Annual Report **2015**

THE UNIVERSITY OF QUEENSLAND
AUSTRALIA

ANNUAL FINANCIAL STATEMENTS
VOLUME 1

Public availability note

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Front cover image: The UQ Oral Health Centre is Australia's largest and most advanced tertiary oral health facility, bringing together renowned academics and researchers, leading practitioners and top-tier students who are united by their passion to improve the lives of everyday Australians through better dental care.

ANNUAL FINANCIAL STATEMENTS

Foreword

The financial statements are general purpose financial reports prepared in accordance with prescribed requirements.

The financial statements comprise the following components:

Income Statements;
Statements of Comprehensive Income;
Statements of Financial Position;
Statements of Changes in Equity;
Statements of Cash Flows;
Notes to the Financial Statements;
Management Certificate; and
Independent Audit Report.

Within the above components, the financial statements have been aggregated into the following disclosures:

University (as an entity in its own right and to which the remainder of this Annual Report refers) – column headed Parent; and
Group (University and controlled entities: refer to Note 31 for a listing of these entities) – column headed Consolidated.

Financial Statements

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Expenses

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Disclosure Notes

Certificates

INCOME STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

		Consolidated		Parent	
		2015	2014	2015	2014
	Notes	$'000	$'000	$'000	$'000
Revenue from continuing operations					
Australian government financial assistance					
Australian government grants	2	**708,362**	731,885	**708,362**	731,731
HELP - Australian government payment	2(b)	**220,260**	216,536	**220,260**	216,536
State and local government financial assistance	3	**32,706**	38,187	**32,706**	38,187
HECS-HELP - Student payments		**28,881**	33,973	**28,881**	33,973
Fees and charges	4	**407,537**	367,074	**400,873**	360,625
Investment revenue	5(a)	**15,849**	16,569	**14,794**	16,340
Royalties, trademarks and licences		**28,355**	21,925	**11,357**	8,121
Consultancy and contracts	6	**187,903**	167,310	**170,865**	148,796
Other revenue	7(a)	**106,738**	136,693	**102,371**	124,288
Total revenue from continuing operations		**1,736,591**	1,730,152	**1,690,469**	1,678,597
Share of profit/(loss) on investments accounted for using the equity method	17	**(1,477)**	(895)	**-**	-
Other investment income	5(b)	**34,014**	6,911	**17,619**	9,136
Other income	7(b)	**5,574**	2,211	**4,724**	940
Total income from continuing operations		**1,774,702**	1,738,379	**1,712,812**	1,688,673
Expenses from continuing operations					
Employee related expenses	8	**960,097**	928,301	**935,599**	903,255
Depreciation and amortisation		**125,365**	121,292	**124,755**	120,391
Repairs and maintenance		**65,304**	67,394	**65,154**	67,070
Finance costs		**11,327**	13,108	**11,324**	13,102
Impairment of assets		**(842)**	564	**(1,275)**	550
Loss on disposal of assets		**3,596**	3,553	**3,661**	3,470
Other expenses	9	**551,283**	561,401	**538,044**	538,189
Total expenses from continuing operations		**1,716,130**	1,695,613	**1,677,262**	1,646,027
Operating result before income tax		**58,572**	42,766	**35,550**	42,646
Income tax (expense)/benefit	10(a)	**(90)**	-	**-**	-
Operating result after income tax for the period		**58,482**	42,766	**35,550**	42,646
Non-controlling interest		**(21)**	124	**-**	-
Operating result attributable to members of The University of Queensland		**58,503**	42,642	**35,550**	42,646

The accompanying notes form part of these financial statements.

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

	Consolidated		Parent	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Operating result after income tax for the period	**58,482**	42,766	**35,550**	42,646
Items that may be reclassified to profit or loss				
General reserve derecognised in the current year	**-**	200	**-**	-
Fair value adjustment from revaluation of land and buildings, net of tax	**(121,293)**	24,060	**(121,293)**	24,060
Items that will not be reclassified to profit or loss				
Fair value adjustment assets-available-for-sale reserve	**9,188**	-	**9,188**	-
Total comprehensive income for the year	**(53,623)**	66,626	**(76,555)**	66,706
Total comprehensive income attributable to:				
Members of the parent entity	**(53,602)**	66,502	**(76,555)**	66,706
Non-controlling interest	**(21)**	124	**-**	-
Total comprehensive income	**(53,623)**	66,626	**(76,555)**	66,706

The accompanying notes form part of these financial statements.

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2015

		Consolidated		Parent	
	Notes	**2015 $'000**	**2014 $'000**	**2015 $'000**	**2014 $'000**
ASSETS					
Current assets					
Cash and cash equivalents	12	**108,732**	58,620	**74,870**	42,012
Trade and other receivables	13	**84,198**	79,657	**75,553**	73,467
Inventories		**4,322**	4,149	**4,005**	3,647
Other financial assets	14	**213,211**	173,204	**213,211**	173,204
Non-current assets held for sale	15	**-**	20,585	**-**	20,585
Other assets	16	**8,431**	8,336	**7,940**	7,786
Total current assets		**418,894**	344,551	**375,579**	320,701
Non-current assets					
Trade and other receivables	13	**12,007**	-	**12,148**	1,006
Investments accounted for using the equity method	17	**32,712**	33,359	**-**	-
Property, plant and equipment	18	**2,742,959**	2,920,816	**2,741,323**	2,918,801
Deferred tax assets		**18**	-	**-**	-
Intangible assets	19	**29,752**	29,194	**29,743**	29,081
Other financial assets	14	**183,702**	153,496	**224,107**	196,794
Other assets	16	**14,000**	-	**14,000**	-
Total non-current assets		**3,015,150**	3,136,865	**3,021,321**	3,145,682
Total assets		**3,434,044**	3,481,416	**3,396,900**	3,466,383
LIABILITIES					
Current liabilities					
Trade and other payables	20	**80,341**	86,979	**70,530**	76,466
Borrowings	21	**15**	22	**-**	-
Provisions	22	**155,726**	153,236	**153,597**	150,959
Current tax liabilities	23	**-**	1	**-**	-
Other liabilities	24	**56,232**	49,826	**54,630**	48,163
Total current liabilities		**292,314**	290,064	**278,757**	275,588
Non-current liabilities					
Borrowings	21	**120,821**	118,260	**120,804**	118,228
Provisions	22	**34,064**	32,744	**33,409**	32,082
Total non-current liabilities		**154,885**	151,004	**154,213**	150,310
Total liabilities		**447,199**	441,068	**432,970**	425,898
Net assets		**2,986,845**	3,040,348	**2,963,930**	3,040,485
EQUITY					
Reserves	25(b)	**1,588,574**	1,700,679	**1,588,574**	1,700,679
Retained earnings	25(c)	**1,396,920**	1,337,759	**1,375,356**	1,339,806
Parent interest		**2,985,494**	3,038,438	**2,963,930**	3,040,485
Non-controlling interest	26	**1,351**	1,910	**-**	-
Total equity		**2,986,845**	3,040,348	**2,963,930**	3,040,485

The accompanying notes form part of these financial statements.

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

Parent

	Retained Earnings $'000	Reserves $'000	Non-controlling Interest $'000	Total $'000
Balance at 1 January 2014	1,297,160	1,676,619	-	2,973,779
Operating result for the period	42,646	-	-	42,646
Fair value adjustment from revaluation of property, plant and equipment	-	24,060	-	24,060
Total comprehensive income	42,646	24,060	-	66,706
Balance at 31 December 2014	1,339,806	1,700,679	-	3,040,485
Financial assets available-for-sale reserve	-	9,188	-	9,188
Operating result for the period	35,550	-	-	35,550
Fair value adjustment from revaluation of property, plant and equipment	-	(121,293)	-	(121,293)
Total comprehensive income	35,550	(112,105)	-	(76,555)
Balance at 31 December 2015	**1,375,356**	**1,588,574**	**-**	**2,963,930**

Consolidated

	Retained Earnings $'000	Reserves $'000	Non-controlling Interest $'000	Total $'000
Balance at 1 January 2014	1,295,117	1,676,819	1,622	2,973,558
Operating result for the period	42,642	-	124	42,766
General reserve derecognised in the current year	-	(200)	-	(200)
Fair value adjustment from revaluation of property, plant and equipment	-	24,060	-	24,060
Total comprehensive income	42,642	23,860	124	66,626
Contributions of equity	-	-	165	165
Balance at 31 December 2014	1,337,759	1,700,679	1,910	3,040,348
Operating result for the period	58,503	-	(21)	58,482
Fair value adjustment from revaluation of property, plant and equipment	-	(121,293)	-	(121,293)
Loss of non-controlling interest	658	-	(658)	-
Financial assets available-for-sale reserve	-	9,188	-	9,188
Total comprehensive income	59,161	(112,105)	(679)	(53,623)
Shares issued during the year	-	-	120	120
Balance at 31 December 2015	**1,396,920**	**1,588,574**	**1,351**	**2,986,845**

The accompanying notes form part of these financial statements.

STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2015

		Consolidated		Parent	
	Notes	2015 $'000	2014 $'000	2015 $'000	2014 $'000
CASH FLOWS FROM OPERATING ACTIVITIES:					
Australian government grants		**929,707**	952,120	**929,707**	951,966
OS-HELP (net)	2(g)	**1,226**	2,549	**1,226**	2,549
State and local government grants		**32,706**	38,187	**32,706**	38,187
HECS-HELP - Student payments		**35,407**	37,385	**35,407**	37,385
Receipts from student fees and other customers		**792,803**	718,162	**737,506**	656,618
Dividends and distributions received		**1,911**	5,167	**1,088**	5,167
Interest received		**10,013**	11,295	**9,742**	11,079
Payments to suppliers and employees		**(1,635,440)**	(1,579,611)	**(1,581,858)**	(1,517,828)
Interest expense		**(6)**	-	**(6)**	-
Income taxes (paid) / refunded		**(49)**	(3)	**-**	-
Net cash provided by / (used in) operating activities	27	**168,278**	185,251	**165,518**	185,123
CASH FLOWS FROM INVESTING ACTIVITIES:					
Proceeds from sale of property, plant and equipment and intangibles		**4,605**	1,700	**4,527**	1,630
Payments for property, plant and equipment		**(87,867)**	(116,692)	**(87,469)**	(116,211)
Proceeds from sale of other financial assets		**17,164**	1,644	**310**	328
Payments for other financial assets		**(2,408)**	(12,598)	**(815)**	(11,295)
Loans from/(to) controlled entities		**-**	-	**568**	(470)
Net (increase) / decrease in term deposits		**(40,007)**	12,283	**(40,007)**	12,283
Net cash provided by / (used in) investing activities		**(108,513)**	(113,663)	**(122,886)**	(113,735)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Proceeds from issue of shares		**119**	165	**-**	-
Proceeds from borrowings from external entity		**-**	1,000	**-**	1,000
Finance lease payments		**(8,727)**	(8,548)	**(8,701)**	(8,448)
Repayment of borrowings to an external party		**(1,000)**	(38,412)	**(1,000)**	(38,412)
Receipt/payment of monies held on behalf of third parties		**-**	(3,522)	**-**	(3,522)
Net cash provided by / (used in) financing activities		**(9,608)**	(49,317)	**(9,701)**	(49,382)
Net increase (decrease) in cash and cash equivalents held		**50,157**	22,271	**32,931**	22,006
Cash and cash equivalents at beginning of year		**58,620**	36,532	**42,012**	20,247
Effects of exchange rate changes on cash and cash equivalents		**(45)**	(183)	**(73)**	(241)
Cash and cash equivalents at end of financial year	12	**108,732**	58,620	**74,870**	42,012

The accompanying notes form part of these financial statements.

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

1 Summary of significant accounting policies

(a) Basis of preparation

These financial statements are a general purpose financial statement and have been prepared in accordance with the Australian Accounting Standards and the Financial and Performance Management Standard, issued under Section 57 of the *Financial Accountability Act 2009*, Australian Accounting Standards and the Financial Statement Guidelines for Australian Higher Education Providers for the 2015 reporting period issued by the Department of Education (DoE).
Additionally the statements have been prepared in accordance with the *Higher Education Support Act 2003.*

Date of authorisation for issue

The financial statements were authorised for issue by the members of The University of Queensland on 25 February 2016.

The University of Queensland 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 AIFRS requirements.

Historical cost convention

The financial report has been prepared under the historical cost convention, except for available for sale financial investments, financial assets at fair value through profit and loss and certain classes of property, plant and equipment, which have been measured at fair value.

Historical cost is generally based on the fair values of the consideration given in exchange for goods and services. All amounts are presented in Australian dollars, unless otherwise noted. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, leasing transactions that are within the scope of AASB 117, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in AASB 2 or value in use in AASB 136.

Rounding

Amounts in the financial report have been rounded off to the nearest thousand dollars, or in certain cases, the nearest dollar.

Accrual basis of accounting

The financial statements, except for cash flow information, have been prepared using the accrual basis of accounting.

Critical accounting estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the University's accounting policies.

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:

Fair value of financial assets and liabilities

The fair value of financial assets and financial liabilities must be estimated for recognition, measurement and disclosure purposes. Further information is contained in Note 1(j).

Fair value of property, plant and equipment

Land, buildings, infrastructure, land improvements, and some heritage and cultural assets are measured at fair value less any accumulated depreciation and accumulated impairment losses. Further information is contained in Note 1(l).

Impairment of assets

All non-current physical and intangible assets are assessed for impairment on an annual basis. Further information is contained in Note 1(g).

Useful lives

The useful lives of assets and residual values (where appropriate) are assessed annually and may vary depending on a number of factors. In assessing asset lives, factors such as technological innovation, wear and tear and maintenance programs are taken into account. An increase (decrease) in asset lives would result in a lower (higher) future period charge recognised in the income statement.

(b) Basis of consolidation

(i) Subsidiaries

The consolidated financial statements comprise the financial statements of The University of Queensland and its subsidiaries as at 31 December each year ('the Group').

Subsidiaries are all those entities (including structured entities) over which the Group has control. The Group has control over an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Power over the investee exists when the Group has existing rights that give it current ability to direct the relevant activities of the investee. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Returns are not necessarily monetary and can be only positive, only negative, or both positive and negative.

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

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

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

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity.

(ii) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for in the parent entity financial statements using the cost method and in the consolidated financial statements using the equity method of accounting, after initially being recognised at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition (refer to Note 17).

The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates are recognised in the parent entity's income statement, while in the consolidated financial statements they reduce the carrying amount of the investment.

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

(c) Foreign currency transactions and balances

Transaction and balances

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is The University of Queensland'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 of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

If gains or losses on non-monetary items are recognised in other comprehensive income, translation gains or losses are also recognised in other comprehensive income. Similarly, if gains or losses on non-monetary items are recognised in profit or loss, translation gains or losses are also recognised in profit or loss.

(d) Revenue

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

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

(i) Student fees

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

(ii) Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and can be measured reliably. Risks and rewards are considered to have passed to the buyer at the time of delivery of the goods to the customer.

(iii) Rendering of services

Revenue from rendering a service is recognised only when the entity has a right to be compensated, it is probable that compensation will be received, and the amount of revenue and the stage of completion of a transaction can be reliably measured.

(iv) Interest and royalties

Interest revenue is recognised on an accrual basis taking into account the interest rates applicable to the financial assets.

Fees and royalties paid for the use of the University's assets are recognised on an accrual basis in accordance with the substance of the relevant agreement.

(v) Contributions

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

Contributed assets are recognised at their fair value. Contributions of services are recognised only when a fair value can be determined reliably and the services would be purchased if they had not been donated.

(e) Income Tax

The University is exempt from paying income tax in Australia.

With the exception of the UQ Investment Trust, the University of Queensland Foundation Trust, UQ College Ltd, UQ Health Care Ltd, UQ Sport Ltd, IMBcom Asset Trust, UniQuest Pty Ltd, JKTech Pty Ltd, Symbiosis Pty Ltd, and UQ Holdings Pty Ltd, all of the controlled entities of the University are taxable entities with the charge for income tax expense based on profit for the year adjusted for any non-assessable or disallowed items. Where income tax is incurred, it is expensed and provided for in the financial period in which the tax is incurred.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax is provided on temporary differences which are determined by comparing the carrying amounts of tax bases of assets and liabilities to the carrying amounts in the consolidated financial statements.

