

2023

Annual Report

James Cook University

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James Cook University
Annual Report 2023
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This Annual Report is also publicly available on the JCU website at <https://www.jcu.edu.au/about-jcu/annual-report>

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Acknowledgement

At James Cook University (JCU) we acknowledge with respect the Aboriginal and Torres Strait Islander people as the first people, educators and innovators of this country. We acknowledge that Country was never ceded, and value the accumulation of knowledge and traditions that reflect the wisdom of ancestral lines going back some 60,000 years and recognise the significance of this in the ways that Aboriginal and Torres Strait Islander people are custodians of Country.

As a university, we will continue to learn ways to care for and be responsible for Country, and we will collectively seek to build a future that is based on truth-telling, mutual understanding, hope, empowerment, and self-determination.

Open data

The JCU Annual Report and additional reports on Consultancies, and Overseas Travel are published online at <https://www.jcu.edu.au/about-jcu/strategic-direction/annual-report>

Open data is also published annually on the Queensland Government Open Data website online at <https://data.qld.gov.au>

Government bodies – James Cook University Council

Information relating to Government Bodies (being the James Cook University Council) is published online at <https://www.jcu.edu.au/about-jcu/strategic-direction/annual-report>.

Public availability

For information about this report, or paper copies, please contact James Cook University on Ph: (07) 4781 4165 (Office of the Vice Chancellor and President) or email vc@jcu.edu.au. This Report and its associated statutory documents are available at <https://www.jcu.edu.au/about-jcu/strategic-direction/annual-report>.

Statement of compliance

This Annual Report fulfils the prescribed reporting requirements for 2023 of James Cook University to the Queensland Minister for Education and Minister for Youth Justice 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 matters that provide insight to the depth and breadth of activities undertaken by the University in 2023. These are linked to, and measured against, the strategic intent, aims, priorities, and actions.

Letter of compliance

1 March 2024

The Honourable Dianne Farmer MP
Minister for Education and Minister for Youth Justice
Department of Education
PO Box 15033
CITY EAST QLD 4002

Dear Minister,

I am pleased to submit for presentation to the Parliament the Annual Report 2023 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 2019, 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/strategic-direction/annual-report>.

Yours sincerely

A handwritten signature in black ink, appearing to be 'N. Brown', written in a cursive style.

Professor Ngiare Brown
Chancellor
James Cook University

Introduction

This report describes the University's performance, achievements, outlook and financial position for the calendar year 2023. The report is also of interest to Members of Parliament, University staff, students, prospective students, key stakeholders, other universities, researchers and other members of the community. The Chancellor's Year in Review and Vice Chancellor's Report below provides a snapshot of the year that was, including a selection of our key events, challenges and highlights and a look ahead to 2024.

Chancellor's Year in Review

It would be an understatement to say that I was humbled to accept the role of Chancellor in April 2023 - to honour the legacy of the institution, of which I am a proud alumna, and also to look to the legacy of the outgoing Chancellor, Bill Tweddell, who gave so much of himself in the role. The Investiture ceremony served to consolidate my sense of gratitude and privilege, to be welcomed so generously by Traditional Custodians, and into the communities of the far north. The reconciliation week activities – an oration by Prof Tom Calma, a public panel discussion on the Voice, the presence of so many local and interstate luminaries, activists, and academics, made for some extraordinary, high-powered discussion and debate. And that was just the first quarter of the year!

The governance journey for JCU continues to mature as we explore diverse opportunities for growth and consolidation, leadership and influence, and regional, national and international impact. As a small and relatively new institution, JCU has demonstrated a willingness to contemplate and implement change in an ever-shifting political and economic environment, punctuated by rapidly emerging technologies. Not calcified by centuries of 'tradition', JCU can more readily pivot, regather and push forward without the complete dissipation of momentum. Even in the aftermath of COVID, the impacts and repercussions of which are still being experienced, reports confirm that we have performed above expectations in many fields – academic performance, industry engagement, research and translation, work health and safety compliance. That is not to say, of course, that we do not also have areas where we must improve.

Some governance-related highlights from 2023 include progress and successes pertaining to finances, assets, controlled entities and leadership. The JCU team continues to work with the State Government on legal impediments to campus development reaching a significant milestone through an agreement with the Townsville City Council to provide greater flexibility in land and asset leasing, and enable developments in the TropiQ Precinct.

In May, Council approved the Terms of Reference for a Work Health and Safety Governance Review to assess Council's exposure to WHS risk (including Industrial Manslaughter), and the adequacy of current processes to mitigate this risk. Council later approved the twelve recommendations for improvement from the Work Health and Safety Governance Review Report. The Review was undertaken by an independent external reviewer, Minter Ellison, who have expertise in WHS governance and risk management. Overall, JCU's Safety Management System was mature and exceeded industry standards. Council also approved a revised Bullying, Discrimination, Harassment and Sexual Misconduct Policy, and a revised Sexual Misconduct Procedure following a major review.

Our June Council meeting focused on controlled entities, and in particular, JCU Singapore. Council approved changes to the governance and management of JCU Singapore Pte Ltd, including an amended composition of its Board, the appointment of the Chair of the Board as an Additional member of the JCU Council, and changes to the reporting line for the Deputy Vice Chancellor, Singapore, with a view to fully integrating JCU Singapore with JCU Australia to consolidate JCU as a multinational institution.

Council routinely discussed opportunities to expand the footprint of JCU across ‘the tropics’, and to provide expertise in disciplines where JCU excels – for example, marine science and research. The Vice Chancellor, Professor Simon Biggs, has been strengthening relationships in Dubai, where marine park and aquaculture collaborations have the potential to generate significant income over the next five years and support the food security and sustainability goals of the UAE.

JCU’s new Reconciliation Action Plan (RAP) 2023-2025 has been formally endorsed by Reconciliation Australia, which better positions the University to advance reconciliation and self-determination. Council also approved an updated Indigenous Workforce Strategy 2021-2025 to include an introduction from the Vice Chancellor with revised activity end dates, the status of deliverable activities and revised targets to reflect the organisational changes of 2022. The targets for the Academy and Research Divisions reflected a bolder strategy, to reflect the communities JCU serves and to grow a diverse workforce in accordance with the Corporate Strategy.

From a financial perspective, JCU has had to proceed with some caution. Very difficult decisions have had to be made in the best interests of the financial security and sustainability of the organisation, but as a result we are in a more financially viable and secure position. Council has approved the University’s operating and cashflow budget for 2024, and noted financial projections for 2025 and 2026.

One final highlight - in the frantic lead up, and in the quiet hours following the Referendum on the Indigenous Voice to Parliament, JCU leadership truly embodied the values and standards of our institution. Through inclusion and truth-telling, our academics, staff, students and community members created space for engagement, honest discussion and heated debate. There was no statement dictating how students, staff, colleagues or affiliates should think or vote. Just respect for every individual’s right to seek information and craft their own opinions and perspectives, and to have their voices heard and valued in safety. Self-determination is a core tenet of the Indigenous rights movement in Australia and across the globe. It is also a human right common to ALL, and with sustained effort it shall remain core business for this University. JCU is set to host an ‘After the Vote Summit’ in 2024 continuing this commitment to civic engagement and discussion.

My other ambitions for the coming year centre around relationships in the Pacific and across the tropical bandwidth nationally and globally – to create opportunities for innovation, placements for students, professional development for staff, and lasting impact for the communities we serve.

Professor Ngiare Brown

Chancellor

Vice Chancellor's Report

The year 2023 was significant in many ways for our University. The Investiture of JCU's 6th Chancellor, Professor Ngiare Brown, was a historic occasion in which we welcomed the third Indigenous Chancellor in Australia and the first for any Queensland University. We were honoured to host Her Excellency the Honourable Dr Jeannette Young, Governor of Queensland, and the Premier, the Hon Anastacia Palaszczuk alongside a significant number of civic and business leaders, alumni, students and staff. Professor Brown brings to Council a distinguished background in leadership across Aboriginal healthcare, education, research, and advocacy.

The successful launch of the medical program in Cairns, welcoming the inaugural cohort of first-year medicine students was another important milestone at JCU. The medical workforce challenges in North and Far North Queensland are significant and JCU continues to have a leading role in tackling these issues on behalf of our State and Nation. JCU's commitment to addressing community healthcare needs also saw construction commence on the \$60M Cairns Tropical Enterprise Centre (CTEC) project located adjacent to Cairns Hospital and within the University's Dugurrdja Precinct. The four-story building will house a multi-disciplinary clinic, teaching, and research facilities, becoming a nexus for health and medical staff to connect with JCU's experts in engineering, data science, and IT. The traditional language precinct name 'Dugurrdja' was gifted by Yidinji Elder, Henrietta Marrie AM, on behalf of the Gimuy Walubara Yidinji People. Dugurrdja means 'Milky Way – Looking to the road back to good health'.

In October, the Assistant Minister to the Prime Minister and Assistant Minister to the Public Service, the Hon Patrick Gorman MP officially opened the Australian Public Service (APS) Academy's Townsville campus located at JCU's Clinical Practice Building on Bebegu Yumba Campus, only the second such campus to be based at a regional university. The APS Academy provides graduate employment opportunities and pathways for our students and the north Queensland community into Public Service careers.

The ongoing efforts to achieve financial sustainability remained a key focal point in 2023. Our work to simplify accountability, ensure functional alignment of our professional services, and a refocusing of our academic staff profile were important components completed in the year. Navigating the reduction in staffing has been challenging for all, but we are now closer to a sustainable staffing level for the size and scale of our business. Retaining an academic workforce aligned with the region's current and future needs remains a priority. Work to appropriately align our facilities and campuses with our size and scale will ramp up over the next three years.

A JCU Employee Experience Survey was completed for the first time in some years providing valuable insights from our staff on job satisfaction, the work environment, and organisational culture. We acknowledge the contributions of our staff, particularly given the changes the University has undertaken, and work continues to translate these insights into actionable measures to ensure tangible improvements in staff experiences.

Our focus on growing student enrolment has been marked by comprehensive processes of curricula renewal and marketing improvements. Consolidating all student recruitment activities into a unified function, from international and domestic to local and rural, is expected to enhance the effectiveness of our approach. Enhanced integration across our businesses in Australia and Singapore to ensure strategic alignment, clear accountability, adherence to regulatory jurisdictions, internal service integration, and reducing duplication of professional services and functions was begun in 2023. This work is crucial for the University to maximise education and research opportunities across our campuses.

The University's refreshed integrated annual planning process is now tightly linked to our purpose or vision, and the achievement of our priorities, goals and objectives expressed in the Corporate Strategy adopted by Council in late 2022. This strategy reinforces our

University's unique position among Australian universities, woven into the intellectual, economic and social fabric of our communities and set amid irreplaceable ecosystems and cultures. We provide a practical and experiential, research-rich learning environment for our students, fostering their professional expertise and intellectual curiosity. Our global research profile is significant for the size of the university due to leading work in marine sciences, ecology and environment, regional, rural and remote health care, tropical health medicine and agriculture in the tropics. In the context of our unique position as the only genuine research-intensive regionally-based university in Australia, we recognise the need to reinvigorate our profile by balancing the budget to invest further in research.

The Universities Accord final report is due in February 2024 and holds our interest, especially with regard to improving Indigenous outcomes, equity initiatives, and future funding of universities. JCU's submission focused on the importance of regional universities in hitting the government's equity targets and as anchor institutions for their communities, and suggested uncapping of enabling places, and fully funding regional loading which needs to grow with student growth and not be fixed. The government's heightened focus on campus safety, addressing sexual assault and sexual harassment aligns with JCU's serious commitment to these responsibilities.

As we set our sights on 2024, I look forward to meeting and working with local leaders across the communities and towns of northern Queensland, spending time in communities, hearing their views, having an opportunity to meet with our students who are on placement in these rural and remote locations, as well as engaging with the JCU alumni working in the schools, hospitals and other essential professions and businesses.

The challenges of living in the Tropics continue with the impacts of Cyclone Jasper felt across Far North Queensland. Whilst JCU remained relatively unaffected by the weather event, the broader community, and many of our staff and students are facing significant challenges recovering from the floods.

JCU approaches the future with optimism however, fueled by our commitment to excellence, financial sustainability, and making a positive impact in our region and further. We sincerely thank all who have supported and contributed to the University's initiatives and success, particularly that of our students, and look forward to the year ahead.

Professor Simon Biggs

Vice Chancellor

Non-financial performance

Operating environment

Meeting government objectives

JCU is an international University as reflected in our people, our places, and our research. Our mission is creating a brighter future for life in the Tropics and beyond, through education and research that makes a difference locally, and globally. The University takes pride in being recognised as a leading tertiary institution which consistently delivers outstanding student outcomes and highly employable graduates. The University provides a practical, experiential and research-rich learning environment for students, fostering their professional expertise and intellectual curiosity. JCU is uniquely woven into the intellectual, economic and social fabric of the communities it serves and is set amid irreplaceable ecosystems and cultures.

For more than 60 years, JCU has served the regional and remote communities of northern Queensland and remains dedicated to providing study and research experiences that are transformative and impactful. Students who study in northern Queensland, stay in northern Queensland. Most importantly, JCU remains committed to the success and wellbeing of its students, staff, communities and local economies.

Environmental factors, government policy changes, funding changes

JCU relied on the Commonwealth Government funding guarantee of the Maximum Basic Grant Allowance across 2023 and will continue to do so in 2024. We continue to see a decline in the proportion of school students from the regions we serve who are completing Australian Tertiary Admission Rank eligible subjects and seeking to go to university. This has serious implications for the maintenance of the professional workforce in northern Queensland that sustains local economies, as well as implications for the University's funding base. JCU is committed to ensuring foundational and pathway options are available to all people in northern Queensland, including non-school leavers who seek to undertake higher education but who require preparatory experience.

During 2023, the higher education sector had the opportunity to engage in a series of consultations with the Australian and Queensland Governments about the future of the tertiary sector through the Australian Universities Accord. JCU engaged in the schools focused Review to Inform a Better and Fairer Education System given our role and responsibility to lift educational attainment rates across individual lifetimes in place-based ways in the north. The engagement of the Queensland Government through ministerial meetings with the Queensland Vice Chancellors Committee (QVCC) and Higher Education Forums, remain important ways to ensure that actions related to the Queensland Government priorities of Good Jobs, Better Services and Great Lifestyle are achieved in partnership with Queensland's universities. JCU values further State and Commonwealth policy alignment across the tertiary education sector between VET and higher education in delivering workforce development as a regional priority, leveraging mechanisms like the Regional Jobs Committees and partnerships with economic and regional development bodies and Local Governments.

It is essential that the tertiary sector is governed and funded by a system capable of recognising and responding to place-based differences: one that understands that geographical distance, dispersed populations, thin markets and economies of scale matter, and can deliver a funding and regulatory system that can meet the unique needs of different communities, through the universities and TAFEs that serve them.

JCU remains committed to working in partnership with the Australian and Queensland Governments, and well as Local Governments in 2024 as Accord reforms are delivered and adopted by the sector. It is important that Governments and institutions are vigilant to any unintended consequences where regional areas are inadvertently undermined by policy

change. This will require supporting equity agendas in nuanced ways that recognise where and when competition is effective, and where and when other mechanisms are appropriate to avoid market and community failure.

Strategic Plan

The University's Corporate Strategy¹ was adopted by Council on 24 October 2022 after a comprehensive review of the former Statement of Strategic Intent and will drive the University's activity and performance expectations in line with the overall vision for JCU in the longer term. In line with the simplification of the University structure undertaken in 2022 and 2023, a requisite streamlining and sharpening in focus of the University's strategy and plans, which appropriately addresses JCU's ambition across all of its business activities (in northern Queensland, Brisbane and Singapore), has occurred.

The University's distinctive vision or purpose statement was refined to be reflective of the University's operations as a multinational university for the Tropics, headquartered in northern Queensland. JCU's Strategic Priorities for 2022 – 2032 are:

- Transformative Education
- Impactful Research
- Empowering Our People
- A Civic University
- Securing Our Future

How each of the JCU businesses areas deliver on the goals and performance measures identified for the Strategic Priorities is part of business level dynamic planning.

Objectives and performance indicators

The JCU Corporate Strategy is activated by the University's Planning and Performance Framework which provides a clearly articulated planning and accountability structure through a set of cascading and integrated goals, objectives and actions with performance measures and annual reporting to assure the University's governing body that the University is making progress towards its strategic ambitions. This revised Planning Framework was established in 2023 to be a dynamic process, and implementation continues into 2023-2024.

The University undertakes a dynamic strategic planning process to assist it to:

- realise its vision and achieve its goals on an ongoing basis;
- integrate planning, risk, reporting and budgetary processes;
- behave proactively rather than reactively; and
- effectively discharge its responsibilities in accordance with its legislative requirements.

The Business Level Plan articulates the locally relevant (JCUA, JCUS, JCUB) medium-term (3 to 5 years) key objectives and hence how each part of JCU will contribute to achieving the overall strategic ambition. There are also University wide strategic initiatives (1 to 3 years programs) that deliver new capabilities and elevate the University from current state to aspirational performance.

Business Plan objectives are cascaded through to relevant organisational units (Colleges, Institutes and Directorates) as specific annual activities or tasks, with relevant and appropriately segmented targets. Individual Performance Plans are also linked to College, Institute or Directorate objectives. Each level has measurable and attainable targets which will, in aggregate, contribute to the delivery of the overall Business Performance Measure(s) and, in turn, the Corporate Performance Measure(s).

¹ JCU Corporate Strategy: www.jcu.edu.au/data/assets/pdf_file/0017/2007071/2022-JCU-Corporate-Strategy.pdf

The Corporate and Business Performance Measures will be tracked via a dashboard developed for 2024 which University Executive and Council will regularly review.

Strategic Priority: Transformative Education

Focus

JCU measures itself by the success of its students with a curriculum that emphasises experiential learning, student agency, and technology enhanced learning; assuring seamless integration and equivalency across delivery sites and modes. Effective pathway and student support programs extend access and widen participation in higher education, including regional, remote, Indigenous, first-in-family, and international students. All students gain lifelong learning skills and enduring connections with the University.

Goals

1. The quality of the student experience is sector leading.
2. Student participation, success and completions from diverse backgrounds and priority groups are sector leading.
3. Scholarly, flexible, technologically enabled and practice-based learning promotes future career and academic opportunities.
4. High-quality learning that is equivalent in all attendance modes and locations, and facilitates student mobility.

Objectives

- a. Achieve an overall subject satisfaction rate of 85% by 2030.
- b. Increase the number of Australian Indigenous students studying at JCU to 1,000 enrolments by 2030.
- c. 85% of subjects show no measurable difference in satisfaction rates between overall modes of study or campus location.
- d. By 2030 ensure all students have an opportunity to undertake work-integrated learning or internships during their degree.
- e. Commencing (first year) undergraduate retention rate to reach (and maintain) 85% by 2030.

Key Performance Indicators

Measure name:	Overall quality of educational experience (QILT – SES)
Type of measure:	Teaching quality measure
2023 Actual result:	77.0%
Note 1: Commentary about result:	The result is a measure of teaching as per the most current Quality Indicators for Learning and Teaching (QILT) dataset release.
Note 2: KPI definition:	From the QILT – Student Experience Survey (SES) data set. Two-year average of the nominated year, and prior year (i.e. 2023 = average of 2021 and 2022). Undergraduate only. Includes both Domestic and International students. As per QILT publicly available and reported definitions and results.

Measure name:	Total Undergraduate Student Retention (%) in tropical Australia
Type of measure:	Student retention measure
2023 Actual result:	84.7%

Note 1: Commentary about result:	The result is a strong retention outcome in the context of a strong labour market.
Note 2: KPI definition:	Retention % = Number of Continuing students enrolled at the University / [divided by] (the number of students enrolled at the University in prior year, [-] less the number of students graduating at end of prior year). Students enrolled in undergraduate bachelor degrees on the following campuses: Townsville, Cairns, Mount Isa, Thursday Island and Mackay. Calculated to one decimal place. Calculated as 'University level retention'.

Measure name:	Graduate Outcomes Survey (QILT – GOS)
Type of measure:	Full time employment
2023 Actual result:	78.3%
Note 1: Commentary about result:	The result is a measure of full-time employment as per the most current QILT dataset release.
Note 2: KPI definition:	From the QILT – Graduate Outcomes Survey (GOS) data set. Two-year average of the nominated year, and prior year (i.e. 2023 = average of 2020, 2021 and 2022). Undergraduate only. Includes both Domestic and International students. As per QILT publicly available and reported definitions and results.

Strategic Priority: Impactful Research

Focus

JCU's global position as a world-class research university capitalises on existing strengths and expertise, and focuses investment on emerging challenges and opportunities for the region, the tropics and beyond. The University provides research excellence, innovation and commercialisation opportunities that deliver impact to communities and end-users.

Goals

1. A pre-eminent university in the Asia Pacific region providing strong research culture drawing national and international recognition
2. Globally relevant research with local impact.
3. Innovation and entrepreneurship benefit the communities we serve.

Objectives

- a. Increase in the aggregate HERDC research income (Cat 1-4) across all campuses to \$130M by 2030.
- b. Twenty-five (25) new innovation disclosures by 2030.
- c. By 2030, at least 80% of academic staff (research and research and teaching profile) meet the minimum expectations for their discipline and level in the Research Performance Framework.
- d. Increase the number of Indigenous staff (research and research and teaching profile), who have demonstrated success in national competitive grants schemes, to a minimum of 10 FTE by 2030.

Key Performance Indicators

Measure name:	Research Income (HERDC categories 1- 4)
Type of measure:	Research activity (income)
2023 Actual result:	\$57.387m
Note 1: Commentary about result:	2023 Higher Education Research Data Collection (HERDC) income has increased by 3.4% on 2022. NB: This result is unadjusted and unaudited. The final result will be confirmed after the annual HERDC Return (after June 30 each year).
Note 2: KPI definition:	HERDC Return - Research income: National Competitive grants (category 1); Other public sector (category 2); Industrial and other research (category 3); Cooperative Research Funding (category 4 - January to December) for the University. Note: Excludes 6990 use code and N/A#.

Measure name:	HERDC Publication (points)
Type of measure:	Research activity (quantity measure)
2023 Actual result:	887
Note 1: Commentary about result:	There was an overall increase in research outputs across 2023.
Note 2: KPI definition:	Number of HERDC publication Points in the prior year (e.g. 2023), which is reported in the current year (e.g. 2022 for 2023) for the University due to timing of collection and publication of results.

Measure name:	Total number of HDR Student Completions (International and Domestic)
Type of measure:	Student outcomes and research outputs
2023 Actual result:	117
Note 1: Commentary about result:	Higher Degree by Research (HDR) completions back to pre-pandemic rates.
Note 2: KPI definition:	Total number of HDR completions (PhD and Masters, both international and domestic). For total University.

Measure name:	Reputation - International Rankings
Type of measure:	Benchmarked ranking of international reputation and research
2023 Actual result:	Top 400
Note 1: Commentary about variance:	JCU achieved a top 400 ranking world-wide and top 22 in Australia.
Note 2: KPI definition:	Success defined as being in the Top 400 of the Academic Ranking of World Universities (ARWU).

Strategic Priority: Empowering our People

Focus

The accomplishments of the University are an aggregate of the achievements and success of its people, meaning a focus on ensuring that staff and students are valued and enabled through an inclusive and respectful learning environment, and that the University's workforce reflects its strategic priorities.

Goals

1. A workforce aligned to new and emerging market opportunities and drivers of change in higher education and research.
2. Diversity of the academic and professional staff reflects the communities we serve.
3. A values-based organisational culture.
4. Inclusive and respectful learning and workplaces that foster a sense of belonging and wellbeing.

Objectives

- a. Increase the number of Indigenous academic staff in the Academy by 10 FTE by 2030.
- b. By 2030, achieve no less than 50% female representation in senior academic roles.
- c. Employee Engagement score of 70% by 2030

Key Performance Indicators

Measure name:	% Australian Aboriginal and Torres Strait Islander staff FTE of Total Australian staff FTE
Type of measure:	Diversity of the academic and professional staff reflects the communities we serve
2023 Actual result:	2.96%
Note 1: Commentary about result:	The result is the fifth year on year increase in both proportion of workforce and non-casual staff FTE.
Note 2: KPI definition:	Ratio of non-casual staff FTE who are identified as Australian Aboriginal or Torres Strait Islander to the total non-casual FTE. Excludes Singapore Campus. Excludes casual only staff.

Measure name:	% Female staff in Senior Positions
Type of measure:	A workforce aligned to new and emerging market opportunities and drivers of change in higher education and research.
2023 Actual result:	43%
Note 1: Commentary about result:	This is a good result and an increase on 2022.
Note 2: KPI definition:	Ratio of female staff in senior positions to the total number of senior staff in positions. JCU defines senior staff in positions as (HEWL10C and higher, AC-D and higher, Senior Bands 1 to 4). Excludes Singapore and Brisbane staff. Excludes Adjuncts.

