



2019

# Annual Report

James Cook  
University

Cairns  
Singapore  
Townsville

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James Cook University (JCU) is committed to building strong and mutually beneficial partnerships that work towards closing the employment, health and education gap for Australian Aboriginal and Torres Strait Islander peoples.

Our students come from many backgrounds, promoting a rich cultural and experiential diversity on campus.

*“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: James Cook University 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>

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

## **Government bodies – James Cook University Council**

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

## **Public availability**

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

## **Statement of compliance**

This Annual Report fulfils the prescribed reporting requirements for 2019 of James Cook University to the Queensland Minister for Education and Minister for Industrial Relations, 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 2019 against its strategic intent, aims, priorities and actions.

## Letter of compliance

24<sup>th</sup> of February 2020

The Honourable Grace Grace MP  
Minister for Education and Minister for Industrial Relations  
Department of Education  
PO Box 15033  
CITY EAST QLD 4002

Dear Minister,

I am pleased to submit for presentation to the Parliament the Annual Report 2019 and financial statements for James Cook University.

I certify that this Annual Report complies with:

- the prescribed requirements of the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2019*, and
- the detailed requirements set out in *the Annual report requirements for Queensland Government agencies*.

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

Yours sincerely

Bill Tweddell  
Chancellor  
James Cook University

## Introduction and year in review

We began 2019 with unprecedented monsoonal flooding in Townsville in late January. Fortunately, we were able to reopen the University's Townsville campus quickly, despite urgent and on-going remediation which will continue through 2020. Although many in our University community were affected – with some still displaced from their homes – the University has proven itself to be a strong and resilient community. That there was minimal disruption to the start of the Semester was a great testament to the determination and resilience of our student ambassadors, staff and contractors, who worked tirelessly to ensure a smooth start to the Academic Year.

In April, our community was further tested by a fire in one of the University Halls' accommodation buildings, displacing over 200 students overnight. Thankfully there were no injuries but there was significant impact on students. The support staff of the Halls, the University's Critical Incident response team, both academic and professional staff involved in teaching, learning and student support, as well as the Estate Office and Workplace Health and Safety, all worked tirelessly once again to minimise the impact on the students. Remarkably, replacement student accommodation, including The Village, was established within a month to house displaced students. The support of the broader Townsville community was phenomenal. Throughout these disasters our priority remained – and still remains – on ensuring our students and their needs are at the centre of our action.

Our students are our best success story and our five-star rating for graduate employment, published in the Good Universities Guide 2019, shows that the education experience we offer at JCU is highly valued by both our students and their employers. In fact, JCU is the only Queensland university, and one of only three Australian universities, to receive a five-star rating for graduate employment for the past nine years in a row. This is a great achievement that highlights the University's excellence in teaching and research and the industry relevance of our degree programs.

Our innovative approaches to teaching and active engagement with industry were further recognised with two JCU academics being awarded the prestigious national Australian Awards for University Teaching – Citation for Outstanding Contributions to Student Learning in 2019. Furthermore, JCU has been rated in the top three Australian Universities for employer satisfaction in the Quality Indicators in Learning and Teaching (QILT) Employer Satisfaction Survey for the last two years.

Our world-renowned research leaders are highly respected and make an exceptional contribution to their fields and disciplines.

That excellence continues to be recognised on the international and national stage, as reflected in the authoritative global ranking – the 2019 Academic Ranking of World Universities (ARWU) by Shanghai Jiao Tong Ranking Consultancy – rating JCU in the top 201-300 group of universities. JCU is also the only university to receive the top rating for environmental science and management in the Australian Research Council, Excellence in Research for Australia (ERA) evaluation. Our 2018 ERA results also rated JCU “world class or better” in 38 areas of research – our best result to date.

Furthermore, three of JCU's young scientists and researchers were recognised for their scientific excellence and unique passion for science communication by being selected as Queensland's Young Tall Poppy Science Award winners. Associate Professor Jodie Rummer was also awarded the 2019 Queensland Young Tall Poppy Scientist of the Year. Five of JCU's most influential researchers were also named in an elite group of ‘highly cited’ researchers as part of a worldwide survey of the impact of academic work recognised by Clarivate Analytics' Web of Science Group. We also had success

with Distinguished Professor David Bellwood awarded an Australian Research Council 2019 Australian Laureate Fellowship and Dr Jennifer Donelson awarded an ARC 2019 Future Fellowship.

All this, coupled with the many outstanding contributions by JCU's professional and technical staff during 2019, means that there can be no doubt that JCU staff are among the best in the world.

In October, JCU celebrated the 30th anniversary of the establishment of our Law School, inducting a number of our alumni into the Law discipline Hall of Fame. This year we also celebrated 10 years since JCU opened its doors to our Bachelor of Dental Surgery students. JCU continues to serve the professions within the region with a particular focus on retaining talent within regional, rural and remote areas. Without JCU graduates populating the professions locally, the broader north would be much the poorer in every way.

The governance task undertaken by the University Council and its Committees, including Academic Board, is crucial to enabling JCU to discharge its responsibilities as Australia's University for northern Queensland and the Tropics. In recognition of the importance of governance, Council determined that an independent review of the effectiveness of Council would be undertaken with Emeritus Professor Geoff Kiel being engaged to perform this important task. Pleasingly, Emeritus Professor Kiel found the governance processes and functioning of the JCU Council to be robust and in accordance with contemporary thinking in Australian University governance. He also found that the University has a very sound approach in all the relevant sections dealing with governance outlined in the Higher Education Standards Framework and is compliant with the second edition of the University Chancellors Council (UCC) and Universities Australia (UA) Voluntary Code of Best Practice for the Governance of Australian Public Universities.

Furthermore, Emeritus Professor Kiel found that JCU's Council has a strong committee structure which provides effective oversight, a good policy and procedural framework, and extensive monitoring systems in place over all the key areas of the University's operations. Council was, understandably, pleased with the report, and has committed to implementing recommendations made by Professor Kiel to enhance Council's function as appropriate.

Our commitment to high quality teaching and research in Singapore has also continued, with the important quality mark, EduTrust Star, being renewed for a second time. It is a great privilege to be the first Australian educational institution in Singapore to achieve Branch campus status in Singapore and to have been awarded this highest recognition for quality once again. This status underscores the high level of commitment on the part of management and staff of JCU Singapore and its governing body to strengthen the position of the institution as a leading provider of quality education.

JCU's facilities are designed to support the creation of new scientific knowledge, providing the types of contemporary study and work places and spaces that our staff and students deserve. Our new facilities are 'state of the art', demonstrated through awards being received for our new infrastructure every year.

In 2019, our Australian Institute of Tropical Health and Medicine (AITHM) building on Thursday Island won the Eddie Oribin Award for Building of the Year at the Queensland Regional Architecture Awards. ArchitectureAU also commended the Cairns Internet of Things (IoT) Laboratory and the Townsville Verandah Walk. Importantly, and most pleasingly, the Eddie Koiki Mabo Library in Townsville has been recognised as one of Australia's 10 most iconic buildings alongside such structures as the Sydney Opera House, the High Court of Australia in Canberra and the Queensland Art Gallery in Brisbane. This truly is a monumental building of which our community is justly proud.

Continuing our focus on providing first class facilities for our staff and students, JCU was also successful in finalising a \$96m Northern Australia Infrastructure Facility (NAIF) loan from the Federal Government with the support of the Queensland Government for the Technology Innovation Complex (TIC). As the North's economy transitions, we must renew our focus on STEM (science, technology, engineering and mathematics) teaching, learning and research. JCU is the major provider of STEM capability across the north. Through the TIC, our STEM program will forge greater links between commercial and business expertise and industry participants and the University's considerable research capability, including the Social Sciences. These links will be fostered by locating JCU STEM activities in a complex adjacent to the award-winning The Science Place which was completed in 2017.

As part of a broader \$178m of campus renewal projects, JCU's investment in the region signifies a transformation of the Townsville campus that will enable the University to continue its work, serving our communities, well into the future. We have no doubt that these projects will deliver campuses and a capacity that will be as important to the future of our region, as was the establishment of what was to become JCU almost 60 years ago. Transformation in Cairns proceeds at pace too, with exciting new infrastructure coming on line next year.

JCU continues to engage with, and indeed rely on, industry and community support to enhance the learning experiences of our students through placements and practicums, to promote economic development through research partnerships, and serve the human capital needs of regional business and industry. JCU Connect, launched in 2019, provides that essential 'front door' through which industry can engage with the breadth and depth of JCU's research and commercial expertise and resources.

In another significant moment for the Townsville community, TropiQ (Tropical Intelligence and Health Precinct), was launched in late 2019. TropiQ is a place making collaboration between JCU and the recently renamed Townsville University Hospital, leveraging the specialist medical and allied health expertise and facilities co-located in these organisations to create a community dedicated to helping the world access, understand and benefit from breakthroughs and solutions in health and tropical science.

So 2019 has been a year of both achievement and challenge. Our community has worked hard to ensure that our University continues to play a transformative role in the north, in Singapore and wherever our University is expressed.

In 2020, JCU celebrates 60 years delivering higher education in northern Queensland and 50 years as a University. Her Majesty Queen Elizabeth II personally attended the ceremony on 20 April 1970, providing the Royal Assent to bring the University into existence. To this day, this remains the only Act of Parliament, State, Federal or Territorial, to have received the personal assent of the reigning monarch. We look forward to a year of celebration, where we acknowledge the outstanding support the University has received from the communities we serve, as well as the significant social, cultural and economic contribution JCU has made to the region in the past, as we continue to grow, invest and support our community into the future.

**Bill Tweddell**  
Chancellor

**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. In 2017, The *University Legislation Amendment Act 2017* was passed by the Queensland Government, and was granted royal assent on 13 October 2017, resulting in changes to the *James Cook University Act 1997*. New provisions in the JCU Act provide the James Cook University Council the ability to amend its own size and composition, therefore offering greater flexibility to meet the ever-changing needs of the University into the future.

### Role

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

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

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

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

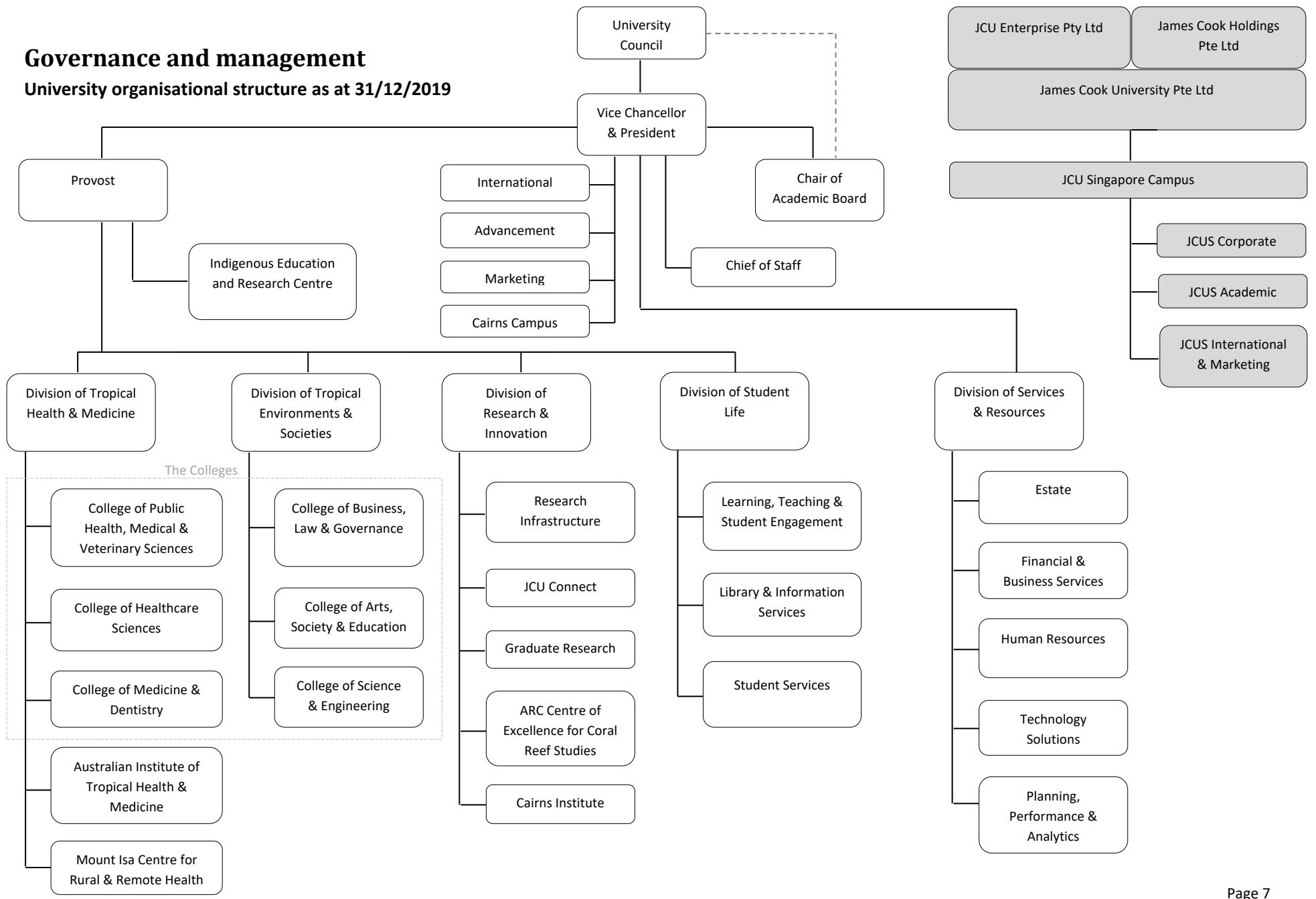
### Significant regional locations

- Townsville, Cairns, and Singapore (international campus)



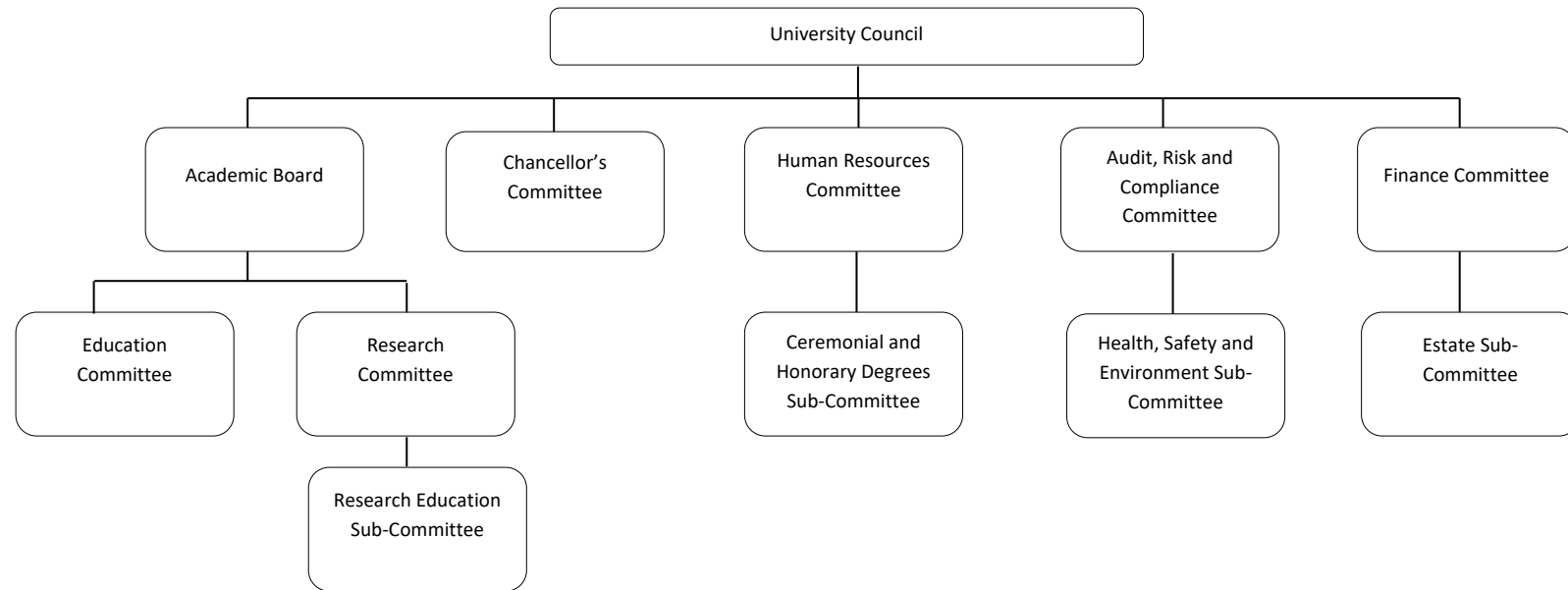
# Governance and management

University organisational structure as at 31/12/2019

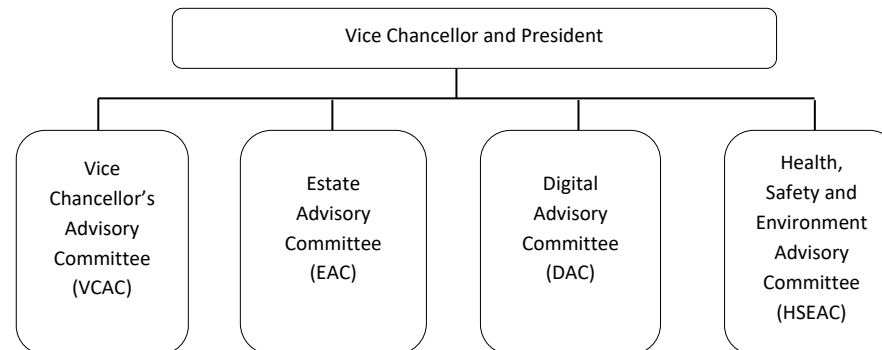


**Governance structures as at 31/12/2019**

Committees of Council



Committees of the Vice Chancellor



### **Governing body – James Cook University Council**

The James Cook University Council (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. The University 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 Seventeenth Council commenced on 20 April 2018 for a term of four years.

### **University Council – Powers of Council**

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

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

### **University Council – Primary Responsibilities**

The University Council is the prime instrument of University governance. The University Council of James Cook University has primary responsibilities 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.

### **University 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 a flexible number and type of members.

Membership flexibility is made possible through the provisions of the *University Legislation Amendment Act 2017* (ULAA), which was passed by the Queensland Government, and was granted royal assent on 13 October 2017, resulting in changes to the *James Cook University Act 1997*). Among other things, new provisions in the *James Cook University Act 1997* provide the legislative basis upon which the University Council may amend the size and the composition of University Council. The University Council now has greater decision-making powers to ensure a better skills, geographic, ethnic and gender mix across its membership.

During the term of a University Council, members may resign and/or be replaced in accordance with election or appointment processes associated with their particular appointment. The Chancellor is elected for a term not longer than five years as fixed by the University Council, and the person elected need not be a member of the University Council. The incumbent Chancellor was elected for a five-year term, beginning on 26 March 2016.

Official members are appointed to University Council by virtue of the office they hold, whether by appointment or election. The official members consist of the Chancellor, the Vice Chancellor, and the Chairperson of the Academic Board (where the Vice Chancellor is not also the Chairperson of the Academic Board).

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

### **University Council – Membership**

The following table on page 11 lists the University Council membership of the Seventeenth University Council as at the reporting period end (31<sup>st</sup> of December 2019). There were a total of seven meetings in 2019 of the Seventeenth University 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 31<sup>st</sup> of December 2019) is summarised in the Executive Management table on page 12.

**James Cook University – University Council membership as at the 31st of December 2019 (for the Seventeenth University Council)**

Membership type	Position on Council	Member's name	Member's qualifications	Attendance
Official members	Chancellor	William (Bill) Tweddell	BA, BEc <i>JCU</i>	7 / 7
	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 / 7
	Chairperson of the Academic Board	Stephen Naylor	BEd <i>Melb</i> , MA <i>RMIT</i> , PhD <i>Monash</i> .	7 / 7
Appointed members	Governor-in-Council	Donnella Mills	LLB; GradDip LP	0 / 1
		Marjorie Pagani	BA <i>JCU</i> ; BA(Hons) <i>JCU</i> ; LLB <i>QUT</i> ; Grad Dip <i>AICD</i> ; Cert Arbitration; Cert Mediation; Grad Dip Family Dispute Resolution; Commercial Pilot; Member BAQ; <i>Australian Women Judges Assn.</i>	7 / 7
		Angela Toppin	BEd, Dip Teaching <i>QUT</i>	5 / 7
Additional members	Deputy Chancellor	Campbell (Cam) Charlton	BCom, LLB <i>JCU</i> , GAICD	7 / 7
	Additional members	Jayne Arlett	B.Sc.Pod.Med, GAICD; FIML; FAAPSM; FASMF	6 / 7
		Ryan Haddrick	LLB <i>JCU</i> , LLM <i>QUT</i> , GradDipLegPrac <i>ANU</i> , Barrister (Qld, NSW, ACT)	6 / 7
		Gregory Lynham	[Judge] LLB (Hons) <i>JCU</i> , Member National Judicial College of Australia	4 / 7
		Peter Phillips	BBus <i>Curtin</i> , CA, FIIA, CIA, CFE	7 / 7
Elected members	Academic staff	Allison Craven	BA (Hons) <i>UQ</i> , MA(Res) <i>UQ</i> , PhD <i>Monash</i>	6 / 7
		Lee Stewart	DipTeach(Nursing); PostgradCert Education; MasterDisp.Res.; PhD	7 / 7
	Professional and Technical staff	Jonathan Strauss	BA (Hons) <i>Monash</i> ; PhD <i>JCU</i>	7 / 7
	Students	Lennon Stathoulis		6 / 7
	Non-member (Secretary)	University Secretary	Ian Troupe	BSc (Hons) <i>CNA</i> , MSc <i>Lpool</i> , MA <i>Cantab</i> , GradDipACG AGIA ACIS

## James Cook University - Executive Management as at the 31st of December 2019

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. The Vice Chancellor has oversight of the International Directorate, the Advancement Directorate, the Marketing Directorate, and the Cairns Campus profile.
Provost	Chris Cocklin	DipBusStud, BSocSci MA, PhD, FAICD, FAIM	Focus on learning, teaching and research with oversight of the academic divisions, colleges and the Indigenous Education and Research Centre. Responsibility for research and holds the role of Deputy Vice Chancellor of the Division of Research and Innovation. The Provost has oversight of research infrastructure, graduate research, JCU Connect, the Cairns Institute and the ARC Centre of Excellence for Coral Reef Studies. The Provost also has oversight of the Division of Student Life.
Deputy Vice Chancellor and Head of JCU Singapore Campus	Chris Rudd	BSc <i>Newcastle Uni UK</i> , PhD <i>Nottingham UK</i> , DSc <i>Nottingham UK</i> , Ceng, FIMechE, FIM	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, Medical & Veterinary Sciences - College of Healthcare Sciences - College of Medicine and Dentistry
Deputy Vice Chancellor of the Division of Tropical Environments & Societies	Marcus Lane (Acting)	BSc(Hons) <i>Griffith University</i> , GradCertHEd <i>Griffith University</i> , PhD <i>Queensland</i>	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 the Division of Student Life	Laura-Anne Bull	BEng (Hons) and PhD <i>University of Strathclyde UK</i>	Key responsibility for oversight of Learning, Teaching & Student Engagement, Library & Information Services, and Student Services.
Deputy Vice Chancellor of the Division 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, Technology Solutions, Planning, Performance & Analytics, Discovery Rise, Health, Safety & Environment, and student accommodation.
Chairperson of the Academic Board	Stephen Naylor	BEd <i>Melb</i> , MA <i>RMIT</i> , PhD <i>Monash</i> .	Oversees the Academic Board, which advises the University Council about teaching, research and scholarship matters. The Chair makes proposals for academic policies, monitors the academic activities, and promotes scholarship and research.

## **Overview of JCU Controlled Entities**

Details of the controlled entities are listed below. 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 the end of year financial reporting, each of the entities provides an annual report in relation to the prior year's activities, Health, Safety & Environment (HSE), and risk, which is provided to the University Council via the Audit, Risk and Compliance Committee, and the Finance Committee, as part of the Statutory Accounts process.

### **JCU UniVet Pty Ltd (JCU Vet)**

JCU Vet was incorporated in 2009, with objectives that include providing facilities for study, research and clinical education in the field of Veterinary Science as well as aiding in the development or promotion of research in that field. JCU Vet trades from Townsville's only animal hospital location on the Douglas Campus.

JCU Vet is a registered Australian Proprietary Company and JCU is the sole shareholder of the issued four hundred and eighty thousand (480,000) ordinary shares. The board of the company consists of five (5) nominees of the Vice Chancellor acting as directors of the company. JCU terminated a tripartite management agreement with Green Cross Limited (GXL), and JCU Univet Pty Ltd resumed total management of the clinic in January 2019. The company is registered with the Australian Charities and Not-for-Profits Commission (ACNC). The company provides reports to the University Council in accordance with University policy.

### **JCU Enterprises Pty Ltd**

JCU Enterprises Pty Ltd was incorporated in 1989 and owns all of the shares in James Cook Holdings Pte Ltd. JCU Enterprises Pty Ltd does not trade in its own right. JCU Enterprises Pty Ltd is a registered Australian Proprietary Company and JCU is the sole shareholder of the issued two million, four hundred and ninety-one thousand, six hundred and forty (2,491,640) ordinary shares. The board of JCU Enterprises Pty Ltd consists of three (3) nominees of the Vice Chancellor, acting as directors of the Company. The company is registered with the Australian Charities and Not-for-Profits Commission (ACNC). The company provides reports to the University Council in accordance with University policy.

### **James Cook Holdings Pte Ltd**

James Cook Holdings Pte Ltd, a private company registered in Singapore, was incorporated in 2011 as a holding company fully owned and controlled by JCU Enterprises Pty Ltd. James Cook Holdings Pte Ltd does not trade. The company owns 100% of the shares in James Cook University Pte Ltd. The board of James Cook Holdings Pty Ltd consists of four (4) nominees of the Vice Chancellor acting as directors of the company. Two (2) of the directors permanently reside in Singapore. The company is registered with Accounting and Corporate Regulatory Authority (ACRA), and secretarial services are provided in Singapore by Park Crescent Services Pte Ltd (a subsidiary of Baker Tilley). The company provides reports to the University Council in accordance with University policy.

### **James Cook University Pte Ltd**

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

The board of James Cook University Pte Ltd consists of four (4) nominees of the Vice Chancellor and the Vice Chancellor herself, acting as directors of the company. The company is registered with Accounting and Corporate Regulatory Authority (ACRA) and secretarial services are provided in Singapore by Park Crescent Services Pte Ltd (a subsidiary of Baker Tilly). Financial Statements of James Cook University Pte Ltd are audited by a Singapore-based external auditor. The company provides reports to the University Council in accordance with University policy.

#### **JCU Early Learning Centres Pty Ltd**

JCU Early Learning Centres Pty Ltd was registered in 1993 as a public company limited by guarantee to provide non-profit child care for children of students, staff and graduates of the University. It is also charged with providing and promoting the development, wellbeing and education of children, and encouraging parent and community involvement in its operations. JCU Early Learning Centres Pty Ltd operates two (2) child care centres on the Douglas Campus.

JCU Early Learning Centres Pty Ltd is a registered Australian Proprietary Company and JCU is the sole shareholder of the issued ten (10) ordinary shares. The board of the company consists of six (6) nominees of the Vice Chancellor acting as directors of the company, and there is currently two (2) vacancies for a director of the board. The company is registered with the Australian Charities and Not-for-Profits Commission (ACNC). The company provides reports to the University Council in accordance with University policy.

#### **JCU Health Pty Ltd**

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

JCU Health Pty Ltd is a registered Australian Proprietary Company and JCU is the sole shareholder of the issued ten (10) ordinary shares. The board of the company consists of six (6) nominees of the Vice Chancellor acting as directors of the company. The company is registered with the Australian Charities and Not-for-Profits Commission (ACNC). The company provides reports to the University Council in accordance with University policy.

#### **Tropical Queensland Centre for Oral Health Pty Ltd**

Tropical Queensland Centre for Oral Health Pty Ltd was incorporated in 2011 with objectives to provide students enrolled in the Bachelor of Dental Surgery, and related postgraduate programs within the University, with the required clinical placements. It also has the objective 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 its operations are conducted from the Cairns Campus where there are 80 chairs in the undergraduate clinic, 4 chairs in the specialist rooms, and 15 chairs in the postgraduate clinic. The Townsville Clinic is located in the Clinical Practice Building, and was opened in 2014 hosting 18 chairs in the undergraduate clinic, and 2 chairs in the specialist rooms. The company is a registered Australian Proprietary Company and JCU is the sole shareholder of the issued ten (10) ordinary shares. The board of the company consists of five (5) nominees of the Vice Chancellor acting as directors of the company. The company is registered with the Australian Charities and Not-for-Profits Commission (ACNC). The company provides reports to the University Council in accordance with University policy.