Unrecognised deferred income tax assets are reassessed each reporting period and are recognised to the extent that it has become probable that the future taxable profit will allow the deferred tax asset to be recovered.

(f) Other taxes

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax (GST), except where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable. Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statements of Financial Position.

Cash flows are included in the Statements of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

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

(g) Impairment of assets

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

The asset's recoverable amount is determined to comply with *AASB 13 Fair Value Measurement* and *AASB 136 Impairment of Assets.* The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

An impairment loss is recognised immediately in the Income Statements, unless the asset is carried at a re-valued amount. When the asset is measured at a re-valued amount, the impairment loss is offset against the asset revaluation surplus of the relevant class to the extent available.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income, unless the asset is carried at a re-valued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

When an asset is revalued using either a market or income valuation approach, any accumulated impairment losses at that date are eliminated against the gross amount of the asset prior to restating for the revaluation.

(h) Cash and cash equivalents

Cash and short term deposits in the Statements of Financial Position comprise cash at bank and on hand and short term deposits with an original maturity of 90 days or less.

For the purposes of the Statements of Cash Flows, cash includes cash on hand, at call deposits with banks or financial institutions and investments in money market instruments maturing within less than 90 days and net of bank overdrafts.

(i) Trade receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are due for settlement no more than 30 days from the date of recognition.

Collectability of trade receivables is reviewed on an ongoing basis. All bad debts are written off in the year in which they are recognised and are charged against the operating result. A provision for impairment is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or delinquency in payments are considered indicators that the trade receivable is impaired. The balances of these allowances are set out in Note 13(a).

(j) Financial instruments

Financial assets are initially recognised at their fair value. Transaction costs directly attributable to the acquisition or issue are included unless the financial asset is held at fair value through profit or loss.

Subsequent to initial recognition, the University classifies its financial assets into the following categories: (i) financial assets at fair value through profit or loss, (ii) loans and receivables, (iii) held-to-maturity investments and (iv) available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place are recognised on the trade date, i.e. the date that the Group commits to purchase or sell the asset.

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

Financial assets are classified in this category if they are (1) held for trading or (2) designated as such by the University. They are measured at their fair value with any gain or loss arising from a change in fair value recognised in profit or loss. Those financial assets held for trading include investments in commercialisation entities held by UniQuest Pty Ltd and the UniQuest Asset Trust.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They have been classed as non-current where they are not expected to be recovered or settled within twelve months following year end. They are measured at amortised cost using the effective interest method.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities which the Group has a positive intention to hold to maturity. They are measured at amortised cost using the effective interest method.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date. They are measured at their fair value with any gain or loss arising from a change in fair value recognised directly in equity. Where the fair value cannot be measured reliably, the asset is measured at cost.

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.

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

Fair value

The fair value of investments traded in an active market is based on the quoted market prices at balance date. The fair value of investments that are not traded in an active market is estimated using valuation techniques consistent with accepted market practice. These include reference to the fair values of recent arm's length transactions, involving the same instruments or other instruments that are substantially the same and discounted cash flow analysis.

Investment in subsidiaries

Subsidiaries are those entities controlled by the University. Control exists when the University has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Investments in subsidiaries are recorded at cost in the University's parent financial statements.

Investment in associates

Associates are those entities which the University has significant influence, but not control, over the financial and operating policies.

Investments in associated entities are accounted for using the equity method of accounting in the University's consolidated financial statements and are recorded at fair value in the University's parent financial statements. Under the equity method, the share of profits or losses of the entity is recognised in the income statement, and the share of movements in reserves is recognised in the Statement of Comprehensive Income and the Statement of Changes in Equity.

Investments in associated entities which are commercialisation entities are recorded at fair value through profit or loss or as available-for-sale in both the University's parent and consolidated financial statements on the basis that this provides more relevant information than if valued using the equity method of accounting.

Impairment

The carrying value of all financial assets is assessed at balance date to determine if there is any objective evidence that a financial asset or group of financial assets is impaired. If any such evidence exists, an impairment loss is recognised in the Income Statement.

In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss – is removed from the Statement of Other Comprehensive Income and recognised in the Income Statement. Impairment losses recognised in the Income Statement on equity instruments are not reversed through the Income Statement.

De-recognition of financial instruments

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or when the financial assets are transferred to a third party.

Financial liabilities

Financial liabilities are initially recognised at their fair value. Transaction costs directly attributable to the acquisition are included unless the financial liability is held at fair value through profit or loss in which case they are expensed.

Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

(k) Non-current assets held for sale and discontinued operations

Non-current assets held for sale consist of those assets that management has determined are available for immediate sale in their present condition, for which their sale is highly probable within the next twelve months.

In accordance with *AASB 5 Non-current Assets Held for Sale and Discontinued Operations*, when an asset is classified as held for sale, its value is measured at the lower of the asset's carrying amount and fair value less costs to sell. Any restatement of the asset's value to fair value less costs to sell (in compliance with AASB 5) is a nonrecurring valuation. Such assets are no longer amortised or depreciated upon being classified as held for sale.

(l) Property, plant and equipment

Initial recognition

Purchases of property, plant and equipment are initially recognised at cost in the Statement of Financial Position. However, items that fall below the following asset recognition thresholds are expensed in the year of acquisition:

Asset class	Recognition threshold
Land	$1
Buildings	$10,000
Infrastructure	$10,000
Land improvements	$10,000
Leasehold improvements	$10,000
Plant and equipment	$5,000
Heritage and cultural assets	$1

The cost of property, plant and equipment includes the purchase or construction cost plus any costs or fees incidental to the purchase or construction of the asset.

Property, plant and equipment acquired by way of a finance lease is initially recognised at an amount equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments, using the interest rate implicit in the original lease contract as the discount factor. A corresponding liability for the lease payments is also to be recorded.

Items of property, plant and equipment that have been donated to the University are initially recognised at fair value.

Work in progress assets are initially recognised using the thresholds above that which apply to assets of the same functionality (e.g. buildings under construction would be recognised if the cost exceeds $10,000).

Subsequent recognition

Property, plant and equipment is recognised at the end of each reporting year in the Statement of Financial Position as follows:

Asset class	Carrying value
Work in progress	Cost
Land	Fair Value less impairment losses
Buildings	Fair value less accumulated depreciation and impairment losses
Infrastructure	Fair value less accumulated depreciation and impairment losses
Land improvements	Fair value less accumulated depreciation and impairment losses
Leasehold improvements	Cost less accumulated depreciation and impairment losses
Plant and equipment	Cost less accumulated depreciation and impairment losses
Heritage and cultural assets – reference collection	Fair value less accumulated depreciation and impairment losses
Heritage and cultural assets – heritage collection	Fair value less impairment losses
Heritage and cultural assets – museum collection	Fair value less impairment losses

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

Work in progress consists of buildings and infrastructure and land improvements assets that have not been completed at year end.

Heritage and cultural assets have been split into the following subclasses:

- The reference collection consists of both general and specialised publications. These items generally have a long useful life but are not held indefinitely.
- The heritage collection consist of items that have heritage, cultural or historic value that are worth preserving indefinitely and to which sufficient resources are committed to preserve and protect the collection and its service potential. The collection is not depreciated as management believe it does not lose value over time.
- The museum collection consists of art works and artefacts held by the University's Anthropology, Antiquities and Art Museums. The collection is not depreciated as management believe they do not lose value over time.

Property, plant and equipment acquired by way of a finance lease is subsequently recognised using the same criteria above that applies to assets fully owned by the University (e.g. leased plant and equipment is recorded at cost, leased buildings are recorded at fair value).

When assets held at fair value are revalued, the accumulated depreciation 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.

Increases in the carrying amounts arising on revaluations are recognised in other comprehensive income and accumulated in equity under the heading of revaluation surplus. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset class are also recognised in other comprehensive income to the extent of the remaining reserve attributable to the asset class. All other decreases are charged to the income statement.

Depreciation and impairment

Buildings, infrastructure, land improvements, plant and equipment and library reference collection assets are depreciated over their estimated economic useful lives using either the straight line or diminishing value method.

Leased assets and leasehold improvements assets are depreciated over the unexpired period of the lease. However, where the University is expected to retain the asset at the end of the lease period, the asset will be depreciated over its expected useful life.

The depreciation rates used are as follows:

Asset class	Method	Annual rate
Buildings	Straight line	1%–7%
Infrastructure	Straight line	1%–5%
Land improvements	Straight line	1%–10%
Leasehold improvements	Straight line	3%–8%
Plant and equipment	Straight line	10%–20%
Heritage and cultural assets – reference collection	Diminishing value	15%

Depreciation of property, plant and equipment commences when the asset is available for use. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each 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.

Valuations

Land, buildings, infrastructure and land improvements

The University performs a full valuation of its land, buildings, infrastructure and land improvements (1) every 4 years, or (2) where the asset class has experienced a significant and volatile change in value. This is performed by an independent professional valuer. In years when a full valuation is not performed, the University performs a desktop valuation. This is also performed by an independent professional valuer who uses appropriate and relevant indices based on the most recent full valuation.

The last full valuation was performed by AssetVal in 2015 (as at 31 December 2015).

In determining building areas, the valuer has relied on site plans provided by the University. Basic on-site measurements were only undertaken by the valuer where site plans were not available.

It is not possible for the valuer to sight all land improvement assets. Examples of assets which cannot be sighted include underground cables and pipes. The valuer has therefore relied on areas and quantities provided by the University.

Heritage and cultural assets – reference collection

The University performs a full valuation of its reference collection each year. This is performed internally based on the average cost of a publication.

Heritage and cultural assets – heritage collection

The University performs a valuation of its heritage collection every four years. The collection contains a large number of low dollar value items and it is therefore not practical for an independent professional valuer to sight all assets when a valuation is performed. As a result, the University only performs a full valuation on those assets that (1) have been acquired since the previous valuation, and (2) have been identified by the University as possibly experiencing a significant change in value. All other assets are subject to a desktop valuation. The last desktop valuation was performed by Barbara Palmer in 2013 (as at 31 December 2012). The last valuation of acquired items was performed by Barbara Palmer in 2015 (as at 31 December 2014).

Heritage and cultural assets – museum collection

The University performs a full valuation of its museum collection (1) every four to five years, or (2) where the collection has experienced a significant and volatile change in value. This is performed by a number of different independent professional valuers (depending on the type of collection). The most recent full valuations occurred between 2011 (as at 31 December 2011) and 2014 (as at 31 December 2014).

Subsequent costs and repairs and maintenance

Subsequent costs that are capital in nature are included in an asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the University and the cost of the item can be measured reliably.

Repairs and maintenance represent work performed to keep an asset in an operating condition and to ensure that the service originally expected of the asset is maintained. Repairs and maintenance is charged to the Income Statement during the reporting year in which it is incurred.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the year the asset is derecognised.

(m) Intangible assets

Intangible assets are initially recognised at cost in the Statement of Financial Position. With the exception of theses and the digital library collection, items that fall below the asset recognition threshold of $100,000 are expensed in the year of acquisition.

The theses and digital library collection recognition threshold is $1.

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

The cost of intangible assets includes the purchase or development cost plus any costs or fees incidental to the purchase or development of the asset.

Intangible assets that have been donated to the University are initially recognised at fair value.

Items recognised as intangible assets are as follows:

- Digital library collection of self-generated and purchased items in a digital/electronic format.
- Intellectual property such as theses;
- Systems development expenditure including software WIP and software internally generated
- Software purchased; and
- Patents, trademarks and licenses.

Intangible assets are measured at the end of each reporting year at cost less accumulated depreciation and impairment losses. They are unable to be measured at fair value as there is no active market for such assets.

Intangible assets are amortised over their estimated economic useful lives using either the straight line or diminishing value method. The amortisation rates used are as follows:

Category	Method	Annual rate
Digital library collection	Diminishing value	15%
Intellectual property (theses)	Diminishing value	15%
Software internally generated	Straight line	12.5%
Software purchased	Straight line	20–33%
Patents, trademarks and licenses	Straight line	20–50%

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

An intangible asset is derecognised upon disposal or when no further future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the year the asset is derecognised.

(n) Trade payables

Trade creditors are recognised on receipt of the goods or services ordered and are measured at the agreed purchase/contract price, gross of applicable trade and other discounts. Amounts owing are unsecured and are generally settled on 30-day terms.

(o) Borrowings

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

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

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 financing costs are recognised as an expense when incurred.

(p) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as a finance cost.

(q) Employee benefits

(i) Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable. Regardless of the expected timing of settlements, provisions made in respect of employee benefits are classified as a current liability, unless there is an unconditional right to defer the settlement of the liability for at least 12 months after the reporting date, in which case it is classified as a non-current liability.

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels and projected staff turnover rates based on age of staff. Expected future payments are discounted using the market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows. Provisions made are classified as a current liability for those employees who have reached the service period that allows them to take leave in service (i.e. they are unconditionally qualified) and for employees within one year of the unconditionally qualified service period.

(iii) Termination benefits

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

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

(r) Superannuation

The UniSuper Defined Benefit Division (DBD) is a multi-employer defined benefit plan under superannuation law but, as a result of amendments to Clause 34 of UniSuper, a defined contribution plan under *AASB 119 Employee Benefits.*

Clause 34 of the UniSuper Trust Deed outlines the action UniSuper will take if actuarial investigations determine there are insufficient funds to provide benefits payable under the UniSuper Trust Deed. If there are insufficient funds, the Trustees must reduce the benefits payable under Division A and Division B on a fair and equitable basis. There is no requirement for employers and members to be asked to "top up" their contributions in the event of a prolonged shortfall in the Defined Benefit Division.

(s) Adoption of new and revised accounting standards

During the current year, the following amended standards became mandatory and have been adopted by the Group:

- AASB 2013-9 *Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments (Part C: Financial Instruments)*
- AASB 2014-1 *Amendments to Australian Accounting Standards – Part A: Annual Improvements 2010-2012 and 2011-2013 Cycles.*
- AASB 2014-1 *Amendments to Australian Accounting Standards – Part B: Defined Benefit Plans: Employee Contributions Amendments to AASB 119.*
- AASB 2014-1 *Amendments to Australian Accounting Standards – Part C: Materiality.*

The accounting policies have been updated to reflect changes in the recognition and measurement of assets, liabilities, income and expenses and the impact of adoption of these standards is discussed below:

Reference	Description
AASB 2013-9 *Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments (Part C: Financial Instruments)*	This Standard is effective for annual reporting periods beginning on or after 1 January 2015 and therefore the Group has applied it for the first time in these financial statements. Part C of this standard amends AASB 9 *Financial Instruments* to add hedge accounting and to permit requirements relating to the "own credit risk" of financial liabilities measured at fair value to be applied without applying the other requirements of AASB 9 at the same time.
AASB 2014-1 *Amendments to Australian Accounting Standards – Part A: Annual Improvements 2010-2012 and 2011-2013 Cycles*	This Standard is effective for annual reporting periods beginning on or after 1 July 2014. The 2010-2012 cycle of this Standard sets out amendments to a number of IFRSs including clarification of the definitions in AASB 2 *Share-based Payment* and AASB 124 *Related Party Disclosures,* removing references to AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* in AASB 3 *Business Combinations* and requiring additional disclosures in AASB 9 *Operating Segments.* The 2011-2013 cycle of this Standard sets out amendments to IFRSs including clarification of the portfolio exception in paragraph 52 of AASB 13 *Fair Value Measurement* and clarification of items in AASB 140 *Investment Property.*
AASB 2014-1 *Amendments to Australian Accounting Standards – Part B: Defined Benefit Plans: Employee Contributions Amendments to AASB 119*	This Standard is effective for annual reporting periods beginning on or after 1 July 2014. The amendments to AASB 119 clarify how an entity should account for contributions made by employees or third parties to defined benefit plans, based on whether those contributions are dependent on number of years of service provided by the employee. The application of these amendments to AASB 119 does not have any impact in the Group's consolidated financial statements.
AASB 2014-1 *Amendments to Australian Accounting Standards – Part C: Materiality*	This Standard is effective for annual reporting periods beginning on or after 1 July 2014. Part C of this Standard makes amendments to particular Australian Accounting Standards to delete their references to AASB 1031 and does not have any material impact on the disclosures or the amounts recognised in the Group's consolidated financial statements.

