689)	(620)	(508)	(374)	(574)	(428)	-	(80)	-	(8)	(5,557)	(5,135)
Surplus / (deficit) for reporting period	878	725	-	-	-	-	-	-	-	-	-	-	-	-	878	725

Education Research	Joint Research Engagement		JRE Engineering Cadetships		Research Training Scheme		Sustainable Research Excellence in Universities		Research Infrastructure Block Grants		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in cash during the reporting period	4,330	3,807	66	48	9,099	8,727	2,291	2,151	3,159	3,222	18,945	17,955
Net accrual adjustment	-	-	-	-	-	-	-	-	-	-	-	-
Revenue for the period	4,330	3,807	66	48	9,099	8,727	2,291	2,151	3,159	3,222	18,945	17,955
Surplus / (deficit) from the previous year	-	-	-	-	-	-	-	-	59	100	59	100
Total revenue including accrued revenue	4,330	3,807	66	48	9,099	8,727	2,291	2,151	3,218	3,322	19,004	18,055
Less expenses including accrued expenses	(4,330)	(3,807)	-	(48)	(9,099)	(8,727)	(2,291)	(2,151)	(2,621)	(3,263)	(18,341)	(17,996)
Surplus / (deficit) for reporting period	-	-	66	-	-	-	-	-	597	59	663	59

The reported surpluses for JRE Engineering Cadetships of \$0.066m and Research Infrastructure Blocks Grants of \$0.597m for 2015 are expected to be rolled over for future use by Education.

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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 40. ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (cont'd)

Australian Research Council Grants

(a) Discovery

	Projects		Fellowships		Future Fellowships		Indigenous Researchers Development		Super Science Fellowship		Laureate Fellowship		Early Career Researcher Award		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in cash during the reporting period	2,193	2,645	-	-	1,132	1,413	414	187	-	157	2,055	1,950	1,032	1,226	6,826	7,578
Transfers / return of grant	(174)	276	(3)	-	-	468	-	-	-	-	-	-	(65)	-	(242)	744
Net accrual adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revenue for the period	2,019	2,921	(3)	-	1,132	1,881	414	187	-	157	2,055	1,950	967	1,226	6,584	8,322
Surplus / (deficit) from the previous year	1,450	1,395	3	37	1,226	982	80	177	30	133	1,535	932	650	384	4,974	4,040
Total revenue including accrued revenue	3,469	4,316	-	37	2,358	2,863	494	364	30	290	3,590	2,882	1,617	1,610	11,558	12,362
Less expenses including accrued expenses	(2,416)	(2,866)	-	(34)	(1,461)	(1,637)	(318)	(284)	(30)	(260)	(2,219)	(1,347)	(1,015)	(960)	(7,459)	(7,388)
Surplus / (deficit) for reporting period	1,053	1,450	-	3	897	1,226	176	80	-	30	1,371	1,535	602	650	4,099	4,974

Australian Research Council Grants

(b) Linkages

	Infrastructure		Projects		Industrial Transformation Research Hubs		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in cash during the reporting period	270	168	747	669	1,049	1,030	2,066	1,867
Transfers / return of grant	41	-	(25)	-	-	500	16	500
Net accrual adjustment	-	-	-	-	-	-	-	-
Revenue for the period	311	168	722	669	1,049	1,530	2,082	2,367
Surplus / (deficit) from the previous year	179	21	740	946	1,530	2,449	967	967
Total revenue including accrued revenue	490	189	1,462	1,615	2,579	1,530	4,531	3,334
Less expenses including accrued expenses	(467)	(10)	(792)	(875)	(577)	(1,259)	(1,259)	(885)
Surplus / (deficit) for reporting period	23	179	670	740	2,002	1,530	3,272	2,449

JAMES COOK UNIVERSITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 40. ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (cont'd)

Australian Research Council Grants
(c) Networks and Centres

	Centres		Special Research Initiatives		Total	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Financial assistance received in cash during the reporting period	4,195	4,121	3,054	36,000	7,249	40,121
Transfers / return of grant	-	-	-	-	-	-
Net accrual adjustment	-	-	-	-	-	-
Revenue for the period	4,195	4,121	3,054	36,000	7,249	40,121
Surplus / (deficit) from the previous year	2,265	2,223	35,046	-	41,929	6,841
Total revenue including accrued revenue	6,460	6,344	38,100	36,000	49,178	46,962
Less expenses including accrued expenses	(3,539)	(4,079)	(5,482)	(954)	(9,021)	(5,033)
Surplus / (deficit) for reporting period	2,921	2,265	32,618	35,046	40,157	41,929