### **JCU CPB Pty Ltd**

JCU CPB Pty Ltd, registered on 7 October 2011, is a special purpose entity to act as trustee of the CPB Trust (the Trust), with the primary objective of assisting the University in carrying out its development, construction and ongoing management of the Clinical Practice Building (CPB), Townsville. JCU is the sole beneficiary of the Trust, which ensures that the University benefits from the leasing of commercial spaces, within the building. The CPB Trust holds a ground lease of the CPB site from JCU and owns and operates the CPB constructed on the site. Tenants in the Clinical Practice Building include both retail and medical and allied health based operations.

The company does not trade, and acts only as trustee for the CPB Trust. The Clinical Practice Building was completed in 2013. JCU CPB Pty Ltd is a registered Australian Proprietary Company and JCU is the sole shareholder of the issued ten (10) ordinary shares. The board of the company consists of four (4) nominees of the Vice Chancellor acting as directors of the company. The company provides reports to the University Council in accordance with University policy.

### **North Queensland Commercialisation Company Pty Ltd**

North Queensland Commercialisation Company Pty Ltd (NQCC) was registered in 2008 to provide research commercialisation services to JCU. The company does not trade and acts as the trustee of The JCU Asset Trust (the Trust), and any income of the Trust is to be distributed to JCU. The Trust was formed to generally assist JCU in research commercialisation, and to hold intellectual property rights and sponsor start-up initiatives in commercialisation companies.

Presently, the JCU Asset 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 which is currently engaged in research and commercialisation of an upper limb rehabilitation device. NQCC is a registered Australian Proprietary Company, and JCU is the sole shareholder of the issued one (1) ordinary share. The board of the company consists of two (2) nominees of the Vice Chancellor acting as directors of the company. The company is registered with the Australian Charities and Not-for-Profits Commission (ACNC). The company provides reports to the University Council in accordance with University policy.

### **JCU College Pty Ltd**

JCU College Pty Ltd incorporated and commenced trading in 2015 to provide educational pathways and English Language tuition for current JCU students, and prospective / future students. JCU College Pty Ltd works closely with both the Australian and Singapore based campuses. JCU College Pty Ltd is a registered Australian Proprietary Company and JCU is the sole shareholder of the issued ten (10) ordinary shares. The board of the company consists of four (4) nominees of the Vice Chancellor acting as directors of the company. The company is registered with the Australian Charities and Not-for-Profits Commission (ACNC). The company provides reports to the University Council in accordance with University policy.

### **Discover Sport Limited**

Discover Sport Limited was incorporated on 25 May 2018. Discover Sport Limited's objectives are to promote awareness and the benefits (both physical and psychological) of healthy exercise via sports and games through the use of sporting facilities on the JCU Campuses and elsewhere, and to assist JCU in improving and providing facilities and resources for games and sport. Discover Sport Limited is a public company limited by guarantee and consists of a board of eight (8) directors. The company is not presently trading, however it is actively applying for grant monies and planning and advising the University on an appropriate governance model to achieve its objectives. Further, the company is income tax exempt, however it is not registered with the ACNC.

## **Governance – risk management and accountability**

### **Risk Management**

The University's Risk Management Framework is reviewed and updated annually to ensure its currency and relevance. Of significance for 2019, the University Council adopted a Risk Appetite Statement that incorporates key risk indicators for non-financial risks as well as financial risk. The Statement indicates the parameters within which the University conducts its activities, and in seeking out new opportunities. It also provides guidance on areas where innovation and risk taking is encouraged to support growth ambitions, and areas where more conservative and compliant activities are required in response to public and legislative obligations given the risk exposure – i.e., the implied risk exceeds the potential return.

The University Executive also undertakes an annual University Level Risk Assessment. In 2019, this assessment responded to changes in the risk environment which included the increasingly dynamic Higher Education policy environment, as-well-as the complexity of operating a comprehensive research and teaching university in regional locations, and the higher costs and diseconomies of scale that it presents, including lower year 12 high school completion rates. Serving highly distributed population, and needing to do this in more innovative and sustainable ways, remains a constant challenge.

JCU has an integrated governance risk and compliance model with risk and compliance, internal audit, insurance and legal services functions within one single 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.

The Vice Chancellor's Advisory Committee, and the Audit, Risk & Compliance Committee of the University Council review a six-monthly report on risk and compliance management. 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;
- Compliance activities;
- Incident reporting; and
- Any other matters that may be of relevance.

The Compliance Policy and Compliance Framework is designed to provide assurance to the Vice Chancellor and the University Council, that the University is giving real attention to 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.

A Comprehensive Assurance Framework is being finalised, which notes all the assurance and business improvement activity across the University. It is based on a four lines of defence model: (1) noting the structure and roles; (2) responsibilities; (3) linkages and accountabilities for decision making; and, (4) risk and internal control functions. Each line of defence provides higher levels of independence and objectivity, thereby delivering greater assurance to key stakeholders, particularly the University's Council and Executive.

### **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 QAO focuses on financial accountability; and, the QAO's 'independent audit report' is included within the financial section of this annual report.

TEQSA is the regulator of Australia's higher education sector. 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. On 26 October 2018, TEQSA renewed, under section 36 of the *Tertiary Education Quality Standards Agency Act 2011*, the registration of JCU in the category of Australian University, for a period of seven years until 26 October 2025.

In June 2017, the QAO report titled '*Universities and grammar schools: 2016 results of financial audits (Report 18: 2016-17)*' was tabled in the Queensland legislative assembly. This report summarised the results of QAO financial audits of the seven Queensland public universities and their controlled entities with a financial year-end of 31 December 2016. It provided an overview of the universities' finances at 31 December 2016, and of the financial accounting issues that arose during the audits. The report also outlined recommendations for adoption by the universities.

Furthermore, in May 2018, the QAO report titled '*Education: 2016-17 results of financial audits (Report 15: 2017-18)*' was tabled in the Queensland legislative assembly. This report summarises the results of the QAO's financial audits of the education sector entities in Queensland. The education sector, for the purposes of this report, includes the Department of Education, TAFE Queensland, the seven Queensland public universities and the entities they control, the eight Queensland grammar schools, and other statutory bodies and controlled entities that provide specific and specialised education services.

### **Audit, Risk and Compliance Committee**

The Audit, Risk and Compliance Committee is responsible for all audit and related matters, and for monitoring the assigned performance measures on behalf of the University Council — thereby assisting the University to fulfil its responsibilities under the *Financial Accountability Act 2009* (FAA). The FAA Act requires the mandatory appointment of the Auditor-General of Queensland as the University's external auditor. It is the role of the Audit, Risk and Compliance 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.

Achievements include: The Audit, Risk and Compliance Committee annually reviews the letter of engagement between the University and the 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, Risk and Compliance Committee at the end of the year had seven members, comprising two ex-officio members, (Chancellor and Vice Chancellor) and four members, including the Chair, elected by, and from, the University Council (who are neither a member of the staff nor a student of the University).

Members appointed by the Council: Four members appointed by, and from, the Council whose appointment shall be based on their appropriate skills and / or experience in relation to the business conducted by the Committee; three of whom shall be neither a member of the staff nor a student of the University (i.e. independent and non-executive).

Additional Members: Council shall have the power to co-opt up to two additional members external to the University who have the appropriate skills and / or experience in relation to the business conducted by the Committee. Of the membership, one member should be a professional accountant / auditor; and, one member should be a legal practitioner. A majority of members shall not be members of the Finance Committee.

Two additional members were co-opted to the Committee for expertise in audit and in Information Communication Technology (ICT) governance (Ms Ruth Faulkner and Mr Nicholas Tate respectively).

Committee members are not financially remunerated for their membership.

Below is a table of the Audit, Risk and Compliance Committee as at the end of the reporting period:

2019 Audit, Risk and Compliance Committee Membership (January to December)			
Membership type	Position	Member’s name	Attendance
Chair	(External)	Campbell (Cam) Charlton	5/5
Ex officio	Chancellor	Mr William (Bill) Tweddell	4/5
	Vice Chancellor	Sandra Harding	4/5
Elected members	(External)	Marjorie Pagani	4/5
	(Staff)	Lee Stewart	4/5
Co-opted members	(External)	Ruth Faulkner	4/5
	(External)	Nick Tate	5/5
Secretary	University Secretary	Ian Troupe (or representative)	3/5

### 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 the Audit, Risk and Compliance 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 ability of the internal audit activity to carry out internal audit responsibilities in an unbiased manner is assured through operational independence via the

Manager, Internal Audit reporting functionally to the Vice Chancellor and to the Audit, Risk and Compliance Committee; and has an open and independent relationship with the external auditor – QAO.

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.

Internal Audit takes the approach to identify areas of significant operational and financial risk, and managing those risks, by aligning activities to the University’s risks and audit planning based on:

- 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 combined Internal Audit Strategic Plan and Annual Work Schedule covers a three-year period in line with the University’s triennium planning cycle; it provides information on the link between the Internal Audit Charter, Internal Audit strategies, University Level Risk Assessment and the Annual Work Schedule. The Internal Audit Strategic Plan and Annual Work Schedule is reviewed and approved annually by the Audit, Risk and Compliance Committee, in accordance with Section 31 - Planning by internal audit function, Division 5 Internal audit and audit committees, *Financial and Performance Management Standard 2009* (QLD).

An external quality assessment of the Internal Audit function at JCU was undertaken by the Institute of Internal Auditors Australia in 2019, which concluded that there is General Conformance with the Internal Audit Standards; this is the highest rating that can be achieved. JCU is also in conformance with Queensland Government internal audit related requirements; furthermore, Internal Audit is operating professionally, and is indicative of good practice internal auditing.

The JCU Internal Audit maturity is rated between ‘Managed’ and ‘Optimising’ as shown below. It should be noted that ‘optimised’ means effective as possible, while ‘optimising’ means continual enhancement is sought and implemented. This means Internal Audit is operating effectively, but continuously seeks to further enhance its operations and services to JCU.

Initial	Defined	Implemented	Managed	Optimising
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**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*, 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 University Council Members applies to University Council members and sets expected standards of conduct for those members. All members of the University Council and its Committees are reminded annually of their confidentiality obligations through a Statement on Confidentiality Provisions.

The University recognises that the interests of public office and personal or other interests may come into conflict. The University has developed a policy statement, 'Conflict of Interests of Members of the University 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, 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 and in accordance with its risk profile. Updated policies and procedures are noted in the regular Policy Library Update located on the Policy Library webpage.

During 2019 there was significant focus on developing, improving and streamlining policies and procedures impacting on student administration issues, student and staff health and well-being, organisational effectiveness and compliance and students' experience at JCU. Major projects completed during the year include:

- Review and amendment of the Domestic and Family Violence Policy. This policy articulates JCU's commitment to providing a learning and working environment, that is safe and supportive of staff and students, who may be affected by domestic or family violence. A separate procedure for staff, and for students, was developed and implemented.
- Consolidation of multiple policies covering student fees, refunds, and financial assistance. Gaps in previous policy versions were addressed; and, a single policy with associated procedures, now provides comprehensive information in an improved format.
- The Student Code of Conduct was reviewed and amended to provide clear expectation of students, with respect to academic, personal and professional behaviour. This policy, and the accompanying new procedures, now establish a structure for the development and management of student conduct, which aims to promote high-levels of professional behaviour and ethical standards.

- Establishment of the Child Safety Policy, with three associated procedures, in response to an increasing need to implement a University-wide approach to protecting the safety and wellbeing of children on campus (or impacted by University operations or activities).
- The Public Interest Disclosure Procedure, and the Complaints Against the Vice Chancellor Procedure, were established to better work with the *Public Interest Disclosure Act 2010*, and to ensure any wrongdoing are addressed appropriately, including measures to safeguard the interests of any party making a public interest disclosure.
- An update of the JCU Code for the Responsible Conduct of Research, to align with the Australian Code, and to outline the expectations upon JCU and its researchers to foster and maintain a research environment of intellectual honesty, integrity, and scholarly & scientific rigour.

Regular reviews of various other policies, procedures and guidelines were undertaken throughout the year, resulting in numerous amendments, to maintain currency of JCU's policy library.

### **Information systems and recordkeeping**

The University is required to report on its compliance with the provisions of the *Public Records Act 2002* (PRA) and the *Records Governance Policy*, Queensland Government Chief Information Office, 29 June 2018.

JCU is working towards full compliance with the PRA and in pursuit of this had implemented an Electronic Document and Records Management System (EDRMS) in 2009, known internally as TRIM (Tower Records Information Management system). 'TRIM', now co-owned by Hewlett Packard and Micro Focus, has a new name, *Micro Focus Content Manager*. The merge has seen new developments that have allowed JCU IT areas to integrate with many other internal programs, which will continue to develop into the future.

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 JCU and also a requirement under the *Records Governance Policy*, Queensland Government Chief Information Office and Queensland State Archives. The Retention and Disposal schedule continues to be applied to JCU records, in line with any annual changes notified by Queensland State Archives.

The JCU Records Management Framework and Records Management Policy have been reviewed and updated, as has the JCU *Records and Archiving* webpage. In particular, the inclusion of a link to the Disposal freeze under the recommendations of the Royal Commission in relation to the safety and wellbeing of children.

The action plan and road map that had been developed in 2014, designed to address areas to progress compliance and the University's Strategic Recordkeeping Implementation Plan (SRIP) and Operational Recordkeeping Implementation Plan (ORIP) were reviewed and remain in place with progression to targets.

JCU upgraded TRIM 8.3 to Micro Focus RM 9.4 in November 2019. The SRIP and ORIP are constantly reviewed to remain in line with changes in Queensland Government archival focus. The focus is to build digital capability from 29% in 2018, to 95% by 2022. JCU is on target, with the increase in

EDRMS licence holders, the reduction in physical file creations, the increase in divisions moving to electronic records management and the increase to digitisation projects.

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 2019 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. A continuation of works from prior years continued throughout the year to work towards full compliance with section 12. Where appropriate, JCU makes all attempts to follow the Voluntary Code, and is in the process of implementing the Code for applicable JCU controlled entities.

### **Workplace Health and Safety (WH&S)**

The JCU Health Safety & Environment (HSE) Unit has the primary responsibility to administer the organisation's safety, fire, and other safe workplace related compliance activities. The HSE Unit provides assistance to a broad range of areas including laboratories, boating and diving, field trips, construction, biosafety, emergency preparedness, injury prevention and management, radiation, chemicals, asbestos and training.

The HSE Unit is working to implement, monitor and review a Health & Safety Management System (HSMS). The system is designed to complement other systems used within JCU, and provide a systemic management approach to assist in both meeting legal requirements and leading to sustained improvements in health and safety performance.

The focus for 2019 was, and continues to be, developing priorities and key initiatives based on risk, embedding the HSMS components previously developed, addressing the annual operational activities required by the HSMS, and to review the HSMS components that have been developed. This approach has been formulated by a systemic examination of collected data, via the monitoring the various elements of the HSMS. Some of these key initiatives for 2019 included the following:

- The development of a health and safety procedure for student placements. The procedure was developed in order that JCU can satisfy its legal requirements relating to student placements; and, so that the placement process is based on a sensible risk based approach. This allows a 'light touch' approach for placements with relatively low risks, and a more rigorous control where the risks may be higher.
- Health, Safety and Environmental duties are imposed for Commercial Boating and General Diving activities undertaken by JCU. The sources of these duties are legislated within the *Work Health and Safety Act and Regulation 2011*, *Marine Safety Act 1994*, *Marine Safety Regulation 2016*, and *Marine Safety National Law Act and Regulation 2013*. External auditors were engaged to obtain a detailed understanding of the level of compliance in relation to boating and diving activities being conducted by JCU. The recommendations from these audits are now being actioned by the Boating and Diving Unit.
- A JCU Gas management procedure to control the risk of asphyxiation, toxic effects or flammability issues in locations with large volumes of cryogenic liquids or gases in cylinders



was developed. This development included template risk assessments, and safety operating procedures.

- The contractor management procedure was endorsed in early 2019. This procedure outlines the requirements to engage contractors for projects of varying size and complexity. Training to implement the new procedure occurred in late 2019, with training to continue throughout 2020.

Other areas of note for WH&S in 2019 included:

- The University had widespread damage from the monsoon event early in 2019, and a fire in the University residential accommodation blocks 111 A & B. These events resulted in a large body of work by the HSE Unit to assist with the management of the effects of these events, including induction of contractors, review of safety management plans, and works involving asbestos and mould remediation.
- In accordance with the JCU WH&S Policy, the University is committed to provide appropriate training to ensure employees have the required skills and knowledge necessary to fulfil their WH&S obligations. To assist with this, the University has mandated that all employees must complete the following training;
  - Health, Safety and Environment Induction (which includes completion of HSE induction checklist);
  - Fire and Evacuation Program;
  - Health, Safety and Environment Risk Management Fundamentals; and,
  - RiskWare System Use (which includes Incident & Hazard reporting, recording of Risk Assessments).
- JCU has been working towards the disposal of legacy radiation sources for more than 15 years. As of 2019, all legacy sources were appropriately disposed, and Radiation Health Qld notified of sources that were listed on possession licence, but are not present at JCU.
- The Office of the Gene Technology Regulator (OGTR) audited the licence to conduct a Dealing Not Involving Intentional Release (DNIR) 576. This is the licence for Andreas Kupz's work to improve vaccine efficacy and enhancing resistance to tuberculosis. The audit was successful, with JCU being complemented on the way facilities were maintained and operated.

### **Townsville Health and Knowledge Precinct (TropiQ)**

James Cook University (JCU) and the Townsville University Hospital (TUH) are working together to create a Health & Knowledge Precinct of international renown in Townsville. The concept is supported by the three levels of Government as a head of action under the Townsville City Deal.

The name 'TropiQ' was adopted for this precinct, which was made public by the QLD Minister for Health and Ambulance Services the Hon. Dr Steven Miles, on 5 December, 2019.

Whilst core elements for TropiQ exist, based on the existing interrelationship between the University and TUH, there is an opportunity through clever collaboration and planning to brand, develop and market a world class precinct with a clear point of difference based on excellence in tropical research and innovation.

Significant activities during 2019 included:

- Collaborative Master Planning: This was achieved through incorporating JCU's 2017 Masterplan into the 2019 TUH masterplanning work. This work delivers a unified zone of development between Mount Stuart Street and the main TUH building in Douglas.
- Trunk Infrastructure: Implicit in the masterplan is a very significant upgrade for roads, services and the public realm to enable expansion over the next 50 years. The TropiQ partners are working together to define an enabling infrastructure package, which with the support of Townsville Enterprise Limited will be proposed for State funding. Also, QLD Department of Transport and Main Roads have proposed a new transport study for Douglas.
- Branding: The working title "Douglas Health and Knowledge Precinct" was unremarkable. On advice from Economic Development Queensland, Hoyne, a company with expertise in 'place-making' and place branding was jointly appointed by JCU and TUH to generate options. After a lengthy process of familiarisation, workshops, precinct strategy development and finally focus group testing, the preferred name TropiQ emerged.
- Economic impact: The TropiQ partners have jointly commissioned an economic impact and cost benefit analysis for the precinct. Both have commissioned impact studies in recent times, but additional work was required to include all the precinct actors and the future economic impact of the development in accordance with the Master Plan.
- Public Transport: Townsville City Council (TCC), TUH and JCU have agreed to share the cost of participating in a national research initiative which would determine the practicality of next generation autonomous electric public transport interconnecting Douglas and the Townsville CBD. The Research is being done by Curtin and Griffith Universities and led by Professor Peter Newman under the umbrella of the Sustainable Built Environment National Research Centre. This work will be completed in early 2020.
- Advocacy: Extensive advocacy and leadership from JCU and TUH in supporting the QLD Department of State Development, Manufacturing, Infrastructure and Planning in developing the Townsville Health and Knowledge Development Strategy, and the North Queensland Regional Plan.

A fully developed TropiQ would:

- Be the Epicentre of Health in Northern Australia.
- Have a complete health system with the exposure and opportunity to attract global talent and partnerships.
- Be a living laboratory in which the unique problems of The Tropics, regions and remote areas are tackled head on.
- Have a reservoir of social capital that can sustain and grow the city and the region.
- Be a zone of transformation from academic endeavour to economic outcomes.
- Have a complete and liveable community which can attract and sustain the best and the brightest.
- Have compelling public realm which acknowledges our customary landowners, and celebrates tropical environments.

In addition, TUH and JCU continue to meet and pursue matters of mutual interest, under their Memorandum of Understanding. These include:

- Tropical Australia Academic Health Centre (TAAHC): Through an emphasis on translational research, TAAHC aims to embed research into health service delivery to improve quality and efficiency of care, enhance recruitment and retention of professionals in the region and encourage greater investment in the North.

- Collaboration: Establishment of research and teaching working groups with representation from TUH and JCU.

TUH is also the main teaching campus of JCU's schools of Medicine, Nursing, Allied Health, and Dentistry. A number of TUH clinicians also hold academic posts at JCU.

## **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.

### **Students are at the heart of our University**

We inspire our students 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.

We commit to providing an inclusive and respectful learning environment for our students. We recognise that their physical, mental and cultural wellbeing while at University is central to achieving their personal and educational goals.

### **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

Our world-class research generates new knowledge and understanding to meet the challenges facing the people of the Tropics.

### **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.

### **Diversity and reconciliation**

We embrace the diversity of the communities we serve in Australia and Singapore and work with them to create opportunities and enduring benefits for our region and beyond. We acknowledge the First Nation peoples of the world, their rich cultures and their knowledge of the natural environment, and 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 Aboriginal and Torres Strait Islander peoples and the wider community.

### **Sustainability**

We are 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. We are a University signatory to the United Nations Sustainable Development Goals and have agreed to play our role in understanding and responding to challenges facing the world and contributing to a sustainable future.

## **Our Values**

- Excellence
- Authenticity
- Integrity
- Sustainability
- Mutual Respect
- Discovery

## **Our 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.

One university / Two countries / Three tropical campuses – Cairns, Singapore, Townsville.

## **Operating environment**

### **Review of achieving statutory obligations**

The University's priorities and actions, found within the JCU University Plan 2018-2022 and outlined throughout this annual report, and the University's achievements, are aligned with the Queensland ***Government's objectives for the Community***. These include: academic excellence; literacy and numeracy; skills training; career pathways and development; professional learning; community services and relationships; fiscal responsibility; and new infrastructure.

### **Environmental factors, government policy changes, funding changes**

The Federal Government progressed a number of important reviews and initiatives in 2019. The Performance Based Funding model was released in October 2019. This model works to allocate a proportion of any growth in the Commonwealth Grant Scheme (CGS) that a university is eligible for, based on performance in four areas; Graduate Employment Outcomes; Student Experience; Student Success; and Equity Group Participation. The Federal Government has also completed its consideration on the allocation of enabling, sub-bachelor and postgraduate places, and has announced that places for 2020 will remain the same as 2019; however, there will be flexibility for universities to internally redistribute places between categories, as well as trade places with other universities. The Federal Government may give further consideration on the relocation of any underutilised places in 2021. The reports from reviews on Provider Category Standards, and on the Australian Qualification Framework, were both released in October 2019, and are currently under consideration by the Federal Government.

The Federal Government released the French Review on University Freedom of Speech in April 2019, and continues to engage with universities about this issue. In addition, the Federal Government has released guidelines from the University Foreign Interference Taskforce, to support universities with meeting their obligations in areas important to national security.

Regional, Rural and Remote education and research continues to be a key focus of the Federal Government under the Hon. Dan Tehan, Minister for Education, with a National Regional, Rural and Remote Tertiary Education Strategy released in August 2019. The Australian Council of Learned Academies is also reviewing ways to enhance research outcomes in regional, rural and remote universities, and is due to report in February 2020. Additional funds have been made available to regional universities for enabling places, as well as scholarships for international and domestic students (Destination Australia program).

### **Major / significant initiatives**

Major / significant initiatives are outlined under the 'Major Achievements' section of this report. The Major Achievements are listed under category headings: Student focus; Research, reputation and rankings; Our people; and, Sustainable organisation. These categories broadly encompass the sections of the 2018-2022 University Plan.

### **Matters of interest to key stakeholders**

Matters of interest to key stakeholders are outlined in this annual report under each individual section. Outlining the matters of interest to key stakeholders under each individual section, links the matters to the appropriate area of focus for the 2018-2022 University.

## Our Challenges

As outlined in the JCU University Plan 2018-2022, our challenges are listed as:

Area of challenge	Specific challenge
Changing expectations of universities	Changes to the relative contributions of public and private investment in higher education.
	Increased emphasis on Industry engagement, applied research and employment outcomes in undergraduate degrees.
	Universities are expected to provide community infrastructure, catalyse innovation and train entrepreneurs.
Globalisation	It is no longer necessary to live near your workplace as working remotely is possible.
	Employers can access labour from a global talent pool.
	Students will travel to study.
	International experience or exposure is expected as part of university study.
Digital technologies	Importance of the Tropics as a geo-political region.
	Impact of automation and digitisation on the employment market and the potential to disrupt local economies. Universities need to retrain displaced workers for knowledge based jobs.
	Democratisation of knowledge and ubiquitous content means it is no longer necessary to attend a university to gain knowledge.
Competition	Students expect a digitally enhanced learning environment, which is accessible 24/7.
	Source countries for international students are now competitors.
	Increased competition in local region for students.
	Increased competition for government funds, business investment and philanthropic funds.

## Our response to the challenges

As outlined in the JCU University Plan 2018-2022, our response to the challenges are listed as:

- Improving the accessibility of our programs by enhancing our pathways programs, developing modules to provide continuous learning opportunities, expanding the range of programs we deliver online and developing a metropolitan campus strategy.
- Developing graduates who have the knowledge, skills and disposition to succeed in a global workforce by increasing our focus on authentic learning experiences, global citizenship, Work Integrated Learning and innovation.
- Offering a distinctive course portfolio that reflects the current and future needs of our regions, and enables students to make a contribution to local communities and the attainment of the UN Sustainable Development Goals.
- Boosting our engagement with our communities and local industry through the expansion of Work Integrated Learning opportunities and an increased focus on industry led research and consultancy projects.
- Promoting the Tropics as a powerful geo-political region through our world-class and impactful research and leadership of the State of the Tropics project.

- Acknowledging the significant investment that is made by our students to further their goals and ambitions, and the investment by governments, local communities, business and industry to support the educational and research outcomes that the University delivers. We commit to delivering meaningful returns on these investments by managing our financial resources in a manner that is sustainable, fit-for-purpose, and which facilitates the efficient and effective deployment of our entire resource base.

**Outline of nature and range of operations**

The nature and range of operations are further expanded in this annual report throughout each individual section. As per the JCU University Plan 2018-2022, each section is outlined as either an academic aspiration, or an enabling focus.

	Section
<p><b>Academic Aspiration</b> Our academic aspirations are:</p>	1. Create and sustain opportunities for those living in the Tropics to participate in further education and make a valuable contribution to the community and global workforce and the attainment of the UN Sustainable Development Goals.
	2. Inspire students and the wider community about the importance of the Tropics and underserved populations.
	3. Be a catalyst for innovation and connection, using international networks, research with impact and continuous learning opportunities to connect northern Australia to the global economy.
<p><b>Enabling Focus</b> To achieve our academic aspirations we must:</p>	4. Focus on the needs of our students.
	5. Build a 'OneJCU' culture.
	6. Be digitally enabled.
	7. Realise the potential of our people.
	8. Be empowered by our place – the Tropics, our locations and campus experiences.
	9. Achieve a global outlook whilst maintaining local relevance.



## Section 1: Academic aspiration – Create and sustain opportunities

### Aim

Create and sustain opportunities for those living in the Tropics to participate in further education and contribute to the community, the global workforce and the attainment of the United Nations (UN) Sustainable Development Goals.

### Context

Our role is to develop graduates who have the disciplinary and generic knowledge, skills, attributes and disposition to be successful in an employment market that is becoming increasingly knowledge based, automated and globalized. To achieve this our programs will enable students to be adaptable and acquire the digital literacy, intercultural communication, collaboration, career management, innovation and entrepreneurial skills required to succeed within complex career landscapes of the future.

### Priorities

- Refine and renew programs to meet market demand for education and training.
- Provide clear pathways for students to access and succeed at JCU.
- Reach a larger group of people by providing engaging, interactive and flexible learning.
- Provide students with the practical skills to succeed.

### Actions

Timeframe	Actions
Now (2018-19)	Refine our portfolio of sub-degree and undergraduate courses, with a specific focus on continuous renewal to meet the current and future needs of the region.
	Adopt a co-ordinated but nimble approach to support the delivery of modular and bespoke program offerings.
	Refine domestic and international pathway programs to provide accessible, inclusive and integrated entry to JCU.
	Modernise and streamline our credit transfer and recognition of prior learning processes.
	Expand the range of programs we offer in an online format and adopt a student-centred and accessible learning management system.
	Confirm the arrangements for learning delivery in an Australian metropolitan area.
Soon (2019-21)	Develop a dynamic portfolio of postgraduate coursework and research degrees, with a specific focus on alignment with our Strategic Intent, areas of academic excellence and meeting market demand.
	Further develop our whole-of-institution early intervention strategies, afforded through learning analytics software and dedicated staff.
	Consider the role and structural placement of JCU College.
	Establish minimum standards and expectations for online learning.
	Encourage and incentivise academic disciplines to expand the range of courses available at the Singapore campus.
Later (2021-22)	Develop opportunities for students to engage with innovation and entrepreneurship through, for example, start-up workshops and our new innovation centres.
	Promote ePortfolio and Career Development Learning to students as a key part of their academic career.