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

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Group has decided against early adoption of these standards. The following table summarises those future requirements, and their impact on the Group:

Standard name	Effective date	Requirements	Impact
AASB 2014-3 *Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations*	1 January 2016	Adds new guidance to AASB 11 *Joint Arrangements* to address the accounting for the acquisition of an interest in a joint operation where those activities constitute a business.	The impact of this standard is expected to be minimal.
AASB 2014-4 *Clarification of Acceptable Methods of Depreciation and Amortisation*	1 January 2016	IAS 16 and IAS 38 both establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. The IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The IASB also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.	The impact of this standard is expected to be minimal.
AASB 2014-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)*	1 January 2018	This Standard makes amendments to a number of Australian Accounting Standards as a result of AASB 9 *Financial Instruments (December 2014)*	The impact of this standard is expected to be minimal
AASB 2014-9 *Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements*	1 January 2016	Amends paragraph 10 of IAS 27 *Separate Financial Statements* to allow an entity to use the equity method in these statements as an alternative to the current rules which require an entity to account for investments in subsidiaries, joint ventures and associates either at cost or in accordance with IFRS 9 *Financial Instruments.*	The impact of this standard is expected to be minimal.
AASB 2014-10 *Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	1 January 2016	The amendments require: • a full gain or loss to be recognised when a transaction involves a business (whether it is housing a subsidiary or not); and • a partial gain or loss to be recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.	The impact of this standard is expected to be minimal.
AASB 2015-1 *Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012 - 2014 Cycle*	1 January 2016	The amendment makes changes to a number of accounting policies including the methods of disposal in AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*, disclosure requirements in AASB 7 *Financial Instruments: Disclosures* and AASB 134 *Interim Financial Reporting* and clarification of discount rates utilised in AASB 119 *Employee Benefits*.	The impact of this standard is expected to be minimal.

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

Standard name	Effective date	Requirements	Impact
AASB 2015-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101*	1 January 2016	The Standard makes amendments to AASB 101 *Presentation of Financial Statements* arising from the IASB's Disclosure Initiative project.	The impact of this standard is expected to be minimal.
AASB 2015-3 *Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality*	1 July 2015	This Standard amends AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* to supersede AASB 1031 and deletes references to AASB 1031 in several Australian Accounting Standards.	The impact of this standard is expected to be minimal.
AASB 2015-5 *Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception*	1 July 2015	This makes amendments to AASB 10 *Consolidated Financial Statements*, AASB 12 *Disclosure of Interests in Other Entities* and AASB 128 *Investments in Associates and Joint Ventures* arising from the IASB's narrow scope amendments associated with Investment Entities.	The impact of this standard is expected to be minimal.
IFRS 15 *Revenue from Contracts with Customers*	1 January 2018	IFRS 15 establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps: (a) Step 1: Identify the contract(s) with a customer (b) Step 2: Identify the performance obligations in the contract (c) Step 3: Determine the transaction price (d) Step 4: Allocate the transaction price to the performance obligations in the contract (e) Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.	The Group will review its revenue recognition policies for contracts with customers. The Group has not yet determined the magnitude of any changes which may be needed. Some additional disclosures will be required.
IFRS 16 *Leases*	1 January 2019	The new Standard introduces three main changes: • Enhanced guidance on identifying whether a contract contains a lease. • A completely new lease accounting model for lessees that requires lessees to recognise all leases on balance sheet, except for short term leases and leases of low value assets. • Enhanced disclosures. Lessor accounting will not change significantly. The Australian Accounting Standards Board (AASB) has yet to issue the Australian equivalent of this Standard. It is expected that the AASB will issue the Australian Accounting Standard that incorporates the new Standard without modification, as soon as practicable.	IFRS 16 is not expected to have a significant impact on the Group. Additional disclosures will be required.

(t) Fair value

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

Observable inputs are publicly available data that are relevant to the characteristics of the assets/liabilities being valued. Observable inputs used by the University include, but are not limited to, published sales data for land and general office buildings.

Unobservable inputs are data, assumptions and judgements that are not available publicly, but are relevant to the characteristics of the assets/liabilities being valued. Significant unobservable inputs used by the University include, but are not limited to, subjective adjustments made to observable data to take account of the characteristics of the University's assets/liabilities, internal records of recent construction costs (and/or estimates of such costs) for assets' characteristics/functionality, and assessments of physical condition and remaining useful life. Unobservable inputs are used to the extent that sufficient relevant and reliable observable inputs are not available for similar assets/liabilities.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use.

More specific fair value information about the University's property, plant and equipment is outlined in Note 35.

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

2 Australian Government financial assistance

(a) Commonwealth Grants Scheme and Other Grants

		Consolidated		Parent	
		2015	**2014**	**2015**	**2014**
	Notes	**$'000**	**$'000**	**$'000**	**$'000**
Commonwealth Grant Scheme		**309,946**	304,775	**309,946**	304,775
Indigenous Support Program		**973**	1,033	**973**	1,033
Partnership & Participation Program		**4,116**	3,351	**4,116**	3,351
Disability Support Program		**125**	94	**125**	94
Promotion of Excellence in Teaching and Learning		**1,248**	1,171	**1,248**	1,171
Total Commonwealth Grants Scheme and Other Grants	36(a)	**316,408**	310,424	**316,408**	310,424

(b) Higher Education Loan Programmes (HELP)

		Consolidated		Parent	
		2015	**2014**	**2015**	**2014**
		$'000	**$'000**	**$'000**	**$'000**
HECS – HELP		**186,920**	182,916	**186,920**	182,916
FEE – HELP		**28,000**	28,390	**28,000**	28,390
VET FEE – HELP		**112**	210	**112**	210
SA-HELP payments		**5,228**	5,020	**5,228**	5,020
Total Higher Education Loan Programmes	36(b)	**220,260**	216,536	**220,260**	216,536

(c) Scholarships

		Consolidated		Parent	
		2015	**2014**	**2015**	**2014**
		$'000	**$'000**	**$'000**	**$'000**
Australian Postgraduate Awards		**24,615**	23,823	**24,615**	23,823
International Postgraduate Research Scholarships		**1,959**	1,940	**1,959**	1,940
Commonwealth Education Cost Scholarship		**34**	61	**34**	61
Commonwealth Accommodation Scholarships		**(32)**	102	**(32)**	102
Indigenous Access scholarships		**92**	80	**92**	80
Total Scholarships	36(c)	**26,668**	26,006	**26,668**	26,006

2 Australian Government financial assistance (continued)

(d) EDUCATION Research

	Notes	Consolidated 2015 $'000	Consolidated 2014 $'000	Parent 2015 $'000	Parent 2014 $'000
Joint Research Engagement Program		**30,311**	29,667	**30,311**	29,667
JRE Engineering Cadetships		**490**	366	**490**	366
Research Training Scheme		**62,180**	60,968	**62,180**	60,968
Research Infrastructure Block Grants		**28,425**	26,291	**28,425**	26,291
Sustainable Research Excellence in Universities		**23,074**	20,174	**23,074**	20,174
Total EDUCATION Research	36(d)	**144,480**	137,466	**144,480**	137,466

(e) Other Capital Funding

	Notes	Consolidated 2015 $'000	Consolidated 2014 $'000	Parent 2015 $'000	Parent 2014 $'000
Education Investment Fund		**700**	17,000	**700**	17,000
Total Other Capital Funding	36(e)	**700**	17,000	**700**	17,000

(f) Australian Research Council (ARC)

	Notes	Consolidated 2015 $'000	Consolidated 2014 $'000	Parent 2015 $'000	Parent 2014 $'000
(i) Discovery					
Projects		**28,437**	31,486	**28,437**	31,486
Fellowships		**26,434**	33,399	**26,434**	33,399
Indigenous Researchers Development		**189**	185	**189**	185
Total Discovery		**55,060**	65,070	**55,060**	65,070
(ii) Linkages					
Infrastructure		**1,500**	2,709	**1,500**	2,709
Projects		**8,413**	12,922	**8,413**	12,922
Total Linkages		**9,913**	15,631	**9,913**	15,631
(iii) Networks and Centres					
Centres		**14,285**	14,049	**14,285**	14,049
Total Networks and Centres		**14,285**	14,049	**14,285**	14,049
Total ARC	36(f)	**79,258**	94,750	**79,258**	94,750

2 Australian Government financial assistance (continued)

(g) Other Australian Government financial assistance

	Consolidated		Parent	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Non-capital				
National Health & Medical Research Council	**71,316**	72,164	**71,316**	72,164
Various Other Australian Government	**69,532**	68,475	**69,532**	68,321
Total	**140,848**	140,639	**140,848**	140,485
Capital				
Various Other Australian Government	**-**	5,600	**-**	5,600
Total	**-**	5,600	**-**	5,600
Total Other Australian Government Financial Assistance	**140,848**	146,239	**140,848**	146,085
Total Australian Government Financial Assistance	**928,622**	948,421	**928,622**	948,267

	Consolidated		Parent	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Reconciliation				
Australian Government Grants (a + c + d + e + f + g)	**708,362**	731,885	**708,362**	731,731
HECS – HELP	**186,920**	182,916	**186,920**	182,916
FEE – HELP	**28,000**	28,390	**28,000**	28,390
VET FEE – HELP	**112**	210	**112**	210
SA-HELP payments	**5,228**	5,020	**5,228**	5,020
Total Australian Government Financial Assistance	**928,622**	948,421	**928,622**	948,267

2 Australian Government financial assistance (continued)

(h) Australian Government Grants received – cash basis

		Consolidated		Parent	
		2015	2014	2015	2014
	Note	$'000	$'000	$'000	$'000
CGS and Other EDUCATION Grants		**316,409**	310,424	**316,409**	310,424
Higher Education Loan Programmes		**220,243**	219,596	**220,243**	219,596
Scholarships		**26,902**	26,006	**26,902**	26,006
EDUCATION research grants		**144,480**	137,465	**144,480**	137,465
Education Investment Fund		**700**	17,000	**700**	17,000
ARC grants – Discovery		**55,752**	65,070	**55,752**	65,070
ARC grants – Linkages		**10,078**	15,631	**10,078**	15,631
ARC grants – Networks and Centres		**14,285**	14,049	**14,285**	14,049
National Health & Medical Research Council grants		**71,316**	72,594	**71,316**	72,594
Other Australian Government Grants		**69,542**	74,285	**69,542**	74,131
Total Australian Government Grants received – cash basis		**929,707**	952,120	**929,707**	951,966
OS-Help (Net)	36(g)	**1,226**	2,549	**1,226**	2,549
Total Australian Government funding received – cash basis		**930,933**	954,669	**930,933**	954,515

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

3 State and local government financial assistance

	Consolidated		Parent	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Non-capital				
State government	**32,706**	38,187	**32,706**	38,187
Total state and local government financial assistance	**32,706**	38,187	**32,706**	38,187

4 Fees and charges

	Consolidated		Parent	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Course fees and charges				
Fee-paying overseas students	**341,109**	311,912	**341,109**	311,912
Continuing education	**5,345**	4,143	**5,268**	4,038
Fee-paying domestic postgraduate students	**10,668**	10,212	**10,668**	10,212
Fee-paying domestic undergraduate students	**2,544**	2,771	**2,544**	2,771
Fee-paying domestic non-award students	**517**	718	**517**	718
Total course fees and charges	**360,183**	329,756	**360,106**	329,651
Other non-course fees and charges				
Examination fees	**98**	313	**98**	313
Student services fees from students	**6,526**	3,412	**6,526**	3,412
Library fines	**614**	704	**614**	704
Parking fees and fines	**6,649**	5,343	**6,669**	5,349
Registration fees	**2,761**	2,305	**2,771**	2,305
Rental charges	**4,667**	4,701	**4,835**	4,851
Gym & sport fees	**6,900**	6,617	**-**	-
Student residential fees	**2,511**	2,481	**2,511**	2,481
State clinical loading	**68**	268	**68**	268
Other services	**16,560**	11,174	**16,675**	11,291
Total other fees and charges	**47,354**	37,318	**40,767**	30,974
Total fees and charges	**407,537**	367,074	**400,873**	360,625

5 Investment revenue and income

(a) Investment revenue

	Consolidated		Parent	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Interest from other entities	**10,788**	11,402	**10,515**	11,173
Dividends from other entities	**5,061**	5,167	**4,279**	5,167
Total investment revenue	**15,849**	16,569	**14,794**	16,340

(b) Investment income

	Consolidated		Parent	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Net fair value gains/(losses) on managed investment portfolio	**17,889**	9,207	**17,889**	9,207
Net fair value gains/(losses) on other financial assets	**(336)**	(1,450)	**(270)**	(71)
Net gain/(loss) on sale of other financial assets	**16,461**	(846)	**-**	-
Total other investment income	**34,014**	6,911	**17,619**	9,136

6 Consultancy and contracts

	Consolidated		Parent	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Research centres	**9,695**	9,140	**9,910**	9,206
Contract revenue - research	**147,574**	123,216	**142,884**	119,633
Consultancy fees	**27,183**	30,386	**15,355**	16,003
Contract revenue - non research	**3,451**	4,568	**2,716**	3,954
Total consultancy and contracts	**187,903**	167,310	**170,865**	148,796

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

7 Revenue and other income

(a) Other revenue

	Consolidated		Parent	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Donations and bequests	**50,456**	45,022	**50,494**	45,047
Scholarships and prizes	**3,620**	4,212	**3,663**	4,212
Net foreign exchange gain/(loss)	**(49)**	334	**61**	271
Sale of goods	**8,034**	6,951	**7,138**	7,817
Sale of services	**27,827**	33,643	**25,156**	21,838
Sponsorships	**3,612**	3,084	**3,615**	3,110
Government grant element of Smart State Loans	**-**	5,212	**-**	5,212
Other grant income	**-**	22,700	**-**	22,700
Other revenue	**13,238**	15,535	**12,244**	14,081
Total other revenue	**106,738**	136,693	**102,371**	124,288

Government grant element of Smart State Loans

This is the difference between the fair value of Smart State Loans received during the prior year and fair value of the cash received by the University $0.681 million and the difference between the fair value of the loans and the fair value of the amounts paid to extinguish these loans $4.532 million.

Other grant income

In 2013, the University was granted a 30 year lease for space in the Translation Research Institute building which is controlled by the Translation Research Institute Trust. As it met the definition of a finance lease but no consideration was payable, the University recognised grant revenue of $95.3 million in 2013 (representing the current fair value of the leased premises). This was offset by a $45.9 million reduction in the fair value of the University's equity accounted interest in the Translation Research Institute Trust (which fell in value on granting the lease). In 2014, the University recognised additional grant revenue of $22.7 million as a result of additional space within the leased premises which it now controls.

(b) Other income

	Consolidated		Parent	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Other income	**20**	-	**-**	-
Insurance proceeds	**4,724**	942	**4,724**	940
Gain on deemed disposal of associate	**830**	1,269	**-**	-
Total other income	**5,574**	2,211	**4,724**	940

8 Employee related expenses

	Consolidated		Parent	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Academic				
Salaries	**370,876**	358,952	**369,885**	357,586
Payroll tax	**21,669**	20,539	**21,669**	20,539
Worker's compensation	**(50)**	(49)	**(50)**	(49)
Long service leave expense	**8,415**	10,699	**8,415**	10,699
Annual leave	**23,158**	21,825	**23,158**	21,825
Other	**19,365**	19,021	**19,199**	18,674
Contributions to funded superannuation and pension schemes	**57,915**	56,570	**57,915**	56,570
Total academic	**501,348**	487,557	**500,191**	485,844
Non-academic				
Salaries	**344,949**	329,256	**325,133**	309,653
Payroll tax	**20,704**	19,418	**19,797**	18,518
Worker's compensation	**(30)**	(71)	**(113)**	(131)
Long service leave expense	**7,626**	9,462	**7,493**	9,327
Annual leave	**26,122**	25,587	**25,633**	24,925
Other	**5,445**	5,526	**5,279**	5,358
Contributions to funded superannuation and pension schemes	**53,933**	51,566	**52,186**	49,761
Total non-academic	**458,749**	440,744	**435,408**	417,411
Total employee related expenses	**960,097**	928,301	**935,599**	903,255

The number of full-time equivalent employees in the consolidated entity at 31 December 2015 was 8,032 (2014: 8,049). The number of full-time equivalent employees in the parent entity at 31 December 2015 was 7,816 (2014: 7,841).

