

Annual Report 2015



University of the
Sunshine Coast
Queensland, Australia

Report of the Council of the University of the Sunshine Coast

For the period 1 January 2015 to 31 December 2015

March 2016

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

I am pleased to present the Annual Report 2015 and financial statements for the University of the Sunshine Coast.

I certify that this Annual Report complies with:

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

A checklist outlining the annual reporting requirements can be accessed at usc.edu.au/reports

Yours sincerely



John M Dobson OAM
Chancellor
University of the Sunshine Coast

Acknowledgment of country

The University of the Sunshine Coast acknowledges the Gubbi Gubbi people as the traditional owners and custodians of the land on which the campus stands, and recognises the strength, resilience and capacity of Aboriginal people in this land.

The University has a Reconciliation Action Plan to guide its relationships, opportunities and progress reporting with regard to Aboriginal and Torres Strait Islander peoples.

Communication objectives

The University of the Sunshine Coast's 2015 annual report provides a record of the University's performance in 2015, its plans for the future, and audited financial statements. All achievements for 2015 are documented against the goals and corresponding key performance indicators of the University's Strategic Plan (2011–2015).

Potential readers of the annual report include federal, state and local government representatives and officers, the University community (including staff and students), business and media, potential benefactors, international visitors and members of the public.

To provide your feedback or request copies of this annual report, please contact the Office of Marketing and Communications, University of the Sunshine Coast, by telephoning +61 7 5459 4558 or by emailing marketing@usc.edu.au

The report is also available online at usc.edu.au/reports



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Standing

On opening in 1996, the University of the Sunshine Coast (USC) became the first greenfield university to be established in Australia since 1975. The University serves the Sunshine Coast, Fraser Coast and Brisbane regions and impacts strongly on the economic and cultural development of these regions.

In its first 19 years to date, as a new public university for the Sunshine Coast region, USC has demonstrated its viability in terms of student demand, enrolment growth, teaching and research outcomes, campus development, financial position, regional contribution and reputation.

In its next 20 years, USC will be characterised by naturally reinforcing themes. Proposed Australian Government fee reform, as well as targets for higher education participation and low-SES students, will impact on the University's profile and teaching. Learning and teaching at USC will build on its existing reputation and provide an exemplar of access and success in the Australian higher education sector. Opportunity will be provided over a broader region, and students and the wider community will have educational, cultural and economic possibilities well beyond current offerings.

Research outcomes and outputs will increase in both quantity and quality. Existing areas of research concentration will be strengthened through collaboration with the best researchers in these fields in Australia and internationally.

Strategic partnerships will be expanded with related government agencies, industry and business. In addition, there will be substantially more applied research conducted with, and for the benefit of, the wider community.

Rapid growth of the University and the region it serves presents a major challenge for USC's institutional capacity and capability. Professional development of staff at all levels will be a priority, the University's systems will undergo major reinvestments, and core infrastructure will be expanded. Above all, development of strategic partnerships at regional, national and international levels will advance USC's footprint, profile and performance.

Vision

The University of the Sunshine Coast is regionally relevant and recognised, nationally and internationally, for excellence in teaching, research and engagement.

Values

In pursuing its vision and conducting daily operations, the University is committed to:

- creating and disseminating knowledge through innovative and effective teaching and research
- fostering freedom of inquiry and expression
- the process of lifelong learning
- engaging in and responding to the region's intellectual, cultural and economic challenges
- adopting consultative processes and ethical behaviours in all activities
- engendering respect throughout the University community
- fairness, openness, honesty, trust and effective communication
- developing the University and supporting the region as a sustainability exemplar
- advancing human rights within a tolerant and inclusive community, in which respect for Indigenous peoples is fundamental.

Highlights

- Student enrolments increased by 8.2% in 2015, with an increase of 3.9% in conferred undergraduate degrees and 16.0% in conferred higher degrees by research. Student enrolments were well above the growth targets set in the strategic plan for 2015.
- International student enrolments grew in 2015 to 1,111, the largest number of international student enrolments in USC's history. International students this year represented 12.5% of USC's total EFTSL.
- Graduate satisfaction reached its highest level with USC again achieving 5-star ratings in the areas of teaching quality, overall satisfaction and generic skills as reported by the Good Universities Guide. This was the tenth year in a row that teaching quality has achieved this rating.
- The University welcomed 1,743 to its alumni cohort in 2015. USC alumni now totals 15,725.
- USC's \$37.2 million Engineering Learning Hub (ELH) was officially opened housing state-of-the-art visualisation, 3D and virtual reality facilities. With the inclusion of an immersive 3D environment that is the first of its kind to be used for education, this complex is the most advanced learning and teaching facility for visualisation in Australia.
- USC's commitment to staying on the cusp of innovation was rewarded with 14 research fields now rated at or above world-standard by the 2015 Excellence in Research for Australia assessment. The University has become a national leader with Environmental Science and Management, Nursing and Zoology rated at "well above world standard" and Environmental Sciences, Biological Sciences, Ecology, Agricultural and Veterinary Sciences, Fisheries Science and Clinical Sciences achieving a rating of "above world standard."
- Between 2014 and 2015 research income has increased 68% to \$14,680,066. The 2015 Excellence in Research for Australia (ERA) outcomes for USC included three well above world standard for USC disciplines and Dr Bridie Scott-Parker became the first USC staff member to receive a Queensland Young Tall Poppy award.
- The University is poised to begin a new phase of growth with the successful tender to develop the exciting new Moreton Bay Region University Precinct at Petrie, north of Brisbane. The 200-hectare site will feature a full-service campus in equal status to that of the Sippy Downs campus and is expected to receive the first cohort of students in 2020. The Moreton Bay Campus student population is forecast to reach 10,000 by 2030.
- Agreement was reached to transition the University of Southern Queensland's Fraser Coast Campus to USC in time for the commencement of the first semester in 2016. Eight study programs will be delivered from USC Fraser Coast.
- USC SouthBank celebrated the completion of degrees by the first graduates to complete their studies entirely at this campus. Four complete degrees are now available at USC SouthBank and students from 21 countries now make up the student population.
- The first cohort of students at USC Gympie celebrated the completion of degrees with 24 students set to graduate in April 2016. The program offering at this campus will be expanded in 2016 to include first year courses in Science and Engineering.
- USC's Innovation Centre was named by incubation analysts UBI Index as one of the top ten University Business Incubators for the Asia and Oceanic region. Established on the USC campus at Sippy Downs in 2002, the Innovation Centre has supported the start-up and growth of more than 130 businesses, creating more than 450 jobs and helping to raise more than \$32 million for client companies.

Key five-year figures

CATEGORY	2011	2012	2013	2014	2015	ANNUAL % change	TREND
STUDENTS							
Number of students ¹	7,766	8,139	8,904	9,652	10,447	8.2%	↑
Female	5,066	5,338	5,807	6,158	6,640	7.8%	↑
Male	2,700	2,801	3,097	3,494	3,807	9.0%	↑
On-campus students	7,640	8,010	8,818	9,572	10,362	8.3%	↑
Undergraduate	6,142	6,564	7,173	7,697	8,520	10.7%	↑
Postgraduate coursework	680	611	683	846	866	2.4%	↑
Higher degree by research	141	177	204	262	271	3.4%	↑
Non-award	803	787	844	847	790	-6.7%	↓
International (all students)	805	697	746	1,057	1,111	5.1%	↑
International (on campus)	789	690	743	1,054	1,110	5.3%	↑
Student load (EFTSL) ²	6,398.2	6,603.9	7,296.0	7,989.3	8,680.3	8.6%	↑
DEGREES CONFERRED							
Undergraduate degrees conferred	981	1,056	1,173	1,269	1,319	3.9%	↑
Postgraduate coursework degrees conferred	484	362	333	424	399	-5.9%	↓
Higher degree by research degrees conferred	20	19	30	25	29	16.0%	↑
Total degrees conferred	1,485	1,437	1,536	1,718	1,747	1.7%	↑
EQUITY							
Disability ³	5.9%	6.1%	6.3%	6.3%	6.5%	0.2%	↑
Indigenous ³	1.8%	1.7%	2.0%	2.2%	2.3%	0.1%	↑
First in family to attend university ⁴	48.6%	49.3%	49.8%	50.5%	49.6%	-0.9%	↓
STAFF (FULL-TIME EQUIVALENT, EXCLUDING CASUALS)							
Academic staff ⁵	212	236	259	299	324	8.4%	↑
Non-academic staff ⁶	388	398	463	522	546	4.6%	↑
Total number of staff ⁷	600	634	722	821	870	6.0%	↑
Proportion of academic staff with higher degree qualifications	82%	81%	86%	87%	87%	0.0%	–
Operating revenue (parent entity)	\$127.33m	\$159.63m	\$174.06m	\$215.4m	\$215.8m	0.2%	↑
Property, plant and equipment	\$175.34m	\$176.90m	\$196.10m	\$255.4m	\$297.4m	16.4%	↑
Research income ^{8,9}	\$4.54m	\$9.37m	\$9.60m	\$11.97m	\$18.83m	57.31%	↑
Research publications ^{9,10}	164.75	199.26	250.10	323.89	349.06	7.8%	↑

1. Number of students at Census 1 each year.

2. Student load includes inbound exchange students. EFTSL = Equivalent Full Time Student Load and for 2015 is based on September 2015 Reforecast.