## Section 2: Academic aspiration – Inspire

### Aim

Inspire students and the wider community about the importance of the Tropics and underserved populations.

### Context

JCU is acknowledged internationally for excellence in research and teaching in areas of specific importance to the Tropics and underserved regions and plays a vital role in developing graduates who are equipped and excited to work and live in rural, remote and Indigenous communities throughout northern Australia and the broader Tropics. We will invest in areas of demonstrated strength and in new areas of strategic importance to focus attention and bring benefits to the communities we serve and enrich the learning experience of our students through exposure to, and involvement with, research.

### Priorities

- Build on academic and research excellence to raise awareness of issues facing tropical and underserved populations.
- Contribute to tropical communities through Work Integrated Learning programs (WIL).
- Sustain research excellence and intensify its impact by making it relevant to tropical communities, industries and policy makers.
- Develop graduates whose learning is enriched by research.

### Actions

Timeframe	Actions
Now (2018-19)	Encourage collaboration between colleges and the Indigenous Education and Research Centre to provide students with the opportunity to acquire a deeper understanding of Indigenous peoples across the Tropics including their knowledges, worldviews and contemporary challenges.
	Strengthen the coordination of opportunities for students to engage with industry and participate in Work Integrated Learning (WIL), workplace based projects and service learning through curriculum.
	Create a WIL website that provides information and resources for students, staff and host employers and showcases opportunities for WIL projects to contribute to local communities.
	Expertly and robustly manage staff succession and recruitment to ensure the ongoing development of areas of demonstrated research strength.
Soon (2019-21)	Create deliberate links between the State of the Tropics project and the Academy to leverage resources and data which can be utilised to inform student learning or research.
	Support Academic and Professional and Technical staff involved in WIL and research internship programs through the development of specific WIL pedagogy, the establishment of a Community of Practice, workload recognition, and professional development resources.
	Continuously monitor and develop the portfolio and capability of research centres and institutes, including the establishment of a research institute in Singapore.
	Enrich the student learning experience through engagement with high-profile researchers.

Later (2021-22)	Maintain and extend opportunities for experiential learning through, for example, field-based learning, placements, and involvement in research activities.
	Seek external investment in areas of emerging strength in either teaching or research.

## Section 3: Academic aspiration – Catalyst

### Aim

Be a catalyst for innovation, connecting our region to the global knowledge economy.

### Context

JCU is a part of the national and international innovation ecosystem, delivering foundation knowledge and applied research to support communities, industries and government. We aim to facilitate and support innovation and entrepreneurship as integral elements of our core business – education and research. By virtue of our strategic focus on the Tropics, we embrace international alliances and intercultural experiences and seek to make global citizenship a defining feature of the JCU experience.

### Priorities

- Establish Innovation Centres at the Townsville and Cairns Campuses.
- Demonstrate the relevance of research to industries operating in the Tropics.
- Promote Global Citizenship among students and staff.

### Actions

Timeframe	Actions
Now (2018-19)	Facilitate community-level engagement in innovation and entrepreneurship through events like start-up weekends.
	Invest in new business development and commercialisation capabilities to provide a pan-University view and remit and provide leadership and guidance to academic disciplines.
	Establish new administrative capability in consultancy research, providing business development, project management, and post-award management services to assist academic disciplines increase their capacity.
	Provide additional opportunities for our students to travel and study overseas through cross-campus experiences, exchanges, short courses and study abroad programs.
Soon (2019-21)	Participate in PhD industry internship programs.
	Develop and maintain collaborations with industry to aid our students in developing skills that will be crucial in their professional and personal development.
	Strengthen our participation in industry oriented grant programs, including specifically the CRC program, the ARC Linkage Program, Academic Health Centres and Advance Queensland.
	Foster global citizenship in our graduates through the embedding of global perspectives in our teaching and learning in accordance with the JCU Curriculum Framework.
Later (2021-22)	Develop innovation hubs in both Townsville and Cairns.
	Facilitate co-location of industry within innovation hubs.
	Develop stronger alliances with State of the Tropics partner universities to facilitate joint programs, reciprocal exchanges and knowledge transfer opportunities for staff and students.

## Section 4: Enabling focus – Students

### Aim

Focus on the needs of our students.

### Context

The needs of our student cohort are central to JCU’s vision, and creating an environment that fosters a positive learning experience for our students is everybody’s business. We seek to know our student cohort and welcome them into an inclusive and accessible space which embraces diversity and champions respect. We will engage our students in a supportive community of higher learning through an outstanding academic, social and cultural campus experience that equips them to make a significant contribution to local, national and global communities.

### Priorities

- Understand and engage with our diverse student cohort.
- Embrace innovative and inspirational approaches to a scaffolded and authentic learning experience.
- Ensure quality services for students that are integrated, responsive and focused on supporting wellbeing, success and engagement.
- Provide clear communication and engagement strategies that assist students & stakeholders to connect with each other.

### Actions

Timeframe	Actions
Now (2018-19)	Develop a student experience plan that articulates the characteristics of the JCU student experience across our campuses and delivery modes.
	Implement a diverse, inclusive range of pedagogies that support our student cohort including the expansion of authentic learning and assessment tools across the curriculum and potential reduction in the use of examinations.
	Deliver student wellbeing and equity initiatives, which promote holistic wellbeing.
	Deliver streamlined administrative procedures to students and provide responses, which are timely, integrated and coordinated.
	Deliver orientation and welcome events that are informed by the diversity of our cohort and that are accessible, informative, and contribute to building social capital.
	Provide opportunities for students to give feedback on their JCU experience.
Soon (2019-21)	Engage with our comprehensive student data set to inform our service delivery and our interactions with students.
	Develop proactive and cohesive engagement and service methodologies that complement the student journey.
	Ensure all student services and resources are inclusive and accessible.
	Raise awareness of disability and mental health support issues and expand the range of services available for students on campus.
	Broaden the role of frontline support positions such as First Year Coordinators, within the Academic Performance Frameworks.
Later (2021-22)	Provide students with intuitive tools to manage their own requirements, whilst always maintaining the option for personal interaction.
	Ensure student representation is reflected in University governance and the student voice is represented in strategic decision-making.

## Section 5: Enabling focus – Culture

### Aim

Build a ‘OneJCU’ culture.

### Context

We are a large and diverse organisation spanning two countries with staff and students located at a geographically dispersed network of campuses, study centres, field stations and clinical schools. Although we are connected by our shared vision as expressed in our Strategic Intent it is easy to lose sight of the University as a whole and focus on the priorities of individual work units. This diminishes the power that a unified university approach can bring to confronting and responding quickly to opportunities and challenges. With our operating environment becoming increasingly complex it is imperative that we build a OneJCU culture which reflects our values and beliefs and is characterised by high performance, customer focus, trust and accountability, and timely and transparent decision making.

### Priorities

- Develop a ‘can do’ approach across the organisation.
- Build a culture that has institutional priorities at the centre.
- Imbed the Singapore campus as an integral element of our operations.
- Establish flexibility and agility as operational priorities.

### Actions

Timeframe	Actions
Now (2018-19)	Actively model the ‘OneJCU’ culture in day-to-day management practice, reflecting the University’s values and beliefs and demonstrating a collaborative and whole-of university approach to confronting challenges and removing barriers.
	Develop strong partnerships within and between academic and non-academic units to ensure a positive student experience.
	Share information between the Australian and Singapore campuses on service delivery and operations.
	Refine delegations, policies and procedures to improve processing times, reduce administration and adopt a risk-based approach to decision making.
Soon (2019-21)	Implement a ‘OneJCU’ communication and education strategy for staff expressing the institutional priorities, provides more visibility around our values and beliefs, and promotes the importance of academic excellence and student and staff wellbeing to our University.
	Harmonise and integrate service delivery across our campus network to achieve a sense of community across all locations.
	Deliver professional development workshops to strengthen the service culture utilising the Good Services Framework.
	Equip and support our staff with digital tools and technologies that support agile and collaborative ways of working.
Later (2021-22)	Continue to inculcate the ‘OneJCU’ culture to staff through modelling behaviour and refinement of our human resource policies and procedures.
	Embed a culture of shared responsibility through engaging students in decision making and leadership roles.
	Review deployment of services across JCU campuses, with a specific focus on

	services delivered at the Australian and Singapore campuses.
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## Section 6: Enabling focus – Digitally enabled

### Aim

Digitally Enable the University.

### Context

A fundamental shift is occurring in how we use technology: it shapes the customers, markets and products we have, our students' experiences, the way we work, how our students learn and how we do research. Our aim is to successfully exploit digital technologies for growth, for inspiring digital experiences, and for improving productivity and efficiency.

### Priorities

- Digitise platforms to achieve growth.
- Digitise our business.
- Innovate and Experiment.
- Digitally enable our workforce.

### Actions

Timeframe	Actions
Now (2018-19)	Continue to invest in digital transformation including IT infrastructure and professional development to support technology enabled teaching.
	Employ digital and assistive technologies to enhance our student learning experience.
	Develop our cybersecurity culture and capabilities to provide effective protection and mitigations against current and emerging cybersecurity threats.
	Experiment with contemporary communication mechanisms to enhance our interactions with students.
	Increase our capacity in education design for new digital learning environments, and support and grow the capabilities of our academics in next generation digital learning platforms.
Soon (2019-21)	Use digital platforms to personalise the management of each student's relationship with the University throughout their student lifecycle. This could be through a student portal.
	Fully exploit all of the rich sources of data available to us to develop predictive insights that lead to business advantage.
	Grow existing research tools, platforms and partnerships to continue to enable world leading research.
	Maximise our ability to adapt and adopt digital capabilities including cloud, Internet of Things and mobile through engendering an agile and smart risk-taking culture of technology development and use.
	Embed key aspects of digital literacy competencies in the development of our staff, our students and our curricula.
	Extend and grow eResearch capabilities in target disciplines.
Later (2021-22)	Utilise next generation digital learning platforms and learning analytics that increasingly personalise the student's learning experience and support personalised interventions and retention.
	Co-design and co-create new digital experiences with our customers that are engaging, intuitive, personalised, mobile, and accessible, whilst also reducing



	manual process effort and improving our use of digital technology in the way we work.
	Embed emerging technologies into our digital experience, including: artificial intelligence (including machine learning) and; augmented, virtual, and mixed reality.
	Engage with industry, community, and public sector partners to accelerate our capacity for innovation.
	Grow our capability to get value from core systems, including in Singapore.

## Section 7: Enabling focus – People

### Aim

Realise the potential of our people.

### Context

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. We are enriched by our connections to Aboriginal and Torres Strait Islander communities throughout Northern Australia and the Torres Strait and those who choose to work or study at JCU. We support and develop staff throughout the employment lifecycle, understanding that in doing so we are developing the leaders of the future. By nurturing our people we enable them to fulfil their ambitions and make a difference to tropical societies.

### Priorities

- Develop inspired teams and promote the ‘OneJCU’ culture.
- Recognise and reward high performing staff who consistently demonstrate JCU values.
- Develop and nurture a high performing, diverse and inclusive workforce.
- Implement a ‘grow our own’ culture through professional development and workforce planning.

### Actions

Timeframe	Actions
Now (2018-19)	Foster an inclusive workplace where we accept and value diversity through the implementation of the Respect Now Always and Broderick Review action plans, achieving Athena SWAN bronze accreditation and fulfilling our ambitions stated in the Indigenous Workforce Strategy and Reconciliation Action Plan.
	Invest in a comprehensive suite of contemporary management development opportunities to develop inspiring leaders and managers embracing a ‘OneJCU’ culture.
	Streamline human resource management administrative processes to reduce workload and enhance the experience of casual staff.
	Strengthen our performance management practices and model a culture built on performance, trust and accountability.
Soon (2019-21)	Embed the ‘OneJCU’ culture into our recruitment, induction, performance management and promotion processes to make expectations clear and encourage a culture of accountability.
	Strengthen the internal focus on professional development and staff wellbeing including an emphasis on training staff in new pedagogies, student centric approaches and digital technologies to improve employment satisfaction and the student experience.
	Proactively encourage high performing students and staff to continue their career at JCU through active talent management and workforce and succession planning.
	Invest in e-recruitment and talent management technologies to enhance JCU’s reputation as an employer and improve the applicant experience.
	Embrace new career patterns expected by new generation employees.

Later (2021-22)	Promote cross-University collaboration through the facilitation of internal secondments and improved induction and orientation programs.
	Develop more flexible reward and recognition mechanisms, which support an organisational culture of high performance.
	Embed digital literacy into all ways of working and staff development.

### Workforce planning, attraction and retention, and performance

QLD Government Measures	2019 Result
Workforce Profile: Full-time equivalent staff (FTE)*	2,019
Workforce Profile: Permanent separation rate*	9%

\*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);
- And, external factors like regional unemployment.

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

- Free and confidential access to the Employee Assistance Program (EAP);
- Free online flexible learning and development via Lynda.com applications;
- Training regarding discrimination, bullying & harassment prevention;
- Training regarding Aboriginal and Torres Strait Islander Cultural Competence (modular);
- Training regarding Resilience for Staff, Resilience for Managers, Mental Health Awareness, and Emotional Intelligence in the Workplace;
- Work-station set-up and special needs assessment (by the Health, Safety & Environment directorate), including stand-up desks;
- Provision of mobile technologies (mobile phones, laptop computers, digital tablets, etc.) for staff that are in remote locations, constantly travelling, or are required to work off-campus;
- Availability of flexible optional working hours, known as 'Op-time', for continuous full-time or part-time staff within employee band levels HEWL 1-9;
- Fitness Passport program for staff and family members to use multiple gyms and pools across Townsville and Cairns at a low cost;
- And, provision of various leave arrangements including Cultural Leave, Special Sporting Leave, Personal and Carer's Leave, Compassionate Leave, Domestic and Family Violence Leave, State Emergency Services Leave, Volunteering Leave, Natural Disaster Leave, and Defence Force Reservist Leave.

## Section 8: Enabling focus – Place

### Aim

Be empowered by our place - the Tropics, our locations and campus experiences.

### Context

We are inspired and enlivened by our place in the Tropics and the diverse environments, which surround our locations including the contrast between the Australian outback, Great Barrier Reef and World Heritage listed rainforests in northern Queensland and the metropolitan hubs of Singapore and Brisbane. Our place underpins our teaching, research and engagement and gives a unique JCU flavour to our work. However, we understand that the student experience is not based solely on the learning environment and our goal is to create captivating, dynamic and vibrant campus environments where students, staff and the wider community can live, work and socialise.

### Priorities

- Create a vibrant knowledge community inspired by our place in the Tropics.
- Build environments that inspire innovation and collaboration and where students, staff and the community feel welcome.
- Develop in a sustainable way.

### Actions

Timeframe	Actions
Now (2018-19)	Deliver Campus Master Plans that address the aspirational briefs of our campus locations.
	Improve space efficiency through planning, design, coexistence and better use of technology.
	Discourage car movements on campus.
	Enhance the promotion of JCU's residential culture and its role in contributing to the inclusiveness and vibrancy of the University.
Soon (2019-21)	Create an aspirational brief for key locations outside the main campuses.
	Deliver the space rationalisation and Townsville Innovation Complex projects.
	Build an estate plan that enables the University to be responsive to an ever-changing environment.
	Utilise sustainable utility opportunities.
	Ensure all campus infrastructure and learning experience is fully accessible to students with disabilities.
Later (2021-22)	Create vibrant learning and innovation hubs at JCU locations that bring students, industry and the community together.
	Facilitate space consolidation on the Cairns campus.
	Implement autonomous transport options.
	Create additional and different types of spaces on campus to meet the diverse needs of our student community.

## Section 9: Enabling focus – Global outlook / local relevance

### Aim

Achieve a global outlook while maintaining local relevance.

### Context

Through our three tropical campuses – Cairns, Townsville and Singapore – James Cook University is a tri-city university with internationalisation integral to our intent and structure. Our aim is to provide global perspectives and connection through strategically selected collaborations and partnerships that work to strengthen our local communities. Key to this is our work to build and maintain a powerful and distinctive global brand that continues to bring awareness to the importance of the Tropics.

### Priorities

- Internationalise teaching, research and our study body.
- Serve our local communities.
- Bring global perspectives to our regions.

### Actions

Timeframe	Actions
Now (2018-19)	Present JCUs narrative and stories in a compelling way to strengthen our brand, create engagement and to bring students, researchers and staff to the Tropics.
	Build sustainable international student recruitment through the development of pipeline, academic pathways and partnerships.
	Consolidate and strengthen our widening participation agenda through school and community engagement programs.
	Invest in implementing a Schools Engagement Strategy that adds value to our schools and strengthens our connection to community thereby enabling us to contribute to the prosperity of our region.
	Support our local communities through strategic partnerships, sponsorships and professional development programs.
	Stay in touch with our domestic and international alumni and find ways that they can bring global perspectives to our priorities.
	Bring opportunities to our region by facilitating connections with Singapore.
Soon (2019-21)	Develop a curriculum that includes relevant, globally informed content, which works to build global competencies and perspectives within our graduates to enable them to gain successful employment in the global knowledge economy.
	Work independently and with regional community partners to raise the aspiration of students from underrepresented groups.
	Increase the participation of Aboriginal and Torres Strait Islanders, and students from remote, rural and low SES students in higher education.
	Work with Local, State and Federal Government in partnership to serve our local community.
	Capitalise on our status and facilities in Singapore to increase access for our region into Asia.
Find new and innovative ways to showcase the success of our alumni to inspire our regions to compete on a global scale.	
Later (2021-22)	Ensure our partnerships and curriculum work together to build capacity and competency to increase leadership capability throughout the Tropics.

	Build and strengthen partnerships with key industry within our local communities and build leadership capacity to support them to compete on a local and global scale.
	Work to educate non-tropical regions of the world about the global importance of the Tropics through our contribution to State of the Tropics and the tropical focus of our research and courses.
	Provide intellectual leadership around the challenges and opportunities facing the Tropics.
	Facilitate development and exchange of innovations that contribute to liveability in our region.

## Major achievements

### Category: Student focused

- In February 2019, two JCU teaching staff were awarded a prestigious national Australian Awards for University Teaching 2018 *Citation for Outstanding Contributions to Student Learning*. Dr Kelsey Halbert and Dr Peta Salter (in the College of Arts, Society & Education) were awarded the citation for 'Enabling teachers as change agents through service learning: Maximising professional capacities, community outcomes and local global citizenship'.

These prestigious citations recognise and reward the diversity of contributions made by individuals and teams to the quality of student learning. They are awarded to individuals or teams who have contributed to the quality of student learning in a specific area of responsibility over a sustained period, whether they are academic staff, general staff, sessional staff or institutional associates.

- In February 2019, JCU Singapore signed a Memorandum of Understanding (MOU) with the University of Reading Malaysia (UoRM) around the discipline of Psychology. Through the MOU, JCU Singapore and UoRM express their joint intention to engage in a range of activities to benefit students, learning & teaching, and research, including:
  - Discuss and scope collaborative research projects in the discipline of Psychology;
  - Facilitate collaborative psychology-related research opportunities through instigation of a co-funded research grant initiative;
  - Collaborate as learning & teaching partners in the delivery of professional development and training opportunities for staff and Higher Degree by Research (HDR) students;
  - Discuss and scope cotutelle (co-tutoring) supervision arrangements for HDR Psychology students, and less formalised co-supervision arrangements for 4th-year Psychology Honours and Graduate Diploma research projects; and,
  - Engage in benchmarking of research quality of 4th-year psychology theses.
- In April 2019, JCU Singapore was awarded the prestigious EduTrust Star for the second time in a row. EduTrust Star is awarded to those institutions attaining a commendable level of performance in managing their institutions, and providing an outstanding quality of education and welfare for their students. This is the highest level of quality assurance in Singapore for Private Education Institutions (PEIs), administered by the Council for Private Education (CPE) under the EduTrust Certification Scheme; and, is a symbol of recognition for outstanding achievement. JCU Singapore earned the distinction of being the first PEI to attain an EduTrust Star back in April 2015. The award is valid for four years, with the next assessment for JCU Singapore due in April 2023.

The EduTrust certification scheme, administered by the CPE, a part of the SkillsFuture Singapore Agency (SSG), assesses PEIs against seven criteria covering: 1. Management commitment and responsibilities, 2. Corporate governance and administration, 3. External recruitment agents, 4. Student protection and support services, 5. Academic processes and student assessment, 6. Achievement of student and graduate outcomes, and 7. Quality assurance, monitoring and results.

- In May 2019, JCU rolled out *Studiosity* which is an after-hours online academic advice service for all JCU Australian tropical campus based students. Studiosity provides eligible

undergraduate and postgraduate students with access to 100 minutes of online support per semester. This benefits to students includes:

- *ConnectLive*: students can live chat with a tutor, draw graphs, or write equations onto interactive graph paper, or upload a file for discussion. Live tutors are available 3:00pm - 12:00am, Sunday - Friday.
- *Writing Feedback*: students can access academic advice for help with English, writing, and referencing in less than 24 hours.

- In June 2019, JCU Singapore signed a Memorandum of Understanding (MOU) with the Institute of Management Accountants (IMA) in Singapore. In order to keep up with fast-expanding economies, JCU equips students with the necessary skills to tackle the growing needs of the business world, and provides opportunities for them to thrive. This is demonstrated with the signing of an MOU between JCU Singapore and the IMA on 3 June 2019.

Spanning a global network of more than 125,000 members in 150 countries and 300 professional and student chapters, the IMA is one of the largest and most respected associations that focuses exclusively on advancing the management accounting profession. One of the main aspects of this MOU is to promote collaboration in developing specific programs that create opportunities for students to achieve the Certified Management Accountant (CMA) certification. Becoming a CMA provides greater credibility and recognition, thus increasing the chances of career success in the management accounting field.

Under this MOU the IMA will also provide support, and share best practices, along with their expert knowledge on the enhancement of management accounting, to enable JCU students who wish to achieve the CMA certification. In addition, the IMA will provide scholarships to 10 leading students from JCU Singapore who are enrolled in endorsed accounting programs.

- In September 2019, The Good Universities Guide, the authoritative tertiary education guide in Australia, awarded JCU 5 out of 5 stars for *graduate employment* for the ninth year in a row, ranking it number one in Queensland in this category. The rating places JCU in the top 20% of Australian universities whose graduates were employed full-time within four months of graduation.

The Good Universities Guide also awarded JCU 5 out of 5 stars for:

- *Learner engagement* (the proportion of undergraduates who gave a positive assessment of their engagement with learning at their university);
- *Social equity* (the proportion of domestic students who come from low socioeconomic or disadvantaged backgrounds);
- *Skills development* (the proportion of undergraduate students who rated their skills developed through university positively); and,
- *Student support* (proportion of undergraduate students who rated student support at their university positively).

- In November 2019, The Good Universities Guide released its first postgraduate ratings, where JCU was awarded 5 out of 5 stars for *postgraduate full-time employment* and



*postgraduate starting salary*. These results ranked JCU as the number one university in Queensland in both categories.

- Student completions can be represented in numerous ways, and this definition is for ‘Award Completions’ that excludes non-award, enabling, study abroad, exchange and foundation courses. The table below splits these completions by JCU campus locations:

Campus Location	Number of Award Completions
Townsville	2,269
Singapore	1,028
Cairns	659
Brisbane (RHE 3 <sup>rd</sup> party operated campus)	389
JCU Online	403
Mackay	24
Mount Isa	5
<b>TOTAL</b>	<b>4,777</b>

### Category: Research, reputation and rankings

- In March 2019, Excellence in Research for Australia (ERA), which evaluates the quality of research in each field at every Australian university, rated JCU at “world-class or above” in 38 of the 46 research fields evaluated. Eight of those research fields were rated at “well above world standard” – the highest rating, which included:
  - *Environmental science and management*
  - *Ecology*
  - *Geology*
  - *Ecological applications*
  - *Plant biology*
  - *Medical microbiology*
  - *Fisheries sciences*
  - *Organic chemistry*

The Australian Research Council (ARC) administers the ERA ratings, which identify excellence across the full spectrum of research activity in Australia’s universities. The ratings compare research produced in Australian universities against international benchmarks, creating incentives to improve the quality of research, and identifying emerging research areas and opportunities for further development.

- In April 2019, JCU launched ‘JCU Connect’, which is an innovative portal for potential partners seeking assistance with research, projects, and bringing ideas to life. JCU Connect also provide a gateway to JCU’s unique facilities, research stations, and innovation centres. The main idea behind JCU Connect is to link business and industry with JCU’s world-leading research, and make it easier for them to partner with the University. Through JCU Connect, the University plans to double the number of its collaborative industry partnerships over the next three years, which will deliver significant economic, scientific and environmental benefits for northern Queensland.
- In April 2019, James Cook University in Singapore signed a Memorandum of Understanding (MOU) with HATCH, an aquaculture-specific, globally-focused start-up business accelerator

and investment firm. HATCH runs its accelerator program with early-stage aquaculture nutrition, health, technology and production start-ups that focus on innovative and scalable products. James Cook University is globally recognised for its strengths in aquaculture research and development (R&D), training and advisory services.

Both parties under the MOU have an intention to engage in activities that strengthen the aquaculture innovation ecosystem in the Asia-Pacific region and to establish Singapore as a regional hub for fostering such innovation. The MOU affirms the agreement of both parties to a series of joint undertakings and responsibilities that will help grow the aquaculture innovation ecosystem in Singapore and the Asia-Pacific region. James Cook University in Singapore will support initiatives resulting in an aquaculture innovation space in Singapore, supporting aquaculture start-ups with expertise and access to facilities. The University will support HATCH's efforts to run accelerator programs, workshops, and to address challenges utilising their domain expertise as their academic partner.

- In April 2019, the newly-published Times Higher Education University Impact Ratings ranks how universities are 'walking the talk', judged against the UN's 17 Sustainable Development Goals (SDGs). The judging criteria for compliance with this SDG included evaluation of the percentage of students and staff with disabilities, a non-discriminatory admissions policy, anti-discrimination and harassment policies, support to students and staff from under-represented groups, and cross cultural training and awareness.

JCU was ranked 10th in the world in the UN SDG of Quality Education, which aims to provide a high-quality, free education for all by 2030. Furthermore, JCU was ranked equal 22nd in the world on promoting the UN's SDG of Peace, Justice and Strong Institutions; and equal 26th on the Decent Work and Economic Growth SDG. Overall, JCU was ranked 39th in the world for its efforts in meeting the UN's SDGs.

- In June 2019, JCU Singapore signed a Memorandum of Understanding (MOU) between its new Tropical Futures Institute (TFI) and the National University of Singapore (NUS), to expand collaboration in the field of aquaculture technology. As a new research institute established in Singapore by James Cook University, TFI is focused on research and training in tropical aquaculture, particularly the sustainable production of aquaculture species. These efforts are crucial in addressing the challenges faced by the world's tropics, which include sustainable development and food production, as well as the impacts of climate change. TFI will also lend its considerable expertise in the domain of aquaculture, to further agriculture technology and aquaculture technology innovation, as well as advise NUS on the design of an agriculture and aquaculture innovation relevant start-up space.
- In July 2019, JCU announced its strategic partnership with the United Arab Emirates (UAE) to develop its Marine Innovation Park in Umm Al Quwain. JCU will share its world-class expertise and innovation with the UAE, to address challenges such as food security that are confronting marginal environments. The project is the first step in what's anticipated to be a long-term, multi-million dollar partnership between JCU and the government of the UAE.

The new Marine Innovation Park of *Sheikh Khalifa Marine Research Centre* is being established as part of UAE's plans to develop a centre in the region for research and development in bio-science technology innovation, marine science and research. JCU will

spend eight months working with the UAE to develop a strategic plan for the Marine Innovation Park.

The project, facilitated with the assistance of Commissioner Donna Massie from Trade and Investment Queensland, will draw on the expertise of JCU scientists in a range of areas including aquaculture, macroalgae, sensor and blockchain technology, artificial intelligence, and environmental assessment and management. Queensland Premier and Minister for Trade, the Honourable Annastacia Palaszczuk endorsed the highly prestigious partnership, showcasing the strong relationship between the United Arab Emirates and Queensland.