OS-Help

	2015 \$'000	2014 \$'000
Cash received during the reporting period	1,515	1,134
Cash spent during the reporting period	(1,284)	(886)
Net cash received	231	248
Cash surplus / (deficit) from the previous period	388	140
Cash surplus / (deficit) for the reporting period	231	248
	619	388

Student Services and Amenities Fee

	2015 \$'000	2014 \$'000
Unspent / (overspent) revenue from previous period	945	566
SA-HELP revenue earned	2,242	1,985
Student Services Fees direct from students	1,647	1,876
Total revenue expendable in period	4,834	4,427
Student Services expenses in period	3,780	3,482
Unspent / (overspent) Student Services revenue	1,054	945

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

	Revenue \$'000		Results \$'000		Assets \$'000	
	2015	2014	2015	2014	2015	2014
NOTE 41. DISAGGREGATED INFORMATION						
Geographical - Consolidated Entity						
Australia	485,323	510,939	29,411	59,149	1,071,493	991,114
Singapore	40,349	41,625	(3,157)	3,030	32,464	30,716
	<u>525,672</u>	<u>552,564</u>	<u>26,254</u>	<u>62,179</u>	<u>1,103,957</u>	<u>1,021,830</u>

The University reports revenue, results and assets by geographical regions in accordance with the Financial Statement Guidelines for Australian Higher Education Providers for the 2015 reporting period issued by the Department of Education and Training.

Certification of financial statements (management certificate)

The following page contains the management certificate

JAMES COOK UNIVERSITY

MANAGEMENT CERTIFICATE

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

- (a) the financial statements and consolidated financial statements are in agreement with the accounts and records of James Cook University and its controlled entities;
- (b) in our opinion -
 - (i) the prescribed requirements in respect of the establishment and keeping of accounts have been complied within all material respects;
 - (ii) the financial statements have been drawn up to present a true and fair view of the transactions of James Cook University and controlled entities for the period 1 January 2015 to 31 December 2015, and the financial position as at 31 December 2015 in accordance with prescribed accounting standards and conform with the Financial Statement Guidelines for Australian Higher Education Providers for the 2015 reporting period issued by the Australian Government Department of Education.
 - (iii) at the time of this 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 year was for the purpose(s) for which it was intended;
 - (v) James Cook University has complied with applicable legislation, contracts, agreements and programme guidelines in making that expenditure.

J.C. Grey AC
Chancellor

Date 26 February, 2016

S.L. Harding
Vice-Chancellor

Date 26 February, 2016

P.C. Brand
Deputy Vice Chancellor
Services and Resources

Date 26 February, 2016

Independent Auditor's Report

The following pages contain the Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT

To the Council of James Cook University

Report on the Financial Report

I have audited the accompanying financial report of James Cook University, which comprises the statements of financial position as at 31 December 2015, the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and certificates given by the Chancellor, Vice Chancellor and the Deputy Vice Chancellor, Services and Resources, of the University and the consolidated entity comprising James Cook University and the entities it controlled at the year's end or from time to time during the financial year.

The Council's Responsibility 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 accounting requirements identified in the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*, including compliance with Australian Accounting Standards. 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.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view 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 in expressing an opinion on compliance with prescribed requirements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial report including any mandatory financial reporting requirements approved by the Treasurer for application in Queensland.

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

Independence

The *Auditor-General Act 2009* promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can be removed only by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

Opinion

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

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion –
 - (i) the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects; and
 - (ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the transactions of James Cook University and the consolidated entity for the financial year 1 January 2015 to 31 December 2015 and of the financial position as at the end of that year.

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

Financial information for the year ended

The following pages contain the underlying operating results

**FINANCIAL INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2015**

UNDERLYING OPERATING RESULTS

The annual financial statements represent the audited general purpose financial statements of James Cook University and its controlled entities. They have been prepared on an accrual basis and comply with the Australian Accounting Standards.

Additionally the statements have been prepared in accordance with the following statutory requirements:

- Higher Education Support Act 2003 (Cth) (Financial Statement Guidelines)
- Financial Accountability Act 2009 (Qld)
- Financial Reporting Requirements for Queensland Government Agencies (including Accounting Policy Guidelines)

James Cook University is a not-for-profit entity and these statements have been prepared on that basis. Some of the requirements for not-for-profit entities are inconsistent with the International Financial Reporting Standards (IFRS) requirements. The Summary of Significant Accounting Policies in Note 1 of the financial statements reflects these standards and requirements.

