



2016

Annual Report

James Cook
University

Cairns
Singapore
Townsville

Contents

Open data	1
Government bodies – JCU Council.....	1
Public availability	1
Statement of compliance.....	1
Letter of compliance	2
Year in review	3
Introduction	5
Role and main functions	8
Governance and management	9
Governance – risk management and accountability	17
Statement of Strategic Intent	22
University Plan: our priorities	23
Operating environment	25
Domain: Learning and teaching	26
Domain: Research	30
Domain: Engagement.....	34
Domain: Organisational effectiveness	36
Domain: Human and intellectual capital	37
Domain: Physical and virtual infrastructure	39
Domain: Finance and resources.....	42
Key Performance Indicators (KPIs).....	44
Financial overview	47
Financial statements and notes	48
Certification of financial statements (management certificate)	93
Independent Auditor’s Report	95
Financial information for the year ended	99
Glossary.....	102

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

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

Source: JCU Reconciliation Action Plan 2015-2017.

Open data

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

Government bodies – JCU Council

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

Public availability

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

Statement of compliance

This Annual Report fulfils the prescribed reporting requirements for 2016 of James Cook University to the Queensland Minister for Education and Minister for Tourism and Major Events, and provides a comprehensive summary of the University’s operations and achievements during the year.

It illustrates the role of the University within the communities it serves, portrays the scope and importance of its activities and displays the University’s effective utilisation of the resources available to it. The report outlines a wide range of developments, innovations and achievements that provide a yardstick by which to measure the performance of the University in 2016 against its strategic intent, aim and objectives.

Letter of compliance

27th of February 2017

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

Dear Minister,

I am pleased to submit for presentation to the Parliament the Annual Report 2016 and financial statements for James Cook University.

I certify that this Annual Report complies with:

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

A checklist outlining the annual reporting requirements can be found accompanying this annual report accessible at <https://www.jcu.edu.au/about-jcu/annual-report>.

Yours sincerely

Mr Bill Tweddell
Chancellor
James Cook University

Year in review

In my first Annual Report as the new Chancellor of James Cook University, I acknowledge with gratitude my predecessor, Lt Gen John Grey (Retd) AC, and his 17 years of dedicated and outstanding service to James Cook University and to the north Queensland region more broadly.

Commencing as Chancellor on 26 March 2016, I feel privileged to return to the University to which I owe so much. My first footsteps into the JCU community were as a full-time student and then later as a part-time student, working initially in the library and later in the administration. JCU played multiple roles of providing me with the educational and intellectual foundations for a 40-year career in Australia's diplomatic service and with my first full-time job. It was also where I met my wife Chris, a JCU alumna. My debt to the University is large.

It is a matter of pride to me to be the first JCU alumnus to be elected Chancellor. Chris and I thank John and Helen Grey for their support, encouragement and wisdom in helping us settle into our new roles.

As Chancellor, I reaffirm and reinforce JCU Council's determination to add genuine value to the advancement of our University, including by setting its strategic direction. JCU's Council is set up to harness broad areas of expertise from its members to help bring different skills and perspectives and add value to the deliberations of the University.

It remains a challenging time for universities, including significant regulatory uncertainty within the sector, a downturn in the regional economy in general, together with an increasingly competitive global environment. Against this background, Council is focused on ensuring the sustainability of our University.

The Comprehensive Strategic Partnership and Free Trade Agreement between the Australian and Singapore Governments, signed in May, was exceptionally significant for JCU. The bilateral agreement specifically recognised our education and research endeavour being delivered in Singapore as the Singapore Campus of James Cook University. Established in 2003, our Singapore presence continues to be an area of growth for JCU and holds special significance for us as our only capital city campus.

Council was also pleased to approve an investment of \$40 million to develop 300-bed on-campus student accommodation in Cairns, which is essential for the growth of that campus and to attracting more regional, interstate and international students to JCU and northern Queensland. Available from first semester 2018, this is the first residential accommodation provided on the Cairns Campus and there are plans to expand to 1,000 beds over the longer term.

2016 has re-affirmed that those charged with governance, leadership and management of universities must work together while operating in a dynamic environment. It is therefore timely to think how one of the University's key decision-making bodies, our Council, should manage its governance role and processes, in line with the strategic and operational directions of the University.

Key governance preoccupations since my installation as Chancellor have included efforts to move to a new Governing Body membership model with more flexibility to help ensure a better mix of skills that are appropriate to modern-day governance challenges, and greater gender, geographical and ethnic diversity. At Council's final meeting in December, we agreed on measures to reduce and reconfigure our committee and sub-committee structures in order to ensure they are fit-for-purpose in our current circumstances.

JCU has been working closely with the Minister for Education, the Hon. Kate Jones MP, and the Department of Education and Training in relation to improving and streamlining the university's establishing legislation. JCU looks forward to receiving the Government's advice about these potential legislative reforms.

It is also pleasing to see the commitment and support of both Federal and State Governments to the region and to JCU during the sod-turning event of the Australian Institute of Tropical Health and Medicine (AITHM) facilities in Cairns by Senator the Hon Simon Birmingham, Minister for Education and Training, and the opening of the AITHM building on the Townsville campus by the Premier of Queensland, the Hon Anastacia Palaszczuk

MP, with Senator for Queensland the Hon Ian Macdonald. Both governments spoke highly of the work undertaken by JCU in support of northern Australia and the Tropics more broadly.

In addition, the support of the Australian Government through the Minister for Foreign Affairs, the Hon Julie Bishop, and Her Excellency Ms Gillian Bird, Australian Ambassador to the United Nations in New York, in successfully campaigning for a United Nations (UN)-endorsed International Day of the Tropics was a highlight of 2016. The date, 29th June each year, marks the release of the State of the Tropics Report by Daw Aung San Suu Kyi on that day in 2014. The report was produced by an international consortium led by JCU to shine a spotlight on the issues and challenges of the Tropics. This International Day provides an opportunity to take stock of progress across the Tropics in meeting the UN's Sustainable Development Goals, to share tropical stories and expertise and to acknowledge the diversity and potential of the region. Our Vice Chancellor played a central role in leading this powerful initiative.

We are a very distinctive university which faces outwards to the Tropics and our region. JCU has an enduring commitment to accessible, high-quality education and research excellence, particularly on issues of critical importance to the world's Tropics. This has always been part of our Charter and of who we are.

We are also a University with a great number of first-in-family, regional and remote Australia, low socio-economic status and Indigenous students. This is a feature of which I am very proud and to the enrichment of which I have a strong personal commitment.

In November, we held a very special flag-raising ceremony on the Cairns campus – a significant step toward improving engagement of our University with Aboriginal and Torres Strait Islander peoples, their culture, spirituality and history. In my view, JCU has unique responsibilities to do well by those groups.

As a regionally-based university, we recognise too our obligation to engage with industry and government, commercialise our research findings and achieve critical mass through productive research partnerships with other research organisations.

The Council which I am privileged to chair is very engaged and very supportive of the University. We acknowledge that there are public policy challenges but Council is committed and pleased to work with Management in meeting those challenges.

Mr Bill Tweddell
Chancellor

Introduction

While public policy instability remains a feature of our operating environment, the University continues to play its leading role in northern Queensland as the only University offering a comprehensive range of programs adding substantially to local human capital, capability and economic development. We also continue to live up to our growing reputation as one of the great universities of the Tropics, by advancing James Cook University's Strategic Intent to create a brighter future for life in the tropics world-wide, through graduates and discoveries that make a difference.

Alongside graduating 4345 students in 2016, with most of those who studied in the north staying in the north to power the regional economy, there have been many research successes and terrific engagement across a number of domains. These have stretched to the international arena in new and important ways.

A particular highlight for 2016 was the declaration by the United Nations that June 29 would be recognised as the International Day of the Tropics. That date commemorates the launch, by Nobel Laureate Aung San Suu Kyi, of the inaugural State of the Tropics Report in 2014, the first major output of the State of the Tropics Project that was initiated and has been led by our University. This Day will quite rightly focus attention on the challenges and opportunities facing the world's tropical regions and promote greater collaboration between countries to secure a more prosperous future for the fastest growing and soon to be most populous zone in the world. Furthermore, the university status of our Singapore campus was achieved and cemented through the Comprehensive Strategic Partnership/ revised Singapore Australia Free Trade Agreement in May this year. This recognition was hard won, with further affirmation when our Singapore campus was awarded of Singapore Quality Class Star on 31 August 2016. We are most grateful to the Australian Government for the prominent role the Government and various officials played in respect of both signal, international achievements.

In March we farewelled Chancellor Lt. Gen. John Grey AC (Ret'd) after 17 years of exemplary service to the University and the communities we serve. The University was most fortunate to have the benefit of such an accomplished Chancellor, a man of great commitment and integrity, over so many years. In light of his manifold contributions, the University was pleased to confer upon him the honorary award of Doctor of the University in December 2016.

JCU's new Chancellor, Bill Tweddell, was welcomed back to the University in March 2016 after a distinguished 40-year career in Australia's diplomatic service which saw him serve as High Commissioner to Sri Lanka and the Maldives, Consul General to Hong Kong and Macau, as Deputy High Commissioner to the United Kingdom and to India, and as Ambassador to Vietnam and to the Philippines, among many other important roles spanning the continents of the world. Senior appointments at headquarters in Canberra included a period as Chief of Staff to the Foreign Minister. This is a homecoming for our new Chancellor and for Mrs Chris Tweddell. Both are JCU alumni. Indeed, Mr Tweddell was recognised in 2010 as an Outstanding Alumnus of the University and is the first member of the JCU alumni to occupy the position of Chancellor.

2016 saw the sad closing of another chapter in the University's history, with the University community mourning the passing of Professor Emeritus Ken Back AO, JCU's first Vice Chancellor who had previously occupied the position of Warden of the University College of Townsville, part of The University of Queensland and JCU's antecedent organisation. Emeritus Professor Back had been Warden and then Vice Chancellor for a total of 23 years and played an amazing role in the early life of our University. Vale Ken Back.

Our sixth annual Outstanding Alumni Awards Ceremony recognised 12 exceptional graduates of the University and its predecessor institutions, each of whom has made an outstanding contribution in their field of endeavour. Chancellor Bill Tweddell also selected the Chancellor's Outstanding Alumnus from among the six College winners, with this year's winner being Dr Shannon Springer. Dr Springer oversees Bond University's indigenous health curriculum and, as one of two Indigenous graduates in the inaugural JCU medical cohort, is a role model for Australian Aboriginal and Torres Strait Islander people and a tireless worker in his commitment to improve the health of Australia's First Peoples.

At JCU, we understand that any great learning environment is built on relationships that are mutually respectful. In November, JCU honoured Australian Aboriginal and Torres Strait Islander peoples' rich contribution to JCU and society, through a special flag raising ceremony on the Cairns campus, similar to a ceremony previously held on our Townsville campus. Such activities align with the strategies developed in JCU's Reconciliation Action Plan. Professor Martin Nakata, himself a 2010 Outstanding Alumnus of our University, rejoined the JCU community this year as Pro Vice Chancellor, Indigenous Education and Strategy, to further advance our efforts across this important domain.

Work also continued on initiatives such as the Universities Australia 'Respect. Now. Always.' Campaign. The University is committed to preventing and responding to incidents of sexual assault and promoted the related survey extensively on social media and on video screens across both the Townsville and Cairns campuses. The University was also accepted into the Science in Australia Gender Equity Athena SWAN pilot program being co-ordinated by the Australian Academy of Science to improve the promotion and retention of women in the STEM sector.

At JCU, we talk about our "location being our laboratory", about "the power of place" so we were delighted to hold the sod-turning event for the new Australian Institute of Tropical Health and Medicine (AITHM) facilities in Cairns as well as having the Premier of Queensland, the Honourable Anastacia Palaszczuk, with Senator the Honourable Ian Macdonald representing the Australian Government also playing a role, open the AITHM building on the Townsville campus. JCU is most grateful to both levels of Government for their generous contributions to funding these facilities, as well as other facilities on Thursday Island and in Mackay. JCU's AITHM has a critical role to play in contributing to a knowledge based northern economy for the 21st Century and in solving significant tropical health and disease problems worldwide.

JCU continued its reputation for excellence in teaching and research through the outstanding efforts of many in our community. The Centre for World-Class Universities at Shanghai Jiao Tong University, publishers of the Academic Ranking of World Universities, released its 2016 ranking of the world's top 500 universities. That ranking saw JCU listed in the 200-300 ranks. In their top 200 universities by subject field, JCU retained its ranking as one of the top 150 universities in the world in the subject area of life and agricultural sciences. The Times Higher Education World University Rankings 2016 also recognised JCU's standing as a world-class institution based on criteria related to teaching, research, citations, institutional income, and degree of internationalisation, placing it in the top 251-300 rank among the world's universities.

JCU again achieved success in the 2016 Australian Awards for University Teaching for Programs that Enhance Learning. The outstanding efforts of staff in this area were recognised at the national ceremony held in Canberra on 1 December. Of considerable note and importance, JCU's Learning Centre received the Award for Programs that Enhance Learning in the category of Student Experiences and Services Supporting Learning, Development and Growth in Higher Education.

For the sixth year in a row, JCU received five stars for job success in the Good Universities Guide. JCU is the only university in Queensland, and only one of three universities across the country, to be awarded this rating for the past six years.

JCU continued to develop collaborative partnerships to build community capacity and support teaching and research capability. In September, we launched the Department of Foreign Affairs and Trade (DFAT) funded Twinning Project between JCU and the University of Papua New Guinea (UPNG), which is a significant project being undertaken with the purposes of improving the learning and teaching skills of UPNG academics and supporting collaborative research capability in Australia, Papua New Guinea and the broader Asia Pacific region. In November, JCU also signed a Memorandum of Understanding with the Coral Triangle Initiative on Coral Reefs, Fisheries and Food Security, a multilateral partnership of six countries formed in 2007, to further marine research and capacity building, to tackle issues on climate change, marine biodiversity, sustainable fisheries and food security through research and mobility programs.

Many individuals from our JCU community received well-deserved awards this year. Among those are: Distinguished Professor Bill Laurance who joined the ranks of the world's elite researchers, being named in the 2016 Web of Science Highly Cited Researcher list, which is published by Clarivate Analytics; Dr Zoe Bainbridge, one of 12 highly cited female researchers recognised with a 2016 Women in Research Citation Award by Clarivate Analytics and the Australian National University; Professor Peter Junk who was presented with the Royal Australian Chemical Institute's Burrows Award, an honour based on his scientific work in inorganic chemistry over the past ten years and his standing in the international community; Dr Jennifer Donelson and Dr Paul Giacomini, who won Queensland Young Tall Poppies awards which are among Queensland's most prestigious science prizes; Distinguished Professor Terry Hughes who was announced as the winner of the 2016 Australian Coral Reef Society Medal, for his lifetime contribution to coral research and then, at the end of 2016, was recognised as one of Nature's Ten, being one of the ten people judged by Nature as having made a difference in science in 2016 worldwide; and Professor Peter Leggat who was elected to the International Academy of Aviation and Space Medicine and will be invested as an Academician at a ceremony in Rome in 2017.

Finally, I would like to take this opportunity to thank the members of the University Council for their positive and important contributions to the governance of the University. I would also like to most warmly thank members of the various advisory committees and all staff, students, donors, alumni, all levels of Government and the broader northern Queensland and Singapore communities for their critical contributions to, and support for, the efforts of JCU throughout 2016.

Looking to the future, we can be confident that our University is well positioned in a changing local, national and global environment and continues to address issues of great significance to our communities.

Professor Sandra Harding
Vice Chancellor and President

Role and main functions

Establishment and enabling legislation

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

Role

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

Functions as per *James Cook University Act 1997*

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

General powers of university as per *James Cook University Act 1997*

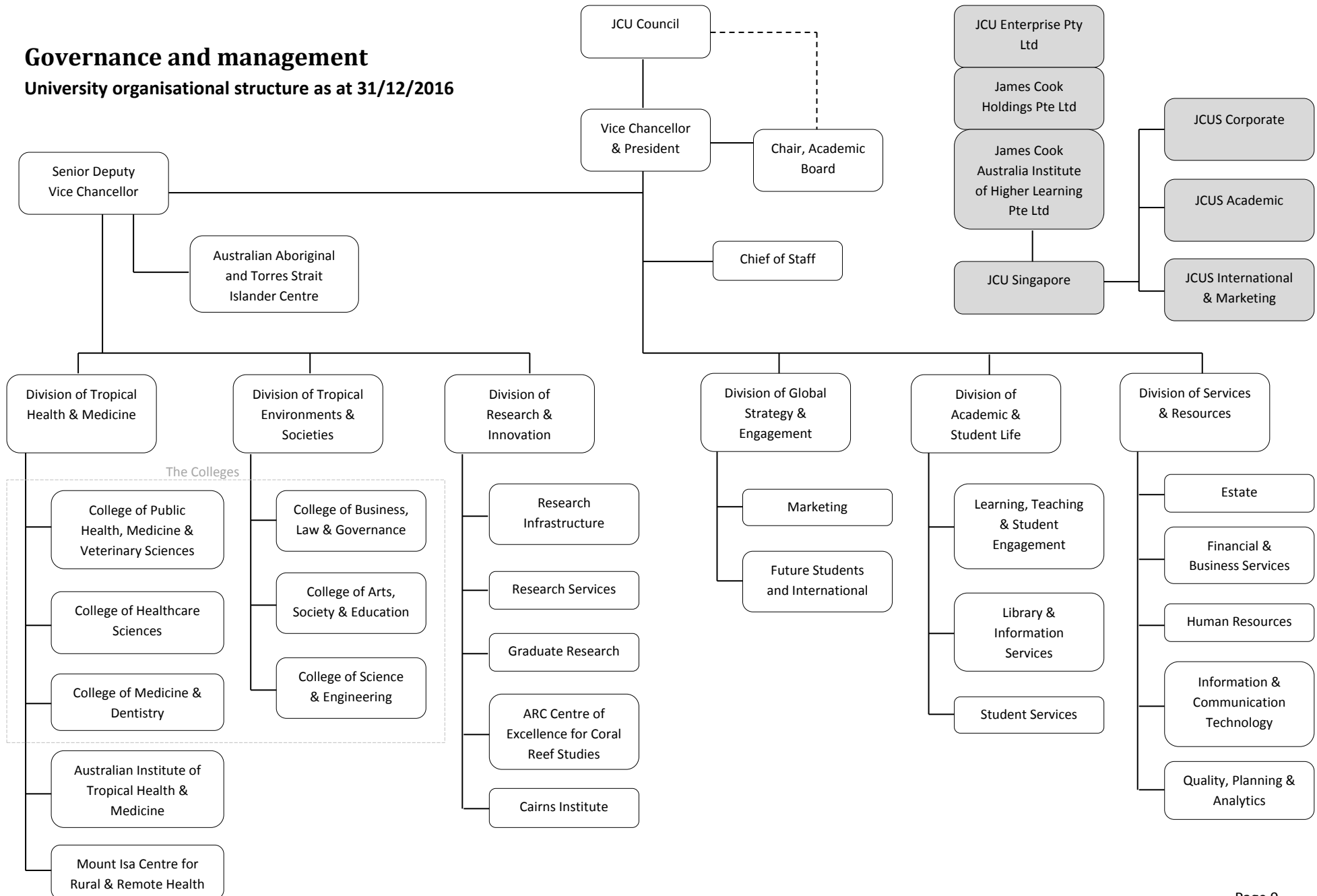
- (1) The University has all the powers of an individual, and may, for example—
 - (a) enter into contracts; and
 - (b) acquire, hold, dispose of, and deal with property; and
 - (c) appoint agents and attorneys; and
 - (d) engage consultants; and
 - (e) fix charges, and other terms, for services and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