- In August 2019, the National Health and Medical Research Council (NHMRC) released results for the 2019 Investigator and Development Grants for funding in 2020. Two JCU researchers achieved success in this funding round as per below:

Researcher	Category	Area of Research	Amount
A/Prof Stephanie Topp	Investigator Grants	Health system governance and tuberculosis control in the Torres Strait: an institutional analysis	\$561,800 over 5 years
Professor Alex Loukas	Development Grants	Hookworm peptide therapeutic for oral treatment of IBD	\$732,700 over 5 years

- In September 2019, The Australian Research Council (ARC) released results for the 2019 Australian Laureate Fellowships. One JCU researcher was successful on their Fellowship application as per below:

Researcher	Category	Area of Research	Amount
Professor David Bellwood	Australian Laureate Fellowships	A new functional approach to coral reefs	\$3,130,000 over 5 years

- In September 2019, the annual Queensland Young Tall Poppy Science Awards, hosted by the Australian Institute of Policy and Science, in partnership with the Office of the Queensland Chief Scientist, announced awards for three JCU researchers. Dr Jodie Rummer from the Australian Research Council (ARC) Centre of Excellence (CoE) for Coral Reef Studies, based at JCU, was named the Queensland Young Tall Poppy Scientist of the Year. A/Prof Stephanie Topp from the JCU's Australian Institute of Tropical Health and Medicine (AITHM), and Dr Andrew Hoey, also from JCU's CoE for Coral Reef Studies were recognised as Young Tall Poppies.
- In November 2019, five JCU researchers were named as 'Highly Cited Researchers - globally' for 2019. The ratings are provided by the Web of Science Group and represent scientists who have demonstrated significant influence through publication of multiple highly cited papers during the past decade. JCU's 2019 highly cited researchers were: Professor Geoff Jones; Professor Morgan Pratchett; Professor Philip Munday; Professor Terry Hughes; and, Professor Bill Laurance.
- In December, JCU Connect announced the creation of 'Sandpit to Seed' (S2S) fund, which will provide targeted support to JCU staff looking to become the next generation of innovators. Access to S2S funding will be facilitated through the JCU Connect business and commercial development team, who will work closely with individual researchers and research teams in preparing opportunities for consideration by a newly established Commercialisation Advisory Group (CAG). The S2S fund will support a range of opportunities including: intellectual property protection, development of prototypes, proof of concept

development, and the development of new ventures or spin-outs. Approximately \$800,000 will be made available for investment – which represents the baseline for the launch of S2S. Allocated funding will range from \$25,000 to a maximum of \$250,000 per opportunity.

#### Category: Our people

- Following the extreme weather event in February 2019 which led to wide-spread flooding of Townsville and surrounding areas, JCU's Human Resources Directorate offered assistance to affected staff through a number of mechanisms. Some of the support included: Special Disaster Recovery Leave; free access to counselling and psychological support services; flexible working arrangements to assist with recovery; and, support network counselling sessions for heavily impacted staff.
- In April 2019, The Provost announced the completion of the new Academic Performance and Development Framework. The new Framework was developed to assist Academic staff with their career planning to guide professional learning, inform performance and development plans, applying for promotion, and to support overall college and university performance.

The Framework is intended to assist academics at all levels, including line managers, in discussions about Performance Development Plans (PDP), promotion and clarification about work carried out at different levels. The Framework will be used as a reflective tool for academic staff to identify which descriptors best suit their current profile, and then determine how to develop strategies or identify professional development to move staff to higher levels.

- In July 2019, the University released the *JCU Respect* online learning module, aimed specifically at eliminating sexual harassment and sexual assault, through education, awareness and action. The *JCU Respect* online module provides information for all staff on how to Recognise, Respond, Refer and Report sexual harassment and sexual assault at JCU. A similar module for students was developed and was progressively released throughout 2019.

The staff module goes beyond the borders of the workplace, and can assist in other situations where staff may be confronted with sexual harassment and sexual assault. This module follows on from the important work undertaken in 2018 to create a secure, safe and respectful work and study environment for our staff, students, guests and the greater JCU community.

#### Category: Sustainable organisation

- In January 2019, Minister for State Development, Manufacturing, Infrastructure and Planning, the Honourable Cameron Dick, officially turned the soil at the construction site of JCU's new Central Plaza. The Central Plaza was made possible through the QLD State Government's interest-free Catalyst Infrastructure Program (CIP), which provided a co-investment loan of \$5m towards the construction of stage one of the Central Plaza, with stage two to include an Ideas Market infrastructure.

The Central Plaza will act as a social and entertainment hub to connect The Science Place to the proposed Technology Innovation Complex, and other key infrastructure. The Central Plaza will represent the new 'heart' of the University, and is part of the JCU Townsville Master Plan to transform the campus into a vibrant Health and Knowledge Precinct, including residential, commercial and private investment.

- In February 2019, Townsville was exposed to an extreme weather event which led to widespread flooding across sections of the city and greater region. JCU's Townsville Douglas campus was also directly affected by this event with staff, students (both on-campus residential students and those living off-campus), landscapes, and physical infrastructure impacted by disruptions, transportation issues, flooding, water damage and subsequent mould. The campus was temporarily closed for safety reasons, and it was only through the enormous effort and dedication of our JCU staff that campus operations were returned to normal in a relatively short period of time, with minimal disruption to students.
- In June 2019, JCU commenced construction on the new landmark Cairns Innovation Centre (CIC), located at the Cairns Smithfield Campus. The \$30m Centre is funded via \$10m from the Australian Federal Government, and \$10m from the Queensland State Government, with the balance contributed by JCU. The CIC aims to translate JCU's teaching and research into innovation that generates jobs and economic growth for Cairns and the broader region. The CIC will lead to the creation of products and processes, with real commercial application, that can drive economic growth and diversity for northern Australia.

Watpac has won a tender to build the ground-breaking CIC, with construction expected to be completed by August 2020. The project is expected to create 75 jobs in the construction phase. The three-storey building will house JCU's innovative Internet of Things program, and will nurture a new generation of students and young graduates who can engage with industry and business via work-integrated learning, apply innovative technologies in established industries, and drive start-up businesses in emerging industries.

- In June 2019, JCU signed a Memorandum of Understanding (MOU) with Catholic Education in Cairns, with respect to plans of a new secondary college, to be located at JCU's Cairns Campus at Smithfield. Under the proposed plans, the college would function as an autonomous and separate school, located on JCU land under a long-term lease. Raising the far northern region's participation in tertiary education is an important focus for the University and all local schools. The proposed Year 7 to 12 college would serve the fast-growing Cairns northern beaches communities; and, through the partnership with JCU, offer enormous opportunities for teacher training, professional development and educational research. The college is expected to open in 2022 for Year 7 enrolments, then growing a year level annually, until Year 12 was offered in 2027.
- In July 2019, The Deputy Vice Chancellor, Division of Services and Resources announced the commencement of a new initiative to enhance service delivery across the University. This new initiative, comprising of teams across the Division of Services and Resources, utilised an 'Agile' methodology, and collaborated with colleagues across the University to prioritise improvements to services that have the widest reach, and greatest impact.

The Service Improvement team have been tasked to deliver a steady flow of service improvements throughout 2019, beginning with re-design the University's main online

service portal – Service Now. The re-design of Service Now was successfully completed in late 2019, with benefits being realised almost immediately. A performance culture of continuous improvement is at the heart of this initiative; therefore the drive to improve service delivery will continue into the foreseeable future.

- In August 2019, JCU and Tablelands Regional Council formalised their partnership with the signing of a Memorandum of Understanding (MOU). JCU already works closely with Tablelands Regional Council, and various tablelands organisations, business and communities with respect to student placements in areas such as medicine, dentistry, allied health, education and veterinary science. JCU also conducts research on the Tablelands, in partnership with sectors including agriculture, natural resource management, and health and medicine.
- In August 2019, JCU won the prestigious Business Higher Education Round Table (BHERT) award, for helping safeguard the environment near Queensland ports. This award, for Outstanding Collaboration for National Benefit, recognises the work done by JCU's Centre for Tropical Water and Aquatic Ecosystem Research (TropWATER) since 2017 in monitoring water quality, seagrass and coral, at the ports of Mackay, Hay Point and Abbot Point; as well as water and seagrass quality at the Port of Weipa in the Gulf of Carpentaria. Under this collaborative arrangement, JCU scientists provide the ports' operator, North Queensland Bulk Ports, (NQBP), with independent environmental data collected in a scientifically rigorous manner.

The award was a great achievement and highlights the importance and value of working closely with industry partners. With three of these ports being adjacent to the Great Barrier Reef World Heritage Area, the partnership has also resulted in great research opportunities, delivering significant advances in how we can protect and manage valuable marine habitats, in the Great Barrier Reef World Heritage Area, particularly those areas closest to intense human activity.

- In September 2019, JCU and the Townsville Fire women's basketball team agreed to extend their formal sponsorship arrangement to the end of the 2021/22 Women's National Basketball League (WNBL) season. This extends the current partnership agreement to eight years. This partnership is aligned to JCU's strategic vision, as JCU is a member of the Elite Athlete Friendly University Network, which provides support for athletes to help balance sport and study. Furthermore, JCU strongly supports The Townsville Fire's focus on providing strong, healthy role models for girls and women, which is also aligned to JCU's organisational beliefs and values. The JCU Townsville Fire were WNBL champions in 2014/15, 2015/2016, and 2017/18.
- In October 2019, JCU and Cairns Regions Council reaffirmed their commitment to work together on innovative solutions and opportunities for the city with the signing of a new Memorandum of Understanding (MOU). The new MOU cements the relationship between the two organisations, building on the outcomes of the first five-year agreement signed in 2014.

The Cairns Regional Council offers workplace experience for JCU students; and in turn, JCU shares its research expertise in Council projects. Furthermore, the Cairns Regional Council has welcomed JCU staff and students, supporting ideas and endeavours in many areas of

mutual benefit, like social entrepreneurship, trialling innovative solutions to complex social and environmental problems, and economic development. JCU intends to continue its close work with the Cairns Regional Council, especially discussing ways to contribute to further the Cairns 2050 Shared Vision.

- In October 2019, JCU began migration of its existing core Information Technology (IT) infrastructure to the new purpose-built North Queensland Regional Data Centre (NQRDC). This innovative project was a collaboration between Townsville City Council (TCC) and JCU, in partnership with data centre and cloud services provider and isek Communications. This multi-phase data migration approach took approximately two months to complete, and was designed to ensure minimal disruptions to students and business operations.

The new NQRDC is housed in a world-class Category 5 cyclone-rated building in Townsville, with an energy-efficient Tier 3 managed data centre featuring an optimal physical, technical and operational hosting environment for critical infrastructure. The direct benefits to JCU include: continuous operation of critical IT systems; inbuilt resiliency during natural disasters; provision of secure and reliable data storage; and, the ability to expand as JCU's IT requirements change.

- In November 2019, JCU announced a collaborative agreement with Melbourne based high-tech engineering company - Advanced Technology Testing and Research (ATTAR), which will set up its Northern Australia office at the JCU Townsville Campus. ATTAR is a niche, high-tech engineering firm that specialises in Non-Destructive Testing and materials science, which will complement JCU's own expertise in that field. This collaboration will have a direct benefit for mechanical and electrical engineering students, who will have the opportunity to gain specialist experience and training, without the need to travel to a capital city.
- In keeping with JCU's highest standards of social, sustainable and ethical corporate citizenship, JCU's investment / equity portfolio follows a fully integrated Environmental, Social and Governance (ESG) focussed approach. This portfolio is managed through Mercer (Australia), who are a leader in sustainable investment. This conscious and deliberate approach demonstrates that JCU is actively pursuing its Sustainable Development Goals (SDG), in-line with the UN's SDG, to make a better world.

JCU's ESG portfolio targets key areas of investment to reduce pollution & harmful emissions; target renewable energies; source products from sustainable practices; improve working conditions (including the end of child labour, exploitation, and modern slavery); avoid corruption; and improve ethical decision making.

## Key Performance Indicators (KPIs)

### Category: Student focused

Measure name:	<b>Institutional Total Student Load (EFTSL)</b>
Type of measure:	Student enrolments and financial performance
2018 Actual result:	15,530
2019 Target:	14,950
2019 Actual result:	15,701
Note 1: Commentary and variance reporting about 2019 result:	The target was met by +751 EFTSL (or +5.02%). Strong performance at the Singapore and Brisbane campuses supplemented this result.
Note 2: KPI definition:	Total Institutional Equivalent full-time student load (EFTSL) at All Campuses and Study Centres – taught view – (for total University). Includes Preparatory Programs at JCU Singapore.

Measure name:	<b>Institutional Commencing Student Load (EFTSL)</b>
Type of measure:	Student enrolments and financial performance
2018 Actual result:	6,121
2019 Target:	5,874
2019 Actual result:	6,301
Note 1: Commentary and variance reporting about 2019 result:	The target was met by +427 EFTSL (or +7.27%). This result was primarily driven by strong commencements at JCU Singapore.
Note 2: KPI definition:	Commencing Institutional Equivalent full-time student load (EFTSL) at All Campuses and Study Centres – taught view – (for total University). Includes Preparatory Programs at JCU Singapore.

Measure name:	<b>Overall quality of educational experience (QILT – SES)</b>
Type of measure:	Teaching quality measure
2018 Actual result:	78.0%
2019 Target:	79.3%
2019 Actual result:	76.6%
Note 1: Commentary and variance reporting about 2019 result:	This result is a two-year average of 2018 and 2019 for JCU, and was below the targeted objective. There were a broad number of reasons for the lower than expected result. Further analysis will be undertaken, and appropriate strategies and actions will be implemented to improve future results.
Note 2: KPI definition:	From the Quality Indicators for Learning and Teaching (QILT) – Student Experience Survey (SES) data set. Two-year average of the nominated year, and prior year (i.e. 2019 = average of 2018 & 2019). Undergraduate (UG) only. Includes both Domestic and International students. As per QILT publicly available and reported definitions & results.

Measure name:	<b>Total Undergraduate Student Retention (%) in tropical Australia</b>
Type of measure:	Student retention measure
2018 Actual result:	82.7%
2019 Target:	82.1%
2019 Actual result:	83.5%
Note 1: Commentary and variance reporting about 2019 result:	The target was met. This higher than targeted Undergraduate retention result directly assisted the Institutional Total EFTSL figures; and, more particularly across the Townsville and Cairns campuses.



Note 2: KPI definition:	Retention % = Number of Continuing students enrolled at the University / [divided by] (the number of students enrolled at the University in prior year, [-] less the number of students graduating at end of prior year). Students enrolled in Undergraduate Bachelor degrees on the following campuses: Townsville, Cairns, Mount Isa, Thursday Island and Mackay. Calculated to 1 decimal place. Calculated as 'University level retention'.
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### Category: Research, reputation and rankings

Measure name:	<b>Research Income (HERDC categories 1-4 )</b>
Type of measure:	Research activity (income)
2018 Actual result:	\$44.578m
2019 Target:	\$46.345m
2019 Actual result:	\$37.628m
Note 1: Commentary and variance reporting about 2019 result:	The challenging target set for 2019 was not met, primarily due to lower than expected income from category 2: 'Other Public Sector Research Income'; and, category 1: 'Australian Competitive Grants'. NB: The result is unaudited and unadjusted, with the final result coming from the HERDC Return (June).
Note 2: KPI definition:	Higher Education Research Data Collection (HERDC) Return - Research income: National Competitive grants (category 1); Other public sector (category 2); Industrial and other research (category 3); Cooperative Research Funding (category 4 - January to December) for the University. Note: Excludes 6990 use code and N/A#.

Measure name:	<b>HERDC Publication (points)</b>
Type of measure:	Research activity (quantity measure)
2018 Actual result:	986
2019 Target:	1,000
2019 Actual result:	980
Note 1: Commentary and variance reporting about 2019 result:	The target was not met by -20 HERDC publication points (or -2%). JCU actually increased the number of outputs compared to last year by some 33 outputs, but produced slightly less points. Most categories reported an increase in the average number of authors per output, resulting in a reduction in the points per output.
Note 2: KPI definition:	Number of Higher Education Research Data Collection (HERDC) publication Points in the prior year (e.g. 2018), which is reported in the current year (e.g. 2018 for 2019) for the University due to timing of collection and publication of results.

Measure name:	<b>Total number of HDR Student Completions (International &amp; Domestic)</b>
Type of measure:	Student outcomes, and research outputs (RTS)
2018 Actual result:	108
2019 Target:	131
2019 Actual result:	130
Note 1: Commentary and variance reporting about 2019 result:	The University result was one HDR Student Completion under the set target. This result is a significant increase over the 2018 result.
Note 1: KPI definition:	Total number of Higher Degree by Research (HDR) Completions (PhD and Masters, both international and domestic). For total University.

Measure name:	<b>Reputation - International Rankings</b>
Type of measure:	Benchmarked ranking of international reputation and research
2018 Actual result:	Top 400
2019 Target:	Top 400
2019 Actual result:	Top 400
Note 1: Commentary and variance reporting about 2019 result:	The target was met. JCU was ranked within the 201-300 bracket of the Academic Ranking of World Universities (ARWU); therefore JCU retains its top 400 global status.
Note 2: KPI definition:	Success defined as being in the Top 400 of the Academic Ranking of World Universities (ARWU).

### Category: Our people

Measure name:	<b>Unscheduled absence index (average days)</b>
Type of measure:	Proxy indicator for the health of the workforce
2018 Actual result:	7.60 days
2019 Target:	6.20 days
2019 Actual result:	7.90 days
Note 1: Commentary and variance reporting about 2019 result:	In 2019, North Queensland had a severe cold & flu season, coupled with other health / mental health related issues resulting from the 2019 North Queensland Floods. As predicted by health authorities, these factors heavily impacted unscheduled absences in the latter half of the year. NB: A lower ratio is better, which is usually an indication of a healthier workforce.
Note 2: KPI definition:	The Unscheduled Absence index is the average number of days per calendar year for each staff member (headcount) that has been lost due to unscheduled absences. This includes paid and unpaid sick leave, personal leave, bereavement / compassionate leave and carers leave. Excludes casual only staff. Excludes staff located at JCU Brisbane and JCU Singapore. Full year result is from 1st of January to 31st of December.

Measure name:	<b>WH&amp;S Incident Reduction Ratio</b>
Type of measure:	A leading and lag indicator improving safety & reduce Workplace, Health & Safety incidents. A lower % ratio is better.
2018 Actual result:	16.7%
2019 Target:	23.2%
2019 Actual result:	19.6%
Note 1: Commentary and variance reporting about 2019 result:	<p>A lower ratio is considered better. The 2019 full-year result was made up of 284 reportable incidents / divided by 1448.25 proactive prevention hours. The target of 23.2% was achieved (i.e. the result was lower than 23.2%) due to a further reduction in the number of incidents compared to the number of proactive hours being completed by the HSE Unit. From 2019, undergraduate (UG) students were given access to riskware; therefore an allowance for extra incidents was built into the 2019 target. However, the actual number of reported incidents from UG students was considerably lower than anticipated.</p> <p>NB: The 2019 target of 23.2% was made up of a combination of 310 predicted reportable incidents / divided by 1,336 proactive prevention hours (as per the WH&amp;S 2019 work plan). Against the target, there was a</p>

	reduction of predicted incidents by -8.39%, achieved via an increase in predicted proactive hours by +8.40% (with particular focus on education and safety awareness).
Note 2: KPI definition:	Calculation: Actual number of reportable incidents in the year / divided by the actual number of proactive prevention hours undertaken in the year. (Target is set by the Workplace, Health & Safety Sub-Committee, being the estimated number of reportable incidents for the year / [divided by] the scheduled work plan number of proactive hours for the year). This measure is both a lead and lag indicator combined to show the effectiveness on WH&S culture and education through the relationship between proactive work undertaken, to the actual reduction in reportable incidents, where a lower ratio is better. Notes: a 'proactive prevention' is a face-to-face Safety Audit, Safety Inspection, Workstation Assessment, or Safety Site Visit. Scheduled and actual hours are to be recorded in the Enterprise Risk System - ERS. This is an internal non-benchmarked JCU measure. For JCU Australia only. Result expressed as a percentage to 1 decimal place.

### Category: Sustainable organisation

Measure name:	<b>% Net Operating Result/Income (Adjusted)</b>
Type of measure:	Financial management success
2018 Actual result:	+1.74%
2019 Target:	-0.85%
2019 Actual result:	+0.08%
Note 1: Commentary and variance reporting about 2019 result:	The target was met, primarily due to an increase in teaching income.
Note 2: KPI definition:	Measures Operating Margin. The adjusted Net Operating Result/adjusted Total Income, expressed as a percentage excluding abnormal items. Adjusted Total Income = Total Income less abnormal income. From Income Statement using Adjusted Operating Surplus / Deficit.

Measure name:	<b>Unqualified Audit Outcome</b>
Type of measure:	Financial management standard, external audit outcome
2018 Actual result:	Yes
2019 Target:	Yes
2019 Actual result:	Yes
Note 1: Commentary and variance reporting about 2019 result:	An unqualified audit result was achieved.
Note 2: KPI definition:	Achieved Unqualified Audit, as reported by external auditors – Queensland Audit Office (QAO). Result expressed as a "Yes" or "No".

Measure name:	<b>Regulatory Evaluation – Students (TEQSA)</b>
Type of measure:	External, independent, benchmarked, and comprehensive compliance scorecard of the student profile and risk
2018 Actual result:	Low Risk
2019 Target:	Low Risk

2019 Actual result:	Low Risk
Note 1: Commentary and variance reporting about 2019 result:	<p>The target was met. The Tertiary Education Quality and Standards Agency (TEQSA) issued the latest Provider Risk Assessment in August 2019. The result is based on the Higher Education Information Management System (HEIMS) 2017 reported data about student numbers and information (as per TEQSA).</p> <p>As part of the annual Provider Risk Assessment, TEQSA allocates green, amber and red ratings over 11 individual risk indicators, which form a snapshot of their compliance assessment. Green means low risk; amber means medium risk; and red means high risk. These 11 indicators are then condensed into two overall risk evaluations (being 'overall risk to students' and 'overall risk to financial position') using the same colour ratings. The latest snapshot for JCU (August 2019) shows eight green ratings, three amber ratings (applied to 'attrition rate', 'graduate satisfaction', and 'financial viability'), and zero red ratings – across the 11 indicators. The overall risk evaluation for 'overall risk to students' was green, and the 'overall risk to financial position' was also green. NB: The 2019 assessment was based on 2017 data.</p>
Note 2: KPI definition:	<p>Result as per the most current annual Tertiary Education Quality and Standards Agency (TEQSA) Provider Risk Assessment. Relates to "Overall Risk to Students", and follows the TEQSA Provider Risk Assessment outcome. Represented as a traffic light system where "Low Risk" = green, "Medium Risk" = amber, and "High Risk" = red result.</p>

## Financial overview

Consolidated financials

<b>Total Student Numbers*</b>	<b>2019</b>
Total Enrolments: <i>Student Head Count</i>	21,500
Total EFTSL: <i>Equivalent Full-Time Student Load</i>	15,701

<b>Expenditure \$m</b>	<b>2019</b>
Total expenses from continuing operations	\$553.349 m

<b>Revenue \$m</b>	<b>2019</b>
Total income from continuing operations	\$569.889 m

<b>Assets Vs Liabilities \$m</b>	<b>2019</b>
Total Current Assets	\$259.439 m
Total Current Liabilities	\$193.285 m
Current Ratio	1.342

<b>Net Result \$m</b>	<b>2019</b>
Net Result Before Income Tax	\$16.540 m

<b>Employee Benefits Ratio</b>	<b>2019</b>
Employee Benefits as a % of Total Expenses	51.24%

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

## **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 2019

	Notes	Consolidated		Parent Entity	
		2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
<b>INCOME FROM CONTINUING OPERATIONS</b>					
Australian Government financial assistance					
Australian Government grants	2.1	<b>184,904</b>	185,753	<b>184,904</b>	185,753
HECS-HELP - Australian Government payments	2.1	<b>70,642</b>	73,639	<b>70,642</b>	73,639
FEE-HELP - Australian Government payments	2.1	<b>10,307</b>	6,717	<b>10,307</b>	6,717
SA-HELP - Australian Government payments	2.1	<b>1,958</b>	2,217	<b>1,958</b>	2,217
Other Australian Government grants	2.1	<b>50,498</b>	53,768	<b>50,498</b>	53,768
State and Local Government financial assistance	2.2	<b>12,656</b>	19,737	<b>12,656</b>	19,737
HECS-HELP - student payments		<b>5,300</b>	6,187	<b>5,300</b>	6,187
Fees and charges	2.3	<b>180,953</b>	162,359	<b>109,829</b>	102,084
Royalties, trademarks and licences		<b>81</b>	1,007	<b>6,222</b>	5,756
Consultancy and contracts	2.4	<b>26,060</b>	28,532	<b>26,060</b>	28,532
Other revenue	2.5	<b>3,651</b>	5,302	<b>3,589</b>	5,254
Other income	2.5	<b>8,167</b>	1,371	<b>6,508</b>	482
Investment income	3	<b>14,724</b>	6,154	<b>15,606</b>	7,288
Share of profit or loss on investments accounted for using the equity method		<b>(12)</b>	(12)	-	-
<b>Total income from continuing operations</b>		<b>569,889</b>	552,731	<b>504,079</b>	497,414
<b>EXPENSES FROM CONTINUING OPERATIONS</b>					
Employee related expenses	4	<b>283,561</b>	279,543	<b>254,838</b>	254,464
Depreciation and amortisation		<b>50,534</b>	41,899	<b>40,072</b>	36,893
Repairs and maintenance	5	<b>20,833</b>	18,950	<b>17,967</b>	16,806
Finance costs	6	<b>5,907</b>	4,650	<b>4,922</b>	4,528
Impairment of assets		<b>(988)</b>	2,914	<b>(61)</b>	4,890
Other expenses	7	<b>193,502</b>	192,346	<b>175,958</b>	172,218
<b>Total expenses from continuing operations</b>		<b>553,349</b>	540,302	<b>493,696</b>	489,799
<b>Net result before income tax from continuing operations</b>		<b>16,540</b>	12,429	<b>10,383</b>	7,615
Income tax expense		<b>1,556</b>	1,112	-	-
<b>Net result after income tax for the period attributable to members of James Cook University</b>		<b>14,984</b>	11,317	<b>10,383</b>	7,615
<b>Other comprehensive income after income tax</b>					
<b>Items that will not be reclassified to profit or loss:</b>					
Gain/(loss) on revaluation of land, buildings and infrastructure	13(a)	<b>2,833</b>	7,237	<b>1,900</b>	6,402
Gain/(loss) on equity instruments at fair value through other comprehensive income	12(e)	<b>15,671</b>	7,604	<b>16,616</b>	7,604
Exchange differences on translation of foreign operations	18(b)	<b>440</b>	1,605	-	-
<b>Total other comprehensive income for the period</b>		<b>18,944</b>	16,446	<b>18,516</b>	14,006
<b>Total comprehensive income for the period attributable to members of James Cook University</b>		<b>33,928</b>	27,763	<b>28,899</b>	21,621

The above statement of comprehensive income should be read in conjunction with the accompany notes.