3. Disability and Indigenous percentages are as a proportion of all domestic students at Census 1 each year.

4. First in family percentages are as a proportion of undergraduate (excluding 1 year honours) students only.

5. Academic (Vice-Chancellor; Deputy Vice-Chancellor; Teaching and Research (Level A-E) staff).

6. Non-academic (Administrative, Professional and Technical (APT) Level 1–10 staff; APT staff above award)

7. Data is based on figures supplied to the Australian Government's Department of Education (DE) as at 31 March 2015.

8. Figures include research income reported to the Australian Government's Department of Education (DE) through the Higher Education Research Data Collection (HERDC), as well as Research Block Grant funding received from DE.

9. Data is based on year-to-date figures and is current as at time of publishing. Figures for the year are unaudited. Final figures are available June 2016.

10. Weighted calculation reported to DE in the HERDC.

Vice-Chancellor and President's review

As the University of the Sunshine Coast prepares to celebrate our first twenty years we are well placed to embark on the next chapter that will see us grow and mature as a university. This past year has seen us build the foundation upon which we will deliver our strategic goals in line with our 2020 vision.

Our student population is growing faster than any other public university in Queensland with enrolments well above the growth targets set for 2015. Our international student population also continues to grow and now makes up 12.5 percent of our total student load. With the release of the first round of offers for the coming year I am delighted to see another surge in interest in studying at USC with a record number of students invited to begin degrees at the University in 2016.

Graduate satisfaction continues to set us apart as the only public university in Queensland to achieve a five star rating for teaching quality ten years in a row in the Good Universities Guide. Our commitment to the highest quality teaching has always been, and will remain, our top priority and our students consistently tell us that this has a direct impact on their overall satisfaction and the skills they gain from study. This year has seen the completion of degrees by the first cohort of students at USC Gympie and the first students to complete their degrees entirely at USC SouthBank. The USC footprint will soon stretch from Brisbane's South Bank to the Fraser Coast and our successful tender to develop the Moreton Bay University precinct will add another full service campus expected to receive the first cohort of students by 2020.

Throughout 2015 USC has made significant gains in research with record income including success in a number of highly competitive grant schemes. Our ERA ratings success was the icing on the cake with 14 of our 24 assessable fields rated at or above world standard. In 2016 we'll keep building on this success as we work towards our strategic aspiration to join the world's top 100 universities under 50. The next piece of research development at the University will be all about health and our partnership with the Sunshine Coast's new \$1.8 billion public university hospital, the biggest in Australia, will be a watershed for teaching and research.

The coming year marks an important milestone for the University with the celebration of our 20th Anniversary. At the same time that we look back on all that we have achieved, with our 20/20 vision and strategic plan for 2016–2020, we hold in our hands a clear roadmap for the next five years and I'm excited to share this new world of opportunity with you all. As we begin 2016 I look forward to welcoming new students, reconnecting with our alumni and joining with the USC team as we bring to fruition a vision for the next 20 years that will see USC rise higher and shine even brighter.



Professor Greg Hill
Vice-Chancellor and President



Forward planning 2016

- Strengthen capacity and capability at Sippy Downs to support a significantly increased student cohort.
- Advance the expansion of USC's footprint by: ensuring a smooth commencement of USC Fraser Coast; foundation planning for USC Moreton Bay; and development of the partnership with the Australian Technical and Management College.
- Position USC through implementation of the three strategic goals of being a comprehensive university of 20,000 students by 2020, achieving a world ranking and leadership in regional capacity-building.
- Advance the processes of work productivity enhancement, including securing and communicating academic and professional outcomes for USC.
- Advance USC's national profile and performance in health education, research and engagement through the Sunshine Coast Health Institute, Thompson Institute, and the USC health research institute.
- Develop USC's capability in simulation, visualisation and serious games and their applications in high quality learning and teaching, research and innovation in industry and the professions.

Organisation

Basis of authority

The institution was established under the *Sunshine Coast University College Act 1994* and took its first students in 1996. Full university powers were granted under the *University of the Sunshine Coast Act 1998*.

Functions and powers

The University's functions are to:

- provide education at university standard;
- provide facilities for, and encourage, study and research;
- encourage the advancement and development of knowledge, and its application to government, industry, commerce and the community;
- provide courses of study or instruction, at levels of achievement the Council considers appropriate, to meet the needs of the community;
- confer higher education awards;
- disseminate knowledge and promote scholarship;
- provide facilities and resources for the wellbeing of the University's staff, students and other persons undertaking courses at the University;
- 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
- perform other functions given to the University under the Act or another Act.

The University's powers are:

Under the *University of the Sunshine Coast Act 1998* the University has all the powers of an individual. It may, for example:

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

Strategic framework

The Strategic Plan www.usc.edu.au/strategicplan is the University's highest-level planning document, along with the Campus Master Plan. The role of the strategic plan is to articulate the broad goals and aims of the University over five years. Specific strategies complementing the Strategic Plan are set out in four top level plans, which apply University-wide and drive resource allocations through the budget process. Supporting strategies guide the University's involvement in international activities and regional engagement.

Operational Plans for individual cost centres support initiatives outlined in both the strategic and top level plans. All plans are reviewed and updated during the budget and planning process in September each year.

Annual review of operations

As a review of its operations each year, USC measures its progress according to the goals and key performance indicators of four areas outlined in the University's Strategic Plan (2011–2015):

1. Enable access to the USC experience
2. Deliver high quality teaching, learning and graduate outcomes
3. Build research productivity and output significantly
4. Develop USC for a sustainable future.

During the course of 2015 the University consulted with its key stakeholders to develop a new strategic plan for the next five year period. Approved by the University Council, the USC Strategic Plan 2016–2020 will be implemented from 2016.



The summary of key performance targets for the University is:

DESCRIPTION	2011	2012	2013	2014	2015
12,000 students by 2015 (8,000 EFTSL)	6,429.5 [6,398.2]	6,895.0 [6,603.9]	7,301.0 [7,296.0]	7,674.4 [7,989.2]	12,000 students 8,000 EFTSL (8,680.3)
Low SES participation	18.1% [19.1%]	18.5% [18.8%]	19.1%	19.7%	20.0%
Student satisfaction	National ranking in top quartile [achieved]	National ranking in top quartile [achieved]	National ranking in top quartile [achieved]	National ranking in top quartile [achieved]	National ranking in top quartile
Graduate outcomes	Progress towards national average [6% below]	Progress towards national average [9% below]	Progress towards national average [9% below]	Progress towards national average [4% below]	Achieve national average
Research grants income	\$3,600,000 [\$2,993,628]	\$4,200,000 [\$7,032,451]	\$4,800,000 [\$7,019,627]	\$5,300,000 [\$8,736,547]	\$6,000,000 (\$14,680,066)
Weighted publications	190 [164.8]	200 [199.3]	210 [250.1]	230 [323.9]	250 (349.1)
HDR students (Load)	120 [115.8]	130 [139.5]	140 [169.8]	150 [201.8]	155 (213.9)
HDR students (% in selected areas of research strength)	45% [47.3%]	50% [48.9%]	55% [50.2%]	60% [49.6%]	60% (40.7%)
Employment costs	Less than 60% [61.2%]	Less than 60% [60.6%]	Less than 60% [60.0%]	Less than 60% [61.2%]	Less than 60% (61.1%)
Operating margin	4% [7%]	4% [7%]	4% [9%]	6% [4%]	4% (4%)
Capital improvements	8.5% [13.6%]	8.5% [20.6%]	8.5% [14.9%]	8.5% [19.0%]	8.5% (22.8%)

Target: the target set as per the Strategic Plan 2011–2015

[Actual]: the final, full-year figure

(Forecast): the expected estimate, based on statistical/financial modelling

Enable access to the USC experience

Key strategies:

- Recruit and support a diverse student population.
- Provide a high quality student experience.
- Develop a vibrant and healthy University community and identity.
- Engage with the regional community through educational, cultural, creative, economic and recreational activities.
- Extend learning opportunities throughout the region.