Significant regional locations

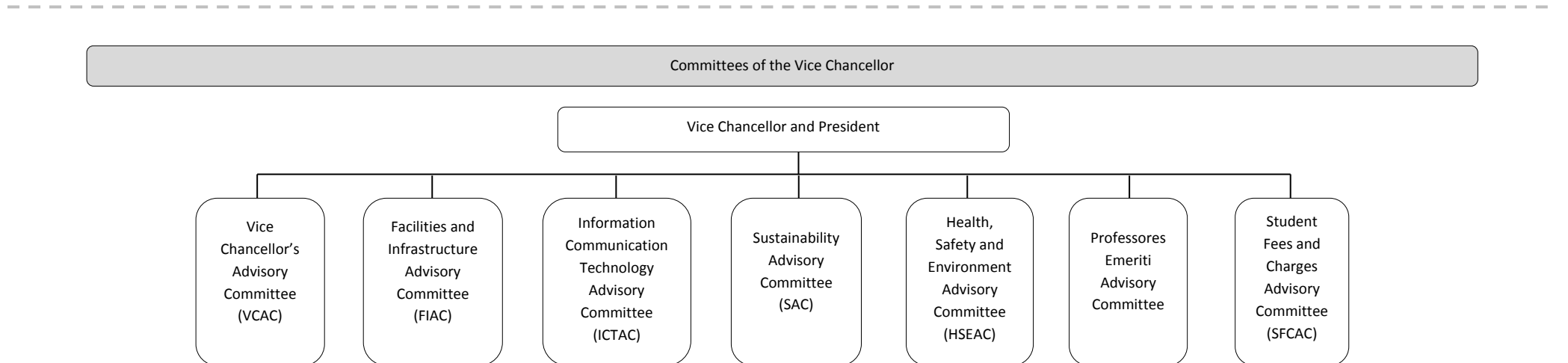
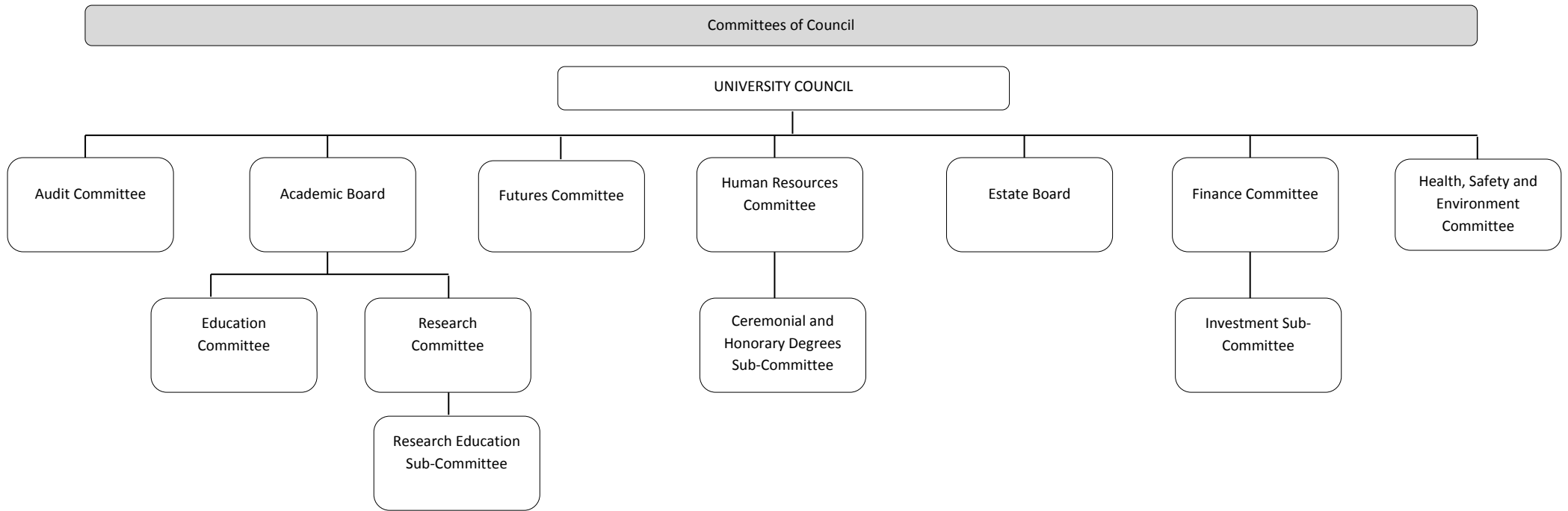
- Townsville
- Cairns
- Singapore (international campus)

Governance and management

University organisational structure as at 31/12/2016



Governance structures as at 31/12/2016



Governing body - Council

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

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

Council – Primary Responsibilities

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

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

Council – Membership criteria, review and nomination procedures

The University Council is elected for a specified term of office of not more than four years consisting of 22 members. However during the term of a Council, members may resign and/or be replaced in accordance with election or appointment processes associated with their particular appointment. The Chancellor is elected for a term of no longer than five years as fixed by the Council and the person elected need not be a member of Council. The incumbent Chancellor was elected for a five year term, beginning on 26 March 2016. The Chairperson of Academic Board is appointed by the Council for a term of no longer than three years. The incumbent Chairperson was appointed by the Council at its 14 May 2015 meeting for an additional three-year term from 1 June 2015.

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

- Members of the Academic Staff – Three);
- Members of the General Staff – Two;

- Students – Three, including one undergraduate student, one postgraduate student and one undergraduate or postgraduate student;
- Members of the Convocation – Two other than those eligible above.

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

Council – Membership

The following table on page 13 lists the Council membership of the Sixteenth Council as at the reporting period end (31st of December 2016). There were a total of nine meetings in 2016 of the Sixteenth Council. The table lists position of membership, member names, qualifications, and the number of meetings attended for the reporting year.

Executive Management

The Executive Management structure of the University (as at 31st of December 2016) is summarised in the Executive Management table on page 14.

James Cook University Council membership as at the 31st of December 2016 (for the Sixteenth Council)

Membership type	Position on Council	Member's name	Member's qualifications	Attendance
Official members	Chancellor (Out-going)	Lieutenant General John Grey, AC (Retd)		1 / 1
	Chancellor (In-coming)	Mr William (Bill) Tweddell	BA, BEc <i>JCU</i>	8 / 8
	Vice Chancellor	Sandra Harding	BSc (Hons) <i>ANU</i> , MPubAdmin <i>UQ</i> , PhD <i>NCSU</i> , Hon Doc <i>JIU</i> , FACE, FQA, FAICD, FAIM	7 / 9
	Chairperson of the Academic Board	Stephen Naylor	BEd <i>Melb</i> , MA <i>RMIT</i> , PhD <i>Monash</i> .	9 / 9
Appointed members	Appointed members	Campbell (Cam) Charlton	BCom, LLB <i>JCU</i> , GAICD	9 / 9
		Ryan Haddrick	LLB <i>JCU</i> , LLM <i>QUT</i> , GradDipLegPrac <i>ANU</i> , Barrister (Qld, NSW, ACT)	7 / 9
		The Hon. Peter Lindsay		8 / 9
		Lynette McLaughlin	DipTeach (<i>TTC</i>)	6 / 9
		His Honour Magistrate Steven Mosch	LLB (<i>QUT</i>)	6 / 9
		Peter Phillips	BBus <i>Curtin</i> , CA, FIIA, CIA, CFE	9 / 9
		Trent Twomey	BPharm (<i>JCU</i>) BBus (<i>JCU</i>) FAICD FACP FAIM	4 / 9
		Les Tyrell, OAM		7 / 9
Elected members	Academic staff	Peter Leggat, AM	MD Qld, PhD SAust, DrPH <i>JCU</i> , FAFPHM, FFPH RCP(<i>UK</i>), FACAsM, FACTM, FFTM FEWM (<i>ACTM</i>), FFTM RCPS (<i>Glasg</i>), FACRRM, FAICD, FSIA, FACE, FRGS, ACPHM (<i>CMSA</i>), Hon FACTM	6 / 9
		David Smorfitt	PhD (<i>UQ</i>) M Com (<i>JCU</i>) B Com (Hons)(<i>UNISA</i>) B Com (<i>Ntl</i>) HD Ed (<i>Ntl</i>) NH Dip Tax (<i>Ntl Tech</i>) CPA Australia	5 / 5
		Anthony Leicht	BAppSc(Hons) (<i>USQ</i>), GDip(<i>FET</i>) (<i>USQ</i>), PhD (<i>USQ</i>), ESSAF, FECSS	6 / 9
	General staff	Vanessa Cannon	BA (Lib&InfoMgt)(<i>USA</i>) Dip (<i>ResMgmt</i>) Dip (<i>VocInst</i>) Ass Dip (<i>PersAdmin</i>) Cert Pub	9 / 9
		Julie Caswell	B Bus, MConflMgtResol	7 / 7
	Students	Edward Harridge	LLB/BBus, Undergraduate – (TSV)	9 / 9
		Mark Dodge	GAIDC, AFAIM, C Dec, MBA, Postgraduate - (CNS)	2 / 2
		Laura Walker	LLB/BBus, Undergraduate – (CNS)	2 / 2
	Convocation	Robin Gilliver	BA Well 1969, BInfTech <i>JCU</i> 2010	9 / 9
		Graham Kirkwood	BEc (Hons) (<i>JCU</i>), AAUQ (<i>Qld</i>)	9 / 9
Additional member	Additional member	Ernie Landy	B Com. JP, CPA and AICD	8 / 9
Non-member (Secretary)	Secretary	Michael William Kern	BCom <i>JCU</i> CA Grad DipCSP ACIS	9 / 9

James Cook University Executive Management as at the 31st of December 2016

Executive Position	Name	Qualifications	Major duties
Vice Chancellor & President	Sandra Harding	BSc (Hons) <i>ANU</i> , MPubAdmin <i>UQ</i> , PhD <i>NCSU</i> , Hon Doc <i>JIU</i> , FACE, FQA, FAICD, FAIM	Responsible for oversight of key strategic and operational aspects of the University; overarching responsibility for the core business of learning, teaching and research. The Vice Chancellor has oversight of the Chief of Staff, Legal & Assurance, Media & Communications, Secretariat & Records, and the State of the Tropics project.
Senior Deputy Vice Chancellor	Chris Cocklin	DipBusStud, BSocSci MA, PhD, FAICD, FAIM	Focus on learning, teaching and research with oversight of the academic divisions, colleges and the Australian Aboriginal and Torres Strait Islander Indigenous Centre. Responsibility for research and also holds the role of Deputy Vice Chancellor of the Division of Research and Innovation. Has oversight of research infrastructure, graduate research, research services, the Cairns Institute and the ARC Centre of Excellence for Coral Reef Studies.
Deputy Vice Chancellor and Head of Singapore Campus	Dale Anderson	BEdSt (<i>UQ</i>), Dip Sch Couns (<i>UQ</i>), MEd (<i>UNE</i>), PhD (<i>RMIT</i>), FACE, FAICD	Responsibility for the operation of the University's Singapore Campus and delivery of pre-university pathway, undergraduate, postgraduate and doctoral programs in Singapore.
Deputy Vice Chancellor of the Division of Tropical Health & Medicine	Ian Wronski	MB BS <i>Monash</i> , DTMH <i>Liv</i> , MPH, SM(Epi) <i>Harv</i> , DipRACOG, FAFPHM, FACTM, FACRRM	Responsibility for the operations of the Division and oversight of the Australian Institute of Tropical Health & Medicine, and the Mount Isa Centre for Rural & Remote Health, and the following Colleges: - College of Public Health & Veterinary Sciences - College of Healthcare Sciences - College of Medicine and Dentistry
Deputy Vice Chancellor of the Division of Tropical Environments and Societies	Iain Gordon	BSc (Hons) <i>University of Aberdeen</i> , PhD <i>Cambridge University</i> , DSC <i>Abertay University</i> , CBIOL, FARLF, FSRSB, FRSE	Responsibility for the operations of the Division and oversight of the following Colleges: - College of Business, Law & Governance - College of Arts, Society & Education - College of Science & Engineering
Deputy Vice Chancellor of Global Strategy & Engagement and Head of Cairns Campus	Robyn McGuiggan	BSc (Pharm) <i>Syd</i> MComm <i>NSW</i> PhD <i>Macq</i>	Key responsibility for oversight of Marketing, External Engagement and Future Students. Head of Cairns Campus.
Deputy Vice Chancellor of Academic & Student Life	Sally Kift	LLB (Hons) <i>UQ</i> . LLM <i>QUT</i>	Key responsibility for oversight of Learning, Teaching & Student Engagement, Library & Information Services, and Student Services.
Deputy Vice Chancellor of Services & Resources	Patricia Brand	BCom <i>JCU</i> , FCPA, FAICD, FAIM	Key responsibility for oversight of services, including: Estate, Financial and Business Services, Human Resources, Information & Communication Technology, Quality, Planning and Analytics, Discovery Rise, Health, Safety & Environment, JCU Halls of Residence.
Chair, Academic Board	Stephen Naylor	BEd <i>Melb</i> , MA <i>RMIT</i> , PhD <i>Monash</i> .	Oversees the Academic Board, which advises the University Council about teaching, research and scholarship matters, makes proposals for the academic policies, monitors the academic activities and promotes scholarship and research.

Overview of JCU Controlled Entities

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

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

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

The company has a board of three directors, chaired by Mr Campbell Charlton, a member of JCU Council and a board member of JCU Singapore Pte Ltd. The Company does not trade. JCU Enterprises Pty Ltd owns all the shares in James Cook Holdings Pte Ltd. The Company is registered with the Australian Charities and Not-for-Profits Commission (**ACNC**).

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

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

James Cook University Pte Ltd *(Incorporated in Singapore 07/02/2001)*

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

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

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

The company has a board of four directors, chaired by Mr Brett Dinsdale (Executive Officer, Division of Services and Resources). The company is registered with ACNC.

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

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

The company has a board of seven directors and is chaired by Professor Richard Murray, (Dean of Medicine & Dentistry). The company is registered with ACNC.

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

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

This company has a board of five directors, chaired by Ms Heather Gordon (Director, Library and Information Services). JCU, the company and Greencross Limited (GXL) entered into an agreement

under which GXL provides management services to the company from 2 February 2015 for a minimum period of three years.

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

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

The company trades as JCU Dental and has a board of four directors, chaired by Mr Clive Skarott. The company's main operations are on the Cairns campus where 94 student and five individual dental chairs are located. There are 18 student and one individual chair(s) located in Townsville at the Clinical Practice Building (CPB).

The Company is registered with ACNC.

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

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

The trustee company has a board of four directors and is chaired by Mr Peter Lindsay, a member of Council, and Deputy Chancellor.

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

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

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

The trustee company has a board of two directors, chaired by Professor Chris Cocklin (Senior Deputy Vice Chancellor).

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

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

The company has a board of four directors and is chaired by Professor Robyn McGuiggan (Deputy Vice Chancellor Global Strategy and Engagement). The company works closely with JCU Singapore; and Dr Dale Anderson, Deputy Vice Chancellor Singapore is a member of the board.

Governance – risk management and accountability

Risk Management

The University's Risk Management Framework is reviewed and updated annually to ensure its currency and relevance. Amendments in 2016 included developing this risk appetite formerly described as risk attitude, recognising the international nature of the University through its campus in Singapore, and amendments to reflect the current Higher Education sector policy environment. Further work continues on developing quantitative and qualitative elements or metrics (tolerances, targets and limits) for the risk areas: Financial, Academic, Reputation, Business Disruption, People, Compliance & Liability and Workplace Health & Safety; as well as the establishment of Key Risk Indicators so that we have a predictive view of emerging risks. The University also moved to a three tier matrix converting Very High to High, and introduced a number scale to risk ratings to allow more effective prioritisation of risk treatments and resources.

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

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

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

The Compliance Policy and Framework was further implemented in 2016 and is designed to provide assurance to the Vice Chancellor and Council that the University is giving real attention to our legislative compliance requirements, actively considering impacts of any changes, and ensuring these are embedded in practice and procedures across the University. The Compliance Framework uses a three pillar approach: Inform, Comply and Assure.

The inaugural *Annual Compliance Declaration Form* was issued to Deputy Vice Chancellors (DVCs) in July. At the time of drafting this report, submissions have been received from Division of Academic & Student Lift (DASL), Division of Research & Innovation (DRI), Division of Global Strategy & Engagement (DGSE) and Division of Tropical Health & Medicine (DTHM). A recent workshop held with the Risk Champions provided further clarification on the process for Compliance Action Plans. The Compliance Framework document was revised to incorporate *AS/ISO19600:2015 - Compliance*

Management Systems (supersedes AS3806: 2006 - Compliance Programs) in policy and framework documents; and will also include a flowchart of the Annual Compliance Declaration process and specify need for risk based compliance action plans. Analysis of the Annual Compliance Declaration is being undertaken to map compliance responses across Divisions to help identify potential systemic issues.

External scrutiny

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

Audit Committee

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

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

The Audit Committee at the beginning of the year had six members, comprising two ex-officio members, (Chancellor and Vice Chancellor) and four members, including the Chair, elected by and from the Council (who are neither a member of the staff nor a student of the University).

During the year, two additional members were co-opted to the Committee for expertise in audit and in ICT governance (Ms Ruth Faulkner and Mr Nicholas Tate respectively). Audit Committee members are not financially remunerated for their membership. Below is a table of the JCU Audit Committee as at the end of the reporting period:

2016 Audit Committee Membership (January to December)			
Membership type	Position	Member’s name	Attendance
Chair	(External)	Graham Kirkwood	5 / 5
Ex officio	Chancellor	Lieutenant General John Grey, AC (Retd) [from 01/01/2016 to 25/03/2016]	2 / 2
		Mr William (Bill) Tweddell [from 26/03/2016 onwards]	3 / 3
	Vice Chancellor	Sandra Harding	5 / 5
Elected members	(External) – Deputy Chair	Trent Twomey	2 / 5

2016 Audit Committee Membership (January to December)			
Membership type	Position	Member's name	Attendance
	(External)	Campbell (Cam) Charlton	3 / 5
	(External)	Lynette McLaughlin	2 / 5
Co-opted members	(External)	Ruth Faulkner (Co-opted from 09/05/2016)	3 / 3
	(External)	Nick Tate (Co-opted from 05/08/2016)	2 / 2
Secretary	Deputy Director, Governance Support & Corporate Information	Ian Troupe (or representative)	5 / 5

Internal Audit

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

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

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

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

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

The Internal Audit planning framework consists of:

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

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

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

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

Achievements of Internal Audit for 2016 include: Meeting the major requirements within the Audit Work Plan (that is set by the Audit Committee); providing feedback on various internal cyclical quality reviews, providing ad hoc reports as requested by the Vice Chancellor and Audit Committee.

Ethical conduct and social responsibility

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

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

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

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

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

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

and teaching applications in accordance with the National Statement on Ethical Conduct in Human Research, 2007.

Policies

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

During 2016, there was a continued focus on reviewing and improving the Policy and Delegation Framework, Policy Library, and the internal Policy Database. In 2015, the University Council approved a revised policy and delegations framework. The objectives of the review were to improve clarity, coverage and consistency of JCU policies and alignment with the University Plan. The review also focussed on creating a source for financial, human resource, academic and student, and governance and administration delegations. Single point of contact for policy changes and updates has been achieved as part of these enhancements.