**JAMES COOK UNIVERSITY**  
**STATEMENT OF FINANCIAL POSITION**  
as at 31 December 2019

	Notes	Consolidated		Parent Entity	
		2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	10	79,709	82,748	39,950	48,726
Trade and other receivables	11	32,127	34,498	35,001	38,277
Contract assets	2.9/11	3,291	-	3,291	-
Inventories		432	428	-	-
Other financial assets	12	124,750	133,683	124,750	133,683
Prepayments		19,130	11,061	16,482	10,053
<b>Total current assets</b>		<b>259,439</b>	<b>262,418</b>	<b>219,474</b>	<b>230,739</b>
<b>NON-CURRENT ASSETS</b>					
Trade and other receivables	11	-	-	22,506	24,510
Investments accounted for using the equity method		110	121	-	-
Other financial assets	12	108,932	84,548	111,623	86,294
Property, plant and equipment	13	1,046,737	1,013,702	966,068	949,192
Intangible assets		2,397	2,736	2,397	2,736
Other non-current assets		237	304	59	93
<b>Total non-current assets</b>		<b>1,158,413</b>	<b>1,101,411</b>	<b>1,102,653</b>	<b>1,062,825</b>
<b>TOTAL ASSETS</b>		<b>1,417,852</b>	<b>1,363,829</b>	<b>1,322,127</b>	<b>1,293,564</b>
<b>CURRENT LIABILITIES</b>					
Current tax liabilities		1,790	904	-	-
Trade and other payables	14	36,947	35,130	28,376	27,152
Borrowings	15	16,649	11,047	11,559	8,693
Employee benefit liability	16	45,774	47,071	45,322	46,640
Other financial liabilities	12	-	2,645	-	2,645
Other liabilities	17	5,952	31,732	726	15,925
Contract liabilities	2.9	86,173	-	73,120	-
<b>Total current liabilities</b>		<b>193,285</b>	<b>128,529</b>	<b>159,103</b>	<b>101,055</b>
<b>NON-CURRENT LIABILITIES</b>					
Deferred tax liabilities		800	1,007	-	-
Borrowings	15	114,791	90,459	100,234	90,459
Employee benefit liability	16	3,679	2,616	3,597	2,526
Other liabilities	17	1,001	981	-	-
<b>Total non-current liabilities</b>		<b>120,271</b>	<b>95,063</b>	<b>103,831</b>	<b>92,985</b>
<b>TOTAL LIABILITIES</b>		<b>313,556</b>	<b>223,592</b>	<b>262,934</b>	<b>194,040</b>
<b>NET ASSETS</b>		<b>1,104,296</b>	<b>1,140,237</b>	<b>1,059,193</b>	<b>1,099,524</b>
<b>EQUITY</b>					
Parent Entity Interest					
Retained earnings	18(a)	586,211	641,096	553,621	612,468
Asset revaluation surplus	13(a)	466,073	463,240	455,942	454,042
Other reserves	12(e)	48,685	33,014	49,630	33,014
Foreign currency translation reserve	18(b)	3,327	2,887	-	-
<b>TOTAL EQUITY</b>		<b>1,104,296</b>	<b>1,140,237</b>	<b>1,059,193</b>	<b>1,099,524</b>

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



**JAMES COOK UNIVERSITY**  
**STATEMENT OF CHANGES IN EQUITY**  
for the year ended 31 December 2019

Consolidated	Notes	Retained Earnings \$'000	Asset Revaluation Surplus \$'000	Other Reserves \$'000	Foreign Currency Translation Reserve \$'000	Total Equity \$'000
Balance at 1 January 2018		629,779	456,003	19,859	1,282	1,106,923
Change in accounting policy		-	-	5,551	-	5,551
Restated balance at 1 January 2018		629,779	456,003	25,410	1,282	1,112,474
Net operating result for the period		11,317	-	-	-	11,317
Other comprehensive income		-	7,237	7,604	1,605	16,446
Total comprehensive income		11,317	7,237	7,604	1,605	27,763
Balance at 31 December 2018		641,096	463,240	33,014	2,887	1,140,237
Balance at 1 January 2019		641,096	463,240	33,014	2,887	1,140,237
Change in accounting policy	1(f)	(69,869)	-	-	-	(69,869)
Restated balance at 1 January 2019		571,227	463,240	33,014	2,887	1,070,368
Net operating result for the period		14,984	-	-	-	14,984
Other comprehensive income		-	2,833	15,671	440	18,944
Total comprehensive income		14,984	2,833	15,671	440	33,928
Balance at 31 December 2019		586,211	466,073	48,685	3,327	1,104,296

Parent Entity	Notes	Retained Earnings \$'000	Asset Revaluation Surplus \$'000	Other Reserves \$'000	Foreign Currency Translation Reserve \$'000	Total Equity \$'000
Balance at 1 January 2018		604,853	447,640	19,859	-	1,072,352
Change in accounting policy		-	-	5,551	-	5,551
Restated balance at 1 January 2018		604,853	447,640	25,410	-	1,077,903
Net operating result for the period		7,615	-	-	-	7,615
Other comprehensive income		-	6,402	7,604	-	14,006
Total comprehensive income		7,615	6,402	7,604	-	21,621
Balance at 31 December 2018		612,468	454,042	33,014	-	1,099,524
Balance at 1 January 2019		612,468	454,042	33,014	-	1,099,524
Change in accounting policy	1(f)	(69,230)	-	-	-	(69,230)
Restated balance at 1 January 2019		543,238	454,042	33,014	-	1,030,294
Net operating result for the period		10,383	-	-	-	10,383
Other comprehensive income		-	1,900	16,616	-	18,516
Total comprehensive income		10,383	1,900	16,616	-	28,899
Balance at 31 December 2019		553,621	455,942	49,630	-	1,059,193

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

**JAMES COOK UNIVERSITY**  
**STATEMENT OF CASH FLOWS**  
for the year ended 31 December 2019

	Notes	Consolidated		Parent Entity	
		2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Australian Government financial assistance					
Australian Government grants		181,538	185,880	181,538	185,880
Capital grants - Australian Government		7,000	3,000	7,000	3,000
HECS-HELP - Australian Government payments		70,251	73,001	70,251	73,001
FEE-HELP - Australian Government payments		12,053	7,006	12,053	7,006
SA-HELP - Australian Government payments		1,920	2,233	1,920	2,233
Other Australian Government grants		45,334	43,768	45,334	43,768
HECS-HELP - student payments		5,300	6,187	5,300	6,187
FEE-HELP - student payments		2,858	4,063	2,858	4,063
Queensland State Government grants		8,208	8,945	8,208	8,945
Capital Grants - Queensland State Government		-	10,792	-	10,792
Interest received		5,259	5,431	6,158	6,457
Dividends and property trust distributions received		4,326	4,925	4,326	5,019
Receipts from student fees and other customers		217,278	192,682	148,687	136,336
Payments to suppliers and employees		(504,854)	(498,417)	(455,189)	(456,436)
Interest and other costs of finance		(5,905)	(4,651)	(4,922)	(4,528)
GST recovered / (paid)		(2,293)	1,333	(2,134)	1,095
Income tax paid		(877)	(92)	-	-
Short-term lease payments		(620)	-	(620)	-
Net cash provided by / (used in) operating activities	27	46,776	46,086	30,768	32,818
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Proceeds from sale of financial assets		161,700	238,792	161,700	238,792
Proceeds from sale of property, plant and equipment		473	372	473	372
Payments for property, plant and equipment		(39,350)	(24,833)	(37,751)	(23,170)
Payments for financial assets		(157,553)	(221,449)	(157,553)	(220,504)
Payments for other non-current assets		-	(81)	-	(81)
Proceeds from loans to related parties		-	1,297	1,274	1,215
Payments of loans to related parties		-	-	-	(945)
Net cash provided by / (used in) investing activities		(34,730)	(5,902)	(31,857)	(4,321)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Proceeds from borrowings		3,506	630	3,506	630
Repayments of borrowings		(11,976)	(9,183)	(9,187)	(8,399)
Repayment of lease liabilities		(6,037)	-	(1,734)	-
Net cash provided by / (used in) financing activities		(14,507)	(8,553)	(7,415)	(7,769)
Net increase / (decrease) in cash and cash equivalents		(2,461)	31,631	(8,504)	20,728
Effects of exchange rate changes on cash and cash equivalents		(578)	240	(272)	88
Cash and cash equivalents at the beginning of the financial year		82,748	50,877	48,726	27,910
Cash and cash equivalents at end of financial year	10	79,709	82,748	39,950	48,726

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

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### **Note 1: Summary of Significant Accounting Policies**

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

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

#### **Basis of preparation**

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

James Cook University applies tier 1 reporting requirements.

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

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

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**

Management has not made any judgement in the process of applying accounting policies that would have a significant impact on the amounts disclosed in the 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 21 to the financial statements. All consolidated entities have a 31 December year-end.

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

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

##### **(b) Taxation**

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

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

**Note 1: Summary of Significant Accounting Policies (cont'd)**

**(b) Taxation (cont'd)**

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

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

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

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

The 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) Foreign currency translation**

***Functional and presentation currency***

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

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

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

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

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

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

**(d) Comparative figures**

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

**(e) Rounding amounts**

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

**Note 1: Summary of Significant Accounting Policies (cont'd)**

(f) Change in accounting policy

**AASB15: Revenue from Contracts with Customers** (applicable to annual reporting periods commencing on or after 1 January 2019) and **AASB1058: Income of Not-for-Profit Entities** (applicable to annual reporting periods commencing on or after 1 January 2019).

This note explains the impact of the adoption of AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-for-Profit Entities* on the Group's financial statements.

AASB15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

AASB15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with customers.

The Group adopted AASB15 and AASB1058 using the modified retrospective method of transition, with the date of initial application of 1 January 2019. The Group has elected not to defer the application of AASB15 and AASB1058 for research grants to periods beginning on or after 1 July 2020 as permitted by AASB Action Alert Issue No. 200. In accordance with the provisions of this transition approach, the Group recognised the cumulative effect of applying these new standards as an adjustment to opening retained earnings at the date of initial application, i.e., 1 January 2019. Consequently, the comparative information presented has not been restated and continues to be reported under the previous standards on revenue and income. In addition, the Group has applied the practical expedient and elected to apply these standards retrospectively only to contracts and transactions that were not completed contracts at the date of initial application, i.e., as at 1 January 2019.

As the Group is applying the modified retrospective approach, the Group did not apply the practical expedient described in AASB15.C5(c), for contracts that were modified before the beginning of the earliest period presented.

The Group did not retrospectively restate the contract for those modifications in accordance with AASB15.20-21. Instead, the Group reflected the aggregate effect of all of the modifications that occur before the beginning of the earliest period presented when:

- Identifying the satisfied and unsatisfied performance obligations
- Determining the transaction price
- Allocating the transaction price to the satisfied and unsatisfied performance obligation

The new accounting policies for revenue and other income in accordance with AASB15 and AASB1058 respectively are provided in the Note 2.

**Overview of AASB15 and AASB1058**

Under the new income recognition model applicable to not-for-profit entities, the Group shall first determine whether an enforceable agreement exists and whether the promises to transfer goods or services to the customer are 'sufficiently specific'.

If an enforceable agreement exists and the promises are 'sufficiently specific' (to a transaction or part of a transaction), the Group applies the general AASB15 principles to determine the appropriate revenue recognition. If these criteria are not met, the Group shall consider whether AASB1058 applies.

The nature and effect of the changes as a result of adoption of AASB15 and AASB1058 are described as follows:

	Consolidated		Parent Entity	
	Ref adjustments	1 January 2019 \$'000	Ref adjustments	1 January 2019 \$'000
<b>Assets</b>				
Receivables	[i]	(71)	[i]	(71)
Contract assets	[i]	2,525	[i]	2,525
<b>Total assets</b>		<u>2,454</u>		<u>2,454</u>
Contract liabilities	[ii]	(69,116)	[ii]	(69,116)
<b>Total liabilities</b>		<u>(69,116)</u>		<u>(69,116)</u>
<b>Total adjustment on equity</b>				
Retained earnings	[iii]	66,662	[iii]	66,662
		<u>66,662</u>		<u>66,662</u>

**JAMES COOK UNIVERSITY**  
**Notes to the financial statements**  
for the year ended 31 December 2019

**Note 1: Summary of Significant Accounting Policies (cont'd)**

(f) Change in accounting policy (cont'd)

Set out below are the amounts by which each financial statement line item is affected as at and for the year ended 31 December 2019 as a result of the adoption of AASB15 and AASB1058. The adoption of AASB15 did not have a material impact on other comprehensive income or the Group's operating, investing and financing cash flows. The first column shows amounts prepared under AASB15 and AASB1058 and the second column shows what the amounts would have been had AASB15 and AASB1058 not been adopted:

Income Statement	Ref.	Consolidated		Increase/ decrease \$'000	Amounts prepared under University		Increase/ decrease \$'000
		AASB15/ AASB1058 \$'000	Previous AAS \$'000		AASB15/ AASB1058 \$'000	Previous AAS \$'000	
<b>Revenue and income from continuing operations</b>							
Australian Government financial assistance							
Australian Government grants	[iv]	184,904	181,367	3,537	184,904	181,367	3,537
HECS-HELP - Government payments	[v]	70,642	70,686	(44)	70,642	70,686	(44)
Other Australian Government Grants	[iv]	50,498	46,790	3,708	50,498	46,790	3,708
State and Local Government financial assistance	[iv]	12,656	8,371	4,285	12,656	8,371	4,285
Fees and charges	[vi]	180,953	180,910	43	109,829	109,791	38
Royalties, trademarks and licences	[vii]	81	1,084	(1,003)	6,222	7,225	(1,003)
Consultancy and contracts	[iv]	26,060	25,544	516	26,060	25,544	516
Other revenue	[viii]	3,651	3,913	(262)	3,589	3,851	(262)
<b>Total revenue and income from continuing operations</b>		<b>529,445</b>	<b>518,665</b>	<b>10,780</b>	<b>464,400</b>	<b>453,625</b>	<b>10,775</b>
<b>Expenses from continuing operations</b>							
Other expenses	[ix]	193,502	196,506	(3,004)	175,958	178,964	(3,006)
<b>Total expenses from continuing operations</b>		<b>193,502</b>	<b>196,506</b>	<b>(3,004)</b>	<b>175,958</b>	<b>178,964</b>	<b>(3,006)</b>
<b>Net result before income tax from continuing operations</b>		<b>335,943</b>	<b>322,159</b>	<b>13,784</b>	<b>288,442</b>	<b>274,661</b>	<b>13,781</b>
<b>Net result attributable to:</b>							
Members		335,943	322,159	13,784	288,442	274,661	13,781
<b>Total</b>		<b>335,943</b>	<b>322,159</b>	<b>13,784</b>	<b>288,442</b>	<b>274,661</b>	<b>13,781</b>

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**Note 1: Summary of Significant Accounting Policies (cont'd)**

(f) Change in accounting policy (cont'd)

Statement of Financial Position	Ref.	Consolidated		Amounts prepared under			Increase/ decrease \$'000
		AASB15/ AASB1058 \$'000	Previous AAS \$'000	Increase/ decrease \$'000	University AASB15/ AASB1058 \$'000	Previous AAS \$'000	
AASB15.C8(a)							
<b>Assets</b>							
Receivables	[i]	32,127	32,198	(71)	35,001	35,072	(71)
Contract assets	[i]	3,291	-	3,291	3,291	-	3,291
<b>Total assets</b>		<b>35,418</b>	<b>32,198</b>	<b>3,220</b>	<b>38,292</b>	<b>35,072</b>	<b>3,220</b>
Contract liabilities	[ii]	86,173	-	86,173	73,120	-	73,120
Other liabilities	[x]	6,953	37,031	(30,078)	726	17,750	(17,024)
<b>Total liabilities</b>		<b>93,126</b>	<b>37,031</b>	<b>56,095</b>	<b>73,846</b>	<b>17,750</b>	<b>56,096</b>
<b>Equity</b>							
Retained earnings	[xi]	586,211	639,089	(52,878)	553,621	606,502	(52,881)
<b>Total equity</b>		<b>586,211</b>	<b>639,089</b>	<b>(52,878)</b>	<b>553,621</b>	<b>606,502</b>	<b>(52,881)</b>

The nature of the adjustments as at 1 January 2019 and the reasons for the significant changes in the statement of financial position as at 31 December 2018 and the income statement for the year ended 31 December 2019 are described below:

- (i) Contract assets in relation to research contracts were previously recognised as expenditure. With the adoption of AASB 15, when the Group's right to consideration in exchange for services is conditional on something other than the passage of time (for example, future milestones) then a contract asset is recognised.
- (ii) Contract liabilities in relation to Government payments for financial assistance, State and Local Government grants, student income, research contracts and consultancies were previously recognised as revenue. With the adoption of AASB 15 the income is deferred to the balance sheet as a contract liability and now recognised as income as the performance obligations are satisfied.
- (iii) Adjustment to retained earnings from adoption of AASB 15.
- (iv) Commonwealth grants, State and Local Government grants and Consultancies were previously recognised as income when the Group obtained control over the income. The adoption of AASB15 resulted in income from prior reporting periods being deferred to the balance sheet as a contract liability and now recognised as income as the performance obligations are satisfied.
- (v) HECS-HELP – Australian Government payments received during the reporting period was previously recognised as income and, with the adoption of AASB 15, now presented as a contract liability.
- (vi) Student fees and charges were previously recognised as income in the year received / invoiced. The adoption of AASB15 resulted in income from prior reporting periods being deferred to the balance sheet as a contract liability and now recognised as income as the performance obligations are satisfied.
- (vii) Licence income was previously recognised as income in the year received / invoiced. The adoption of AASB 15 has resulted in the income being deferred to the balance sheet as a contract liability until the performance obligations are satisfied.
- (viii) Other revenue (contributions and sponsorships) were previously recognised when the Group obtains control over the income. The adoption of AASB 15 resulted in the income now being deferred to the balance sheet as a contract liability until the performance obligations are satisfied.
- (ix) Grant funding which required payments to third parties was previously expensed. Under AASB 9 a financial liability is created and then extinguished as the Group meets its obligation under arrangement.
- (x) Student income previously recognised as unearned revenue is now presented as a contract liability under AASB 15.
- (xi) Adjustment to retained earnings of \$52.878m (Parent \$52.881m) equates to an adjustment at 1 January 2019 of \$66.662m less a movement in net result of \$13.784m (Parent \$13.781m).

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

This note explains the impact of the adoption of AASB 16 Leases on the Group's financial statements.

The group has adopted AASB 16 *Leases* retrospectively from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 January 2019. The new accounting policies are disclosed in note 13.1.

On adoption of AASB 16, the group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of AASB 117 *Leases*. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 2.96% (James Cook University Pte Ltd – 4.53%).



**Note 1: Summary of Significant Accounting Policies (cont'd)**

(f) Change in accounting policy (cont'd)

(i) *Practical expedients applied*

In applying AASB 16 for the first time, the group has used the following practical expedients permitted by the standard:

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics,
- relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review – there were no onerous contracts as at 1 January 2019,
- accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases,
- excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the group relied on its assessment made applying AASB 117 and Interpretation 4 *Determining whether an Arrangement contains a Lease*.

(ii) *Measurement of lease liabilities*

The difference between the operating lease commitments disclosed previously by applying AASB 117 and the value of the lease liabilities recognised under AASB 16 on 1 January 2019 is explained as follows:

	Consolidated	Parent entity
	1 January 2019	
	\$'000	\$'000
Operating lease commitments disclosed as at 31 December 2018	27,897	17,668
Discounted using the group's incremental borrowing rate of 2.96% or 4.53% at the date of initial application	21,220	14,517
(Add): Extension options which are reasonably certain to be exercised	16,100	-
(Add): New lease commenced on 1 January 2019	282	-
(Less): short-term leases not recognised as a liability	(2,066)	(2,066)
Add: contracts reassessed as lease contracts	6,488	6,488
<b>Lease liability recognised as at 1 January 2019</b>	<b>42,024</b>	<b>18,939</b>

Of which are:

Current lease liabilities	6,134	1,483
Non-current lease liabilities	35,890	17,456

(iii) *Measurement of right-of-use assets*

The associated right-of-use assets for property leases were measured on a retrospective basis as if the new rules had always been applied. Other right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 31 December 2018.

(iv) *Adjustments recognised in the balance sheet on 1 January 2019*

The change in accounting policy affected the following items in the balance sheet on 1 January 2019:

- Right-of-use assets – increase by \$38.863m (parent entity - \$16.442m)
  - Lease liabilities – increase by \$42.024m (parent entity - \$18.939m)
- The net impact on retained earnings on 1 January 2019 was a decrease of \$3.161m (parent entity - \$2.497m)

(v) *Lessor accounting*

The group did not need to make any adjustments to the accounting for assets held as lessor under operating leases as a result of the adoption of AASB 16.

(g) **New Accounting Standards and Interpretations**

Certain new Accounting Standards and Interpretations have been published that are not mandatory for 31 December 2019 reporting periods. The Group has assessed the standards and interpretations and determined that they are not relevant or applicable to the Group

**Note 1: Summary of Significant Accounting Policies (cont'd)**

(h) Correction of prior period error

**Other financial assets – reclassification of managed funds as debt instruments**

In the financial statements for the reporting period ended 31 December 2018, the Group classified its managed funds investment as equity instruments designated at fair value through other comprehensive income. During the reporting period, it was identified that the managed funds investment does not meet the definition of equity under AASB 132: *Financial Instruments: Presentation*. The managed funds investment has now been reclassified as debt instruments at fair value through profit or loss. This error had the effect of over-stating investment income and under-stating other comprehensive income for the year ended 31 December 2018. The 2018 comparatives have been changed to correct this error. The table below is a summary of the effect.

Parent Entity	Note	2018 \$'000	Increase / (decrease) \$'000	2018 Restated \$'000
<b>Statement of comprehensive income (extract)</b>				
<b>For the year ended 31 December 2018</b>				
<b>INCOME FROM CONTINUING OPERATIONS</b>				
Investment income	3	12,313	(5,025)	7,288
<b>Net result before income tax from continuing operations</b>		<b>12,640</b>	<b>(5,025)</b>	<b>7,615</b>
<b>Other comprehensive income after income tax</b>				
Gain/(loss) on equity instruments at fair value through other comprehensive income	12(e)	2,579	5,025	7,604
<b>Total other comprehensive income for the period</b>		<b>8,981</b>	<b>5,025</b>	<b>14,006</b>
<b>Statement of financial position (extract)</b>				
<b>As at 31 December 2018</b>				
<b>EQUITY</b>				
Retained earnings	18(a)	617,493	(5,025)	612,468
Other reserves	12(e)	27,989	5,025	33,014
<b>Statement of changes in equity (extract)</b>				
<b>As at 31 December 2018</b>				
<b>Retained Earnings</b>				
Net operating result for the period		12,640	(5,025)	7,615
<b>Other Reserves</b>				
Other comprehensive income		2,579	5,025	7,604

**Note 1: Summary of Significant Accounting Policies (cont'd)**

(h) Correction of prior period error (cont'd)

Consolidated Entity	Note	2018 \$'000	Increase / (decrease) \$'000	2018 Restated \$'000
<b>Statement of comprehensive income (extract)</b>				
<b>For the year ended 31 December 2018</b>				
<b>INCOME FROM CONTINUING OPERATIONS</b>				
Investment income	3	11,179	(5,025)	6,154
Net result before income tax from continuing operations		17,454	(5,025)	12,429
<b>Other comprehensive income after income tax</b>				
Gain/(loss) on equity instruments at fair value through other comprehensive income	12(e)	2,579	5,025	7,604
<b>Total other comprehensive income for the period</b>		<b>11,421</b>	<b>5,025</b>	<b>16,446</b>
<b>Statement of financial position (extract)</b>				
<b>As at 31 December 2018</b>				
<b>EQUITY</b>				
Retained earnings	18(a)	646,121	(5,025)	641,096
Other reserves	12(e)	27,989	5,025	33,014
<b>Statement of changes in equity (extract)</b>				
<b>As at 31 December 2018</b>				
<b>Retained Earnings</b>				
Net operating result for the period		16,342	(5,025)	11,317
<b>Other Reserves</b>				
Other comprehensive income		2,579	5,025	7,604

## **Note 2: Revenue and Income**

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

#### **Accounting Policy**

##### ***Commonwealth Grants Scheme and Other Grants***

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

##### ***Indigenous Student Success***

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

Under Pool A there is a contractual obligation to deliver cash to the student and, under AASB 9, a financial liability is created and then extinguished as the Group meets its obligation to the student.

Under Pool B there are no sufficiently specific performance obligations and as such falls under AASB 1058 where the revenue is recognised immediately when the Group has the contractual right to receive the grant.

##### ***Disability Support Program***

The Disability Support Program is grant funding to meet the costs of providing support to students with a disability with high cost needs. The grant represents a reimbursement of costs incurred by the Group, as such, no sufficiently specific performance obligations are identified. Therefore, under AASB 1058 the revenue is recognised immediately when the Group has the contractual right to receive the grant.

##### ***Access and Participation Program***

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

##### ***Higher Education Loan Programs***

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

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

##### ***Education Research***

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

##### ***Australian Research Council***

Funding in this category is between the Commonwealth of Australia as represented by the Australian Research Council (ARC). The Group currently receives funding under three programs – Discovery Program, Linkage Program and Linkage Programme (Centres of Excellence). Funding received from ARC has been assessed as meeting the sufficiently specific and enforceable criteria. As there is no link between payment and performance, management have judged that performance obligations are satisfied as performed and access to research findings is available to granting bodies, and this is consistent with expenses incurred. Revenue is recognised as expenditure is incurred in accordance with AASB15.

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

##### ***Other Australian Grants***

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

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

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

	Notes	Parent Entity and Consolidated	
		2019 \$'000	2018 \$'000
<b>(a) Commonwealth Grants Scheme and Other Grants</b>	28		
Commonwealth Grants Scheme #1		<b>141,953</b>	144,108
Indigenous Student Success		<b>2,808</b>	3,291
Disability Support Program		<b>44</b>	49
Access and Participation Program		<b>3,308</b>	3,372
<b>Total Commonwealth Grants Scheme and Other Grants</b>		<b>148,113</b>	150,820
<b>(b) Higher Education Loan Programs</b>	28		
HECS-HELP		<b>70,642</b>	73,639
FEE-HELP		<b>10,307</b>	6,717
SA-HELP		<b>1,958</b>	2,217
<b>Total Higher Education Loan Programs</b>		<b>82,907</b>	82,573
<b>(c) Education Research</b>	28		
Research Training Program		<b>14,278</b>	14,438
Research Support Program		<b>11,827</b>	12,455
Joint Research Engagement Base		-	13
<b>Total Education Research Grants</b>		<b>26,105</b>	26,906
<b>(d) Australian Research Council</b>	28		
<i>(i) Discovery</i>			
Projects		<b>891</b>	893
Fellowships		<b>958</b>	945
Indigenous Researchers Development		<b>197</b>	-
Early Career Researcher Award		<b>435</b>	556
<b>Total Discovery</b>		<b>2,481</b>	2,394
<i>(ii) Linkages</i>			
Infrastructure		-	358
Projects		<b>151</b>	342
Industrial Transformation Research Hubs		<b>609</b>	538
<b>Total Linkages</b>		<b>760</b>	1,238
<i>(iii) Networks and Centres</i>			
Centres		<b>4,183</b>	4,395
Special Research Initiatives		<b>3,262</b>	-
<b>Total Networks and Centres</b>		<b>7,445</b>	4,395
<b>Total Australian Research Council</b>		<b>10,686</b>	8,027

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

**JAMES COOK UNIVERSITY**  
**Notes to the financial statements**  
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**Note 2.1: Australian Government Financial Assistance including Australian Government Loan Programs (HELP) (cont'd)**

Notes	Parent Entity and Consolidated	
	2019 \$'000	2018 \$'000
<b>(e) Other Australian Government grants</b>		
<i>Non-capital</i>		
Australian Centre for International Agricultural Research	344	1,021
Australian Institute of Marine Science	239	685
Commonwealth Scientific and Industrial Research Organisation	539	643
Cooperative Research Centre for Developing Northern Australia	291	197
Department of Agriculture	446	409
Department of Education - Study Overseas Short-term Mobility Program	87	1,175
Department of Foreign Affairs and Trade	248	1,008
Department of Health - Generalist Medical Training	22,988	18,879
Department of Health - Rural Health Multi Disciplinary Training Program	12,127	11,493
Department of Industry	1,014	437
Department of the Environment	196	259
Director of Parks	399	636
Great Barrier Reef Marine Park Authority	1,616	2,301
National Health and Medical Research Council	3,121	3,466
Torres Strait Regional Authority	146	247
Other	386	912
<b>Total Non-capital</b>	<b>44,187</b>	<b>43,768</b>
<i>Capital</i>		
Department of Infrastructure, Regional Development and Cities - Cairns Innovation Centre	4,579	10,000
Department of Health and Ageing - Burketown CRRH Remote Housing	1,451	-
Department of Health and Ageing - Generalist Medical Training Rockhampton	241	-
Department of Health and Ageing - JCU Clinical School	40	-
<b>Total Capital</b>	<b>6,311</b>	<b>10,000</b>
<b>Total other Australian Government financial assistance</b>	<b>50,498</b>	<b>53,768</b>
<b>Total Australian Government financial assistance</b>	<b>318,309</b>	<b>322,094</b>

**JAMES COOK UNIVERSITY**  
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**Note 2.2: State and Local Government Financial Assistance**

**State and Local Government Financial Assistance**

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

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

	Consolidated		Parent Entity	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
<i>Non-capital</i>				
Department of Education	-	250	-	250
Department of Environment and Science	961	885	961	885
Department of Health - Dental clinic operations	3,550	3,550	3,550	3,550
Department of Health - North Queensland clinical school	1,108	1,108	1,108	1,108
Department of Health	864	1,490	864	1,490
Department of Housing and Public Works	842	450	842	450
Department of Natural Resources and Mines	134	203	134	203
Department of Agriculture and Fisheries	163	162	163	162
Tourism and Events Queensland	-	80	-	80
Other	455	767	455	767
Total Non-capital	8,077	8,945	8,077	8,945
<i>Capital</i>				
Australian Institute of Tropical Health and Medicine	-	792	-	792
Queensland Treasury - Cairns Innovation Centre	4,579	10,000	4,579	10,000
Total Capital	4,579	10,792	4,579	10,792
<b>Total State and Local Government Financial Assistance</b>	<b>12,656</b>	<b>19,737</b>	<b>12,656</b>	<b>19,737</b>

**JAMES COOK UNIVERSITY**  
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**Note 2.3: Fees and Charges**

**Accounting Policy**

**Course Fees and Charges**

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

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

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

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

**Other Fees and Charges**

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

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

	Consolidated		Parent Entity	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
<b>Course fees and charges</b>				
Fee paying onshore overseas students	82,350	74,071	82,350	74,071
Fee paying offshore overseas students	60,124	48,484	-	-
Fee paying domestic postgraduate students	4,584	4,065	4,584	4,065
Other domestic course fees and charges	94	134	94	134
	<b>147,152</b>	<b>126,754</b>	<b>87,028</b>	<b>78,270</b>
<b>Other fees and charges</b>				
Library fines and fees	52	12	52	12
Parking fines and fees	418	505	418	505
Professional, testing and technical services	5,057	4,469	5,762	5,163
Rental income	4,207	4,067	1,596	1,257
Conference fee income	304	810	304	810
Student accommodation	9,960	11,109	9,960	11,109
Student amenities fee	1,875	1,632	1,875	1,632
Lecture, marking and examination fees	216	263	1,080	1,315
Fees incidental to studies	1,678	1,663	632	633
Child care fees and charges	2,294	2,238	-	-
Medical fees and charges	1,588	2,456	-	-
Veterinary fees and charges	3,472	3,333	-	-
Dental fees and charges	1,400	1,461	-	-
Other	1,280	1,587	1,122	1,378
	<b>33,801</b>	<b>35,605</b>	<b>22,801</b>	<b>23,814</b>
	<b>180,953</b>	<b>162,359</b>	<b>109,829</b>	<b>102,084</b>

**Note 2.4: Consultancy and Contracts**

**Accounting Policy**

**Consultancy and Contracts**

For research agreements, the Group considers each contract on a case by case basis as to whether it is within the scope of AASB 15. If the Group considers the agreement to be enforceable and to have sufficiently specific performance obligations, it recognises the revenue over time as the research is performed.