Measure name:	Staff Wellbeing
Type of measure:	A values-based organisational culture.
2023 Actual result:	65%

Note 1: Commentary about result:	This is the first year since 2016 that JCU conducted a staff opinion survey.
Note 2: KPI definition:	Proportion of staff who agree that their direct manager regularly checks in on how they are doing (not just work related) and helps them feel valued.

Strategic Priority: A Civic University

Focus

As a place-based knowledge partner, the University delivers education, research and policy advice to government, and through relationship and partnerships with communities, creates opportunities and addresses local challenges.

Goals

1. Recognised by government and industry, as an enabler and contributor to regional prosperity.
2. Industry and community experiences in education and research are embedded to ensure improved employment and regional relevance.

Objectives

- a. Be the university of choice within our PAM: Increase our first preference market share to 60% by 2030.
- b. Increase industry/government research funding to 70% of total research funding by 2030.
- c. Achieve a 5% per annum increase in scholarly publications with co-authors from government, industry and community

Key Performance Indicators

Measure name:	QTAC Market Share
Type of measure:	First preference market share from our region
2023 Actual result:	42.4%
Note 1: Commentary about result:	This is a good result with an increase of 2.2% on 2022.
Note 2: KPI definition:	Proportion of QTAC first preferences from the Mackay, west and North (PAM) that choose JCU. Includes all course types and programs.

Strategic Priority: Securing our Future

Focus

To create opportunities and enduring benefits for the region and beyond the University must be financially sustainable, ensuring actions today enhance the range of social, cultural, environmental and economic options available to future generations.

Goals

1. A strong, diversified financial base.
2. Integration of social, environmental and economic sustainability is at the heart of our university.

Objectives

- a. Increase total student EFTSL by 400 per year strategically targeted from key market segments.
- b. Increase the number of post-school leaver commencing EFTSL from PAM (excluding MDV) at > 3% per year.
- c. Increase the student/academic staff ratio (SSR) to greater than 20 by 2030.
- d. Reduction in Gross Floor Area (GFA) per EFTSL (onshore) to align with the mean of the IRU members as recorded by the Tertiary Education Facilities Management Association by 2030.

Key Performance Indicators

Measure name:	Institutional Total Student Load (EFTSL)
Type of measure:	Student enrolments and financial performance
2023 Actual result:	15,147 EFTSL
Note 1: Commentary about result:	The result was aided by higher commencing intakes at the Singapore and Brisbane campuses and growth of international students at the Townsville campus.
Note 2: KPI definition:	Total Institutional Equivalent full-time student load (EFTSL) at all campuses and study centres – taught view – (for total University). Includes Preparatory Programs at JCU Singapore.

Measure name:	Institutional Commencing Student Load (EFTSL)
Type of measure:	Student enrolments and financial performance
2023 Actual result:	6,522 EFTSL
Note 1: Commentary about result:	The largest cohort to commence since the beginning of operations at the Singapore campus, coupled with significant growth in international student enrolment at the Brisbane campus, contributed to the final result.
Note 2: KPI definition:	EFTSL at all campuses and study centres – taught view – (for total University). Includes Preparatory Programs at JCU Singapore.

Measure name:	% Net Operating Result/Income (Adjusted)
Type of measure:	Financial management success
2023 Actual result:	-5.3%

Commentary about result:	The COVID-19 pandemic impacted a wide range of operating results.
KPI definition:	Measures Operating Margin. The adjusted Net Operating Result/adjusted Total Income, expressed as a percentage. The adjusted Net Operating Result = Net Operating result excluding abnormal items. Adjusted Total Income = Total Income less abnormal income. From Income Statement using Adjusted Operating Surplus / Deficit.

Financial performance

For the year ended 31 December 2023, the University's parent entity reported a deficit of \$39.7 million, an improvement over the 2022 deficit of \$48.9 million.

A significant portion of the 2023 deficit, amounting to \$22.8m, was due to the impairment of a statutory receivable. This impairment originated from a one-off transaction in August 2021, when the University received an in-specie dividend from Education Australia Ltd, which included franking credits of \$22.8m. The University applied for a refund of these franking credits from the Australian Taxation Office (ATO) in August 2022 and initially received a Notice of Assessment confirming a refund of \$22.8m on 31 August 2022. However, the ATO later reversed its decision on 11 October 2023, issuing an amended assessment that denied the refund. The University has received legal advice following the receipt of the ATO Tax Assessment and the University's view, supported by legal advice, remains that it is entitled to receive the franking credit refund. The University lodged an objection on 7 December 2023.

Despite this, as the ATO Tax Assessment has been amended and the refund withdrawn, the University has impaired the statutory receivable until such time as additional information is available to support a favourable outcome through the objection process or further legal action.

While an operating loss of \$39.7m reflects the University's financial performance in accordance with Australian accounting standards, the University monitors its financial performance using a financial measure referred to as the 'underlying operating result'. The underlying result adjusts the University's net result for items that are one-off or restricted in nature. Excluding the changes to workforce plans of \$5.1m, net insurance proceeds of (\$0.004m), net capital grant income of (\$6.2m), impairment of statutory receivable of \$22.7m and \$6.2m in unrealised losses, the underlying operating result for 2023 was a deficit of \$24.3m (2022: deficit of \$35.3m).

In 2023, the University's financial position showed significant signs of recovery from the challenges faced in previous years. This improvement is primarily due to an increase in international student income, alongside strategic measures implemented to enhance the University's underlying financial sustainability. These measures, which include optimising operational efficiencies and revising budgetary strategies, have collectively contributed to the positive shift in the University's financial performance.

Revenue

The total revenue for 2023 was \$516.7m, which was a \$69.7m, 15% increase compared to 2022. This can be attributed to:

- An increase in the combined funding received through the Commonwealth Grant Scheme (CGS), the Higher Education Loan Program (HELP), and HELP student contributions amounting to \$4.6m. Despite a decrease in the number of students in

Commonwealth Supported Places (CSP), with the 2023 CSP student load at 7,034 EFTSL being 121 EFTSL less than the 2022 load of 7,155 EFTSL, the University was able to maintain its CGS income through the Higher Education Continuity Guarantee.

- A decrease of \$6.0m in Other Australian Government Grants is largely due to a decrease in funding received from the Department of Health for the Generalist Medical Training program of \$17.5m which was offset by an increase in capital grant income recognised for the Cairns Tropical Enterprise Centre (CTEC) building project of \$4.9m. The CTEC project is work in progress. The Managing Contractor has been granted site possession to commence early works on the site, with the construction phase about to commence.
- The University's investment revenue of \$18.2m reflects a strong turnaround from the 2022 loss result of \$0.658m. This turnaround is attributed to two key factors: an increase in investment income by \$3.301m and a notable improvement in the portfolio's performance, with gains of \$6.218m compared to the previous year's losses. Specifically, investment income, which includes interest and dividends received, saw an increase in interest received by \$5.441m from 2022, despite a decrease in dividends by \$2.139m compared to the same period. Furthermore, 2023 marked a positive shift in the market value of investments, with an unrealised gain of \$6.218m, a significant recovery from the (\$9.358m) downturn in 2022.
- Of the 2023 growth in Course Fees and Charges of \$45.9m, \$43.5m was attributable to additional course fees generated from full-fee paying international students. The number of full-fee paying international students rose by 1,226 EFTSL, from 1,389 EFTSL in 2022 to 2,615 EFTSL in 2023.
- Income received by the University for research and consultancy activities increased by \$5.9m in 2023, to \$31.3m. As the result does not recognise such revenue until expended, this rise is due to a related increase in expenditure.

The proportion of the University's revenue received from the Australian Government (including HECS-HELP, FEE-HELP and SA-HELP) to total revenue is 60% (2022: 70.1%). The decrease in dependency can be attributed to a rise in income from international students. This comes as the funding from the Australian Government remains largely stable compared to 2022, with only minor adjustments due to the indexation of grant amounts.

Expenses

The total expenses for 2023 was \$556.4m, which was a \$60.5m (12.2%) increase on 2022. Employee related expenses increased by \$4.3m or 2% which can partly be attributed to \$5.1m paid in changes to the University's workforce plans, whilst other expenses increased by \$29m.

Depreciation and amortisation increased by \$2.6m and repairs and maintenance increased by \$2.2m.

Impairment of assets of \$22.679m, increased by \$22.672m in 2023, when compared to the 2022 figure of \$0.007m, due to the impairment of the franking credits receivable of \$22.759m attached to an in-specie dividend the University received on 30 August 2021.

2023 Financial Position

Assets

Total assets were \$1.695b at the end of 2023 which is an increase of \$119.6m from 2022. The main contributor to this increase was property, plant and equipment, which increased by \$136.3m.

Other financial assets, including both current and non-current assets, decreased by \$20.7m. This decrease was offset by an increase in cash and cash equivalents of \$34.4m as the University moved funds from on-call accounts to term deposits for improved returns.

Liabilities

Total liabilities were \$424m at the end of 2023, which is \$57.2m (15.6%) higher than 2022. During the year the University increased its debt borrowings by \$23.8m as the drawdown of Northern Australia Infrastructure Fund (NAIF) loans continued for the Technology Innovation Complex and Student Accommodation building projects.

In 2023, the balance of contract liabilities (current and non-current) increased by \$26.4m, trade and other payables (current and non-current) increased by \$6.4m and employee benefit liabilities increased by \$0.6m.

Total net assets

Total net assets were \$1.271b at the end of 2023 which was \$62.4m or 5.16% higher than 2022.

The University maintains a sound financial position as indicated by the following key ratios:

- Current Ratio of 1.05 (2022: 1.39);
- Debt to Equity Ratio of 16.13% (2022: 14.9%); and
- Debt Ratio of 25.01% (2022: 23.2%).

Governance – management and structure

Roles 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 initiated the remaking of the Acts of Queensland universities. The result, the James Cook University Act 1997 received assent by the Governor in Council on 29 August 1997 and is the University’s current binding legislation. In 2017, The University Legislation Amendment Act 2017 was passed by the Queensland Government, and was granted royal assent on 13 October 2017, resulting in changes to the James Cook University Act 1997. New provisions in the JCU Act provide the JCU Council the ability to amend its own size and composition, therefore offering greater flexibility to meet the ever-changing needs of the University into the future.

Role

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

Functions as per Section 5. *James Cook University Act 1997*

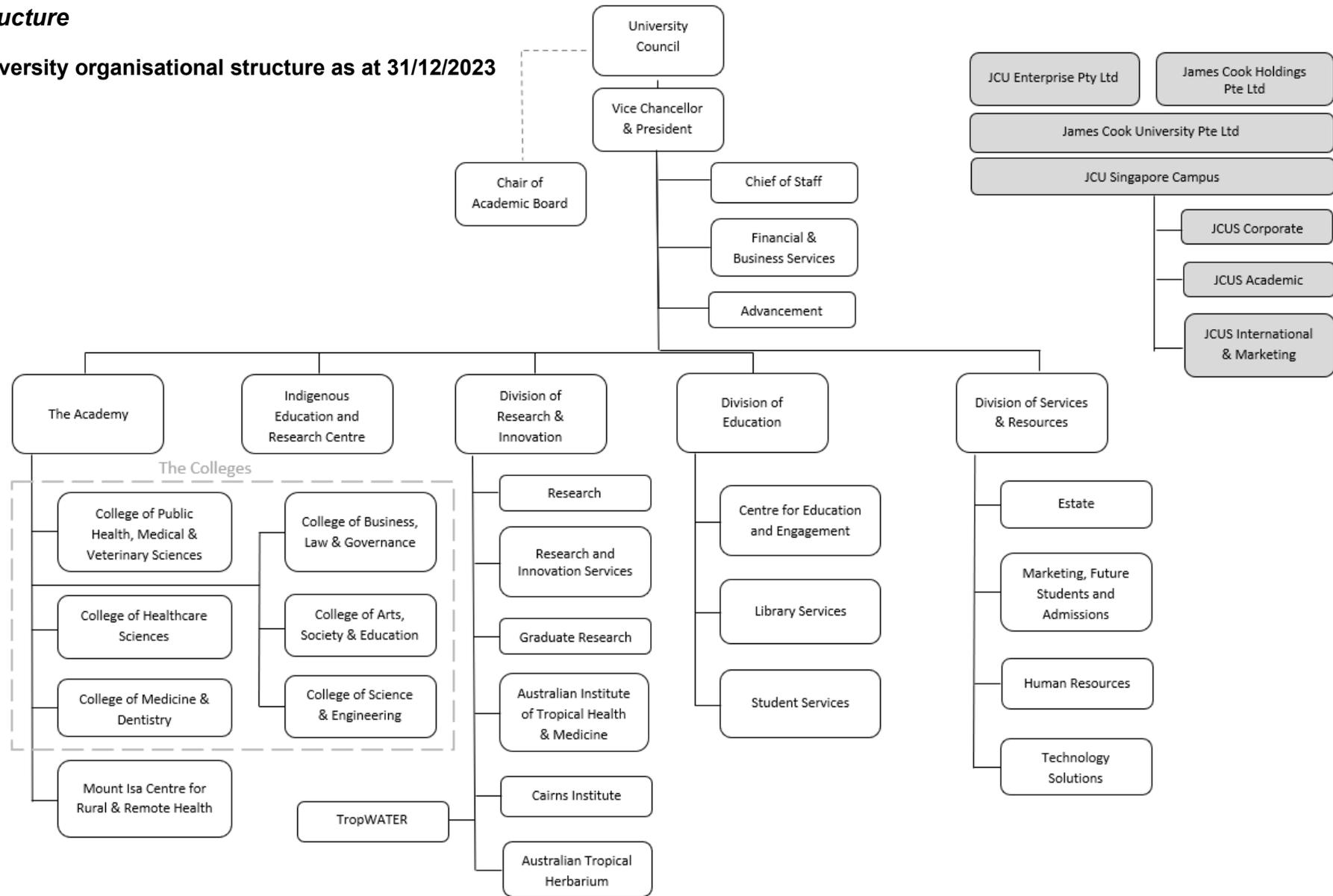
- a) to provide education at university standard; and
- b) to provide facilities for study and research generally and, in particular, in subjects of special importance to the people of the tropics; and
- c) to encourage study and research generally and, in particular, in subjects of special importance to the people of the tropics; and
- d) to provide courses of study or instruction (at the levels of achievement the University Council considers appropriate) to meet the needs of the community; and
- e) to confer higher education awards; and
 - a. to disseminate knowledge and promote scholarship; and
 - b. 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 Section 6. *James Cook University Act 1997*

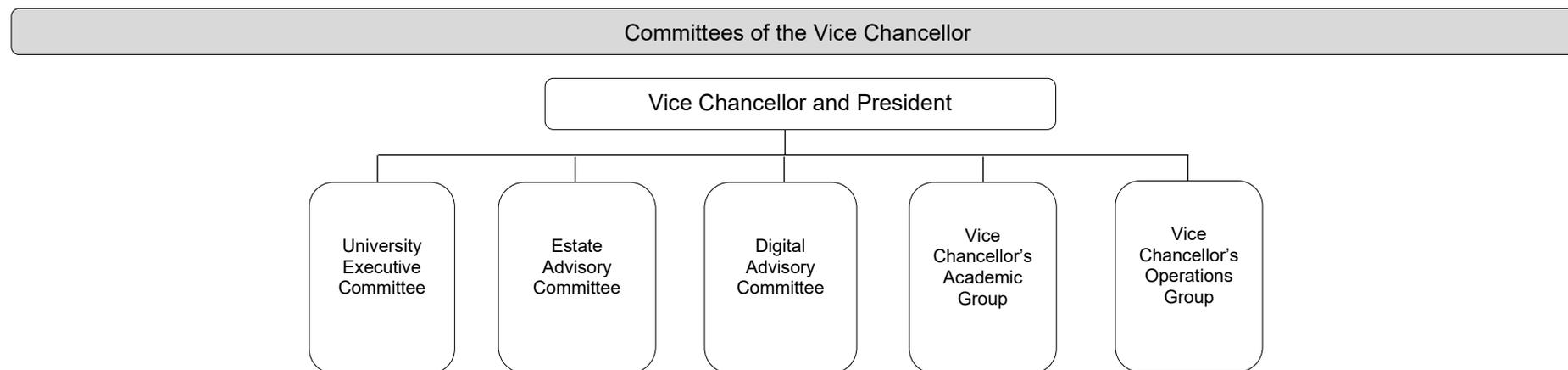
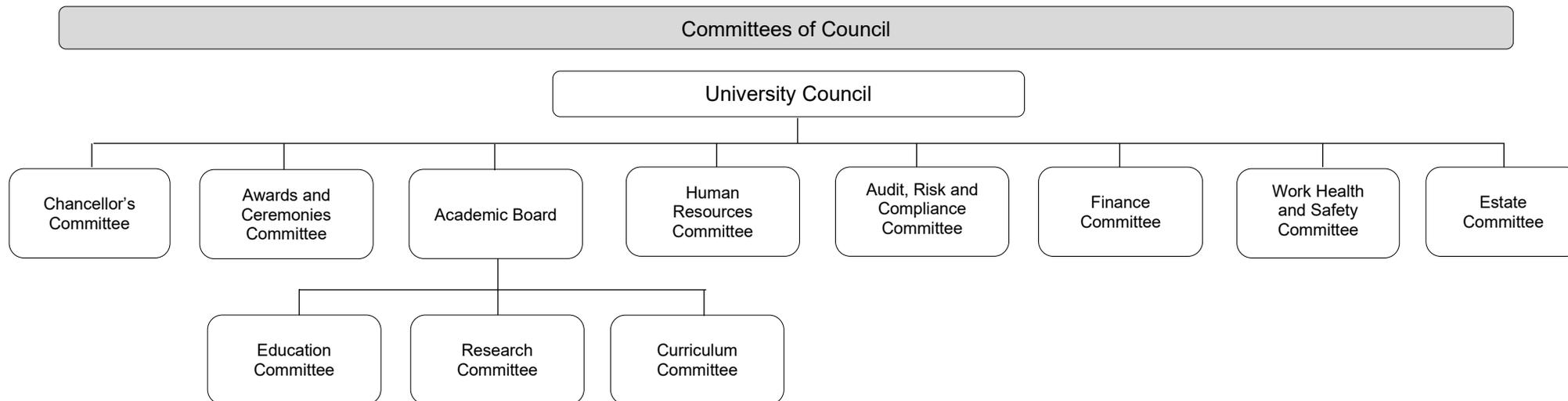
- 1) The University has all the powers of an individual, and may, for example:
 - a. enter into contracts; and
 - b. acquire, hold, dispose of, and deal with property; and
 - c. appoint agents and attorneys; and
 - d. engage consultants; and
 - e. fix charges, and other terms, for services and other 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.

Structure

University organisational structure as at 31/12/2023



Governance structures as at 31/12/2023



Governing body – James Cook University Council

The JCU Council (University Council) is the University's governing authority. Its 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. The University Council is also responsible for setting and reviewing the strategic direction of the University. The University Council is established under the *James Cook University Act 1997*, as amended.

University Council – Powers of Council

As per Section 9. *James Cook University Act 1997*, the University Council has the following powers:

- a) The council may do anything necessary or convenient to be done for, or in connection with, its functions.
- b) Without limiting subsection (1), the council has the powers given to it under this or another Act and, in particular:
 - a. to appoint the university's staff; and
 - b. to manage and control the University's affairs and property; and
 - c. to manage and control the University's finances.

University Council – Primary Responsibilities

The University Council has primary responsibilities for:

- a) appointing the Vice Chancellor and monitoring their 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.

University Council – Membership criteria, review and nomination procedures

There are four classes of University Council membership:

- Official members - members of the University Council by virtue of the office they hold;
- Appointed members - appointed by the Governor in Council for a specified term of office not exceeding four years;
- Elected members:
 - members of the academic staff, who are elected for four years;
 - members of the professional and technical staff, who are elected for four years;
 - students, who are elected for two years.
- Additional members - appointed by the Council for a period not exceeding four years.

University 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 not exceeding five years as fixed by the University Council, and the person elected need not be a member of the University Council. The incumbent Chancellor,

Professor Ngiare Brown, was elected on 11 January 2023 for a term of five years, commencing on 24 April 2023 upon the retirement of predecessor Mr William Tweddell.

The University Council has a formal process to review its membership and that of its committees. Members of the University Council, or of the various committees of Council, do not receive remuneration for duties performed as members.

University Council – Membership

The following table lists the members of the University Council during 2023, including member names, membership type, position, qualifications, and the number of meetings attended for the reporting year. There was a total of eight meetings of the University Council in 2023.

James Cook University - University Council

Membership type	Position on Council	Member's name	Member's qualifications	Attendance
Official members	Chancellor	William (Bill) Tweddell	BA, BEc <i>JCU</i>	2/2
		Ngiare Brown	<i>BMed, MPHTM, FRACGP</i>	6/6
	Vice Chancellor	Simon Biggs	BSc(Hons) PhD Brist. FREng FTSE CEng FICHEM FIEAust, FRSC	8/8
	Chairperson of the Academic Board	Stephen Naylor	BEd <i>Melb</i> , MA <i>RMIT</i> , PhD <i>Monash</i> .	8/8
Appointed members	Governor-in-Council	Donnella Mills	LLB; GradDip LP	7/8
		Marjorie Pagani	BA <i>JCU</i> ; BA(Hons) <i>JCU</i> ; LLB <i>QUT</i> ; Grad Dip <i>AICD</i> ; Cert Arbitration; Cert Mediation; Grad Dip Family Dispute Resolution; Commercial Pilot; Member BAQ; <i>Australian Women Judges Assn.</i>	6/8
		Angela Toppin AM	BEd, Dip Teaching <i>QUT</i>	6/8
Additional members	Deputy Chancellor	Jayne Arlett	B.Sc.Pod.Med, GAICD; FIML; FAAPSM; FASMF	7/8
	Additional members	Michael Delaney	BCom <i>UQ</i> ; BSc <i>UQ</i>	7/8
		Carolyn Eagle	BCom <i>JCU</i> , FCA, FIIA, GAICD, CIA, CGAP, CRMA, CIQA	7/8
		Gregory Lynham	[Judge] LLB (Hons) <i>JCU</i> , Member National Judicial College of Australia	6/8
		Nicholas Tate	BSc (Hons) St. Andrews, MSc OU, PhD Deakin, CEng, CITP, CP, FRAS, FBIS, FACS, FBCS, GAICD	8/8
Elected members	Academic staff	Anthony Leciht	BAppSc (Hons) GDip (FET) PhD FESSA FECSS	7/8
		Alana Grech	PhD, BEnvSc	8/8
	Professional and Technical staff	Jonathan Strauss	BA (Hons) <i>Monash</i> ; PhD <i>JCU</i>	8/8
	Student	Ruby Christopher	Student	8/8

Membership type	Position on Council	Member's name	Member's qualifications	Attendance
Non-member (Secretary)	University Secretary	Ian Troupe/Secretary	BSc (Hons) CNAAB, MSc Lpool, MA Cantab, GradDipACG FGIA FCIS	8/8

Executive Management

The Executive Management structure of the University as at 31 December 2023 is summarised in the following table.

James Cook University - Executive Management

Executive Position	Name	Qualifications	Major duties
Vice Chancellor and President	Simon Biggs	<i>BSc(Hons) PhD Brist. FREng FTSE CEng FICHEM FIEAust, FRSC</i>	Responsible for strategic and operational aspects of the University and its performance; overarching responsibility for the core business of education, research and engagement. The Vice Chancellor has oversight of the Executive Group, Chief of Staff Office, the Indigenous Education and Research Centre, Financial and Business Services and Advancement.
Deputy Vice Chancellor of Indigenous Education and Strategy	Martin Nakata AM	B.Ed. (Hons) JCU, PhD JCU, ComplEAust EngExec, AARE, AALL	Responsible for leadership and operations of JCU's Indigenous Education and Research Centre. Co-principal responsibility (with the Vice Chancellor) for leading JCU's Reconciliation strategy and actions. Key advisor to the University Council, and the University Executive, on Australian Aboriginal and Torres Strait Islander matters within the Higher Education Sector.
Deputy Vice Chancellor of the Academy	Marcus Lane	<i>BSc(Hons) Griffith University, GradCertHed Griffith University, PhD UQ</i>	Responsible for the leadership and operations of the Academy which delivers the education and research programs from enabling through to undergraduate and postgraduate courses, and research program, and oversight of the following colleges: Arts, Society & Education; Business, Law & Governance; Healthcare Sciences; Medicine and Dentistry; Public Health, Medical and Veterinary Sciences; and Science & Engineering.
Deputy Vice Chancellor of the Education Division	Maree Dinan-Thompson	B.Ed JCU, M.Ed JCU, PhD UQ	Responsible for leadership and operations of the Division which provides services and support across the student lifecycle including access, engagement, success and wellbeing, developing whole of university frameworks for the student experience, learning and teaching and educator development, and oversight of the Centre for Education and Engagement, Library Services, and Student Services.
Deputy Vice Chancellor of the Research Division	Jenny Seddon	<i>BVsc USyd, MSc SCU, PhD SCU, GCEd(Higher Ed), UQ</i>	Responsible for leadership and operations of the Division which develops and implements the university's research strategy, investment, policy and support for grants and contracts, builds partnerships in research, provides a whole of university approach to research education and researcher development, ensures quality, compliance, ethics and integrity and manages research infrastructure. All Institutes are part of the Division as well as the Graduate Research School and Research and Innovation Services.
Deputy Vice Chancellor of the Services and Resources Division	Patricia Brand	BCom JCU, FCPA, FAICD, FAIM	Responsible for the leadership and operations of corporate services and university wide frameworks for HR, Digital, Estate, Marketing, Student Recruitment, Admissions, Service Transformation, Work Health and Safety, Sustainability, Commercial activities including Controlled Entities, Student Accommodation and deliver core university wide services in these areas.