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

9 Other expenses

	Consolidated		Parent	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Scholarships, grants and prizes	**77,513**	73,717	**77,575**	73,408
Non-capitalised equipment	**25,161**	26,028	**25,125**	25,907
Advertising, marketing and promotional expenses	**17,513**	12,276	**16,934**	11,818
Travel, staff development and entertainment	**59,146**	58,282	**58,416**	57,770
Teaching materials and services	**24,338**	28,930	**24,338**	29,880
Laboratory supplies and services	**35,437**	34,114	**35,437**	34,114
Collaborative projects	**74,621**	95,056	**78,252**	97,646
Utilities and insurance	**33,869**	34,833	**32,547**	33,341
Computing supplies and services	**16,166**	15,347	**15,909**	14,966
Facilities and campus services	**19,771**	22,471	**19,332**	21,676
Office supplies and furniture	**7,546**	7,349	**7,262**	7,013
Staffing expenses	**6,123**	2,154	**6,125**	2,114
Staff appointment expenses	**3,355**	2,937	**3,260**	2,887
Professional, consultant and admin services	**86,944**	81,548	**89,242**	79,343
Memberships and subscriptions	**5,897**	7,857	**5,752**	7,723
Postage and freight	**4,352**	4,539	**4,286**	4,481
Telecommunications	**7,343**	9,344	**7,201**	9,149
Miscellaneous expenses	**33,734**	25,880	**31,051**	24,953
Commercialisation supplies and services	**12,454**	18,739	**-**	-
Total other expenses	**551,283**	561,401	**538,044**	538,189

10 Income tax expense

(a) Income tax expense

	Consolidated		Parent	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Current tax	**90**	-	**-**	-
Total income tax expense (revenue)	**90**	-	**-**	-

(b) Numerical reconciliation of income tax expense to prima facie tax payable

	Consolidated	
	2015 $'000	2014 $'000
Operating results from continuing operations before income tax expense	**58,572**	42,766
Tax at the Australian tax rate of 30% (2014: 30%)	**17,572**	12,830
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income:		
Net deficit/(surplus) relating to tax exempt entities	**(17,696)**	(13,951)
Non-deductible expenses & other assessable income	**379**	21
Non-assessable income & other deductible expenses	**(233)**	(10)
Difference in overseas tax rates	**-**	(86)
Current year tax losses not brought to account	**28**	942
Prior year tax losses now recouped	**191**	183
Current year temporary differences not recognised	**(151)**	-
Non-assessable share of income in jointly controlled entity	**-**	71
Total income tax expense (revenue)	**90**	-

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

11 Remuneration of Auditors

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

	Consolidated		Parent	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Audit and review of the Financial Statements				
Fees paid to the Auditor General of Queensland for the audit and review of statutory financial reports under Australian Accounting Standards	**691**	752	**454**	440
Fees paid to Deloitte Touche Tohmatsu for the audit of statutory financial reports under US GAAP for the financial year ended 31 December 2015	**122**	120	**122**	120
Total	**813**	872	**576**	560

	Consolidated		Parent	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Other services				
Other audit and assurance services				
Fees paid to other audit firms for the audit of special purpose financial reports	**83**	90	**83**	90
Total	**83**	90	**83**	90

12 Cash and cash equivalents

	Consolidated		Parent	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Cash at bank and in hand	**107,883**	57,793	**74,870**	42,012
Term deposits (maturity less than 90 days)	**849**	827	**-**	-
Total cash and cash equivalent	**108,732**	58,620	**74,870**	42,012

(a) Cash at bank and on hand

Cash at bank and on hand earns interest at floating rates based on daily bank deposit rates.

(b) Term deposits

The deposits are bearing floating interest rates between 1.90% and 3.23% (2014: 2.15% and 3.23%).

13 Trade and other receivables

	Consolidated		Parent	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Current				
Debtors – external	**68,853**	75,120	**63,944**	70,741
less: allowance for impaired receivables	**(3,689)**	(6,057)	**(3,528)**	(6,056)
Total debtors – external	**65,164**	69,063	**60,416**	64,685
Sundry loans and advances – external	**5**	5	**5**	5
Student loans	**12**	23	**12**	23
Total current receivables – external	**65,181**	69,091	**60,433**	64,713
Debtors – controlled entities	**-**	-	**5,016**	2,392
Loans and advances – controlled entities	**-**	-	**-**	352
Accrued revenue	**12,340**	7,633	**3,427**	3,077
Other debtors	**6,677**	2,933	**6,677**	2,933
Total current receivables	**84,198**	79,657	**75,553**	73,467

	Consolidated		Parent	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Non-current				
Debtors – external	**71**	71	**-**	-
less: allowance for impaired receivables	**(71)**	(71)	**-**	-
	-	-	**-**	-
Loans and advances – controlled entities	**-**	-	**141**	1,006
Other receivables	**12,007**	-	**12,007**	-
Total non-current receivables	**12,007**	-	**12,148**	1,006

13 Trade and other receivables (continued)

(a) Impaired receivables

As at 31 December 2015, receivables of the Group with a nominal value of $3.760 million (2014: $6.128 million) were impaired and have been fully provided for as allowance for impaired receivables. Trade and research receivables have been assessed as being impaired on an individual basis, while student debt has been assessed as being impaired by using the percentage of recovery method.

The ageing of these receivables is as follows:

	Consolidated		Parent	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Current receivables				
3 to 6 months	**337**	251	**279**	251
Over 6 months	**3,423**	5,877	**3,249**	5,805
	3,760	6,128	**3,528**	6,056

As at 31 December 2015 trade receivables of the Group of $12.309 million (2014: $12.294 million) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these receivables is as follows:

	Consolidated		Parent	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Trade receivables				
3 to 6 months	**8,483**	6,553	**6,339**	6,170
Over 6 months	**3,826**	5,741	**3,806**	5,692
	12,309	12,294	**10,145**	11,862

	Consolidated		Parent	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Movements in the provision for impaired receivables are as follows:				
At 1 January	**(6,128)**	(6,954)	**(6,056)**	(12,022)
Provision for impairment recognised during the year	**(158)**	494	**-**	(315)
Receivables written off during the year as uncollectible	**580**	332	**582**	6,281
Unused amount reversed	**1,946**	-	**1,946**	-
At 31 December	**(3,760)**	(6,128)	**(3,528)**	(6,056)

The creation and release of the provision for impaired receivables has been included in “impairment of assets” in the income statement.

The other amounts within receivables do not contain impaired assets. It is expected that these amounts will be received in full.

14 Other financial assets

	Consolidated		Parent	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Current				
Term deposits (maturity greater than 90 days)	**213,211**	173,204	**213,211**	173,204
Total current other financial assets	**213,211**	173,204	**213,211**	173,204

	Consolidated		Parent	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Non-current				
At fair value through profit or loss				
Shares – associates	**-**	-	**32,467**	32,737
Managed investment portfolio	**154,413**	136,518	**154,413**	136,518
Convertible notes	**772**	2,211	**-**	-
Shares – listed entities	**5,856**	112	**-**	-
Shares – unlisted entities	**4,396**	5,856	**-**	-
Contingent consideration	**4,941**	-	**-**	-
Reduction in fair value due to commitment to pay third party disbursements	**(5,163)**	-	**-**	-
Total at fair value through profit or loss	**165,215**	144,697	**186,880**	169,255
Available-for-sale financial assets				
Shares – unlisted entities	**18,487**	8,799	**18,487**	8,799
Shares – controlled entities	**-**	-	**18,740**	18,740
Total available-for-sale	**18,487**	8,799	**37,227**	27,539
Total non-current other financial assets	**183,702**	153,496	**224,107**	196,794

The managed investment portfolio consists of funds derived from endowments and bequests and income earned thereon. A major part of these funds can only be applied to restricted purposes.

15 Non-current assets classified as held for sale

	Consolidated		Parent	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Land	-	2,618	-	2,618
Buildings	-	14,553	-	14,553
Infrastructure	-	982	-	982
Land improvements	-	2,432	-	2,432
Total non-current assets held for sale	-	20,585	-	20,585

Following an assessment of the strategic objectives of UQ, it was decided that the Ipswich Campus was surplus to UQ's requirements. A willing buyer emerged, where there previously was not a market for the sale of the Ipswich Campus, for a contract price of $21.5 million. The transfer of title took place on 7 January 2015 and the first instalment in the amount of $4 million was received on this date with the balance to be settled in annual instalments over the next three years.

Note 1(k) explains the accounting treatment and measurement of non-current assets held for sale. For the assets described above, the valuations reflect fair value less costs to sell of $20.6 million. This has been determined based on the selling price. This was lower than the carrying amount of $78.7 million, based on depreciated replacement cost, at the time of meeting the "held for sale" criteria. The reduction in value of $58.1 million was debited to the asset revaluation reserve in the Statement of Other Comprehensive Income to offset previous revaluation credits through the same account.

Note 35 Fair value measurements, section (e) explains the measurement of non-current assets classified as held for sale.

16 Other assets

	Consolidated		Parent	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Current				
Prepayments	**8,431**	8,336	**7,940**	7,786
Total current other assets	**8,431**	8,336	**7,940**	7,786

	Consolidated		Parent	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Non-Current				
Prepayments	**14,000**	-	**14,000**	-
Total non-current other assets	**14,000**	-	**14,000**	-

17 Investments accounted for using the equity method

	Consolidated		Parent	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Investments in associates	**32,712**	33,359	**-**	-
Total investments accounted for using the equity method	**32,712**	33,359	**-**	-

	Consolidated		Parent	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Reconciliation				
Balance at 1 January	**33,359**	32,983	**-**	-
Share of profit/(loss) for the year	**(1,477)**	(895)	**-**	-
Gain on dilution of interest	**830**	1,271	**-**	-
Balance at 31 December	**32,712**	33,359	**-**	-

	Ownership Interest %	
	2015	2014
Associates		
Translational Research Institute Trust	25	25
Admedus Vaccines Pty Ltd (formerly known as Coridon Pty Ltd)	28	34

17 Investments accounted for using the equity method (continued)

Summarised financial information in respect of associates is set out below.

	2015 $'000	2014 $'000
Financial position		
Total assets	**348,614**	359,807
Total liabilities	**217,870**	227,019
Net assets	**130,744**	132,788
Share of associates' net assets	**32,712**	33,359
Financial performance		
Total revenue	**24,756**	22,655
Total expenses	**(30,639)**	(25,916)
Profit/(loss)	**(5,883)**	(3,261)
Other comprehensive income	**7**	-
Total comprehensive loss	**(5,876)**	(3,261)
Share of associates' profit/(loss)	**(1,477)**	(895)

The associates have no contingent liabilities or capital commitments at 31 December 2015 or 2014.

The Translational Research Institute Trust is a collaboration between The University of Queensland, Queensland University of Technology, Mater Medical Research Institute Ltd and Queensland Health, developed with the aim of translating the findings of basic biomedical research into better patient outcomes.

18 Property, plant and equipment

Parent	Work in progress $'000	Land $'000	Buildings $'000	Infrastructure and land improvements $'000	Leased assets $'000	Leasehold improvements $'000	Plant and equipment $'000	Heritage and cultural assets $'000	Total $'000
At 1 January 2014									
Cost	153,042	-	-	9,953	95,340	12,635	403,920	-	674,890
Valuation	-	264,651	2,700,089	229,662	116,989	-	-	125,905	3,437,296
Accumulated depreciation	-	-	(879,097)	(73,216)	(12,515)	(3,914)	(206,774)	(38,454)	(1,213,970)
Net book amount	153,042	264,651	1,820,992	166,399	199,814	8,721	197,146	87,451	2,898,216
Movement									
Cost and valuation:									
Additions	49,805	-	50,161	14,680	49,450	-	46,999	1,374	212,469
Donations received	-	-	-	-	-	-	35	1,185	1,220
Revaluation increments	-	35,560	64,126	5,757	3,207	-	-	1,009	109,659
Revaluation decrements	-	(7,382)	(61,817)	(15,006)	-	-	-	(1,980)	(86,185)
Disposals	-	(32,500)	(18,192)	-	-	-	(13,713)	(2,737)	(67,142)
Donations made	-	-	-	-	-	-	(836)	-	(836)
Reclassified as held for sale	-	(2,618)	(26,563)	(5,321)	-	-	-	-	(34,502)
Transfers	(176,657)	-	174,464	-	-	2,090	103	-	-
Depreciation:									
Depreciation charge	-	-	(58,183)	(6,596)	(7,031)	(815)	(38,026)	(3,897)	(114,548)
Additions	-	-	(39,320)	-	-	-	-	-	(39,320)
Revaluation increments	-	-	(24,550)	(2,001)	(315)	-	-	-	(26,866)
Revaluation decrements	-	-	20,774	5,379	-	-	-	1,280	27,433
Disposals	-	-	11,043	-	-	-	11,741	1,951	24,735
Donations made	-	-	-	-	-	-	552	-	552
Reclassified as held for sale	-	-	12,010	1,907	-	-	-	-	13,917
At 31 December 2014									
Cost	26,190	-	-	24,633	118,040	14,726	436,508	-	620,097
Valuation	-	257,711	2,882,269	215,092	146,945	-	-	124,756	3,626,773
Accumulated depreciation	-	-	(957,324)	(74,527)	(19,861)	(4,729)	(232,507)	(39,121)	(1,328,069)
Net book amount	26,190	257,711	1,924,945	165,198	245,124	9,997	204,001	85,635	2,918,801

18 Property, plant and equipment (continued)

Parent	Work in progress $'000	Land $'000	Buildings $'000	Infrastructure and land improvements $'000	Leased assets $'000	Leasehold improvements $'000	Plant and equipment $'000	Heritage and cultural assets $'000	Total $'000
At 1 January 2015									
Cost	26,190	-	-	24,633	118,040	14,726	436,508	-	620,097
Valuation	-	257,711	2,882,269	215,092	146,945	-	-	124,756	3,626,773
Accumulated depreciation	-	-	(957,324)	(74,527)	(19,861)	(4,729)	(232,507)	(39,121)	(1,328,069)
Net book amount	26,190	257,711	1,924,945	165,198	245,124	9,997	204,001	85,635	2,918,801
Movement									
Cost and valuation:									
Additions	28,399	-	3,565	11,053	-	-	37,241	1,417	81,675
Donations received	-	-	-	-	-	-	150	750	900
Revaluation increments	-	4,828	76,183	-	-	-	-	6,425	87,436
Revaluation decrements	-	-	-	(52,655)	(39,775)	-	-	-	(92,430)
Disposals	-	-	(396)	-	-	-	(14,790)	(2,646)	(17,832)
Donations made	-	-	-	-	-	-	(1,851)	-	(1,851)
Reclassified as prepayment	-	-	-	-	-	(15,000)	-	-	(15,000)
Transfers	5,031	6,498	66	(26,602)	-	15,137	(130)	-	-
Depreciation:									
Depreciation charge	-	-	(61,943)	(6,594)	(6,339)	(791)	(40,662)	(3,209)	(119,538)
Revaluation increments	-	-	(138,597)	-	-	-	-	(3,673)	(142,270)
Revaluation decrements	-	-	-	20,766	5,171	-	-	-	25,937
Disposals	-	-	362	-	-	-	12,257	2,005	14,624
Donations made	-	-	-	-	-	-	871	-	871
At 31 December 2015									
Cost	59,620	-	-	-	118,040	14,863	457,128	-	649,651
Valuation	-	269,037	2,961,688	171,521	107,170	-	-	130,702	3,640,118
Accumulated depreciation	-	-	(1,157,503)	(60,355)	(21,029)	(5,520)	(260,041)	(43,998)	(1,548,446)
Net book amount	59,620	269,037	1,804,185	111,166	204,181	9,343	197,087	86,704	2,741,323

The University has plant and equipment with an original cost of $88.098 million and a written down value of zero still being used in the provision of services.