	Consolidated		Parent Entity	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Contract research	23,209	24,976	23,209	24,976
Research consultancy	236	255	236	255
Other consultancy	2,615	3,301	2,615	3,301
	<b>26,060</b>	<b>28,532</b>	<b>26,060</b>	<b>28,532</b>



**JAMES COOK UNIVERSITY**  
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for the year ended 31 December 2019

**Note 2.5: Other Revenue and Income**

**Accounting Policy**

**Other Revenue and Income**

Revenue received from donations and bequests usually relates to research, and or teaching, and if the donor wishes, could be for a specific field or area. There will be no sufficiently specific performance obligations and under AASB1058 the revenue is recognised immediately when the Group has the contractual right to receive the donation or bequest.

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

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

	Consolidated		Parent Entity	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
<b>Other revenue</b>				
Commission income	179	148	179	148
Donations and bequests	3,204	4,448	3,204	4,448
Non-government grants - other	67	53	5	5
Non-government grants - capital	40	41	40	41
Scholarships and prizes	64	244	64	244
Sponsorship income	97	368	97	368
	<b>3,651</b>	<b>5,302</b>	<b>3,589</b>	<b>5,254</b>
<b>Other income</b>				
Net foreign exchange gain (loss)	13	314	13	314
Net gain (loss) on disposal of property, plant and equipment	44	(563)	44	(563)
Other income	8,110	1,620	6,451	731
	<b>8,167</b>	<b>1,371</b>	<b>6,508</b>	<b>482</b>

**JAMES COOK UNIVERSITY**  
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for the year ended 31 December 2019

**Note 2.6: Revenue and Income Streams from Continuing Operations**

	Higher Education Loan Program ("HELP")	Student fees	Consolidated Sources of Funding \$'000		Industry and other non- government sources	Other (including Donations and Bequests)	Total Revenue from contracts with customers	Total Income of not-for-profit entities
			Australian Government financial assistance	State and Local Government financial assistance				
<b>REVENUE AND INCOME STREAMS</b>								
<b>Education - Course Fees and Charges</b>								
Domestic students	82,907	9,978	141,953	-	-	-	234,838	-
Overseas students	-	142,474	-	-	-	-	142,474	-
<b>Total Education - Course Fees and Charges</b>	<b>82,907</b>	<b>152,452</b>	<b>141,953</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>377,312</b>	<b>-</b>
<b>Research</b>								
Department of Education	-	-	-	-	-	-	-	-
- Research Training and Support Programs	-	-	26,105	-	-	-	-	26,105
Australian Research Council	-	-	10,686	-	-	-	10,686	-
National Health and Medical Research Council	-	-	3,121	-	-	-	3,121	-
Other Australian Government Research	-	-	5,692	-	-	-	5,692	-
State and local government research contracts	-	-	-	1,906	-	-	1,393	513
Non-government entity research contracts and consultancies	-	-	-	-	23,400	-	23,400	-
<b>Total Research Revenue and Income</b>	<b>-</b>	<b>-</b>	<b>45,604</b>	<b>1,906</b>	<b>23,400</b>	<b>-</b>	<b>44,292</b>	<b>26,618</b>
<b>Recurrent Government Grants</b>	<b>-</b>	<b>-</b>	<b>6,160</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,308</b>	<b>2,852</b>
<b>Non-Course Fees and Charges</b>								
Student accommodation	-	-	-	-	-	9,960	9,960	-
Student amenities fee	-	-	-	-	-	1,875	1,875	-
Child care fees and charges	-	-	-	-	-	2,294	2,294	-
Medical fees and charges	-	-	-	-	-	1,588	1,588	-
Veterinary fees and charges	-	-	-	-	-	3,472	3,472	-
Dental fees and charges	-	-	-	-	-	1,400	1,400	-
Other fees and charges	-	-	-	-	-	13,212	13,212	-
<b>Total Non-Course Fees and Charges</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>33,801</b>	<b>33,801</b>	<b>-</b>
<b>Capital Government Grants</b>	<b>-</b>	<b>-</b>	<b>6,311</b>	<b>4,579</b>	<b>-</b>	<b>-</b>	<b>10,890</b>	<b>-</b>
<b>Royalties, Trademarks and Licences</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>81</b>	<b>-</b>	<b>81</b>	<b>-</b>
<b>Other</b>								
Donation and bequests	-	-	-	-	-	3,204	-	3,204
Other revenue (AASB15)	-	-	35,294	6,171	548	8,614	50,627	-
Other income (AASB1058)	-	-	80	-	2,112	-	-	2,192
<b>Total Other</b>	<b>-</b>	<b>-</b>	<b>35,374</b>	<b>6,171</b>	<b>2,660</b>	<b>11,818</b>	<b>50,627</b>	<b>5,396</b>
<b>Total Revenue From Contracts with Customers</b>	<b>82,907</b>	<b>152,452</b>	<b>206,365</b>	<b>12,143</b>	<b>24,029</b>	<b>42,415</b>	<b>520,311</b>	<b>-</b>
<b>Total Income of Not-For-Profit Entities</b>	<b>-</b>	<b>-</b>	<b>29,037</b>	<b>513</b>	<b>2,112</b>	<b>3,204</b>	<b>-</b>	<b>34,866</b>

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**Note 2.6: Revenue and Income Streams from Continuing Operations (cont'd)**

	Higher Education Loan Program ("HELP")	Student fees	Parent Entity Sources of Funding \$'000		Industry and other non-government sources	Other (including Donations and Bequests)	Total Revenue from contracts with customers	Total Income of not-for-profit entities
			Australian Government financial assistance	State and Local Government financial assistance				
<b>REVENUE AND INCOME STREAMS</b>								
<b>Education - Course Fees and Charges</b>								
Domestic students	82,907	9,978	141,953	-	-	-	234,838	-
Overseas students	-	82,350	-	-	-	-	82,350	-
<b>Total Education - Course Fees and Charges</b>	<b>82,907</b>	<b>92,328</b>	<b>141,953</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>317,188</b>	<b>-</b>
<b>Research</b>								
Department of Education	-	-	-	-	-	-	-	-
- Research Training and Support Programs	-	-	26,105	-	-	-	-	26,105
Australian Research Council	-	-	10,686	-	-	-	10,686	-
National Health and Medical Research Council	-	-	3,121	-	-	-	3,121	-
Other Australian Government Research	-	-	5,692	-	-	-	5,692	-
State and local government research contracts	-	-	-	1,906	-	-	1,393	513
Non-government entity research contracts and consultancies	-	-	-	-	23,400	-	23,400	-
<b>Total Research Revenue and Income</b>	<b>-</b>	<b>-</b>	<b>45,604</b>	<b>1,906</b>	<b>23,400</b>	<b>-</b>	<b>44,292</b>	<b>26,618</b>
<b>Recurrent Government Grants</b>	<b>-</b>	<b>-</b>	<b>6,160</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,308</b>	<b>2,852</b>
<b>Non-Course Fees and Charges</b>								
Student accommodation	-	-	-	-	-	9,960	9,960	-
Student amenities fee	-	-	-	-	-	1,875	1,875	-
Other fees and charges	-	-	-	-	-	10,966	10,966	-
<b>Total Non-Course Fees and Charges</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,801</b>	<b>22,801</b>	<b>-</b>
<b>Capital Government Grants</b>	<b>-</b>	<b>-</b>	<b>6,311</b>	<b>4,579</b>	<b>-</b>	<b>-</b>	<b>10,890</b>	<b>-</b>
<b>Royalties, Trademarks and Licences</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,222</b>	<b>-</b>	<b>6,222</b>	<b>-</b>
<b>Other</b>								
Donation and bequests	-	-	-	-	-	3,204	-	3,204
Other revenue(AASB15)	-	-	35,294	6,171	548	6,893	48,906	-
Other income (AASB1058)	-	-	80	-	2,112	-	-	2,192
<b>Total Other</b>	<b>-</b>	<b>-</b>	<b>35,374</b>	<b>6,171</b>	<b>2,660</b>	<b>10,097</b>	<b>48,906</b>	<b>5,396</b>
<b>Total Revenue From Contracts with Customers</b>	<b>82,907</b>	<b>92,328</b>	<b>206,365</b>	<b>12,143</b>	<b>30,170</b>	<b>29,694</b>	<b>453,607</b>	<b>-</b>
<b>Total Income of Not-For-Profit</b>	<b>-</b>	<b>-</b>	<b>29,037</b>	<b>513</b>	<b>2,112</b>	<b>3,204</b>	<b>-</b>	<b>34,866</b>

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**Note 2.7: Reconciliation of Revenue and Income**

	Notes	Consolidated 2019 \$'000	Parent Entity 2019 \$'000
Total Australian Government financial assistance including Australian Government loan programs (HELP)	2.1	318,309	318,309
Total State and Local Government financial assistance	2.2	12,656	12,656
Total Fees and charges	2.3	180,953	109,829
Total HECS-HELP - student payments		5,300	5,300
Total Royalties, trademarks and licences		81	6,222
Total Consultancy and contract fees	2.4	26,060	26,060
Total Other revenue and income	2.5	11,818	10,097
<b>Total</b>		<b>555,177</b>	<b>488,473</b>
Total Revenue from contracts with customers as per AASB15	2.6	520,311	453,607
Total Income of not-for-profit as per AASB1058	2.6	34,866	34,866
<b>Total Revenue and Income from continuing operations</b>		<b>555,177</b>	<b>488,473</b>

**Note 2.8: Unsatisfied performance obligations**

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

For customer contracts with terms of one year or less, or where revenue is recognised using the 'right to invoice' method of recognising revenue, as permitted under AASB15, disclosures are not required in relation to the transaction price allocated to these unsatisfied performance obligations. Further, the amounts disclosed below do not include variable consideration which has been constrained.

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

	Within 1 year \$'000	From 1 to 5 years \$'000	After 5 years \$'000	Total \$'000
<b>Consolidated</b>				
Australian Government unspent financial assistance	1,981	-	-	1,981
Research grants	31,713	9,171	-	40,884
Student income	32,902	-	-	32,902
Capital grants	9,535	-	-	9,535
Other unearned revenue	871	-	-	871
	<b>77,002</b>	<b>9,171</b>	-	<b>86,173</b>
<b>Parent</b>				
Australian Government unspent financial assistance	1,981	-	-	1,981
Research grants	31,713	9,171	-	40,884
Student income	20,158	-	-	20,158
Capital grants	9,535	-	-	9,535
Other unearned revenue	562	-	-	562
	<b>63,949</b>	<b>9,171</b>	-	<b>73,120</b>

As permitted under the transitional provisions in AASB15, the transaction price allocated to partially unsatisfied performance obligations as of 31 December 2018 is not disclosed.

**Note 2.9: Assets and liabilities related to contracts with customers**

**Accounting Policy**

**Contract assets**

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

**Contract liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

**JAMES COOK UNIVERSITY**  
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**Note 2.9: Assets and liabilities related to contracts with customers (cont'd)**

**Assets and liabilities related to contracts with customers**

The Group has recognised the following assets and liabilities related to contracts with customers:

Notes	Consolidated 2019		Parent Entity 2019	
	Closing balance \$'000	Opening balance \$'000	Closing balance \$'000	Opening balance \$'000
<b>Receivables</b>				
Receivables - current	32,127	34,427	35,001	38,206
Receivables - non-current	-	-	22,506	24,501
	<u>32,127</u>	<u>34,427</u>	<u>57,507</u>	<u>62,707</u>
<b>Contract assets</b>				
Contract assets - current	3,291	2,525	3,291	2,525
	<u>3,291</u>	<u>2,525</u>	<u>3,291</u>	<u>2,525</u>
<b>Contract liabilities</b>				
Australian Government unspent financial assistance	1,981	-	1,981	-
Other contract liabilities - current	84,192	94,983	71,139	84,402
	<u>86,173</u>	<u>94,983</u>	<u>73,120</u>	<u>84,402</u>

Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period was \$26.738m.

**Contract assets**

The contract assets are associated with the Group's research contracts.

The impairment associated with the contract assets is disclosed in Note 11: Receivables and Contract Assets.

**Contract liabilities**

The contract liabilities are associated to the Group's research contracts and student income.

Contract liabilities differ from the amounts disclosed in Note 17: Other Liabilities. The contract liabilities comprise of deferred income relating to research contracts, capital grants and student fees.

**Note 3: Investment Income**

**Accounting Policy**

**Interest**

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

**Dividends**

Dividend revenue is recognised when the right to receive a dividend has been established. Dividends received from associates and joint venture entities are accounted for in accordance with the equity method of accounting. Revenue is recognised when the Group's right to receive the payment is established; it is probable that the economic benefits associated with the dividend will flow to the Group; and the amount of the dividend can be reliably measured.

**Distributions**

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

	Consolidated		Parent Entity	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
<b>Investment income</b>				
Interest	5,118	4,854	6,000	5,894
Dividends	2,995	6,324	2,995	6,418
Trust distributions	1	1	1	1
	<u>8,114</u>	<u>11,179</u>	<u>8,996</u>	<u>12,313</u>
<b>Other investment income</b>				
Net gain/(loss) on financial assets at fair value through the profit and loss	6,610	(5,025)	6,610	(5,025)
	<u>6,610</u>	<u>(5,025)</u>	<u>6,610</u>	<u>(5,025)</u>
<b>Net investment income and losses</b>	<u>14,724</u>	<u>6,154</u>	<u>15,606</u>	<u>7,288</u>

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

**JAMES COOK UNIVERSITY**  
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**Note 4: Employee Related Expenses**

**Accounting Policy**  
**Employee Related Expenses**

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

Past service costs are recognised in profit and loss immediately.

The University incurs payroll tax at the rate determined by the Queensland Government for payments made to and benefits received by the employees.

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

	Consolidated		Parent Entity	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
<b>Academic</b>				
Salaries	118,750	117,043	98,754	99,609
Contribution to superannuation	16,468	16,291	16,468	16,291
Payroll tax	5,625	6,139	5,625	6,139
Workers compensation	276	156	276	156
Long service leave	2,981	2,199	2,981	2,199
Annual leave	7,944	8,097	7,944	8,097
	<b>152,044</b>	<b>149,925</b>	<b>132,048</b>	<b>132,491</b>
<b>Professional and technical</b>				
Salaries	96,664	94,264	87,950	87,007
Contribution to superannuation	17,650	16,663	17,637	16,398
Payroll tax	5,229	5,604	5,229	5,481
Workers compensation	262	148	262	148
Long service leave	2,818	2,084	2,818	2,084
Annual leave	8,894	10,855	8,894	10,855
	<b>131,517</b>	<b>129,618</b>	<b>122,790</b>	<b>121,973</b>
	<b>283,561</b>	<b>279,543</b>	<b>254,838</b>	<b>254,464</b>

**Note 5: Repairs and Maintenance**

**Accounting Policy**  
**Repairs and Maintenance**

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

	Consolidated		Parent Entity	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Buildings	10,686	9,501	8,445	7,801
Grounds	652	740	608	724
Equipment	9,495	8,709	8,914	8,281
	<b>20,833</b>	<b>18,950</b>	<b>17,967</b>	<b>16,806</b>

**JAMES COOK UNIVERSITY**  
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**Note 6: Finance Costs**

**Accounting Policy**

**Financing costs**

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

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

For interest expense on lease liabilities, refer to Note 15.1 which details the policy for lease accounting where the University is a lessee.

	Consolidated		Parent Entity	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Interest expense on loans	4,334	4,527	4,334	4,527
Interest expense on lease liabilities	586	-	586	-
Other interest expenses	3	1	2	1
Finance Costs	984	122	-	-
	<b>5,907</b>	<b>4,650</b>	<b>4,922</b>	<b>4,528</b>

**Note 7: Other Expenses**

	Consolidated		Parent Entity	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Advertising, marketing and promotional expenses	10,087	9,449	4,003	4,010
Bank fees and charges	393	372	367	351
Books and publications	5,734	5,197	5,734	5,197
Commissions paid	34,258	26,695	34,258	26,695
Communications	2,611	2,764	2,482	2,660
Consumables	4,958	5,635	3,830	4,404
Course fees paid	8,184	7,523	8,184	7,523
Cost of goods sold	3,568	3,257	-	-
Fees and charges	2,218	2,135	2,168	1,966
Insurance	3,719	3,176	3,626	3,109
Licence fees	1,431	1,476	1,348	1,392
Motor vehicle related expenses	595	578	590	578
Non-capitalised equipment	5,503	7,525	5,441	7,506
Occupancy and utilities	16,245	15,456	15,462	14,404
Other staff related expenses	11,210	12,924	13,782	15,406
Practice and teaching subsidies	5,620	6,211	5,620	6,211
Printing and stationery	1,539	1,814	1,502	1,765
Professional fees	18,519	14,625	17,628	13,739
Rental, hire and other leasing fees	2,211	8,124	1,959	2,560
Minimum lease payments on operating leases	1,126	2,949	1,120	2,949
Grants, scholarships and prizes	13,777	16,888	18,242	21,448
Staff development and recruitment	3,057	2,881	2,976	2,816
Subscriptions and memberships	4,452	4,239	4,434	4,233
Travel expenses	12,951	12,851	12,914	12,832
Other	19,536	17,602	8,288	8,464
	<b>193,502</b>	<b>192,346</b>	<b>175,958</b>	<b>172,218</b>

\* Insurance recoveries received during the year in respect to the losses of public property: \$Nil (2018: \$0.006m).

**Note 8: Remuneration of Auditors**

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

	Consolidated		Parent Entity	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
<b>Fees paid to Queensland Audit Office:</b>				
Audit and review of financial statements	215	202	215	202
<b>Fees paid to non-Queensland Audit Office audit firms:</b>				
Audit or review of financial statements of any entity in the Consolidated Entity	-	5	-	5
	<b>215</b>	<b>207</b>	<b>215</b>	<b>207</b>

For the year ended 31 December 2019, Queensland Audit Office provided the Group with a quote of \$215,250 for the audit.

**JAMES COOK UNIVERSITY**  
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**Note 9: Key Management Personnel Disclosures**

**(a) Names of responsible persons and executive officers**

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

*Responsible Officers*

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

*Executive Officers*

2019	2018
Prof. Sandra Harding	Prof. Sandra Harding
Prof. Stephen Naylor	Prof. Stephen Naylor
Prof. Chris Cocklin	Prof. Chris Cocklin
Prof. Ian Wronski	Prof. Ian Wronski
Prof. Iain Gordon (resigned 02/10/2019)	Prof. Iain Gordon
Prof. Marcus Lane (acting 28/02/2019 - 31/12/2019)	Mrs Patricia Brand
Prof. Laura-Ann Bull (appointed 04/03/2019)	
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.

During the year there were five Council members (2018: ten) who received remuneration as employees of the parent entity.

During the year there were eleven Council members (2018: twenty-three) who did not receive remuneration as employees of the parent entity.

	Consolidated		Parent Entity	
	2019 Number	2018 Number	2019 Number	2018 Number
Nil to \$14,999	11	23	11	23
\$60,000 to \$74,999	1	1	1	1
\$105,000 to \$119,999	-	1	-	1
\$150,000 to \$164,999	1	2	1	2
\$180,000 to \$194,999	-	1	-	1
\$240,000 to \$254,999	-	1	-	1
\$270,000 to \$284,999	1	1	1	1
\$285,000 to \$299,999	-	1	-	1
\$315,000 to \$329,999	1	-	1	-
\$330,000 to \$344,999	-	1	-	1
\$975,000 to \$989,999	1	-	1	-
\$1,050,000 to \$1,064,999	-	1	-	1

Remuneration of executive officers	Consolidated		Parent Entity	
	2019 Number	2018 Number	2019 Number	2018 Number
\$270,000 to \$284,999	1	-	1	-
\$285,000 to \$299,999	-	1	-	1
\$360,000 to \$374,000	1	-	1	-
\$390,000 to \$404,999	1	-	1	-
\$405,000 to \$419,999	1	-	1	-
\$420,000 to \$434,999	1	-	1	-
\$465,000 to \$479,999	-	2	-	2
\$480,000 to \$494,999	1	-	1	-
\$495,000 to \$509,999	-	1	-	1
\$540,000 to \$554,999	1	-	1	-
\$600,000 to \$614,999	-	1	-	1
\$975,000 to \$989,999	1	-	1	-
\$1,050,000 to \$1,064,999	-	1	-	1



**JAMES COOK UNIVERSITY**  
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**Note 9: Key Management Personnel Disclosures (cont'd)**

(c) Key management personnel compensation

	Consolidated		Parent Entity	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Short-term employee benefits	3,132	2,915	3,132	2,915
Post-employment benefits	471	402	471	402
Other long-term benefits	75	64	75	64
Termination benefits	215	-	215	-
<b>Total key management personnel compensation</b>	<b>3,893</b>	<b>3,381</b>	<b>3,893</b>	<b>3,381</b>

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

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

Remuneration packages for key management personnel comprise the following components:

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

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

(d) Loans to key management personnel

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

(e) Other transactions with key management personnel

There were no other transactions with key management personnel, including their related parties, during the financial year.

**JAMES COOK UNIVERSITY**  
**Notes to the financial statements**  
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**Note 10: Cash and Cash Equivalents**

**Accounting Policy**

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

	Consolidated		Parent Entity	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Cash at bank and on hand	50,752	45,580	30,267	21,887
Term deposits (maturity less than 90 days or at call)	28,957	37,168	9,683	26,839
	<u>79,709</u>	<u>82,748</u>	<u>39,950</u>	<u>48,726</u>

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

(a) **Cash at bank and on hand**

Cash at bank deposits yield interest at floating rates of between 0.00% and 0.01% (2018: 0.00% and 0.15%).

(b) **Cash held in trust**

Cash held in trust deposits yield interest at floating rates of between 0.00% and 0.01% (2018: 0.00% and 0.15%).

(c) **Term deposits**

Short term deposits yield interest at floating rates of between 1.55% and 2.93% (2018: 2.43% and 3.00%). These deposits have a maturity date of less than 90 days or at call.

**Note 11: Receivables and Contract Assets**

**Accounting Policy**

**Classification and measurement**

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

**Impairment**

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

	Consolidated		Parent Entity	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
<b>Current</b>				
Debtors	18,946	24,124	21,136	27,051
Sundry loans and advances	8,247	7,547	6,681	6,034
Loans receivable from related parties	-	-	1,628	1,842
	<u>27,193</u>	<u>31,671</u>	<u>29,445</u>	<u>34,927</u>
Allowance for expected credit losses	(2,890)	(3,967)	(2,276)	(3,626)
	<u>24,303</u>	<u>27,704</u>	<u>27,169</u>	<u>31,301</u>
Accrued revenue	2,647	3,914	2,618	3,896
GST receivable	5,177	2,880	5,214	3,080
	<u>32,127</u>	<u>34,498</u>	<u>35,001</u>	<u>38,277</u>
<b>Non-current</b>				
Loans receivable from related parties	-	-	23,451	24,510
Allowance for expected credit losses	-	-	(945)	-
	<u>-</u>	<u>-</u>	<u>22,506</u>	<u>24,510</u>

### **Note 11: Receivables and Contract Assets (cont'd)**

#### **Contract assets**

As at 31 December 2019, the Group has contract assets of \$3.291m which is net of an allowance for expected credit losses of \$Nil. Refer to Note 2.6: Revenue and Income Streams for further detail.

The significant changes in the balances of contract asset are disclosed in Note 2.9: Assets and liabilities related to contracts with customers while information about the credit exposures are disclosed in Note 24: Financial Risk Management.

#### **(a) Impaired receivables**

The allowance for expected credit losses of \$2.890m (2018: \$3.967m) is a provision which is based on historical experience regarding the collectability of aged debts and also includes specific debtors.

As at 31 December 2019, trade and other receivables of \$6.303m (2018: \$5.111m) 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 12: Other Financial Assets and Liabilities**

#### **Accounting Policy**

##### **Classification**

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

- Those to be measured subsequently at fair value (either through other comprehensive income (OCI) or through profit or loss), and
- Those to be measured at amortised cost.

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

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

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

##### **Recognition and De-recognition**

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

##### **Measurement**

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

##### **Debt Instruments**

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

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

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

**Accounting Policy (cont'd)**

**Equity Instruments**

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

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

**Impairment**

From 1 January 2018, the Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

		Consolidated		Parent Entity	
		2019	2018	2019	2018
		\$'000	\$'000	\$'000	\$'000
<b>Other Financial Assets</b>					
<b>Current</b>					
Other financial asset at amortised cost	12(a)	124,750	131,000	124,750	131,000
Financial assets at fair value through the profit and loss	12(b)	-	2,683	-	2,683
		<u>124,750</u>	<u>133,683</u>	<u>124,750</u>	<u>133,683</u>
<b>Non-current</b>					
Financial assets at fair value through the profit and loss	12(b)	62,790	54,111	62,790	54,111
Financial assets at fair value through other comprehensive income	12(c)	46,142	30,437	48,833	32,183
		<u>108,932</u>	<u>84,548</u>	<u>111,623</u>	<u>86,294</u>
<b>Other Financial Liabilities</b>					
<b>Current</b>					
Financial liability at fair value through the profit and loss	12(d)	-	2,645	-	2,645
		<u>-</u>	<u>2,645</u>	<u>-</u>	<u>2,645</u>
<b>(a) Other financial asset at amortised cost</b>					
<b>Current - at market value</b>					
Term deposits (maturity greater than 90 days)		124,750	131,000	124,750	131,000
		<u>124,750</u>	<u>131,000</u>	<u>124,750</u>	<u>131,000</u>
<b>(b) Financial asset at fair value through the profit and loss</b>					
<b>Current - at market value</b>					
Derivative financial asset - QTC		-	2,683	-	2,683
		<u>-</u>	<u>2,683</u>	<u>-</u>	<u>2,683</u>
<b>Non-current - at market value</b>					
Listed securities - managed funds		62,790	54,111	62,790	54,111
		<u>62,790</u>	<u>54,111</u>	<u>62,790</u>	<u>54,111</u>
<b>(c) Financial assets at fair value through other comprehensive income comprise</b>					
<b>Non-current - at market value</b>					
Unlisted securities - shares		46,142	30,437	48,833	32,183
		<u>46,142</u>	<u>30,437</u>	<u>48,833</u>	<u>32,183</u>

Financial assets at fair value through the profit and loss comprise investments in units in managed funds. Financial assets at fair value through other comprehensive income comprise investments in the ordinary share capital of various entities. There are no fixed returns or fixed maturity dates attached to either of these investments.

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

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

	Consolidated		Parent Entity	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
(d) Financial liability at fair value through the profit and loss				
Current - at market value				
Derivative financial liability - QTC	-	2,645	-	2,645
	<u>-</u>	<u>2,645</u>	<u>-</u>	<u>2,645</u>
(e) Other Reserves - fair value movements in other financial assets (amounts recognised directly in equity)				
Balance at the beginning of the year	33,014	-	33,014	-
Reclassification on adoption of AASB 9	-	25,410	-	25,410
Gain/ (loss) on equity instruments at fair value through other comprehensive income	15,671	7,604	16,616	7,604
Balance at the end of the year	<u>48,685</u>	<u>33,014</u>	<u>49,630</u>	<u>33,014</u>

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

**Note 13: Property, Plant and Equipment**

**Accounting Policy**

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the Statement of Comprehensive Income.

On 6 December 2019, Queensland public universities were granted an exemption from complying with Queensland Treasury's asset policy – 'Non-Current Asset Policies for the Queensland Public Sector' (May 2018). The exemption applies for three reporting years, 31 December 2019, 31 December 2020 and 31 December 2021. Despite the exemption, the University has voluntarily elected to comply with the policy.

**Land, buildings and infrastructure assets**

Land, buildings and infrastructure assets are valued at fair value in accordance with the Queensland Treasury's asset policy – 'Non-Current Asset Policies for the Queensland Public Sector' (May 2018), 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.

**Library collections**

In accordance with the 'Non-Current Asset Policies for the Queensland Public Sector' (May 2018) collections are classified as a common use, reference or heritage (rare book) collection. Each collection type is subject to specific accounting treatments.

**Common use**

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

**Reference**

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

**Rare books**

Rare books are valued at fair value in accordance with Queensland Treasury's asset policy – 'Non-Current Asset Policies for the Queensland Public Sector' (May 2018). The asset recognition threshold is \$5,000.

**Note 13: Property, Plant and Equipment (cont'd)**

**Accounting Policy (cont'd)**

**Museums and art**

Museums and art are valued at fair value in accordance with Queensland Treasury's asset policy – 'Non-Current Asset Policies for the Queensland Public Sector' (May 2018). 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's asset policy – 'Non-Current Asset Policies for the Queensland Public Sector' (May 2018), by an external independent valuer and are included in the financial statements at the revalued amounts. Interim revaluations of assets valued at fair value are performed using relevant indices or other reliable measures.