Under these standards included as income are grants and other funding committed to specific capital and research projects that are not available for general operations. This statement has been constructed to reflect the Accounting Standards that apply to for-profit organisations, but those standards have not been strictly applied in all aspects. The statement discloses adjustments to the operating result to determine a clearer view of the underlying operating result. The adjustments are made on the following basis:

(a) Unspent Committed Research Grant Funds

The nature of grant funding is such that income is recognised as revenue when received while the expenditure may not be recognised in the same reporting period. The expenditure may be incurred over a number of reporting periods depending on the terms of the funding agreements. The result is that the income from research grant funding may not match the expenditure when incurred. The following is a summary of the unspent committed research grant funding for the parent entity. The results for 2014 reveal that the expenditure during the reporting period is matching revenue received in prior periods.

	Parent Entity \$'000	
	2015	2014
Unspent committed research grant funds	4,454	12,577

(b) Capital Grant Income and Expense

Capital grant income is such that much of the associated expenditure is not recorded in the statement of comprehensive income, but rather as assets in the statement of financial position. The following is a summary of the income and expenses (excluding capitalised expenditure) associated with capital grant projects undertaken, which have been included in the statement of comprehensive income.

	Parent Entity			
	2015 \$'000	2015 \$'000	2014 \$'000	2014 \$'000
	Income	Expenditure	Income	Expenditure
Australian Government Capital Grants				
Australian Research Council	-	57	26,000	17
Teaching and Learning Capital Fund	-	-	-	63
Dept. of Education	20,000	38	14,824	166
Dept. of Innovation, Industry, Science & Research	-	31	-	703
Rural Health Multidisciplinary Training Program	-	-	-	467
Health Workforce Australia - Clinical Training Program	-	7	430	2,094
	<u>20,000</u>	<u>133</u>	<u>41,254</u>	<u>3,510</u>
Other Australian and State Government Capital Grants				
Dept. of Science, Information Technology, Innovation & the Arts	11,500	353	4,000	43
Queensland Health	-	17	-	174
Dept. of Employment, Economic Development & Innovation	-	-	-	-
	<u>11,500</u>	<u>370</u>	<u>4,000</u>	<u>217</u>
Other				
Commonwealth Scientific and Industrial Research Organisation (CSIRO)	-	-	350	-
Ergon Energy	-	-	-	-
	<u>-</u>	<u>-</u>	<u>350</u>	<u>-</u>
	<u>31,500</u>	<u>503</u>	<u>45,604</u>	<u>3,727</u>
Capital grant income less expenses (net)		<u>30,997</u>		<u>41,877</u>

**FINANCIAL INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2015**

(c) Smart State Borrowings Income and Expense

Accounting standards require the Smart State borrowings (i.e. interest free, 30 year term, 10 year repayment moratorium and debt forgiveness on one-third of the loan balance) to be carried at their net present value. The following is a summary of the income and expenses associated with the Smart State borrowings which have been included in the statement of comprehensive income.

	Parent Entity			
	2015 \$'000	2015 \$'000	2014 \$'000	2014 \$'000
	Income	Expenditure	Income	Expenditure
Australian Tropical Forest Institute (ATFI)				
Interest expense	-	-	-	462
Australian Tropical Science Innovation Precinct (ATSIP)				
Interest expense	-	-	-	1,060
Net debt forgiveness of financial liability	1,134	-	-	-
	1,134	-	-	1,060
Queensland Tropical Health Alliance (QTHA)				
Interest expense	-	-	-	101
	-	-	-	101
	1,134	-	-	1,623
Smart State income less expenses (net)		1,134		(1,623)

(d) Changes to Workforce Plans

In February 2014 the University Council approved a new headline structure in delivering its Crystallising our Purpose and University Plan. The change has been undertaken during a period of uncertainty surrounding the funding environment for higher education in Australia at the present time. The University's Workforce Plans have been adjusted accordingly which have resulted in significant expenditure that is not expected to be repeated consistently over a number of years. An adjustment has been made to the operating result to reflect the changes to the University's Workforce Plans.