18 Property, plant and equipment (continued)

Consolidated	Work in progress $'000	Land $'000	Buildings $'000	Infrastructure and land improvements $'000	Leased assets $'000	Leasehold improvements $'000	Plant and equipment $'000	Heritage and cultural assets $'000	Total $'000
At 1 January 2014									
Cost	153,122	-	30	9,953	95,340	12,771	409,215	-	680,431
Valuation	-	264,651	2,700,087	229,662	116,989	-	-	125,905	3,437,294
Accumulated depreciation	-	-	(879,101)	(73,216)	(12,515)	(3,961)	(209,612)	(38,454)	(1,216,859)
Net book amount	153,122	264,651	1,821,016	166,399	199,814	8,810	199,603	87,451	2,900,866
Movement									
Cost and valuation:									
Additions	49,937	-	50,163	14,680	49,450	31	47,319	1,374	212,954
Donations received	-	-	-	-	-	-	35	1,185	1,220
Revaluation increments	-	35,560	64,126	5,757	3,207	-	-	1,009	109,659
Revaluation decrements	-	(7,382)	(61,817)	(15,006)	-	-	-	(1,980)	(86,185)
Disposals	-	(32,500)	(18,192)	-	-	-	(13,393)	(2,737)	(66,822)
Donations made	-	-	-	-	-	-	(836)	-	(836)
Reclassified as held for sale	-	(2,618)	(26,563)	(5,321)	-	-	-	-	(34,502)
Transfers	(176,789)	-	174,434	-	-	2,091	264	-	-
Depreciation:									-
Depreciation charge	-	-	(58,183)	(6,596)	(7,031)	(907)	(38,658)	(3,897)	(115,272)
Additions	-	-	(39,320)	-	-	-	-	-	(39,320)
Revaluation increments	-	-	(24,550)	(2,001)	(315)	-	-	-	(26,866)
Revaluation decrements	-	-	20,774	5,379	-	-	-	1,280	27,433
Disposals	-	-	11,043	-	-	-	11,257	1,951	24,251
Donations made	-	-	-	-	-	-	552	-	552
Reclassified as held for sale	-	-	12,010	1,907	-	-	-	-	13,917
Transfers	-	-	4	-	-	-	(4)	-	-
Impairment loss recognised in profit/(loss)	-	-	-	-	-	-	(232)	-	(232)
At 31 December 2014									
Cost	26,270	-	-	24,633	118,040	14,883	442,604	-	626,430
Valuation	-	257,711	2,882,269	215,092	146,945	-	-	124,757	3,626,774
Accumulated depreciation	-	-	(957,324)	(74,527)	(19,861)	(4,858)	(236,697)	(39,121)	(1,332,388)
Net book amount	26,270	257,711	1,924,945	165,198	245,124	10,025	205,907	85,636	2,920,816

18 Property, plant and equipment (continued)

Consolidated	Work in progress $'000	Land $'000	Buildings $'000	Infrastructure and land improvements $'000	Leased assets $'000	Leasehold improvements $'000	Plant and equipment $'000	Heritage and cultural assets $'000	Total $'000
At 1 January 2015									
Cost	26,270	-	-	24,633	118,040	14,883	442,604	-	626,430
Valuation	-	257,711	2,882,269	215,092	146,945	-	-	124,757	3,626,774
Accumulated depreciation	-	-	(957,324)	(74,527)	(19,861)	(4,858)	(236,697)	(39,121)	(1,332,388)
Net book amount	26,270	257,711	1,924,945	165,198	245,124	10,025	205,907	85,636	2,920,816
Movement									
Cost and valuation:									
Additions	28,599	-	3,565	11,053	-	7	37,435	1,417	82,076
Donations received	-	-	-	-	-	-	150	750	900
Revaluation increments	-	4,828	76,183	-	-	-	-	6,425	87,436
Revaluation decrements	-	-	-	(52,655)	(39,775)	-	-	-	(92,430)
Disposals	-	-	(396)	-	-	-	(14,804)	(2,646)	(17,846)
Donations made	-	-	-	-	-	-	(1,851)	-	(1,851)
Reclassified as a prepayment	-	-	-	-	-	(15,000)	-	-	(15,000)
Transfers	4,752	6,498	66	(26,602)	-	15,136	150	-	-
Impairment loss recognised in profit/(loss)	-	-	-	-	-	-	(878)	-	(878)
Depreciation:									
Depreciation charge	-	-	(61,943)	(6,594)	(6,339)	(793)	(41,164)	(3,209)	(120,042)
Revaluation increments	-	-	(138,597)	-	-	-	-	(3,673)	(142,270)
Revaluation decrements	-	-	-	20,766	5,171	-	-	-	25,937
Disposals	-	-	362	-	-	-	12,257	2,005	14,624
Donations made	-	-	-	-	-	-	871	-	871
Impairment loss recognised in profit/(loss)	-	-	-	-	-	-	616	-	616
At 31 December 2015									
Cost	59,621	-	-	-	118,040	15,026	462,807	-	655,494
Valuation	-	269,037	2,961,688	171,521	107,170	-	-	130,702	3,640,118
Accumulated depreciation	-	-	(1,157,503)	(60,355)	(21,029)	(5,651)	(264,118)	(43,997)	(1,552,653)
Net book amount	59,621	269,037	1,804,185	111,166	204,181	9,375	198,689	86,705	2,742,959

19 Intangible assets

	Parent					
	Digital library collection $'000	Intellectual property $'000	Software WIP $'000	Software internally generated $'000	Patents, trademarks and other rights $'000	Total $'000
At 1 January 2014						
Cost	29,446	-	237	24,964	-	54,647
Valuation	-	1,337	-	-	-	1,337
Accumulated amortisation	(4,094)	(699)	-	(19,672)	-	(24,465)
Net book amount	25,352	638	237	5,292	-	31,519
2014 Movement						
Cost and valuation:						
Additions	1,478	19	1,877	-	-	3,374
Donations received	-	30	-	-	-	30
Transfers	-	-	(237)	237	-	-
Amortisation:						
Amortisation charge	(3,803)	(96)	-	(1,944)	-	(5,843)
At 31 December 2014						
Cost	30,924	-	1,877	25,201	-	58,002
Valuation	-	1,387	-	-	-	1,387
Accumulated amortisation	(7,897)	(795)	-	(21,616)	-	(30,308)
Net book amount	23,027	592	1,877	3,585	-	29,081
2015 Movement						
Cost and valuation:						
Additions	**2,775**	**83**	**3,017**	**-**	**-**	**5,875**
Donations received	**-**	**54**	**-**	**-**	**-**	**54**
Amortisation:						
Amortisation charge	**(3,454)**	**(140)**	**-**	**(1,673)**	**-**	**(5,267)**
At 31 December 2015						
Cost	**33,699**	**-**	**4,894**	**25,201**	**-**	**63,794**
Valuation	**-**	**1,524**	**-**	**-**	**-**	**1,524**
Accumulated depreciation	**(11,351)**	**(935)**	**-**	**(23,289)**	**-**	**(35,575)**
Net book amount	**22,348**	**589**	**4,894**	**1,912**	**-**	**29,743**

The University has intangible assets with an original cost of $13.970 million and a written down value of nil that are still being used in the provision of services.

At 31 December 2015 the University holds intangible assets being software internally generated that have a carrying amount of $1.910 million, and remaining useful life of between 1–6 years.

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

19 Intangible assets (continued)

	Consolidated						
	Digital library collection $'000	Intellectual property $'000	Software WIP $'000	Software internally generated $'000	Software purchased $'000	Patents, trademarks and other rights $'000	Total $'000
At 1 January 2014							
Cost	29,446	-	237	24,964	864	**240**	55,751
Valuation	-	1,337	-	-	-	**-**	1,337
Accumulated amortisation	(4,094)	(699)	-	(19,672)	(578)	**(240)**	(25,283)
Net book amount	25,352	638	237	5,292	286	**-**	31,805
2014 Movement							
Cost and valuation							
Additions	1,478	19	1,877	-	6	**-**	3,380
Donations received	-	30	-	-	-	**-**	30
Transfers	-	-	237	(237)	-	**-**	-
Amortisation:							
Amortisation charge	(3,803)	(96)	-	(1,944)	(177)	**-**	(6,020)
At 31 December 2014							
Cost	30,924	-	1,877	25,201	854	**-**	58,856
Valuation	-	1,387	-	-	-	**-**	1,387
Accumulated amortisation	(7,897)	(795)	-	(21,616)	(741)	**-**	(31,049)
Net book amount	23,027	592	1,877	3,585	113	**-**	29,194
2015 Movement							
Cost and valuation							
Additions	**2,775**	**83**	**3,017**	**-**	**-**	**-**	**5,875**
Donations received	**-**	**54**	**-**	**-**	**-**	**-**	**54**
Amortisation:							
Amortisation charge	**(3,454)**	**(140)**	**-**	**(1,673)**	**(104)**	**-**	**(5,371)**
At 31 December 2015							
Cost	**33,699**	**-**	**4,894**	**25,201**	**854**	**-**	**64,648**
Valuation	**-**	**1,524**	**-**	**-**	**-**	**-**	**1,524**
Accumulated amortisation	**(11,351)**	**(935)**	**-**	**(23,289)**	**(845)**	**-**	**(36,420)**
Net book amount	**22,348**	**589**	**4,894**	**1,912**	**9**	**-**	**29,752**

20 Trade and other payables

	Consolidated		Parent	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Current				
Trade payables – external	**16,350**	31,900	**15,238**	30,956
Accrued salaries	**23,273**	11,441	**23,222**	11,427
Sundry payables and accrued expenses	**37,981**	40,369	**29,216**	29,575
Trade and other payables – controlled entities	**-**	-	**532**	1,742
Other payables	**2,737**	3,269	**2,322**	2,766
Total current trade and other payables	**80,341**	86,979	**70,530**	76,466

21 Borrowings

		Consolidated		Parent	
		2015	2014	2015	2014
	Note	$'000	$'000	$'000	$'000
Current					
Finance lease liability	28	**15**	22	**-**	-
Total current borrowings		**15**	22	**-**	-

		Consolidated		Parent	
		2015	2014	2015	2014
	Note	$'000	$'000	$'000	$'000
Non-current					
Finance lease obligation	28	**120,821**	118,260	**120,804**	118,228
Total non-current borrowings		**120,821**	118,260	**120,804**	118,228
Total borrowings		**120,836**	118,282	**120,804**	118,228

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

22 Provisions

	Consolidated		Parent	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Current provisions expected to be settled within 12 months				
Workers' compensation	**650**	643	**650**	643
Long service leave	**20,259**	22,450	**19,750**	21,832
Annual leave	**48,958**	47,654	**47,552**	46,136
Other provisions	**214**	141	**-**	-
Subtotal	**70,081**	70,888	**67,952**	68,611
Current provisions expected to be settled after 12 months				
Annual leave	**28,769**	26,898	**28,769**	26,898
Long service leave	**56,876**	55,450	**56,876**	55,450
Subtotal	**85,645**	82,348	**85,645**	82,348
Total current provisions	**155,726**	153,236	**153,597**	150,959
Non-current provisions				
Long service leave	**33,379**	31,883	**32,724**	31,221
Workers' compensation	**685**	861	**685**	861
Total non-current provisions	**34,064**	32,744	**33,409**	32,082
Total provisions	**189,790**	185,980	**187,006**	183,041

23 Current tax liabilities

	Consolidated		Parent	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Income tax payable/(receivable)	**-**	1	**-**	-
Total current tax liabilities	**-**	1	**-**	-

24 Other liabilities

	Consolidated		Parent	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Current				
Revenue received in advance	**47,456**	40,585	**45,970**	39,416
Loan from Queensland Government	**-**	960	**-**	960
Loan from controlled entity	**-**	-	**1,108**	1,517
Other	**8,776**	8,281	**7,552**	6,270
Total current other liabilities	**56,232**	49,826	**54,630**	48,163

Revenue received in advance

The University has funds donated by external parties (including Government) with specific restrictions that result in the funds not meeting the control requirements necessary for recognition as revenue. A liability has been recognised to show these funds as revenue in advance.

25 Reserves and retained surplus

(a) Reserves

	Consolidated		Parent	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Reserves				
Asset revaluation surplus	**1,579,386**	1,700,679	**1,579,386**	1,700,679
Fair value adjustment assets-available-for-sale reserve	**9,188**	-	**9,188**	-
Total reserves	**1,588,574**	1,700,679	**1,588,574**	1,700,679

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

25 Reserves and retained surplus (continued)

(b) Movements

	Consolidated 2015 $'000	Consolidated 2014 $'000	Parent 2015 $'000	Parent 2014 $'000
Asset revaluation surplus				
Property, plant and equipment revaluation surplus	**1,700,679**	1,676,619	**1,700,679**	1,676,619
Fair value adjustment from revaluation of land and buildings, net of tax	**(121,293)**	24,060	**(121,293)**	24,060
	1,579,386	1,700,679	**1,579,386**	1,700,679
Fair value adjustment assets-available-for-sale reserve				
Opening balance	**-**	-	**-**	-
Transfers in	**9,188**	-	**9,188**	-
	9,188	-	**9,188**	-
Total reserves	**1,588,574**	1,700,679	**1,588,574**	1,700,679

(c) Retained surplus

	Consolidated 2015 $'000	Consolidated 2014 $'000	Parent 2015 $'000	Parent 2014 $'000
Retained earnings at the beginning of the financial year	**1,337,759**	1,295,117	**1,339,806**	1,297,160
Net operating surplus attributable to members of UQ	**58,503**	42,642	**35,550**	42,646
Loss of non-controlling interest on disposal of subsidiary	**658**	-	**-**	-
Retained earnings at end of the financial year	**1,396,920**	1,337,759	**1,375,356**	1,339,806

26 Non-controlling interest

	Consolidated 2015 $'000	Consolidated 2014 $'000	Parent 2015 $'000	Parent 2014 $'000
Interest in:				
Restricted funds	**3,046**	3,919	**-**	-
Retained surplus	**(1,695)**	(2,009)	**-**	-
Total non-controlling interest	**1,351**	1,910	**-**	-

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

	Consolidated		Parent	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Operating result for the period	**58,482**	42,766	**35,550**	42,646
Depreciation and amortisation	**125,365**	121,292	**124,755**	120,391
Donations of property, plant and equipment	**(953)**	(1,250)	**(953)**	(1,250)
Non-cash license fees	**(1,753)**	(728)	**-**	-
Non-cash other government grant	**-**	(22,700)	**-**	(22,700)
Net (gain) / loss on sale of non-current assets	**3,596**	3,553	**3,661**	3,470
Net (gain) / loss on disposal of other financial assets	**(16,461)**	846	**-**	-
Interest expense on Smart State loans & finance leases	**11,321**	13,108	**11,317**	13,102
Impairment of non-current financial assets	**-**	-	**-**	800
Bad and doubtful debts written off / (written back)	**(1,565)**	-	**(1,325)**	-
Impairment of property, plant and equipment	**262**	232	**-**	-
Expensing of general reserve	**-**	(200)	**-**	-
Equity accounted investment	**1,477**	895	**-**	-
Gain on deemed disposal	**(830)**	(1,269)	**-**	-
Unrealised foreign exchange loss/(gain)	**45**	183	**73**	241
Interest revenue on related entity loans	**-**	-	**-**	(76)
Other non-cash interest revenue	**(423)**	-	**(423)**	-
Change in fair value of other financial assets	**(17,553)**	(6,912)	**(17,619)**	(8,710)
Change in fair value of Smart State loan liabilities	**-**	(5,212)	**-**	(5,212)
Change in operating assets and liabilities:				
(Increase) / decrease in receivables	**(18,569)**	11,376	**(16,451)**	2,381
(Increase) / decrease in inventories	**(176)**	193	**(356)**	394
(Increase) / decrease in other assets	**904**	367	**846**	563
(Increase) / decrease in assets held for sale	**20,584**	-	**20,584**	-
(Increase) / decrease in tax assets	**(18)**	-	**-**	-
Increase / (decrease) in payables	**(6,636)**	12,835	**(5,942)**	25,286
Increase / (decrease) in provisions	**3,813**	10,641	**3,965**	10,673
Increase / (decrease) in tax liabilities	**(1)**	(3)	**-**	-
Increase / (decrease) in other liabilities	**7,367**	5,238	**7,836**	3,124
Net cash provided by / (used in) operating activities	**168,278**	185,251	**165,518**	185,123

28 Commitments

(a) Capital commitments

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

	Consolidated		Parent	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Property, plant and equipment				
Within one year	**31,913**	23,716	**31,913**	23,716
Later than one year	**6,547**	3,323	**6,547**	3,323
Total capital commitments	**38,460**	27,039	**38,460**	27,039

(b) Lease commitments

(i) Operating Leases

The University leases various types of equipment, predominately IT related equipment, and premises under non-cancellable operating leases generally over a three year period.