Executive Position	Name	Qualifications	Major duties
Deputy Vice Chancellor and Head of JCU Singapore Campus	Chris Rudd OBE	BSc <i>Newcastle Uni UK</i> , PhD <i>Nottingham UK</i> , DSc <i>Nottingham UK</i> , Ceng, FIMechE, FIM	Responsible for the operation of the University's Singapore Campus and delivery of pre-university pathway, undergraduate, postgraduate, and doctoral programs in Singapore.
Chairperson of the Academic Board	Stephen Naylor	BEd <i>Melb</i> , MA <i>RMIT</i> , PhD <i>Monash</i> .	Leads the Academic Board, which advises the University Council about teaching, research, course accreditation and scholarship matters. The Chair makes proposals for academic policies, monitors the academic activities and quality, and promotes scholarship and research.

Overview of JCU Controlled Entities

Details of the University's controlled entities are listed below. All Australian controlled entities are audited by, or on behalf of, the Queensland Audit Office. The five 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 the end of year financial reporting, each of the entities provides an annual report in relation to the prior year's activities, WHS, and risk, which is provided to the University Council via the Audit, Risk and Compliance, and Finance Committees, as part of the Statutory Accounts process.

JCU UniVet Pty Ltd

JCU UniVet Pty Ltd (JCU Vet) 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. JCU Vet trades from Townsville's only animal hospital and is located on the Bebegu Yumba (Douglas) Campus. JCU Vet is a registered Australian Proprietary Company and JCU is the sole shareholder of the 480,000 ordinary shares on issue. The board of the company consists of three nominees of the Vice Chancellor acting as directors of the company. The company is registered with the ACNC.

JCU Enterprises Pty Ltd

JCU Enterprises Pty Ltd was incorporated in 1989 and owns all of the shares in James Cook Holdings Pte Ltd. JCU Enterprises Pty Ltd does not trade in its own right. JCU Enterprises Pty Ltd is a registered Australian Proprietary Company and JCU is the sole shareholder of the 2,491,640 ordinary shares on issue. The board of JCU Enterprises Pty Ltd has provision for three nominees of the Vice Chancellor, acting as directors of the company. The company is registered with the ACNC.

JCU Early Learning Centres Pty Ltd

JCU Early Learning Centres Pty Ltd was registered in 1993 as a public company limited by guarantee to provide non-profit childcare for children of students, staff and graduates of the University. It is also charged with providing and promoting the development, wellbeing and education of children, and encouraging parent and community involvement in its operations. JCU Early Learning Centres Pty Ltd operates two childcare centres on the Bebegu Yumba (Douglas) Campus.

JCU Early Learning Centres Pty Ltd is a registered Australian Proprietary Company and JCU is the sole shareholder of the ten ordinary shares on issue. The board of the company currently consists of four nominees of the Vice Chancellor acting as directors of the company. The company is registered with the ACNC.

JCU Health Pty Ltd

JCU Health Pty Ltd was registered in 2002 as a public company limited by guarantee to provide non-profit medical services for students and staff of the University, staff of Queensland Health and the general public. It is also charged with providing and promoting the education and clinical training of University staff and students in the medical, nursing and allied health fields. The company operates from the CPB on the Bebegu Yumba Campus and works closely with other JCU clinics operated by the University from the same site. The promotion of medical research is also an object of the company.

JCU Health Pty Ltd is a registered Australian Proprietary Company and JCU is the sole shareholder of the ten ordinary shares on issue. The board of the company consists of three nominees of the Vice Chancellor acting as directors of the company and there is currently one vacancy for a director of the board. The company is registered with the ACNC.

Tropical Queensland Centre for Oral Health Pty Ltd

Tropical Queensland Centre for Oral Health Pty Ltd was incorporated in 2011 to provide clinical placements for students enrolled in the Bachelor of Dental Surgery and related postgraduate programs. It also has the objective of improve the availability of oral health services in Northern Queensland, particularly to disadvantaged members of the community.

The company trades as JCU Dental and its operations are conducted from the Nguma-bada (Smithfield) Campus in Cairns where there are 80 chairs in the undergraduate clinic, four chairs in the specialist rooms, and 15 chairs in the postgraduate clinic. The Townsville Clinic is located in the CPB and was opened in 2014. It has 18 chairs in the undergraduate clinic, and two chairs in the specialist rooms. The company is a registered Australian Proprietary Company and JCU is the sole shareholder of the ten ordinary shares on issue. The board of the company consists of three nominees of the Vice Chancellor acting as directors of the company. The company is registered with the ACNC.

JCU CPB Pty Ltd

JCU CPB Pty Ltd was registered in 2011 and is a special purpose entity which acts as trustee of the CPB Trust (the Trust). Its primary objective is to assist the University to develop, construct and manage the CPB on the Bebegu Yumba campus. JCU is the sole beneficiary of the Trust, which means that the University benefits from the leasing of commercial spaces within the building. The CPB Trust holds a ground lease of the CPB site from JCU and owns and operates the CPB. Tenants in the CPB include retail, medical and allied health-based operations.

The company does not trade and acts only as trustee for the CPB Trust. JCU CPB Pty Ltd is a registered Australian Proprietary Company and JCU is the sole shareholder of the ten ordinary shares on issue. The board of the company consists of four nominees of the Vice Chancellor acting as directors of the company.

North Queensland Commercialisation Company Pty Ltd

NQCC was registered in 2008 to provide research commercialisation services to JCU. It is a registered Australian Proprietary Company, and JCU is the sole shareholder of the one ordinary share on issue. The board of the company consists of two nominees of the Vice Chancellor acting as directors of the company. The company is not registered with the ACNC.

The company does not trade and acts as the trustee of The JCU Asset Trust. Trust income is distributed to JCU. The Trust was formed to assist JCU in research commercialisation, hold intellectual property rights and sponsor start-up initiatives in commercialisation companies. The JCU Asset Trust assists JCU in research commercialisation, including oversight of start-up entities involved in commercialisation processes.

JCU College Pty Ltd

JCU College Pty Ltd has been significantly impacted by COVID-19 as its core business relates to the international student pathways market. JCU College Pty Ltd went into a period of hibernation from March 2021 and was formally deregistered with ASIC on 30 June 2023.

Discover Sport Limited

Discover Sport Ltd was incorporated in 2018. Discover Sport Ltd's objectives are to promote awareness and the benefits (both physical and psychological) of healthy exercise via sports and games through the use of sporting facilities on the JCU Campuses and elsewhere; and to assist JCU in the provision and improvement of facilities and resources for games and sport. Discover Sport Limited is a public company limited by guarantee and has provision for a board of eight directors. The company is not presently trading. The company is income tax exempt and is not registered with the ACNC.

James Cook Holdings Pte Ltd

James Cook Holdings Pte Ltd, a private company registered in Singapore, was incorporated in 2011 as a holding company fully owned and controlled by JCU Enterprises Pty Ltd. James Cook Holdings Pte Ltd does not trade. The company owns 100 per cent of the shares in James Cook University Pte Ltd. The board of James Cook Holdings Pty Ltd consists of three nominees of the Vice Chancellor acting as directors of the company. Two of the directors permanently reside in Singapore. The company is registered with ACRA, and secretarial services are provided in Singapore by Park Crescent Services Pte Ltd (a subsidiary of Baker Tilley).

James Cook University Pte Ltd

James Cook University Pte Ltd was incorporated in Singapore in 2001. On 13 April 2015, James Cook University's Singapore campus earned the distinction of being the first private education institution to attain an EduTrust Star quality mark from the Singapore Government. The EduTrust Star is the highest level of quality assurance that can be awarded to a private education institution by Singapore's Council for Private Education under its EduTrust Certification Scheme. It underscores the high level of commitment on the part of management and staff of JCUS to strengthen the position of the institution as a leading provider of quality education.

The board of James Cook University Pte Ltd consists of the Vice Chancellor and four nominees of the Vice Chancellor acting as directors of the company. The company is registered with the ACRA and secretarial services are provided in Singapore by Park Crescent Services Pte Ltd (a subsidiary of Baker Tilley). The financial statements of James Cook University Pte Ltd are audited by a Singapore-based external auditor.

Tropical Futures Institute Pte Ltd

In 2018 JCU established the TFI in Singapore to provide region specific research to Singapore and the wider ASEAN region. The TFI is the first research institute established by an Australian university in Singapore and is a strategic investment that will allow JCU to leverage its research strengths and add value to the research environment in Singapore and the region.

In 2019, JCU incorporated the TFI as a not-for-profit public company limited by guarantee in Singapore. The company currently has four directors, including the Deputy Vice Chancellor Singapore and Head of Campus. The financial statements of TFI are audited by a Singapore-based external auditor.

James Cook Academy Pte Ltd

James Cook Academy Pte Ltd, a private company registered in Singapore, was incorporated in 2021 as a holding company fully owned and controlled by James Cook University Pte Ltd.

The company owns 100 per cent of the shares in James Cook Institute Pte Ltd (formerly Eagle Infotech Consultants Pte Ltd and does not trade). As a result of changing operations with James Cook Institute, James Cook Academy Pte Ltd was determined to be obsolete and was de-registered and wound-up with ACRA in early 2023. James Cook University Pte Ltd now owns 100 per cent of the shares in James Cook Institute.

James Cook Institute Pte Ltd

In 2021, James Cook Academy Pte Ltd acquired 100 per cent of the shares in James Cook Institute (formerly Eagle Infotech Consultants Pte Ltd until March 2023), a training provider with a suite of short courses in technology and soft skills for working professionals in Singapore. As a result of the winding up of James Cook Academy Pte Ltd, James Cook University Pte Ltd now owns 100% of the shares in James Cook Institute Pte Ltd. The company was accredited by the Singapore Workforce Development Agency in 2005. The acquisition of the company positions JCU's Singapore campus to provide corporate training and Singapore Government funded short courses to complement its degree level programs. The company has four Directors and is registered with ACRA. Its financial statements are audited by a Singapore-based external auditor.

JCU Innovation Holdings Limited

JCU Innovation Holdings Limited, a private company registered in the United Arab Emirates (UAE) Abu Dhabi Global Market (ADGM) Free Zone was incorporated in 2023 as a holding company fully owned and controlled by JCU Enterprises Pty Ltd. JCU Innovation Holdings does not trade. The company will own 100 per cent of the shares in James Cook University Middle East LLC (pending establishment in the emirate of Um Al Quwain). The board of James Cook Holdings Pty Ltd consists of two nominees of the Vice Chancellor acting as directors of the company. The Company will be audited by Crowe UAE and taxation and other compliance services will be provided by TLB Advisors and CBD Corporate Services in the UAE.

Governance – risk management, accountability and external scrutiny

Risk management

JCU has an integrated governance risk and compliance model with the policy and delegations, risk and compliance, internal audit, insurance and legal services functions within the Chief of Staff Office. The Chief of Staff is responsible for providing assurance that key risks are being effectively evaluated and reviewed and for the facilitation and coordination of risk management activities across the University.

The University Executive and the University Council's Audit, Risk and Compliance Committee receive and review a report on risk and compliance management quarterly. The report contains details of:

- any risk management initiatives undertaken during the previous quarter including key risk indicator reporting;
- any major incidents that have occurred during the previous quarter;
- heat maps showing the distribution of risks across the risk evaluation matrix;
- the high inherent and residual risks facing the organisation and the controls in place to manage those risks;
- progress in implementing key risk treatment plans;
- compliance activities;
- incident reporting; and
- any other matters that may be of relevance.

The University Council adopted a revised Corporate Strategy in October 2022 and the University's Risk Appetite Statement and strategic level risks have been reviewed against this strategy in 2023. Council confirmed the current categories of risk, and the inclusion of Sustainability Risk as a new category, being the capacity to maintain or endure as an organisation focusing on the interplay of environmental, social, and governance factors.

Council also recognised that in order for the University to achieve its objectives and capitalise upon opportunities during a period of significant change and uncertainty in the tertiary education sector, a higher appetite for risk was required. Amendments were made to the 'no appetite' aspects of the Statements and a refresh in the expression of risk tolerance to reflect this increased appetite. A review of the Key Risk Indicators (KRIs) was also undertaken, and the revised Risk Appetite Statement adopted by Council on 7 December 2023. The Risk Appetite Statement's KRIs are reported quarterly to the Audit, Risk and Compliance Committee of Council, and to Vice Chancellor's advisory Committees.

Risk management and governance improvements implemented by the University during 2023 included:

- increased training for University managers;
- improved integration of risk appetite considerations and risk management in decision making;
- increased maturity of risk management across the University.

With the recommencement of international travel post the pandemic, there has been a focus on risk assessments and critical incident management for field trip and placement activities. Cybersecurity remains a high key risk and increased investment has been made to implement the University's Cybersecurity Strategy and Roadmap.

External scrutiny

Independent scrutiny is provided by a number of State and Federal entities which may publish reports on the operations or performance of the University, including the Auditor-General, Ombudsman, the Crime and Corruption Commission, and the Tertiary Education Quality and Standards Authority (TEQSA). TEQSA conducts an annual risk assessment for all higher education providers and determines each provider's eligibility for placement on the National Register.

The accreditation matter for the Bachelor of Business (Financial Advising) and Bachelor of Commerce (Financial Advising) remains an issue to manage with reporting obligations to TEQSA and the Department of Education. TEQSA also acknowledged the rectification plans in place to mitigate further disadvantage to affected students and reduce the likelihood of an event of this nature reoccurring.

In June 2023, the QAO report titled *Education 2022 (Report 16: 2022-23)* was tabled in Queensland parliament. The report summarised the results of the QAO audits of the entities in Queensland's education sector, and provided recommendations for education entities to strengthen information security and risk management systems in particular, with a focus on a security culture through training, process controls including access and identity management, and technology controls including encryption and patching. JCU has been investing proactively in increased people, process and technology controls to enhance information systems and cybersecurity in general including:

- Cybersecurity Awareness and Training rollout to JCU staff;
- Policy and procedure development has been adjusted to align with ISO27001;
- the implementation of multi-factor authentication for all staff, students, contractors and relevant third parties;
- development of a risk profile and capability plan for Privileged Account Management and end user Lifecycle Management; and
- undertaken a review of the JCU identity and access management technology stack identifying several improvement initiatives to be implemented in 2024.

Audit, Risk and Compliance Committee

The Audit, Risk and Compliance Committee is responsible for all audit and risk related matters, and for monitoring audit, risk and compliance management on behalf of the University Council. The Committee's purpose is to:

1. provide independent assurance and assistance to the Council on the University's external accountabilities as prescribed in the *Financial Accountability Act 2009*, the *Financial and Performance Management Standard 2019*, the *James Cook University Act 1997* and any other applicable legislation or regulations; and
2. to assist Council in the governance of the University, and the exercising of due care, diligence and skill in relation to:
 - a. the risk management system, including the University's insurance arrangements;
 - b. the internal control system, including ensuring relevant policies, practices and procedures are implemented and operate effectively;
 - c. the coordination of the University's internal and external audit effort, including oversight of the internal audit function; and
 - d. compliance with applicable laws, regulations, standards, government policies and best practice guidelines.

The Audit, Risk and Compliance Committee reviews the QAO's annual External Audit Plan for the University, which includes a summary of key risks facing the higher education sector, areas of audit focus, other audit considerations such as materiality, issues identified in the previous year, key financial audit milestones, the assessment of internal controls and the audit fee. The Committee also reviews the QAO's interim and final audit reports, observes the terms of the Committee charter, and has due regard to Queensland Treasury's Audit Committee Guidelines.

There were eight members of the Audit, Risk and Compliance Committee at the end of 2023, comprising:

- two ex-officio members, (the Chancellor and Vice Chancellor);
- four members from the University Council, including the Chair and Deputy Chair, elected for their relevant skills and/or experience in relation to the Committee's business, including three independent, non-executive members; and
- two co-opted members with expertise in risk governance (Ms Catherine Duffy and Ms Christine Traquair).

One member of the Committee is a professional accountant/auditor, and another is a legal practitioner. A minority of members are also members of the Finance Committee. Committee members are offered financial compensation for their membership and service.

Membership of the Audit, Risk and Compliance Committee during 2023 is detailed in the following table:

2023 Audit, Risk and Compliance Committee Membership (January to December)			
Membership type	Position	Member's name	Attendance
Chair	(External)	Ms Marjorie Pagani	4/5
Deputy Chair	(External)	Mr Nick Tate	4/5
Ex officio	Chancellor ¹	Mr William (Bill) Tweddell	2/2
	Chancellor	Prof Ngiare Brown	2/3
	Vice Chancellor	Prof Simon Biggs	5/5
Appointed Members	(External)	His Honour Mr Greg Lynham	3/5
		Dr Alana Grech	5/5
Additional members	(External)	Ms Catherine Duffy	2/5
	(External)	Ms Christine Traquair	4/5
Secretary	Secretary or nominee	Ms Chezelle Boevink	4/5

¹Mr Tweddell's term finished after two meetings.

Internal Audit

Internal Audit is an independent, objective assurance and consulting function designed to add value and improve the University's operations. It assists the University to accomplish its objectives by bringing a systematic, disciplined approach to the effective evaluation and improvement of risk management, control and governance processes. Internal Audit activity

encompasses the review of all the University's financial and non-financial processes and operations, excluding those of the University's controlled entities.

Internal Audit operates under an Internal Audit Charter which is reviewed and approved by the Audit, Risk and Compliance Committee annually. 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 ability of the internal audit activity to carry out internal audit responsibilities in an independent and unbiased manner is assured through operational independence of the Manager, Internal Audit. This role reports functionally to the Vice Chancellor and to the Audit, Risk and Compliance Committee and has an open and independent relationship with the QAO.

The Manager, Internal Audit is responsible for implementing a program of quality assurance and improvement which includes external and internal reviews, to ensure the effective, efficient and economical operation of the Internal Audit function. Oversight is provided by the Chief of Staff.

The annual internal audit planning process employs a risk-based approach to the identification of target audit areas, by aligning audit activities with the University's strategy, risks and assurance needs, based on:

- University Risk Appetite Statements;
- the University Level Risk Assessment;
- The University Performance Report;
- any key risks or control concerns identified through a structured stakeholder consultation process, including assurance gaps and emerging needs; and
- the scope of work of other assurance providers (internal and external).

The combined Internal Audit Strategy 2023-2027 and Annual Audit Plan 2023 covers a five-year period consistent with the University's business planning cycle under the new Planning and Performance Framework . It provides information on the link between the Internal Audit Charter, Internal Audit strategies, the University Level Risk Assessment and the Annual Audit Plan. The Internal Audit Strategy and Annual Audit Plan are reviewed and approved annually by the Audit, Risk and Compliance Committee, in accordance with Section 31 - Planning by internal audit function, Division 5 Internal audit and audit committees, *Financial and Performance Management Standard 2019*.

The results of the Performance Measure and Quality Assurance and Improvement Program of the Internal Audit function are also regularly reported to, and monitored by, the Audit, Risk and Compliance Committee.

Ethical conduct and social responsibility

In concert with the *Public Sector Ethics Act 1994*, the JCU Staff 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 University Council Members applies to members of the University Council and sets their expected standards of conduct. All members of the University Council and its Committees are reminded annually of their confidentiality obligations through a Statement on Confidentiality Provisions.

The University recognises that the interests of public office and personal or other interests may come into conflict. The University has a ‘Conflict of Interests of Members of the University Council’ policy, to provide guidance in dealing with any conflicts.

The JCU ‘Code for the Responsible Conduct of Research’ requires 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 ‘Student Code of Conduct’ outlines the ethical obligations of all students at the University.

In 2023 as part of the adoption of a revised Risk Appetite Statement, Council incorporated Sustainability Risk as a consideration in all University decision making. The University aims to make a significant, sustainable, and socially responsible contribution to northern Queensland, Australia and the world through its research, education, knowledge exchange and operational activities. Committed to equitable, inclusive, innovative and impactful outcomes focused on a sustainable future for our region - its environment and its people. JCU will consume resources responsibly, be accountable for decisions made, considering their Environmental and Social impacts, and is transparent in meeting the voluntary standards and principles the University has committed to uphold in Governance (including ESG practices and Sustainable Development Goals).

Human rights

In compliance with the Queensland *Human Rights Act 2019*, JCU outlines the following information and activities for 2023:

Details of actions taken to further the objects of the *Human Rights Act 2019*:

Updated various policies, processes, and procedures throughout 2023 to align to the *Human Rights Act 2019*.

Details of any human rights complaints received by JCU:

Number of complaints:	Six
Nature and outcome of complaints:	<ol style="list-style-type: none"> 1. A matter relating to the exclusion of a student from the Bachelor of Medicine/Bachelor of Surgery program on the basis that the student was deemed not suitable to continue studying the program. The excluded student lodged a complaint in the QHRC and following an unsuccessful conciliation conference, instituted proceedings in the QCAT. The matter is not able to be resolved and proceeded to trial. Currently awaiting a decision from QCAT. 2. A matter brought by a JCU volunteer relating to alleged race-based discrimination by JCU and a third-party contractor. The matter failed to resolve at a conciliation conference facilitated by QHRC. JCU and the contractor dispute the allegations. Proceedings have been instigated in QCAT and the matter is currently awaiting a conference date. 3. A matter before the QHRC brought by a student alleging discrimination based on disability and the failure to implement suitable adjustments. The matter did not resolve at conciliation for the QHRC. Matter proceeded to QCAT and participation in a compulsory conference resulted in an agreed settlement QCAT made orders accordingly. 4. A matter before the QHRC brought by a postgraduate student alleging discrimination based on disability/impairment and the failure to

	<p>implement suitable adjustments. The matter was resolved at a conciliation conference with settlement on mutually agreeable terms.</p> <p>5. A matter before the QHRC brought by a student alleging discrimination based on age and impairment in the failure of University to provide sufficient disability support and failure to implement reasonable adjustments. QHRC conciliation conference held where most issues resolved with some issues continuing to be negotiated with the assistance of QHRC.</p> <p>6. A matter before the Australian Human Rights Commission brought by a former student alleging discrimination based on disability and a failure to implement reasonable adjustments. Proceeding to conciliation conference.</p>
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Details of reviews to policies, programs, procedures, practices, or services undertaken in relation to human rights:

- A continuous improvement process was undertaken to review numerous policies, with action taken to update policies, processes and procedures where required / appropriate.

Information systems and recordkeeping

The University is required to report on its compliance with the provisions of the Public Records Act 2002, Financial and Performance Management Standard 2019 and to have regard to the Records governance policy and other policies, standards and guidelines issued by the Queensland State Archivist.

JCU maintains its focus on, and commitment to, full compliance with the Public Records Act 2002 and other records management related legislation and the University's Deputy University Secretary contributed to both the Queensland Government's *Review of the Public Records Act 2002, Privacy Act 2009* and the *Amendments to the Bill*. All Acts were under review in 2022 and 2023 to which the Deputy University Secretary contributed to on behalf of the university.

A further patch was applied in 2023 to JCU's compliant EDRMS, Micro Focus Content Manager, commonly referred to as TRIM, to maintain the integrity of the system. JCU's Technology Solutions Directorate continues to progress integration between internal systems and Content Manager, with the Student Services Directorate's CRM system further integrated with areas such as Placements and Student Complaints, throughout 2023. Including in the integration, the removal of Personal Information documents to reduce the risk of Data Breaches, particularly Notifiable Data Breaches.

JCU's digital capability continued towards the 95 per cent target during 2023, with the continual increase in:

- EDRMS licence holders;
- the reduction in the creation of physical files;
- the number of organisational units moving to electronic records management/digitally born records; and
- digitisation projects, such as scanning of Human Resource files.