Overview

Growth in students continued, with an estimated 12,500 students enrolled during 2015 (8,680 EFTSL). Student enrolments were well above the Strategic Plan growth targets set for 2015 of 12,000 students and 8,000 EFTSL.

International student enrolments grew in 2015 to 1,111 students at Census 1. This was the largest number of international student enrolments in USC's history. Total international student load during 2015 was estimated at 1,088 EFTSL with international student load accounting for 12.5% of total EFTSL.

Focus remained on the participation of groups underrepresented in higher education, with latest data showing that 18.1% of USC undergraduate students are from low socio-economic backgrounds compared to 16% of all undergraduate students nationally, and 2.2% of USC students are Indigenous compared to 1.5% nationally.

Students continued to experience high levels of satisfaction with their higher education experience. USC was the only Queensland public university to again achieve a five star rating in the 2016 Good Universities Guide for Overall Satisfaction. Overall Satisfaction has remained at five stars for four years since 2013. The national Student Experience Survey results also reflect high levels of student satisfaction. Latest data available has overall satisfaction with the 'quality of the entire educational experience' for USC students at 88% compared to the national average of 81%.

The Regional Universities Network (RUN), of which USC is an active member, released submissions during 2015 that highlighted the significant and diverse ways the University is helping to shape the greater Sunshine Coast region.

2015 saw growth in...

Students

An intake of 3,742 new students at Census 1 2015, increased the University's student population to 10,447 (including 1,111 international students). This translated to an overall increase of 8.2 percent in student enrolment numbers. The mid-year intake of 1,832 new students increased slightly compared to Semester 2, 2014.

Internationalisation

At Census 1 2015, there were 1,111 international enrolments, an increase of 5.1 percent compared to Census 1 2014. International students accounted for 10.6 percent of all USC enrolments, from 64 countries.

Programs

The Bachelor of Nursing Science continues to be the most popular program at USC for new students with 260 students enrolled at Census 1 2015. The top 10 undergraduate programs, based on all enrolments at Census 1 2015 were:

1. Bachelor of Nursing Science
2. Bachelor of Primary Education
3. Bachelor of Paramedic Science
4. Bachelor of Sport and Exercise Science
5. Bachelor of Social Science (Psychology)
6. Bachelor of Occupational Therapy
7. Bachelor of Business
8. Bachelor of Social Work
9. Bachelor of Arts
10. Bachelor of Engineering (Civil) (Hons)

Achievement highlights

Achievement highlights for 2015 in relation to the key strategies of this strategic priority include the following:

Regional and Urban planning students travelled to China to study modern architecture and planning in densely populated cities. With support from the Australian Government's New Colombo Plan and in partnership with City University Hong Kong, USC students visited

Hong Kong, Macau and Shenzhen and worked on a collaborative cultural heritage project in Guangzhou.

USC's Open Day, Imaginarium, attracted almost 10,000 attendees for a day of free activities at the Sippy Downs Campus. Imaginarium invites prospective students and the local community to experience the university's educational facilities and offers family activities and entertainment.

USC SouthBank students from Pakistan, India and Nepal celebrated completion of degrees with the majority completing the Master of Professional Accounting.

USC Gympie celebrated the completion of degrees by the first cohort of students from this location. The program offering at USC Gympie now includes completion of the first year of some Science and Engineering programs.

USC's Innovation Centre was listed in the UBI Index's top 10 University Business Incubators for the Asia and Oceania region for work in assisting the start-up and growth of new businesses across the region.

More than \$824,000 in scholarships was awarded to 72 students including school-leavers from 41 different high schools. Scholarships ranged in value from \$3,500 to \$32,000.

Environmental Science students volunteered at the Bornean Sun Bear Conservation Centre as part of their studies. USC Environmental Science, Ecology and Animal Ecology students also assisted with research and conservation projects in South Africa, the Amazon Rainforest, the Andes, coastal Ecuador, Cambodia and Laos.

USC's Moving Feast community food garden hosted a series of workshops as part of a research project into improving the capacity of community gardens on the Sunshine Coast. The garden has been incorporated across a range of degrees from Nutrition and Dietetics to Social Science, Science, Engineering, Urban Planning, Health Promotion, Communication and Marketing.

KPI 1.1: 12,000 students by 2015

MEASURE	PERFORMANCE
Actual full year student enrolments	2.2% increase in 2015 ¹

Comment

In September 2011, stretch targets were set for all fee types from 2012 to position the University for its target of 8,000 EFTSL by 2015. The September 2015 reforecast estimates total load for 2015 at 8,680 EFTSL which is 8.7% above the final 2014 value of 7,989 EFTSL and is 8.5% above the target of 8,000 EFTSL. The September 2015 forecast of commonwealth supported load overall is 7,279 EFTSL which is 164 EFTSL (+2.3%) above that forecast in April 2015. Revised estimates for 2015 fee paying international load has slightly increased by almost 12 EFTSL (+1.1%) to 1,060 EFTSL which is the highest in USC's history. However, this is below the target set in September 2014 by 123 EFTSL (-10.4%). Fee paying domestic load for 2015 at 314 EFTSL is slightly above that estimated in September (+19 EFTSL) and continues to account for a small portion of overall load at 3.6%.

September 2015 Reforecast

FEE TYPE	ACTUAL					ESTIMATES ¹
	2010	2011	2012	2013	2014	2015
CSP EFTSL ²	4,994.4	5,433.5	5,723.6	6,263.5	6,700.8	7,278.6
International EFTSL ³	777.0	714.4	610.2	746.5	989.0	1,060.1
Fee Paying Domestic EFTSL ⁴	231.9	209.2	230.7	252.6	272.4	314.0
Inbound Exchange EFTSL	30.9	41.1	39.4	33.4	27.0	27.6
Grand Total EFTSL	6,034.3	6,398.2	6,603.9	7,296.0	7,989.2	8,680.3
% increase	13.2%	6.0%	3.2%	10.5%	9.5%	2.2%

KPI 1.2: SES Participation

MEASURE	TARGET	PERFORMANCE
Participation rate of students from low socio-economic backgrounds	20% participation rate of students from low socio-economic backgrounds by 2015 Achieve Compact agreement targets – 2011: 18.1%, 2012: 18.5%, 2013: 19.1%, 2014: 19.7%	2015 data not available from Australian Government until mid-2016

Comment

Based on the Interim Indicator, USC's participation rate for domestic undergraduate students from low socio-economic backgrounds decreased from 19.1% in 2011 to 18.8% in 2012. This rate (18.8%) is above USC's compact agreement target of 18.5% for 2012 and also above the 2012 National rate of 14.8%. Data for the Interim Indicator was published for 2011 and 2012 only (full year). Data from 2013 onwards (full year) was published based on the SA1 measure. Based on the SA1 measure, USC's 2014 participation rate was 18.1%, which was above the national rate of 16.0% and ranked USC 15th nationally (14th in 2013) for domestic undergraduate students.

Participation rates (%) for domestic undergraduate low SES students

PARTICIPATION RATES % ⁶	2011		2012		2013 ⁵		2014 ⁵	
	USC	NATIONAL	USC	NATIONAL	USC	NATIONAL	USC	NATIONAL
Low SES (Interim indicator) ⁷	19.1%	14.6%	18.8%	14.8%	n/a	n/a	n/a	n/a
Low SES (CD measure) ⁸	19.0%	15.7%	18.8%	16.1%	19.4%	16.5%	n/a	n/a
Low SES (SA1 measure) ⁹	18.0%	15.2%	17.6%	15.6%	18.1%	15.9%	18.1%	16.0%

1. Figures based on forecast data. Full year data available in April following the final Australian Government submission on 31 March of each year.

2. CSP—Commonwealth Supported: includes TEP, TPP, Undergraduate and Postgraduate EFTSL.

3. Includes International on campus and online award and non-award enrolments.

4. Includes Postgraduate, HDR, Headstart and Visiting domestic fee paying EFTSL and RTS.

5. Data for the Interim Indicator is not available for 2013 and 2014. These periods will be reported based on the new Low SES Statistical Area (SA1) measure.