Information systems and recordkeeping

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

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

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

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

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

Voluntary Code of Best Practice for the Governance of Australian Universities

In 2016 the University was in full compliance with sections 1 – 11, and 13 –14 of the Voluntary Code of Best Practice for the Governance of Australian Universities, and in partial compliance with section 12. Considerable work has been undertaken recently to fully comply with section 12, and full compliance is anticipated to be achieved in the near future.

Statement of Strategic Intent

Intent (Vision / Mission)

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

Comprehensive, but focussed

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

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

Place is powerful

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

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

Diversity and reconciliation

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

Sustainability

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

Values

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

Beliefs

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

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

University Plan: our priorities

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

A University for the Tropics, World-Wide

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

One University, Two Countries, Three Tropical Campuses

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

People and Place

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

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

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

Development, More Sustainably

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

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

Connecting, Locally and Globally

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

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

Operating environment

Review of achieving statutory obligations

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

Outline nature and range of operations

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

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

Environmental factors, government policy changes, funding changes

There continued to be uncertainty in the Higher Education sector with respect to policy and funding arrangements in 2016. The Government reformed research block grants (to take effect in 2017), creating two new streamlined programs, and placing greater emphasis on industry engagement: 1) The Research Training Program (RTP) replacing the Australian Postgraduate Awards, International Postgraduate Research Scholarships and the Research Training Scheme. And; 2) The Research Support Program (RSP) replacing Joint Research Engagement (JRE), Research Infrastructure Block Grants (RIBG) and Sustainable Research Excellence (SRE).

The 2016/17 budget included cuts over more than 20 per cent to the Higher Education Partnerships and Participation Program (HEPPP); \$152M / four years. During MYEFO (Mid-year Economic and Fiscal Outlook) 2016, the Government indicated it will move uncommitted funds (\$3.7B) from the Education Infrastructure Fund to use them for other purposes.

Major / significant initiatives

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

Matters of interest to key stakeholders

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

Domain: Learning and teaching

Aim

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

Statement of context

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

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

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

Objectives

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

Major achievements

- JCU is the only Australian institution in Singapore to be recognised with 'University' status. The announcement made in May 2016 was part of the Australia-Singapore Comprehensive Strategic Partnership agreement. This means that JCU has the full rights as a University in

Singapore, instead of an international campus site. This is a significant development for JCU, and the fulfilment of a long held goal since the JCU Singapore Campus opened in 2003.

- For the sixth year running, James Cook University achieved a five star result in the 2016 edition of the Good Universities Guide, with its graduates continuing to be highly sought after by employers. The rating means that JCU is in the top 20% of universities whose graduates (aged under 25) were able to find full time work within four months of graduation.
- In 2016, JCU was awarded a highly prestigious National Program Award for Excellence in Enhancing Learning for the JCU Learning Centre. The Award was announced in Canberra on 1 December 2016 by the Federal Assistant Minister for Education and Training, Senator the Hon Simon Birmingham. The program is designed to assist students in adapting to university study, and has been operating since 2012. Individual team members in JCU’s Learning, Teaching & Student Engagement that contributed to this award include: Dr Andrea Lynch, Ms Kellie Johns, Ms Kylie Bartlett, Ms Colleen Kaesehagen, Mr Brijesh Kumar, Mr Lyle Cleeland, Ms Louise Myers, Ms Jessica Watt, Ms Maddie Bornschlegl, Ms Rachel Barber, and Marnie Campbell.
- In 2016, JCU was awarded three prestigious national Australian Awards for University Teaching – Citations for Outstanding Contributions to Student Learning. The awards recognise teaching excellence and innovative approaches to learning and teaching. Each winner receives \$10,000 and is presented with their citations at a special ceremony held in Brisbane. The 2016 recipients are listed in the table below:

Recipient	Australian Awards for University Teaching – Citations for Outstanding Contributions to Student Learning.
Dr Constantin Constantinoiu	Citation for arming future veterinarians against an ever-adaptable foe: Inspired parasitology curriculum and resources that capture the beauty (and terror) of parasites in the tropics.
Dr David Holmes	Citation for designing Excellence: Empowering mechanical engineers through an intentional industry-driven curriculum that assures professional readiness in highly employable graduates.
The Veterinary Sciences Early Career Teaching and Development Team	Citation for developing a sense of self and professional identity: Successfully transitioning veterinary students through intentional curriculum design.

- The Sessional Teaching Awards recognise the significant contributions made by sessional staff (not in tenured or permanent position) to the teaching and learning community of JCU. Each recipient is awarded a \$1,000 prize. The 2016 recipients are listed in the table below:

College	Recipients
College of Arts, Society & Education	Jennifer Gabriel
College of Business, Law & Governance	Timothy Hart Tina Hoyer Dr Dale Wadeson
College of Healthcare Sciences	Dr Sreedevi Aithal Leisa Sanderson
College of Medicine and Dentistry	Ryan Harris Dr Ioan Jones
College of Public Health, Medical and Veterinary Sciences	Dr Kay Eccleshare The Medical Laboratory Science Team: Andrew Cross, Fleur Francis, Kevin Francis, Carol Gofton, Sue

	Jennings, Jenna Mobbs, Jeremy Naughton, A/Prof David Porter, Ailie Ross, and Bev Stuart.
College of Science & Engineering	Dr Yetta Gurtner
Directorate of Learning, Teaching and Student Engagement	Natalie Lloyd

- The Inclusive Practice Awards recognise the efforts made by staff to be flexible, consultative, proactive, and/or innovative in minimising the challenges for students studying with a temporary or permanent disability, injury, illness or health condition. Recipients are from nominations submitted by students registered with AccessAbility Services. The 2016 recipients are listed in the table below:

Campus Location	Recipients
Cairns	Ms Lindsay Welch, Lecturer, Pathways Programs (Tertiary Access Course and Diploma of Higher Education)
Cairns	Ms Rafaela Henry, Lecturer, Pathways Programs (Tertiary Access Course and Diploma of Higher Education)
Townsville	The Eddie Koiki Mabo Library team
Townsville	Dr Jan Huizenga, Senior Lecturer, Earth Sciences
Townsville	Mrs Janine Sheaves, Associate Lecturer, Marine and Aquaculture Sciences
Townsville	Miss Katherine Gegg, College Support Officer, College of Science and Engineering
Townsville	Ms Maureen Norman, Casual Examinations Supervisor, Student Services
Townsville	Dr Murray Davies, Senior Lecturer, Physical Sciences
Townsville	Ms Natalie Campbell, Academic Services Officer, College of Public Health, Medical and Veterinary Sciences
Townsville	Ms Natalie Lloyd, Lecturer, Pathways Programs (Tertiary Access Course and Diploma of Higher Education)
Townsville	Dr Orpha Bellwood, Senior Lecturer, Marine and Aquaculture Sciences
Townsville	Dr Robert Kinobe, Senior Lecturer, Biomedical Sciences
Townsville	Ms Shannon Kjeldsen, Casual Lecturer, Terrestrial Ecology
Townsville	Associate Professor Kyal Zenger, Marine and Aquaculture Sciences

- JCU citations for outstanding Contributions to Student Learning recognises individuals and teams that have demonstrated sustained commitment to enhancing the student experience, curriculum innovations and transformative approaches to learning and teaching. The 2016 recipients are listed in the table below:

Recipient	JCU Citation
Ms Karyn Bentley	Citation for Connecting logic with emotion through imaginative and creative teaching: Inspiring midwifery students to form their own personal philosophy of care.
Dr Neus (Snowy) Evans	Citation for Responsive Pedagogies: A three-tiered approach that is responsive to students' needs, supports engagement, sustained learning and success for diverse students across subjects
Dr Abraham Francis	Citation for leadership and expertise in social work education in mental health that inspires and nurtures students to be competent, confident and compassionate practitioners.
Dr Robyn Glade-Wright	Citation for 'Not Your Typical Theory Class': Inspiring Creative Arts Students theory learning through research-oriented, innovative delivery and engaging assessment.
Dr Murray Davies	Citation for STEMming the Tide: Using a purposeful and powerful combination of analogies and humour to demonstrate why chemistry matters as a crucial enabling science.
Mr Patrick Higgins	Citation for improving student success in first year mathematics through an engaging combination of performance-oriented teaching, meaningful in-class learning and advanced online resources.

Dr Bronson Philippa	Citation for enthusing students in electronics engineering with active and authentic learning.
Dr Constantin Constantinoiu	Citation for Arming future veterinarians against an ever-adaptable foe: Inspired parasitology curriculum and resources that capture the beauty (and terror) of parasites in the tropics.
The Veterinary Sciences Early Career Teaching and Development Team	Citation for Developing a sense of self and professional identity: Successfully transitioning veterinary students through intentional curriculum design. (Team: Dr Sandra De Cat, Dr Elizabeth Perkins, Mrs Blaise Webster, Dr Glen Walker, A/Prof John Cavalieri)
Dr Kerry Anne McBain	Citation for engaging, empowering and inspiring students of the tropics by creating a synergy between the theoretical foundations of psychological practice and real world community based application.
Dr Julie Mudd	Citation for inspiring student engagement in public health principles by developing practical teaching approaches for medical students that promote clinical relevancy and real world applicability.
Dr Alexandra Trollope	Citation for implementing blended learning approaches to engage and inspire students in the study of anatomy across a variety of health disciplines.

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

Campus Location	Number of Award Completions
Townsville	1,890
Singapore	943
Cairns	678
Brisbane (RHE 3 rd party operated campus)	419
Beijing University of Technology (3 rd party operated study site)	124
Mackay	18
Mount Isa	3
Thursday Island	0
TOTAL	4,075

Domain: Research

Aim

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

Statement of context

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

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

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

Objectives

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

Major achievements

- JCU's research performance ensured strong standing in the two most prestigious Global University Rankings:

Ranking Entity	Rank
Shanghai Academic Ranking of World Universities (ARWU)	Derived ranking of 279
Times Higher Education World University Rankings	Top 300 (251 to 300 band)

- The Queensland Premier, Anastacia Palaszczuk officially opened the Australian Institute of Tropical Health and Medicine's (AITHM) new \$31M facilities on 7 October 2016 at JCU's Townsville Campus. AITHM Townsville will undertake research into tropical infectious diseases and will develop vaccines, diagnostic tools, and the identification of bacterial pathogens. Research programs already underway within AITHM include identification, prevention and better treatments for tuberculosis, development of malaria vaccines and peripheral artery disease.
- The prestigious science journal, Nature, has named JCU's Professor, Terry Hughes, as one of the 'top ten people who mattered' in the world in 2016, for his ground-breaking research on the worst-ever coral bleaching event on the Great Barrier Reef.
- Professor Bill Laurance joined the ranks of the world's elite researchers, being named in an exclusive list of the globe's most influential scientists. The Distinguished Research Professor and Australian Laureate was in the 2016 Web of Science Highly Cited Researcher list for his work in ecological and environmental sciences.
- Associate Professor Jodie Rummer continued her emergence as a real force in marine science, science communication and as an advocate for Women in Science, Technology, Engineering, Mathematics, and Medicine (STEMM) by being awarded one of the top 5, under 40 ABC Radio National scientists in residence. Jodie was awarded a Discovery Early Career Researcher Award (DECRA) fellowship 2015 to 2017, for research "Physiological performance of reef fishes under ocean acidification"; and was also the winner of the highly prestigious UNESCO L'Oréal Women in Science for Australia and New Zealand award 2015 to 2016.
- National Health and Medical Research Council (NHMRC) successful research funding announced in 2016 included:

Researcher	Category	Area of Research	Amount
Dr Sandip Kamath	Early Career Fellowship	Hypoallergenic proteins as novel immunotherapeutic candidates for food allergy	\$318,768
Prof Jonathan Golledge	Practitioner Fellowship	Developing improved management for peripheral artery diseases	\$569,219
Prof Alexander Loukas	Research Fellowship	Helminth secretomes: from vaccines to novel anti-inflammatory biologics	\$938,910
Dr Andreas Kupz	NHMRC CJ Martin Research Fellow	New strategies for improved tuberculosis vaccines	\$741,000

- The Australian Research Council (ARC) successful research funding announced in 2016 included:

Researcher	Category	Area of Research	Amount
Profs Michael Bird, Martin Nakata, Sean	ARC Centre of Excellence for	JCU is the key node outside this Wollongong based CoE conducting research on the unique biodiversity and Indigenous heritage of	Approx. \$4.9M

Researcher	Category	Area of Research	Amount
Ulm and Dr Christian Reepmeyer	Australian Biodiversity and Heritage	Australia, Papua New Guinea and eastern Indonesian from 130,000 years ago until the time of European arrival.	
Prof Joshua Cinner	Future Fellowship	Identifying and Learning from Bright Spots in Coral Reef Governance	\$940,000
Dr Peter Cowman	Discovery Early Career Researcher Award	Biodiversity, biogeography and molecular evolution on tropical reefs	\$372,000
Prof Alexandra Aikhenvald	Discovery Projects	The integration of language and society	\$340,666
Prof Mark McCormick	Discovery Projects	Coping with habitat degradation on coral reefs	\$462,500
Prof David Miller	Discovery Projects	Inter-kingdom signalling in animal health and disease	\$290,608

- The 2016 JCU Dean's List and Dean's Award for Excellence Award recipients demonstrated excellence in a research higher degree and were commended by their independent examiners for substantial contribution to their field of research. The below table outlines award winners and their research topic:

Researcher	Research Topic and Advisors
Dr Gregory Boyle, Doctor of Philosophy (Physics)	The Modelling of Non-equilibrium Light Lepton Transport in Gases and Liquids. <ul style="list-style-type: none"> Primary Advisor: Prof Ronald White Co-Advisor: A/Prof Daniil Kosov Co-Advisor: Sullivan Prof James Co-Advisor: Dr Jim Mitroy
Dr Antonius Cahya Prihandoko, Doctor of Philosophy (Information Technology)	Rights protection of digital content in the DRM environment <ul style="list-style-type: none"> Primary Advisor: A/Prof Bruce Litow Co-Advisor: Dr Hossein Ghodosi
Ms Lennie Geerlings, Master of Philosophy (Interdisciplinary Studies)	Cultural Negotiations in Transnational Knowledge: Cases of Clinical Psychology from the Malay Archipelago and Beyond <ul style="list-style-type: none"> Primary Advisor: A/Prof Anita Lundberg Co-Advisor: A/Prof Claire Thompson Co-Advisor: Prof Stephen Naylor Co-Advisor: Prof Rosita Henry
Dr Georgina Gurney, Doctor of Philosophy (Coral Reef Studies)	Understanding and Integrating Socioeconomic Factors into the Design and Management of Marine Protected Areas <ul style="list-style-type: none"> Primary Advisor: Prof Robert Pressey Co-Advisor: Prof Cinner Joshua Co-Advisor: Dr Natalie Ban
Dr Melanie Hamel, Doctor of Philosophy (Coral Reef Studies)	Coral-reef Conservation Planning in Regions with High Resource Dependence: Integrating Lessons from Socioeconomic and Biodiversity Approaches. <ul style="list-style-type: none"> Primary Advisor: Prof Robert Pressey Co-Advisor: Dr Serge Andrefouet Co-Advisor: Dr Louisa Evans
Dr Vinnitta Mosby, Doctor of Philosophy (Social Work)	"Living in Two Worlds": Torres Strait Islanders' Experiences of Contemporary Out-movement <ul style="list-style-type: none"> Primary Advisor: Prof Tsey Komla Co-Advisor: A/Prof Wendy Earles
Dr Bronson Philippa, Doctor of Philosophy (Physics)	Charge Transport in Organic Solar Cells <ul style="list-style-type: none"> Primary Advisor: Prof Ronald White

Researcher	Research Topic and Advisors
	<ul style="list-style-type: none"> • Co-Advisor: A/Prof Mohan Jacob • Co-Advisor: Dr Almantas Pvrikas • Co-Advisor: Dr Paul Meredith
Dr Michelle Redman-MacLaren, Doctor of Philosophy (Medicine)	<p>The Implications of Male Circumcision Practices for Women in Papua New Guinea, Including for HIV Prevention</p> <ul style="list-style-type: none"> • Primary Advisor: Prof Jane Mills • Co-Advisor: Prof William McBride • Co-Advisor: Prof Richard Speare
Dr Nandini Velho, Doctor of Philosophy (Tropical Ecology)	<p>Conservation Challenges of Wet-Tropical Nature Reserves In North-East India</p> <ul style="list-style-type: none"> • Primary Advisor: Prof William Laurance • Co-Advisor: A/Prof Susan Laurance • Co-Advisor: Prof Jeffrey Sayer
Dr Shi Yin, Doctor of Philosophy (Engineering - Civil)	<p>Development of Recycled Polypropylene Plastic Fibres to Reinforce Concrete</p> <ul style="list-style-type: none"> • Primary Advisor: Dr Rabin Tuladhar • Co-Advisor: A/Prof Nagaratnam Sivakugan

Domain: Engagement

Aim

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

Statement of context

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

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

Objectives

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

Major achievements

- On 15 June 2016, the United Nations General Assembly in New York resolved to declare 29 June as International Day of the Tropics. Australia's Ambassador and Permanent Representative to the United Nations, Her Excellency Gillian Bird, spoke to the resolution in the General Assembly Hall, mentioning both James Cook University and the State of the Tropics Project. The resolution passed without dissent; and 74 nations from around the world joined Australia in co-sponsoring the resolution. JCU Vice Chancellor and President, Professor Sandra Harding worked directly with the Australian Government to build international support for the campaign. The International Day of the Tropics date is the anniversary of the launch of the inaugural State of the Tropics report. Nobel Laureate, Aung San Suu Kyi, launched the report in Yangon, Myanmar on June 29th 2014.
- In July 2016, James Cook University and the Townsville Fire women's national basketball team announced that they are continuing their championship-winning partnership, with JCU extending its support of the JCU Townsville Fire sponsorship for another two years. Under

the agreement, James Cook University will continue to be the Principal and Naming Rights Partner of the JCU Townsville Fire until at least the 2018/19 season, which will be the fifth year of their partnership.

- 2016 JCU Outstanding Alumni awards recognise the achievement by individuals who are part of the JCU global community. The 2016 Outstanding Alumni award recipients are listed in the below table:

Award category	Award recipient
Arts, Society and Education	The Hon Jan Mclucas, Retired Senator for Queensland - Labor
	Peterson Opie, White Ribbon Australia
Business, Law and Governance	Moya Steele, MacDonnells Law
	Katherine Andrews, MacDonnells Law
Science and Engineering	John Gunn, Australian Institute of Marine Science
	Dr Martin Breed, The University of Adelaide
Healthcare Sciences	Dr Joann Lukins, Peak Performance Psychology
	Dr Kathryn Hayward, The University of British Columbia
Public Health, Medical and Veterinary Sciences	Prof Ramon Shaban, Griffith University
	Dr Lachlan Strohfeldt, Bell Veterinary Services Queensland
Medicine and Dentistry	Dr Shannon Springer, Bond University
	Dr Christopher Freeman, Camp Hill Healthcare
The Chancellor's Outstanding Alumnus Recipient	Dr Shannon Springer, Bond University

- JCU played host to the 2016 UCI Mountain Bike World Cup at the Cairns Campus over two days (23 & 24 April 2016). JCU also sponsored local Professional Downhill bike rider and JCU student Tracey Hannah. The event featured over 120 riders in the Cross Country (XCO) competition from 35 nations; and over 148 riders from 23 nations in the Downhill (DHI) competition. Approximately 20,000 people attended the event over the two days.
- Throughout 2016 JCU has worked closely with the Queensland Department of Education and Training to deliver outcomes under the Expanding Global Educational Outcomes in Tropical and North Queensland. This included the development of science and engineering courses at Thuringowa State High School and Smithfield State High School.