The Retention and Disposal schedule continued to be monitored and updates notified by Queensland State Archives were applied to JCU records.

Academic Freedom and Freedom of Speech

In 2021, the University Council adopted an 'Academic Freedom and Freedom of Speech Policy' which the Federal Department of Education assessed as being 'Fully Aligned' with the 'Model Code on Freedom of Speech and Academic Freedom' recommended by the Hon Mr Robert French AC, former Chief Justice of the High Court Chief of Australia after his 2019 review into freedom of speech in higher education. In its assessment, the Department noted there would be changes to the Intellectual Freedom Clause within the JCU Enterprise Agreement to ensure consistency with the Policy. The University finalised Enterprise Bargaining in 2023 and the Academic Freedom Clause is now consistent with the Model Code.

There have been no complaints or matters raised in relation to Freedom of Speech nor Academic Freedom in 2023.

Voluntary Code of Best Practice for Governance of Australian Universities

In 2023, the University was in full compliance with the Voluntary Code of Best Practice for the Governance of Australian Universities, including clause 14 which states that '(a) university should disclose in its Annual Report its compliance with this Code of Best Practice and provide reasons for any areas of non-compliance'.

Workplace health and safety

The Work Health and Safety (WHS) Unit provides overall direction, co-ordination and advice to JCU on WHS matters to effectively manage WHS risk and minimise injuries and illnesses to JCU workers and students. The WHS Unit is responsible for facilitating health, safety and wellness communication and consultation across JCU to promote the highest practicable standard for WHS, promoting a positive safety culture and to be compliant with relevant safety legislation.

In 2023, the WHS Unit continued a broad program of works across all areas of the Health and Safety Management System (HSMS). The program of works was determined through a risk-based approach.

The 2023 works also involved the implementation of HSMS components previously developed, undertaking annual operational compliance activities as required by the HSMS and reviewing existing HSMS components.

A significant body of work was undertaken in 2023 to develop a WHS Due Diligence Report for JCU Council.

Section 27 of the Work Health and Safety (WHS) Act places a duty on an Officer of a person conducting a business or undertaking (PCBU) to exercise due diligence to ensure that the PCBU complies with their duties or obligations under the WHS Act. An Officer is defined by reference to the definition of 'Officer' in section 9 of the Commonwealth Corporations Act 2001 (the Corporations Act).

This due diligence duty involves taking reasonable steps:

1. to acquire and keep up-to-date knowledge of WHS matters;
2. to gain an understanding of the nature of the operations of the business or undertaking of the PCBU and generally of the hazards and risks associated with those operations;
3. to ensure that the PCBU has available for use, and uses, appropriate resources and processes to eliminate or minimise risks to health and safety from work carried out as part of the conduct of the business or undertaking;

4. to ensure that the PCBU has appropriate processes for receiving and considering information regarding incidents, hazards and risks and responding in a timely way to that information;
5. to ensure that the PCBU has, and implements, processes for complying with any duty or obligation the PCBU has under the WHS Act; and
6. to verify the provision and use of the resources and processes referred to in paragraphs 3 to 5 above.

The steps identified in Section 27 of the WHS Act, provide a useful framework for identifying, organising and reporting the WHS information needed to protect the health and safety of workers and other persons, and support business decisions.

Just as financial reporting provides essential information about financial performance (i.e. 'profit and loss' over a period) and financial position (i.e. 'balance sheet' at a point in time), WHS reporting should provide officers and the PCBU with essential information about WHS performance (i.e. actions and outcomes over a period) and WHS position (i.e. health and safety at a given point in time).

In 2023, other significant works undertaken included:

- Psychosocial risk management;
- Updating the Managers Essentials training to reflect current WHS trends, including risk management, emergency management and injury management;
- Expanding on the development and delivery of the undergraduate student risk management training module;
- Utilising the online Staff Learning Hub as a platform to advertise new WHS procedures/safe work procedures;
- University-wide rollout of the Contractor Management System (including remote sites);
- Expanding WHS compliance auditing of remote sites;

Other work activities undertaken by the WHS Unit in 2023 include:

- Compliance audits and inspections;
- Injury management (work related and non-work related);
- WHS Risk management review;
- Facilitating Sub-Committees of the Work Health and Safety Advisory Committee for boating and diving, radiation safety and institutional biosafety;
- Emergency management compliance requirements;
- Work Health and Safety compliance for Controlled Entities;
- JCU WHS Mandatory Training requirements – includes training needs analysis and review of training and competency procedure;
- Health and Safety Representative nomination and engagement process;
- Revision of WHS Policies and Procedures requiring a formal review;

In 2024, the WHS Unit will continue its efforts to ensure staff and students remain safe and healthy. Planned projects and initiatives include:

- Psychosocial Risk – Working with HR to ensure JCU processes for managing psychosocial hazards, complaints and bullying cases align with the WHS Legislative requirements;
- Contractor Management – Improve useability of Rapid Global and safety for contractors;
- Student Placement Audit – Identify compliance to the placement procedure;
- Remotely Piloted Aircraft (Drones) – Ensure RPA operations are compliant and safe;
- Service Now Catalogue – Development and implementation of WHS categories through Service now for jobs to be logged;
- Field Trip Desktop Audit – Improve the quality of the field trip system.

Governance – Human Resources

Workforce planning and performance

Queensland Government Measures	2023 Result
Workforce Profile: Full-time equivalent staff (FTE)*	1,927

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

Factors that generally affect the workforce profile (FTE) 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); and
- External factors like regional unemployment.

Policies and activities that promote flexible working arrangements, wellbeing and a healthy work-life balance

- Expanding mandatory training and leadership development opportunities including a focus on staff psychosocial safety, discrimination, bullying and harassment prevention;
- Training regarding resilience for staff, resilience for managers, mental health awareness, and emotional intelligence in the workplace;
- Training regarding Aboriginal and Torres Strait Islander cultural competence (modular);
- Free and confidential access to the Employee Assistance Program (EAP);
- Availability of flexible optional working hours for continuous full-time or part-time staff within employee band levels HEWL 1-9;
- Work-station set-up and special needs assessment (by the Health, Safety and Environment directorate), including stand-up desks;
- Provision of mobile technologies (mobile phones, laptop computers, digital tablets, etc.) for staff that are in remote locations, constantly travelling, or are required to work off-campus;
- Fitness Passport program for staff and family members to use multiple gyms and pools across Townsville and Cairns at a low cost; and
- Provision of various leave arrangements including Cultural Leave, Special Sporting Leave, Personal and Carer's Leave, Compassionate Leave, Domestic and Family Violence Leave, State Emergency Services Leave, Volunteering Leave, Natural Disaster Leave, and Defence Force Reservist Leave.

Financial statements

Financial overview

2023 Consolidated and Parent Entity financials

Total Student Numbers*	All JCU
Total Enrolments: <i>Student Head Count</i>	21,207
Total EFTSL: <i>Equivalent Full-Time Student Load</i>	15,147

Expenditure \$m	Consolidated	Parent Entity
Total expenses from continuing operations	\$649.473m	\$556.461m

Revenue \$m	Consolidated	Parent Entity
Total income from continuing operations	\$616.732m	\$516.721m

Assets Vs Liabilities \$m	Consolidated	Parent Entity
Total Current Assets	\$306.498m	\$233.470m
Total Current Liabilities	\$255.859m	\$221.408m
Current Ratio	1:198	1:054

Net Result \$m	Consolidated	Parent Entity
Net Result After Income Tax	(\$32.741m)	(\$39.740m)

Employee Benefits Ratio	Consolidated	Parent Entity
Employee Benefits as a % of Total Expenses	49.31%	49.17%

* Student numbers are sourced from a data snapshot taken in early January (for the prior year). NB: Student numbers are subject to change over the passage of time due to retrospective changes applied to student enrolment information and data.

Financial statements and notes

The following pages contain the financial statements and notes

JAMES COOK UNIVERSITY

Annual Financial Report - 31 December 2023

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JAMES COOK UNIVERSITY
STATEMENT OF FINANCIAL POSITION
as at 31 December 2023

	Notes	Consolidated		Parent Entity	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
CURRENT ASSETS					
Cash and cash equivalents	10	172,166	152,106	121,555	87,185
Trade and other receivables	11	23,931	48,877	32,517	59,806
Contract assets	11	3,565	3,169	2,999	2,639
Inventories		509	502	-	-
Other financial assets	12	81,562	98,807	56,250	91,750
Non-current assets classified as held for sale	13	2,736	5,403	-	-
Prepayments		22,029	24,354	20,149	21,821
Total current assets		306,498	333,218	233,470	263,201
NON-CURRENT ASSETS					
Trade and other receivables	11	-	-	23,760	25,183
Investments accounted for using the equity method		9	-	-	-
Other financial assets	12	150,035	135,203	152,457	137,669
Property, plant and equipment	14	1,395,950	1,260,999	1,283,822	1,147,555
Intangible assets		2,061	3,453	1,823	2,100
Other non-current assets		58	82	-	-
Total non-current assets		1,548,113	1,399,737	1,461,862	1,312,507
TOTAL ASSETS		1,854,611	1,732,955	1,695,332	1,575,708
CURRENT LIABILITIES					
Current tax liabilities		967	1,514	-	-
Trade and other payables	15	33,317	35,156	29,725	22,978
Borrowings	16	14,262	17,310	9,893	13,200
Employee benefit liability	17	46,597	45,176	45,785	44,585
Other liabilities	18	5,902	5,938	676	712
Contract liabilities	18	154,814	126,181	135,329	108,307
Total current liabilities		255,859	231,275	221,408	189,782
NON-CURRENT LIABILITIES					
Deferred tax liabilities		773	205	-	-
Trade and other payables	15	1,624	1,949	1,624	1,949
Borrowings	16	233,272	209,704	195,137	168,041
Employee benefit liability	17	2,820	3,371	2,763	3,319
Other liabilities	18	2,245	2,217	-	-
Contract liabilities	18	3,081	3,697	3,081	3,697
Total non-current liabilities		243,815	221,143	202,605	177,006
TOTAL LIABILITIES		499,674	452,418	424,013	366,788
NET ASSETS		1,354,937	1,280,537	1,271,319	1,208,920
EQUITY					
Parent Entity Interest					
Retained earnings		640,231	673,003	583,442	623,182
Asset revaluation surplus	14(a)	717,432	597,513	696,337	580,920
Other reserves	12(d)	(8,741)	4,537	(8,460)	4,818
Foreign currency translation reserve		6,015	5,484	-	-
TOTAL EQUITY		1,354,937	1,280,537	1,271,319	1,208,920

The above statement of financial position should be read in conjunction with the accompany notes.

JAMES COOK UNIVERSITY
STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2023

Consolidated	Retained Earnings \$'000	Asset Revaluation Surplus \$'000	Other Reserves \$'000	Foreign Currency Translation Reserve \$'000	Total Equity \$'000
Balance at 1 January 2022	718,823	463,954	15,806	2,245	1,200,828
Transfers / reclassifications	(945)	-	945	-	-
Net operating result for the period	(44,875)	-	-	-	(44,875)
Other comprehensive income	-	133,559	(12,214)	3,239	124,584
Total comprehensive income	(44,875)	133,559	(12,214)	3,239	79,709
Balance at 31 December 2022	673,003	597,513	4,537	5,484	1,280,537
Balance at 1 January 2023	673,003	597,513	4,537	5,484	1,280,537
Transfers / reclassifications	-	-	-	-	-
Net operating result for the period	(32,741)	-	-	-	(32,741)
Other comprehensive income	-	119,919	(13,278)	531	107,172
Total comprehensive income	(32,741)	119,919	(13,278)	531	74,431
Dividends provided for or paid	(31)	-	-	-	(31)
Balance at 31 December 2023	640,231	717,432	(8,741)	6,015	1,354,937

Parent Entity	Retained Earnings \$'000	Asset Revaluation Surplus \$'000	Other Reserves \$'000	Foreign Currency Translation Reserve \$'000	Total Equity \$'000
Balance at 1 January 2022	672,135	454,116	16,751	-	1,143,002
Transfers / reclassifications	-	-	-	-	-
Net operating result for the period	(48,953)	-	-	-	(48,953)
Other comprehensive income	-	126,804	(11,933)	-	114,871
Total comprehensive income	(48,953)	126,804	(11,933)	-	65,918
Balance at 31 December 2022	623,182	580,920	4,818	-	1,208,920
Balance at 1 January 2023	623,182	580,920	4,818	-	1,208,920
Transfers / reclassifications	-	-	-	-	-
Net operating result for the period	(39,740)	-	-	-	(39,740)
Other comprehensive income	-	115,417	(13,278)	-	102,139
Total comprehensive income	(39,740)	115,417	(13,278)	-	62,399
Balance at 31 December 2023	583,442	696,337	(8,460)	-	1,271,319

The above statement of changes in equity should be read in conjunction with the accompany notes.

JAMES COOK UNIVERSITY
STATEMENT OF CASH FLOWS
for the year ended 31 December 2023

	Notes	Consolidated		Parent Entity	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Australian Government financial assistance					
Australian Government grants		212,370	193,790	212,370	193,790
Capital grants - Australian Government		10,000	16,000	10,000	16,000
HECS-HELP - Australian Government payments		61,139	52,283	61,139	52,283
FEE-HELP - Australian Government payments		18,304	17,948	18,304	17,948
SA-HELP - Australian Government payments		1,491	1,855	1,491	1,855
Other Australian Government grants		39,922	63,796	39,922	63,796
HECS-HELP - student payments		5,914	5,332	5,914	5,332
FEE-HELP - student payments		5,464	5,152	5,464	5,152
Queensland State Government grants		8,361	7,356	8,361	7,356
Interest received		10,098	2,161	8,271	1,807
Dividends and property trust distributions received		2,645	7,061	2,645	7,061
Receipts from student fees and other customers		274,779	194,892	168,349	102,227
Payments to suppliers and employees		(577,092)	(527,306)	(480,264)	(463,228)
Interest and other costs of finance		(5,628)	(6,826)	(3,601)	(3,563)
GST recovered / (paid)		(1,972)	2,213	(2,022)	2,045
Income tax paid		(1,452)	(1,737)	-	-
Short-term lease payments		(1,665)	(1,693)	(1,665)	(1,693)
Net cash provided by / (used in) operating activities	26	62,678	32,277	54,678	8,168
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale of financial assets		94,224	91,538	94,268	91,539
Proceeds from sale of property, plant and equipment		7,595	5,655	204	5,655
Payments for property, plant and equipment		(67,171)	(56,965)	(61,767)	(49,680)
Payments for financial assets		(97,271)	(144,759)	(80,614)	(137,202)
Proceeds from loans to related parties		1,206	-	1,206	-
Net cash provided by / (used in) investing activities		(61,417)	(104,531)	(46,703)	(89,688)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from borrowings		37,330	47,826	37,330	46,864
Repayments of borrowings		(10,429)	(8,673)	(9,069)	(8,673)
Repayment of lease liabilities		(8,103)	(5,872)	(1,867)	(1,930)
Net cash provided by / (used in) financing activities		18,798	33,281	26,394	36,261
Net increase / (decrease) in cash and cash equivalents		20,059	(38,973)	34,369	(45,259)
Effects of exchange rate changes on cash and cash equivalents		1	1,730	1	253
Cash and cash equivalents at the beginning of the financial year		152,106	189,349	87,185	132,191
Cash and cash equivalents at end of financial year	10	172,166	152,106	121,555	87,185

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

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JAMES COOK UNIVERSITY
Notes to the financial statements
for the year ended 31 December 2023

Note 1: Material Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out in the relevant notes. 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 and Performance Management Standard 2019* (Qld)
- *Australian Charities and Not-for-profits Commission Act 2012* (Cth)

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 Parent Entity'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

Management has not made any judgement in the process of applying accounting policies that would have a significant impact on the amounts disclosed in the financial report other than the normal operational judgements effecting revenue recognition (Note 2), depreciation (Note 14), impairment (Note 11, 12 and 14), revaluation of assets (Note 12 and 14), lease accounting (Note 14.1 and 16.1) and calculation of employee benefits (Note 17).

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 21 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.

(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.

Note 1: Material Accounting Policies (cont'd)

(b) Taxation (cont'd)

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 Parent Entity 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) 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.

(d) 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.

(e) Rounding amounts

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

(f) New Accounting Standards and Interpretations

Certain new Accounting Standards and Interpretations have been published that are not mandatory for 31 December 2023 reporting periods. The Group has assessed the standards and interpretations and determined that they are not relevant or applicable to the Group.

Note 2: Revenue and Income

Note 2.1: Australian Government Financial Assistance including Australian Government Loan Programs (HELP)

Accounting Policy

Commonwealth Grants Scheme and Other Grants

The Commonwealth Grants Scheme (CGS) represents funding from the Australian Government to help subsidise students' tuition costs. Under AASB 15: *Revenue from Contracts with Customers*, the Group has a specific obligation to provide education services to an enrolled student in respect of the specific course during a defined time period. As such, CGS revenue is recognised over the time the course is being provided.

Indigenous Student Success

The Indigenous Student Success Program represents grant funding which the Group receives to assist the Group to meet the needs of Aboriginal and Torres Strait Islander students. The grant amount is split into two funding components, Pool A and Pool B.

Under Pool A there is a contractual obligation to deliver cash to the student and, under AASB 9: *Financial Instruments*, a financial liability is created and then extinguished as the Group meets its obligation to the student. Under Pool B there are no sufficiently specific performance obligations and as such falls under AASB 1058: *Income of Not-for-Profit Entities* where the revenue is recognised immediately when the Group has the contractual right to receive the grant.

Disability Support Program

The Disability Support Program is grant funding to meet the costs of providing support to students with a disability with high cost needs. The grant represents a reimbursement of costs incurred by the Group, as such, no sufficiently specific performance obligations are identified. Therefore, under AASB 1058: *Income of Not-for-Profit Entities* the revenue is recognised immediately when the Group has the contractual right to receive the grant.

Indigenous, Regional and Low SES Attainment Fund

The Indigenous, Regional and Low SES Attainment Fund is funding which supports the Group in its efforts to increase participation of people who are from low socio-economic backgrounds to attend university. There is an enforceable contract by the provisions in the *Higher Education Support Act 2003* (Cth); and sufficiently specific performance obligations in the promise of tailored activities to encourage low socio-economic background students into undergraduate courses. The revenue is subject to AASB 15: *Revenue from Contracts with Customers* and is recognised over time as the tailored activities are delivered to students and key stakeholders.

National Priorities Pool

The National Priorities Pool provides funding to higher education providers to conduct research projects and trial initiatives to inform equity policy projects. This income is subject to AASB 1058: *Income of Not-for-Profit Entities* and is recognised at the time the Group has the contractual right to receive the grants.

Regional Partnerships Project Pool Program

The Program provides funding to empower students from under-represented backgrounds in regional and remote areas to aspire to higher education. The funding also supports universities to develop sustainable partnerships with communities currently underserved by existing outreach initiatives and where cumulative barriers to higher education exist. The revenue is subject to AASB 15: *Revenue from Contracts with Customers* and is recognised over time as the tailored activities are delivered to students and key stakeholders.

Strategic University Reform Fund

The Strategic University Reform Fund builds on industry linkage pilot projects, enhances collaboration between universities and local employers and improves commercialisation of applied science. Revenue is recognised as expenditure is incurred in accordance with AASB 15: *Revenue from Contracts with Customers*.

Higher Education Loan Programs

HECS-HELP is a loan scheme that assists eligible students enrolled in Commonwealth Supported Places to pay their student contribution amounts. Whilst FEE-HELP is also a loan scheme that assists eligible fee-paying students pay all or part of their tuition fees. Under both schemes the revenue falls within AASB 15: *Revenue from Contracts with Customers* and is recognised over time as the Group provides the services to the student.

SA-HELP is a loan scheme that assists eligible students to pay for all or part of their student services and amenities fee. The revenue falls within AASB 15: *Revenue from Contracts with Customers* and is recognised over time as the student consumes the services.

Education Research

Education Research comprises of two programs, the Research Training Program which provides a block grant to the Group to support both domestic and overseas students undertaking higher degrees by research and the Research Support Program which provides a block grant to the Group to support the systemic costs of research not supported directly through competitive and other grants. Under both programs, sufficiently specific performance obligations have not been identified and therefore both programs fall outside the scope of AASB 15: *Revenue from Contracts with Customers*. Hence, the income is subject to AASB 1058: *Income of Not-for-Profit Entities* and is recognised at the time the Group has the contractual right to receive the grants.

JAMES COOK UNIVERSITY
Notes to the financial statements
for the year ended 31 December 2023

Note 2.1: Australian Government Financial Assistance including Australian Government Loan Programs (HELP) (cont'd)

Australian Research Council

Funding in this category is from the Commonwealth of Australia as represented by the Australian Research Council (ARC). The Group currently receives funding under three programs – Discovery Program, Linkage Program and Linkage Program (Centres of Excellence). Funding received from ARC has been assessed as meeting the sufficiently specific and enforceable criteria. As there is no link between payment and performance, management have judged that performance obligations are satisfied as performed and access to research findings is available to granting bodies, and this is consistent with expenses incurred. Revenue is recognised as expenditure is incurred in accordance with AASB 15: *Revenue from Contracts with Customers*.

In addition, some ARC agreements require collaboration with other organisations. This means that other organisations may be named as Participating Organisations within the ARC agreements. Funding received for the Participating Organisation is held as an AASB 9: *Financial Instruments* financial liability and is extinguished as the Group transfers the cash to the Participating Organisation.

Other Australian Grants

Funding received from other government sources generally relates to research and differ significantly in the individual terms and conditions. The Group considers each contract on a case by case basis as to whether it is within the scope of AASB 15: *Revenue from Contracts with Customers*. If the Group considers the contract to be enforceable and to have sufficiently specific performance obligations, it recognises the revenue over time as the research is performed.

Funding received from other government sources to enable the Group to acquire or construct a recognisable non-financial asset to be controlled by the Group falls within AASB 1058: *Income of Not-for-Profit Entities*.

	Notes	Parent Entity and Consolidated	
		2023 \$'000	2022 \$'000
(a) Commonwealth Grants Scheme and Other Grants	27		
Commonwealth Grants Scheme #1		161,535	157,920
Indigenous Student Success		2,818	3,090
Disability Support Program		67	48
Indigenous, Regional and Low SES Attainment Fund		4,559	3,807
National Priorities Pool		3,394	3,279
Regional Partnerships Project Pool Program		25	66
Strategic University Reform Fund		408	136
Total Commonwealth Grants Scheme and Other Grants		172,806	168,346
(b) Higher Education Loan Programs	27		
HECS-HELP		56,488	55,609
FEE-HELP		12,013	15,058
SA-HELP		1,454	1,470
Total Higher Education Loan Programs		69,955	72,137
(c) Education Research	27		
Research Training Program		10,432	11,196
Research Support Program		7,199	7,318
Total Education Research Grants		17,631	18,514
(d) Australian Research Council	27		
<i>(i) Discovery</i>			
Projects		432	846
Fellowships		942	841
Indigenous Researchers Development		3	93
Early Career Researcher Award		729	1,086
Total Discovery		2,106	2,866
<i>(ii) Linkages</i>			
Projects		589	345
Industrial Transformation Research Hubs		1,140	847
Infrastructure		1,091	-
Total Linkages		2,820	1,192
<i>(iii) Networks and Centres</i>			
Centres		81	4
Special Research Initiatives		260	118
Total Networks and Centres		341	122
Total Australian Research Council		5,267	4,180

#1 Includes the basic CGS grant amount, CGS - Regional Loading, CGS - Enabling Loading, CGS - Medical Student Loading.