6. Domestic students with permanent home residence in Australia only.

7. The interim measure of the Low SES Participation rate is based on the number of domestic undergraduate students with home addresses within the Low SES Census Collection Districts (CDs).

8. Based on the number of domestic undergraduate students with home addresses within the Low SES Census Collection Districts (CD).

9. Based on the number of domestic undergraduate students with home addresses within the Low SES Statistical Area (SA1).

Deliver high quality teaching, learning and graduate outcomes

Key strategies:

- Embed academic excellence in all teaching and learning activities.
- Support diverse learning and teaching styles to maximise student participation and success.
- Offer innovative programs, in particular via partnerships.
- Produce graduates with knowledge, skills and attributes to succeed in a world characterised by rapid change.

Overview

The strategic focus on the quality of teaching was maintained. USC was the only Queensland public university to again achieve a five star rating in the 2016 Good Universities Guide for Teaching Quality. Teaching Quality has remained at five stars for ten years since 2007. USC also achieved results well above the national average for the percentage of students satisfied with the quality of teaching as measured through the 2014 Student Experience Survey 'quality of teaching' item (USC 87%, National 81%) and the 2014 Course Experience Questionnaire component of the Australian Graduate Survey 'good teaching scale' (USC 78%, National 67%).

Improved graduate outcomes were reflected in USC's Good Universities Guide rating for 'Getting a full-time job' which increased from two stars to four stars in the most recent edition. Positive graduate outcomes are monitored throughout the year using a composite Graduate Outcomes measure. USC continued its progress towards the national average for this measure in the most recent assessment with the rate improving to 74% with the differential to the national average decreasing from 9% to 4% between 2013 and 2014.

OLT citations for teaching excellence were awarded by The Australian Government to: Patrea Andersen, Associate Professor of Nursing; Professor David Hollinsworth, Senior Lecturer in Indigenous Studies (Adj); Dr Retha De Villiers Scheepers, Lecturer in Entrepreneurship; Dr Susan Simon, Senior Lecturer in Education; and Dr Nicholas Stevens Lecturer in Regional and Urban Planning.

Achievement highlights

Achievement highlights for 2015 in relation to the key strategies of this strategic priority include the following:

The official opening of USC's \$37.2 million Engineering Learning Hub (ELH), housing world-class facilities for immersive learning, combining visualisation techniques with 3D and virtual reality technologies. The complex includes a 3D environment called CAVE2™ that enables visualisation of large data sets, manipulation of computer-generated objects and immersion in virtual environments. This facility is a partnership initiative of USC and the Australian Government's Education Investment Fund and reinforces USC's commitment to engaging students with cutting-edge technologies that provide deeper understanding of core and threshold discipline concepts.

USC leading a learning and teaching project that will define the ways in which education is delivered to Australian students of the future. A national collaboration with seven other regional universities, the project will uncover the best ways of delivering state-of-the-art education. The project is being supported by an Australian Government grant valued at \$284,000.

Data presented by the Good Universities Guide ranked USC fifth highest of all Australian universities for the percentage of Accounting graduates finding work within four months of course completion. The Australian Financial Review reported USC in the nation's 'Best Five' universities for Accounting graduate employment prospects.

Four high-achieving students, embarking on their first year at USC, received inaugural Thompson Excellence Scholarships, valued at \$32,000 each. This prestigious scholarship scheme is funded through a generous \$5 million gift to the University from Roy and Nola Thompson last year. This donation was matched dollar-for-dollar by USC to establish a revenue generating, multi-storey carpark in an innovative funding program that will provide support to USC students over many years into the future through an ongoing scholarship scheme.

More than \$824,000 in scholarships was awarded to 66 new undergraduates and eight postgraduate students. The recipients included school-leavers from 41 different high schools, receiving scholarships ranging in value from \$3,500 to \$32,000.

USC achieved a five-star ranking for teaching quality for ten consecutive years in the annual independent Good Universities Guide. With ratings based on data from the Commonwealth Department of Education and Training, Graduate Careers Australia's annual Australian Graduate Survey and other sources, this impressive, consistent result highlights USC's status as a national leader in educational excellence. USC was ranked in the top 20 percent of Australian universities for three key categories of 'The Educational Experience' and achieved a four star rating for 'getting a full-time job'.

The official opening of a purpose-built moot court facility that provides students with practical, hands-on learning experiences in a real-world representative environment. Complete with a bar table, judges' bench and witness box, the moot court design is based on a regional magistrates court and will be used for teaching and student assessment activities as well as mooting competitions and other events.

Six University of the Sunshine Coast students and three academics travelled to Tonga for 11 days of cross-disciplinary research into the country's well-established swim-with-whales tourism industry. The program was supported by funding from an Australian Government New Colombo Plan mobility grant and USC students presented the experience to the New Colombo national forum in Canberra.

A partnership agreement was finalised with the Australian Technical and Management College (ATMC) for the delivery of USC business and IT degree programs to international students from a specialist campus located in Melbourne's CBD. All courses delivered through USC Melbourne will be coordinated by USC academic staff, with teaching to be conducted by staff engaged by ATMC, using the USC curriculum. Successful students will graduate with a degree from USC.

KPI 2.1: Student satisfaction

MEASURE	TARGET	PERFORMANCE
Annual national comparative assessment in the CEQ Overall Satisfaction Index	Achieve national ranking in the top quartile for the CEQ Overall Satisfaction Index each year	2015 national data not available until March 2016

Comment

The Australian Graduate Survey (AGS) captures a measure of graduate satisfaction through responses to the Overall Satisfaction Index (OSI). The OSI is a mandatory single item scale included in the Course Experience Questionnaire (CEQ) component of the AGS by all institutions. It seeks response to the statement "Overall, I was satisfied with the quality of this program". The University reports on the performance for this scale as the percentage of all respondents that 'agree' with the survey item (i.e. Agree or Strongly Agree).

The table below shows the USC undergraduate overall satisfaction compared to the national aggregated level of undergraduate overall satisfaction. The University has performed strongly in the Overall Satisfaction Index from 2010 to 2014, ranking in the top quartile and being above the national average in each of these years. USC's percentage agreement for Overall Satisfaction was 87% for 2014. USC ranked 3rd in 2014, compared to 5th in 2013, despite the national and USC percentage agreements remaining unchanged.

CEQ Overall Satisfaction Index (Percentage Agreement)^{1,2} relative to the National value³

	AGS SURVEY YEAR ⁴				
	2010	2011	2012	2013	2014
University of the Sunshine Coast	86%	88%	86%	87%	87%
National	81%	82%	83%	83%	83%
Target	Achieved	Achieved	Achieved	Achieved	Achieved

KPI 2.2: Graduate Outcomes

MEASURE	TARGET	PERFORMANCE
Annual national comparative assessment of graduate employment and graduates undertaking further study	Achievement of the national average for bachelor degree graduates in employment or further study by 2015	2015 national data not available until March 2016

Comment

The Graduate Outcomes measure represents a combination of the number of graduates in their preferred mode of employment (in full-time work or in part-time work and not seeking full-time work) plus the number of graduates in further full-time study as reported through responses to the Australian Graduate Survey (AGS). This composite measure indicates a positive graduate outcome.

The proportion of USC respondents in their preferred mode of employment or further full-time study over the period 2010 to 2014 has been lower than the comparable national figures. In 2014, USC ranked 30th from 37 institutions. USC ranked last in 2012 and 2013 and second last in the two preceding years. The USC results of the 2014 AGS (74%) show an increase compared to 2013 (71%), while the national results showed a decline. The differential between USC and the national figure decreased from 9% to 4% between 2013 and 2014.

Notably, USC's Good Universities Guide (GUG) performance ratings improved for 'Getting a full-time job' in 2016. The GUG ratings and rankings look at how each university rates and compares on Graduate Outcomes based on results aggregated from the 2013 and 2014 AGS. USC increased from 2 stars in the 2015 GUG to 4 stars in the 2016 Guide.

USC and National⁵ Graduate Outcome results⁶, 2010-2014

	AGS SURVEY YEAR ⁴				
	2010	2011	2012	2013	2014
USC	74%	77%	74%	71%	74%
National	83%	83%	83%	80%	79%
Differential	9%	6%	9%	9%	4%

1. Percentage Agreement (%) represents the proportion of Agree or Strongly Agree responses (5-point Likert-type scale).

2. Undergraduate level includes Bachelor Pass, Bachelor Honours, Bachelor Graduate Entry, Associate Degree, Associate Diploma and Advanced Diploma.