Domain: Organisational effectiveness

Aim

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

Statement of context

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

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

Objectives

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

Major achievements

- 2016 saw the continued development and implementation of Cognos Business Intelligence tools through the JCU Information to Analytics (I2A) project. This included the release of new data visualisation tools, quick query tools, Admissions dashboards, and Higher Degree by Research (HDR) dashboards.
- A 'Conversions' project was launched in 2016 as a part of a suite of Priority Projects. The Conversions project aims to maximise the opportunity to enrol new students, by streamlining processes and systems from enquiry through to enrolment.
- Staff training in 'Lean 6 Sigma' methodologies was undertaken by key staff across the University. This investment will help areas to identify and empower to fix process and efficiency bottlenecks.
- Work continued in 2016 on improving the JCU Policy Library. This work included reviewing the Web application, and improving usability of information.

Domain: Human and intellectual capital

Aim

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

Statement of context

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

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

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

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

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

Objectives

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

Major achievements

- In 2016, negotiations commenced in preparation for a new JCU Enterprise Agreement and will continue into 2017.
- A mini 'pulse check' staff survey was undertaken in mid-2016 as a follow-up to the 2015 University-wide Staff Opinion Survey. The pulse check survey provided management further insight on areas that had improved since the full survey in 2015; and other areas that still required further attention. The pulse check was a cost effective way to follow-up with staff on how they perceived progress was occurring on the actions outlined from 2015.
- JCU was one of eight Australian institutions that were accepted into the Athena SWAN Australia pilot program, being co-ordinated by the Australian Academy of Science to improve the promotion and retention of women in the STEMM (Science, Technology, Engineering, Mathematics, and Medicine) sector. JCU will now begin the journey toward achieving Athena SWAN Bronze accreditation in 2019. The process involves a three month preparation period followed by two years of formal award application duties, including data collection and analysis, workshops, forums, network meetings and other related activities.

Workforce planning, attraction and retention, and performance

QLD Government Measures	2017 Result
Workforce Profile: Full-time equivalent staff (FTE)*	2073
Workforce Profile: Permanent separation rate*	12%

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

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

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

Domain: Physical and virtual infrastructure

Aim

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

Statement of context

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

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

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

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

Objectives

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

Major achievements

- In mid-2016, JCU opened its Cairns City Campus at 36 Shields Street, in the Cairns CBD, with final renovations scheduled for completion in early 2017. JCU invested approximately \$10M (including leasing, fit-out and staffing) into the facilities. The JCU Cairns City Campus has over 1,000 square metres of combined floor space and offers a range of services. Facilities include: High-tech flexible learning spaces, moot law court, boardroom with teleconferencing technologies (available for hire for corporate, community and general business use), and a ground floor shopfront as a primary contact point. A range of teaching will be offered from the Cairns City Campus, with high speed WiFi available for all JCU students wishing to use the facilities. The Generalist Medical Training (GMT) program will also have its Cairns headquarters located in the building; providing medical education and administrative support to doctors who are training to be GPs in the Cairns coastal region.
- Stage two of the JCU Verandah Walk project commenced mid-2016 on the Townsville Campus. The Verandah Walk project will link existing and new buildings via a series of covered walkways, to provide shelter for students, staff and visitors. The project in total is expected to be a \$4M investment, with many local jobs to be created during the construction phase. Stage 1 is being completed as part of The Science Place construction project.
- On 29 November 2016, JCU announced that it will be investing in a seven story, 300 bed student accommodation facility on the Cairns Campus with a project budget of \$40M. This is the first student accommodation facility to be built on the Cairns Campus since it moved to the Smithfield site in 1995. The accommodation will cater for local Far North Queensland students, other domestic and international students.
- The Australian Institute of Tropical Health and Medicine's (AITHM) new \$31M facility was officially opened on 7 October 2016 at JCU's Townsville Campus. AITHM is a new and significant health and tropical medicine research institute based in the tropics in northern Australia. During the construction phase of AITHM Townsville, over 600 workers were inducted to the site, with approximately 160,000 hours worked. At least 95% of workers employed were from Queensland and 85% from North Queensland. The Queensland Government invested \$21.49M in AITHM Townsville, and the Federal Government provided funding of \$8M (via the Australian Research Council's Special Research Initiative Scheme). Complementary facilities are also being built on the Cairns Campus and Thursday Island.
- Construction continued throughout 2016 on the new \$83M Science Place located at the JCU Townsville campus. The Science Place will span approximately 12,000 square metres of gross floor space for the purpose of consolidating science and engineering based study and research education together. The new Science Place will be used to promote and encourage science-based careers, and to improve the overall science skill base in Northern Australia. The new site will eventually replace three major substandard buildings, which will be demolished as part of the scope of the new development. One major building has already been successfully demolished, with an impressive 96% of materials being recycled.
- In late 2016, work commenced on a comprehensive \$7M suite of renovations of the student accommodation facilities at the JCU Townsville Campus, with completion prior to start of the 2017 academic year. The upgrade involves the complete renovation of more than 260 rooms, 16 bathrooms, eight common areas and two conference rooms across University

Hall, Rotary International House, the George Roberts and Western Court residences. Locally owned and operated firms have been contracted to undertake the project, which includes 12 head contractors (who have sub-contracted work to another 40 companies) with a total of 306 people working on the project. The works include demolition, carpentry, rendering, plastering, painting, electrical, mechanical, cabinetry, floor finishes and glazing. The project will provide work for new apprentices and trainees, as well as fully qualified tradespeople. The room refurbishments include the installation of new air-conditioning units, state of the art computer network and wireless equipment, as well as upgrades to power, lighting, fixed joinery and moveable furniture. More than 95 per cent of the equipment is being purchased through local suppliers, which will have a direct boost to the local Townsville economy.

Domain: Finance and resources

Aim

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

Statement of context

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

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

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

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

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

Objectives

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

Major achievements

- On 22 February 2016, the new in-house developed finance reporting tool called 'Finance@JCU' was launched. This was part of the Information to Analytics (I2A) project, where the Finance@JCU tool replaced the FinWeb system used by staff to monitor their account balances and transaction history. The new Finance@JCU tool provides key functionality not possible in the old system, including: improved user interface to navigate between screens, viewing of attachments (invoices, receipts, etc.), and an account summary view of all accounts the user has access to. The previous FinWeb system was launched in late 1996, and was decommissioned in March 2016.
- A new JCU Sustainability Planning Framework was released in late 2016. This framework was integrated into the University's 2017-2019 Triennium Planning and Budgeting process, and outlines resources and actions for Colleges and Divisions to undertake.
- JCU has continued with its predicative modelling and cost modelling projects. These projects have allowed the University to focus management efforts on understanding the underlining costs in the business, and have enhanced decision making capabilities.
- A review of the University's budget process was completed in early 2016. The outcome of the revised process was a more streamlined approach to budgeting; resulting in time savings, and improvements to process flow and transparency.

Key Performance Indicators (KPIs)

Domain: Learning and Teaching - KPIs:

Measure name:	Institutional Total Student Load (EFTSL)
Type of measure:	Student enrolments and financial performance
2015 Result:	16,153
2016 Target:	16,237
2016 Result:	15,924
Commentary and variance reporting about 2016 result:	The result was within the acceptable variance to the target. The total result was impacted by a lower than expected result in the commencing student load.

Measure name:	Institutional Commencing Student Load (EFTSL)
Type of measure:	Student enrolments and financial performance
2015 Result:	6,250
2016 Target:	6,696
2016 Result:	6,220
Commentary and variance reporting about 2016 result:	The target was not met. The contributing factors include high competition both domestically and internationally, and weaker demand for certain course offerings.

Measure name:	Overall Student Satisfaction (CEQ)
Type of measure:	Teaching quality measure
2015 Result:	83.5%
2016 Target:	85.0%
2016 Result:	77.1%
Commentary and variance reporting about 2016 result:	The target was not met. A broad range of factors contributed to a lower than expected student satisfaction rating.

Measure name:	Total Undergraduate Student Retention (%) in tropical Australia
Type of measure:	Student retention measure
2015 Result:	81.5%
2016 Target:	84.0%
2016 Result:	82.7%
Commentary and variance reporting about 2016 result:	The result was within the acceptable variance to the target. This is a solid increase over the 2015 result of 81.5%.

Domain: Research - KPIs:

Measure name:	Research Income (HERDC categories 1-4)
Type of measure:	Research activity
2015 Result:	\$50.075m
2016 Target:	\$56.790m
2016 Result:	\$44.162m
Commentary and variance reporting about 2016 result:	The target was optimistic, and has not been achievable due to economic conditions, nationally competitive grants and limited available research funding. NB: Results are unaudited, and will be updated when the HERDC Return is completed mid-year.

Measure name:	HERDC Publication (points)
Type of measure:	Research activity
2015 Result:	1,082
2016 Target:	1,082
2016 Result:	1,034
Commentary and variance reporting about 2016 result:	Although slightly below the target, the number of HERDC Publications (points) is within the acceptable variance to the target.

Measure name:	Total number of HDR Student Completions (International & Domestic)
Type of measure:	Student outcomes, and research outputs (RTS)
2015 Result:	137
2016 Target:	131
2016 Result:	145
Commentary and variance reporting about 2016 result:	The target was exceeded with a record number of completions.

Measure name:	Reputation - International Rankings
Type of measure:	International reputation
2015 Result:	Top 400
2016 Target:	Top 400
2016 Result:	Top 400
Commentary and variance reporting about 2016 result:	The target was met. JCU maintained its ranking in the top 400 universities in the world.

Domain: Engagement - KPIs:

Measure name:	Number of 1st Preferences to QTAC
Type of measure:	QTAC Market share
2015 Result:	6,778
2016 Target:	6,947
2016 Result:	7,200
Commentary and variance reporting about 2016 result:	The target was met by 253 First Preferences, or 3.64%. High demand for health and medical studies helped drive the overall result.

Domain: Organisational Effectiveness - KPIs:

Measure name:	TEQSA Compliance (Threshold Standards)
Type of measure:	Compliance
2015 Result:	Yes (Compliant)
2016 Target:	Yes (Compliant)
2016 Result:	Yes (Compliant)
Commentary and variance reporting about 2016 result:	Target met. Current work plans and milestones are being met and continually monitored.

Measure name:	WH&S Incident Reduction Ratio
Type of measure:	A leading and lag indicator improving safety & reduce WH&S incidents.
2015 Result:	NTR (Nothing to Report in 2015, as this is was a new KPI in 2016).
2016 Target:	33.0%
2016 Result:	27.2%

Commentary and variance reporting about 2016 result:	A lower ratio (%) is better. The target of 33% was met through a lower ratio. The final result for 2016 was 329 reportable Incidents / 1,208.5 proactive prevention hours = 27.2%.
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Domain: Human and Intellectual Capital - KPIs:

Measure name:	Unscheduled absence index (average days)
Type of measure:	Proxy for health of the workforce
2015 Result:	6.01 days
2016 Target:	6.70 days
2016 Result:	6.41 days
Commentary and variance reporting about 2016 result:	A lower number of average absence days is considered better. The target was met with a result of 6.41 days, being below the target of 6.70 days.

Domain: Physical and Virtual Infrastructure - KPIs:

Measure name:	Estate Management (GFA/EFTSL)
Type of measure:	Efficiency of space utilisation
2015 Result:	16.88
2016 Target:	18.29
2016 Result:	16.30
Commentary and variance reporting about 2016 result:	A lower ratio shows a more efficient use of physical space, and is considered better. The target was met through a lower ratio. The combined Cairns and Townsville campuses approximate Gross Floor Area (GFA) for 2016 was 193,789 SqM, over a combined 11,890 EFTSL.

Domain: Finance and Resources - KPIs:

Measure name:	% Net Operating Result/Income
Type of measure:	Financial management success
2015 Result:	6.17%
2016 Target:	0.57%
2016 Result:	3.88%
Commentary and variance reporting about 2016 result:	The target ratio of 0.57% was based on a budgeted Net Operating result of \$2.862m. The target was exceeded, despite the total income target not being met (\$9.368m under budget), due to lower than expected expenses (\$25.569m under budget) predominately within Employee Benefits and Oncosts and Other operating expenses. This net decrease resulted in a better than expected net Operating result of \$19.063m, and a financial result of 3.88%.

Measure name:	Unqualified Audit Outcome
Type of measure:	Financial management standard
2015 Result:	Yes
2016 Target:	Yes
2016 Result:	Yes
Commentary and variance reporting about 2016 result:	The target was achieved. JCU received an unqualified audit outcome.

Financial overview

Consolidated financials

Capital Expenditure \$m	2016
Land and Buildings & WIP	80.450 m
Other Plant & Equipment	8.406 m
Computer Hardware	1.450 m
Library Collections	0.308 m
Museums and Art	0.022 m
Leasehold Improvements	1.315 m
Infrastructure	5.959 m
Vehicles	0.780 m
Total	98.690 m

Expenditure \$m	2016
Employee benefits and on costs	273.458 m
Depreciation and amortisation	55.474 m
Repairs and maintenance	20.345 m
Finance costs	4.162 m
Impairment of assets	0.679 m
Investment losses	0.000 m
Other expenses	162.546 m
Income tax expense	0.000 m
Total	516.664 m

Revenue \$m	2016
Australian Government grants	194.664 m
HECS-HELP - Australian Government payments	75.423 m
FEE-HELP - Australian Government payments	2.782 m
SA-HELP - Australian Government payments	2.313 m
Other Australian Government grants	61.062 m
State and Local Government financial assistance	21.629 m
HECS-HELP - Student Payments	7.313 m
Fees and charges	135.939 m
Investment revenue	9.200 m
Royalties, trademarks and licenses	0.071 m
Consultancy and contracts	24.396 m
Sale of goods	0.000 m
Other revenue	3.914 m
Share of profit or loss on investments accounted for using the equity method	-0.043 m
Other investment income	0.000 m
Other Income	1.281 m
Total	539.944 m

Assets V Liabilities \$m	2016
Current Assets	281.687 m
Current Liabilities	122.369 m
Current Ratio	2.302

Net Result Before Income Tax \$m	2016
Total	23.280 m

Employee Benefits as a % of Total Expenses	2016
Total	52.93%

Financial statements and notes

The following pages contain the financial Statements and notes

JAMES COOK UNIVERSITY

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Notes	Consolidated \$'000		Parent Entity \$'000	
		2016	2015	2016	2015
INCOME FROM CONTINUING OPERATIONS					
Australian Government financial assistance					
Australian Government grants	2	194,664	187,691	194,664	187,691
HECS-HELP - Australian Government payments	2	75,423	72,901	75,423	72,901
FEE-HELP - Australian Government payments	2	2,782	2,685	2,782	2,685
SA-HELP - Australian Government payments	2	2,313	2,236	2,313	2,236
Other Australian Government grants	2	61,062	53,953	61,062	53,953
State and Local Government financial assistance					
HECS-HELP - student payments	3	21,629	20,721	21,629	20,721
Fees and charges	4	7,313	7,917	7,313	7,917
Fees and charges	4	135,939	137,417	83,098	86,759
Investment revenue	5	9,200	9,661	10,730	10,863
Royalties, trademarks and licences		71	62	3,950	4,140
Consultancy and contracts	6	24,396	26,424	24,396	26,424
Sale of goods		-	85	-	85
Other revenue	7	3,914	2,892	3,562	2,829
Share of profit or loss on investments accounted for using the equity method		(43)	(71)	-	-
Other investment income	5	-	652	-	652
Other income	7	1,281	446	299	1,770
Total income from continuing operations		539,944	525,672	491,221	481,626
EXPENSES FROM CONTINUING OPERATIONS					
Employee related expenses	8	273,458	258,988	252,966	239,315
Depreciation and amortisation		55,474	53,001	51,101	48,727
Repairs and maintenance	9	20,345	24,451	18,332	22,369
Finance costs		4,162	3,988	3,965	3,766
Impairment of assets		679	1,143	652	968
Other expenses	10	162,546	157,699	145,142	136,753
Total expenses from continuing operations		516,664	499,270	472,158	451,898
Net result before income tax		23,280	26,402	19,063	29,728
Income tax expense		-	148	-	-
Net result after income tax for the period attributable to members of James Cook University		23,280	26,254	19,063	29,728
Other comprehensive income after income tax					
Items that will not be reclassified to profit or loss:					
Gain/(loss) on revaluation of land, buildings and infrastructure	16(b)	16,499	36,427	16,499	36,427
Change in fair value of available for sale financial assets	15(b)	2,225	8,048	2,225	8,048
Exchange differences on translation of foreign operations	21(b)	(79)	516	-	-
Total other comprehensive income for the period		18,645	44,991	18,724	44,475
Total comprehensive income for the period attributable to members of James Cook University		41,925	71,245	37,787	74,203

JAMES COOK UNIVERSITY

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016**

	Notes	Consolidated \$'000		Parent Entity \$'000	
		2016	2015	2016	2015
CURRENT ASSETS					
Cash and cash equivalents	13	71,282	94,914	52,019	81,829
Trade and other receivables	14	21,824	27,126	25,610	27,181
Inventories		544	588	19	34
Other financial assets	15	177,300	174,300	177,300	174,300
Prepayments		10,737	10,840	10,287	10,385
Total current assets		281,687	307,768	265,235	293,729
NON-CURRENT ASSETS					
Trade and other receivables	14	-	-	26,105	26,984
Investments accounted for using the equity method		150	193	-	-
Other financial assets	15	39,854	35,723	42,494	36,645
Property, plant and equipment	16	815,306	754,878	756,534	693,090
Intangible assets		4,752	4,938	4,753	4,938
Other non-current assets		384	457	64	82
Total non-current assets		860,446	796,189	829,950	761,739
TOTAL ASSETS		1,142,133	1,103,957	1,095,185	1,055,468
CURRENT LIABILITIES					
Current tax liabilities		225	274	-	-
Trade and other payables	17	42,984	39,620	38,478	31,575
Borrowings	18	7,327	7,499	6,339	6,039
Employee benefit liability	19	46,091	46,617	45,892	46,375
Other liabilities	20	25,742	23,576	12,058	9,329
Total current liabilities		122,369	117,586	102,767	93,318
NON-CURRENT LIABILITIES					
Deferred tax liabilities		118	119	-	-
Borrowings	18	69,968	77,308	66,856	73,186
Employee benefit liability	19	5,395	6,574	5,273	6,462
Other liabilities	20	905	917	-	-
Total non-current liabilities		76,386	84,918	72,129	79,648
TOTAL LIABILITIES		198,755	202,504	174,896	172,966
NET ASSETS		943,378	901,453	920,289	882,502
EQUITY					
Parent entity interest					
Retained earnings	21(a)	634,448	611,168	612,585	593,522
Asset revaluation surplus	16(b)	293,811	277,312	293,811	277,312
Amounts recognised directly in equity relating to non-current assets classified as held for sale	15(b)	13,893	11,668	13,893	11,668
Foreign currency translation reserve	21(b)	1,226	1,305	-	-
Total parent entity interest		943,378	901,453	920,289	882,502
TOTAL EQUITY		943,378	901,453	920,289	882,502