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

	Consolidated		Parent	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Within one year	**1,284**	1,338	**1,003**	959
Between one year and five years	**1,133**	2,420	**1,050**	1,980
Total future minimum lease payments	**2,417**	3,758	**2,053**	2,939

(ii) Finance Leases

In November 2009, the University entered into a lease for the construction of the Pharmacy Australia Centre of Excellence (PACE) building which expires in November 2049. Under the terms of the lease, the building transfers to the University on termination of the lease.

Commitments in relation to finance leases are payable as follows:

	Consolidated		Parent	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Within one year	**8,981**	8,728	**8,963**	8,702
Between one year and five years	**38,636**	37,529	**38,620**	37,495
Later than five years	**463,743**	473,830	**463,743**	473,830
Total future minimum lease payments	**511,360**	520,087	**511,326**	520,027
Future finance charges	**(390,524)**	(401,805)	**(390,522)**	(401,799)
Recognised as a liability	**120,836**	118,282	**120,804**	118,228

28 Commitments (continued)

(b) Lease commitments (continued)

The PACE lease is structured so that for the first 22 years interest expense exceeds payments made. For this reason, the lease liability will continue to grow until 2032 and no portion of the liability is disclosed as current.

The weighted average interest rate implicit in the finance leases in 2015 is: 9.52% (2014: 9.52%)

(c) Other commitments

University Innovation & Investment Trust (UIIT) No. 1 and No. 4

	Consolidated		Parent	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Within one year	**1,000**	800	**1,000**	800
Between one year and five years	**4,000**	869	**4,000**	869
Total	**5,000**	1,669	**5,000**	1,669

University Innovation & Investment Trust (UIIT) No. 1 and No. 4

The University has entered into funding deeds with the UIIT No. 1 and No. 4. Under the deeds, the University may be required to meet calls on partly paid units held in these trusts. The UIIT No.1 is a venture fund founded by The University of Queensland and The University of Melbourne and UIIT No.4 is a venture fund founded by The University of Queensland. Both are for the purpose of providing seed funding to further develop promising research outcomes and to assist with the commercialisation of such research outcomes.

As at 31 December 2015, the University held the following:
UIIT No. 1 – 18,000,001 partly paid $1 units paid up to $16,330,455.No further calls are expected.
UIIT No .4 – 10,000,000 partly paid $1 units paid up to $500,000, and may be required to meet calls totalling $9,500,000.

The rate of drawdown depends on:
1. Rate of investment in new ventures;
2. Rate of liquidation of investments; and
3. If unit holders request that the funds from any liquidated investments be retained in the trust to be offset against future calls, or paid to them immediately.

Purchase order commitments

	Consolidated		Parent	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Within one year	**19,748**	39,845	**19,748**	39,845
	19,748	39,845	**19,748**	39,845

Other operating commitments

In 2013 UQ entered into a licence to occupy a portion of the TRI facility. Under this agreement, UQ is committed to contribute funds to cover the operational costs of the facility over the 30 year licence term. UQ contributed $8.907 million in 2015 (2014: $9.462 million).

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

29 Related parties

(a) Parent entities

The ultimate parent entity within the Group is The University of Queensland.

(b) Controlled entities

Interests in controlled entities are set out in Note 31.

(c) Key management personnel

Disclosures relating to directors and specified executives are set out in Note 33.

(d) Transactions with related parties

The following transactions occurred with controlled entities as related parties:

	Parent	
	2015	**2014**
	$'000	**$'000**
Revenue		
Sale of goods and services	**16,005**	17,853
Royalty revenue	**8,483**	7,554
Interest	**77**	76
	24,565	25,483
Expenditure		
Purchase of goods and services	**6,991**	6,179
Grants and funding	**1,512**	1,009
	8,503	7,188

(e) Loans to/from related parties

	Parent	
	2015	**2014**
	$'000	**$'000**
Loans to controlled entities		
Beginning of the year	**1,358**	1,612
Loan repayment received	**(1,270)**	(330)
Interest charged	**53**	76
End of the year	**141**	1,358

29 Related parties (continued)

(e) Loans to/from related parties (continued)

	Parent 2015 $'000	Parent 2014 $'000
Loans from controlled entities		
Beginning of the year	**1,517**	1,717
Loan repayment paid	**(409)**	(200)
End of year	**1,108**	1,517

Loans receivable from controlled entities are unsecured and are repayable when the University determines that the financial position of each controlled entity reasonably allows it to do so.

Loans payable to controlled entities are unsecured and repayable on demand.

(f) Outstanding balances

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

	Parent 2015 $'000	Parent 2014 $'000
Current receivables		
Controlled entities – sales of goods and services	**5,016**	2,392
Controlled entities – loans and advances	**-**	352
	5,016	2,744
Non-current receivables (loans)		
Controlled entities – loans and advances	**141**	1,006
	141	1,006
Current payables		
Controlled entities – purchase of goods and services	**532**	1,742
Controlled entities – loans and advances	**1,108**	1,517
	1,640	3,259

No provisions for doubtful debts have been raised in relation to any outstanding balances, and no expense has been recognised in respect of bad or doubtful debts due from related parties, except for what had been disclosed in Note 29(e).

Trade receivables from controlled entities are unsecured and due to settlement no more than 30 days from the date of recognition.

Trade payables to controlled entities are unsecured and are generally settled on 30 day terms.

29 Related parties (continued)

(g) Guarantees

The University of Queensland has provided a guarantee to some of its controlled entities that it will provide funding should a situation arise where the controlled entity is unable to meet its liabilities. How that funding is provided, whether by way of share subscription, gift, loan or by some other means will be determined at such time as it is required to be made available. The controlled entities to whom a guarantee has been provided are UniQuest Pty Ltd, JKTech Pty Ltd, UQ Health Care Limited and UQ College Limited.

30 Contingencies

(a) Contingent liabilities

Supplementary Benefit Payments

The University has a contingent liability which may arise in respect of supplementary pension payments to be made to some retired staff members or their dependants. These retired staff were members of a Staff Superannuation Scheme which was terminated in June 1984. Former members who had been granted supplementary benefits at this date continue to receive these benefits.

Unimutual

For the period 1 January 1990 to date, The University of Queensland has been a member of Unimutual, a mutual organisation that provides discretionary risk protection to universities and other educational and research institutions. Under its rules, Unimutual may make a call for a supplementary contribution from members in the event of there being a deficit in any year. A supplementary contribution would only be levied after the application of reinsurance recoveries and investment income for the appropriate year. Supplementary contributions may be levied pro rata according to the original contribution paid.

Environmental and Make-Good Obligations

The University has a number of potential environmental obligations including asbestos remediation and Indooroopilly mine site rehabilitation costs.

Asbestos remediation costs are only identified when action needs to be taken to remove the asbestos. The University maintains a register of known and suspected contamination on University property. At reporting date, no asbestos has been identified as posing an immediate hazard or earmarked for removal as part of the scope of works in a building refurbishment.

At reporting date, no decision has yet been taken to close the Indooroopilly mine and therefore mine site rehabilitation costs are not known.

Third Party Liabilities – Consolidated Entity

Under the University's intellectual property policy, the future realisation of the Group's non-current financial assets for cash will give rise to the obligation to pay one third of the net proceeds to investors. These liabilities are contingent as they arise only upon future realisation of the underlying investment assets for cash. The realisation of cash proceeds from investment assets is uncertain due to risks associated with development of the technology, the availability of capital from investors and funding from grants, the acceptance of the technology in its target market and the general economic climate. The fair value of the investments in the commercialisation entities has been reduced to reflect the fact that their value to the Group represents only two-thirds of their full value.

30 Contingencies (continued)

(b) Contingent assets

Third Party Liabilities – Parent Entity

Under the University's intellectual property policy, the future realisation of the non-current financial assets held by subsidiaries for cash will give rise to an economic benefit of one-third of the net proceeds to the University as the parent entity. These receivables in the parent entity are contingent as they arise only upon future realisation of the underlying investment assets for cash. The realisation of cash proceeds from investment assets is uncertain due to risks associated with development of the technology, the availability of capital from investors and funding from grants, the acceptance of the technology in its target market and the general economic climate.

No other contingencies of a significant nature exist or are recognised in the accounts.

(c) Guarantees

The University has provided the following bank guarantees:

i) $5 million to Workcover Queensland as it is self-insured for workers' compensation. The guarantee has no expiration date.

ii) $2.301 million to the U.S. Department of Education to ensure that it continues to receive Federal Student Aid (FSA) from the U.S. Government in respect of U.S. students. The guarantee expires on 24 May 2018.

iii) $5.285 million in respect of a loan facility entered into by International House to construct new facilities.

iv) $11 million in respect of a loan facility entered into by King's College to construct new facilities.

v) $6.6 million in respect of a loan facility entered into by The Women's College to construct new facilities.

31 Subsidiaries

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

Name of Entity	Country of Incorporation	Class of Shares	2015 %	2014 %
UQ Investment Trust Goup				
IMBcom Pty Ltd	Australia	Ordinary	**100.00**	**100.00**
UQ Investment Trust	Australia	Ordinary	**100.00**	**100.00**
Cyclagen Pty Ltd	Australia	Ordinary	**100.00**	**100.00**
Kalthera Pty Ltd	Australia	Ordinary	**100.00**	**100.00**
IMBcom Asset Management Pty Ltd	Australia	Ordinary	**100.00**	**100.00**
UQ Holdings Group				
UQ Holdings Pty Ltd	Australia	Ordinary	**100.00**	**100.00**
SARV Pty Ltd	Australia	Ordinary	**-**	**100.00**
(Deregistered 13 May 2015)				
UQ Health Care Ltd	Australia	Limited by Guarantee	**-**	**-**
UQ College Ltd	Australia	Limited by Guarantee	**-**	**-**
UQ Sport Ltd	Australia	Limited by Guarantee	**-**	**-**
UQH Finance Pty Ltd	Australia	Ordinary	**100.00**	**100.00**
JKTech Group				
JK Tech Pty Ltd	Australia	Ordinary	**94.00**	**94.00**
JK Africa Mining Solutions Pty Ltd	South Africa	Ordinary	**100.00**	**100.00**
JKTech South America SpA	Chile	Ordinary	**100.00**	**100.00**
SUSOP Pty Ltd	Australia	Ordinary	**100.00**	**100.00**
UniQuest and UniQuest Asset Trust Group				
UniQuest Pty Ltd	Australia	Ordinary	**100.00**	**100.00**
Ausonex Pty Ltd	Australia	Ordinary	**-**	**100.00**
(Deregistered 3 September 2015)				
Cloevis Pty Ltd	Australia	Ordinary	**100.00**	**100.00**
Dendright Pty Ltd	Australia	Ordinary	**100.00**	**100.00**
Leximancer Pty Ltd	Australia	Ordinary	**60.00**	**60.00**
Lucia Publishing Systems Pty Ltd	Australia	Ordinary	**95.00**	**95.00**
Metallotek Pty Ltd	Australia	Ordinary	**100.00**	**100.00**
Neo Rehab Pty Ltd	Australia	Ordinary	**100.00**	**100.00**
Pepfactants Pty Ltd	Australia	Ordinary	**60.00**	**67.00**
Rapisure Pty Ltd	Australia	Ordinary	**-**	**100.00**
(Deregistered 15 July 2015)				
Symbiosis Pty Ltd	Australia	Ordinary	**100.00**	**100.00**
UATC Pty Ltd	Australia	Ordinary	**-**	**100.00**
(Deregistered 17 June 2015)				

31 Subsidiaries (continued)

Name of Entity	Country of Incorporation	Class of Shares	2015 %	2014 %
UTSAT Pty Ltd (Deregistered 7 September 2015)	Australia	Ordinary	-	**100.00**
UWAT Pty Ltd	Australia	Ordinary	**100.00**	**100.00**
UTASAT Pty Ltd (Deregistered 25 January 2015)	Australia	Ordinary	-	**100.00**
UQ Foundation Trust	Australia	Ordinary	**100.00**	**100.00**
UQ Jakarta Office Pty Ltd	Australia	Ordinary	**100.00**	**100.00**
IMBcom Asset Trust Group				
IMBcom Asset Trust	Australia	Ordinary	**100.00**	**100.00**
CCA Therapeutics Pty Ltd	Australia	Ordinary	**100.00**	**100.00**
Global Change Institute Pty Ltd	Australia	Ordinary	**100.00**	**100.00**

32 Events occurring after the reporting date

On 30 January 2016, UniQuest received new information from the acquirer of Spinifex Pharmaceuticals Inc (Spinifex) about the actions it intends to take to meet certain development milestones. UniQuest have adjusted the fair value of the contingent consideration on sale of shares recognised in the financial statements to reflect this new information (see Note 14). Contingent consideration on sale of shares represents the contractual rights to receive cash in the future on achievement of certain development milestones by Spinifex.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

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

33 Key management personnel disclosures

(a) Names of responsible persons and executive officers

The following details for key executive management personnel include those positions that had authority and responsibility for planning, directing and controlling the activities of the University during 2015. Further information on these positions can be found in the body of the Annual Report under the section relating to corporate governance.

Current Incumbents

Position	Responsibilities	Contract Classification and appointment authority	Date appointed to position
Vice-Chancellor	Chief Executive Officer	Executive – Senate	08/10/2012
Provost	Deputy Chief Executive Officer	Executive – Vice Chancellor	17/03/2014
Deputy Vice-Chancellor (Academic)	Academic policy and related matters	Executive – Vice Chancellor	15/04/2013
Deputy Vice-Chancellor (International)	International student matters	Executive – Vice Chancellor	03/03/2014
Deputy Vice-Chancellor (Research)	Research policy and related matters	Executive – Vice Chancellor	10/11/2014
Chief Operating Officer	Operational matters and infrastructure	Executive – Vice Chancellor	16/03/2009

33 Key management personnel disclosures (continued)

(b) Remuneration of board members and executives

The remuneration and other terms of employment for the key executive management personnel are specified in employment contracts. The contracts provide for the provision of performance related cash bonuses and other benefits including motor vehicles.

For the 2015 year, remuneration of key executive management personnel increased by 3% from 1 January 2015.

Remuneration packages for key executive management personnel comprise the following components:

- Short-term employee benefits which include:
  - Base – consisting of base salary, allowances and leave entitlements paid and provided for the entire year or for that part of the year during which the employee occupied the specified position. Amounts disclosed equal the amounts expensed in the Statement of Comprehensive Income.
  - Non-monetary benefits – consisting of provision of vehicle together with fringe benefits tax applicable to the benefit.
- Long-term employee benefits include long service leave accrued.
- Post-employment benefits include superannuation contributions.
- Redundancy payments are not applicable to senior staff however termination payments may be applicable in particular circumstances.
- Performance bonuses may be paid or payable annually depending upon the achievement of pre-determined individual performance targets as agreed by the supervisor and approved by the relevant approving authority.

Total fixed remuneration is calculated on a “total cost” basis and includes the base and non-monetary benefits, long term employee benefits and post-employment benefits.