	Parent Entity \$'000	
	2015	2014
Changes to Workforce Plans	3,094	8,466

**Operating result adjusted for capital grant income
and associated expenses and Smart State income and expenses**

	Parent Entity \$'000	
	2015	2014
Net operating result as per statement of comprehensive income	29,728	61,120
(a) less: unspent committed grant funds	4,454	12,577
(b) less: capital grant income less expenses (net)	30,997	41,877
(c) less: Smart State income less expenses (net)	1,134	(1,623)
(d) Add: Changes to Workforce Plans	3,094	8,466
Adjusted net underlying operating result	(3,763)	16,755

Glossary

<p>AARNet Australia's Academic and Research Network</p> <p>AASB Australian Accounting Standards Board</p> <p>AC Companion of the Order of Australia</p> <p>ACIAR Australian Centre for International Agricultural Research</p> <p>ACMER Australian Centre for Minerals Extension and Research</p> <p>ACNC Australian Charities for Not-For-Profit Commission</p> <p>ACOR Australian Council of Recycling</p> <p>AEC Animal Ethics Committee</p> <p>AITHM Australian Institute of Tropical Health and Medicine</p> <p>AJIE Australian Journal of Indigenous Education</p> <p>ALTC Australian Learning and Teaching Council</p> <p>AM Member of the Order of Australia</p> <p>ANU Australian National University</p> <p>AO Order of Australia</p> <p>APAIE Asia Pacific Association for International Education</p> <p>ARC Australian Research Council</p> <p>ARWU Academic Ranking of World Universities</p> <p>ASX Australian Stock Exchange</p> <p>ATFI Australian Tropical Forest Institute</p> <p>ATH Australian Tropical Herbarium</p> <p>ATSE Academy of Technological Sciences and Engineering</p> <p>ATSIP Australian Tropical Sciences and Innovation Precinct</p> <p>ATSIS Aboriginal and Torres Strait Islander Studies Unit</p> <p>AUQA Australian Universities Quality Agency</p> <p>AusAID Australian Agency for International Development</p> <p>BJUT Beijing University of Technology</p> <p>CBD Central Business District</p> <p>CDC Centre for Disease Control</p> <p>CEC Community Education Counsellor</p> <p>CEO Chief Executive Officer</p> <p>CEQ Course experience questionnaire</p> <p>CGS Commonwealth Grant Scheme</p> <p>CIPL Centre for Innovation in Professional Learning</p> <p>CoE Centre of Excellence</p> <p>CPB Clinical Practice Building</p> <p>CPD Continuing Professional Development</p> <p>CPE Continuing Professional Education</p> <p>CPR Course Performance Report</p> <p>CQU Central Queensland University</p> <p>CRC Cooperative Research Centre</p> <p>CRN Collaborative Research Networks</p> <p>CSIRO Commonwealth Scientific and Industrial Research Organisation</p> <p>CTS Cyclone Testing Station</p> <p>DEEDI Department of Employment, Economic Development and Innovation</p>	<p>DEEWR Federal Department of Education, Employment and Work Relations</p> <p>DIISR Department of Innovation, Industry, Science and Research</p> <p>DLGP Department of Local Government and Planning</p> <p>DRO Daintree Rainforest Observatory</p> <p>DTHM Division of Tropical Health & Medicine</p> <p>DTES Division of Tropical Environments & Societies</p> <p>EAIE European Association for International Education in Europe</p> <p>ECR Early Career Researcher</p> <p>EDRMS Electronic Document and Records Management System</p> <p>EFTSL Equivalent full-time student load</p> <p>ERA Excellence in Research Australia</p> <p>ERC Ethics Review Committee</p> <p>ERM Enterprise risk management</p> <p>ERMS Electronic risk management system</p> <p>ESOL English for speakers of other languages</p> <p>FAQ Frequently asked questions</p> <p>FBT Fringe Benefits Tax</p> <p>FDA Food and Drug Administration</p> <p>FIAC Facilities and Infrastructure Advisory Committee</p> <p>For Fields of Research</p> <p>FTE Full-time equivalent</p> <p>GATCF General Access and Teaching Computer Facilities</p> <p>GIS Geospatial information system</p> <p>GIZ Deutsche Gesellschaft für Technische Zusammenarbeit</p> <p>GFA Gross floor area</p> <p>GPA Grade Point Average</p> <p>GST Goods and services tax</p> <p>GXL Greencross Limited</p> <p>HDR Higher degree by research</p> <p>hGH Human growth hormone</p> <p>HECS-HELP A loan available to eligible students enrolled in Federal Government supported places</p> <p>HEESP Higher Education Equity Support Program</p> <p>HEP Higher education provider</p> <p>HEPPP Higher Education Participation and Partnerships Program</p> <p>HERDC Higher Education Research Data Collection</p> <p>HERS Higher education research and scholarship</p> <p>HoS Head of School</p> <p>HR Human resources</p> <p>HREC Human Research Ethics Committee</p> <p>iCEVAL Institutional course evaluations</p> <p>ICT Information Communication Technology</p> <p>IFRS International financial reporting standards</p> <p>IGS Institutional Grant Scheme</p> <p>IHCAP Indigenous Health Careers Access Program</p> <p>IML Institute of Modern Languages</p>