JAMES COOK UNIVERSITY

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

Consolidated	Retained earnings \$'000	Asset revaluation surplus \$'000	Available-for-sale reserve \$'000	Foreign currency translation reserve \$'000	Total equity \$'000
Balance at 1 January 2015	584,914	240,885	3,620	789	830,208
Net operating result for the period	26,254	-	-	-	26,254
Other comprehensive income	-	36,427	8,048	516	44,991
Total comprehensive income	26,254	36,427	8,048	516	71,245
Balance at 31 December 2015	611,168	277,312	11,668	1,305	901,453
Balance at 1 January 2016	611,168	277,312	11,668	1,305	901,453
Net operating result for the period	23,280	-	-	-	23,280
Other comprehensive income	-	16,499	2,225	(79)	18,645
Total comprehensive income	23,280	16,499	2,225	(79)	41,925
Balance at 31 December 2016	634,448	293,811	13,893	1,226	943,378
Parent Entity	Retained earnings \$'000	Asset revaluation surplus \$'000	Available-for-sale reserve \$'000	Foreign currency translation reserve \$'000	Total equity \$'000
Balance at 1 January 2015	563,794	240,885	3,620	-	808,299
Net operating result for the period	29,728	-	-	-	29,728
Other comprehensive income	-	36,427	8,048	-	44,475
Total comprehensive income	29,728	36,427	8,048	-	74,203
Balance at 31 December 2015	593,522	277,312	11,668	-	882,502
Balance at 1 January 2016	593,522	277,312	11,668	-	882,502
Net operating result for the period	19,063	-	-	-	19,063
Other comprehensive income	-	16,499	2,225	-	18,724
Total comprehensive income	19,063	16,499	2,225	-	37,787
Balance at 31 December 2016	612,585	293,811	13,893	-	920,289

JAMES COOK UNIVERSITY

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Notes	Consolidated \$'000		Parent Entity \$'000	
		2016	2015	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES					
Australian Government financial assistance					
Australian Government		194,341	190,184	194,341	190,184
Capital grants - Australian Government		10,114	20,000	10,114	20,000
HECS-HELP - Australian Government payments		79,375	69,751	79,375	69,751
FEE-HELP - Australian Government payments		2,544	2,975	2,544	2,975
SA-HELP - Australian Government payments		2,315	2,241	2,315	2,241
Other Australian Government grants		50,948	33,953	50,948	33,953
HECS-HELP - student payments		7,313	7,917	7,313	7,917
FEE-HELP - student payments		2,300	2,660	2,300	2,660
Queensland State Government		7,229	9,221	7,229	9,221
Capital Grants - Queensland State Government		14,400	11,500	14,400	11,500
Interest received		6,989	7,889	8,206	9,080
Dividends and property trust distributions received		2,091	1,916	2,363	1,916
Receipts from student fees and other customers		166,105	168,658	115,004	120,807
Payments to suppliers and employees		(462,035)	(432,738)	(420,821)	(393,130)
Interest and other costs of finance		(4,211)	(3,985)	(3,965)	(3,765)
GST recovered / (paid)		(1,091)	(88)	(1,183)	(72)
Income tax paid		(50)	(722)	-	-
Net cash provided by / (used in) operating activities	30	78,677	91,332	70,483	85,238
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale of financial assets		308,800	255,066	308,800	254,986
Proceeds from sale of property, plant and equipment		236	270	235	270
Payments for property, plant and equipment		(90,274)	(65,342)	(88,714)	(43,133)
Payments for financial assets		(313,706)	(252,155)	(315,424)	(252,151)
Payments for other non-current assets		-	(90)	-	(90)
Proceeds from loans to related parties		42	2,103	834	7,660
Payments of loans to related parties		-	-	-	(5,039)
Net cash provided by / (used in) investing activities		(94,902)	(60,148)	(94,269)	(37,497)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from borrowings		-	13,200	-	8,350
Repayments of borrowings		(7,512)	(20,193)	(6,031)	(17,292)
Net cash provided by / (used in) financing activities		(7,512)	(6,993)	(6,031)	(8,942)
Net increase / (decrease) in cash and cash equivalents		(23,737)	24,191	(29,817)	38,799
Effects of exchange rate changes on cash and cash equivalents		105	312	7	-
Cash and cash equivalents at the beginning of the financial year		94,914	70,411	81,829	43,030
Cash and cash equivalents at end of financial year	13	71,282	94,914	52,019	81,829

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

Note	Contents
1	Summary of significant accounting policies
2	Australian Government financial assistance including Australian Government loan programs (HELP)
3	State and local government financial assistance
4	Fees and charges
5	Investment revenue and income
6	Consultancy and contracts
7	Other revenue and income
8	Employee related expenses
9	Repairs and maintenance
10	Other expenses
11	Remuneration of auditors
12	Key management personnel disclosures
13	Cash and cash equivalents
14	Trade and other receivables
15	Other financial assets
16	Property, plant and equipment
17	Trade and other payables
18	Borrowings
19	Employee benefit liability
20	Other liabilities
21	Reserves and retained earnings
22	Commitments for expenditure
23	Contingent liabilities
24	Investment in controlled entities
25	Jointly controlled operations and assets
26	Related party transactions
27	Financial risk management
28	Fair value measurements
29	Events occurring after the balance sheet date
30	Reconciliation of net cash inflow from operating activities to operating result
31	Acquittal of Australian Government financial assistance
32	Disaggregated information

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Basis of preparation

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

James Cook University applies tier 1 reporting requirements.

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

- *Higher Education Support Act 2003* (Cth) (Financial Statement Guidelines)
- *Financial Accountability Act 2009* (Qld)

James Cook University is a not-for-profit entity and these statements have been prepared on that basis. Some of the requirements for not-for-profit entities are inconsistent with the International Financial Reporting Standards (IFRS) requirements.

Date of authorisation for issue

The financial statements were authorised for issue by James Cook University at the date of signing the Management Certificate.

Critical Accounting Estimates and Judgements

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the University's accounting policies. The estimates and underlying assumptions are reviewed on an ongoing basis. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed below:

Key judgements

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

In the financial statements the Parent and the Group recognised revenue amounting to \$Nil for the year ended 31 December 2016 (\$1.134m for the year ended 31 December 2015).

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

Reporting basis and conventions

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

(a) Principles of consolidation

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

A controlled entity of James Cook University is one where James Cook University is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the controlled entities of James Cook University is contained in Note 24 to the financial statements. All consolidated entities have a 31 December year-end.

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

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

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

(b) Taxation

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

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

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

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

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

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

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

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

(c) Fair value of assets and liabilities

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

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

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

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

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

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

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

(d) Foreign currency translation

Functional and presentation currency

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

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

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

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

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

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

(e) Cash and cash equivalents

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

(f) Trade receivables

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

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

(g) Property, plant and equipment

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

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

Land, buildings and infrastructure assets

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

Plant and equipment

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

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

Leasehold improvement assets

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

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

(g) Property, plant and equipment (cont'd)

Library Collections

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

Common Use

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

Reference

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

Rare books

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

Museums and art

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

Revaluations

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

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

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

(h) Depreciation of property, plant and equipment

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

The depreciation rates used are:

	2016	2015
Buildings	2.00% to 10.40%	2.00% to 10.00%
Infrastructure	1.11% to 32.68%	1.11% to 12.50%
Leasehold improvement assets	4.00% to 10.00%	4.00% to 10.00%
Plant and Equipment	2.50% to 50.00%	2.50% to 50.00%

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

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

(i) Impairment of assets

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

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

(j) Investments and other financial assets

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

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

Loans and receivables

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

Held-to-maturity investments

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

Available-for-sale financial assets

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

Fair value

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

Impairment

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

(k) Interests in joint arrangements

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

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

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

(l) Trade and other payables

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

(m) Borrowings

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

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

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

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

(n) **Borrowing costs**

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

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

(o) **Leased non-current assets**

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

(p) **Employee benefits**

Short-term employee benefits

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

Other long-term employee benefits

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

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

Retirement benefit obligations

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

The UniSuper Defined Benefit Division (DBD), the predominant plan within the University, is a defined benefit plan under superannuation law however, as a result of amendments to Clause 34 of the UniSuper Trust Deed, it is deemed a defined contribution plan under Accounting Standard AASB 119: *Employee Benefits*. The DBD receives fixed contributions from the University and the University's legal or constructive obligation is limited to these contributions.

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

(q) **Revenue recognition**

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

Government Grants

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

HELP payments

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

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

(q) Revenue recognition (cont'd)

Student fees and charges

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

Fees and charges for services

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

Interest

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

Dividends

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

Rendering of services

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

Contributions

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

(r) Comparative Figures

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

(s) Rounding amounts

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

(t) Correction of a prior period error

COMMITMENTS FOR EXPENDITURE

In the financial statements for the reporting period ended 31 December 2015, the University recorded expenditure commitments for operating leases. During the compilation of this year's financial statements it has become aware that there was an error. The error had the effect of overstating the operating lease commitments for the year ended 31 December 2015. The 2015 comparatives have been changed to correct this error. The error has no impact on the Statement of Comprehensive Income, Financial Position, Changes in Equity or Cashflows. The table below is a summary of the effect.

Parent Entity	Note	2015	Increase/ (decrease)	2015
		\$'000	\$'000	Restated \$'000
Operating lease commitments	22			
Future operating lease rentals of property, plant and equipment not provided for and payable:				
- not later than one year		2,144	(779)	1,365
- later than one year and not later than five years		7,399	(3,082)	4,317
- later than five years		19,569	(9,759)	9,810
		<u>29,112</u>		<u>15,492</u>
Consolidated	Note	2015	Increase/ (decrease)	2015
		\$'000	\$'000	Restated \$'000
Operating lease commitments	22			
Future operating lease rentals of property, plant and equipment not provided for and payable:				
- not later than one year		6,975	(779)	6,196
- later than one year and not later than five years		11,297	(3,082)	8,215
- later than five years		19,569	(9,759)	9,810
		<u>37,841</u>		<u>24,221</u>

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

(u) New Accounting Standards and Interpretations

Certain new Accounting Standards and Interpretations have been published that are not mandatory for 31 December 2016 reporting periods. The Group does not anticipate early adoption of any of the following Australian Accounting Standards or Interpretations.

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

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

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

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

AASB 15: *Revenue from Contracts with Customers* (applicable to annual reporting periods commencing on or after 1 January 2019).

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

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

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

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

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

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

AASB 16: *Leases* (applicable to annual reporting periods commencing on or after 1 January 2019).

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: *Leases* and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard include:

- recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-to-use assets in line with AASB 116: *Property, Plant and Equipment* in profit or loss and unwinding of the liability in principal and interest components;
- variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
- by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and
- additional disclosure requirements.

Although the Group anticipates that the adoption of AASB 16 will impact the Group's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

AASB 1058: *Income of Not-for-Profit Entities* (applicable to annual reporting periods commencing on or after 1 January 2019).

AASB 1058 supersedes all the income recognition requirements relating to private sector Not-for-Profit entities, and the majority of income recognition requirements relating to public sector Not-for-Profit entities, previously in AASB 1004 *Contributions*. When effective, this standard will defer income recognition in some circumstances for Not-for-Profit entities, particularly where there is a performance obligation or any other liability. In addition, certain components in an arrangement, such as donations, may be separated from other types of income and recognised immediately. The standard also expands the circumstances in which Not-for-Profit entities are required to recognise income for goods and services received for consideration that is significantly less than the fair value of the asset principally to enable the entity to further its objectives, including for example, peppercorn leases.

The Group will review its revenue recognition policies for each revenue stream, including grant agreements. The Group has not yet determined the magnitude of any changes which may be need.

AASB 2014-10: *Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (Applicable to annual reporting periods beginning on or after 1 January 2018, as deferred by AASB 2015-10: *Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128*).

The amendments clarify the accounting treatment for sales or contributions of assets between an investor and its associates of joint ventures. The amendments confirm that the accounting depends on whether the contributed assets constitute a business or an asset.

The impact of the standard is expected to be minimal.

AASB 2015-6: *Extending Related Party Disclosures to Not-for-Profit Public Sector Entities* (Applicable to annual reporting periods beginning on or after 1 July 2016, therefore applicable in 2017).

This standard extends the scope of AASB 124 Related Party Disclosures to include application by not-for-profit public sector entities.

No impact on reported financial position or performance is expected. Additional disclosures will be required about transactions with related parties, including transactions with key management personnel or close members of their families.

AASB 2016-2: *Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 107* (Applicable to annual reporting periods beginning on or after 1 January 2017).

The amendment to AASB 107 introduces additional disclosures that will enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendment requires disclosure of changes arising from:

- cash flows, such as drawdowns and repayments of borrowings, and
- non-cash changes, such as acquisitions, disposals and unrealised exchange differences

The impact of the standard is expected to be minimal.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	Parent Entity and Consolidated \$'000	
		2016	2015
NOTE 2. AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE including AUSTRALIAN GOVERNMENT LOAN PROGRAMS (HELP)			
(a) Commonwealth Grants Scheme and Other Grants	31		
Commonwealth Grants Scheme ^{#1}		148,512	140,527
Indigenous Support Program		2,010	2,089
Disability Support Program		48	30
Access and Participation Program		4,113	4,176
National Priorities Pool		-	180
Promotion of Excellence in Learning and Teaching		193	119
Total Commonwealth Grants Scheme and Other Grants		154,876	147,121
(b) Higher Education Loan Programs	31		
HECS-HELP		75,423	72,901
FEE-HELP		2,782	2,685
SA-HELP		2,313	2,236
Total Higher Education Loan Programs		80,518	77,822
(c) Scholarships	31		
Australian Postgraduate Awards		3,795	3,650
International Postgraduate Research Scholarships		291	289
Commonwealth Education Costs Scholarships		821	689
Commonwealth Accommodation Scholarships		575	508
Indigenous Access Scholarships		549	574
Total Scholarships		6,031	5,710
(d) Education Research	31		
Joint Research Engagement		5,290	4,330
JRE Engineering Cadetships		77	66
Research Training Scheme		9,579	9,099
Sustainable Research Excellence in Universities		2,716	2,291
Research Infrastructure Block Grants		3,333	3,159
Total Education Research Grants		20,995	18,945
(e) Australian Research Council	31		
<i>(i) Discovery</i>			
Projects		905	2,019
Fellowships		2,430	3,184
Indigenous Researchers Development		177	414
Early Career Researcher Award		61	967
Total Discovery		3,573	6,584
<i>(ii) Linkages</i>			
Infrastructure		-	311
Projects		751	722
Industrial Transformation Research Hubs		1,066	1,049
Total Linkages		1,817	2,082
<i>(iii) Networks and Centres</i>			
Centres		4,266	4,195
Special Research Initiatives		3,106	3,054
Total Networks and Centres		7,372	7,249
Total Australian Research Council		12,762	15,915

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

	Parent Entity and Consolidated \$'000	
	2016	2015
NOTE 2. AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE including AUSTRALIAN GOVERNMENT LOAN PROGRAMS (HELP)		
(f) Other Australian Government grants		
<i>Non-capital</i>		
Australian Centre for International Agricultural Research	1,579	1,110
Australian Renewable Energy Agency	-	840
Commonwealth Scientific and Industrial Research Organisation	725	1,437
Department of Agriculture	-	139
Department of Education - Study Overseas Short-term Mobility Program	602	737
Department of Foreign Affairs and Trade	-	291
Department of Health - University Department of Rural Health	4,547	2,159
Department of Health - Rural Clinical Training and Support	5,847	5,749
Department of Health - Clinical Training Program	602	11,167
Department of Health - Generalist Medical Training	28,182	2,154
Department of Industry	101	10
Department of the Environment	193	392
Department of the Environment - Australian Marine Mammal Centre	10	57
Fisheries Research and Development Corporation	222	408
Great Barrier Reef Marine Park Authority	1,441	752
Indigenous Tutorial Assistance Scheme	620	805
National Health and Medical Research Council	4,397	4,007
Torres Strait Regional Authority	158	182
Other	1,722	1,557
Total Non-capital	50,948	33,953
<i>Capital</i>		
Department of Education - The Science Place	10,114	20,000
Total Capital	10,114	20,000
Total other Australian Government financial assistance	61,062	53,953
Total Australian Government financial assistance	336,244	319,466
Reconciliation		
Australian Government grants [2(a) + 2(c) + 2(d) + 2(e)]	194,664	187,691
HECS-HELP - Australian Government payments [2(b)]	75,423	72,901
SA-Help [2(b)]	2,313	2,236
Other Australian Government loan programs [FEE-HELP] [2(b)]	2,782	2,685
Other Australian Government financial assistance [2(f)]	61,062	53,953
Total Australian Government financial assistance reported in the statement of comprehensive income	336,244	319,466
(g) Australian Government grants received - cash basis		
CGS and other Education Grants	155,297	147,337
Higher Education Loan Programs	84,234	77,942
Scholarships	5,287	5,012
Education Research	20,995	18,945
ARC grants - Discovery	3,573	6,584
ARC grants - Linkages	1,817	2,082
ARC grants - Networks and Centres	7,372	7,249
Other Australian Government grants	61,062	53,953
Total Australian Government grants received - cash basis	339,637	319,104
OS-HELP (net)	1,793	1,515
Total Australian Government funding received - cash basis	341,430	320,619

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

	Consolidated \$'000		Parent Entity \$'000	
	2016	2015	2016	2015
NOTE 3. STATE AND LOCAL GOVERNMENT FINANCIAL ASSISTANCE				
<i>Non-capital</i>				
Dental clinic operations	3,550	3,550	3,550	3,550
North Queensland clinical school	1,234	1,385	1,234	1,385
Australian Institute of Tropical Health and Medicine	1,700	3,300	1,700	3,300
Other	745	986	745	986
Total non-capital	7,229	9,221	7,229	9,221
<i>Capital</i>				
Australian Institute of Tropical Health and Medicine	14,400	11,500	14,400	11,500
Total capital	14,400	11,500	14,400	11,500
	21,629	20,721	21,629	20,721

NOTE 4. FEES AND CHARGES

Course fees and charges

Fee paying overseas students	102,861	104,682	60,423	63,054
Fee paying domestic postgraduate students	2,300	2,819	2,300	2,819
Other domestic course fees and charges	158	212	158	212
	105,319	107,713	62,881	66,085

Other fees and charges

Library fines and fees	10	35	10	35
Parking fines and fees	521	398	521	398
Professional, testing and technical services	3,589	3,318	4,638	4,584
Rental income	3,674	3,677	1,203	1,689
Conference fee income	521	474	521	474
Student accommodation	9,256	9,376	9,256	9,376
Student amenities fee	1,614	1,653	1,614	1,653
Lecture, marking and examination fees	197	197	999	982
Fees incidental to studies	1,042	1,018	364	416
Child care fees and charges	2,034	2,014	-	-
Medical fees and charges	2,370	2,332	-	-
Veterinary fees and charges	2,902	2,590	-	-
Dental fees and charges	1,621	1,387	-	-
Other	1,269	1,235	1,091	1,067
	30,620	29,704	20,217	20,674
	135,939	137,417	83,098	86,759

NOTE 5. INVESTMENT REVENUE AND INCOME

Investment revenue

Interest	7,417	7,437	8,675	8,639
Dividends	1,783	2,224	1,783	2,224
Trust distributions	-	-	272	-
	9,200	9,661	10,730	10,863