3. The national value and institution ranking is based on Table A institutions only. Table A Providers comprise all Australian public universities. A list of Table A Providers is available in the Higher Education Support Act 2003 – Sect 16.15.

4. Data reflects outcomes of students who completed their qualification in the year prior to the Australian Graduate Survey (AGS) year.

5. National value includes results for Table A Higher Education Providers only. Table A Providers comprise all Australian public universities. A list of Table A Providers is available in the Higher Education Support Act 2003 – Sect 16.15.

6. Results are reported for domestic undergraduates. Undergraduate level includes Bachelor Pass, Bachelor Honours, Bachelor Graduate Entry, Associate Degree, Associate Diploma and Advanced Diploma.

Build research productivity and output significantly

Key strategies:

- Strengthen research capability.
- Develop research groups in disciplinary and cross-disciplinary areas.
- Focus research on regionally relevant and strategic areas.
- Leverage research outputs to enable productive partnerships.

Overview

Research at USC is continuing to advance at a rapid pace. On a range of research performance indicators USC is exceeding most of its Key Performance Indicators. Between 2014 and 2015 income has increased 68% to \$14,680,066. HERDC weighted publication points (349.06) have been collected to date and higher degree enrolments are 213.9 (EFTSL).

With the recruitment of key staff into research focus areas over the reporting period, continued and sustained growth in USC's research quality and capacity is expected.

The 2015 Excellence in Research for Australia (ERA) outcomes for USC included three well above world standard, six above world standard and five at world standard ratings for USC disciplines. The increase in productivity is due to the careful and strategic development of research at the University, so as to position for a ranking of the institution by 2020.



Dr Joanne Macdonald is USC's first recipient of a Bill and Melinda Gates Foundation-Grand Challenges Explorations Grant, valued at \$138,000 for her project titled "A single rapid field test for detecting Wolbachia, malaria and dengue in caught material". This project was one of fifty selected internationally from a pool of over eighteen hundred applications, and is now in contention for a follow-on grant of \$1,380,000 from the same foundation.

Achievement highlights

Achievement highlights for 2015 in relation to the key strategies of this strategic priority include the following:

Dr Bridie Scott-Parker became the first USC staff member to receive a Queensland Young Tall Poppy award. She was also the joint winner of the 2015 Queensland Young Tall Poppy of the Year.

Dr Anna Potter was awarded an ARC DECRA Award valued at \$373,536 over 2016-2018 for her project titled "International Transformations in Children's Television 2013-18". Anna's project was one of 200 selected for ARC support, noting that the success rate in the 2016 ARC DECRA scheme was 16.4%.

Dr Tomer Ventura was awarded his first ARC Discovery Project (DP) grant valued at \$148,000 over 2016-2017 for his project titled "Redefining the molecular mechanism underlying crustacean metamorphosis".

Professor Abigail Elizur was appointed to the ARC College of Experts (serving on the Biological Sciences and Biotechnology Panel) to assess and allocate funding to ARC projects within the Biological and Biotechnology fields.

Professor Helen Wallace was awarded two major ACIAR grants, valued at nearly \$6 million over four years, to work on agroforestry systems in the Pacific along with the development of the canarium industry in PNG.

Professor Paul Southgate was awarded a major ACIAR grant, valued at \$2,264,620 over four years, to develop a pearling industry in the Western Pacific. Professor Southgate and his team will make a significant contribution to research capacity in the newly formed Australian Centre for Pacific Islands Research at USC that is co-directed by Professors Patrick Nunn, Steven Underhill and Paul Southgate.

Dr Terry Lucke was awarded an Australian Research Contract from Parklakes, valued at \$332,520, to work on the performance monitoring of floating wetland treatment systems at Parklakes 2. This work will contribute strongly to USC's performance in the Commonwealth Government's foreshadowed Research Engagement Assessment Exercise that will recognise and reward research of significance to industry, government and the community.

Professor Michael Kimlin was awarded a US Department of Defence grant, valued at \$390,769 for his project titled "Is vitamin D status at the time of melanoma diagnosis associated with stage of tumour?" This is a prestigious international competitive grant that is held in very high esteem by the ARC ERA assessment exercise, and bodes well for future ERA outcomes at USC.

The annual University Research Week conference at USC, themed 'Integrate innovate inspire' attracted more than 280 academics, higher degree by research students and external guests with keynote speeches provided by Emeritus Professor Peter Andrews AO and Professor Aidan Byrne, CEO, Australian Research Council. A combined Faculty of Arts and Business and Faculty of Science, Health, Education and Engineering Research Day was held with 34 presenters communicating their research. Three Public Seminars were held including – Nursing and Midwifery Research@USC, presented by Professors Marianne Wallis and Jeanine Young; Surfboard artisans – creating a sustainable industry on the Sunshine Coast, presented by Mr Tom Wegener, current PhD student at USC; and, The Sunshine Coast in 2030: Designing the cities of the future through trans-disciplinary research and practice, presented by Professors Paul Salmon and Tim Smith, Associate Professors Christian Jones and Mathew Summers and Dr Nicholas Stevens. A Research Expo, Art in Research and the Annual Three Minute Thesis (3MT) and A Minute to Win It were also held during the week.

Three new USC Research Centres and two Research Clusters were established in 2015. These include the Centre for Animal Health Innovation, Tropical Forests and People Research Centre and Centre for Human Factors and Sociotechnical Systems; Nursing and Midwifery Cluster for Research Excellence (NURTURE) and Arts Research in Creative Humanities (ARCH) cluster. USC's existing and new Research Clusters and Research Centres will be critical to the University's mission of continuing to build research capacity and academic excellence at the University.

Three outstanding new USC Research Fellows have also been appointed this year, each of whom will transfer prestigious ARC and NHMRC Fellowship and grants to the University.

KPI 3.1: Research grants income

MEASURE	TARGET	PERFORMANCE
Total HERDC reportable income (all categories)	\$6,000,000 by 2015 (reporting on 2015 data)	\$14,680,066

Comment

The 2015 target has already been exceeded and the target for 2014 was exceeded by over \$3 million. The significant increase in grant income is due in part to the introduction of the new USC Research Fellow scheme, which resulted in large, funded projects being transferred to USC in 2012 and 2013, and the ARC and NHMRC application development program that the Office of Research has implemented, which has resulted in higher quality applications for funding and an increased success rate. USC's 2013 national ranking per FTE is 30 for total Category 1 income and 32 overall, while USC's 2013 Regional University Network (RUN) ranking per FTE is 3 for total Category 1 income and 3 overall.

Total HERDC Reportable Research Income (\$) by category and per full-time equivalent (FTE) teaching and research (T&R) staff by year

GRANT INCOME (\$)	2011	2012	2013	2014	YTD 2015 ¹
Competitive Grants	315,695	2,267,254	2,565,892	4,479,719	9,119,450
Public Sector Funding	1,174,789	1,918,173	2,268,537	1,865,806	2,609,941
Industry/Other Funding	894,891	1,760,530	1,564,660	1,615,168	2,691,729
CRC ²	608,253	1,086,493	620,538	775,855	258,944
Total (\$)	2,993,628	7,032,451	7,019,627	8,736,547	14,680,066
TARGET	3,600,000	4,200,000	4,800,000	5,300,000	6,000,000
Per FTE (\$)	14,255	29,799	27,061	29,180	45,309

1. Data is unaudited and subject to change. 2015 data will be audited in June 2016.

2. Income received from the Seafood Cooperative Research Centre (Seafood CRC) in which the University of the Sunshine Coast was defined within the Commonwealth Agreement as a Participant.

KPI 3.2: Weighted publications

MEASURE	TARGET	PERFORMANCE
Total HERDC reportable publications (all categories) weighted	250 points by 2015 (reporting on 2015 data)	349.06

Comment

The 2015 publications are on track to exceed the target. The total publication points for 2012 was just short of the target although broadly on track. The 2013 figures exceed the target by more than 40 points. The 2014 figures exceeded the target by more than 90 points. USC's 2013 national ranking per FTE is 38 for total publications, while USC's 2013 Regional University Network (RUN) ranking per FTE is 6 for total publications.