JAMES COOK UNIVERSITY
Notes to the financial statements
for the year ended 31 December 2023

Note 2.1: Australian Government Financial Assistance including Australian Government Loan Programs (HELP) (cont'd)

	Notes	Parent Entity and Consolidated	
		2023 \$'000	2022 \$'000
(e) Other Australian Government grants			
<i>Non-capital</i>			
Australian Centre for International Agricultural Research		430	604
Australian Institute of Marine Science		319	576
Commonwealth Scientific and Industrial Research Organisation		667	721
Cooperative Research Centre for Developing Northern Australia		692	541
Department of Agriculture		5,507	4,214
Department of Climate Change, Energy, the Environment and Water		463	-
Department of Education - Study Overseas Short-term Mobility Program		20	57
Department of Foreign Affairs and Trade		2,712	1,276
Department of Health - Generalist Medical Training		1,765	19,264
Department of Health - Rural Health Multi Disciplinary Training Program		17,580	14,335
Department of Industry, Science, Energy and Resources		257	130
Department of the Environment and Energy		-	45
Director of Parks		478	701
Great Barrier Reef Marine Park Authority		1,575	1,303
Medical Research Future Fund		474	103
National Health and Medical Research Council		3,804	3,256
Torres Strait Regional Authority		225	361
Other		1,002	1,404
Total Non-capital		37,970	48,891
<i>Capital</i>			
Department of Health - Cairns Tropical Enterprise Centre		6,345	1,434
Total Capital		6,345	1,434
Total other Australian Government Financial Assistance		44,315	50,325
Total Australian Government Financial Assistance		309,974	313,502
Reconciliation			
Australian Government grants [2(a) + 2(c) + 2(d)]		195,704	191,040
HECS-HELP - Australian Government payments [2(b)]		56,488	55,609
SA-Help [2(b)]		1,454	1,470
Other Australian Government loan programs [FEE-HELP] [2(b)]		12,013	15,058
Other Australian Government financial assistance [2(e)]		44,315	50,325
Total Australian Government financial assistance reported in the statement of comprehensive income		309,974	313,502

JAMES COOK UNIVERSITY
Notes to the financial statements
for the year ended 31 December 2023

Note 2.2: State and Local Government Financial Assistance

State and Local Government Financial Assistance

Funding received from State and Local Government contracts generally relate to research and differ significantly in the individual terms and conditions. The Group considers each contract on a case by case basis as to whether it is within the scope of AASB 15: *Revenue from Contracts with Customers*. If the Group considers the agreement to be enforceable and to have sufficiently specific performance obligations, it recognises the revenue over time as the research is performed.

Funding received to enable the Group to acquire or construct a recognisable non-financial asset to be controlled by the Group falls within AASB 1058: *Income of Not-for-Profit Entities*. Under these circumstances, the funding requires the Group to construct a recognisable non-financial asset to identified specifications; does not require the Group to transfer the non-financial asset to another party; and occurs under an enforceable contract. On initial receipt of the grant a liability is recognised which represents the Group's obligation to construct the non-financial asset. The liability is initially measured at the carrying amount of the financial asset received from the granting body. As the Group satisfies its obligations under the grant by constructing the non-financial asset, the liability is extinguished and income is recognised in the Statement of Comprehensive Income.

	Consolidated		Parent Entity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<i>Non-capital</i>				
Department of Environment and Science	1,263	759	1,263	759
Department of Health - Dental Clinic Operations	3,550	3,550	3,550	3,550
Department of Health	1,263	996	1,263	996
Department of Housing and Public Works	693	948	693	948
Department of Natural Resources, Mines and Energy	129	68	129	68
Department of Agriculture and Fisheries	582	62	582	62
Other	954	448	954	448
Total Non-capital	8,434	6,831	8,434	6,831
Total State and Local Government Financial Assistance	8,434	6,831	8,434	6,831

JAMES COOK UNIVERSITY
Notes to the financial statements
for the year ended 31 December 2023

Note 2.3: Fees and Charges

Accounting Policy

Course Fees and Charges

Course fees and charges revenue relate to undergraduate programs, graduate and professional degree programs and continuing education and executive programs.

Under AASB 15: *Revenue from Contracts with Customers*, the Group has a specific obligation to provide education services to an enrolled student in respect of the specific course. As such, the revenue is recognised over the time the course is being provided.

When the courses or trainings have been paid in advance by students or the Group has received the government funding in advance the Group recognises a contract liability until the services are delivered.

There is no significant financing component, as the period from when the student pays and the service is provided is less than 12 months and the consideration is not variable.

Other Fees and Charges

Non-course fees and charges revenue relates to student accommodation, testing services, rental income, veterinary fees, medical fees, child care fees, dental fees, student services and amenities fees, and other fees and charges.

Revenue relating to student services and amenities and student accommodation is recognised over time as and when the service is provided over the relevant academic year. Revenue which relates to all other fees and charges is recognised at the point in time when the service or sale is delivered

	Consolidated		Parent Entity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Course fees and charges				
Fee paying onshore overseas students	96,788	53,533	96,788	53,533
Fee paying offshore overseas students	86,386	77,055	-	-
Fee paying domestic postgraduate students	5,464	5,152	5,464	5,152
Other domestic course fees and charges	180	205	180	205
	188,818	135,945	102,432	58,890
Other fees and charges				
Library fines and fees	4	10	4	10
Parking fines and fees	171	294	171	294
Professional, testing and technical services	5,019	5,295	5,818	6,086
Reciprocal services fees	-	-	12,052	11,456
Rental income	4,440	4,344	997	1,272
Conference fee income	390	608	390	608
Student accommodation	12,413	10,560	12,413	10,560
Student amenities fee	2,013	1,573	2,013	1,573
Fees incidental to studies	2,202	1,825	463	389
Child care fees and charges	2,802	2,568	-	-
Medical fees and charges	3,069	2,527	-	-
Veterinary fees and charges	7,125	4,675	-	-
Dental fees and charges	1,204	1,048	-	-
Other	1,069	736	763	513
	41,921	36,063	35,084	32,761
	230,739	172,008	137,516	91,651

Note 2.4: Consultancy and Contracts

Accounting Policy

Consultancy and Contracts

For research agreements, the Group considers each contract on a case by case basis as to whether it is within the scope of AASB 15: *Revenue from Contracts with Customers*. If the Group considers the agreement to be enforceable and to have sufficiently specific performance obligations, it recognises the revenue over time as the research is performed. Otherwise, revenue is recognised on receipt under AASB 1058: *Income of Not-for-Profit Entities*.

	Consolidated		Parent Entity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Contract research	25,206	22,812	25,206	22,812
Research consultancy	442	156	442	156
Other consultancy	5,668	2,365	5,668	2,365
	31,316	25,333	31,316	25,333

JAMES COOK UNIVERSITY
Notes to the financial statements
for the year ended 31 December 2023

Note 2.5: Other Revenue and Income

Accounting Policy

Other Revenue and Income

Revenue received from donations and bequests usually relates to research, and/or teaching, and if the donor wishes, could be for a specific field or area. There will be no sufficiently specific performance obligations and under AASB 1058: *Income of Not-for-Profit Entities* the revenue is recognised immediately when the Group has the contractual right to receive the donation or bequest.

For commission income, scholarships, prizes and sponsorship income the Group assesses each on a case by case basis as to whether it is within the scope of AASB 15: *Revenue from Contracts with Customers*. If the Group considers the agreement to be enforceable and to have sufficiently specific performance obligations, it recognises the revenue at a point in time when the transaction is complete.

Funding received to enable the Group to acquire or construct a recognisable non-financial asset to be controlled by the Group falls within AASB 1058: *Income of Not-for-Profit Entities*. Under these circumstances, the funding requires the Group to construct a recognisable non-financial asset to identified specifications; does not require the Group to transfer the non-financial asset to another party; and occurs under an enforceable agreement. On initial receipt of the grant a liability is recognised which represents the Group's obligation to construct the non-financial asset. The liability is initially measured at the carrying amount of the financial asset received from the granting body. As the Group satisfies its obligations under the grant by constructing the non-financial asset, the liability is extinguished and income is recognised in the Statement of Comprehensive Income.

	Consolidated		Parent Entity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Other revenue				
Commission income	202	140	202	140
Donations and bequests	3,089	2,268	3,089	2,268
Non-government grants - other	94	69	-	-
Non-government grants - capital	160	53	160	53
Scholarships and prizes	244	23	244	23
Sponsorship income	150	213	150	213
	3,939	2,766	3,845	2,697
Other income				
Net foreign exchange gain (loss)	102	212	102	232
Net gain (loss) on disposal of property, plant and equipment	1,425	310	478	310
COVID-19 subsidies	757	633	-	-
Other income	3,388	2,739	705	742
	5,672	3,894	1,285	1,284

JAMES COOK UNIVERSITY
Notes to the financial statements
for the year ended 31 December 2023

Note 2.6: Unsatisfied Performance Obligations

Remaining performance obligations represent services the Group has promised to provide to customers under contracts for research services which are satisfied as the goods or services are provided over the contract term. In determining the transaction price allocated to the remaining performance obligations in the Group's contracts with customers the Group uses the input method. The input method recognises revenue on the basis of the Group's efforts or inputs to the satisfaction of a performance obligation. The Group has determined that resources consumed is the best measure to determine the Group's efforts or inputs to the satisfaction of a performance obligation.

For customer contracts with terms of one year or less, or where revenue is recognised using the 'right to invoice' method of recognising revenue, as permitted under AASB 15: Revenue from Contracts with Customers, disclosures are not required in relation to the transaction price allocated to these unsatisfied performance obligations. Further, the amounts disclosed below do not include variable consideration which has been constrained.

These unsatisfied performance obligations are expected to be satisfied within the following periods:

	Within 1 year \$'000	From 1 to 5 years \$'000	After 5 years \$'000	Total \$'000
Consolidated				
Australian Government unspent financial assistance	14,771	2,465	616	17,852
Research grants	51,601	22,060	-	73,661
Student income	44,811	-	-	44,811
Capital grants	19,770	-	-	19,770
Other unearned revenue	1,392	-	-	1,392
	132,345	24,525	616	157,486
Parent				
Australian Government unspent financial assistance	14,771	2,465	616	17,852
Research grants	51,601	22,060	-	73,661
Student income	25,442	-	-	25,442
Capital grants	19,770	-	-	19,770
Other unearned revenue	1,685	-	-	1,685
	113,269	24,525	616	138,410

Note 3: Investment Income

Accounting Policy

Interest

For all financial instruments measured at amortised cost interest income is recorded using the effective interest rate. The effective interest rate is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

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. Revenue is recognised when the Group's right to receive the payment is established; it is probable that the economic benefits associated with the dividend will flow to the Group; and the amount of the dividend can be reliably measured.

Distributions

Distributions are recognised on an entitlement basis on the date the distribution is declared.

	Consolidated		Parent Entity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Investment income				
Interest	9,656	2,958	8,990	3,549
Dividends	3,011	5,150	3,011	5,150
Trust distributions	-	1	-	1
	12,667	8,109	12,001	8,700
Other investment income				
Net gain/(loss) on financial assets at fair value through the profit and loss	7,859	(9,522)	6,218	(9,358)
	7,859	(9,522)	6,218	(9,358)
Net investment income and losses	20,526	(1,413)	18,219	(658)

JAMES COOK UNIVERSITY
Notes to the financial statements
for the year ended 31 December 2023

Note 4: Employee Related Expenses

Accounting Policy

Employee Related Expenses

Contributions to superannuation funds are recognised as an expense as they become payable.

Past service costs are recognised in profit and loss immediately.

The Parent Entity incurs payroll tax at the rate determined by the Queensland Government and other states and territories for payments made to and benefits received by the employees.

The Parent Entity pays premiums to WorkCover Queensland in respect of its obligations for employee compensation. Workers' compensation insurance is a consequence of employing staff but is not counted in an employee's total remuneration package. It is not an employee benefit and is recognised separately as employee related expenses.

	Consolidated		Parent Entity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Academic				
Salaries	142,888	134,065	107,886	102,698
Contribution to superannuation	18,650	18,216	18,650	18,216
Payroll tax	5,549	5,333	5,549	5,333
Workers compensation	300	324	300	324
Long service leave	2,429	670	2,429	670
Annual leave	11,903	10,766	11,903	10,766
	181,719	169,374	146,717	138,007
Professional and technical				
Salaries	101,708	103,779	90,875	95,471
Contribution to superannuation	17,145	17,400	16,339	16,912
Payroll tax	5,532	4,937	5,532	4,937
Workers compensation	268	301	268	301
Long service leave	3,108	2,983	3,108	2,983
Annual leave	10,797	10,710	10,797	10,710
	138,558	140,110	126,919	131,314
	320,277	309,484	273,636	269,321

Note 5: Repairs and Maintenance

Accounting Policy

Repairs and Maintenance

Repairs and maintenance costs are recognised as expenses as incurred, except where they relate to the replacement of a component of an asset, in which case the carrying amount of those parts that are replaced is derecognised and the cost of the replacing part is capitalised if the recognition criteria are met. Other routine operating maintenance, repair and minor renewal costs are also recognised as expenses, as incurred.

	Consolidated		Parent Entity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Buildings	11,523	12,787	10,101	9,967
Grounds	737	424	714	404
Equipment	15,619	13,329	14,611	12,781
	27,879	26,540	25,426	23,152

JAMES COOK UNIVERSITY
Notes to the financial statements
for the year ended 31 December 2023

Note 6: Finance Costs

Accounting Policy

Financing costs

Financing 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.

For interest expense on lease liabilities, refer to Note 16.1 which details the policy for lease accounting where the Group is a lessee.

	Consolidated		Parent Entity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Interest expense on loans	3,239	3,146	3,239	3,146
Interest expense on lease liabilities	355	426	355	426
Other interest expenses	10	234	7	(10)
Finance costs	2,027	2,059	-	-
	5,631	5,865	3,601	3,562

Note 7: Other Expenses

	Consolidated		Parent Entity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Advertising, marketing and promotional expenses	13,212	10,900	4,274	4,444
Bank fees and charges	478	313	342	242
Books and publications	5,810	5,622	5,810	5,622
Commissions paid	41,540	18,904	41,540	18,904
Communications	3,628	1,950	3,474	1,807
Consumables	6,148	5,416	4,239	3,895
Course fees paid	12,423	9,074	12,423	9,074
Cost of goods sold	3,523	3,523	-	-
Demolition costs	-	3,498	-	3,498
Fees and charges	6,675	5,828	1,543	1,708
Insurance*	8,112	7,062	7,932	7,044
Licence fees	976	737	862	636
Motor vehicle related expenses	883	773	863	761
Non-capitalised equipment	7,692	4,849	7,650	4,811
Occupancy and utilities	18,593	18,002	17,746	17,156
Other staff related expenses	2,925	4,578	3,325	5,933
Practice and teaching subsidies	(157)	5,094	(157)	5,094
Printing and stationery	1,544	1,670	1,515	1,632
Professional fees	20,256	17,502	19,831	17,173
Rental, hire and other leasing fees	2,646	2,249	2,265	1,962
Minimum lease payments on operating leases	1,917	2,065	1,666	1,882
Grants, scholarships and prizes	17,973	18,944	21,599	22,687
Staff development and recruitment	2,547	2,534	2,271	2,197
Student supervision fees	5,367	3,989	7,858	5,813
Subscriptions and memberships	5,074	4,623	5,049	4,607
Travel expenses	9,581	7,148	9,534	7,069
Other	19,487	15,383	5,356	4,564
	218,853	182,230	188,810	160,215

* Insurance recoveries received during the year in respect to the losses of public property: \$Nil (2022: \$0.004m).

Note 8: 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:

	Consolidated		Parent Entity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Fees paid to Queensland Audit Office:				
Audit and review of financial statements	138	258	138	258
Fees paid to non-Queensland Audit Office audit firms:				
Audit or review of financial statements of any entity in the Consolidated Entity	-	-	-	-
	138	258	138	258

For the year ended 31 December 2023, Queensland Audit Office provided the Group with a quote of \$0.245m (2022: \$0.242m) for the audit.

JAMES COOK UNIVERSITY
Notes to the financial statements
for the year ended 31 December 2023

Note 9: Key Management Personnel Disclosures

(a) Names of responsible persons and executive officers

The following persons were responsible persons and executive officers of the Parent Entity during the financial year:

Responsible Officers

Details of the University's Council membership are located within the Annual Report.

Executive Officers

2023

Prof. Simon Biggs
Prof. Nicholas Nakata
Prof. Marcus Lane
Prof. Andrew Krockenberger (ceased 16/04/2023)
Prof. Jennifer Seddon (joined 17/04/2023)
Prof. Maree Dinan-Thompson
Mrs Patricia Brand
Ms Vanessa Cannon
Mrs Danella Forster

2022

Prof. Simon Biggs (appointed 14/02/2022)
Prof. Sandra Harding (resigned 13/02/2022)
Prof. Stephen Naylor (resigned 6/06/2022)
Prof. Chris Cocklin (resigned 14/04/2022)
Prof. Nicholas Nakata
Prof. Richard Murray (resigned 6/06/2022)
Prof. Marcus Lane
Prof. Andrew Krockenberger (appointed 14/02/2022)
Prof. Maree Dinan-Thompson
Mrs Patricia Brand
Ms Vanessa Cannon (appointed 6/06/2022)
Mrs Danella Forster (appointed 6/06/2022)

(b) Remuneration of Council members and Executive Officers

The amounts disclosed are determined on the same basis as expenses recognised in the Statement of Comprehensive Income.

Remuneration of Council members

Council members 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.

During the year there were twelve Council members (2022: nineteen) who received remuneration as employees of the Parent Entity.

During the year there were three Council members (2022: two) who did not receive remuneration as employees of the Parent Entity.

	Consolidated		Parent Entity	
	2023 Number	2022 Number	2023 Number	2022 Number
Remuneration of Council members				
Nil to \$14,999	3	5	3	5
\$15,000 to \$29,999	-	3	-	3
\$30,000 to \$44,999	7	4	7	4
\$75,000 to \$89,999	-	1	-	1
\$105,000 to \$119,999	1	1	1	1
\$195,000 to \$209,999	-	3	-	3
\$210,000 to \$224,999	2	-	2	-
\$270,000 to \$284,999	-	1	-	1
\$285,000 to \$299,999	1	1	1	1
\$330,000 to \$344,999	-	1	-	1
\$735,000 to \$749,999	-	1	-	1
\$840,000 to \$854,999	1	-	1	-

	Consolidated		Parent Entity	
	2023 Number	2022 Number	2023 Number	2022 Number
Remuneration of executive officers				
\$120,000 to \$134,999	1	1	1	1
\$165,000 to \$179,999	-	1	-	1
\$180,000 to \$194,999	-	2	-	2
\$270,000 to \$284,999	-	1	-	1
\$300,000 to \$314,999	1	-	1	-
\$315,000 to \$329,999	1	-	1	-
\$330,000 to \$344,999	-	1	-	1
\$360,000 to \$374,999	1	-	1	-
\$435,000 to \$449,999	-	1	-	1
\$450,000 to \$464,999	1	2	1	2
\$465,000 to \$479,999	2	-	2	-
\$480,000 to \$494,999	1	2	1	2
\$735,000 to \$749,999	-	1	-	1
\$840,000 to \$854,999	1	-	1	-

JAMES COOK UNIVERSITY
Notes to the financial statements
for the year ended 31 December 2023

Note 9: Key Management Personnel Disclosures (cont'd)

(c) Key management personnel compensation

	Council Members		University Executive	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Short-term employee benefits	1,700	2,336	3,247	3,554
Post-employment benefits	259	326	534	547
Other long-term benefits	17	19	79	81
Termination benefits	-	-	-	156
Total key management personnel compensation	1,976	2,681	3,860	4,338

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

Remuneration for the University's key management personnel, other than the Vice Chancellor, reflect a banded structure approved by the Human Resources Committee of Council with the particular level of remuneration at contract commencement determined by the Vice Chancellor. Remuneration for the Vice Chancellor is determined by the Chancellor's Committee. Remuneration and other terms of employment for key management personnel are outlined in their individual employment contracts. Pay increases are determined by the Human Resources Committee for all key management personnel except the Vice Chancellor and by the Chancellor's Committee for the Vice Chancellor.

Remuneration packages for key management personnel comprise the following components:

- Base - consisting of base salary, allowances and leave entitlements paid;
- Non-monetary benefits - provision of vehicle and fringe benefits tax applicable; and
- Long service leave accrued and employer superannuation contributions.

Performance bonuses may be payable annually depending upon satisfaction of predetermined criteria tied to individual targets and organisational performance. Performance payments are capped at 10% for Deputy Vice Chancellors and 15% for the Vice Chancellor. The bonuses for key management personnel other than the Vice Chancellor are determined by the Vice Chancellor. The Vice Chancellor's bonus is determined by the Chancellor's Committee.

(d) Loans to key management personnel

No loans were made to directors of the University or other key management personnel of the Group, including their personally related parties (2022: \$Nil).

(e) Other transactions with key management personnel

There were no other transactions with key management personnel, including their related parties, during the financial year (2022: \$Nil).

Note 10: Cash and Cash Equivalents

Accounting Policy

Cash and cash equivalents include 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.

	Consolidated		Parent Entity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Cash at bank and on hand	62,716	34,383	49,958	24,968
Term deposits (maturity less than 90 days or at call)	109,450	117,723	71,597	62,217
	172,166	152,106	121,555	87,185

The above figures are included as cash and cash equivalents in the Statement of Cash Flows.

(a) Cash at bank and on hand

Cash at bank deposits yield interest at floating rates of between 0.25% and 1.25% (2022: 0.00% and 1.05%)

(b) Cash held in trust

Cash held in trust deposits yield interest at floating rates of between 0.25% and 1.25% (2022: 0.00% and 1.05%)

(c) Term deposits

Short term deposits yield interest at floating rates of between 0.80% and 4.55% (2022: 0.28% and 3.55%). These deposits have a maturity date of less than 90 days or at call.

JAMES COOK UNIVERSITY
Notes to the financial statements
for the year ended 31 December 2023

Note 11: Receivables and Contract Assets

Accounting Policy

Classification and measurement

Trade receivables are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as debt instruments at amortised cost. Trade receivables are generally due for settlement within 30 days of the date of invoice. The carrying value less allowance for expected credit losses is a reasonable approximation of their fair values due to the short-term nature of trade receivables.

Expected credit losses

For trade receivables the Group applies a simplified approach in calculating expected credit losses. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime expected credit losses at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Contract assets

While a receivable is the Group's right to consideration that is unconditional, a contract asset is the Group's right to consideration in exchange for goods or services that the Group has transferred to the customer when that right is conditioned on satisfying the terms and performance obligations of the contract. The contract assets are associated with the Group's research contracts.

	Consolidated		Parent Entity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Receivables				
Current				
Debtors	7,316	13,916	15,594	24,181
Sundry loans and advances	6,504	5,661	4,767	4,073
Loans receivable from related parties	-	-	1,717	1,652
	<u>13,820</u>	<u>19,577</u>	<u>22,078</u>	<u>29,906</u>
Accrued revenue	26,914	26,528	26,878	26,502
Impairment of statutory receivable	(22,759)	-	(22,759)	-
Allowance for expected credit losses	(1,011)	(2,223)	(804)	(1,704)
	<u>16,964</u>	<u>43,882</u>	<u>25,393</u>	<u>54,704</u>
GST receivable	6,967	4,995	7,124	5,102
	<u>23,931</u>	<u>48,877</u>	<u>32,517</u>	<u>59,806</u>
Non-current				
Loans receivable from related parties	-	-	23,760	25,183
	<u>-</u>	<u>-</u>	<u>23,760</u>	<u>25,183</u>
Contract assets				
Current				
Contract assets	3,565	3,169	2,999	2,639
	<u>3,565</u>	<u>3,169</u>	<u>2,999</u>	<u>2,639</u>

(a) Impaired receivables and contract assets

The allowance for expected credit losses for receivables of \$23.770m (2022: \$2.223m) is based on historical experience regarding the collectability of aged debts and also includes specific debtors. The allowance for expected credit losses for contract assets is \$Nil (2022: \$Nil). Information about the Group's credit exposures are disclosed in Note 23: Financial Risk Management.

As at 31 December 2023, trade and other receivables of \$10.247m (2022: \$16.127m) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. Ageing analysis is not considered material for disclosure.

Accrued revenue

Accrued revenue includes a franking credit of \$22.759m relating to franking credits receivable on the fully franked in specie dividend of IDP Education Limited (IDP) shares as part of the wind up of the Group's investment in Education Australia Limited (EAL). The Group recognised this amount as it considered that the franking credit tax offsets are refundable under Division 67 of the *Income Tax Assessment Act 1997* (Cth) (ITAA97). The Group sought legal advice on this matter which confirmed that the Group has a valid claim.

The Australian Taxation Office (ATO) issued a Notice of Amended Assessment on 11 October 2023 rejecting the Group's claim for the refund of the franking credits under section 207-112 of the ITAA97. The Group has received legal advice following the receipt of the ATO Tax Assessment and the Group's view, supported by legal advice, remains that it is entitled to receive the franking credits refund. At the date of this report, the legal advisor has formally objected to the Notice of Amended Tax Assessment issued by the ATO. As at 31 December 2023, the Group has advice that there is sufficient evidence to support the initial recognition of the statutory receivable until the ATO rules otherwise. Despite this, as the assessment has been amended and the refund withdrawn, there is increased uncertainty around the collectability of the statutory receivable. The Group have formed a position to impair the statutory receivable until such time as additional information is available to support a favourable outcome through the objection process or further legal action. The Group lodged an objection on 7 December 2023.

Note 12: Other Financial Assets and Liabilities

Accounting Policy

Classification

The Group classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income (OCI) or through the Statement of Comprehensive Income), and
- Those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the Statement of Comprehensive Income or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVTOCI).