Other investment income

Net gain on disposal of investments	-	652	-	652
	-	652	-	652

Net investment revenue and income

	9,200	10,313	10,730	11,515
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JAMES COOK UNIVERSITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Consolidated \$'000		Parent Entity \$'000	
	2016	2015	2016	2015
NOTE 6. CONSULTANCY AND CONTRACTS				
Contract research	21,909	23,687	21,909	23,687
Research consultancy	484	635	484	635
Other consultancy	2,003	2,102	2,003	2,102
	<u>24,396</u>	<u>26,424</u>	<u>24,396</u>	<u>26,424</u>
NOTE 7. OTHER REVENUE AND INCOME				
Other revenue				
Commission income	227	286	227	286
Donations and bequests	3,031	2,224	2,752	2,224
Non-government grants - other	73	63	-	-
Non-government grants - capital	93	-	93	-
Scholarships and prizes	201	202	201	202
Sponsorship income	289	117	289	117
	<u>3,914</u>	<u>2,892</u>	<u>3,562</u>	<u>2,829</u>
Other income				
Net foreign exchange gain (loss)	(248)	144	(170)	144
Net gain (loss) on disposal of property, plant and equipment	6	(2,641)	9	(214)
Debt forgiveness - Smart State borrowings	-	1,134	-	1,134
Other income	1,523	1,809	460	706
	<u>1,281</u>	<u>446</u>	<u>299</u>	<u>1,770</u>
NOTE 8. EMPLOYEE RELATED EXPENSES				
Academic				
Salaries	113,437	110,038	99,498	96,386
Contribution to superannuation and pension schemes (funded)	15,588	15,135	15,588	15,135
Payroll tax	5,963	5,691	5,963	5,691
Workers compensation	216	294	216	294
Long service leave	1,889	2,094	1,889	2,094
Annual leave	7,046	5,787	7,046	5,787
	<u>144,139</u>	<u>139,039</u>	<u>130,200</u>	<u>125,387</u>
Professional and technical				
Salaries	97,532	90,694	90,979	84,673
Contribution to superannuation and pension schemes (funded)	15,355	14,103	15,355	14,103
Payroll tax	5,546	5,095	5,546	5,095
Workers compensation	209	269	209	269
Long service leave	1,785	1,831	1,785	1,831
Annual leave	8,892	7,957	8,892	7,957
	<u>129,319</u>	<u>119,949</u>	<u>122,766</u>	<u>113,928</u>
	<u>273,458</u>	<u>258,988</u>	<u>252,966</u>	<u>239,315</u>
NOTE 9. REPAIRS AND MAINTENANCE				
Buildings	11,618	14,336	10,347	12,804
Grounds	471	1,157	455	1,121
Equipment	8,256	8,958	7,530	8,444
	<u>20,345</u>	<u>24,451</u>	<u>18,332</u>	<u>22,369</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

	Consolidated \$'000		Parent Entity \$'000	
	2016	2015	2016	2015
NOTE 10. OTHER EXPENSES				
Advertising, marketing and promotional expenses	8,637	8,731	3,776	3,583
Bank fees and charges	387	467	356	403
Books and publications	5,206	5,296	5,206	5,296
Commissions paid	16,973	18,505	16,973	18,505
Communications	2,659	3,062	2,565	3,061
Consumables	4,799	5,016	3,713	4,160
Course fees paid	6,276	5,626	6,276	5,626
Cost of goods sold	3,128	3,274	-	116
Fees and charges	2,226	4,179	2,225	2,295
Insurance	2,475	2,449	2,442	2,332
Licence fees	914	608	815	497
Motor vehicle related expenses	578	484	578	484
Non-capitalised equipment	7,773	9,198	7,742	9,147
Occupancy and utilities	12,939	12,121	12,228	11,253
Other staff related expenses	11,119	5,670	12,225	6,861
Practice and teaching subsidies	4,762	-	4,762	-
Printing and stationery	1,819	1,850	1,774	1,807
Professional fees	12,509	13,207	11,937	13,389
Rental, hire and other leasing fees	6,650	9,521	1,784	1,631
Minimum lease payments on operating leases	2,169	1,794	2,168	1,793
Grants, scholarships and prizes	14,413	13,819	18,463	17,568
Staff development and recruitment	2,642	2,771	2,558	2,670
Student accommodation catering expenses	1,308	1,075	1,308	1,075
Subscriptions and memberships	3,827	3,064	3,819	3,056
Travel expenses	11,713	11,996	11,673	11,987
Other	14,645	13,916	7,776	8,158
	<u>162,546</u>	<u>157,699</u>	<u>145,142</u>	<u>136,753</u>

* Insurance recoveries received during the year in respect to the losses of public property: \$0.027m (2015: \$0.027m).

NOTE 11. REMUNERATION OF AUDITORS

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

Audit services

Fees paid to Queensland Audit Office:				
Audit and review of financial statements	238	208	238	208
Fees paid to non-Queensland Audit Office audit firms:				
Audit or review of financial statements of any entity in the Consolidated Entity	18	52	18	52
	<u>256</u>	<u>260</u>	<u>256</u>	<u>260</u>

For the year ended 31 December 2016, Queensland Audit Office provided the Group with a quote of \$220,000 for the audit.

At the request of the University, some additional out of scope work was performed in 2016 for a fee of \$18,000.

NOTE 12. KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Names of responsible persons and executive officers

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

Responsible Officers

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

Executive Officers

2016	2015
Prof. Sandra Harding	Prof. Sandra Harding
Prof. Stephen Naylor	Prof. Paul Gadek (resigned 29 May 2015)
Prof. Chris Cocklin	Prof. Stephen Naylor (appointed 1 June 2015)
Prof. Ian Wronski	Prof. Chris Cocklin
Prof. Iain Gordon	Prof. Ian Wronski
Prof. Robyn McGuiggan	Prof. Jeff Loughran (resigned 30 October 2015)
Prof. Sally Kift	Prof. Iain Gordon (appointed 28 September 2015)
Mrs Patricia Brand	Prof. Robyn McGuiggan
	Prof. Sally Kift
	Mrs Patricia Brand

(b) Remuneration of council members and executive officers

Remuneration includes salary, superannuation, packaged benefits, leave loading and leave entitlements on termination.

Remuneration of council members

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

There were seven Council members (2015: nine) who received remuneration as employees of the parent entity.

There were sixteen Council members (2015: sixteen) who did not receive remuneration as employees of the parent entity.

	Consolidated		Parent Entity	
	2016 Number	2015 Number	2016 Number	2015 Number
Nil to \$14,999	16	16	16	16
\$15,000 to \$29,999	-	1	-	1
\$90,000 to \$104,999	-	1	-	1
\$105,000 to \$119,999	1	1	1	1
\$135,000 to \$149,999	-	1	-	1
\$150,000 to \$164,999	-	1	-	1
\$165,000 to \$179,999	1	1	1	1
\$255,000 to \$269,999	2	1	2	1
\$270,000 to \$284,999	1	-	1	-
\$285,000 to \$299,999	1	-	1	-
\$315,000 to \$329,999	-	1	-	1
\$930,000 to \$944,999	1	-	1	-
\$945,000 to \$959,999	-	1	-	1

<i>Remuneration of executive officers</i>	Consolidated		Parent Entity	
	2016 Number	2015 Number	2016 Number	2015 Number
\$105,000 to \$119,999	-	2	-	2
\$150,000 to \$164,999	-	1	-	1
\$285,000 to \$299,999	1	-	1	-
\$390,000 to \$404,999	-	1	-	1
\$450,000 to \$464,999	3	1	3	1
\$495,000 to \$509,999	1	2	1	2
\$525,000 to \$539,999	1	1	1	1
\$540,000 to \$554,999	-	1	-	1
\$570,000 to \$584,999	1	-	1	-
\$930,000 to \$944,999	1	-	1	-
\$945,000 to \$959,999	-	1	-	1

(c) Key management personnel compensation

	Consolidated \$000		Parent Entity \$000	
	2016	2015	2016	2015
Short-term employee benefits	3,619	3,625	3,619	3,625
Post-employment benefits	512	527	512	527
Other long-term benefits	80	74	80	74
Termination benefits	-	29	-	29
Total key management personnel compensation	<u>4,211</u>	<u>4,255</u>	<u>4,211</u>	<u>4,255</u>

(d) Loans to key management personnel

No loans were made to directors of the University and other key management personnel of the Group, including their personally related parties.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

	Consolidated \$'000		Parent Entity \$'000	
	2016	2015	2016	2015
NOTE 13. CASH AND CASH EQUIVALENTS				
Cash at bank and on hand	22,242	26,963	8,639	16,613
Term deposits (maturity less than 90 days or at call)	49,040	67,951	43,380	65,216
	<u>71,282</u>	<u>94,914</u>	<u>52,019</u>	<u>81,829</u>

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

Within cash and cash equivalents the University holds cash reserves of \$16.443m representing unspent capital project funds (2015 - \$41.458m).

(a) Cash at bank and on hand

Cash at bank deposits yield interest at floating rates of between 0.00% and 0.15% (2015 - 0.00% and 1.00%).

(b) Cash held in trust

Cash held in trust deposits yield interest at floating rates of between 0.00% and 0.15% (2015 - 0.00% and 1.00%).

(c) Term deposits

Short term deposits yield interest at floating rates of between 1.45% and 3.15% (2015 - 1.90% and 3.79%). These deposits have a maturity of date of less than 90 days or at call.

NOTE 14. TRADE AND OTHER RECEIVABLES

CURRENT				
Debtors	10,627	14,486	14,096	13,907
Sundry loans and advances	6,341	5,711	4,678	3,817
Loans receivable from related parties	-	-	1,743	1,698
	<u>16,968</u>	<u>20,197</u>	<u>20,517</u>	<u>19,422</u>
Provision for impairment	(1,459)	(1,538)	(1,259)	(1,254)
	<u>15,509</u>	<u>18,659</u>	<u>19,258</u>	<u>18,168</u>
Accrued revenue	2,079	5,319	2,056	5,900
GST receivable	4,236	3,148	4,296	3,113
	<u>21,824</u>	<u>27,126</u>	<u>25,610</u>	<u>27,181</u>
NON-CURRENT				
Loans receivable from related parties	-	-	26,105	26,984
	<u>-</u>	<u>-</u>	<u>26,105</u>	<u>26,984</u>

(a) Impaired receivables

The provision for impairment of \$1.459m (2015 - \$1.538m) is a provision which is based on historical experience regarding the collectability of aged debts.

As at 31 December 2016, trade and other receivables of \$3.737m (2015 - \$3.453m) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. Ageing analysis is not considered material for disclosure.

NOTE 15. OTHER FINANCIAL ASSETS

CURRENT					
Term deposits (maturity greater than 90 days)		177,300	174,300	177,300	174,300
NON-CURRENT					
Available-for-sale financial assets	15 (a)	<u>39,854</u>	<u>35,723</u>	<u>42,494</u>	<u>36,645</u>

(a) Available-for-sale financial assets comprise

NON-CURRENT - AT MARKET VALUE

Listed securities - managed funds	28,209	26,223	28,209	26,223
Unlisted securities - shares	11,645	9,500	14,285	10,422
	<u>39,854</u>	<u>35,723</u>	<u>42,494</u>	<u>36,645</u>

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

NON-CURRENT - AT COST

Listed securities - managed funds	25,333	23,743	25,333	23,743
Unlisted securities - shares	628	312	3,268	1,234
	<u>25,961</u>	<u>24,055</u>	<u>28,601</u>	<u>24,977</u>

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

Balance at the beginning of the year	11,668	3,620	11,668	3,620
Revaluation adjustments	2,225	8,048	2,225	8,048
Balance at the end of the year	<u>13,893</u>	<u>11,668</u>	<u>13,893</u>	<u>11,668</u>

JAMES COOK UNIVERSITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 16. PROPERTY, PLANT AND EQUIPMENT

Consolidated	Land \$'000	Buildings \$'000	WIP \$'000	Plant and Equipment \$'000	Library Collections \$'000	Museums and Art \$'000	Leasehold Improvements \$'000	Infrastructure \$'000	Total \$'000
At 1 January 2015									
- Cost	-	-	23,741	113,947	58	-	6,117	-	143,863
- Fair value	60,445	782,740	-	-	300	1,076	-	115,593	960,154
Accumulated depreciation	-	(278,942)	-	(77,678)	-	-	(669)	(43,438)	(400,727)
Net book amount	60,445	503,798	23,741	36,269	358	1,076	5,448	72,155	703,290
Year ended 31 December 2015									
Opening net book amount	60,445	503,798	23,741	36,269	358	1,076	5,448	72,155	703,290
Additions/transfers (including from WIP)	300	8,883	24,093	8,104	-	-	24,155	4,195	69,730
Revaluation / impairment	9,405	24,543	-	-	-	34	-	2,445	36,427
Depreciation expense	-	(38,157)	-	(7,320)	-	-	(3,614)	(2,916)	(52,007)
Disposals	-	-	-	(511)	-	-	(2,400)	-	(2,911)
Effect of foreign currency translation	-	-	46	14	-	-	289	-	349
Closing net book amount	70,150	499,067	47,880	36,556	358	1,110	23,878	75,879	754,878
At 31 December 2015									
- Cost	-	-	47,880	121,554	58	-	28,161	-	197,653
- Fair value	70,150	816,165	-	-	300	1,110	-	122,233	1,009,958
Accumulated depreciation	-	(317,098)	-	(84,998)	-	-	(4,283)	(46,354)	(452,733)
Net book amount	70,150	499,067	47,880	36,556	358	1,110	23,878	75,879	754,878
Year ended 31 December 2016									
Opening net book amount	70,150	499,067	47,880	36,556	358	1,110	23,878	75,879	754,878
Additions/transfers (including from WIP)	-	30,423	50,027	10,636	308	22	1,315	5,959	98,690
Revaluation	(4,159)	17,278	-	-	371	148	-	2,861	16,499
Depreciation expense	-	(39,546)	-	(7,270)	-	-	(3,650)	(3,799)	(54,265)
Disposals	-	-	-	(240)	-	-	-	-	(240)
Effect of foreign currency translation	-	-	-	(11)	-	-	(245)	-	(256)
Closing net book amount	65,991	507,222	97,907	39,671	1,037	1,280	21,298	80,900	815,306
At 31 December 2016									
- Cost	-	-	97,907	131,939	-	-	29,231	-	259,077
- Fair value	65,991	863,866	-	-	1,037	1,280	-	131,053	1,063,227
Accumulated depreciation	-	(356,644)	-	(92,268)	-	-	(7,933)	(50,153)	(506,998)
Net book amount	65,991	507,222	97,907	39,671	1,037	1,280	21,298	80,900	815,306

JAMES COOK UNIVERSITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 16. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Parent Entity	Land \$'000	Buildings \$'000	WIP \$'000	Plant and Equipment \$'000	Library Collections \$'000	Museums and Art \$'000	Leasehold Improvements \$'000	Infrastructure \$'000	Total \$'000
At 1 January 2015									
- Cost	-	-	22,558	85,145	-	-	5,501	-	113,204
- Fair value	60,448	921,300	-	-	358	1,078	-	132,360	1,115,544
Accumulated depreciation	-	(456,787)	-	(52,406)	-	-	(588)	(61,553)	(571,334)
Net book amount	60,448	464,513	22,558	32,739	358	1,078	4,913	70,807	657,414
Year ended 31 December 2015									
Opening net book amount	60,448	464,513	22,558	32,739	358	1,078	4,913	70,807	657,414
Additions/transfers (including from WIP)	300	8,857	25,312	7,083	-	-	1,774	4,195	47,521
Revaluation / impairment	9,405	24,543	-	-	-	34	-	2,445	36,427
Depreciation expense	-	(37,087)	-	(7,145)	-	-	(684)	(2,872)	(47,788)
Disposals	-	-	-	(484)	-	-	-	-	(484)
Closing net book amount	70,153	460,826	47,870	32,193	358	1,112	6,003	74,575	693,090
At 31 December 2015									
- Cost	-	-	47,870	86,646	-	-	7,275	-	141,791
- Fair value	70,153	977,142	-	-	358	1,112	-	145,578	1,194,343
Accumulated depreciation	-	(516,316)	-	(54,453)	-	-	(1,272)	(71,003)	(643,044)
Net book amount	70,153	460,826	47,870	32,193	358	1,112	6,003	74,575	693,090
Year ended 31 December 2016									
Opening net book amount	70,153	460,826	47,870	32,193	358	1,112	6,003	74,575	693,090
Additions/transfers (including from WIP)	-	30,411	50,027	10,376	308	22	15	5,959	97,118
Revaluation	(4,159)	17,278	-	-	371	148	-	2,861	16,499
Depreciation expense	-	(38,472)	-	(6,942)	-	-	(779)	(3,754)	(49,947)
Disposals	-	-	-	(226)	-	-	-	-	(226)
Closing net book amount	65,994	470,043	97,897	35,401	1,037	1,282	5,239	79,641	756,534
At 31 December 2016									
- Cost	-	-	97,897	91,270	-	-	7,291	-	196,458
- Fair value	65,994	1,045,288	-	-	1,037	1,282	-	157,225	1,270,826
Accumulated depreciation	-	(575,245)	-	(55,869)	-	-	(2,052)	(77,584)	(710,750)
Net book amount	65,994	470,043	97,897	35,401	1,037	1,282	5,239	79,641	756,534

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 16. PROPERTY, PLANT AND EQUIPMENT (cont'd)

(a) Revaluation of non-current assets

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

Asset Class	Full Revaluation Date	Full Valuation Basis	Interim Revaluation Date	Interim Valuation Basis
Land	15.06.2012	Independent	10.06.2016	Management
Buildings	13.06.2014	Independent	10.06.2016	Management
Infrastructure	13.06.2014	Independent	10.06.2016	Management
Museum and Art	14.06.2013	Independent	31.12.2016	Management
Library Collections (Rare Books)	14.06.2013	Independent	31.12.2016	Management

On 10 June 2016 interim revaluations of land were performed based on index factors provided by the Department of Natural Resources and Mines. There has been no material change in value between the valuation date of 10 June 2016 and the University's financial statement reporting date of 31 December 2016.

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

On 10 June 2016 buildings and infrastructure interim revaluations were performed using the 'Asset revaluation index: Non-residential construction, Queensland' provided by the Statistician's Office, Queensland Treasury. The index is also adjusted using regional indices by Rawlinsons (Australian Construction Handbook). There has been no material change in value between the valuation date of 10 June 2016 and the University's financial statement reporting date of 31 December 2016.

The independent full revaluation of the art collection was conducted by Ross Searle, Ross Searle and Associates, Brisbane (approved valuer of the Commonwealth Government's Cultural Gifts program). The valuation has been based on auction records, market information on artists and other sale information available. Ross Searle has provided an opinion stating that there has been no material change in value between the valuation date of 14 June 2013 and the University's financial statement reporting date of 31 December 2013. A subsequent desktop valuation has been performed as at 31 December 2016 by Ross Searle and Associates at fair value.

The independent valuation of the museum collection was undertaken by Bettina MacAulay, Partner, MacAulay Partners, Brisbane (approved valuer of the Commonwealth Government's Cultural Gifts program). The valuation has been based, so far as is possible, on current values for similar objects, such valuations are based on valuer's professional knowledge and research. Bettina MacAulay has provided an opinion stating that there has been no material change in value between the valuation date of 14 June 2013 and the University's financial statement reporting date of 31 December 2013. As at 31 December 2016 management have made a determination that there has been no material change in value since the independent valuation at 14 June 2013.