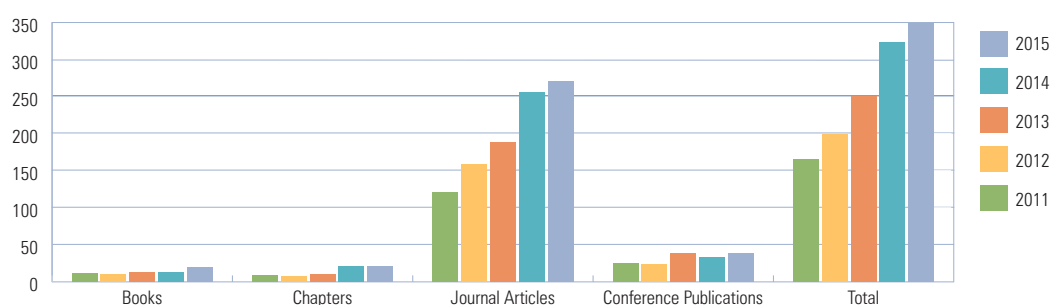
Research publications (weighted) by category, by year

PUBLICATIONS (weighted)	2011	2012	2013	2014	2015 ³
Books	10.83	10.00	13.21	13.33	19.17
Chapters	8.51	6.94	10.23	21.40	21.29
Journal Articles	120.39	159.13	188.30	256.21	270.67
Conference Publications	25.02	23.19	38.36	32.95	37.93
Total	164.75	199.26	250.10	323.89	349.06
TARGET	190.00	200.00	210.00	230.00	250.00

3. Data is unaudited and subject to change. 2015 data will be audited in June 2016.

KPI 3.2: Weighted publications (continued)

Research publications (weighted) by category, by year



KPI 3.3: Higher degree by research

MEASURE	TARGET	PERFORMANCE
Part A: HDR student enrolments by EFTSL	155 EFTSL by 2015 (Based on 2015 data)	213.9
Part B: HDR students aligned with existing and emerging areas of research strength	60% of HDR student load in selected areas of research strength by 2015 (Based on 2015 data)	40.7%

Comment (Part A)

The estimated total 2015 load at 213.9 indicates that target load has been exceeded (+38%). An ongoing focus on Higher Degree by Research (HDR) students, in particular in relation to targeted recruitment of HDR supervisors, USC Fellows and other funded grants is anticipated to see continued increases in enrolments in the future. USC's 2013 National and Regional University Network Ranking of HDR weighted load per FTE is 26 and 3 respectively.

Higher Degree by Research (HDR) enrolments by EFTSL

	2011	2012	2013	2014	2015 ⁴
Arts and Business	n/a	62.0	77.3	88.8	93.6
USC Law School	n/a	n/a	n/a	0.5	1.0
Science, Health, Education and Engineering	n/a	77.5	92.5	112.5	119.3
Arts and Social Sciences	32.8	n/a	n/a	n/a	n/a
Business	16.3	n/a	n/a	n/a	n/a
Science, Health and Education	66.8	n/a	n/a	n/a	n/a
Total	115.8	139.5	169.8	201.8	213.9
TARGET	120.0	130.0	140.0	150.0	155.0

Comment (Part B)

Load in strength areas at 40.7% in 2015 is 19% below the target of 60%. Enrolment within the scholarships process is now better aligned to research concentrations, however enrolment outside of this process has been opportunistic. The enrolment process is being reviewed to improve alignment.

Proportion of Higher Degree by Research (HDR) EFTSL in selected areas of research strength

AREAS OF RESEARCH STRENGTH	2012	2013	2014	2015 ⁴
Genecology	31.0	23.3	29.3	25.5
Sustainability Research Centre	16.5	21.3	21.0	16.5
Health Science	20.8	40.8	49.8	45.0
Non-aligned	71.3	84.5	101.8	126.9
Total EFTSL	139.5	169.8	201.8	213.9
% of total in research areas of strength	48.9%	50.2%	49.6%	40.7%

4. Figures based on forecast data. Full year data available in April 2016.

Develop USC for a sustainable future

Key strategies:

- Develop and enable staff to manage change and contribute to the achievement of the strategic plan.
- Invest in and continuously improve information management systems, business processes and workforce planning.
- Advance the University through key strategic partnerships.
- Maximise opportunities to develop well designed, technology rich, sustainable University sites.

Overview

USC has undertaken bold initiatives this year towards a long-term sustainable future. The most prominent of these was securing the role of Anchor Education Partner for the Moreton Bay Region University Precinct, to open in 2020 and grow to over 10,000 students in the first ten years. USC has this year also commenced acquiring the current USQ Fraser Coast campus, and has expanded its presence in Brisbane, South Bank.

As a result, USC has reviewed and restructured many of its administrative functions over the course of 2015. Adopting a centre-led approach as the USC model of administration, new structures for Financial Services, Asset Management Services and Capital and Commercial are now in place. An external review of Information Technology Services has led to a new structure and reconsideration of planning and governance approaches. USC has had a focus on reducing the ratio of administrative-to-academic staff in the institution and has moved away from having one of the highest ratios in the sector. As USC expands its footprint in SE Queensland, and takes on greater responsibility for regional capacity building, emphasis on financial planning and deeper local partnerships has strengthened in 2015 and will continue to develop in 2016.

Senior staff appointments

- Professor Shelley Dole, Head, School of Education
- Professor David Young, Head, School of Science and Engineering
- Lucas Litewka, Director, USC Clinical Trials Centre
- Iona Beauly, Director, Asset Management Services
- Graham Young, Director, USC Northern Campuses.

Achievement highlights

Achievement highlights for 2015 in relation to the key strategies of this strategic priority include the following:

A partnership initiative of USC and the Australian Government's Education Investment Fund culminated in the opening of USC's \$37.2 million Engineering Learning Hub (ELH). The complex combines visualisation and virtual reality technologies and includes a 3-D visual immersion environment called CAVE2™. USC is the first university to use a CAVE2™ facility primarily for learning and teaching – just three other systems exist globally and all are used exclusively for research. With the addition of the ELH, USC has the most advanced learning and teaching facilities for visualisation in Australia.

USC is working in partnership with Moreton Bay Regional Council to establish a new university campus at Petrie, north of Brisbane. The 200-hectare site will feature a full-service campus that is expected to receive the first cohort of students in 2020. The Moreton Bay Campus student population is forecast to reach 10,000 by 2030.

The transfer of the University of Southern Queensland's campus at Hervey Bay to USC progressed with USC to move into this campus in time for the first semester of 2016. Eight study programs will be delivered at USC Fraser Coast from 2016. The final form of the Asset Sale Agreement is pending Treasurer approval.

Completion of USC's first multi-level carpark, which was funded by a \$5 million gift from Roy and Nola Thompson in 2014, a donation that was matched dollar-for-dollar by USC.

USC expertise in sustainable tourism contributed to a new set of community-based tourism standards that have been endorsed by member organisations of the ASEAN Tourism Association to be adopted by countries across Southeast Asia. The standards will ensure quality tourism experiences and support sustainable flow-on benefits to surrounding communities.

Seventy-seven budding scientists from 14 schools across the Sunshine Coast region presented their research at USC's Science Research Awards. USC academics from scientific fields judged the entries and presented Junior Scientist and Senior Scientist awards at the event designed to nurture the minds of our next generation of students.

The Sippy Downs campus transitioned to a Total Water Refill Campus in a sustainability initiative that is expected to reduce the number of plastic water bottles going to landfill by 40,000 each year.

With a generous donation from philanthropists Roy and Nola Thompson, USC purchased a property on the Sunshine Coast and will set up a world-class facility that will focus on addressing mental health issues in the community, particularly depression and dementia. The Sunshine Coast Mind and Neuroscience – Thompson Institute will become a hub for mental health research, teaching and clinical services.

USC will host an important national research network that will help Australians prepare for and adapt to climate change. USC's Sustainability Research Centre will host one of four National Climate Change Adaptation Research Facility (NCCARF) networks that will specifically focus on the social, economic and institutional dimensions of climate change adaptation. USC will partner with the University of Adelaide, University of Canberra, Murdoch University, Swinburne University of Technology and Giringun Aboriginal Corporation to maintain research in adaptation and strengthen the capacity of communities to use this research.

USC's Work Integrated Learning staff have been recognised by industry partners for the effort made to share their knowledge of work placement system software with other educational institutions. USC was an early adopter of the placement software which has grown from being used mainly in Health and Education to managing thousands of students' work placements with industry partners such as science labs, law firms, hospitals and schools.