The Group reclassifies debt investments only when its business model for managing those assets changes.

Recognition and De-recognition

Regular purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, in the case of a financial asset not at fair value through the Statement of Comprehensive Income (FVTPL), the Group measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in the Statement of Comprehensive Income.

Debt Instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on de-recognition is recognised directly in profit or loss and presented in other gains / (losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the Statement of Comprehensive Income.
- **FVTOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains / (losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains / (losses) and impairment expenses are presented as separate line item in the Statement of Comprehensive Income.
- **FVTPL:** Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other gains / (losses) in the period in which it arises.

Equity Instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the de-recognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in other gains / (losses) in the Statement of Comprehensive Income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

Expected credit losses

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

JAMES COOK UNIVERSITY
Notes to the financial statements
for the year ended 31 December 2023

Note 12: Other Financial Assets and Liabilities (cont'd)

		Consolidated		Parent Entity	
		2023	2022	2023	2022
		\$'000	\$'000	\$'000	\$'000
Other Financial Assets					
Current					
Other financial asset at amortised cost	12(a)	56,250	91,750	56,250	91,750
Financial assets at fair value through the profit and loss	12(b)	25,312	7,057	-	-
		81,562	98,807	56,250	91,750
Non-current					
Financial assets at fair value through the profit and loss	12(b)	106,453	78,370	105,903	77,864
Financial assets at fair value through other comprehensive income	12(c)	43,582	56,833	46,554	59,805
		150,035	135,203	152,457	137,669
(a) Other financial asset at amortised cost					
Current - at market value					
Term deposits (maturity greater than 90 days)		56,250	91,750	56,250	91,750
		56,250	91,750	56,250	91,750
(b) Financial asset at fair value through the profit and loss					
Current - at market value					
Financial assets at fair value through the profit and loss		25,312	7,057	-	-
		25,312	7,057	-	-
Non-current - at market value					
Listed securities - managed funds		106,453	78,370	105,903	77,864
		106,453	78,370	105,903	77,864
(c) Financial assets at fair value through other comprehensive income comprise					
Non-current - at market value					
Unlisted securities - shares		6,904	7,062	9,876	10,034
Listed securities - shares		36,678	49,771	36,678	49,771
		43,582	56,833	46,554	59,805

Financial assets at fair value through other comprehensive income 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.

JAMES COOK UNIVERSITY
Notes to the financial statements
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Note 12: Other Financial Assets and Liabilities (cont'd)

	Consolidated		Parent Entity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
(d) Other Reserves - fair value movements in other financial assets (amounts recognised directly in equity)				
Balance at the beginning of the year	4,537	15,806	4,818	16,751
Transfers / reclassifications	-	945	-	-
Gain / (loss) on equity instruments at fair value through other comprehensive income	(13,278)	(12,214)	(13,278)	(11,933)
Balance at the end of the year	<u>(8,741)</u>	<u>4,537</u>	<u>(8,460)</u>	<u>4,818</u>

Note 13: Non-current Assets Classified as Held for Sale

Accounting Policy

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of derecognition.

Non-current assets are not depreciated or amortised while they are classified as held for sale.

	Consolidated		Parent Entity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Buildings	2,736	5,403	-	-
	<u>2,736</u>	<u>5,403</u>	<u>-</u>	<u>-</u>

On 29 December 2022, the Group entered an Option to Purchase agreements with a third party to sell the freehold properties, 2 Sims Close #01-03, 01-04 Gemini @ Sims, Singapore 387298 ("properties") with a total consideration of \$6.473m. The expected handover date will be February 2023. During the financial year, a gain on disposal of \$0.947m was recorded for the sale of two freehold properties previously classified as non-current asset held for sale in the Statement of Financial Position as at 31 December 2022.

On 9 January 2024, the Group entered into an option to purchase agreement with a third party for the sale of a freehold property, for a net consideration of \$3.287m. Accordingly, the freehold property with a carrying value of \$2.736m has been reclassified as non-current asset held for sale in the Statement of Financial Position as at 31 December 2023.

Note 14: Property, Plant and Equipment

Accounting Policy

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.

On 15 December 2022, Queensland public universities were granted an exemption from complying with Queensland Treasury's Asset Policy – 'Non-Current Asset Policies for the Queensland Public Sector' (June 2022). The exemption applies for three reporting years, 31 December 2022, 31 December 2023 and 31 December 2024. Despite the exemption, the University has voluntarily elected to comply with the policy.

Land, buildings and infrastructure assets

Land, buildings and infrastructure assets are valued at fair value in accordance with the Queensland Treasury's Asset Policy – 'Non-Current Asset Policies for the Queensland Public Sector' (June 2022), 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.

JAMES COOK UNIVERSITY
Notes to the financial statements
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Note 14: Property, Plant and Equipment (cont'd)

Leasehold improvement assets

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

Library collections

In accordance with the 'Non-Current Asset Policies for the Queensland Public Sector' (June 2022) 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's Asset Policy – 'Non-Current Asset Policies for the Queensland Public Sector' (June 2022). The asset recognition threshold is \$5,000.

Museums and art

Museums and art are valued at fair value in accordance with Queensland Treasury's Asset Policy – 'Non-Current Asset Policies for the Queensland Public Sector' (June 2022). 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 museums and art, and rare books) are revalued with sufficient regularity but at least every five years in accordance with Queensland Treasury's Asset Policy – 'Non-Current Asset Policies for the Queensland Public Sector' (June 2022), 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.

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:

	2023	2022
Buildings	1.03% to 15.38%	1.03% to 19.40%
Infrastructure	0.89% to 20.00%	0.89% to 20.00%
Leasehold improvement assets	3.57% to 25.00%	3.57% to 27.03%
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.

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.

JAMES COOK UNIVERSITY
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Note 14: Property, Plant and Equipment (cont'd)

Consolidated	Land \$'000	Buildings \$'000	WIP \$'000	Plant and Equipment \$'000	Library Collections \$'000	Museums and Art \$'000	Leasehold Improvements \$'000	Infrastructure \$'000	Right of Use Assets \$'000	Total \$'000
As at 1 January 2022										
Cost	-	-	82,706	104,140	-	-	19,950	-	-	206,796
Fair value	51,732	1,267,011	-	-	1,558	1,843	-	198,988	70,036	1,591,168
Accumulated depreciation and impairment	-	(502,161)	-	(72,570)	-	-	(10,689)	(84,459)	(11,645)	(681,524)
Net book amount	51,732	764,850	82,706	31,570	1,558	1,843	9,261	114,529	58,391	1,116,440
Year ended 31 December 2022										
Opening net book amount	51,732	764,850	82,706	31,570	1,558	1,843	9,261	114,529	58,391	1,116,440
Additions / transfers (including from WIP)	(823)	57,791	(6,825)	6,400	-	42	5,841	377	462	63,265
Lease modifications	-	-	-	-	-	-	-	-	1,353	1,353
Revaluation / impairment	8,826	103,942	-	-	7	21	-	20,763	-	133,559
Depreciation expense	-	(25,967)	-	(7,245)	-	-	(2,178)	(5,146)	(6,831)	(47,367)
Disposals	(5,497)	-	-	(373)	-	-	(337)	-	-	(6,207)
Reclassification to held for sale	-	(5,403)	-	-	-	-	-	-	-	(5,403)
Effect of foreign currency translation	-	580	28	427	-	-	1,087	-	3,237	5,359
Closing net book amount	54,238	895,793	75,909	30,779	1,565	1,906	13,674	130,523	56,612	1,260,999
As at 31 December 2022										
Cost	-	-	75,909	168,870	-	-	46,933	-	-	291,712
Fair value	54,238	1,400,903	-	-	1,565	1,906	-	212,661	74,845	1,746,118
Accumulated depreciation and impairment	-	(505,110)	-	(138,091)	-	-	(33,259)	(82,138)	(18,233)	(776,831)
Net book amount	54,238	895,793	75,909	30,779	1,565	1,906	13,674	130,523	56,612	1,260,999
Year ended 31 December 2023										
Opening net book amount	54,238	895,793	75,909	30,779	1,565	1,906	13,674	130,523	56,612	1,260,999
Additions / transfers (including from WIP)	1,208	3,031	51,852	7,174	113	103	2,478	4,264	348	70,571
Lease modifications	-	-	-	-	-	-	-	-	(118)	(118)
Revaluation / impairment	(210)	111,138	-	-	132	(85)	-	8,944	-	119,919
Depreciation expense	-	(29,398)	-	(6,849)	-	-	(2,491)	(5,642)	(6,871)	(51,251)
Disposals	-	-	-	(230)	-	-	(13)	-	(1,982)	(2,225)
Reclassification to held for sale	-	(2,736)	-	-	-	-	-	-	-	(2,736)
Effect of foreign currency translation	-	37	11	17	-	-	149	-	577	791
Closing net book amount	55,236	977,865	127,772	30,891	1,810	1,924	13,797	138,089	48,566	1,395,950
As at 31 December 2023										
Cost	-	-	127,772	176,363	-	-	49,132	-	-	353,267
Fair value	55,236	1,551,772	-	-	1,810	1,924	-	225,869	73,553	1,910,164
Accumulated depreciation and impairment	-	(573,907)	-	(145,472)	-	-	(35,335)	(87,780)	(24,987)	(867,481)
Net book amount	55,236	977,865	127,772	30,891	1,810	1,924	13,797	138,089	48,566	1,395,950

JAMES COOK UNIVERSITY
Notes to the financial statements
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Note 14: 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	Right of Use Assets \$'000	Total \$'000
As at 1 January 2022										
Cost	-	-	81,391	99,245	-	-	14,589	-	-	195,225
Fair value	51,732	1,209,727	-	-	1,558	1,843	-	197,004	24,357	1,486,221
Accumulated depreciation and impairment	-	(495,228)	-	(72,116)	-	-	(10,175)	(83,974)	(11,392)	(672,885)
Net book amount	51,732	714,499	81,391	27,129	1,558	1,843	4,414	113,030	12,965	1,008,561
Year ended 31 December 2022										
Opening net book amount	51,732	714,499	81,391	27,129	1,558	1,843	4,414	113,030	12,965	1,008,561
Additions / transfers (including from WIP)	(823)	57,631	(7,975)	4,992	-	42	1,275	377	462	55,981
Lease modifications	-	-	-	-	-	-	-	-	952	952
Revaluation / impairment	8,826	97,187	-	-	7	21	-	20,763	-	126,804
Depreciation expense	-	(24,841)	-	(6,567)	-	-	(754)	(5,071)	(1,950)	(39,183)
Disposals	(5,497)	-	-	(63)	-	-	-	-	-	(5,560)
Closing net book amount	54,238	844,476	73,416	25,491	1,565	1,906	4,935	129,099	12,429	1,147,555
As at 31 December 2022										
Cost	-	-	73,416	97,578	-	-	15,864	-	-	186,858
Fair value	54,238	1,349,494	-	-	1,565	1,906	-	214,310	25,528	1,647,041
Accumulated depreciation and impairment	-	(505,018)	-	(72,087)	-	-	(10,929)	(85,211)	(13,099)	(686,344)
Net book amount	54,238	844,476	73,416	25,491	1,565	1,906	4,935	129,099	12,429	1,147,555
Year ended 31 December 2023										
Opening net book amount	54,238	844,476	73,416	25,491	1,565	1,906	4,935	129,099	12,429	1,147,555
Additions / transfers (including from WIP)	1,208	1,239	54,194	4,089	113	103	-	4,264	-	65,210
Lease modifications	-	-	-	-	-	-	-	-	(118)	(118)
Revaluation / impairment	(210)	106,636	-	-	132	(85)	-	8,944	-	115,417
Depreciation expense	-	(28,142)	-	(5,790)	-	-	(660)	(5,567)	(1,873)	(42,032)
Disposals	-	-	-	(228)	-	-	-	-	(1,982)	(2,210)
Closing net book amount	55,236	924,209	127,610	23,562	1,810	1,924	4,275	136,740	8,456	1,283,822
As at 31 December 2023										
Cost	-	-	127,610	101,439	-	-	15,864	-	-	244,913
Fair value	55,236	1,496,768	-	-	1,810	1,924	-	232,760	23,546	1,812,044
Accumulated depreciation and impairment	-	(572,559)	-	(77,877)	-	-	(11,589)	(96,020)	(15,090)	(773,135)
Net book amount	55,236	924,209	127,610	23,562	1,810	1,924	4,275	136,740	8,456	1,283,822

JAMES COOK UNIVERSITY
Notes to the financial statements
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Note 14: Property, Plant and Equipment (cont'd)

(a) Revaluation of non-current assets

In accordance with the University's policy on revaluation of assets as stated above, the details of the asset revaluations are as follows:

Asset Class	Full Revaluation Date	Full Valuation Basis	Interim Revaluation Date	Interim Valuation Basis
Land	30.06.2022	Independent	30.06.2023	Independent
Buildings	30.06.2022	Independent	30.06.2023	Independent
Infrastructure	30.06.2022	Independent	30.06.2023	Independent
Museum and Art	31.12.2023	Independent	31.12.2022	Independent
Library Collections (Rare Books)	31.12.2023	Independent	31.12.2022	Independent

An independent valuation of land assets was performed by Australian Pacific Valuers Pty Ltd (APV) on 30 June 2023. The fair value was assessed primarily by the direct comparison method and indexing the various unit rates. APV have provided an opinion stating that there has been no material change in value between the valuation date of 30 June 2023 and the University's financial reporting date of 31 December 2023.

On 30 June 2023 independent valuations of buildings and infrastructure assets was performed by APV using fair value principles. For buildings which have a specialised nature and have limited comparable sales on a 'going concern' basis, the current replacement cost method and indexation of the various unit rates has been used to determine fair value. The remaining buildings are primarily residential properties and have been valued using the direct comparison method and indexing the various unit rates. APV have provided an opinion stating that there has been no material change in value between the valuation date of 30 June 2023 and the University's financial reporting date of 31 December 2023.

An 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) on 30 June 2023. The valuation has been based on auction records, market information on artists and other sale information available. A subsequent desktop valuation has been performed by Ross Searle on 31 December 2023.

An independent valuation of the museum collection was undertaken by Ross Searle, Ross Searle and Associates, Brisbane (approved valuer of the Commonwealth Government's Cultural Gifts Program) on 30 June 2023. 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. A subsequent desktop valuation has been performed by Ross Searle on 31 December 2023.

The library collections asset comprises of three rare book collections held at the University's library. An independent valuation of the rare book collection was undertaken by Simon Taaffe, Sydney (approved valuer of the Commonwealth Government's Cultural Gifts Program) on 30 June 2023. The fair value has been assessed based on auction records, booksellers' catalogues and online databases of market information. A subsequent desktop valuation has been performed by Simon Taaffe on 31 December 2023.

Note 24(c) provides further details regarding the valuation techniques for the above classes of non-current assets.

	Consolidated		Parent Entity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Balance at the beginning of the year	597,513	463,954	580,920	454,116
Revaluation adjustments:				
Land	(210)	8,826	(210)	8,826
Buildings	111,138	103,942	106,636	97,187
Library collections	132	7	132	7
Museums and Art	(85)	21	(85)	21
Infrastructure	8,944	20,763	8,944	20,763
Total increment to asset revaluation surplus	119,919	133,559	115,417	126,804
Balance at the end of the year	717,432	597,513	696,337	580,920

Note 14.1: Right-of-Use Assets

Accounting Policy

Assessment of whether a contract is, or contains, a lease

At inception of a contract, the Group assesses whether a contract is, or contains a lease. A contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

The Group assesses whether:

- a. The contract involves the use of an identified asset – the asset may be explicitly or implicitly specified in the contract. A capacity portion of larger assets is considered an identified asset if the portion is physically distinct or if the portion represents substantially all the capacity of the asset. The asset is not considered an identified asset, if the supplier has the substantive right to substitute the asset throughout the period of use.
- b. The Group has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- c. The Group has the right to direct the use of the asset throughout the period of use – the Group is considered to have the right to direct the use of the asset only if either:
 - i. The Group has the right to direct how and for what purpose the identified asset is used throughout the period of use; or
 - ii. The relevant decisions about how and for what purposes the asset is used is predetermined and the Group has the right to operate the asset, or the Group designed the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use.

Accounting for leases – Group as lessee

In contracts where the Group is a lessee, the Group recognises a right-of-use asset and a lease liability at the commencement date of the lease, unless the short-term or low-value exemption is applied.

Right-of-use asset

A right-of-use asset is initially measured at cost comprising the initial measurement of the lease liability adjusted for any lease payments made before the commencement date (reduced by lease incentives received), plus initial direct costs incurred in obtaining the lease and an estimate of costs to be incurred in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

A right-of-use asset associated with land and buildings is subsequently measured at fair value. All other property, plant and equipment are measured as described in the accounting policy for property, plant and equipment in Note 14.

Concessionary (peppercorn) leases

Leased assets arising from significantly below market leases are measured at fair value at the inception of the lease whereas the lease liability is recognised at present value of peppercorn lease payment amounts. The difference between the right-of-use asset and lease liability is recorded as income in the Statement of Comprehensive Income under AASB 1058: *Income of Not-for-Profit Entities*.

AASB 2018-8: *Amendments to Australian Accounting Standards Right-of-Use Assets of Not-for-Profit Entities* provides an option for Not-for-Profit entities to not apply the fair value initial measurement requirements to below-market leases. The Group has exercised this option and as a result the Group's below-market leases have not been measured at fair value and have not been recognised as a right-of-use asset.

Dependencies on concessionary leases

The concessional leases listed below, because of their nature, play a significant role to the Group to further its objectives:

- Charters Towers, rural property (Fletcherview);
- Mackay Base Hospital, Level 1 (Mackay Education Research Centre);
- Orpheus Island, research station; and
- Townsville, Clinical Practice Building.

Nature and term of the lease

- Fletcherview is a thirty year special lease with the Department on Natural Resources and Water which expires in 2037. Its use is restricted to a field research station facility.
- Mackay Base Hospital, Level 1, is a forty year peppercorn lease which expires in 2051. Its use is restricted as a dedicated educational precinct for use by the University.
- Orpheus Island research station is a twenty year 'Interest in Protected Areas Authority' which expires in 2029. Its use is restricted as a marine and terrestrial research and educational facility.
- The University has a twenty year peppercorn lease on the first and second floors (part thereof) of the Clinical Practice Building which expires in 2033. Its use is restricted to a dental clinic, teaching spaces, multidisciplinary health clinics and allied health clinics.

JAMES COOK UNIVERSITY
Notes to the financial statements
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Note 14.1: Right-of-Use Assets (cont'd)

Buildings	Consolidated		Parent Entity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
At 1 January 2023	55,848	57,465	12,429	12,965
Additions of right-of-use assets	348	462	-	462
Disposals of right-of-use assets	(1,982)	-	(1,982)	-
Depreciation charge	(6,800)	(6,655)	(1,873)	(1,950)
Lease modifications	(118)	1,353	(118)	952
Effect of foreign currency translation	570	3,223	-	-
At 31 December 2023	47,866	55,848	8,456	12,429

Plant and Equipment

	Consolidated		Parent Entity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
At 1 January 2023	764	926	-	-
Depreciation charge	(71)	(176)	-	-
Effect of foreign currency translation	7	14	-	-
At 31 December 2023	700	764	-	-

Note 15: Trade and Other Payables

Accounting Policy

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.

	Consolidated		Parent Entity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Current				
Trade creditors	7,735	6,485	10,678	3,647
OS-HELP liability to Australian Government	2,863	1,297	2,863	1,297
Salary and related payables	2,389	1,261	2,010	879
Accrued expenses and other creditors	20,330	26,113	14,174	17,155
	33,317	35,156	29,725	22,978
Non-current				
OS-HELP liability to Australian Government	1,624	1,949	1,624	1,949
	1,624	1,949	1,624	1,949

Note 16: Borrowings

Accounting Policy

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.

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.

JAMES COOK UNIVERSITY
Notes to the financial statements
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Note 16: Borrowings (cont'd)

	Consolidated		Parent Entity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Current				
Unsecured				
Interest bearing	7,635	10,416	7,635	10,416
Non-interest bearing	553	553	553	553
Lease liabilities	6,074	6,341	1,705	2,231
	<u>14,262</u>	<u>17,310</u>	<u>9,893</u>	<u>13,200</u>
Non-current				
Unsecured				
Interest bearing	184,890	153,296	184,890	153,296
Non-interest bearing	1,088	1,642	1,088	1,642
Lease liabilities	47,294	54,766	9,159	13,103
	<u>233,272</u>	<u>209,704</u>	<u>195,137</u>	<u>168,041</u>

The consolidated interest-bearing liabilities represent outstanding loans of \$56.182m with the Queensland Treasury Corporation (QTC) and \$136.343m with the Northern Australia Infrastructure Facility (NAIF) (Parent Entity). The payout value at 31 December 2023 of the QTC loans outstanding is \$54.828m (2022: \$62.583m), the NAIF loans is \$136.225m (2022: \$99.014m), and the non-interest loan under the Catalyst Infrastructure Program is \$1.641m (2022: \$2.195m).

Non-current assets pledged as security for these liabilities: \$Nil (2022: \$Nil)

The University entered into two facility agreements with the Queensland Government in which the Queensland Government agreed to provide financial accommodation to the University to finance two capital building projects. The Queensland Government entered into a master facility agreement with the Commonwealth of Australia and NAIF under which NAIF agreed to provide the Queensland Government the financial accommodation necessary for the University's two capital building projects.

NAIF has financed the construction of the Technology Innovation Complex (TIC) and construction of new student accommodation. The TIC facility is for \$96m over twenty-five years, draw-downs commenced in 2021. The TIC building is expected to be completed in the first half of 2024 and then the TIC facility will revert from interest only to a principal and interest facility. The student accommodation facility is for \$46m over twenty-five years, draw-downs commenced in 2021. The student accommodation building was completed during 2022. The student accommodation facility is interest only until December 2025. Both buildings are located in Townsville on the Bebegu Yumba Campus, Douglas.

	Consolidated		Parent Entity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Borrowings are payable:				
- not later than one year	14,262	17,310	9,893	13,200
- later than one year and not later than five years	85,643	65,170	47,508	47,816
- later than five years	147,629	144,534	147,629	120,225
	<u>247,534</u>	<u>227,014</u>	<u>205,030</u>	<u>181,241</u>

(a) Reconciliation of liabilities arising from financing activities

	2022 \$'000	Cash flows \$'000	Non-cash changes		2023 \$'000
			Foreign exchange movements \$'000	Other \$'000	
Long-term borrowings	165,907	26,901	1,358	-	194,166
Lease liabilities	61,107	(8,103)	364	-	53,368
Total liabilities from financing activities	<u>227,014</u>	<u>18,798</u>	<u>1,722</u>	<u>-</u>	<u>247,534</u>

JAMES COOK UNIVERSITY
Notes to the financial statements
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Note 16.1: JCU as Lessee

Accounting Policy

Lease liabilities – JCU as Lessee

A lease liability is initially measured at the present value of unpaid lease payments at the commencement date of the lease. To calculate the present value, the unpaid lease payments are discounted using the interest rate implicit in the lease if the rate is readily determinable. If the interest rate implicit in the lease cannot be readily determined, the incremental borrowing rate at the commencement date of the lease is used. Lease payments included in the measurement of lease liabilities comprise:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date (e.g. payments varying on account of changes in CPI);
- Amounts expected to be payable by the lessee under residual value guarantees;
- The exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Subsequently, the lease liability is measured at amortised cost using the effective interest rate method resulting in interest expense being recognised as a borrowing cost in the Statement of Comprehensive Income. The lease liability is remeasured when there are changes in future lease payments arising from a change in an index or rate with a corresponding adjustment to the right-of-use asset. The adjustment amount is factored into depreciation of the right-of-use asset prospectively.

Right-of-use assets are presented within property, plant and equipment in Note 14.1 and lease liabilities are presented as borrowings in Note 16.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases i.e. leases with a lease term of 12 months or less and leases of low-value assets i.e., when the value of the leased asset when new is below the asset recognition threshold of its class or less. The Group recognises the lease payments associated with these leases as expense on a straight-line basis over the lease term.

Amounts recognised in the Statement of Comprehensive Income	Consolidated		Parent Entity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Interest on lease liabilities	358	2,480	355	426
Expenses relating to short-term leases	1,665	1,876	1,665	1,876
	2,023	4,356	2,020	2,302

Maturity analysis - undiscounted contractual cash flows	Consolidated		Parent Entity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Less than one year	8,184	8,854	1,993	2,646
One to five years	50,459	58,552	5,341	8,129
More than five years	56,233	6,191	5,004	6,191
Total undiscounted contractual cash flows	114,876	73,597	12,338	16,966
Lease liabilities recognised in the Statement of Financial Position	53,368	61,107	10,864	15,334
Current	6,074	6,341	1,705	2,231
Non-current	47,294	54,766	9,159	13,103

JAMES COOK UNIVERSITY
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Note 17: Employee Benefit Liability

Accounting Policy

Short-term employee benefits

Liabilities for short-term employee benefits including wages and salaries, annual leave, long service leave, 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 employee benefits liability. Sick leave is non-vesting, an expense is recognised when the leave is taken and measured at the rates paid.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within twelve months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to the expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated cash outflows.