The library collections asset comprise of two rare book collections held at the University's library. The collections were donated to the University and were recognised at their fair value in 2004. The independent valuation of the rare book collection was undertaken by Simon Taaffe, Sydney (approved valuer of the Commonwealth Government's Cultural Gifts program). The fair value has been assessed based on auction records, booksellers' catalogues and online databases of market information. Simon Taaffe has provided an opinion stating that there has been no material change in value between the valuation date of 14 June 2013 and the University's financial statement reporting date of 31 December 2013. A subsequent desktop valuation has been performed as at 31 December 2016 by Simon Taaffe at fair value. The valuation also included the Sir Maurice Young collection which was donated to the University in 2016.

	Consolidated \$'000		Parent Entity \$'000	
	2016	2015	2016	2015
(b) Movements - asset revaluation surplus				
Balance at the beginning of the year	277,312	240,885	277,312	240,885
Revaluation adjustments:				
Land	(4,159)	9,405	(4,159)	9,405
Buildings	17,278	24,543	17,278	24,543
Library collections	371	-	371	-
Museums and Art	148	34	148	34
Infrastructure	2,861	2,445	2,861	2,445
Total increment to asset revaluation surplus	16,499	36,427	16,499	36,427
Balance at the end of the year	293,811	277,312	293,811	277,312

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

	Consolidated \$'000		Parent Entity \$'000	
	2016	2015	2016	2015
NOTE 17. TRADE AND OTHER PAYABLES				
CURRENT				
Trade creditors	10,474	12,297	7,936	9,547
OS-HELP liability to Australian Government	496	620	496	620
Salary and related payables	1,361	367	1,056	95
Accrued expenses and other creditors	30,653	26,336	28,990	21,313
	<u>42,984</u>	<u>39,620</u>	<u>38,478</u>	<u>31,575</u>

NOTE 18. BORROWINGS

CURRENT				
Unsecured				
Interest bearing	7,327	7,499	6,339	6,039
	<u>7,327</u>	<u>7,499</u>	<u>6,339</u>	<u>6,039</u>
NON-CURRENT				
Unsecured				
Interest bearing	69,968	77,308	66,856	73,186
	<u>69,968</u>	<u>77,308</u>	<u>66,856</u>	<u>73,186</u>

The consolidated interest bearing liabilities represent outstanding loans of \$73.195m with the Queensland Treasury Corporation (QTC) (Parent Entity) and \$4.101m with ANZ (Singapore). The payout value at 31 December 2016 of the QTC loans outstanding is \$80.204m (2015 - \$86.062m). In addition, the University has an approved overdraft facility with QTC of \$3.000m.

Non-current assets pledged as security for these liabilities: \$Nil (2015: \$Nil)

Maturity Analysis

Borrowings are payable:				
- not later than one year	7,327	7,499	6,339	6,039
- later than one year and not later than five years	31,236	31,632	28,124	27,510
- later than five years	38,732	45,676	38,732	45,676
	<u>77,295</u>	<u>84,807</u>	<u>73,195</u>	<u>79,225</u>

NOTE 19. EMPLOYEE BENEFIT LIABILITY

CURRENT				
Annual leave	22,464	23,553	22,331	23,379
Long service leave	23,627	23,064	23,561	22,996
	<u>46,091</u>	<u>46,617</u>	<u>45,892</u>	<u>46,375</u>
NON-CURRENT				
Long service leave	5,395	6,574	5,273	6,462
	<u>5,395</u>	<u>6,574</u>	<u>5,273</u>	<u>6,462</u>
	<u>51,486</u>	<u>53,191</u>	<u>51,165</u>	<u>52,837</u>

Liability for employee benefits

Current annual leave for the consolidated and parent entity expected to be settled wholly after more than 12 months is \$4.200m (2015: \$2.173m). Current long service leave for the consolidated and parent entity expected to be settled wholly after more than 12 months is \$20.022m (2015: \$19.096m).

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

	Consolidated \$'000		Parent Entity \$'000	
	2016	2015	2016	2015
NOTE 20. OTHER LIABILITIES				
CURRENT				
Unearned revenue	18,961	17,933	10,504	8,913
Funds held in trust	5,624	5,643	397	416
Australian Government unspent financial assistance	1,157	-	1,157	-
	<u>25,742</u>	<u>23,576</u>	<u>12,058</u>	<u>9,329</u>
NON-CURRENT				
Provision	905	917	-	-
	<u>905</u>	<u>917</u>	<u>-</u>	<u>-</u>

NOTE 21. RESERVES AND RETAINED EARNINGS

(a) Retained Earnings

Balance at the beginning of the year	611,168	584,914	593,522	563,794
Operating result attributable to parent entity	23,280	26,254	19,063	29,728
Balance at the end of the year	<u>634,448</u>	<u>611,168</u>	<u>612,585</u>	<u>593,522</u>

(b) Foreign currency translation reserve

Balance at the beginning of the year	1,305	789	-	-
Foreign currency exchange difference on translation	(79)	516	-	-
Balance at the end of the year	<u>1,226</u>	<u>1,305</u>	<u>-</u>	<u>-</u>

NOTE 22. COMMITMENTS FOR EXPENDITURE

Capital expenditure commitments

Contracted but not provided for and payable:				
- not later than one year	59,178	72,066	59,178	72,066
- later than one year and not later than five years	3,768	1,696	3,768	1,696
	<u>62,946</u>	<u>73,762</u>	<u>62,946</u>	<u>73,762</u>

Operating lease commitments

Future operating lease rentals of property, plant and equipment not provided for and payable:				
- not later than one year	5,604	6,196	2,343	1,365
- later than one year and not later than five years	7,861	8,215	6,935	4,317
- later than five years	9,663	9,810	9,663	9,810
	<u>23,128</u>	<u>24,221</u>	<u>18,941</u>	<u>15,492</u>

Other contractual commitments

Future contractual commitments not provided for and payable:				
- not later than one year	13,637	12,458	13,637	12,458
- later than one year and not later than five years	16,135	14,841	16,135	14,841
	<u>29,772</u>	<u>27,299</u>	<u>29,772</u>	<u>27,299</u>
Total commitments for expenditure	<u>115,846</u>	<u>125,282</u>	<u>111,659</u>	<u>116,553</u>

Comparatives have changed due to the correction of a prior year error. Refer to Note 1(t).

NOTE 23. CONTINGENT LIABILITIES

There are no contingent liabilities for the financial year ended 31 December 2016.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 24. INVESTMENTS IN CONTROLLED ENTITIES

	Note	Reporting date	Country of incorporation	Class of shares	Holding * 2016 %	Holding * 2015 %
JCU Enterprises Pty Ltd	(a)	31 Dec	Australia	Ordinary	100	100
James Cook Holdings Pte Ltd		31 Dec	Singapore	Ordinary	100	100
James Cook University Pte Ltd		31 Dec	Singapore	Ordinary	100	100
JCU Early Learning Centres Pty Ltd	(b)	31 Dec	Australia	Ordinary	100	100
JCU Health Pty Ltd	(c)	31 Dec	Australia	Ordinary	100	100
JCU Univet Pty Ltd	(d)	31 Dec	Australia	Ordinary	100	100
North Queensland Commercialisation Company Pty Ltd	(e)	31 Dec	Australia	Ordinary	100	100
JCU Asset Trust		31 Dec	-	-	-	-
JCU CPB Pty Ltd	(f)	31 Dec	Australia	Ordinary	100	100
CPB Trust		31 Dec	-	-	-	-
Tropical Queensland Centre for Oral Health Pty Ltd	(g)	31 Dec	Australia	Ordinary	100	100
JCU College Pty Ltd	(h)	31-Dec	Australia	Ordinary	100	100

Purpose & Principal Activity

- (a) JCU Enterprises Pty Ltd's purpose and principal activity is a holding company and holds all the shares in James Cook Holdings Pte Ltd which in turn holds the investment in James Cook University Pte Ltd.
- (b) JCU Early Learning Centres Pty Ltd's purpose and principal activity is the provision of childcare services.
- (c) JCU Health Pty Ltd's purpose and principal activity is the provision of medical and allied health services and provides clinical education for students of the University.
- (d) JCU Univet Pty Ltd's purpose and principal activity is the provision of veterinary services and provides clinical education for students of the University.
- (e) North Queensland Commercialisation Company Pty Ltd's purpose and principal activity is trustee for the JCU Asset Trust. The JCU Asset Trust's principal activity is the management and commercialisation of intellectual property.
- (f) JCU CPB Pty Ltd's purpose and principal activity is trustee of the CPB Trust. The CPB Trust's principal activity is the ownership and operation of the Clinical Practice Building.
- (g) Tropical Queensland Centre for Oral Health Pty Ltd's purpose and principal activity is the provision of oral health services and provides clinical education for students of the University.
- (h) JCU College Pty Ltd changed its name from JCU Pathways Pty Ltd on 5 September 2016. The company's purpose and principle activity is the provision of the University's English for Academic Purposes Course.

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

Directly Controlled Entities - 31 December 2016

	Total Assets \$'000	Total Liabilities \$'000	Total Revenue \$'000	Operating Result \$'000
JCU Enterprises Pty Ltd	35,792	20,890	43,992	4,052
JCU Early Learning Centres Pty Ltd	1,287	374	2,154	110
JCU Health Pty Ltd	1,385	207	2,740	219
JCU Univet Pty Ltd	690	787	3,691	(54)
North Queensland Commercialisation Company Pty Ltd	-	-	-	-
JCU CPB Pty Ltd	-	-	-	-
Tropical Queensland Centre for Oral Health Pty Ltd	1,406	438	6,395	117
JCU College Pty Ltd	132	17	577	80

Directly Controlled Entities - 31 December 2015

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 24. INVESTMENTS IN CONTROLLED ENTITIES (cont'd)

Indirectly Controlled Entities

	Note	Holding * 2016 %	Holding * 2015 %
James Cook Holdings Pte Ltd	(i)	100	100
James Cook University Pte Ltd		100	100
JCU Asset Trust		-	-
CPB Trust		-	-

(i) James Cook Holdings Pty Ltd is a wholly owned subsidiary of JCU Enterprises Pty Ltd and owns all the shares of James Cook University Pte Ltd.

Both James Cook Holdings Pte Ltd and James Cook University Pte Ltd are companies which have been incorporated in Singapore.

James Cook University Pte Ltd changed its name from James Cook Australia Institute of Higher Learning Pte Ltd on 17 October 2016.

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

NOTE 25. JOINTLY CONTROLLED OPERATIONS AND ASSETS

(i) AIMS@JCU

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

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

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

	Consolidated \$'000		Parent Entity \$'000	
	2016	2015	2016	2015
Financial Performance				
Income	283	276	-	-
Expenses	(146)	(121)	-	-
Profit / (loss)	137	154	-	-

(ii) Tropical Landscapes Joint Venture (TLJV)

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 25. JOINTLY CONTROLLED OPERATIONS AND ASSETS (cont'd)

	Consolidated \$'000		Parent Entity \$'000	
	2016	2015	2016	2015
Financial Performance				
Income	451	430	-	-
Expenses	(77)	(188)	-	-
Profit / (loss)	374	241	-	-
Share of jointly controlled entity profit / (loss)	187	121	-	-
Financial Position				
Accumulated funds	846	472	-	-
Share of jointly controlled entity net assets	423	236	-	-

NOTE 26. RELATED PARTY TRANSACTIONS

(a) Parent entity

The ultimate parent entity is James Cook University.

(b) Subsidiaries

Interest in subsidiaries is set out in Note 24.

(c) Key management personnel

Disclosures relating to Council members and executive officers are set out in Note 12.

(d) Transactions with related parties

The following transactions occurred with related parties:

	Consolidated \$'000		Parent Entity \$'000	
	2016	2015	2016	2015
Revenue				
Contributions received from subsidiaries	-	160	-	160
Distribution received from related trust	-	-	272	-
Interest received from subsidiaries	-	-	1,357	1,311
Royalties received from subsidiaries	3,880	4,076	3,880	4,076
Fees and charges received from subsidiaries	-	-	2,001	1,266
Rental received from subsidiaries	468	997	468	997
Expenses				
Grants, contributions to subsidiary	4,159	3,874	4,159	3,874
Fees paid to subsidiaries for seconded staff	1,965	2,321	1,965	2,321

(e) Outstanding balances arising from transactions with related parties

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

Current receivables - subsidiaries	-	-	5,311	1,198
Current payables - subsidiaries	-	-	668	-

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

(f) Loans to / from related parties

Loans to subsidiaries				
Balance at the beginning of the year	28,094	28,201	-	-
Loan advanced	1,955	5,039	-	-
Loan repayments received	(3,061)	(5,146)	-	-
Interest charged	1,356	1,470	-	-
Interest received	(1,352)	(1,454)	-	-
Foreign withholding tax paid	(4)	(16)	-	-
Balance at the end of the year	26,988	28,094	-	-

Loans to other related parties - \$Nil (2015: \$Nil)

No expense has been recognised in respect of bad or doubtful debts due from related parties in the current year (2015 - \$Nil).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 27. FINANCIAL RISK MANAGEMENT

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

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

(a) Credit risk

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

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

The carrying amount of financial assets, as contained in Note 28, represents the Groups' maximum exposure to credit risk.

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

(b) Liquidity risk

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

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

31 December 2016	Average interest %	Variable interest rate \$'000	Less than 1 year \$'000	1 to 5 years \$'000	5+ years \$'000	Non interest \$'000	TOTAL \$'000
Financial Assets							
Cash	2.81%	22,242	49,040	-	-	-	71,282
Receivables	-	-	-	-	-	21,824	21,824
Other financial assets							
- Term deposits	2.81%	-	177,300	-	-	-	177,300
- Available for sale financial assets	-	-	-	-	-	39,854	39,854
		22,242	226,340	-	-	61,678	310,260
Financial Liabilities							
Payables	-	-	-	-	-	42,984	42,984
Borrowings	5.22%	-	7,327	31,236	38,732	-	77,295
		-	7,327	31,236	38,732	42,984	120,279

31 December 2015	Average interest %	Variable interest rate \$'000	Less than 1 year \$'000	1 to 5 years \$'000	5+ years \$'000	Non interest \$'000	TOTAL \$'000
Financial Assets							
Cash	3.05	26,963	67,951	-	-	-	94,914
Receivables	-	-	-	-	-	27,126	27,126
Other financial assets							
- Term deposits	3.05	-	174,300	-	-	-	174,300
- Available for sale financial assets	-	-	-	-	-	35,723	35,723
		26,963	242,251	-	-	62,849	332,063
Financial Liabilities							
Payables	-	-	-	-	-	39,620	39,620
Borrowings	4.96	-	7,499	31,632	45,676	-	84,807
		-	7,499	31,632	45,676	39,620	124,427

(c) Market risk

(i) Foreign exchange risk

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

As at 31 December 2016, the translation adjustment of the foreign subsidiary's net assets to the Parent Entity's functional currency amounted to (\$0.079m) (2015 - \$0.516m). The Group does not hedge foreign currency denominated shareholders' equity as the foreign exchange movements are immaterial.

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

NOTE 27. FINANCIAL RISK MANAGEMENT (cont'd)

(c) Market risk (cont'd)

(ii) Interest rate risk

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

Interest-bearing assets

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

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

Long-term borrowings

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

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

(iii) Summarised sensitivity analysis

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 27. FINANCIAL RISK MANAGEMENT (cont'd)

(c) Market risk (cont'd)

(iii) Summarised sensitivity analysis (cont'd)

Consolidated

31 December 2016	Carrying Amount \$'000	Interest rate risk				Foreign exchange risk			
		-2.00%		+2.00%		-9.32%		+9.32%	
		Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000
Financial Assets									
Cash and cash equivalents	71,282	(1,426)	(1,426)	1,426	1,426	-	-	-	-
Trade and other receivables	21,824	-	-	-	-	(606)	(606)	606	606
Other financial assets - term deposits	177,300	(3,546)	(3,546)	3,546	3,546	-	-	-	-
Available for sale financial assets	39,854	-	-	-	-	-	-	-	-
	310,260	(4,972)	(4,972)	4,972	4,972	(606)	(606)	606	606
Financial Liabilities									
Interest-bearing liabilities	77,295	(1,546)	(1,546)	1,546	1,546	-	-	-	-
Trade and other Payables	42,984	-	-	-	-	(1)	(1)	1	1
	120,279	(1,546)	(1,546)	1,546	1,546	(1)	(1)	1	1

31 December 2015	Carrying Amount \$'000	Interest rate risk				Foreign exchange risk			
		-2.00%		+2.00%		-9.55%		+9.55%	
		Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000
Financial Assets									
Cash and cash equivalents	94,914	(1,898)	(1,898)	1,898	1,898	-	-	-	-
Trade and other receivables	27,126	-	-	-	-	(621)	(621)	621	621
Other financial assets - term deposits	174,300	(3,486)	(3,486)	3,486	3,486	-	-	-	-
Available for sale financial assets	35,723	-	-	-	-	-	-	-	-
	332,063	(5,384)	(5,384)	5,384	5,384	(621)	(621)	621	621
Financial Liabilities									
Interest-bearing liabilities	84,807	(1,696)	(1,696)	1,696	1,696	-	-	-	-
Trade and other payables	39,620	-	-	-	-	(25)	(25)	25	25
	124,427	(1,696)	(1,696)	1,696	1,696	(25)	(25)	25	25

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

NOTE 28. FAIR VALUE MEASUREMENTS

(a) Fair value measurements

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

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

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

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

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

	Carrying Amount		Fair Value	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Financial Assets				
Cash	71,282	94,914	71,282	94,914
Receivables	21,824	27,126	21,824	27,126
Other financial assets				
- Term deposits	177,300	174,300	177,300	174,300
- Available for sale financial assets	39,854	35,723	39,854	35,723
	<u>310,260</u>	<u>332,063</u>	<u>310,260</u>	<u>332,063</u>
Financial Liabilities				
Payables	42,984	39,620	42,984	39,620
	<u>42,984</u>	<u>39,620</u>	<u>42,984</u>	<u>39,620</u>

NOTE 28. FAIR VALUE MEASUREMENTS (Cont'd)

(a) Fair value measurements (Cont'd)

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

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

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

(b) Fair value hierarchy

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

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

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

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

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

Valuation techniques

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 28. FAIR VALUE MEASUREMENTS (cont'd)

(b) Fair value hierarchy (cont'd)

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

	Note	31 December 2016			
		2016 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Recurring fair value measurements					
<i>Financial assets</i>					
Other financial assets - term deposits	15	177,300	177,300	-	-
Available-for-sale financial assets					
managed funds	15	28,209	28,209	-	-
unlisted shares	15	11,645	-	-	11,645
Total financial assets recognised at fair value		217,154	205,509	-	11,645
<i>Non-financial assets</i>					
Land	16	65,991	-	-	65,991
Buildings	16	507,222	-	-	507,222
Infrastructure	16	80,900	-	-	80,900
Library collections	16	1,037	-	-	1,037
Museums and art	16	1,280	-	-	1,280
Total non-financial assets recognised at fair value		656,430	-	-	656,430

	Note	31 December 2015			
		2015 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Recurring fair value measurements					
<i>Financial assets</i>					
Other financial assets - term deposits	15	174,300	174,300	-	-
Available-for-sale financial assets					
managed funds	15	26,223	26,223	-	-
unlisted shares	15	9,500	-	-	9,500
Total financial assets recognised at fair value		210,023	200,523	-	9,500
<i>Non-financial assets</i>					
Land	16	70,150	-	-	70,150
Buildings	16	499,067	-	-	499,067
Infrastructure	16	75,879	-	-	75,879
Library collections	16	358	-	-	358
Museums and art	16	1,110	-	-	1,110
Total non-financial assets recognised at fair value		646,564	-	-	646,564

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

There were no transfers between Level 1 and Level 2 for assets measured at fair value on a recurring basis during the reporting period (2015: no transfers). For transfers in and out of level 3 measurements see (d) below.