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

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

**Depreciation of property, plant and equipment**

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

The depreciation rates used are:

	<b>2019</b>	<b>2018</b>
Buildings	1.03% to 19.40%	1.03% to 19.40%
Infrastructure	0.89% to 20.00%	0.89% to 20.00%
Leasehold improvement assets	4.00% to 50.00%	4.00% to 50.00%
Plant and equipment	2.50% to 33.33%	2.50% to 33.33%

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

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

**Impairment of Assets**

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

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**Note 13: Property, Plant and Equipment (cont'd)**

Consolidated	Land \$'000	Buildings \$'000	WIP \$'000	Plant and Equipment \$'000	Library Collections \$'000	Museums and Art \$'000	Leasehold Improvements \$'000	Infrastructure \$'000	Right of Use Assets \$'000	Total \$'000
<b>As at 1 January 2018</b>										
Cost	-	-	79,454	141,000	-	-	31,810	-	-	252,264
Fair value	38,243	1,095,246	-	-	1,037	1,312	-	187,271	-	1,323,109
Accumulated depreciation and impairment	-	(386,984)	-	(99,672)	-	-	(11,990)	(54,905)	-	(553,551)
<b>Net book amount</b>	<b>38,243</b>	<b>708,262</b>	<b>79,454</b>	<b>41,328</b>	<b>1,037</b>	<b>1,312</b>	<b>19,820</b>	<b>132,366</b>	<b>-</b>	<b>1,021,822</b>
<b>Year ended 31 December 2018</b>										
Opening net book amount	38,243	708,262	79,454	41,328	1,037	1,312	19,820	132,366	-	1,021,822
Additions/transfers (including from WIP)	950	71,095	(60,184)	5,051	-	176	1,458	6,504	-	25,050
Revaluation / impairment	(41)	9,017	-	-	397	10	-	(2,146)	-	7,237
Depreciation expense	-	(23,044)	-	(7,379)	-	-	(4,539)	(5,963)	-	(40,925)
Disposals	-	(835)	-	(101)	-	-	-	-	-	(936)
Effect of foreign currency translation	-	-	34	98	-	-	1,322	-	-	1,454
<b>Closing net book amount</b>	<b>39,152</b>	<b>764,495</b>	<b>19,304</b>	<b>38,997</b>	<b>1,434</b>	<b>1,498</b>	<b>18,061</b>	<b>130,761</b>	<b>-</b>	<b>1,013,702</b>
<b>As at 31 December 2018</b>										
Cost	-	-	19,304	142,984	-	-	34,590	-	-	196,878
Fair value	39,152	1,168,916	-	-	1,434	1,498	-	190,708	-	1,401,708
Accumulated depreciation and impairment	-	(404,421)	-	(103,987)	-	-	(16,529)	(59,947)	-	(584,884)
<b>Net book amount</b>	<b>39,152</b>	<b>764,495</b>	<b>19,304</b>	<b>38,997</b>	<b>1,434</b>	<b>1,498</b>	<b>18,061</b>	<b>130,761</b>	<b>-</b>	<b>1,013,702</b>
<b>Year ended 31 December 2019</b>										
Opening net book amount	39,152	764,495	19,304	38,997	1,434	1,498	18,061	130,761	-	1,013,702
Adoption of AASB 16	-	-	-	-	-	-	-	-	38,863	38,863
Additions/transfers (including from WIP)	-	5,442	21,039	6,496	98	295	3,821	1,518	2,183	40,892
Revaluation / impairment	(940)	1,668	-	-	-	(4)	-	2,109	-	2,833
Depreciation expense	-	(23,102)	-	(8,161)	-	-	(5,944)	(5,483)	(7,005)	(49,695)
Disposals	-	-	-	(443)	-	-	-	-	(186)	(629)
Reclassified as right-of-use asset	-	-	-	-	-	-	(561)	-	561	-
Effect of foreign currency translation	-	-	11	27	-	-	301	-	432	771
<b>Closing net book amount</b>	<b>38,212</b>	<b>748,503</b>	<b>40,354</b>	<b>36,916</b>	<b>1,532</b>	<b>1,789</b>	<b>15,678</b>	<b>128,905</b>	<b>34,848</b>	<b>1,046,737</b>
<b>As at 31 December 2019</b>										
Cost	-	-	40,354	149,064	-	-	28,372	-	-	217,790
Fair value	38,212	1,189,594	-	-	1,532	1,789	-	200,003	41,853	1,472,983
Accumulated depreciation and impairment	-	(441,091)	-	(112,148)	-	-	(12,694)	(71,098)	(7,005)	(644,036)
<b>Net book amount</b>	<b>38,212</b>	<b>748,503</b>	<b>40,354</b>	<b>36,916</b>	<b>1,532</b>	<b>1,789</b>	<b>15,678</b>	<b>128,905</b>	<b>34,848</b>	<b>1,046,737</b>

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**Note 13: Property, Plant and Equipment (cont'd)**

Parent Entity	Land \$'000	Buildings \$'000	WIP \$'000	Plant and Equipment \$'000	Library Collections \$'000	Museums and Art \$'000	Leasehold Improvements \$'000	Infrastructure \$'000	Right of Use Assets \$'000	Total \$'000
<b>As at 1 January 2018</b>										
Cost	-	-	79,340	92,579	-	-	8,578	-	-	180,497
Fair value	38,246	1,021,281	-	-	1,037	1,314	-	183,956	-	1,245,834
Accumulated depreciation and impairment	-	(357,541)	-	(55,943)	-	-	(3,171)	(53,364)	-	(470,019)
<b>Net book amount</b>	<b>38,246</b>	<b>663,740</b>	<b>79,340</b>	<b>36,636</b>	<b>1,037</b>	<b>1,314</b>	<b>5,407</b>	<b>130,592</b>	<b>-</b>	<b>956,312</b>
<b>Year ended 31 December 2018</b>										
Opening net book amount	38,246	663,740	79,340	36,636	1,037	1,314	5,407	130,592	-	956,312
Additions/transfers (including from WIP)	948	71,095	(61,067)	4,553	-	176	1,202	6,480	-	23,387
Revaluation / impairment	(41)	8,182	-	-	397	10	-	(2,146)	-	6,402
Depreciation expense	-	(22,051)	-	(6,808)	-	-	(1,227)	(5,888)	-	(35,974)
Disposals	-	(835)	-	(100)	-	-	-	-	-	(935)
<b>Closing net book amount</b>	<b>39,153</b>	<b>720,131</b>	<b>18,273</b>	<b>34,281</b>	<b>1,434</b>	<b>1,500</b>	<b>5,382</b>	<b>129,038</b>	<b>-</b>	<b>949,192</b>
<b>As at 31 December 2018</b>										
Cost	-	-	18,273	94,054	-	-	9,780	-	-	122,107
Fair value	39,153	1,122,003	-	-	1,434	1,500	-	188,726	-	1,352,816
Accumulated depreciation and impairment	-	(401,872)	-	(59,773)	-	-	(4,398)	(59,688)	-	(525,731)
<b>Net book amount</b>	<b>39,153</b>	<b>720,131</b>	<b>18,273</b>	<b>34,281</b>	<b>1,434</b>	<b>1,500</b>	<b>5,382</b>	<b>129,038</b>	<b>-</b>	<b>949,192</b>
<b>Year ended 31 December 2019</b>										
Opening net book amount	39,153	720,131	18,273	34,281	1,434	1,500	5,382	129,038	-	949,192
Adoption of AASB 16	-	-	-	-	-	-	-	-	16,444	16,444
Additions/transfers (including from WIP)	-	5,442	21,347	5,530	98	295	2,880	1,517	1,317	38,426
Revaluation / impairment	(940)	735	-	-	-	(4)	-	2,109	-	1,900
Depreciation expense	-	(22,089)	-	(7,423)	-	-	(2,353)	(5,407)	(1,994)	(39,266)
Disposals	-	-	-	(442)	-	-	-	-	(186)	(628)
Effect of foreign currency translation	-	-	-	-	-	-	-	-	-	-
<b>Closing net book amount</b>	<b>38,213</b>	<b>704,219</b>	<b>39,620</b>	<b>31,946</b>	<b>1,532</b>	<b>1,791</b>	<b>5,909</b>	<b>127,257</b>	<b>15,581</b>	<b>966,068</b>
<b>As at 31 December 2019</b>										
Cost	-	-	39,620	91,684	-	-	12,659	5,053	-	149,016
Fair value	38,213	1,141,735	-	-	1,532	1,791	-	187,818	23,394	1,394,483
Accumulated depreciation and impairment	-	(437,516)	-	(59,738)	-	-	(6,750)	(65,614)	(7,813)	(577,431)
<b>Net book amount</b>	<b>38,213</b>	<b>704,219</b>	<b>39,620</b>	<b>31,946</b>	<b>1,532</b>	<b>1,791</b>	<b>5,909</b>	<b>127,257</b>	<b>15,581</b>	<b>966,068</b>



**JAMES COOK UNIVERSITY**  
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**Note 13: Property, Plant and Equipment (cont'd)**

(a) Revaluation of non-current assets

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

<b>Asset Class</b>	<b>Full Revaluation Date</b>	<b>Full Valuation Basis</b>	<b>Interim Revaluation Date</b>	<b>Interim Valuation Basis</b>
Land	09.06.2017	Independent	19.07.2019	Independent
Buildings	09.06.2017	Independent	19.07.2019	Independent
Infrastructure	09.06.2017	Independent	19.07.2019	Independent
Museum and Art	22.06.2018	Independent	31.12.2019	Management
Library Collections (Rare Books)	22.06.2018	Independent	31.12.2019	Management

An independent valuation of land assets was performed by Australian Pacific Valuers Pty Ltd (APV) on 9 June 2017. The fair value was assessed primarily by the direct comparison method. APV has provided an opinion stating that there has been no material change in value between the valuation date of 9 June 2017 and the University's financial statement reporting date of 31 December 2017. A subsequent desktop valuation has been performed by APV on 19 July 2019 with an opinion stating that there has been no material change in value between the valuation date and the University's financial statement reporting date of 31 December 2019.

On 9 June 2017 independent valuations of buildings and infrastructure assets were performed by APV using fair value principles. For buildings which have a specialised nature and have limited comparable sales on a 'going concern' basis, the current replacement cost method has been used to determine fair value. The remaining buildings are primarily residential properties and have been valued using the direct comparison method. APV have provided an opinion stating that there has been no material change in value between the valuation date of 9 June 2017 and the University's financial statement reporting date of 31 December 2017. A subsequent desktop valuation has been performed by APV on 19 July 2019 with an opinion stating that there has been no material change in value between the valuation date and the University's financial statement reporting date of 31 December 2019.

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 22 June 2018 and the University's financial statement reporting date of 31 December 2018. A subsequent desktop valuation has been performed by Ross Searle on 31 December 2019.

The independent valuation of the museum collection was undertaken by Ross Searle, Ross Searle and Associates, Brisbane (approved valuer of the Commonwealth Government's Cultural Gifts program). 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. Ross Searle has provided an opinion stating that there has been no material change in value between the valuation date of 22 June 2018 and the University's financial statement reporting date of 31 December 2018. A subsequent desktop valuation has been performed by Ross Searle on 31 December 2019.

The library collections asset comprises of three rare book collections held at the University's library. 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 22 June 2018 and the University's financial statement reporting date of 31 December 2018. A subsequent desktop valuation has been performed by Simon Taaffe on 31 December 2019.

	<b>Consolidated</b>		<b>Parent Entity</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Balance at the beginning of the year	<b>463,240</b>	456,003	<b>454,042</b>	447,640
Revaluation adjustments:				
Land	<b>(940)</b>	(41)	<b>(940)</b>	(41)
Buildings	<b>1,668</b>	9,017	<b>735</b>	8,182
Library collections	-	397	-	397
Museums and Art	<b>(4)</b>	10	<b>(4)</b>	10
Infrastructure	<b>2,109</b>	(2,146)	<b>2,109</b>	(2,146)
Total increment to asset revaluation surplus	<b>2,833</b>	7,237	<b>1,900</b>	6,402
Balance at the end of the year	<b>466,073</b>	463,240	<b>455,942</b>	454,042

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**Note 13.1: Right-of-Use Assets**

Buildings	Consolidated	Parent Entity
	2019 \$'000	2019 \$'000
At 1 January 2019	38,696	16,444
Additions of right-of-use assets	1,584	1,317
Disposals of right-of use assets	(186)	(186)
Depreciation charge	(6,912)	(1,994)
Reclassified as right-of-use asset	561	-
Effect of foreign currency translation	429	-
<b>At 31 December 2019</b>	<b>34,172</b>	<b>15,581</b>

Plant and Equipment	Consolidated	Parent Entity
	2019 \$'000	2019 \$'000
At 1 January 2019	167	-
Additions of right-of-use assets	599	-
Depreciation charge	(93)	-
Effect of foreign currency translation	3	-
<b>At 31 December 2019</b>	<b>676</b>	<b>-</b>

**Accounting Policy**

**Policy applicable from 1 January 2019**

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

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

The group assesses whether:

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

**Accounting for leases – group as lessee**

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

**Right-of-use asset**

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

A right-of-use asset associated with land and buildings is subsequently measured at fair value. All other property, plant and equipment are measured as described in the accounting policy for property, plant and equipment in Note 13.

**JAMES COOK UNIVERSITY**  
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**Note 13.1: Right-of-Use Assets (cont'd)**

**Concessionary (peppercorn) leases**

Leased assets arising from significantly below market leases are measured at fair value at the inception of the lease whereas the lease liability is recognised at present value of peppercorn lease payment amounts. The difference between the right-of-use asset and lease liability is recorded as income in the income statement under AASB1058.

AASB 2018-8: Amendments to Australian Accounting Standards Right-of-Use Assets of Not-for-Profit Entities provides an option for Not-for-Profit entities to not apply the fair value initial measurement requirements to below-market leases. The Group has exercised this option and as a result the Group's below-market leases have not been measured at fair value and have not been recognised as a right-of-use asset on 1 January 2019.

**Dependencies on concessionary leases**

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

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

**Nature and term on the lease**

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

**Note 14: Trade and Other Payables**

**Accounting Policy**

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

	Consolidated		Parent Entity	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
<b>Current</b>				
Trade creditors	11,311	8,364	6,633	4,292
OS-HELP liability to Australian Government	1,041	918	1,041	918
Salary and related payables	1,961	1,589	1,613	1,358
Accrued expenses and other creditors	22,634	24,259	19,089	20,584
	<u>36,947</u>	<u>35,130</u>	<u>28,376</u>	<u>27,152</u>

**Note 15: Borrowings**

**Accounting Policy**

**Borrowings**

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

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

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

**Borrowing costs**

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

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

**JAMES COOK UNIVERSITY**  
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**Note 15: Borrowings (cont'd)**

	Consolidated		Parent Entity	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
<b>Current</b>				
Unsecured				
Interest bearing	9,089	10,988	9,089	8,634
Non-interest bearing	553	59	553	59
Lease liabilities	7,007	-	1,917	-
	<b>16,649</b>	<b>11,047</b>	<b>11,559</b>	<b>8,693</b>
<b>Non-current</b>				
Unsecured				
Interest bearing	81,370	90,459	81,370	90,459
Non-interest bearing	2,458	-	2,458	-
Lease liabilities	30,963	-	16,406	-
	<b>114,791</b>	<b>90,459</b>	<b>100,234</b>	<b>90,459</b>

The consolidated interest-bearing liabilities represent outstanding loans of \$90.459m with the Queensland Treasury Corporation (QTC) (Parent Entity). The payout value at 31 December 2019 of the QTC loans outstanding is \$102.719m (2018: \$106.611m).

Non-current assets pledged as security for these liabilities: \$Nil (2018: \$Nil)

	2019	2018	2019	2018
<b>Borrowings are payable:</b>				
- not later than one year	16,610	11,047	11,559	8,693
- later than one year and not later than five years	51,536	34,278	36,940	34,278
- later than five years	63,294	56,181	63,294	56,181
	<b>131,440</b>	<b>101,506</b>	<b>111,793</b>	<b>99,152</b>

The Group's long-term borrowings arising from financing activities had net cashflows of (\$14.507m) as disclosed on the Statement of Cash Flows and net non-cash changes of \$44.441m.

**Note 15.1: JCU as Lessee**

**Accounting Policy**

**Lease liabilities – JCU as Lessee**

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

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

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

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

Right-of-use assets are presented within property, plant and equipment in Note 13.1 and lease liabilities are presented as borrowings in Note 15.

**Short-term leases and leases of low-value assets**

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

**JAMES COOK UNIVERSITY**  
**Notes to the financial statements**  
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**Note 15.1: Note 15: JCU as Lessee (cont'd)**

Amounts recognised in the income statement	Consolidated	Parent Entity
	2019 \$'000	2019 \$'000
Interest on lease liabilities	1,569	586
Expenses relating to short-term leases	620	620
	<b>2,189</b>	<b>1,206</b>

Maturity analysis - undiscounted contractual cash flows	Consolidated	Parent Entity
	2019 \$'000	2019 \$'000
Less than one year	8,233	2,433
One to five years	24,469	9,154
More than five years	10,715	10,715
Total undiscounted contractual cash flows	<b>43,417</b>	<b>22,302</b>
Lease liabilities recognised in the statement of financial position	<b>37,970</b>	<b>18,323</b>
Current	7,007	1,917
Non-current	30,963	16,406

**Note 16: Employee Benefit Liability**

**Accounting Policy**

**Short-term employee benefits**

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

**Other long-term employee benefits**

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

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

**Retirement benefit obligations**

Employees of the 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.

	Consolidated		Parent Entity	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
<b>Current</b>				
Annual leave	19,829	21,761	19,617	21,538
Long service leave	25,945	25,310	25,705	25,102
	<b>45,774</b>	<b>47,071</b>	<b>45,322</b>	<b>46,640</b>
<b>Non-current</b>				
Long service leave	3,679	2,616	3,597	2,526
	<b>3,679</b>	<b>2,616</b>	<b>3,597</b>	<b>2,526</b>
	<b>49,453</b>	<b>49,687</b>	<b>48,919</b>	<b>49,166</b>

**Liability for employee benefits**

Current annual leave for the consolidated and parent entity expected to be settled wholly after more than 12 months is \$2.526 (2018: \$3.470m). Current long service leave for the consolidated and parent entity expected to be settled wholly after more than 12 months is \$22.108 (2018: \$22.757m).

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.

**JAMES COOK UNIVERSITY**  
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**Note 17: Other Liabilities**

	Consolidated		Parent Entity	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
<b>Current</b>				
Unearned revenue	-	25,867	-	15,286
Funds held in trust	<b>5,952</b>	<b>5,865</b>	<b>726</b>	<b>639</b>
	<b>5,952</b>	<b>31,732</b>	<b>726</b>	<b>15,925</b>
<b>Non-current</b>				
Provision	<b>1,001</b>	<b>981</b>	-	-
	<b>1,001</b>	<b>981</b>	-	-

**Note 18: Reserves and Retained Earnings**

	Consolidated		Parent Entity	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
<b>(a) Retained Earnings</b>				
Balance at the beginning of the year		629,779	<b>612,468</b>	604,853
Retrospective changes	<b>(69,869)</b>	-	<b>(69,230)</b>	-
Balance restated	<b>571,227</b>	629,779	<b>543,238</b>	604,853
Operating result attributable to the parent entity	<b>14,984</b>	11,317	<b>10,383</b>	7,615
Balance at the end of the year	<b>586,211</b>	<b>641,096</b>	<b>553,621</b>	<b>612,468</b>
<b>(b) Foreign currency translation reserve</b>				
Balance at the beginning of the year	<b>2,887</b>	1,282	-	-
Foreign currency exchange difference on translation	<b>440</b>	1,605	-	-
Balance at the end of the year	<b>3,327</b>	<b>2,887</b>	-	-

**Note 19: Commitments for Expenditure**

	Consolidated		Parent Entity	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
<b>Capital expenditure commitments</b>				
Contracted but not provided for and payable:				
- not later than one year	<b>23,749</b>	7,449	<b>17,488</b>	7,247
- later than one year and not later than five years	<b>1,048</b>	54	<b>1,048</b>	54
	<b>24,797</b>	<b>7,503</b>	<b>18,536</b>	<b>7,301</b>
<b>Operating lease commitments</b>				
Future operating lease rentals of property, plant and equipment not provided for and payable:				
- not later than one year	<b>755</b>	7,669	<b>755</b>	1,959
- later than one year and not later than five years	<b>1,834</b>	10,431	<b>1,834</b>	5,912
- later than five years	<b>2,170</b>	9,797	<b>2,170</b>	9,797
	<b>4,759</b>	<b>27,897</b>	<b>4,759</b>	<b>17,668</b>
<b>Other contractual commitments</b>				
Future contractual commitments not provided for and payable:				
- not later than one year	<b>20,675</b>	13,956	<b>20,675</b>	13,956
- later than one year and not later than five years	<b>17,905</b>	19,780	<b>17,905</b>	19,780
- later than five years	-	200	-	200
	<b>38,580</b>	<b>33,936</b>	<b>38,580</b>	<b>33,936</b>
<b>Total commitments for expenditure</b>	<b>68,136</b>	<b>69,336</b>	<b>61,875</b>	<b>58,905</b>

**JAMES COOK UNIVERSITY**  
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**Note 20: Contingencies**

**Contingent liability**

Ongoing proceedings in the Federal Court regarding unfair dismissal alleged by a former employee. Award of \$1.219m made at first hearing and pending appeal.

**Contingent asset**

During 2019, the University experienced two events which caused considerable damage and financial loss. Water damage as a consequence of a weather event and a fire to a building. The University lodged a progress claim with its insurers for property damage and consequential loss for \$4.002m which had not been settled at balance date. The University is still in negotiations with the insurers regarding the replacement of the building and the water damage.

As at 31 December 2019 there are no other known contingencies which are likely to materially affect the University's financial position.

**Note 21: Investment in Controlled Entities**

	Note	Reporting date	Country of incorporation	Class of shares	Holding * 2019 %	Holding * 2018 %
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
Tropical Futures Institute Ltd		31 Dec	Singapore	-	-	-
JCU Early Learning Centres Pty Ltd	(b)	31 Dec	Australia	Ordinary	100	100
JCU Health Pty Ltd	(c)	31 Dec	Australia	Ordinary	100	100
JCU Univet Pty Ltd	(d)	31 Dec	Australia	Ordinary	100	100
North Queensland Commercialisation Company Pty Ltd	(e)	31 Dec	Australia	Ordinary	100	100
JCU Asset Trust		31 Dec	-	-	-	-
JCU CPB Pty Ltd	(f)	31 Dec	Australia	Ordinary	100	100
CPB Trust		31 Dec	-	-	-	-
Tropical Queensland Centre for Oral Health Pty Ltd	(g)	31 Dec	Australia	Ordinary	100	100
JCU College Pty Ltd	(h)	31-Dec	Australia	Ordinary	100	100
Discover Sport Ltd	(i)	31-Dec	Australia	-	-	-

**Purpose & Principal Activity**

(a) JCU Enterprises Pty Ltd's purpose and principal activity is a holding company and holds all the shares in 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 Clinical Practice Building.

(g) Tropical Queensland Centre for Oral Health Pty Ltd's purpose and principal activity is the provision of oral health services and provides clinical education for students of the University.

(h) JCU College Pty Ltd's purpose and principle activity is the provision of the University's English for Academic Purposes Course.

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

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



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**Note 21: Investment in Controlled Entities (cont'd)**

**Directly Controlled Entities - 31 December 2019**

	Total Assets \$'000	Total Liabilities \$'000	Total Revenue \$'000	Operating Result \$'000
JCU Enterprises Pty Ltd	71,085	45,567	61,916	4,376
JCU Early Learning Centres Pty Ltd	1,582	303	2,421	(11)
JCU Health Pty Ltd	1,859	226	2,696	132
JCU Univet Pty Ltd	1,043	1,316	5,000	(760)
North Queensland Commercialisation Company Pty Ltd	-	-	-	-
JCU CPB Pty Ltd	-	-	-	-
Tropical Queensland Centre for Oral Health Pty Ltd	2,497	815	6,232	62
JCU College Pty Ltd	262	37	995	(133)
Discover Sport Ltd	-	-	-	-

**Directly Controlled Entities - 31 December 2018**

	Total Assets \$'000	Total Liabilities \$'000	Total Revenue \$'000	Operating Result \$'000
JCU Enterprises Pty Ltd	47,142	25,799	50,100	868
JCU Early Learning Centres Pty Ltd	1,540	250	2,375	175
JCU Health Pty Ltd	1,774	273	2,798	104
JCU Univet Pty Ltd	1,767	1,280	6,864	1,891
North Queensland Commercialisation Company Pty Ltd	-	-	-	-
JCU CPB Pty Ltd	-	-	-	-
Tropical Queensland Centre for Oral Health Pty Ltd	2,293	674	6,273	347
JCU College Pty Ltd	381	23	1,243	326

**Indirectly Controlled Entities**

	Note	Holding * 2019 %	Holding * 2018 %
James Cook Holdings Pte Ltd	(i)	100	100
James Cook University Pte Ltd		100	100
Tropical Futures Institute Ltd	(ii)	-	-
JCU Asset Trust		-	-
CPB Trust		-	-

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

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

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

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**Note 22: Jointly Controlled Operations and Assets**

**Accounting Policy**

**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.

**(a) AIMS@JCU**

On 17 June 2004, James Cook University entered into an unincorporated joint venture agreement (AIMS@JCU) with the Australian Institute of Marine Science (AIMS). The principal activity of the joint venture is to facilitate collaboration between the University and AIMS. 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.

	Parent Entity	
	2019	2018
	\$'000	\$'000
<b>Financial Performance</b>		
Income	149	145
Expenses	(132)	(180)
<b>Profit / (loss)</b>	<b>17</b>	<b>(35)</b>

**(b) Tropical Landscapes Joint Venture (TLJV)**

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

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.

	Parent Entity	
	2019	2018
	\$'000	\$'000
<b>Financial Performance</b>		
Income	-	-
Expenses	(157)	(126)
<b>Profit / (loss)</b>	<b>(157)</b>	<b>(126)</b>
<b>Share of jointly controlled entity profit / (loss)</b>	<b>(79)</b>	<b>(63)</b>
<b>Financial Position</b>		
Accumulated funds	542	699
<b>Share of jointly controlled entity net assets</b>	<b>271</b>	<b>350</b>

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**Note 23: Related Party Transactions**

(a) **Parent entity**

The ultimate parent entity is James Cook University.

(b) **Subsidiaries**

Interest in subsidiaries is set out in Note 21.

(c) **Key management personnel**

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

(d) **Transactions with related parties**

The following transactions occurred with related parties:

	Parent Entity	
	2019	2018
	\$'000	\$'000
<b>Revenue</b>		
Interest received from subsidiaries	1,149	1,209
Royalties received from subsidiaries	6,141	4,749
Fees and charges received from subsidiaries	1,718	1,946
Rental received from subsidiaries	427	415
<b>Expenses</b>		
Grants, contributions to subsidiary	4,465	4,655
Fees paid to subsidiaries for seconded staff	2,678	2,577

(e) **Outstanding balances arising from transactions with related parties**

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

	Parent Entity	
	2019	2018
	\$'000	\$'000
Current receivables - subsidiaries	4,667	6,142
Current payables - subsidiaries	1	-

An allowance for expected credit losses of \$0.945m has been recognised in respect of bad or doubtful debts due from related parties in the current year (2018: \$1.959m).

(f) **Loans to / from related parties**

	Parent Entity	
	2019	2018
	\$'000	\$'000
<b>Loans to subsidiaries</b>		
Balance at the beginning of the year	25,493	25,813
Loan advanced	-	2,568
Loan repayments received	(1,274)	(1,214)
Allowance for expected credit losses	(945)	(1,674)
Interest charged	1,149	1,209
Interest received	(1,149)	(1,209)
<b>Balance at the end of the year</b>	<b>23,274</b>	<b>25,493</b>

Loans to other related parties - \$Nil (2018: \$Nil)

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**Note 24: 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 25, 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 2019	Average Interest %	Variable interest rate \$'000	Less than 1 year \$'000	1 to 5 years \$'000	5+ years \$'000	Non- interest \$'000	Total \$'000
<b>Financial Assets</b>							
Cash	2.45%	50,752	28,957	-	-	-	79,709
Receivables	-	-	-	-	-	32,127	32,127
Other financial assets							
Other financial asset at amortised cost	2.45%	-	124,750	-	-	-	124,750
Financial assets at fair value through the profit and loss	-	-	-	-	-	62,790	62,790
Financial assets at fair value through other comprehensive income	-	-	-	-	-	46,142	46,142
		<u>50,752</u>	<u>153,707</u>	<u>-</u>	<u>-</u>	<u>141,059</u>	<u>345,518</u>
<b>Financial Liabilities</b>							
Payables	-	-	-	-	-	36,947	36,947
Borrowings	4.51%	-	16,610	51,536	63,294	-	131,440
		<u>-</u>	<u>16,610</u>	<u>51,536</u>	<u>63,294</u>	<u>36,947</u>	<u>168,387</u>
<b>31 December 2018</b>							
	Average Interest %	Variable interest rate \$'000	Less than 1 year \$'000	1 to 5 years \$'000	5+ years \$'000	Non- interest \$'000	Total \$'000
<b>Financial Assets</b>							
Cash	2.52%	45,580	37,168	-	-	-	82,748
Receivables	-	-	-	-	-	34,498	34,498
Other financial assets							
Other financial asset at amortised cost	2.52%	-	131,000	-	-	-	131,000
Financial assets at fair value through the profit and loss	-	-	-	-	-	56,794	56,794
Financial assets at fair value through other comprehensive income	-	-	-	-	-	30,437	30,437
		<u>45,580</u>	<u>168,168</u>	<u>-</u>	<u>-</u>	<u>121,729</u>	<u>335,477</u>
<b>Financial Liabilities</b>							
Payables	-	-	-	-	-	35,130	35,130
Borrowings	4.57%	-	11,047	34,278	56,181	-	101,506
Other financial liabilities	-	-	-	-	-	2,645	2,645
		<u>-</u>	<u>11,047</u>	<u>34,278</u>	<u>56,181</u>	<u>37,775</u>	<u>139,281</u>

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

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**Note 24: Financial Risk Management (cont'd)**

(c) **Market risk**

**(i) Foreign exchange risk**

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

As at 31 December 2019, the translation adjustment of the foreign subsidiary's net assets to the Parent Entity's functional currency amounted to \$0.440m (2018: \$1.605m). The Group does not hedge foreign currency denominated shareholders' equity as the foreign exchange movements are immaterial.