KPI 4.1: Employment costs as a percentage of total revenue (adjusted)

MEASURE	TARGET	PERFORMANCE
Employee benefits costs as a percentage of total revenue (adjusted)	Less than 60%	61.1%

Comment

The YTD 31 December 2015 employment costs as a percentage of total revenue (adjusted) result is 61.1%.

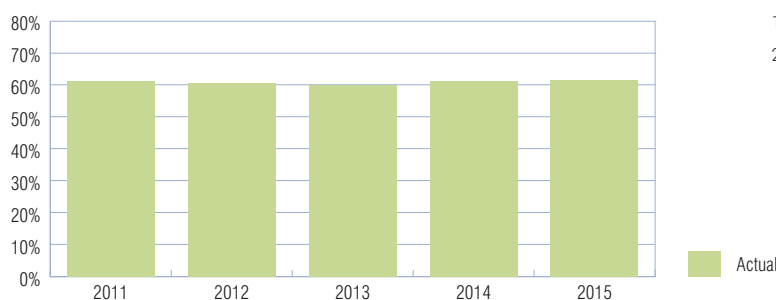
Employment costs includes associated fringe benefits tax and provisions for leave entitlements (long services leave and recreation leave) relevant to the general operations of the University (excludes employment costs associated with grants & agreements).

Total revenue (adjusted) reflects operating revenue relevant to the general operations of the University. It excludes revenue received in relation to capital grant funding, donations and research agreements.

It is noted that the 2015 August Forecast for employee benefits costs as a percentage of total revenue (adjusted) is 61.7%.

Employment costs as a percentage of revenue (adjusted) for USC

	ACTUAL					FORECAST ¹	TARGET
	2011	2012	2013	2014	YTD 2015 ²	2015	
USC	61.2%	60.6%	60.0%	61.2%	61.1%	61.7%	< 60%



1. Forecast values as per 2015–2017 August Reforecast.
2. Actual values YTD 31 December 2015.

KPI 4.2: Operating Margin (adjusted)

MEASURE	TARGET	PERFORMANCE
Operating profit as a proportion of total revenue (adjusted)	4% annually	4%

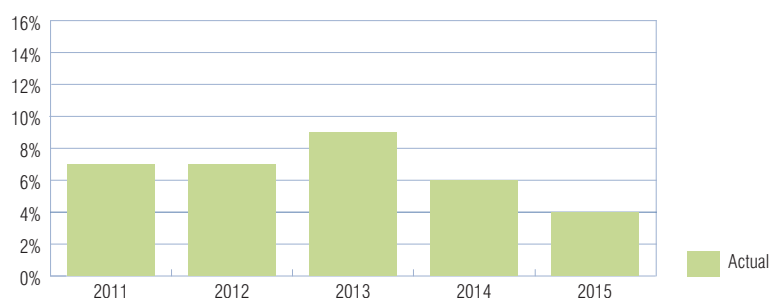
Comment

The Operating Margin (Operating Profit as a proportion of total revenue (adjusted)) of 4.43% as at 31 December 2015 is below the August Reforecast of 5.39%. The variance primarily reflects the reclassification of sustainable growth initiatives to the income statement, whereas the August Reforecast accounted for these initiatives on the balance sheet.

Total revenue (adjusted) reflects operating revenue relevant to the general operations of the University. It excludes revenue received in relation to capital grant funding, donations and research agreements.

Operating margin (adjusted) for USC

	ACTUAL					FORECAST ¹	TARGET
	2011	2012	2013	2014	YTD 2015 ²	2015	
USC	7%	7%	9%	6%	4%	5%	4% annually



1. Forecast values as per 2015–2017 August Reforecast.
2. Actual values YTD 31 December 2015.

KPI 4.3: Capital Improvements

MEASURE	TARGET	PERFORMANCE
Proportion of operating funds invested in capital related projects	8.5% annually	22.8%

Comment

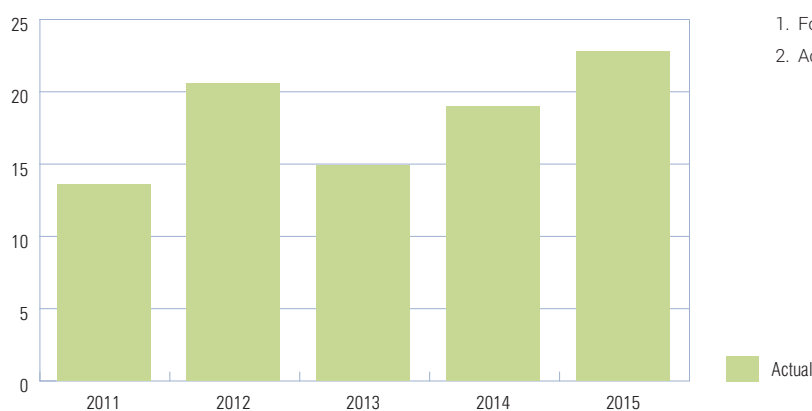
As part of the planning framework the University identifies the strategic asset requirements of the University, details of which are published in the Strategic Asset Management Plan (SAMP). Each year a portion of the University's operating funds are allocated to the SAMP along with any external funding and available cash reserves to complete the SAMP project listing.

University operating funds largely consist of revenues generated by student load, commercial activities and investment income. It is noted that not all projects are completed within the year of allocation therefore the key performance indicator for the current and future years is based on the latest budget forecast (2015 August).

The above target KPIs over the 2015-2017 period is reflective of the University's commitment to investing in Information Technology resources for learning, teaching and research. In addition, the commitments to continual building and infrastructure construction as a result of growth in student load and research capacity.

Capital projects expenditure as a portion of total operating funds

	ACTUAL					FORECAST ¹	TARGET
	2011	2012	2013	2014	YTD 2015 ²	2015	
USC total operating funds (\$'000)	109,595	122,239	139,789	156,310	171,884	167,966	8.5% annually
Capital projects expenditure (\$'000)	14,937	25,130	20,871	29,767	39,168	52,407	
Proportion (%)	13.6%	20.6%	14.9%	19.0%	22.8%	31.2	



1. Forecast values as per 2015–2017 August Reforecast.
2. Actual values YTD 31 December 2015.

University Council (governing body)

Under the *University of the Sunshine Coast Act 1998*, the University is governed by an 18-member Council representing University and community interests.

Council has the power to manage and control University affairs, property and finances, and appoint University staff. Where allowed under the Act, Council may delegate its powers to an appropriately qualified member of Council or member of the University's staff; or to an appropriately qualified committee that includes one or more members of Council.

The Council met six times in 2015. Additionally, an overnight Council Retreat was held in April and councillors participated in a number of other special activities throughout the year.

Council leadership

Chancellor

Leads Council and presides at Council meetings.

John M Dobson OAM



Elected Chancellor in 2007 for an inaugural term from 1 April 2007 to 31 March 2012. Re-elected in 2011 for a term from 1 April 2012 to 31 March 2017. Member of the University Council since 1997. Parish Priest of Caloundra Parish between 1982 and 2012, Dean of the North Coast Deanery within the Catholic Church between 1992 and 2012. Contributions to the community include founding privately-funded residential care facilities for the aged and for people with intellectual disabilities, co-founding a retirement village and a comprehensive college (in partnership with the United Church) and developing support groups for prisoners and their families.

Deputy Chancellor

Acts as Chancellor in the absence of the Chancellor or when the office of Chancellor is vacant.

Bruce Cowley (from 27 April 2015)

BCom, LLB(Hons) *Qld*. FAICD



Elected Deputy Chancellor for a two year term, commencing on 27 April 2015 and Chair of the Planning and Resources Committee. Chairman of Minter Ellison, one of Australia's largest law firms, he has practiced as a corporate lawyer for more than 30 years, specialising in directors' duties and corporate governance. He has authored the Protecting Your Position series of publications on director liabilities. Fellow of the Australian Institute of Company Directors (FAICD), and a recent past member of the Queensland State Council of the AICD (continues to sit on the AICD's Law Committee). Chair of the Children's Hospital Foundation, the Queensland Children's Medical Research Institute and the Cerebral Palsy League, and President of the Queensland Private Enterprise Centre.