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

Retirement benefit obligations

Employees of the Parent Entity are entitled to benefits on retirement, disability or death from the Parent Entity's superannuation plan. The Parent Entity 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 Parent Entity, 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 Parent Entity and the Parent Entity's legal or constructive obligation is limited to these contributions.

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

	Consolidated		Parent Entity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Current				
Annual leave	19,827	19,098	19,407	18,820
Long service leave	26,770	26,078	26,378	25,765
	46,597	45,176	45,785	44,585
Non-current				
Long service leave	2,820	3,371	2,763	3,319
	2,820	3,371	2,763	3,319
	49,417	48,547	48,548	47,904

Liability for employee benefits

Current annual leave for the Consolidated and Parent Entity expected to be settled wholly after more than 12 months is \$2.656m (2022: \$2.947m). Current long service leave for the Consolidated and Parent Entity expected to be settled wholly after more than 12 months is \$24.864m (2022: \$24.940m).

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.

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Note 18: Other Liabilities

	Consolidated		Parent Entity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Other liabilities				
Current				
Funds held in trust	5,902	5,938	676	712
	5,902	5,938	676	712
Non-current				
Make good provision - leased premises	2,245	2,217	-	-
	2,245	2,217	-	-
Contract liabilities				
Current				
Unearned revenue	132,863	113,124	113,378	95,250
Australian Government unspent financial assistance	14,771	6,238	14,771	6,238
Other contract liabilities	7,180	6,819	7,180	6,819
	154,814	126,181	135,329	108,307
Non-current				
Australian Government unspent financial assistance	3,081	3,697	3,081	3,697
	3,081	3,697	3,081	3,697

Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period was \$70.356m (2022: \$32.788m) (Parent: \$52.482m (2022: \$47.001m)).

Note 19: Commitments for Expenditure

	Consolidated		Parent Entity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Capital expenditure commitments				
Contracted but not provided for and payable:				
- not later than one year	27,666	32,667	27,666	32,667
- later than one year and not later than five years	28,992	1,204	28,992	1,204
	56,658	33,871	56,658	33,871
Operating lease commitments				
Future operating lease rentals of property, plant and equipment not provided for and payable:				
- not later than one year	1,056	1,492	1,056	1,275
- later than one year and not later than five years	1,858	8,093	1,858	7,007
	2,914	9,585	2,914	8,282
Other contractual commitments				
Future contractual commitments not provided for and payable:				
- not later than one year	47,109	19,895	47,109	19,895
- later than one year and not later than five years	45,126	31,310	45,126	31,310
	92,235	51,205	92,235	51,205
Total commitments for expenditure	151,807	94,661	151,807	93,358

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Note 20: Contingencies

As at 31 December 2023 there are no known contingencies which are likely to materially affect the Group's financial position.

Note 21: Investment in Controlled Entities and Jointly Controlled Operations and Assets

	Note	Reporting date	Country of incorporation	Class of shares	Holding * 2023 %	Holding * 2022 %
JCU Enterprises Pty Ltd	(a)	31 Dec	Australia	Ordinary	100	100
JCU Innovation Holdings Ltd		31 Dec	UAE	Ordinary	100	-
James Cook Holdings Pte Ltd		31 Dec	Singapore	Ordinary	100	100
James Cook University Pte Ltd		31 Dec	Singapore	Ordinary	100	100
Tropical Futures Institute Ltd		31 Dec	Singapore	-	-	-
James Cook Academy Pte Ltd		31 Dec	Singapore	Ordinary	100	100
James Cook Institute Pte Ltd (formerly Eagle Infotech Consultants 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 College Pty Ltd	(h)	31-Dec	Australia	Ordinary	100	100
Discover Sport Ltd	(i)	31-Dec	Australia	-	-	-

Purpose & Principal Activity

(a) JCU Enterprises Pty Ltd's purpose and principal activity is a holding company and holds all the shares in JCU Innovation Holdings Ltd and James Cook Holdings Pte Ltd which in turn holds the investment in James Cook University Pte Ltd and controlled entities.

(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 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 College Pty Ltd's purpose and principal activity is the provision of the University's English for Academic Purposes Course. The company was deregistered on 23 August 2023.

(i) Discover Sport Ltd's purpose and principal activity is to help, foster and encourage games and sport, to provide sporting opportunities for students, staff and alumni of the University; members of JCU affiliated sports clubs; and members of the community in which JCU students study.

*Holding represents the shareholdings and voting rights in each entity.

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Note 21: Investment in Controlled Entities and Jointly Controlled Operations and Assets (cont'd)

Directly Controlled Entities - 31 December 2023

	Total Assets \$'000	Total Liabilities \$'000	Total Revenue \$'000	Operating Result \$'000
JCU Enterprises Pty Ltd	131,379	76,079	95,525	7,682
JCU Early Learning Centres Pty Ltd	2,159	374	2,944	61
JCU Health Pty Ltd	1,682	273	3,684	(237)
JCU Univet Pty Ltd	741	2,099	8,824	(558)
North Queensland Commercialisation Company Pty Ltd	-	-	-	-
JCU CPB Pty Ltd	-	-	-	-
Tropical Queensland Centre for Oral Health Pty Ltd	2,378	936	6,296	73
JCU College Pty Ltd	-	-	3	(2)
Discover Sport Ltd	-	-	-	-

Directly Controlled Entities - 31 December 2022

	Total Assets \$'000	Total Liabilities \$'000	Total Revenue \$'000	Operating Result \$'000
JCU Enterprises Pty Ltd	137,665	90,577	81,130	4,261
JCU Early Learning Centres Pty Ltd	2,022	298	2,677	57
JCU Health Pty Ltd	1,811	164	2,997	(132)
JCU Univet Pty Ltd	881	1,681	6,261	(480)
North Queensland Commercialisation Company Pty Ltd	-	-	-	-
JCU CPB Pty Ltd	-	-	-	-
Tropical Queensland Centre for Oral Health Pty Ltd	1,897	529	5,818	9
JCU College Pty Ltd	55	21	1	33
Discover Sport Ltd	-	-	-	-

Indirectly Controlled Entities

	Note	Holding * 2023 %	Holding * 2022 %
JCU Innovation Holdings Ltd	(i)	100	-
James Cook Holdings Pte Ltd	(ii)	100	100
James Cook University Pte Ltd		100	100
Tropical Futures Institute Ltd	(iii)	-	-
James Cook Academy Pte Ltd	(iv)	100	100
James Cook Institute Pte Ltd	(v)	100	100
JCU Asset Trust		-	-
CPB Trust		-	-

(i) JCU Innovation Holdings Ltd is a wholly owned subsidiary of JCU Enterprises Pty Ltd. The company's principal activity is a holding company.

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

(iii) Tropical Futures Institute Ltd is a company limited by guarantee which was incorporated in Singapore on 11 April 2019 and is controlled by James Cook University Pte Ltd.

(iv) James Cook Academy Pte Ltd was incorporated in Singapore on 18 October 2021, is a wholly owned subsidiary of James Cook University Pte Ltd and holds all the shares of James Cook Institute Pte Ltd.

(v) James Cook Institute Pte Ltd was acquired by James Cook Academy Pte Ltd on 30 November 2021. The company's principal activity is conducting computer-training courses.

* Holding represents the shareholdings and voting rights in each entity.

Jointly Controlled Operations and Assets

(a) 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.

(b) 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.

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Note 22: Related Party Transactions

(a) Parent entity

The ultimate parent entity is James Cook University.

(b) Subsidiaries

Interest in subsidiaries is set out in Note 21.

(c) Key management personnel

Disclosures relating to Council members and executive officers are set out in Note 9.

(d) Transactions with related parties

The following transactions occurred with related parties:

	Parent Entity	
	2023	2022
	\$'000	\$'000
Revenue		
Interest received from subsidiaries	1,183	965
Royalties received from subsidiaries	12,052	11,456
Fees and charges received from subsidiaries	1,874	1,746
Rental received from subsidiaries	117	161
Expenses		
Grants, contributions to subsidiary	3,626	3,743
Fees paid to subsidiaries for seconded staff	2,342	2,267

(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:

	Parent Entity	
	2023	2022
	\$'000	\$'000
Current receivables - subsidiaries	11,000	1,809
Current payables - subsidiaries	-	-

An allowance for expected credit losses of \$Nil has been recognised in respect of bad or doubtful debts due from related parties in the current year (2022: \$Nil).

(f) Loans to / from related parties

	Parent Entity	
	2023	2022
	\$'000	\$'000
Loans to subsidiaries		
Balance at the beginning of the year	26,984	22,543
Loan advanced	-	4,441
Loan repayments received	(1,206)	-
Interest charged	1,183	965
Interest received	(1,183)	(965)
Balance at the end of the year	25,778	26,984

Loans to other related parties - \$Nil (2022: \$Nil)

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Note 23: 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 24, 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 2023	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	4.27%	62,716	109,450	-	-	-	172,166
Receivables	-	-	-	-	-	23,931	23,931
Other financial assets							
Other financial asset at amortised cost	4.27%	-	56,250	-	-	-	56,250
Financial assets at fair value through the profit and loss	-	-	-	-	-	131,765	131,765
Financial assets at fair value through other comprehensive income	-	-	-	-	-	43,582	43,582
		62,716	165,700	-	-	199,278	427,694
Financial Liabilities							
Payables	-	-	-	-	-	33,317	33,317
Borrowings	4.24%	-	19,947	107,377	225,035	-	352,358
		-	19,947	107,377	225,035	33,317	385,675
31 December 2022							
	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	1.44%	34,383	117,723	-	-	-	152,106
Receivables	-	-	-	-	-	48,877	48,877
Other financial assets							
Other financial asset at amortised cost	1.44%	-	91,750	-	-	-	91,750
Financial assets at fair value through the profit and loss	-	-	-	-	-	85,427	85,427
Financial assets at fair value through other comprehensive income	-	-	-	-	-	56,833	56,833
		34,383	209,473	-	-	191,137	434,993
Financial Liabilities							
Payables	-	-	-	-	-	35,156	35,156
Borrowings	4.31%	-	23,410	113,687	186,094	-	323,191
		-	23,410	113,687	186,094	35,156	358,347

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Note 23: Financial Risk Management (cont'd)

(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 2023, the translation adjustment of the foreign subsidiary's net assets to the Parent Entity's functional currency amounted to \$0.531m (2022: \$3.239m). 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. To minimise risk for any relatively material payments, the Group has entered into a hedging agreement with Queensland Treasury Corporation. For significant purchases the Group maintains foreign currency accounts to mitigate exchange fluctuation risk.

Derivatives and hedging activities

The Parent Entity received approval to undertake limited derivative transactions as cited in the *Statutory Bodies Financial Arrangements (Universities) Amendment Regulation 2017 SL No 13*. Transactions are limited to hedge against exposure to foreign currency rate movements in relation to the payment of annual library subscriptions and purchases of high value assets.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into, and are subsequently remeasured to their fair value. Changes in the fair value of derivative instruments that do not qualify for hedge accounting are recognised immediately in the Statement of Comprehensive Income. The Group designates certain derivatives as hedges of highly probable forecast transactions.

(i) Cash flow hedge

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

Amounts that have been recognised in other comprehensive income are reclassified from equity to profit or loss as a reclassification adjustment in the periods when the hedged item affects profit or loss (for instance when the forecast sale that is hedged takes place). The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in the Statement of Comprehensive Income within 'borrowing costs'.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in other comprehensive income from the period when the hedge was effective shall remain separately in equity until the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was recognised in other comprehensive income shall be reclassified to profit or loss as a reclassification adjustment. The replacement or rollover of a hedging instrument into another hedging instrument is not considered an expiration or termination if such replacement is documented as part of the hedging strategy. Additionally, it is not considered a termination or expiration if, as a consequence of law or constitution, parties to the hedging instrument agree to replace their original counterparty to become the new counterparty to each of the parties.

(ii) Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in the Statement of Comprehensive Income and are included in other income or other expenses. The Group did not enter into any derivative contracts during 2023.

(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 fixed rate interest-bearing borrowings obtained from Queensland Treasury Corporation, which provides cost-effective financing, independent external advice and management of debt pools.

(iii) Interest rate sensitivity analysis

Interest rate sensitivity analysis evaluates the outcome on operating result or equity if interest rates would change by +/- 1 per cent from the year end rates applicable to the Group's financial assets and liabilities. With all other variables held constant, the Group would have a surplus and equity increase / (decrease) of \$1.713m (2022: \$1.829m).

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Note 24: Fair Value Measurements

Accounting Policy

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 (i.e. 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 (i.e. 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 (i.e. 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 Group'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.

(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.

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 past 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	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Financial Assets				
Cash	172,166	152,106	172,166	152,106
Receivables	23,931	48,877	23,931	48,877
Other financial assets				
Other financial asset at amortised cost	56,250	91,750	56,250	91,750
Financial assets at fair value through the profit and loss	131,765	85,427	131,765	85,427
Financial assets at fair value through other comprehensive income	43,582	56,833	43,582	56,833
	427,694	434,993	427,694	434,993
Financial Liabilities				
Payables	33,317	35,156	33,317	35,156
Borrowings	247,534	227,014	315,326	237,389
	280,851	262,170	348,643	272,545

Note 24: 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 at amortised cost
- Financial assets at fair value through the profit and loss
- Financial assets at fair value through other comprehensive income
- 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: *Fair Value Measurement* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises 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 Group 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.

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Note 24: Fair Value Measurements (cont'd)

(b) Fair value hierarchy (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	31 December 2023			
		2023 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Recurring fair value measurements					
<i>Financial assets</i>					
Other financial asset at amortised cost	12	56,250	56,250	-	-
Financial assets at fair value through the profit and loss	12	131,765	131,765	-	-
Financial assets at fair value through other comprehensive income					
Unlisted and listed shares	12	43,582	36,677	-	6,905
Total financial assets recognised at fair value		231,597	224,692	-	6,905
<i>Non-financial assets</i>					
Land	14	55,236	-	18,474	36,762
Buildings	14	977,865	-	6,100	971,765
Infrastructure	14	138,089	-	-	138,089
Library collections	14	1,810	-	-	1,810
Museums and art	14	1,924	-	-	1,924
Total non-financial assets recognised at fair value		1,174,924	-	24,574	1,150,350

	Note	31 December 2022			
		2022 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Recurring fair value measurements					
<i>Financial assets</i>					
Other financial asset at amortised cost	12	91,750	91,750	-	-
Financial assets at fair value through the profit and loss	12	85,427	85,427	-	-
Financial assets at fair value through other comprehensive income					
Unlisted shares	12	56,833	49,770	-	7,063
Total financial assets recognised at fair value		234,010	226,947	-	7,063
<i>Non-financial assets</i>					
Land	14	54,238	-	17,476	36,762
Buildings	14	895,793	-	5,613	890,180
Infrastructure	14	130,523	-	-	130,523
Library collections	14	1,565	-	-	1,565
Museums and art	14	1,906	-	-	1,906
Total non-financial assets recognised at fair value		1,084,025	-	23,089	1,060,936

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 (2022: no transfers). For transfers in and out of level 3 measurements see (d) below.

Note 24: Fair Value Measurements (cont'd)

(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 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 (e.g. 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 have been considered to have level 2 inputs. Due to the characteristics of the University's land assets on both the Townsville and Cairns campuses, level 3 valuation inputs have been assigned.

The University has buildings that are primarily residential properties. These have been categorised as level 2 and have been valued using the direct comparison approach. This is based on sales of similar residential properties having regard to the standard of improvements, building size, accommodation provided, and number of dwelling units and market conditions at the time of sale.

The remaining 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 comprises of three 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.

JAMES COOK UNIVERSITY
Notes to the financial statements
for the year ended 31 December 2023

Note 24: Fair Value Measurements (cont'd)

(d) Reconciliation of recurring Level 3 fair value measurements

	Unlisted Shares \$'000	Land \$'000	Buildings \$'000	Infrastructure \$'000	Library Collections \$'000	Museums and Art \$'000	Total \$'000
Level 3 Fair Value Measurements 2023							
Opening balance	7,063	36,762	890,180	130,523	1,565	1,906	1,067,999
Additions/transfers (including from WIP)	26	-	2,626	4,264	113	103	7,132
Transfers out of level 3	-	-	(2,735)	-	-	-	(2,735)
Depreciation	-	-	(29,273)	(5,642)	-	-	(34,915)
Recognised in other comprehensive income	(184)	-	110,967	8,944	132	(85)	119,774
Closing balance	6,905	36,762	971,765	138,089	1,810	1,924	1,157,255

	Unlisted Shares \$'000	Land \$'000	Buildings \$'000	Infrastructure \$'000	Library Collections \$'000	Museums and Art \$'000	Total \$'000
Level 3 Fair Value Measurements 2022							
Opening balance	7,467	33,275	752,292	114,529	1,558	1,843	910,964
Additions/transfers (including from WIP)	35	-	57,088	377	-	42	57,542
Transfers out of level 3	-	-	(5,403)	-	-	-	(5,403)
Depreciation	-	-	(25,785)	(5,146)	-	-	(30,931)
Recognised in other comprehensive income	(439)	3,487	111,988	20,763	7	21	135,827
Closing balance	7,063	36,762	890,180	130,523	1,565	1,906	1,067,999

JAMES COOK UNIVERSITY
Notes to the financial statements
for the year ended 31 December 2023

Note 24: Fair Value Measurements (cont'd)

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 affects fair value.

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 Vice Chancellor. 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 14(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 to 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 any 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 obsolescence and the determination of key depreciation related assumptions such as residual values, useful life and pattern of consumption of the future economic benefit.

Note 25: Events Occurring After the Balance Sheet Date

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

JAMES COOK UNIVERSITY
Notes to the financial statements
for the year ended 31 December 2023

Note 26: Reconciliation of Net Cash Inflow from Operating Activities to Operating Result

	Consolidated		Parent Entity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Net result for the period	(32,741)	(44,875)	(39,740)	(48,953)
Non-cash items				
Depreciation and amortisation	51,610	47,992	42,309	39,699
Work in progress adjustment	-	2	-	2
Net (gain) / loss on sale of property, plant and equipment	(1,425)	(310)	(478)	(310)
Unrealised foreign currency (gain) / loss	(102)	(253)	-	(253)
Gain/(loss) of financial asset through profit and loss	(7,862)	9,522	(6,221)	9,358
Loss on revaluation of investment in associate	(9)	88	-	-
Changes in assets and liabilities associated with operating activities				
Decrease / (Increase) in receivables	29,030	(5,574)	27,559	(5,917)
Decrease / (Increase) in inventories	(7)	(20)	-	(27)
Decrease / (Increase) in other assets	2,308	(5,819)	3,172	(5,280)
Increase / (Decrease) in creditors	(8,877)	2,722	(53,529)	(5,494)
Increase / (Decrease) in tax liability	21	(526)	-	-
Increase / (Decrease) in other liabilities	30,053	30,663	80,962	26,595
Increase / (Decrease) in employee benefits liability	679	(1,335)	644	(1,252)
Net cash inflow from operating activities	62,678	32,277	54,678	8,168

JAMES COOK UNIVERSITY
Notes to the financial statements
for the year ended 31 December 2023

Note 27: Acquittal of Australian Government Financial Assistance

Education - CGS and Other Education Grants	Commonwealth Grants Scheme		Indigenous Student Success		Disability Support Program		Indigenous, Regional and Low-SES Attainment Fund		National Priorities Pool	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in cash during the reporting period	162,618	158,764	2,818	3,090	67	48	4,559	3,807	3,394	3,279
Net accrual adjustment	(1,083)	(844)	-	-	-	-	-	-	-	-
Revenue for the period	161,535	157,920	2,818	3,090	67	48	4,559	3,807	3,394	3,279
Surplus / (deficit) from the previous year	-	-	319	319	-	-	387	-	-	-
Total revenue including accrued revenue	161,535	157,920	3,137	3,409	67	48	4,946	3,807	3,394	3,279
Less expenses including accrued expenses	(161,535)	(157,920)	(2,987)	(3,090)	(67)	(48)	(4,916)	(3,420)	(3,394)	(3,279)
Surplus / (deficit) for reporting period	-	-	150	319	-	-	30	387	-	-

	Strategic University Reform Fund		Regional Partnerships Project Pool Program		Total	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in cash during the reporting period	500	500	(11)	102	173,945	169,590
Net accrual adjustment	(92)	(364)	36	(36)	(1,139)	(1,244)
Revenue for the period	408	136	25	66	172,806	168,346
Surplus / (deficit) from the previous year	-	-	-	-	706	319
Total revenue including accrued revenue	408	136	25	66	173,512	168,665
Less expenses including accrued expenses	(408)	(136)	(25)	(66)	(173,332)	(167,959)
Surplus / (deficit) for reporting period	-	-	-	-	180	706

Higher Education Loan Programs (excl OS-HELP)	HECS-HELP Australian Gov't							
	Payments Only		FEE- HELP		SA-HELP		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash payable / (receivable) at beginning of year	1,562	4,193	2,155	443	497	291	4,214	4,927
Financial assistance received in cash during the reporting period	60,733	52,978	16,392	16,770	1,446	1,676	78,571	71,424
Cash available for period	62,295	57,171	18,547	17,213	1,943	1,967	82,785	76,351
Revenue earned	(56,488)	(55,609)	(12,013)	(15,058)	(1,454)	(1,470)	(69,955)	(72,137)
Surplus / (deficit) for reporting period	5,807	1,562	6,534	2,155	489	497	12,830	4,214

JAMES COOK UNIVERSITY
Notes to the financial statements
for the year ended 31 December 2023

Note 27: Acquittal of Australian Government Financial Assistance (cont'd)

Department of Education and Training Research	Research Training Program		Research Support Program		Total	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Financial assistance received in cash during the reporting period	10,432	11,196	7,199	7,318	17,631	18,514
Net accrual adjustment	-	-	-	-	-	-
Revenue for the period	10,432	11,196	7,199	7,318	17,631	18,514
Surplus / (deficit) from the previous year	-	-	-	-	-	-
Total revenue including accrued revenue	10,432	11,196	7,199	7,318	17,631	18,514
Less expenses including accrued expenses	(10,432)	(11,196)	(7,199)	(7,318)	(17,631)	(18,514)
Surplus / (deficit) for reporting period	-	-	-	-	-	-

**Total Higher Education Provider Research
Training Program Expenditure**

Research Training Program Fee Offsets
Research Training Program Stipends
Research Training Program Allowances
Total for all types of support

Total Domestic Students 2023 \$'000	Total Overseas Students 2023 \$'000
4,732	1,038
4,657	-
-	5
9,389	1,043

Australian Research Council Grants (a) Discovery	Projects		Future Fellowships		Indigenous Researchers Development		Laureate Fellowship		Early Career Researcher Award		Total	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Financial assistance received in cash during the reporting period	704	1,212	99	190	-	-	1,023	685	1,202	1,074	3,028	3,161
Transfers / return of grant	(186)	-	-	-	522	-	-	-	-	-	336	-
Net accrual adjustment	(86)	(366)	104	(17)	(519)	93	(284)	(17)	(473)	12	(1,258)	(295)
Revenue for the period	432	846	203	173	3	93	739	668	729	1,086	2,106	2,866
Surplus / (deficit) from the previous year	1,091	977	133	109	4	109	589	574	792	803	2,609	2,572
Total revenue including accrued revenue	1,523	1,823	336	282	7	202	1,328	1,242	1,521	1,889	4,715	5,438
Less expenses including accrued expenses	(469)	(732)	(308)	(149)	516	(198)	(454)	(653)	(255)	(1,097)	(970)	(2,829)
Surplus / (deficit) for reporting period	1,054	1,091	28	133	523	4	874	589	1,266	792	3,745	2,609

JAMES COOK UNIVERSITY
Notes to the financial statements
for the year ended 31 December 2023

Note 27: Acquittal of Australian Government Financial Assistance (cont'd)

Australian Research Council Grants (b) Linkages	Projects		Industrial Transformation Research Hubs		Early Career Industry Fellowships		Infrastructure		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in cash during the reporting period	695	653	1,063	1,026	94	-	234	-	2,086	1,679
Transfers / return of grant	-	(201)	-	-	-	-	-	-	-	(201)
Net accrual adjustment	(106)	(107)	77	(179)	(94)	-	857	-	734	(286)
Revenue for the period	589	345	1,140	847	-	-	1,091	-	2,820	1,192
Surplus / (deficit) from the previous year	725	636	950	904	-	-	-	-	1,675	1,540
Total revenue including accrued revenue	1,314	981	2,090	1,751	-	-	1,091	-	4,495	2,732
Less expenses including accrued expenses	(505)	(256)	(1,221)	(801)	94	-	(1,098)	-	(2,730)	(1,057)
Surplus / (deficit) for reporting period	809	725	869	950	94	-	(7)	-	1,765	1,675

Australian Research Council Grants (c) Networks and Centres	Centres		Special Research Initiatives		Total	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in cash during the reporting period	5,175	-	-	-	5,175	-
Transfers / return of grant	-	-	-	-	-	-
Net accrual adjustment	(5,094)	4	260	118	(4,834)	122
Revenue for the period	81	4	260	118	341	122
Surplus / (deficit) from the previous year	-	(35)	169	54	169	19
Total revenue including accrued revenue	81	(31)	429	172	510	141
Less expenses including accrued expenses	5,014	31	(81)	(3)	4,933	28
Surplus / (deficit) for reporting period	5,095	-	348	169	5,443	169

JAMES COOK UNIVERSITY
Notes to the financial statements
for the year ended 31 December 2023

Note 27: Acquittal of Australian Government Financial Assistance (cont'd)

OS-Help

	2023 \$'000	2022 \$'000
Cash received during the reporting period	2,407	1,497
Cash spent during the reporting period	(2,541)	(524)
Net cash received	<u>(134)</u>	<u>973</u>
Cash surplus / (deficit) from the previous period	4,620	3,647
Cash surplus / (deficit) for the reporting period	<u><u>4,486</u></u>	<u><u>4,620</u></u>

Student Services and Amenities Fee

	2023 \$'000	2022 \$'000
Unspent / (overspent) revenue from previous period	1,795	1,255
SA-HELP revenue earned	1,454	1,470
Student Services Fees direct from students	2,013	1,573
Total revenue expendable in period	<u>5,262</u>	<u>4,298</u>
Student Services expenses in period	<u>(2,539)</u>	<u>(2,503)</u>
Unspent / (overspent) Student Services revenue	<u><u>2,723</u></u>	<u><u>1,795</u></u>

Note 28: Disaggregated Information

	Revenue		Results		Assets	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Geographical - Consolidated Entity						
Australia	533,259	448,066	(40,423)	(49,136)	1,723,232	1,595,288
Singapore	95,525	81,130	7,682	4,261	131,379	137,667
	<u><u>628,784</u></u>	<u><u>529,196</u></u>	<u><u>(32,741)</u></u>	<u><u>(44,875)</u></u>	<u><u>1,854,611</u></u>	<u><u>1,732,955</u></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 2023 reporting period issued by the Department of Education, Skills and Employment.

