Note 1 Summary of significant accounting policies

Revaluations

Land, building, infrastructure, library heritage and art collections are revalued every 5 years by external independent valuers in accordance with Queensland Treasury's asset policy. In 2007 an interim revaluation of buildings, infrastructure & art (all valued at fair value) was performed using Australian Bureau of Statistics price indices or other reliable measures.

Accumulated depreciation at the date of revaluation is restated proportionately with the change in the gross carrying amount of the asset as mandated by Queensland Treasury. The carrying amount of the asset after revaluation equals its revalued amount.

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

Depreciation

Property, plant and equipment, other than land and the library heritage collection are depreciated on a straight line basis over their expected useful lives at the following rates:

Item	Useful Life (years)	Depreciation Rate (%)
Freehold Buildings	40	2.5
Motor Vehicles	5	20
Leasehold Improvements	10	10
Computer Equipment	3	33
Other Plant and Equipment	10	10
Infrastructure	20	5
Laboratory Equipment	7.5	13

Depreciation is charged from the month after acquisition or, in respect of buildings and infrastructure assets under construction, from the month after the asset is completed and ready for use.

Disposals

Gains or losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the income statement. When re-valued assets are sold, it is University policy to transfer the amounts included in asset revaluation reserves in respect of those assets to retained earnings.

m) Intangible assets

Research and development

Expenditure on research activities, undertaken with the prospect of obtaining new scientific or technical knowledge and understandings, is recognised in the income statement as an expense, when it is incurred.

Computer Software

Computer software with a value equal to or greater than $100,000 is recognised at cost of acquisition less accumulated amortisation and any impairment losses. Computer software is amortised over its useful life. Software under construction is valued at cost. Items with a value less than $100,000 are expensed.

n) Trade and other payables

These amounts represent liabilities for goods and services provided to the University prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 1 Summary of significant accounting policies

o) Borrowings

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

p) Finance costs

All finance costs are expensed in the period which they have been incurred.

q) Employee benefits

Provision is made for the liability for employee benefits arising from services rendered by employees to balance date. Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for sick leave are recognised when the leave is taken and measured at the rates paid or payable.

Annual Leave

The provision for annual leave does not include any entitlements due and payable to eligible scholarship holders, consultants and casual employees. Annual leave entitlements have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Leave may only be accumulated to a maximum of 40 working days.

Long Service Leave

Provision for long service leave has been measured with reference to the present value of the estimated future cash outflows to be made, predictions of when leave will be taken and the consolidated entity's experience of the probability that employees will qualify for long service leave. That part of the provision that is expected to be payable within 12 months of the reporting date is classified as a current provision and measured at its nominal amount. The liability for long service leave expected to be settled more than 12 months from the reporting date is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to 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 of maturity and currency that match, as closely as possible, the estimated future cash outflows.

Retirement benefit obligations

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

Superannuation

During the 2006 financial year Clause 34 of the UniSuper deed was amended in order to clarify UniSuper's position as a Defined Contribution Fund (DCF). The Trust Deed with effect 31 December 2006 defines UniSuper as a defined contribution plan where:

- The employer's legal or constructive obligation is limited to the amount that it agrees to contribute to the fund; and
- The actuarial risk (that benefits will be less than expected) and the investment risk (that assets invested will be insufficient to meet expected benefits) fall on the employee.

The obligation for the University is determined by the amounts to be contributed for that period. Consequently, no actuarial assumptions are required to measure the obligation or the expense and there is no possibility of any actuarial gain or loss. Recognition of the contribution paid to the DCF is disclosed in Note 9.

Note 1 Summary of significant accounting policies

r) Rounding and Comparatives

Amounts in the financial report have been rounded to the nearest $1,000 or where that amount is $500 or less to zero. Comparative information has been restated where necessary to be consistent with disclosures in the current reporting period, particularly those required by the DEEWR guidelines.

s) Authority to issue financial report

The financial report is authorised for issue by the Chancellor and the Vice-Chancellor at the date of signing the Management Certificate.