

**Summary of Accounting Policies (Continued)**

The provision for long service leave has been measured as the present value of expected future payments to be made by the University resulting from services provided by employees up to balance date. Consideration has been given to future increases in salary levels and an estimate of the probability that employees will qualify for long service leave. Related on-costs have been included in the provision. Liabilities for which a legal entitlement does not exist are discounted using interest rates on Australian government guaranteed securities with terms to maturity most closely matching the estimated future cash outflows.

**Superannuation**

The University contributes to the Defined Benefit Plan (DBP) under which employees, where applicable, are entitled to defined benefits for retirement, disability, or death.

In general the University contributes to the DBP at a maximum rate 17% per employee. However, a less amount of 10% is contributed for employees on salary levels 1-3 who have made an employee option to contribute at a 3.5%.

The last actuarial investigation was completed on 18 May 2000 and conducted as at 31 December 1999. The investigation was conducted by Mr Grant Harslett (FIA, FIAA) of Towers Perin.

**Defined Benefit Plan (DBP) disclosures related to University of the Sunshine Coast:**

	❖ 30 June 2002 \$'000	31 Dec 2001 \$'000
Vested benefits attributable:	9,349	6,782
Accrued benefits applicable:	9,349	6,782
Estimated market value of assets:	8,696	7,484
Difference between market value of assets And accrued benefits	(653)	702

Under the Superannuation Industry Supervision Act and Regulations, the UniSuper Defined Benefit Plan, at 30 June 2002, had a net shortfall which fell within the definition of an 'unsatisfactory financial position' requiring review by the Actuary and the Trustee. The Actuary and the Trustee have confirmed that in their judgement the fund's position as at 30 June 2002 was caused by short term fluctuations in asset values and, that based on 'best estimate' investment projections, the UniSuper fund is expected to return to a satisfactory financial position within the timeframe required by the Trust Deed.

Consequently, the Actuary and the Trustee have agreed that at present the existing contribution rates remain appropriate and no further action is required with respect to the shortfall at 30 June 2002.

**Payables**

Trade creditors represent liabilities for goods and services received prior to the end of the financial year and which remain unpaid. The amounts are paid within the agreed trading terms.

**(g) Borrowings**

Loans payable are carried at cost with interest expense recognised as it accrues.

**(h) Cash Assets**

For the purposes of the statement of cash flows, cash includes cash at bank, cash on hand and investments held by the Queensland Treasury Corporation.

Investments are valued at acquisition cost. Interest revenues are recognised as they accrue. The effective interest rate as at 31 December 2002 was 4.39% (2001- 6.47%).

**1 Summary of Accounting Policies (Continued)**

The effective interest rate on the University's operating account as at 31 December 2002 was 3.40% (2001 2.85%).

**(i) Leased Assets**

Leases of plant and equipment that effectively transfer from the lessor to the lessee substantially all the risks and benefits of ownership are classified as finance leases and treated as per the provisions of AASB1008. Other leases are classified as operating leases.

Minimum lease payments made under operating leases are charged as an expense in equal instalments over the accounting periods covered by the lease term.

Where a non-current asset is acquired by means of a finance lease, the asset is recognised at an amount equal to the present value of the minimum lease payments. The liability is recognised at the same amount. Lease payments are allocated between the principal component and the interest expense.

**(j) Goods & Services Tax**

The University of the Sunshine Coast, whilst being subject to payment of the Goods & Services Tax, has claimed from the Australian Tax Office the appropriate tax credits.

**(j) Income tax**

The University of the Sunshine Coast is an exempt organisation under Section 50-5 of the *Income Tax Assessment Act 1997*.

**(k) Financial Instruments**

The financial instruments of the University consist of cash at bank and on hand, managed funds, receivables, unlisted shares, payables, financial leases and loans. Details of the accounting policies, terms and conditions and exposure to interest risk are detailed in note 26 of these financial statements.

**(l) Credit Risk Exposures**

The University's 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 statement of financial position.

At the end of the reporting period the University did not have any significant exposure to any individual debtor.