JAMES COOK UNIVERSITY
Notes to the financial statements
for the year ended 31 December 2023

Note 29: US Department of Education Financial Responsibility Supplemental Schedule

This Schedule (Financial Responsibility Supplemental Schedule) is submitted as part of the financial statements submission. This Schedule contains all of the financial elements required to complete the composite score, as required by Federal Register FR092319.

The Schedule is intended to meet the information needs of specific users, with users of the financial report being limited to the University and the United States of America Department of Education.

Financial Statements Reference	Financial Element	2023 \$'000	2022 \$'000
	Primary Reserve Ratio: Expendable Net Assets		
Statement of Financial Position	Net Assets	1,271,319	1,208,920
Statement of Financial Position	Restricted Fund Portfolio - included in Retained Earnings	40,871	44,434
Net Assets as per Statement of Financial Position less Restricted Fund Portfolio Equity	Net assets without donor restrictions	1,230,448	1,164,486
Statement of Financial Position (included in Retained Earnings)	Net Assets with donor restrictions	40,871	44,434
	Annuities with donor restrictions	-	-
	Term endowments with donor restrictions	-	-
	Life income funds with donor restrictions	-	-
Statement of Financial Position (included in Retained Earnings)	Net Assets with donor restrictions: restricted in perpetuity	16,170	15,383
Statement of Financial Position (included in Retained Earnings)	Net Assets with donor restrictions: other for purpose or time	24,702	29,052
Note 11: Receivables and Contract Assets	Secured and unsecured related party receivables	25,477	26,835
Note 11: Receivables and Contract Assets	Unsecured related party receivables (current and non-current)	25,477	26,835
	Unsecured other related party assets	-	-
Note 14: Property, Plant and Equipment (construction in progress - WIP)	Construction in progress	127,610	73,416
	Property, Plant and Equipment, net - pre-implementation (includes capital leases)	1,156,212	1,074,139
	Property, Plant and Equipment, net - post-implementation with outstanding debt for original purchase (includes capital leases)	-	-
	Property, Plant and Equipment, net - post-implementation without outstanding debt for original purchase	-	-
Note 14: Property, Plant and Equipment	Property, Plant and Equipment, net (includes construction in progress and capital leases)	1,283,822	1,147,555
Note 14.1: Right-of-Use Assets	Lease Right-of-Use Assets, net	8,456	12,429
Note 14.1: Right-of-Use Assets	Lease Right-of-Use Assets - pre-implementation	8,456	12,429
	Lease Right-of-Use Assets - post-implementation	-	-

JAMES COOK UNIVERSITY
Notes to the financial statements
for the year ended 31 December 2023

Note 29: US Department of Education Financial Responsibility Supplemental Schedule (cont.)

Financial Statements Reference	Financial Element	2023 \$'000	2022 \$'000
Statement of Financial Position (included in Retained Earnings)	Intangible Assets	1,823	2,100
	Post-employment and pension Liabilities	-	-
Note 16: Borrowings (non-current)	Long-term debt - for long-term purposes	195,137	168,041
Note 16: Borrowings (non-current)	Long-term debt - for long-term purposes pre-implementation	195,137	168,041
	Long-term debt - for long term purposes post-implementation	-	-
	Line for credit for construction in progress	-	-
Note 16.1: JCU as Lessee	Lease Right-of-Use Asset liability	10,864	15,334
Note 16.1: JCU as Lessee	Pre-implementation Right-of-Use Leases Liabilities	10,864	15,334
	Post-implementation Right-of-Use Lease Liabilities	-	-
	Primary Reserve Ratio: Total Expenses and Losses		
Statement of Comprehensive Income (less restricted funds portfolio expenditure)	Total Expenses without donor restrictions	554,521	494,346
Statement of Comprehensive Income (less restricted funds portfolio expenditure)	Total Expenses without donor restrictions - taken directly from Statement of Activities	554,521	494,346
	Other components of net periodic pension costs	-	-
	Change in value of split-interest agreements	-	-
	Other Losses	-	-
	Equity Ratio: Modified Net Assets		
Net Assets per Statement of Financial Position less Restricted Fund Portfolio Equity	Net Assets without donor restrictions	1,230,448	1,164,486
Statement of Financial Position (included in Retained Earnings)	Net Assets with donor restrictions	40,871	44,434
Note 14.1: Right-of-Use Assets	Lease Right-of-Use Asset - pre-implementation	8,456	12,429
Note 16.1: JCU as Lessee	Pre-implementation Right-of-Use Leases Liabilities	10,864	15,334
Statement of Financial Position	Intangible Assets	1,823	2,100
Note 11: Receivables and Contract Assets	Unsecured related party receivables	25,477	26,835
	Unsecured other related party assets	-	-

JAMES COOK UNIVERSITY
Notes to the financial statements
for the year ended 31 December 2023

Note 29: US Department of Education Financial Responsibility Supplemental Schedule (cont.)

Financial Statements Reference	Financial Element	2023 \$'000	2022 \$'000
	Primary Reserve Ratio: Modified Assets		
Statement of Financial Position	Total Assets	1,695,332	1,575,708
Note 14.1: Right-of-Use-Assets	Lease Right-of-Use Asset - pre-implementation	8,456	12,429
Statement of Financial Position	Intangible Assets	1,823	2,100
Note 11: Receivables and Contract Assets	Unsecured related party receivables	25,477	26,835
	Unsecured other related party assets	-	-
	Net Income Ratio		
Statement of Comprehensive Income (less Restricted Funds Portfolio change in Net Assets)	Change in Net Assets without donor restrictions	65,963	59,545
Statement of Comprehensive Income	Total Revenues and Gains without donor restrictions	510,817	448,498
Statement of Comprehensive Income	Total Operating Revenue and other additions (gains)	516,721	447,003
	Non-Operating Revenue and other gains	-	-
Statement of Comprehensive Income (Restricted Funds Portfolio Income)	Investment return appropriated for spending	(5,904)	1,495

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* (Qld), the *Financial and Performance Management Standard 2019* (Qld) 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 with in 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 2023 to 31 December 2023, and the financial position as at 31 December 2023 in accordance with prescribed accounting standards and conform with the Financial Statement Guidelines for Australian Higher Education Providers for the 2023 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 Group 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 used 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;
 - (vi) James Cook University charged Student Services and Amenities Fees strictly in accordance with the *Higher Education Support Act 2003* (Cth) and the Administration Guidelines made under the Act. Revenue from the fee was spent strictly in accordance with the Act and only on services and amenities specified in subsection 19-38(4) of the Act; and
 - (vii) the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-Profits Commission Act 2012* (Cth).



N. J. Brown
Chancellor

Date 23 February 2024



S. R. Biggs
Vice Chancellor

Date 23 February 2024



D. M. Forster
Chief Financial Officer

Date 23 February 2024

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 audit of the financial report

Opinion

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

The financial report comprises the statements of financial position as at 31 December 2023, statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, notes to the financial statements including material accounting policy information, and the management certificate.

In my opinion, the financial report:

- a) gives a true and fair view of the parent's and group's financial position as at 31 December 2023, and their financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019, the *Australian Charities and Not-for-profits Commission Act 2012*, the Australian Charities and Not-for-profits Commission Regulations 2022 and Australian Accounting Standards.

Basis for opinion

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

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

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

Key audit matters

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

Valuation of specialised buildings (\$978 million) – refer Note 14

Key audit matter	How my audit addressed the key audit matter
<p>Specialised buildings were material to James Cook University at balance date and were measured at fair value using the current replacement cost method.</p> <p>The University performs a comprehensive revaluation of all of its buildings every five years, or whenever a material variation is expected to have occurred, with desktop valuations conducted in the intervening period. A comprehensive revaluation was conducted in 2022.</p> <p>The current replacement cost method comprises:</p> <ul style="list-style-type: none"> • gross replacement cost, less • accumulated depreciation <p>The university derived the gross replacement cost of its buildings at balance date through using unit prices that required significant judgements for:</p> <ul style="list-style-type: none"> • identifying the components of buildings with separately identifiable replacement costs • developing a unit rate for each of these components, including: <ul style="list-style-type: none"> • estimating the current cost for a modern substitute (including locality factors and on-costs), expressed as a rate per unit (e.g. \$/square metre) • identifying whether the existing building contains obsolescence or less utility compared to the modern substitute, and if so estimating the adjustment to the unit rate required to reflect this difference. <p>The measurement of accumulated depreciation involved significant judgements for forecasting the remaining useful lives of building components.</p> <p>The significant judgements required for gross replacement cost and useful lives are also significant for calculating annual depreciation expense.</p>	<p>My audit procedures included, but were not limited to:</p> <p>In a previous year when a comprehensive valuation was conducted:</p> <ul style="list-style-type: none"> • assessing the competence, capability and objectivity of the valuation specialist • assessing the adequacy of management’s review of the valuation process • obtaining an understanding of the methodology used and assessing the design, integrity and appropriateness using common industry practices • on a sample basis, evaluating the relevance, completeness, and accuracy of source data used to derive unit rates for the: <ul style="list-style-type: none"> ○ modern substitute ○ adjustment for excess quality or obsolescence. <p>In the current year when indexation was applied:</p> <ul style="list-style-type: none"> • evaluating the reasonableness of the indices used against other publicly available information about movements in values for replacement costs of similar assets • assessing the ongoing reasonableness of the asset useful lives by: <ul style="list-style-type: none"> ○ reviewing management’s annual assessment of useful lives ○ assessing the appropriateness of useful lives where assets were disposed of prior to the end of their useful lives ○ reviewing assets with an inconsistent relationship between condition and remaining life • performing reasonableness tests to confirm depreciation is calculated in accordance with the University’s accounting policies and industry standards.

Responsibilities of the entity for the financial report

The Council is responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019, the *Australian Charities and Not-for-profits Commission Act 2012*, the Australian Charities and Not-for-profits Commission Regulations 2022 and Australian Accounting Standards, and for such internal control as the Council determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the parent's and group's financial reporting process.

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of my responsibilities for the audit of the financial report is located at the *Auditing and Assurance Standards Board* website at:

https://www.auasb.gov.au/auditors_responsibilities/ar5.pdf

This description forms part of my auditor's report.

Report on other legal and regulatory requirements

Statement

In accordance with s. 40 of the *Auditor-General Act 2009*, for the year ended 31 December 2023:

- a) I received all the information and explanations I required.
- b) I consider that, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.

Prescribed requirements scope

The prescribed requirements for the establishment and keeping of accounts are contained in the *Financial Accountability Act 2009*, any other Act and the Financial and Performance Management Standard 2019. The applicable requirements include those for keeping financial records that correctly record and explain the entity's transactions and account balances to enable the preparation of a true and fair financial report.



29 February 2024

Jacqueline Thornley
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

Financial information for the year ended

The following pages contain the underlying operating results

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)

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) 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			
	2023 \$'000 Income	2023 \$'000 Expenditure	2022 \$'000 Income	2022 \$'000 Expenditure
Australian Government Capital Grants				
Dept. of Infrastructure, Regional Development & Cities	-	-	-	16
Dept. of Health	6,345	191	1,434	14
	<u>6,345</u>	<u>191</u>	<u>1,434</u>	<u>30</u>
Capital grant income less expenses (net)		<u>6,154</u>		<u>1,404</u>

(b) Non Recurring Employee Expenditure

Non-recurring employment expenditure has been incurred which is outside the University's normal operations.

	Parent Entity \$'000	
	2023	2022
Non-recurring employee expenditure	<u>5,063</u>	<u>4,227</u>

(c) Abnormal items - Unexpected Weather Event and University Halls of Residence Building Fire

During 2019, the University experienced two events which were abnormal to the ordinary operations of the University and in nature. As a result the University incurred considerable expenditure which it would otherwise not incur but for the events. In addition, the University received insurance proceeds which is income outside its normal operations. Income which is not available for normal operations. The University anticipated that both these matters would take time to settle which has resulted in expenditure not matching the income when received. The results for 2023 reveal that the income now exceeds the insurance expenditure.

	Parent Entity			
	2023 \$'000 Income	2023 \$'000 Expenditure	2022 \$'000 Income	2022 \$'000 Expenditure
Unexpected Weather Event - Townsville Floods	-	-	4	-
University Halls of Residence Building Fire	16	12	48	1,481
	<u>16</u>	<u>12</u>	<u>52</u>	<u>1,481</u>
Insurance proceeds income less expenses (net)		<u>4</u>		<u>(1,429)</u>

UNDERLYING OPERATING RESULTS (CONT'D)

(d) Unrealised investment gains / (losses)

The University's managed funds investment have been reclassified as debt instruments at fair value through profit and loss. Previously, the managed funds investment were classified as equity instruments designated at fair value through Other Comprehensive Income. This meant any unrealised gains and losses went through Other Reserves in the Statement of Changes in Equity. This treatment aligned with the University's practice of holding onto its investments with a long term view regarding gains. Following the reclassification all unrealised gains and losses now go through the Statement of Comprehensive Income. The result for 2023 as been adjusted to remove any short term unrealised gains or losses from financial assets at fair value through the Statement of Comprehensive Income.

	Parent Entity \$'000	
	2023	2022
Unrealised investment gains / (losses)	6,218	(9,358)

(e) Impairment of statutory receivable

On 30 August 2021, the University received an in-specie dividend from Education Australia Ltd with a franking credit of \$22.759m attached. In August 2022, the University lodged an application for refund of franking credits with the Australian Taxation Office (ATO). On 31 August 2022, the ATO assessed the University's refund application and credited the University's income tax statement account with \$22.759m. The ATO advised the sector that it was considering the transaction and on 6 October 2023 issued an amended assessment and debited the income tax statement account by \$22.759m. The University has received legal advice following the receipt of the ATO's amended assessment and the University's view, supported by legal advice, remains that it is entitled to receive the franking credits refund. Despite this, as the assessment has been amended and the refund withdrawn, there is increased uncertainty around the collectability of the statutory receivable. The University has formed a position to impair the statutory receivable until such time as additional information is available to support a favourable outcome through the objection process or further legal action. The University lodged an objection on 7 December 2023.

	Parent Entity \$'000	
	2023	2022
Impairment of statutory receivable	22,759	-

**Operating result adjusted for capital grant income
and associated expenses and other income and expenses**

	Parent Entity \$'000	
	2023	2022
Net operating result as per Statement of Comprehensive Income	(39,740)	(48,953)
(a) Less: capital grant income less expenses (net)	6,154	1,404
(b) Add: non-recurring employee expenditure	5,063	4,227
(c) Add: Insurance proceeds income less expenses (net)	(4)	1,429
(d) Less: unrealised investment gains / (losses)	6,218	(9,358)
(e) Add: impairment of statutory receivable	22,759	-
Adjusted net underlying operating result	(24,294)	(35,343)

Glossary

AARNet Australia's Academic and Research Network	CEC Community Education Counsellor
AASB Australian Accounting Standards Board	CEO Chief Executive Officer
AC Companion of the Order of Australia	CEQ Course experience questionnaire
ACIAR Australian Centre for International Agricultural Research	CGS Commonwealth Grant Scheme
ACMER Australian Centre for Minerals Extension and Research	CIC Cairns Innovation Centre
ACNC Australian Charities for Not-For-Profit Commission	CIPL Centre for Innovation in Professional Learning
ACOR Australian Council of Recycling	CoE Centre of Excellence
ACRA Accounting and Corporate Regulatory Authority	CPB Clinical Practice Building
ADGM Abu Dhabi Global Market	CPD Continuing Professional Development
AEC Animal Ethics Committee	CPE Continuing Professional Education
AHRC Australian Human Rights Commission	CPR Course Performance Report
AIMS Australian Institute of Marine Science	CQU Central Queensland University
AITHM Australian Institute of Tropical Health and Medicine	CRC Cooperative Research Centre
AJIE Australian Journal of Indigenous Education	CRM Customer Relations Management
ALTC Australian Learning and Teaching Council	CRN Collaborative Research Networks
AM Member of the Order of Australia	CSIRO Commonwealth Scientific and Industrial Research Organisation
ANU Australian National University	CSP Commonwealth Supported Places
AO Order of Australia	CTS Cyclone Testing Station
APAIE Asia Pacific Association for International Education	DR Division of Research
ARC Australian Research Council	DRO Daintree Rainforest Observatory
ARWU Academic Ranking of World Universities	DSR Division of Services and Resources
ASEAN The Association of Southeast Asian Nations	DVC Deputy Vice Chancellor
ASIC Australian Securities and Investments Commission	EAP Employee Assistance Program
ASX Australian Stock Exchange	ECR Early Career Researcher
ATFI Australian Tropical Forest Institute	EDRMS Electronic Document and Records Management System
ATH Australian Tropical Herbarium	EFTSL Equivalent full-time student load
ATSE Academy of Technological Sciences and Engineering	ERA Excellence in Research Australia
ATSIP Australian Tropical Sciences and Innovation Precinct	ERC Ethics Review Committee
ATSIS Aboriginal and Torres Strait Islander Studies Unit	ERM Enterprise risk management
AUQA Australian Universities Quality Agency	ERMS Electronic risk management system
AusAID Australian Agency for International Development	ESG Environmental, Social and Governance
CBD Central Business District	ESOL English for speakers of other languages
CDC Centre for Disease Control	FAQ Frequently asked questions
	FBT Fringe Benefits Tax
	FDA Food and Drug Administration
	FoR Fields of Research
	FTE Full-time equivalent
	GIS Geospatial information system
	GFA Gross floor area
	GOS Graduate Outcomes Survey
	GPA Grade Point Average
	GST Goods and services tax
	GXL Greencross Limited
	HDR Higher degree by research

hGH Human growth hormone

HECS-HELP A loan available to eligible students enrolled in Federal Government supported places

HEP Higher education provider

HEPPP Higher Education Participation and Partnerships Program

HERDC Higher Education Research Data Collection

HERS Higher education research and scholarship

HEWL Higher education worker level

HR Human resources

HREC Human Research Ethics Committee

HSMS Health and Safety Management System

iCEVAL Institutional course evaluations

ICT Information Communication Technology

IERC Indigenous Education and Research Centre

IFRS International financial reporting standards

IHCAP Indigenous Health Careers Access Program

IML Institute of Modern Languages

IoT Internet of Things

IP Intellectual property

IRU Innovative Research Universities

IT Information technology

JCU James Cook University

JCUA James Cook University Australian tropical campuses

JCUS James Cook University Singapore

JCUB James Cook University Brisbane

JRG Job-ready Graduates

JRGP Job-ready Graduates Package

KPI Key performance indicator

kL Kilolitre

kWh Kilowatt hours

LGBTIQ+ Lesbian, gay, bisexual, trans/transgender, intersex, queer, and other sexuality, gender, and bodily diverse people and communities

MIT Massachusetts Institute of Technology

MoU Memorandum of understanding

MP Member of Parliament

MRI Magnetic resonance imaging

MTSRF Marine and Tropical Sciences Research Facility

MTB Marine and Tropical Biology

NAIDOC National Aboriginal and Islander Day of Celebration

NERP National Environmental Research Program

NGO Non-government agency

NHMRC National Health and Medical Research Council

NQAA National Quality Assurance Authority

NIRAP National and International Research Alliances Program

NQCC North Queensland Commercialisation Company Pty Ltd

NZ New Zealand

OAM Medal of the Order of Australia

OBE Order of the British Empire

OER Open educational resource

ORIP Operational Recordkeeping Implementation Plan

OS HELP Student loan scheme

PAM

PBL Problem-based learning

PCBU Person conducting a business or undertaking

PET Positron emission tomography

PG Postgraduate

PhD Doctor of Philosophy

PNG Papua New Guinea

PSC Professional Services Change program

QAAFI Queensland Alliance for Agriculture and Food Innovation

QAO Queensland Audit Office

QCAT Queensland Civil and Administrative Tribunal

QHRC Queensland Human Rights Commission

QILT Quality Indicators for Learning and Teaching

QS

QSA Queensland State Archives

QTAAS Queensland Tropical Agriculture and Aquatic Sciences

QTAC Queensland Tertiary Admissions Centre

QTHA Queensland Tropical Health Alliance

QUT Queensland University of Technology

RATEP Remote Area Teacher Education Program

R&D Research and development

RHD Research higher degree

RHE Russo Higher Education

RIBG Research infrastructure block grant

RPA Remotely Piloted Aircraft

RTO Registered training organisation

RTS Research training scheme grant
SAMP Strategic Asset Management Plan
SDG Sustainable Development Goals
SES Socioeconomic status/Student Experience Survey
SFS Student feedback survey
SSAF Student Services and Amenities Fee
SSRFF Smart State Research Facilities Fund
SRIP Strategic Recordkeeping Implementation Plan
TAFE Technical and Further Education
TCC Townsville City Council
TEFMA Tertiary Education Facilities Management Association
TERN Terrestrial Ecosystem Research Network
TEQSA Tertiary Education Quality Standards Agency
TESOL Teaching English to speakers of other languages
TEVALS Teaching evaluations
TF Teaching focused
TFI Tropical Futures Institute
THE Times Higher Education
THHS Townsville Hospital and Health Service
TIC Townsville Innovation centre
TRI Translational Research Institute Queensland
TRIM Tower Records Information Management
TSXPO annual tertiary studies exhibition
TUH Townsville University Hospital
UA Universities Australia
UAE United Arab Emirates
UE University Executive
UG Undergraduate
UIIT Universities Innovation and Investment Trust
UIL Union Institute of Language
UK United Kingdom
ULMP University Level Performance Measure
UN United Nations
UNESCO United Nations Educational, Scientific and Cultural Organisation
UNICEF United Nations Children's Fund
UNSW University of New South Wales
UQ University of Queensland
USA United States of America
USC University of the Sunshine Coast
USFDA United States Food and Drug Administration
USQ University of Southern Queensland
UWA University of Western Australia
VC Vice Chancellor
VCAC Vice Chancellor's Advisory Committee
VET Vocational Education and Training
VM Virtual machine
VoIP Voice over Internet Protocol
WIL Work integrated learning
WIP Work in progress
WHO World Health Organisation
WHS Workplace Health and Safety
WHSQ Workplace Health & Safety Queensland

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