Foreign exchange exposures relating to receipts from other organisations and purchases from foreign suppliers are predominantly immaterial and are usually transacted at the exchange rates prevailing at the date of the transaction. To minimise risk for any relatively material payments, the University has entered into a hedging agreement with Queensland Treasury Corporation. For significant purchases the University maintains foreign currency accounts to mitigate exchange fluctuation risk.

*Derivatives and hedging activities*

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

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

**(i) Cash flow hedge**

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

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

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

**(ii) Derivatives that do not qualify for hedge accounting**

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in the income statement and are included in other income or other expenses. The Group completed its derivative contracts during 2019.

**(ii) Interest rate risk**

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

*Interest-bearing assets*

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

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

*Long-term borrowings*

Interest rate risk is managed with a mixture of fixed and floating rate debt. Floating rate debt is primarily used as it allows the flexibility of excess liquidity to be used to reduce interest-bearing debt. The Parent Entity has fixed rate interest-bearing borrowings obtained from Queensland Treasury Corporation, which provides cost-effective financing, independent external advice and management of debt pools.

**(iii) Interest rate sensitivity analysis**

Interest rate sensitivity analysis evaluates the outcome on operating result or equity if interest rates would change by +/- 1 per cent from the year end rates applicable to the University's financial assets and liabilities. With all other variables held constant, the University would have a surplus and equity increase / (decrease) of \$1.534m (2018: \$4.275m).

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**Note 25: Fair Value Measurements**

**Accounting Policy**

**Fair value of assets and liabilities**

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

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

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

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

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

The fair value of liabilities and the 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.

**(a) Fair value measurements**

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

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

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

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

	Carrying Amount		Fair Value	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
<b>Financial Assets</b>				
Cash	79,709	82,748	79,709	82,748
Receivables	32,127	34,498	32,127	34,498
Other financial assets				
Other financial asset at amortised cost	124,750	131,000	124,750	131,000
Financial assets at fair value through the profit and loss	62,790	56,794	62,790	56,794
Financial assets at fair value through other comprehensive income	46,142	30,437	46,142	30,437
	<b>345,518</b>	<b>335,477</b>	<b>345,518</b>	<b>335,477</b>
<b>Financial Liabilities</b>				
Payables	36,947	35,130	36,947	35,130
Other financial liabilities	-	2,645	-	2,645
	<b>36,947</b>	<b>37,775</b>	<b>36,947</b>	<b>37,775</b>

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

**Note 25: 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 asset at amortised cost
- Financial assets at fair value through the profit and loss
- Financial assets at fair value through other comprehensive income
- Land, buildings and infrastructure
- Library collections
- Museums and art

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

**(b) Fair value hierarchy**

AASB 13 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.

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**Note 25: 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 2019			
		2019 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
<b>Recurring fair value measurements</b>					
<i>Financial assets</i>					
Other financial asset at amortised cost	12	124,750	124,750	-	-
Financial assets at fair value through the profit and loss	12	62,790	62,790	-	-
Financial assets at fair value through other comprehensive income					
Unlisted shares	12	46,142	-	-	46,142
<b>Total financial assets recognised at fair value</b>		<b>233,682</b>	<b>187,540</b>	<b>-</b>	<b>46,142</b>
<i>Non-financial assets</i>					
Land	13	38,212	-	4,818	33,394
Buildings	13	748,503	-	3,421	745,082
Infrastructure	13	128,905	-	-	128,905
Library collections	13	1,532	-	-	1,532
Museums and art	13	1,789	-	-	1,789
<b>Total non-financial assets recognised at fair value</b>		<b>918,941</b>	<b>-</b>	<b>8,239</b>	<b>910,702</b>

	Note	31 December 2018			
		2018 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
<b>Recurring fair value measurements</b>					
<i>Financial assets</i>					
Other financial asset at amortised cost	12	131,000	131,000	-	-
Financial assets at fair value through the profit and loss	12	56,794	56,794	-	-
Financial assets at fair value through other comprehensive income					
Unlisted shares	12	30,437	-	-	30,437
<b>Total financial assets recognised at fair value</b>		<b>218,231</b>	<b>187,794</b>	<b>-</b>	<b>30,437</b>
<i>Non-financial assets</i>					
Land	13	39,152	-	4,818	34,334
Buildings	13	764,495	-	3,416	761,079
Infrastructure	13	130,761	-	-	130,761
Library collections	13	1,434	-	-	1,434
Museums and art	13	1,498	-	-	1,498
<b>Total non-financial assets recognised at fair value</b>		<b>937,340</b>	<b>-</b>	<b>8,234</b>	<b>929,106</b>

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

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 (2018: no transfers). For transfers in and out of level 3 measurements see (d) below.



**Note 25: 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 (e.g. property size). The most significant input into this valuation approach is price per square metre.

Land types that are commonly traded in the property market have been considered to have level 2 inputs. Due to the characteristics of the University's land assets on both the Townsville and Cairns campuses, level 3 valuation inputs have been assigned.

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

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

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

***Library collections***

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

***Museums and art***

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

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

**JAMES COOK UNIVERSITY**  
**Notes to the financial statements**  
for the year ended 31 December 2019

**Note 25: 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 2019 and 2018:

	Unlisted Shares \$'000	Land \$'000	Buildings \$'000	Infrastructure \$'000	Library Collections \$'000	Museums and Art \$'000	Total \$'000
<b>Level 3 Fair Value Measurements 2019</b>							
Opening balance	30,437	34,334	761,079	130,761	1,434	1,498	959,543
Additions/transfers (including from WIP)	35	-	5,442	1,518	98	295	7,388
Depreciation	-	-	(23,102)	(5,483)	-	-	(28,585)
Recognised in other comprehensive income	15,670	(940)	1,668	2,109	-	(4)	18,503
<b>Closing balance</b>	<b>46,142</b>	<b>33,394</b>	<b>745,087</b>	<b>128,905</b>	<b>1,532</b>	<b>1,789</b>	<b>956,849</b>

	Unlisted Shares \$'000	Land \$'000	Buildings \$'000	Infrastructure \$'000	Library Collections \$'000	Museums and Art \$'000	Total \$'000
<b>Level 3 Fair Value Measurements 2018</b>							
Opening balance	16,361	33,396	704,834	132,366	1,037	1,312	889,306
Additions/transfers (including from WIP)	972	940	71,095	6,504	-	176	79,687
Disposals	(51)	-	(835)	-	-	-	(886)
Depreciation	-	-	(22,972)	(5,963)	-	-	(28,935)
Recognised in other comprehensive income	13,155	(2)	8,957	(2,146)	397	10	20,371
<b>Closing balance</b>	<b>30,437</b>	<b>34,334</b>	<b>761,079</b>	<b>130,761</b>	<b>1,434</b>	<b>1,498</b>	<b>959,543</b>

**(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 (c) above for the valuation techniques adopted.

Description	Fair value at 31 Dec 2019 \$'000	Unobservable inputs	Range of inputs (probability weighted average)		Relationship of unobservable inputs to fair value	
			Lower	Upper	Lower	Upper
Land	33,394	Price per square metre	-2.50%	2.50%	(835)	835
Buildings	745,082	Relationship between asset consumption rating scale and the level of consumed service potential.	-2.50%	2.50%	(18,627)	18,627
Infrastructure	128,905	Relationship between asset consumption rating scale and the level of consumed service potential.	-2.50%	2.50%	(3,223)	3,223

**JAMES COOK UNIVERSITY**  
**Notes to the financial statements**  
for the year ended 31 December 2019

**Note 25: Fair Value Measurements (cont'd)**

Usage of alternative values (higher or lower) that are reasonable in the circumstances as at revaluation date would not result in material changes in the reported fair value. Whilst there is some minor correlation between costs to bring to standard and condition rating, either measure in isolation does not materially affect the other. There were no significant inter-relationships between unobservable inputs that materially 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, Services and Resources. 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 13(a).

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

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

**Note 26: Events Occurring After the Balance Sheet Date**

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

**JAMES COOK UNIVERSITY**  
**Notes to the financial statements**  
for the year ended 31 December 2019

**Note 27: Reconciliation of Net Cash Inflow from Operating Activities to Operating Result**

	Consolidated		Parent Entity	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
<b>Net result for the period</b>	<b>14,984</b>	11,317	<b>10,383</b>	7,615
<b>Non-cash items</b>				
Depreciation and amortisation	<b>50,534</b>	41,899	<b>40,072</b>	36,893
Work in Progress adjustment	<b>409</b>	952	<b>409</b>	952
Net (gain) / loss on sale of property, plant and equipment	<b>(44)</b>	563	<b>(44)</b>	563
Net (gain) / loss on disposal of investments	<b>38</b>	(38)	<b>38</b>	-
Unrealised foreign currency (gain) / loss	<b>272</b>	(88)	<b>272</b>	(126)
Debt forgiveness	-	(2,058)	-	-
Write off of financial asset	-	51	-	51
Gain/(loss) of financial asset through profit and loss	<b>(6,610)</b>	5,025	<b>(6,610)</b>	5,025
Loss on revaluation of investment in associate	-	12	-	-
<b>Changes in assets and liabilities associated with operating activities</b>				
Decrease / (Increase) in receivables	<b>3,391</b>	(12,151)	<b>3,045</b>	(11,789)
Decrease / (Increase) in inventories	<b>(5)</b>	(20)	-	-
Decrease / (Increase) in other assets	<b>(8,046)</b>	1,057	<b>(6,422)</b>	1,504
Increase / (Decrease) in creditors	<b>1,462</b>	(5,897)	<b>1,212</b>	(9,985)
Increase / (Decrease) in tax liability	<b>679</b>	1,021	-	-
Increase / (Decrease) in other liabilities	<b>(9,988)</b>	5,622	<b>(11,331)</b>	3,353
Increase / (Decrease) in employee benefits liability	<b>(300)</b>	(1,181)	<b>(256)</b>	(1,238)
<b>Net cash inflow from operating activities</b>	<b>46,776</b>	46,086	<b>30,768</b>	32,818

**JAMES COOK UNIVERSITY**  
**Notes to the financial statements**  
for the year ended 31 December 2019

**Note 28: Acquittal of Australian Government Financial Assistance**

Education - CGS and Other Education Grants	Commonwealth Grants Scheme		Indigenous Student Success		Disability Support Program		Access and Participation Program		National Priorities Pool		Promo of Exc in Learning and Teaching		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in cash during the reporting period	<b>142,188</b>	144,235	<b>2,808</b>	3,291	<b>44</b>	49	<b>3,308</b>	3,372	-	-	-	-	<b>148,348</b>	150,947
Net accrual adjustment	<b>(235)</b>	(127)	-	-	-	-	-	-	-	-	-	-	<b>(235)</b>	(127)
Revenue for the period	<b>141,953</b>	144,108	<b>2,808</b>	3,291	<b>44</b>	49	<b>3,308</b>	3,372	-	-	-	-	<b>148,113</b>	150,820
Surplus / (deficit) from the previous year	-	-	-	-	-	-	-	-	-	11	<b>59</b>	81	<b>59</b>	92
Total revenue including accrued revenue	<b>141,953</b>	144,108	<b>2,808</b>	3,291	<b>44</b>	49	<b>3,308</b>	3,372	-	11	<b>59</b>	81	<b>148,172</b>	150,912
Less expenses including accrued expenses	<b>(141,953)</b>	(144,108)	<b>(2,808)</b>	(3,291)	<b>(44)</b>	(49)	<b>(3,308)</b>	(3,372)	-	(11)	<b>(32)</b>	(22)	<b>(148,145)</b>	(150,853)
Surplus / (deficit) for reporting period	-	-	-	-	-	-	-	-	-	-	<b>27</b>	59	<b>27</b>	59

Higher Education Loan Programs (excl OS-HELP)	HECS-HELP Australian Gov't Payments Only		FEE- HELP		SA-HELP		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash payable / (receivable) at beginning of year	<b>(219)</b>	419	<b>(23)</b>	(312)	<b>41</b>	25	<b>(201)</b>	132
Financial assistance received in cash during the reporting period	<b>70,251</b>	73,001	<b>12,053</b>	7,006	<b>1,920</b>	2,233	<b>84,224</b>	82,240
Cash available for period	<b>70,032</b>	73,420	<b>12,030</b>	6,694	<b>1,961</b>	2,258	<b>84,023</b>	82,372
Revenue earned	<b>(70,642)</b>	(73,639)	<b>(10,307)</b>	(6,717)	<b>(1,958)</b>	(2,217)	<b>(82,907)</b>	(82,573)
Surplus / (deficit) for reporting period	<b>(610)</b>	(219)	<b>1,723</b>	(23)	<b>3</b>	41	<b>1,116</b>	(201)

**JAMES COOK UNIVERSITY**  
**Notes to the financial statements**  
for the year ended 31 December 2019

**Note 28: Acquittal of Australian Government Financial Assistance (cont'd)**

Department of Education and Training Research	Research Training Program		Research Support Program		Joint Research Engagement Base		Total	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Financial assistance received in cash during the reporting period	14,278	14,438	11,827	12,455	-	13	26,105	26,906
Net accrual adjustment	-	-	-	-	-	-	-	-
Revenue for the period	14,278	14,438	11,827	12,455	-	13	26,105	26,906
Surplus / (deficit) from the previous year	-	-	-	-	-	-	-	-
Total revenue including accrued revenue	14,278	14,438	11,827	12,455	-	13	26,105	26,906
Less expenses including accrued expenses	(14,278)	(14,438)	(11,827)	(12,455)	-	(13)	(26,105)	(26,906)
Surplus / (deficit) for reporting period	-	-	-	-	-	-	-	-

Total Higher Education Provider Research Training Program Expenditure	Total Domestic Students \$'000	Total Overseas Students \$'000
Research Training Program Fee Offsets	8,388	1,401
Research Training Program Stipends	4,462	-
Research Training Program Allowances	-	27
Total for all types of support	12,850	1,428

Australian Research Council Grants (a) Discovery	Projects		Future Fellowships		Indigenous Researchers Development		Laureate Fellowship		Early Career Researcher Award		Total	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Financial assistance received in cash during the reporting period	1,175	911	341	442	129	-	555	526	402	506	2,602	2,385
Transfers / return of grant	-	(18)	(167)	(23)	-	-	(8)	-	28	50	(147)	9
Net accrual adjustment	(284)	-	87	-	68	-	150	-	5	-	26	-
Revenue for the period	891	893	261	419	197	-	697	526	435	556	2,481	2,394
Surplus / (deficit) from the previous year	740	801	344	263	-	100	510	985	206	50	1,800	2,199
Total revenue including accrued revenue	1,631	1,694	605	682	197	100	1,207	1,511	641	606	4,281	4,593
Less expenses including accrued expenses	(800)	(954)	(348)	(338)	(232)	(100)	(847)	(1,001)	(429)	(400)	(2,656)	(2,793)
Surplus / (deficit) for reporting period	831	740	257	344	(35)	-	360	510	212	206	1,625	1,800

**JAMES COOK UNIVERSITY**  
**Notes to the financial statements**  
for the year ended 31 December 2019

**Note 28: Acquittal of Australian Government Financial Assistance (cont'd)**

Australian Research Council Grants (b) Linkages	Infrastructure		Projects		Industrial Transformation Research Hubs		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in cash during the reporting period	-	358	154	342	-	538	154	1,238
Transfers / return of grant	-	-	-	-	-	-	-	-
Net accrual adjustment	-	-	(3)	-	609	-	606	-
Revenue for the period	-	358	151	342	609	538	760	1,238
Surplus / (deficit) from the previous year	-	-	223	476	1,012	1,823	1,235	2,299
Total revenue including accrued revenue	-	358	374	818	1,621	2,361	1,995	3,537
Less expenses including accrued expenses	-	(358)	(197)	(595)	(1,427)	(1,349)	(1,624)	(2,302)
Surplus / (deficit) for reporting period	-	-	177	223	194	1,012	371	1,235

Australian Research Council Grants (c) Networks and Centres	Centres		Special Research Initiatives		Total	
	2019	2018	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in cash during the reporting period	4,478	4,395	-	-	4,478	4,395
Transfers / return of grant	-	-	-	-	-	-
Net accrual adjustment	(295)	-	3,262	-	2,967	-
Revenue for the period	4,183	4,395	3,262	-	7,445	4,395
Surplus / (deficit) from the previous year	3,800	4,004	7,978	11,728	11,778	15,732
Total revenue including accrued revenue	7,983	8,399	11,240	11,728	19,223	20,127
Less expenses including accrued expenses	(4,867)	(4,599)	(6,568)	(3,750)	(11,435)	(8,349)
Surplus / (deficit) for reporting period	3,116	3,800	4,672	7,978	7,788	11,778

**JAMES COOK UNIVERSITY**  
**Notes to the financial statements**  
for the year ended 31 December 2019

**Note 28: Acquittal of Australian Government Financial Assistance (cont'd)**

OS-Help

	2019 \$'000	2018 \$'000
Cash received during the reporting period	2,216	2,421
Cash spent during the reporting period	<u>(2,093)</u>	<u>(2,436)</u>
Net cash received	123	(15)
Cash surplus / (deficit) from the previous period	917	932
Cash surplus / (deficit) for the reporting period	<u>1,040</u>	<u>917</u>

Student Services and Amenities Fee

	2019 \$'000	2018 \$'000
Unspent / (overspent) revenue from previous period	651	577
SA-HELP revenue earned	1,958	2,217
Student Services Fees direct from students	1,875	1,632
Total revenue expendable in period	<u>4,484</u>	<u>4,426</u>
Student Services expenses in period	3,593	3,775
Unspent / (overspent) Student Services revenue	<u>891</u>	<u>651</u>

**Note 29: Disaggregated Information**

	Revenue		Results		Assets	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
<b>Geographical - Consolidated Entity</b>						
Australia	507,974	502,632	10,609	10,450	1,346,766	1,316,688
Singapore	61,915	50,099	4,375	867	71,086	47,141
	<u>569,889</u>	<u>552,731</u>	<u>14,984</u>	<u>11,317</u>	<u>1,417,852</u>	<u>1,363,829</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 2019 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

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We have prepared the annual financial statements pursuant to the provisions of the *Financial Accountability Act 2009* (Qld), the *Financial and Performance Management Standard 2019* (Qld) and other prescribed requirements and we certify that -

- (a) the financial statements and consolidated financial statements are in agreement with the accounts and records of James Cook University and its controlled entities;
- (b) in our opinion –
  - (i) the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects;
  - (ii) the financial statements have been drawn up to present a true and fair view of the transactions of James Cook University and controlled entities for the period 1 January 2019 to 31 December 2019, and the financial position as at 31 December 2019 in accordance with prescribed accounting standards and conform with the Financial Statement Guidelines for Australian Higher Education Providers for the 2019 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;
  - (vi) James Cook University charged Student Services and Amenities Fees strictly in accordance with the *Higher Education Support Act 2003* (Cth) and the Administration Guidelines made under the Act. Revenue from the fee was spent strictly in accordance with the Act and only on services and amenities specified in subsection 19-38(4) of the Act.

W.T.R. Tweddell  
Chancellor

Date 24 February, 2020

S.L. Harding  
Vice Chancellor

Date 24 February, 2020

P.C. Brand  
Deputy Vice Chancellor  
Services and Resources

Date 24 February, 2020

## **Independent Auditor's Report**

The following pages contain the Independent Auditor's Report

## INDEPENDENT AUDITOR'S REPORT

To the Council of James Cook University

### Report on the audit of the financial report

#### Opinion

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

In my opinion, the financial report:

- a) gives a true and fair view of the parent's and group's financial position as at 31 December 2019, and their financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019, the *Australian Charities and Not-for-profits Commission Act 2012*, the Australian Charities and Not-for-profits Commission Regulation 2013 and Australian Accounting Standards.

The financial report comprises the statements of financial position as at 31 December 2019, the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the management certificate given by the Chancellor, Vice Chancellor and Deputy Vice Chancellor, Services and Resources.

#### Basis for opinion

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

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

#### Key audit matters

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

Valuation of specialised buildings (\$748.503 million) valuation – Note 13

Key audit matter	How my audit procedures addressed this key audit matter
<p>Specialised buildings were material to James Cook University at balance date and were measured at fair value using the current replacement cost method. The University performs comprehensive revaluation of all of its buildings every five years, or whenever a material variation is expected to have occurred, with desktop valuations conducted in the intervening period. A comprehensive valuation was conducted in 2017 and a desktop valuation undertaken for 2018 and 2019.</p> <p>The current replacement cost method comprises:</p> <ul style="list-style-type: none"> <li>• Gross replacement cost, less</li> <li>• Accumulated depreciation</li> </ul> <p>The University derived the gross replacement cost of its buildings at balance date through using unit prices that required significant judgements for:</p> <ul style="list-style-type: none"> <li>• identifying the components of buildings with separately identifiable replacement costs</li> <li>• developing a unit rate for each of these components, including: <ul style="list-style-type: none"> <li>– estimating the current cost for a modern substitute (including locality factors and on-costs), expressed as a rate per unit (e.g. \$/square metre)</li> <li>– identifying whether the existing building contains obsolescence or less utility compared to the modern substitute, and if so, estimating the adjustment to the unit rate required to reflect this difference</li> <li>– indexing unit rates for subsequent increases in input costs</li> </ul> </li> </ul> <p>The measurement of accumulated depreciation involved significant judgements for forecasting the remaining useful lives of building components.</p> <p>The significant judgements required for gross replacement cost and useful lives are also significant for calculating annual depreciation expense.</p>	<p>My audit procedures included, but were not limited to:</p> <p>For the entire specialised buildings class (where indexation was applied):</p> <ul style="list-style-type: none"> <li>• evaluating the reasonableness of the indices used against other publicly available information about movements in values for replacement costs of similar assets.</li> <li>• assessing the ongoing reasonableness of the buildings' useful lives by – <ul style="list-style-type: none"> <li>– reviewing management's annual assessment of useful lives.</li> <li>– assessing the appropriateness of useful lives where assets were disposed of prior to the end of their useful life.</li> <li>– reviewing assets with an inconsistent relationship between condition and remaining life.</li> </ul> </li> <li>• performing reasonableness tests to confirm depreciation is calculated in accordance with the University's accounting policies and industry standards.</li> </ul>

*Implementation of AASB15 Revenue from Contracts with Customers and AASB1058 Income of Not-for-Profit Entities – Note 1*

Key audit matter	How my audit procedures addressed this key audit matter
<p>The University adopted a new accounting policy for revenue during the year due to the introduction of AASB 15 <i>Revenue from Contracts with Customers</i> and AASB 1058 <i>Income of Not-for-Profit Entities</i>.</p> <p>In implementing the new accounting requirements, significant judgement was required to determine, on a case by case basis, whether research contracts create obligations for the University to deliver sufficiently specific outputs to external parties. This included whether clauses existed in the research contracts that provided access to research data and/or intellectual property (being the key performance obligations identified by the University), and the timing of this access.</p> <p>The accounting treatment differs depending on this judgement. For contracts that create such obligations, revenue received in advance is initially recognised as a liability (revenue received in advance) and subsequently transferred to revenue as or when the University fulfils the obligations, which is potentially in a future financial year. Otherwise, revenue received in advance is recognised immediately as revenue in the year of receipt.</p>	<p>My procedures included, but were not limited to:</p> <ul style="list-style-type: none"> <li>• evaluating management's assessment of the impact of the new standards for consistency with our understanding of the University's common research contracts and the requirements of the standards.</li> <li>• for a sample of research contracts, assessing whether cash received was correctly recognised as either revenue or contract liabilities. In particular: <ul style="list-style-type: none"> <li>– whether the key terms of the sampled contracts relate to research activities</li> <li>– whether the research activities in these contracts were sufficiently specific for recognition under AASB 15</li> <li>– whether these contracts included clauses relating to access to research data and/or intellectual property, and the timing of this access.</li> </ul> </li> <li>• evaluating the adequacy of disclosures made in line with AASB 15 and AASB 1058.</li> </ul>

#### Other information

Other information comprises the information included in James Cook University's annual report for the year ended 31 December 2019 but does not include the financial report and my auditor's report thereon.

Those charged with governance are responsible for the other information.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information approved by the Council and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

### **Responsibilities of the entity for the financial report**

The Council is responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019, the *Australian Charities and Not-for-profits Commission Act 2012*, the Australian Charities and Not-for-profits Commission Regulation 2013 and Australian Accounting Standards, and for such internal control as the Council determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the financial report**

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

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 expressing an opinion on the effectiveness of the parent's and group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the group.
- Conclude on the appropriateness of the parent's and group'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 parent's or group'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. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the parent or group 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the audit of the group. I remain solely responsible for my audit opinion.

I communicate with the Council 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.

From the matters communicated with the Council, I determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on other legal and regulatory requirements**

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 31 December 2019:

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

*M Reardon*

27 February 2020

Michelle Reardon  
as delegate of the Auditor-General

Queensland Audit Office  
Brisbane



## **Financial information for the year ended**

The following pages contain the underlying operating results

**UNDERLYING OPERATING RESULTS**

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

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

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

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

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

**(a) 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 2017 reveal that the expenditure during the reporting period is matching revenue received in prior periods.

	Parent Entity \$'000	
	2019	2018
Unspent committed research grant funds	-	(12,586)

**(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			
	2019 \$'000	2019 \$'000	2018 \$'000	2018 \$'000
	Income	Expenditure	Income	Expenditure
<b>Australian Government Capital Grants</b>				
Australian Research Council	-	48	-	81
Queensland Treasury	4,579	4	10,000	24
Dept. of Infrastructure, Regional Development & Cities	4,579	4	10,000	
Dept. of Health and Ageing	1,733	59	-	-
	<u>10,891</u>	<u>115</u>	<u>20,000</u>	<u>105</u>
<b>Other Australian and State Government Capital Grants</b>				
Dept. of Science, Information Technology and Innovation	-	9	792	186
	-	9	792	186
<b>Other</b>				
Sandran Pty Ltd - Cairns City Campus	-	-	41	63
	-	-	41	63
	<u>10,891</u>	<u>124</u>	<u>20,833</u>	<u>354</u>
Capital grant income less expenses (net)		<u>10,767</u>		<u>20,479</u>

FINANCIAL INFORMATION  
FOR THE YEAR ENDED 31 DECEMBER 2019

UNDERLYING OPERATING RESULTS (cont'd)

(c) Non Recurring Employee Expenditure

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

	Parent Entity \$'000	
	2019	2018
Non-recurring employee expenditure	3,360	3,398

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

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

	Parent Entity			
	2019 \$'000	2019 \$'000	2018 \$'000	2018 \$'000
	Income	Expenditure	Income	Expenditure
Unexpected Weather Event - Townsville Floods	632	1,402	-	-
University Halls of Residence Building Fire	3,000	6,233	-	-
	<u>3,632</u>	<u>7,635</u>	-	-
Insurance proceeds income less expenses (net)		<u>(4,003)</u>		<u>-</u>

(e) Unrealised investment gains / (losses)

The University's managed funds investment have been reclassified as debt instruments at fair value through profit and loss. Previously, the managed funds investment were classified as equity instruments designated at fair value through other comprehensive income. This meant any unrealised gains and losses went through Other Reserves in the Statement of Changes in Equity. This treatment aligned with the University's practice of holding onto its investments with a long term view regarding gains. Following the reclassification all unrealised gains and losses now go through the profit and loss. The result for 2019 as been adjusted to remove any short term unrealised gains or losses from financial assets at fair value through the profit and loss.

	Parent Entity \$'000	
	2019	2018
Unrealised investment gains / (losses)	6,610	(5,025)

Operating result adjusted for capital grant income  
and other associated expenses outside normal operations

	Parent Entity \$'000	
	2019	2018
Net operating result as per statement of comprehensive income	10,383	7,615
(a) less: unspent committed grant funds	-	(12,586)
(b) less: capital grant income less expenses (net)	10,767	20,479
(c) Add: non-recurring employee expenditure	3,360	3,398
(d) Add: insurance proceeds income less expenditure (net)	4,003	-
(e) less: unrealised investment gains / (losses)	6,610	(5,025)
<b>Adjusted net underlying operating result</b>	<u>369</u>	<u>8,145</u>

## Glossary

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