**(m) Comparative figures**

Where necessary, comparative figures have been adjusted to conform with changes in presentation to the current year.

		Economic Entity (Consolidated)		Parent Entity (University)		
		2002	2001	2002	2001	
		\$'000	\$'000	\$'000	\$'000	
<b>2</b>	<b>Revenue from Ordinary Activities</b>					
<b>2.1</b>	<b>Commonwealth Government financial assistance (including Superannuation contributions from the Commonwealth, but excluding HECS &amp; PELS)</b>					
	<b>Teaching &amp; Learning</b>					
	Operating excluding HECS & PELS	27.1	13,924	12,339	13,924	12,339
	Capital development pool	27.1	–	4,026	–	4,026
	<b>Australian Research Council</b>					
	SPIRT & Linkage	27.2	166	67	166	67
	<b>DEST</b>					
	Small Research	27.3	–	47	–	47
	Australian Postgraduate Awards	27.3	60	32	60	32
	Research Infrastructure	27.3	4	1	4	1
			14,154	16,512	14,154	16,512
	<b>Other Commonwealth Government</b>					
	Aboriginal Tutorial Assistance Scheme		40	24	40	24
	Export Marketing Development Grant		83	446	83	446
	Dept Employment, Workplace Relations & Small Business		50	–	50	–
	James Cook University		–	30	–	30
	<b>TOTAL</b>		<b>14,327</b>	<b>17,012</b>	<b>14,327</b>	<b>17,012</b>
<b>2.2</b>	<b>State Government Financial Assistance</b>					
	Dept of Innovation & Information Economy		200	–	200	–
	Queensland Health		–	5	–	5
			<b>200</b>	<b>5</b>	<b>200</b>	<b>5</b>
<b>2.3</b>	<b>Local Government Financial Assistance</b>					
	Capital - Maroochy Shire Council		–	500	–	500
			<b>–</b>	<b>500</b>	<b>–</b>	<b>500</b>

	Economic Entity (Consolidated)		Parent Entity (University)	
	2002	2001	2002	2001
	\$'000	\$'000	\$'000	\$'000
<b>2.4 Fees and Charges</b>				
Fee-Paying Overseas Students	3,901	2,375	3,901	2,375
Fee-paying non-overseas postgraduate students	591	393	591	393
Non-Overseas Students Undertaking Non-Award Courses	45	41	45	41
Access Levy	32	37	32	37
Conference Registration Fees	24	3	24	3
Fee Collection of Student Amenities Fee	20	21	20	21
Hire of Equipment & Facilities	302	143	280	143
Late Fees	24	19	24	19
Library Fines	17	22	17	22
Other	244	116	242	116
<b>TOTAL</b>	<b>5,200</b>	<b>3,170</b>	<b>5,176</b>	<b>3,170</b>
<b>2.5 Investment Income</b>				
Other Entities	295	190	295	190
	<b>295</b>	<b>190</b>	<b>295</b>	<b>190</b>
<b>2.6 Royalties, Trademarks &amp; Licenses</b>				
Other	13	18	13	18
	<b>13</b>	<b>18</b>	<b>13</b>	<b>18</b>
<b>2.7 Consultancy and Contract Research</b>				
Research Commonwealth	185	26	185	26
Research State Government	130	282	130	282
Research Local Government	23	56	23	56
Research Other	119	99	119	99
Consulting Commonwealth	1	8	1	8
Consulting State Government	36	9	29	9
Consulting Local Government	37	37	37	37
Other	28	28	28	28
	<b>559</b>	<b>545</b>	<b>552</b>	<b>545</b>
<b>2.8 Other Revenue</b>				
Profit on Sale of Assets	5	22	5	22
Food Services	950	609	950	609
Donations & Bequests	439	211	439	211
Scholarships and Prizes	1	2	-	2
Airport Pickup	38	45	38	45
Sales - internal publications	6	2	6	2
Other	386	243	386	243
	<b>1,825</b>	<b>1,134</b>	<b>1,824</b>	<b>1,134</b>