NOTE 28. FAIR VALUE MEASUREMENTS (cont'd)

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

Unlisted shares in companies

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

Land, buildings and infrastructure assets

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

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

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

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

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

Library collections

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

Museums and art

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

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

JAMES COOK UNIVERSITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

NOTE 28. FAIR VALUE MEASUREMENTS (cont'd)

(d) Reconciliation of recurring Level 3 Fair value measurements

The following table is a reconciliation of level 3 items for the periods ended 31 December 2016 and 2015:

	Unlisted Shares \$'000	Land \$'000	Buildings \$'000	Infrastructure \$'000	Library collections \$'000	Museums and art \$'000	Total \$'000
Level 3 Fair Value Measurements 2016							
Opening balance	9,500	70,150	499,067	75,879	358	1,110	656,064
Additions/transfers (including from WIP)	316	-	30,423	5,959	308	22	37,028
Depreciation	-	-	(39,546)	(3,799)	-	-	(43,345)
Recognised in other comprehensive income	1,829	(4,159)	17,278	2,861	371	148	18,328
Closing balance	11,645	65,991	507,222	80,900	1,037	1,280	668,075

Level 3 Fair Value Measurements 2015

Opening balance	177	60,445	503,798	72,155	358	1,076	638,009
Additions/transfers (including from WIP)	135	300	8,883	4,195	-	-	13,513
Depreciation	-	-	(38,157)	(2,916)	-	-	(41,073)
Recognised in other comprehensive income	9,188	9,405	24,543	2,445	-	34	45,615
Closing balance	9,500	70,150	499,067	75,879	358	1,110	656,064

NOTE 28. FAIR VALUE MEASUREMENTS (cont'd)

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

(i) Valuation inputs and relationships to fair value

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

Description	Fair value at 31 Dec 2016 \$'000	Unobservable inputs	Range of inputs (probability weighted average)		Relationship of unobservable inputs to fair value	
			Lower	Upper	Lower	Upper
Land	65,991	Price per square meter	(2.50)%	2.50%	(1,650)	1,650
Buildings	507,222	Relationship between asset consumption rating scale and the level of consumed service potential.	(2.50)%	2.50%	(12,681)	12,681
Infrastructure	80,900	Relationship between asset consumption rating scale and the level of consumed service potential.	(2.50)%	2.50%	(2,023)	2,023

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

(ii) Valuation processes

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

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

Details regarding the University's comprehensive and interim valuations are disclosed at Note 16(a).

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

- Cost for land restricted in use (non-saleable) - estimated cost to replace the existing land if the University had to acquire it on the open market in competition with other market participants. Due to the restricted nature and unique characteristics of this land there was insufficient market evidence of directly comparable sales. Reference was made to sales of land with a limited level of comparability at distant locations and adjusted by the valuer using professional judgement to take account of the differing characteristics. These were evaluated by reasonableness against the price per area for other restricted in use land held by the University.
- Asset condition - The nature of buildings, road and water network infrastructure is that there is a very large number of components which comprise the assets and as a result it is not physically possible to inspect every asset for the purposes of completing a valuation. As a consequence reliance is placed on the accuracy of data held in the asset management system and its associated internal controls. This includes planned inspections and updates to the system following maintenance activities and renewal treatments. Likewise, especially for water networks infrastructure, a large portion of the portfolio is located underground and may only be inspected on an irregular basis.
- Relationship between asset consumption rating scale and the level of consumed service potential - Under the cost approach the estimated cost to replace the asset is calculated and then adjusted to take account of any accumulated depreciation. In order to achieve this, the valuer determines an asset consumption rating scale for each asset type based on the inter-relationship between a range of factors. These factors and their relationship to the fair value require professional engineering judgement and include asset condition, legal and commercial obsolesce and the determination of key depreciation related assumptions such as residual values, useful life and pattern of consumption of the future economic benefit.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 29. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

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

**NOTE 30. RECONCILIATION OF NET CASH INFLOW FROM
OPERATING ACTIVITIES TO OPERATING RESULT**

	Consolidated \$'000		Parent Entity \$'000	
	2016	2015	2016	2015
Net result for the period	23,280	26,254	19,063	29,728
Non-cash items				
Depreciation and amortisation	55,474	53,001	51,101	48,727
Work in Progress adjustment	49	98	49	98
Net (gain) / loss on sale of property, plant and equipment	(6)	2,641	(9)	214
Net (gain) / loss on disposal of investments	-	(652)	-	(652)
Unrealised foreign currency (gain) / loss	71	-	(7)	-
Debt forgiveness	-	(1,134)	-	(1,134)
Loss on revaluation of investment in associate	43	71	-	-
Write off of financial asset	-	(1)	-	-
Changes in assets and liabilities associated with operating activities				
Decrease / (Increase) in receivables	2,148	(1,780)	1,723	(2,347)
Decrease / (Increase) in inventories	45	24	16	55
Decrease / (Increase) in other assets	104	(2,521)	96	(2,138)
Increase / (Decrease) in creditors	(2,978)	14,078	(2,617)	11,447
Increase / (Decrease) in tax liability	(50)	(573)	-	-
Increase / (Decrease) in other liabilities	2,137	(39)	2,729	(669)
Increase / (Decrease) in employee benefits liability	(1,640)	1,865	(1,661)	1,909
Net cash inflow from operating activities	78,677	91,332	70,483	85,238

NOTE 31. ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE

Education - CGS and Other Education Grants	Commonwealth Grants Scheme		Indigenous Support Program		Partnership & Participation Program		Disability Support Program	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Financial assistance received in cash during the reporting period	148,933	140,743	2,010	2,089	-	-	48	30
Net accrual adjustment	(421)	(216)	-	-	-	-	-	-
Revenue for the period	148,512	140,527	2,010	2,089	-	-	48	30
Surplus / (deficit) from the previous year	-	-	-	-	-	734	-	-
Total revenue including accrued revenue	148,512	140,527	2,010	2,089	-	734	48	30
Less expenses including accrued expenses	(148,512)	(140,527)	(2,010)	(2,089)	-	(734)	(48)	(30)
Surplus / (deficit) for reporting period	-	-	-	-	-	-	-	-

Education - CGS and Other Education Grants (cont'd)	Access and Participation Program		National Priorities Pool		Promo of Exc In Learn and Teaching		Total	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Financial assistance received in cash during the reporting period	4,113	4,176	-	180	193	119	155,297	147,337
Net accrual adjustment	-	-	-	-	-	-	(421)	(216)
Revenue for the period	4,113	4,176	-	180	193	119	154,876	147,121
Surplus / (deficit) from the previous year	-	-	175	-	299	528	474	1,262
Total revenue including accrued revenue	4,113	4,176	175	180	492	647	155,350	148,383
Less expenses including accrued expenses	(4,113)	(4,176)	(150)	(5)	(227)	(348)	(155,060)	(147,909)
Surplus / (deficit) for reporting period	-	-	25	175	265	299	290	474

Higher Education Loan Programs (excl OS-HELP)	HECS-HELP Australian Gov't payments only		FEE-HELP		SA-HELP		Total	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Cash payable / (receivable) at beginning of year	(3,167)	(2,947)	277	(196)	(1)	132	(2,891)	(3,011)
Financial assistance received in cash during the reporting period	79,375	72,681	2,544	3,158	2,315	2,103	84,234	77,942
Cash available for period	76,208	69,734	2,821	2,962	2,314	2,235	81,343	74,931
Revenue earned	(75,423)	(72,901)	(2,782)	(2,685)	(2,313)	(2,236)	(80,518)	(77,822)
Cash payable / (receivable) at end of year	785	(3,167)	39	277	1	(1)	825	(2,891)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 31. ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (cont'd)

Scholarships	Australian Postgraduate Awards		International Postgraduate Research Scholarships		Commonwealth Education Cost Scholarships		Commonwealth Accommodation Scholarships		Indigenous Access Scholarships		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in cash during the reporting period	3,795	3,650	291	289	430	356	325	249	446	468	5,287	5,012
Net accrual adjustment	-	-	-	-	391	333	250	259	103	106	744	698
Revenue for the period	3,795	3,650	291	289	821	689	575	508	549	574	6,031	5,710
Surplus / (deficit) from the previous year	878	725	-	-	-	-	-	-	-	-	878	725
Total revenue including accrued revenue	4,673	4,375	291	289	821	689	575	508	549	574	6,909	6,435
Less expenses including accrued expenses	(3,740)	(3,497)	(291)	(289)	(821)	(689)	(575)	(508)	(549)	(574)	(5,976)	(5,557)
Surplus / (deficit) for reporting period	933	878	-	-	-	-	-	-	-	-	933	878

Education Research	Joint Research Engagement		JRE Engineering Cadetships		Research Training Scheme		Sustainable Research Excellence in Universities		Research Infrastructure Block Grants		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in cash during the reporting period	5,290	4,330	77	66	9,579	9,099	2,716	2,291	3,333	3,159	20,995	18,945
Net accrual adjustment	-	-	-	-	-	-	-	-	-	-	-	-
Revenue for the period	5,290	4,330	77	66	9,579	9,099	2,716	2,291	3,333	3,159	20,995	18,945
Surplus / (deficit) from the previous year	-	-	66	-	-	-	-	-	597	59	663	59
Total revenue including accrued revenue	5,290	4,330	143	66	9,579	9,099	2,716	2,291	3,930	3,218	21,658	19,004
Less expenses including accrued expenses	(5,290)	(4,330)	(24)	-	(9,579)	(9,099)	(2,716)	(2,291)	(3,438)	(2,621)	(21,047)	(18,341)
Surplus / (deficit) for reporting period	-	-	119	66	-	-	-	-	492	597	611	663

The reported surpluses for JRE Engineering Cadetships of \$0.119m and Research Infrastructure Blocks Grants of \$0.492m for 2016 are expected to be rolled over for future use by Education.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 31. ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (cont'd)

Australian Research Council Grants

(a) Discovery

	Projects		Fellowships		Future Fellowships		Indigenous Researchers Development		Super Science Fellowship		Laureate Fellowship		Early Career Researcher Award		Total	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Financial assistance received in cash during the reporting period	925	2,193	-	-	642	1,132	180	414	-	-	1,788	2,055	252	1,032	3,787	6,826
Transfers / return of grant	(20)	(174)	-	(3)	-	-	(3)	-	-	-	-	-	(191)	(65)	(214)	(242)
Net accrual adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revenue for the period	905	2,019	-	(3)	642	1,132	177	414	-	-	1,788	2,055	61	967	3,573	6,584
Surplus / (deficit) from the previous year	1,053	1,450	-	3	897	1,226	176	80	-	30	1,371	1,535	602	650	4,099	4,974
Total revenue including accrued revenue	1,958	3,469	-	-	1,539	2,358	353	494	-	30	3,159	3,590	663	1,617	7,672	11,558
Less expenses including accrued expenses	(1,459)	(2,416)	-	-	(1,185)	(1,461)	(285)	(318)	-	(30)	(1,830)	(2,219)	(597)	(1,015)	(5,356)	(7,459)
Surplus / (deficit) for reporting period	499	1,053	-	-	354	897	68	176	-	-	1,329	1,371	66	602	2,316	4,099

Australian Research Council Grants

(b) Linkages

	Infrastructure		Projects		Industrial Transformation Research Hubs		Total	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Financial assistance received in cash during the reporting period	-	270	751	747	1,066	1,049	1,817	2,066
Transfers / return of grant	-	41	-	(25)	-	-	-	16
Net accrual adjustment	-	-	-	-	-	-	-	-
Revenue for the period	-	311	751	722	1,066	1,049	1,817	2,082
Surplus / (deficit) from the previous year	23	179	670	740	2,002	1,530	2,695	2,449
Total revenue including accrued revenue	23	490	1,421	1,462	3,068	2,579	4,512	4,531
Less expenses including accrued expenses	(23)	(467)	(853)	(792)	(1,296)	(577)	(2,172)	(1,836)
Surplus / (deficit) for reporting period	-	23	568	670	1,772	2,002	2,340	2,695

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 31. ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (cont'd)

Australian Research Council Grants
(c) Networks and Centres

	Centres		Special Research Initiatives		Total	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Financial assistance received in cash during the reporting period	4,266	4,195	3,106	3,054	7,372	7,249
Transfers / return of grant	-	-	-	-	-	-
Net accrual adjustment	-	-	-	-	-	-
Revenue for the period	4,266	4,195	3,106	3,054	7,372	7,249
Surplus / (deficit) from the previous year	2,921	2,265	32,618	35,046	40,157	41,929
Total revenue including accrued revenue	7,187	6,460	35,724	38,100	47,529	49,178
Less expenses including accrued expenses	(3,417)	(3,539)	(10,107)	(5,482)	(13,524)	(9,021)
Surplus / (deficit) for reporting period	3,770	2,921	25,617	32,618	34,005	40,157

OS-Help

	2016 \$'000	2015 \$'000
Cash received during the reporting period	1,793	1,515
Cash spent during the reporting period	(1,917)	(1,284)
Net cash received	(124)	231
Cash surplus / (deficit) from the previous period	619	388
Cash surplus / (deficit) for the reporting period	(124)	231
	495	619

Student Services and Amenities Fee

	2016 \$'000	2015 \$'000
Unspent / (overspent) revenue from previous period	1,054	945
SA-HELP revenue earned	2,313	2,242
Student Services Fees direct from students	1,615	1,647
Total revenue expendable in period	4,982	4,834
Student Services expenses in period	4,194	3,780
Unspent / (overspent) Student Services revenue	788	1,054

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

	Revenue \$'000		Results \$'000		Assets \$'000	
	2016	2015	2016	2015	2016	2015
NOTE 32. DISAGGREGATED INFORMATION						
Geographical - Consolidated Entity						
Australia	495,874	485,323	19,228	29,411	1,106,341	1,071,493
Singapore	44,070	40,349	4,052	(3,157)	35,792	32,464
	<u>539,944</u>	<u>525,672</u>	<u>23,280</u>	<u>26,254</u>	<u>1,142,133</u>	<u>1,103,957</u>

The University reports revenue, results and assets by geographical regions in accordance with the Financial Statement Guidelines for Australian Higher Education Providers for the 2016 reporting period issued by the Department of Education and Training.

Certification of financial statements (management certificate)

The following page contains the management certificate

JAMES COOK UNIVERSITY

MANAGEMENT CERTIFICATE

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

- (a) the financial statements and consolidated financial statements are in agreement with the accounts and records of James Cook University and its controlled entities;
- (b) in our opinion -
 - (i) the prescribed requirements in respect of the establishment and keeping of accounts have been complied within all material respects;
 - (ii) the financial statements have been drawn up to present a true and fair view of the transactions of James Cook University and controlled entities for the period 1 January 2016 to 31 December 2016, and the financial position as at 31 December 2016 in accordance with prescribed accounting standards and conform with the Financial Statement Guidelines for Australian Higher Education Providers for the 2016 reporting period issued by the Australian Government Department of Education.
 - (iii) at the time of this Certificate there are reasonable grounds to believe that the University will be able to pay its debts as and when they fall due;
 - (iv) the amount of Australian Government financial assistance expended during the year was for the purpose(s) for which it was intended;
 - (v) James Cook University has complied with applicable legislation, contracts, agreements and programme guidelines in making that expenditure.

W.T.R. Tweddell
Chancellor

Date 27 February, 2017

S.L. Harding
Vice-Chancellor

Date 27 February, 2017

P.C. Brand
Deputy Vice Chancellor
Services and Resources

Date 27 February, 2017

Independent Auditor's Report

The following pages contain the Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT

To the Council of the James Cook University

Opinion

I have audited the financial report of the James Cook University, which comprises the statement of financial position as at 31 December 2016, the statement of income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including significant accounting policies and other explanatory information, and the certificate given by the Chancellor, Vice Chancellor and Deputy Vice Chancellor – Services and Resources.

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

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

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

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

Basis of Opinion

I conducted the audit in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the entity in accordance with the *Auditor-General Act 2009*, the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act), and the ethical requirements of the Accounting Professional and Ethical Standards Board APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

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

Responsibilities of the Council for the Financial Report

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

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control other than expressing an opinion on compliance with prescribed requirements.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

Other Matters - Electronic Presentation of the Audited Financial Report

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



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



Queensland Audit Office
Brisbane

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Financial information for the year ended

The following pages contain the underlying operating results

UNDERLYING OPERATING RESULTS

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

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

- Higher Education Support Act 2003 (Cth) (Financial Statement Guidelines)
- Financial Accountability Act 2009 (Qld)

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

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

(a) Unspent Committed Research Grant Funds

The nature of grant funding is such that income is recognised as revenue when received while the expenditure may not be recognised in the same reporting period. The expenditure may be incurred over a number of reporting periods depending on the terms of the funding agreements. The result is that the income from research grant funding may not match the expenditure when incurred. The following is a summary of the unspent committed research grant funding for the parent entity. The results for 2016 reveal that the expenditure during the reporting period is matching revenue received in prior periods.

	Parent Entity \$'000	
	2016	2015
Unspent committed research grant funds	6,786	4,454

(b) Capital Grant Income and Expense

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

	Parent Entity			
	2016 \$'000	2016 \$'000	2015 \$'000	2015 \$'000
	Income	Expenditure	Income	Expenditure
Australian Government Capital Grants				
Australian Research Council	-	22	-	57
Dept. of Education	10,114	24	20,000	38
Dept. of Innovation, Industry, Science & Research	-	-	-	31
Health Workforce Australia - Clinical Training Program	-	-	-	7
	10,114	46	20,000	133
Other Australian and State Government Capital Grants				
Dept. of Science, Information Technology, Innovation & the Arts	14,400	75	11,500	353
Queensland Health	-	-	-	17
	14,400	75	11,500	370
Other				
James Cook University Student Association	93	-	-	-
	93	-	-	-
	24,607	121	31,500	503
Capital grant income less expenses (net)		24,486		30,997

UNDERLYING OPERATING RESULTS (cont'd)

(c) Smart State Borrowings Income and Expense

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

	Parent Entity			
	2016 \$'000 Income	2016 \$'000 Expenditure	2015 \$'000 Income	2015 \$'000 Expenditure
Australian Tropical Science Innovation Precinct (ATSIP)				
Net debt forgiveness of financial liability	-	-	1,134	-
	-	-	1,134	-
	-	-	1,134	-
Smart State income less expenses (net)		-		1,134

(d) Changes to Workforce Plans

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

	Parent Entity \$'000	
	2016	2015
Changes to Workforce Plans	7,301	3,094

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

	Parent Entity \$'000	
	2016	2015
Net operating result as per statement of comprehensive income	19,063	29,728
(a) less: unspent committed grant funds	6,786	4,454
(b) less: capital grant income less expenses (net)	24,486	30,997
(c) less: Smart State income less expenses (net)	-	1,134
(d) Add: Changes to Workforce Plans	7,301	3,094
Adjusted net underlying operating result	(4,908)	(3,763)

Glossary

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