33 Key management personnel disclosures (continued)

(b) Remuneration of board members and executives (continued)

1 January 2015 – 31 December 2015

Position	Short-term employee benefits			Long-term employee benefits	Post-employment benefits	Termination benefits	Total remuneration
	Base	Non-monetary benefits	Performance payments				
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Vice-Chancellor	741	-	200	35	122	-	1,098
Provost	521	24	80	21	90	-	736
Deputy Vice-Chancellor (Academic)	440	12	60	10	73	-	595
Deputy Vice-Chancellor (International)	418	-	30	8	63	-	519
Deputy Vice-Chancellor (Research)	538	-	65	103	85	-	791
Chief Operating Officer	548	-	70	16	86	-	720
Total remuneration	**3,206**	**36**	**505**	**193**	**519**	**-**	**4,459**

33 Key management personnel disclosures (continued)

(b) Remuneration of board members and executives (continued)

1 January 2014 – 31 December 2014

Position	Short-term employee benefits			Long-term employee benefits	Post-employment benefits	Termination benefits	Total remuneration
	Base	Non-monetary benefits	Performance payments				
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Vice-Chancellor	703	-	200	30	116	-	1,049
Senior Deputy Vice-Chancellor (resigned effective 31/1/2014)	48	1	-	42	15	-	106
Provost (Acting) (appointed 1/02/2014 resigned effective 14/03/2014)	54	2	-	2	9	-	67
Provost (appointed 17/03/2014)	424	18	90	57	69	-	658
Deputy Vice-Chancellor (Academic)	448	12	65	10	75	-	610
Deputy Vice-Chancellor (International) (resigned effective 2/03/2014)	48	-	-	(3)	10	-	55
Deputy Vice-Chancellor (International) (appointed 3/03/2014)	337	-	30	5	51	-	423
Deputy Vice-Chancellor (Research) (resigned effective 16/03/2014)	95	5	-	12	16	-	128
Deputy Vice-Chancellor (Research) (appointed 17/03/2014 resigned effective 7/11/2014)	308	-	50	2	48	-	408
Deputy Vice-Chancellor (Research) (appointed 10/11/2014)	73	-	8	-	12	-	93
Chief Operating Officer	494	-	85	12	91	-	682
Total remuneration	**3,032**	**38**	**528**	**169**	**512**	**-**	**4,279**

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

33 Key management personnel disclosures (continued)

(c) Performance payments

The basis for performance bonuses paid or payable in the 2015 financial year is set out below:

Position	Date paid	Basis for payment
Vice-Chancellor	20/03/2015	Performance Appraisal - achievement of key result areas
Provost	20/03/2015	Performance Appraisal - achievement of key result areas
Deputy Vice-Chancellor (Academic)	20/03/2015	Performance Appraisal - achievement of key result areas
Deputy Vice-Chancellor (International)	20/03/2015	Performance Appraisal - achievement of key result areas
Deputy Vice-Chancellor (Research)	20/03/2015	Performance Appraisal - achievement of key result areas
Chief Operating Officer	20/03/2015	Performance Appraisal - achievement of key result areas

Performance bonuses payable in relation to the 2015 financial year have not been paid at the date of the financial statements. They are expected to be paid in March 2016.

The aggregate performance bonuses paid to all key executive management personnel are as follows:

	2015	2014
	$'000	$'000
Performance payments to key executive management personnel	**505**	528

34 Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including interest rate risk, foreign exchange risk and equity market risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Senate provides written principles for overall risk management and written policies covering specific areas, such as cash management, investment of funds, borrowing of funds and the use of foreign exchange contracts.

Details of the significant accounting policies and methods adopted, including the criteria for recognition and the basis of measurement, in respect of each class of financial instrument, are disclosed in Note 1(j).

The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and liquidity risk.

(a) Market risk

(i) Interest rate risk

The Group's exposure to market risk for changes in interest rates relates primarily to the Group's short-term investments. The Group manages its short-term cash flow interest rate risk by investing in fixed term funds.

Significant assumptions
Reasonably possible movements in interest rates were determined based on relationships with financial institutions, a review of the last two years' historical movements and economic forecasters' expectations.

(ii) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily the US dollar. To manage its foreign exchange risk arising from future commercial transactions, the Group has, at times, entered into foreign exchange contracts. It is the University's policy to not enter into forward exchange contracts until a commitment is in place. The forward currency contracts must be in the same currency as the hedged item.

Significant assumptions
Reasonably possible movements in foreign exchange rates were determined based on a review of the last five years' historical movements and economic forecasters' expectations.

(iii) Equity market risk

The Group is exposed to equity securities price risk because of long-term investments held by the Group. The Group manages its exposure to market risk by diversifying its long-term investments across different investment asset classes.

Significant assumptions
Reasonably possible movements in equity prices were determined based on a review of the last three years' historical movements and economic forecasters' expectations.

(iv) Summarised sensitivity analysis

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

34 Financial risk management (continued)

(a) Market risk (continued)

31 December 2015		Interest rate risk				Foreign exchange risk				Equity market risk			
		-1.5%		+0.5%		-10%		+10%		-10%		+10%	
	Carrying amount	Result $'000	Equity $'000	Result $'000	Equity $'000	Result $'000	Equity $'000	Result $'000	Equity $'000	Result $'000	Equity $'000	Result $'000	Equity $'000
Financial assets													
Cash at bank and on hand	107,883	-	-	-	-	(153)	(153)	153	153	-	-	-	-
Term deposits (maturity less than 90 days)	849	(13)	(13)	4	4	-	-	-	-	-	-	-	-
Receivables – Debtors	96,205	-	-	-	-	(574)	(574)	574	574	-	-	-	-
Financial assets – Available for sale	18,487	-	-	-	-	-	-	-	-	(1,849)	(1,849)	1,849	1,849
Designated as at fair value through income (fair value through income)	165,215	-	-	-	-	-	-	-	-	(16,521)	(16,521)	16,521	16,521
Term deposits greater than 90 days	213,211	(3,198)	(3,198)	1,066	1,066	-	-	-	-	-	-	-	-
Investments in associates	32,712	-	-	-	-	-	-	-	-	-	-	-	-
Financial liabilities													
Trade and other payables	80,341	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	120,836	-	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	8,776	-	-	-	-	-	-	-	-	-	-	-	-
Total increase/(decrease)		(3,211)	(3,211)	1,070	1,070	(727)	(727)	727	727	(18,370)	(18,370)	18,370	18,370

34 Financial risk management (continued)

(a) Market risk (continued)

31 December 2014		Interest rate risk				Foreign exchange risk				Equity market risk			
		-1.5%		+0.5%		-10%		+10%		-10%		+10%	
	Carrying amount	Result $'000	Equity $'000	Result $'000	Equity $'000	Result $'000	Equity $'000	Result $'000	Equity $'000	Result $'000	Equity $'000	Result $'000	Equity $'000
Financial assets													
Cash at bank and on hand	57,793	-	-	-	-	(167)	(167)	167	167	-	-	-	-
Term deposits (maturity less than 90 days)	827	(12)	(12)	4	4	-	-	-	-	-	-	-	-
Receivables – Debtors	79,657	-	-	-	-	(493)	(493)	493	493	-	-	-	-
Financial assets – Available for sale	8,799	-	-	-	-	-	-	-	-	(880)	(880)	880	880
Designated as at fair value through income (fair value through income)	144,697	-	-	-	-	-	-	-	-	(14,470)	(14,470)	14,470	14,470
Term deposits greater than 90 days	173,204	(2,598)	(2,598)	866	866	-	-	-	-	-	-	-	-
Investments in associates	33,358	-	-	-	-	-	-	-	-	-	-	-	-
Financial liabilities													
Trade and other payables	86,979	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	118,282	-	-	-	-	-	-	-	-	-	-	-	-
Loan from Qld Government	960	-	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	8,280	-	-	-	-	-	-	-	-	-	-	-	-
Total increase/(decrease)		(2,610)	(2,610)	870	870	(660)	(660)	660	660	(15,350)	(15,350)	15,350	15,350

34 Financial risk management (continued)

(b) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligation under a financial instrument or customer contract that will result in a financial loss to the Group. The Group is exposed to credit risk primarily from its operating activities (primarily from customer receivables) and from its dealings with financial institutions (deposits with banks and financial institutions).

The maximum exposure to credit risk at balance date in relation to each class of recognised financial assets is the carrying amount of those assets, net of any provisions for impairment of those assets, as disclosed in the Statement of Financial Position and Notes to the financial statements.

The economic entity does not have any material credit risk exposure to any single receivable or group of receivables, under financial instruments entered into by the economic entity.

There is no significant concentration of credit risk within the Group.

(c) Liquidity risk

Liquidity risk refers to the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Group's objective is to maintain a balance amongst continuity of funding, flexibility through the use of deposits with banks and cash funds, and accessibility to a drawdown stand-by facility.

The tables on the following pages summarise the maturity of the Group’s financial assets and financial liabilities.

34 Financial risk management (continued)

(c) Liquidity risk (continued)

	Average Interest rate		Variable interest rate		Within 1 year		1 - 5 years		5+ years		Non-interest		Total	
	2015 %	2014 %	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Financial assets:														
Bank balances	**2.61**	2.65	**107,883**	57,793	**-**	-	**-**	-	**-**	-	**-**	-	**107,883**	57,793
Short term deposits	**2.61**	2.82	**-**	-	**849**	827	**-**	-	**-**	-	**-**	-	**849**	827
Receivables – debtors	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**96,205**	79,657	**96,205**	79,657
Available for sale financial assets	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**18,487**	8,799	**18,487**	8,799
Designated at fair value through income	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**165,215**	144,697	**165,215**	144,697
Term deposits	**3.07**	3.64	**-**	-	**213,011**	172,904	**200**	300	**-**	-	**-**	-	**213,211**	173,204
Investment in associates	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**32,712**	33,358	**32,712**	33,358
Total financial assets			**107,883**	57,793	**213,860**	173,731	**200**	300	**-**	-	**312,619**	266,511	**634,562**	498,335
Financial liabilities:														
Trade and other payables	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**80,341**	86,979	**80,341**	86,979
Borrowings	**9.52**	9.52	**-**	-	**15**	22	**-**	-	**120,821**	118,260	**-**	-	**120,836**	118,282
Loan from Qld Government	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	960	**-**	960
Other liabilities	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**8,776**	8,280	**8,776**	8,280
Total financial liabilities			**-**	-	**15**	22	**-**	-	**120,821**	118,260	**89,117**	96,219	**209,953**	214,501

35 Fair value measurements

(a) Fair value measurements

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

Due to the short-term nature of the current receivables and trade and other payables 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 University measures and recognises the following financial assets and liabilities at fair value at the end of each reporting year:

	Consolidated		Consolidated	
	2015 $'000 Carrying Amount	**2015 $'000 Fair Value**	2014 $'000 Carrying Amount	2014 $'000 Fair Value
Financial assets				
Cash and cash equivalents	**108,732**	**108,732**	58,620	58,620
Trade and other receivables	**96,205**	**96,205**	79,657	79,657
Other financial assets – term deposits	**213,211**	**213,211**	173,204	173,204
Other financial assets – managed investment portfolio	**154,413**	**154,413**	136,518	136,518
Other financial assets – convertible notes	**772**	**772**	2,211	2,211
Other financial assets – shares in listed entities	**3,678**	**3,678**	112	112
Other financial assets – shares in unlisted entities	**20,321**	**20,321**	14,655	14,655
Contingent consideration	**4,518**	**4,518**	-	-
Total financial assets recognised at fair value	**601,850**	**601,850**	464,977	464,977
Financial liabilities				
Trade and other payables	**80,341**	**80,341**	86,979	86,979
Borrowings – finance lease liability	**120,836**	**120,836**	118,282	118,282
Other liabilities – loan from Queensland Government	**-**	**-**	960	960
Total financial liabilities recognised at fair value	**201,177**	**201,177**	206,221	206,221

The University has also measured the following non-financial assets at fair value at the end of each reporting period:

- Land, buildings, infrastructure and land improvements;
- Leased assets; and
- Heritage and cultural assets.

35 Fair value measurements (continued)

(b) Fair value hierarchy

The University categorises assets and liabilities measured at fair value into the following hierarchy based on the level of inputs used in measurement:

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

Details on the fair values of the major asset types are as follows.

(i) Recognised fair value measurements

Fair value measurements recognised in the statement of financial position are categorised into the following levels at 31 December 2015 and 31 December 2014.

Consolidated	*Notes*	2015 $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000
Recurring fair value measurements					
Financial assets					
Financial assets at fair value through profit or loss – listed entities	14	**3,678**	**3,678**	**-**	**-**
Financial assets at fair value through profit or loss – unlisted entities	14	**1,834**	**-**	**-**	**1,834**
Available-for-sale financial assets	14	**18,487**	**-**	**-**	**18,487**
Managed investment portfolio	14	**154,413**	**154,413**	**-**	**-**
Convertible notes	14	**772**	**-**	**-**	**772**
Term deposits	14	**213,211**	**213,211**	**-**	**-**
Contingent consideration		**4,518**	**-**	**-**	**4,518**
Total financial assets		**396,913**	**371,302**	**-**	**25,611**
Non-financial assets					
Property, plant and equipment	18	**2,742,959**	**373,921**	**284,080**	**2,084,958**
Total non-financial assets		**2,742,959**	**373,921**	**284,080**	**2,084,958**

	Notes	2014 $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000
Recurring fair value measurements					
Financial assets					
Financial assets at fair value through profit or loss – listed entities	14	112	112	-	-
Financial assets at fair value through profit or loss – unlisted entities	14	5,856	-	-	5,856
Available-for-sale financial assets	14	8,799	-	-	8,799
Managed investment portfolio	14	136,518	136,518	-	-
Convertible notes		2,211	-	-	2,211
Term deposits	14	173,204	173,204	-	-
Total financial assets		326,700	309,834	-	16,866
Non-financial assets					
Property, plant and equipment	18	2,920,816	376,560	273,338	2,270,918
Total non-financial assets		2,920,816	376,560	273,338	2,270,918

35 Fair value measurements (continued)

(c) Fair value – property, plant and equipment

Land (level 2)

All land has been categorised as level 2. The fair value of land has been determined based on sales of comparably zoned land together with discussions with selling agents and third party sources. Regard was given to such factors as the location, redevelopment potential, size, access to water, farming potential, zoning and Council classification of the sales evidence.

Buildings (levels 2 and 3)

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, number of dwelling units and market conditions at the time of sale.

The remaining buildings have been categorised as level 3 given the specialised nature and use of the education related buildings, together with limited comparable sales on a ‘going concern’ basis. The University has used a depreciated replacement cost methodology to determine fair value for such buildings. The assessed replacement cost for the buildings is replacement with a new, modern equivalent asset. The replacement costs have been assessed having regard to Rawlinson’s Australian Construction Cost Handbook 2015, actual costs for construction projects undertaken by the University and AssetVal's knowledge and exposure to construction projects and building costs.

Infrastructure and land improvements (level 3)

Infrastructure and land improvements have been categorised as level 3 given the nature and use of the infrastructure and land improvements, together with limited comparable sales on a ‘going concern’ basis. The University has used a depreciated replacement cost methodology to determine fair value for its infrastructure and land improvements. The assessed replacement cost for the infrastructure and land improvements is replacement with a new, modern equivalent asset. The replacement costs have been assessed having regard to Rawlinson’s Australian Construction Cost Handbook 2015, actual costs for construction projects undertaken by the University and AssetVal's knowledge and exposure to construction projects and building costs.

Leased assets (level 3)

Property, plant and equipment acquired by way of a finance lease is valued using the same methodology above that applies to assets fully owned by the University (e.g. leased buildings are valued the same way as fully owned buildings).

Heritage and cultural assets (levels 2 and 3)

The reference collection has been categorised as level 2. The fair value has been determined based on the average cost of a publication.

The heritage collection has been categorised as level 3 given the nature and use of rare materials and manuscripts. The University has used replacement cost methodology to determine the fair value of the heritage collection. Regard was given to auction and catalogue prices for rare books, periodicals and manuscripts material as well the annual increase in the consumer price index.

The museum collection has been categorised as level 3. The University has used replacement cost methodology to determine the fair value of the museum collection. Regard was given to market prices.