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<p>IP Intellectual property</p> <p>IRU Innovative Research Universities</p> <p>IT Information technology</p> <p>ITR Information technology and resources</p> <p>JCU James Cook University</p> <p>JCUS JCU Singapore</p> <p>KPI Key performance indicator</p> <p>kL Kilolitre</p> <p>kWh Kilowatt hours</p> <p>LMU Ludwig-Maximilians-Universität München</p> <p>MIT Massachusetts Institute of Technology</p> <p>MoU Memorandum of understanding</p> <p>MP Member of Parliament</p> <p>MRI Magnetic resonance imaging</p> <p>MTSRF Marine and Tropical Sciences Research Facility</p> <p>MTB Marine and Tropical Biology</p> <p>NAFSA North American Association of International Educators</p> <p>NAIDOC National Aboriginal and Islander Day of Celebration</p> <p>NERP National Environmental Research Program</p> <p>NGER National Greenhouse and Energy Reporting</p> <p>NGO Non-government agency</p> <p>NHMRC National Health and Medical Research Council</p> <p>NIRAP National and International Research Alliances Program</p> <p>NMR Nuclear magnetic resonance</p> <p>NQAA National Quality Assurance Authority</p> <p>NZ New Zealand</p> <p>OAM Medal of the Order</p> <p>OER Open educational resource</p> <p>OHS Occupational health and safety</p> <p>OLT Office for Learning and Teaching</p> <p>OP Overall position score for Qld Year 12 students</p> <p>ORIP Operational Recordkeeping Implementation Plan</p> <p>OS HELP Student loan scheme</p> <p>PG Postgraduate</p> <p>PBL Problem-based learning</p> <p>PDR Planning, development and review</p> <p>PET Positron emission tomography</p> <p>PNG Papua New Guinea</p> <p>QAAFI Queensland Alliance for Agriculture and Food Innovation</p> <p>QAO Queensland Audit Office</p> <p>QSA Queensland State Archives</p> <p>QTAAS Queensland Tropical Agriculture and Aquatic Sciences</p> <p>QTAC Queensland Tertiary Admissions Centre</p> <p>QTHA Queensland Tropical Health Alliance</p>	<p>QUT Queensland University of Technology</p> <p>RATEP Remote Area Teacher Education Program</p> <p>R&D Research and development</p> <p>RHD Research higher degree</p> <p>RHE Russo Higher Education</p> <p>RIBG Research infrastructure block grant</p> <p>RNAi Ribonucleic acid interference</p> <p>RTO Registered training organisation</p> <p>RTS Research training scheme grant</p> <p>SAMP Strategic Asset Management Plan</p> <p>SES Socio-economic status</p> <p>SFS Student feedback survey</p> <p>SPC Secretariat of the Pacific Community</p> <p>SSRFF Smart State Research Facilities Fund</p> <p>SRIP Strategic Recordkeeping Implementation Plan</p> <p>TAFE Technical and Further Education</p> <p>TERN Terrestrial Ecosystem Research Network</p> <p>TEQSA Tertiary Education Quality Standards Authority</p> <p>TESOL Teaching English to speakers of other languages</p> <p>TEVALS Teaching evaluations</p> <p>TF Teaching focused</p> <p>TLEP Teaching and Learning Enhancement Plan</p> <p>TLJV Tropical Landscapes Joint Venture</p> <p>TRI Translational Research Institute Queensland</p> <p>TRIM Tower Records Information Management</p> <p>TSXPO annual tertiary studies exhibition</p> <p>UA Universities Australia</p> <p>UG Undergraduate</p> <p>UIIT Universities Innovation and Investment Trust</p> <p>UIL Union Institute of Language</p> <p>UK United Kingdom</p> <p>ULMP University Level Performance Measure</p> <p>UN United Nations</p> <p>UNESCO United Nations Educational, Scientific and Cultural Organisation</p> <p>UniSA University of South Australia</p> <p>UNICEF United Nations Children’s Fund</p> <p>UNSW University of New South Wales</p> <p>UQ University of Queensland</p> <p>USA United States of America</p> <p>USC University of the Sunshine Coast</p> <p>USFDA United States Food and Drug Administration</p> <p>USQ University of Southern Queensland</p> <p>UWA University of Western Australia</p> <p>VET Vocational Education and Training</p> <p>VM Virtual machine</p> <p>VoIP Voice over Internet Protocol</p> <p>WIL Work integrated learning</p> <p>WIP work in progress</p> <p>WHO World Health Organisation</p> <p>WHSQ Workplace Health & Safety Queensland</p>
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