The reconciliation of the movement in property, plant and equipment held at fair value and categorised as level 3 during the year is as follows:

35 Fair value measurements (continued)

(c) Fair value – property, plant and equipment (continued)

	Consolidated 2015 $'000	Consolidated 2014 $'000	Parent 2015 $'000	Parent 2014 $'000
Opening level 3 balance	**2,270,918**	2,155,358	**2,270,918**	2,155,358
Additions/donations received	**2,197**	214,614	**2,197**	214,614
Transfers between levels	**5,339**	-	**5,339**	-
Transfers to assets held for sale	**-**	(17,967)	**-**	(17,967)
Transfers from assets held at cost	**7,926**	-	**7,926**	-
Transfers between asset classes	**6,563**	-	**6,563**	-
Disposals/donations made	**(675)**	(6,469)	**(675)**	(6,469)
Depreciation expense in profit or loss	**(72,944)**	(69,957)	**(72,944)**	(69,957)
Revaluations in other comprehensive income	**(134,366)**	(4,661)	**(134,366)**	(4,661)
Closing level 3 balance	**2,084,958**	2,270,918	**2,084,958**	2,270,918
Closing level 2 balance	**284,080**	273,338	**284,080**	273,338
Total property, plant and equipment held at fair value	**2,369,038**	2,544,256	**2,369,038**	2,544,256
Closing cost balance	**373,921**	376,560	**372,285**	374,545
Total property, plant and equipment	**2,742,959**	2,920,816	**2,741,323**	2,918,801

(d) Fair value – other financial assets

Term deposits, shares in listed entities and managed investment portfolio (levels 1 and 3)

Term deposits, shares in listed entities and the managed investment portfolio have been categorised as level 1. The fair value of assets traded in active markets (such as publicly traded securities) is based on quoted market prices for identical assets at the end of the reporting year. This is the most representative of the fair value in the circumstances.

However, where the quoted market prices do not constitute an active market owing to the asset being thinly traded, an appropriate adjustment is made to the quoted price and the asset is categorised as level 3.

Shares in unlisted entities and convertible notes (levels 2 and 3)

The University has shares and convertible notes in unlisted entities that are not traded in active markets. These have been valued using prices established in a price-setting financing round which has occurred within the two years prior to the reporting date and which involves at least one new investor. A price-setting financing round excludes an insider up round but includes an insider down round. The valuation technique takes into account material variations in rights of preferred versus ordinary shares, including the liquidation preference enjoyed by holders of preferred shares. These are categorised as level 2.

Where there is evidence that the price established in a price-setting financing round is not an appropriate valuation mechanism and better information exists to inform the valuation, the asset is categorised as level 3. Such information includes, but is not limited to, evidence that the investee company is trading poorly, that the technology the investee company is developing is known to have failed, that the investee company's investors have withdrawn their support or that the date of the last investment is greater than two years prior to the reporting date. In these cases, the fair value has been determined using the best information available about the assumptions that market participants would use when pricing the asset.

35 Fair value measurements (continued)

(d) Fair value – other financial assets (continued)

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

	Consolidated 2015 $'000	Consolidated 2014 $'000
Opening level 3 balance	**16,866**	15,692
Additions	**500**	2,806
Fair value gains/(losses)	**8,245**	(1,632)
Closing level 3 balance	**25,611**	16,866
Closing level 1 balance	**371,302**	309,834
Closing balance	**396,913**	326,700

(e) Fair value – other assets held at fair value

The carrying value less impairment provision of trade receivables and payables is a reasonable approximation of their fair values due to their short-term nature.

The fair value of non-current borrowings is estimated by discounting the future contractual cash flows at the current market interest rates that are available to the group for similar financial instruments. The fair value of current borrowings approximates the carrying amount, as the impact of discounting is not significant.

Land, buildings, infrastructure and land improvements classified as held for sale during the reporting period were measured at the lower of their carrying amount and fair value less costs to sell at the time of the reclassification.

36 Acquittal of Australian Government Financial Assistance

(a) DoE - CGS and other DoE grants

		Commonwealth Grants Scheme#1		Indigenous Support Program		Partnership & Participation Program #2		Disability Support Program		Promo of Exc in Learning and Teaching		Total	
		2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Parent Entity (University) Only	*Note*	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Financial assistance received in cash during the reporting period (total cash received from Australian Government for the program)		**309,946**	304,775	**973**	1,033	**4,116**	3,351	**125**	94	**1,248**	1,171	**316,408**	310,424
Revenue for the period	2(a)	**309,946**	304,775	**973**	1,033	**4,116**	3,351	**125**	94	**1,248**	1,171	**316,408**	310,424
Surplus/(deficit) from the previous year		**-**	-	**-**	-	**976**	1,201	**-**	-	**931**	1,103	**1,907**	2,304
Total revenue including accrued revenue		**309,946**	304,775	**973**	1,033	**5,092**	4,552	**125**	94	**2,179**	2,274	**318,315**	312,728
Less expenses including accrued expenses		**(309,946)**	(304,775)	**(973)**	(1,033)	**(3,988)**	(3,576)	**(125)**	(94)	**(1,480)**	(1,343)	**(316,512)**	(310,821)
Surplus/(deficit) for the reporting period		**-**	-	**-**	-	**1,104**	976	**-**	-	**699**	931	**1,803**	1,907

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

#2 Includes Equity Support Program.

(b) Higher education loan programmes (excl OS-HELP)

		HECS-HELP (Aust. Government payments only)		FEE-HELP #3		VET FEE-HELP		SA-HELP		Total	
		2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Parent Entity (University) Only	*Note*	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Cash Payable/(Receivable) at the beginning of the year		**1,146**	(2,732)	**1,597**	2,205	**-**	-	**-**	-	**2,743**	(527)
Financial assistance received in cash during the reporting period		**186,748**	186,794	**28,267**	27,782	**290**	210	**5,228**	5,020	**220,533**	219,806
Cash available for the period		**187,894**	184,062	**29,864**	29,987	**290**	210	**5,228**	5,020	**223,276**	219,279
Revenue earned	2(b)	**(186,920)**	(182,916)	**(28,000)**	(28,390)	**(112)**	(210)	**(5,228)**	(5,020)	**(220,260)**	(216,326)
Cash Payable/(Receivable) at the end of the year		**974**	1,146	**1,864**	1,597	**178**	-	**-**	-	**3,016**	2,953

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

36 Acquittal of Australian Government Financial Assistance (continued)

(c) Scholarships

		Australian Postgraduate Awards		International Postgraduate Research Scholarships		Commonwealth Education Cost Scholarships #4		Commonwealth Accommodation Scholarships #4		Indigenous Access Scholarship		Total	
		2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Parent Entity (University) Only	*Note*	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Financial assistance received in cash during the reporting period (total cash received from Australian Government for the program)		**24,615**	23,823	**1,959**	1,940	**110**	61	**127**	102	**92**	80	**26,903**	26,006
Net accrual adjustments		**-**	-	**-**	-	**(76)**	-	**(159)**	-	**-**	-	**(235)**	-
Revenue for the period	2(c)	**24,615**	23,823	**1,959**	1,940	**34**	61	**(32)**	102	**92**	80	**26,668**	26,006
Surplus/(deficit) from the previous year		**13,685**	10,700	**-**	-	**13**	11	**148**	126	**5**	(1)	**13,851**	10,921
Total revenue including accrued revenue		**38,300**	34,523	**1,959**	1,940	**47**	73	**116**	228	**97**	79	**40,519**	36,843
Less expenses including accrued expenses		**(23,383)**	(20,838)	**(1,959)**	(1,940)	**(75)**	(60)	**(86)**	(80)	**(94)**	(74)	**(25,597)**	(22,918)
Surplus/(deficit) for the reporting period		**14,917**	13,685	**-**	-	**(28)**	13	**30**	148	**3**	5	**14,922**	13,925

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

(d) Education Research

		Joint Research Engagement		Research Training Scheme		Research Infrastructure Block Grants		Sustainable Research Excellence in Universities		JRE Engineering Cadetships		Total	
		2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Parent Entity (University) Only	*Note*	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program)		**30,311**	29,667	**62,180**	60,968	**28,425**	26,291	**23,074**	20,174	**490**	366	**144,480**	137,466
Revenue for the period	2(d)	**30,311**	29,667	**62,180**	60,968	**28,425**	26,291	**23,074**	20,174	**490**	366	**144,480**	137,466
Surplus/(deficit) from the previous year		**-**	-	**-**	-	**-**	-	**-**	-	**733**	367	**733**	367
Total revenue including accrued revenue		**30,311**	29,667	**62,180**	60,968	**28,425**	26,291	**23,074**	20,174	**1,223**	733	**145,213**	137,833
Less expenses including accrued expenses		**(30,311)**	(29,667)	**(62,180)**	(60,968)	**(28,425)**	(26,291)	**(23,074)**	(20,174)	**-**	-	**(143,990)**	(137,100)
Surplus/(deficit) for the reporting period		**-**	-	**-**	-	**-**	-	**-**	-	**1,223**	733	**1,223**	733

36 Acquittal of Australian Government Financial Assistance (continued)

(e) Other Capital Funding

	Note	Education Investment Fund 2015 $'000	Education Investment Fund 2014 $'000	Total 2015 $'000	Total 2014 $'000
Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program)		**700**	17,000	**700**	17,000
Revenue for the period	2(e)	**700**	17,000	**700**	17,000
Surplus/(deficit) from the previous year		**11,894**	25,253	**11,894**	25,253
Total revenue including accrued revenue		**12,594**	42,253	**12,594**	42,253
Less expenses including accrued expenses		**(11,258)**	(30,360)	**(11,258)**	(30,360)
Surplus/(deficit) for the reporting period		**1,336**	11,893	**1,336**	11,893

36 Acquittal of Australian Government Financial Assistance (continued)

(f) Australian Research Council Grants

(i) Discovery Parent Entity (University) Only	Note	Projects 2015 $'000	Projects 2014 $'000	Fellowships #5 2015 $'000	Fellowships #5 2014 $'000	Indigenous Researchers Development 2015 $'000	Indigenous Researchers Development 2014 $'000	Total 2015 $'000	Total 2014 $'000
Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program)		**28,739**	31,486	**26,825**	33,399	**189**	185	**55,753**	65,070
Net accrual adjustments		**(302)**	-	**(391)**	-	**-**	-	**(693)**	-
Revenue for the period	2(f)(i)	**28,437**	31,486	**26,434**	33,399	**189**	185	**55,060**	65,070
Surplus/(deficit) from the previous year		**19,369**	19,269	**22,735**	20,674	**-**	-	**42,104**	39,943
Total revenue including accrued revenue		**47,806**	50,755	**49,169**	54,073	**189**	185	**97,164**	105,013
Less expenses including accrued expenses		**(31,384)**	(31,386)	**(29,553)**	(31,338)	**(189)**	(185)	**(61,126)**	(62,909)
Surplus/(deficit) for the reporting period		**16,422**	19,369	**19,616**	22,735	**-**	-	**36,038**	42,104

#5 Includes Early Career Researcher Award

(ii) Linkages Parent Entity (University) Only	Note	Infrastructure 2015 $'000	Infrastructure 2014 $'000	Projects 2015 $'000	Projects 2014 $'000	Total 2015 $'000	Total 2014 $'000
Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program)		**1,500**	2,709	**8,578**	12,922	**10,078**	15,631
Net accrual adjustments		**-**	-	**(165)**	-	**(165)**	-
Revenue for the period	2(f)(ii)	**1,500**	2,709	**8,413**	12,922	**9,913**	15,631
Surplus/(deficit) from the previous year		**1,277**	786	**11,926**	12,064	**13,203**	12,850
Total revenue including accrued revenue		**2,777**	3,495	**20,339**	24,986	**23,116**	28,481
Less expenses including accrued expenses		**(2,478)**	(2,218)	**(10,538)**	(13,060)	**(13,016)**	(15,278)
Surplus/(deficit) for the reporting period		**299**	1,277	**9,801**	11,926	**10,100**	13,203

36 Acquittal of Australian Government Financial Assistance (continued)

(f) Australian Research Council Grants (continued)

(iii) Networks and Centres **Parent Entity (University) Only**	*Note*	**Centres** **2015** **$'000**	 **2014** **$'000**	**Total** **2015** **$'000**	 **2014** **$'000**
Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program)		**14,285**	14,049	**14,285**	14,049
Revenue for the period	2(f)(iii)	**14,285**	14,049	**14,285**	14,049
Surplus/(deficit) from the previous year		**6,750**	7,071	**6,750**	7,071
Total revenue including accrued revenue		**21,035**	21,120	**21,035**	21,120
Less expenses including accrued expenses		**(13,858)**	(14,370)	**(13,858)**	(14,370)
Surplus/(deficit) for the reporting period		**7,177**	6,750	**7,177**	6,750

(g) OS-HELP

Parent Entity (University) Only	*Note*	**2015** **$'000**	**2014** **$'000**
Cash received during the reporting period		**6,047**	6,740
Cash spent during the reporting period		**(4,821)**	(4,191)
Net cash received		**1,226**	2,549
Cash surplus/(deficit) from the previous period		**2,742**	193
Cash surplus/(deficit) for the reporting period	20	**3,968**	2,742

36 Acquittal of Australian Government Financial Assistance (continued)

(h) Student Services and Amenities Fee

Parent Entity (University) Only	*Notes*	2015 $'000	2014 $'000
Unspent/(overspent) revenue from previous period		**6,280**	3,757
SA-HELP revenue earned	2(b)	**5,228**	5,020
Student services fees direct from students	4	**6,526**	3,412
Total revenue expendable in period		**18,034**	12,189
Student services expenses during period		**(9,898)**	(5,909)
Unspent/(overspent) student services revenue		**8,136**	6,280

Management Certificate

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

(a) the financial statements and consolidated financial statements are in agreement with the accounts and records of The University of Queensland 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; and

(ii) the financial statements have been drawn up so as to present a true and fair view of the transactions of The University of Queensland and controlled entities for the period 1 January 2015 to 31 December 2015 and the financial position as at 31 December 2015 in accordance with prescribed accounting standards and conform with the *Financial Statement Guidelines for Australian Higher Education Providers for the 2015 Reporting Period* issued by the Australian Government Department of Education;

(iii) at the time of the certificate there are reasonable grounds to believe that The University of Queensland will be able to pay its debts as and when they fall due;

(iv) the amount of Australian Government financial assistance expended during the year was for the purpose(s) for which it was intended; and

(v) The University of Queensland has complied with applicable legislation, contracts, agreements and program guidelines in making that expenditure.

(vi) The University of Queensland charged Student Services and Amenities Fees strictly in accordance with the *Higher Education Support Act 2003* and the Administration Guidelines made under the Act. Revenue from the fee was spent strictly in accordance with the Act and only on services and amenities specified in subsection 19-38(4) of the Act.

Dr Jane Wilson
Acting Chancellor
THE UNIVERSITY OF QUEENSLAND
25 February 2016

Professor Peter Høj
Vice-Chancellor & President
THE UNIVERSITY OF QUEENSLAND
25 February 2016

Mr Andrew Betts
Chief Financial Officer
THE UNIVERSITY OF QUEENSLAND
25 February 2016

Independent Auditor's Report

To the Senate of the University of Queensland

Report on the Financial Report

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

The Senate's Responsibility for the Financial Report

The Senate is responsible for the preparation of the financial report that gives a true and fair view in accordance with prescribed accounting requirements identified in the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*, including compliance with Australian Accounting Standards. The Senate's responsibility also includes such internal control as the Senate determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control, other than in expressing an opinion on compliance with prescribed requirements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Senate, as well as evaluating the overall presentation of the financial report including any mandatory financial reporting requirements approved by the Treasurer for application in Queensland.

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

Independence

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

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

Opinion

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

(a) I have received all the information and explanations which I have required; and

(b) in my opinion –

 (i) the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects; and

 (ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the transactions of the University of Queensland and the consolidated entity for the financial year 1 January 2015 to 31 December 2015 and of the financial position as at the end of that year.

Other Matters - Electronic Presentation of the Audited Financial Report

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

JWelsh

QUEENSLAND
26 FEB 2016
AUDIT OFFICE

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

Queensland Audit Office
Brisbane

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