David Jeffries (until 27 April 2015)

BCom *Qld*, FCA, FAICD, FFin



Re-elected as Deputy Chancellor in March 2014 for a two year term commencing 5 March 2014 (Resigned on 27 April 2015). Member of University Council since August 2006. Member of Foundation Board in 2008 and 2009. Member of Planning and Resources Committee (PRC) from August 2006 until December 2014 (Chair January 2010 until December 2014). Fellow, Institute of Chartered Accountants in Australia, Australian Institute of Company Directors and Financial Services Institute of Australasia. Business contributions include numerous positions as company director/adviser, and as senior executive in the financial services sector: Deputy Chief Executive of Bank of Queensland Limited, Chief Executive Officer of First Australian Building Society, State Chairman of the Institute of Chartered Accountants, Australian representative on the Financial and Management Accounting Committee of the International Federation of Accountants.

Council membership

The Council comprises three official members, six members appointed by the Governor in Council, five elected members and four additional members appointed by the Council. The term of office of the majority of members is four years. The term of office of student members is two years. 2015 was the second year of the Seventh University Council.

The Council membership for 2015 was as follows:

Chancellor	John M Dobson OAM
Deputy Chancellor	Bruce Cowley, BCom, LLB(Hons) <i>Qld</i> , FAICD (from 27 April 2015) David Jeffries, BCom <i>Qld</i> , FCA, FAICD, FFin (until 27 April 2015)
Vice-Chancellor and President	Professor Greg Hill, CertTeach <i>Qld</i> , BA(Hons) <i>Qld</i> , PhD <i>Qld</i>
Chairperson of the Academic Board	Professor Birgit Lohmann, BSc (Hons) <i>Adel.</i> , PhD <i>Flin.</i>
Six members appointed by the Governor in Council	Dr Suzanne Innes, BA(Hons), BEdSt <i>Qld</i> , GradCertTESOL <i>UNE</i> , MSchM EdD <i>C.Qld</i> David Jeffries, BCom <i>Qld</i> , FCA, FAICD, FFin Julie-Anne Mee, BBus <i>C.Qld</i> , MAdmin <i>Griff.</i> , FCPA Debra Bennet Jacquelyn Wright, BBus(Comp) <i>NTU</i> , Master of Computing Studies <i>Deakin</i> , GDipEd(Adult) <i>S.Aust.</i> , GDipEd(Primary) <i>NTU</i> Bruce Cowley, BCom, LLB(Hons) <i>Qld</i> , FAICD
Two elected members of the University's academic staff	Professor Robert Elliot, BA(Hons) <i>NSW</i> , MA <i>La Trobe</i> , DipEd <i>Melb.</i> , PhD <i>Qld</i> Dr Mark Sayers, BAppSci <i>CCAE</i> , MAppSci <i>Canberra</i> , PhD <i>RMIT</i>
One elected member of the University's general staff	Jon Dickins, BA (Hons) <i>Griff.</i>
Two elected members of the student body	Sonya Wallace, BNursSc <i>USC</i> , GCertPR <i>USC</i> , MACN Chelsea Wallis, BBus, GCEcon, GCA (Pol&IR), JP(Qual), MQJA
Four additional members	Robert Hubbard, BA(Hons), FCA, MAICD Natasha Read, BCom <i>Griff.</i> , MBA <i>Sunshine Coast</i> , FAIM, GAICD Scott Williams AM, QDAH <i>Qld</i> , BEc, GradDipCompSc, GradDipFinMangt, GradDipRurAcc <i>NE</i> , HonDLitt <i>NE</i> , FAICD Emeritus Professor Gerard Sutton AO, BE(Hons), MEngSc <i>UNSW</i> , PhD <i>CUA</i> , HonDSc <i>UOW</i>

Council Secretary

Dr Scott Snyder, Chief Operating Officer (Corporate Services) and Council Secretary.

Council decisions in 2015

In 2015, Council:

- Approved the new USC 2016-2020 Strategic Plan
- Noted 2015 Corporate Performance Reports against the Key Performance Indicators in the University's Strategic Plan (2011-2015)
- Noted reports on 2015 performance against the University's top level plans (2011-2015)
- Appointed the new Deputy-Chancellor for a two-year term
- Approved appointments to Council and its committees
- Approved changes to the composition of PRC and ARMC
- Approved changes to the Terms of Reference of the Academic Board
- Noted that the Audit and Risk Management Committee was of the view that the University's 2014 Annual Financial Statements were compliant with the Australian Accounting Standards and appropriate for sign-off
- Approved that the membership fee for the Student Guild be the sum of \$10 for the calendar year 2016, for Ordinary Members
- Noted the 2014 Student Guild and 2014 ICSC Audited Annual Financial Statements
- Noted changes to the Executive structure
- Received updates on the Administration Review
- Received updates and endorsed/approved new campus ventures – Moreton Bay and Fraser Coast
- Endorsed USC forming a partnership with ATMC
- Noted a report on USC's economic impact on the region
- Noted Section 6 of the new Higher Education Standards, which pertained to University Governance
- Noted the Annual Reports on:
 - Activities of the Foundation Board
 - Programs accredited, reaccredited or discontinued
 - Awards conferred
 - Sustainability management
- Received annual reports from the Faculty Executive Deans
- Approved amendments to the Schedule of Delegations and Preamble
- Noted quarterly reports on Capital, Commercial and Asset Management
- Noted the 2014 Institutional Performance Portfolio Report
- Noted the 2014 Policy Review Schedule
- Noted the Vice-Chancellor and President's (VCP's) 2015 Key Performance Indicators
- Noted the 2015 TEQSA USC Risk Assessment
- Received presentations on:
 - The public university system in California
 - USC's student engagement strategy
- Approved recommendations for Honorary Awards
- Approved the December 2014 Financial Outcomes Report
- Approved the April 2015–2017 Reforecast University

Triennial Budget

- Approved the 2015 June Budget Outcomes Report
- Approved the 2015 August Reforecast of the University's Consolidated Budget
- Adopted the 2016–2018 University Triennial Budget
- Approved the selection of a co-sourced internal audit partner
- Approved the establishment of a new Controlled Entity— USC Trust.

New policies

In 2015, Council approved the following new policy:

- Third Party Provider Program Arrangements – Governing Policy.

Amended policies

In 2015, Council approved changes to the following policies:

- Program Accreditation and Course Approval – Governing Policy
- Audit and Assurance Governing Policy and Audit Charter
- Information Management Framework – Governing Policy
- Delegations Framework – Governing Policy and associated Schedule of Delegations
- Management of Contracts and Memorandums of Understanding – Governing Policy
- Honorary Awards – Governing Policy.

Rescinded policies

In 2015, Council resolved to rescind the following policies:

- Records Management – Governing Policy
- Information Privacy – Governing Policy
- Right to Information – Governing Policy.

University leadership (principal officers)



Vice-Chancellor and President

University CEO, responsible to University Council for strategic development, organisational leadership and day-to-day operations of the University.

Professor Greg Hill

CertTeach *Qld*, BA(Hons) *Qld*, PhD *Qld*

Commenced as Vice-Chancellor and President, University of the Sunshine Coast in 2011 following a term of office as Vice-Chancellor and President Designate from June 2010 and Deputy Vice-Chancellor from 2005–2010. Lead Vice-Chancellor, Universities Australia Indigenous Higher Education; Member, Australian Government Aboriginal and Torres Strait Island Higher Education Advisory Council; Member, Universities Australia; Foundation Member, Regional Universities Network; Board Member, Education Australia Limited; Board Member, IDP Education Pty Limited; Member, Queensland Tertiary Admissions Centre Ltd; and Fellow, Queensland Academy of Arts and Sciences. Charles Darwin University—Foundation Professor of Tropical Environmental Science 1995–2004; Dean 1997–2004. Program Leader, Tropical Savannas CRC; Director, Centre for Tropical Wetlands Management; Chair, Northern Territory Board of Studies; Member, Kakadu National Park Research Advisory Committee; Member, AVCC Indigenous Advisory Committee. University of Queensland 1979–1994 — Reader in Geographical Sciences; Director, ARC Key Centre in Land Information Studies. Research interests in remote sensing, wildlife ecology, resource management, environmental planning and education. National recognition for research, teaching innovation and technology transfer to developing countries.



Deputy Vice-Chancellor

Chair of Academic Board, overseeing the academic functions (learning and teaching) of the University, with responsibility for related support areas such as the Centre for Support and Advancement of Learning and Teaching, Information Services, Strategic Information and Analysis Unit, USC Gympie and USC Law.

Professor Birgit Lohmann

BSc (Hons) *Adel.*, PhD *Flin.*

Appointed to the University in 2010, taking up the position of Deputy Vice-Chancellor from February 2011. Chair of Academic Board and Promotions Committee, member of University Council, Executive, Honorary Awards Committee and Senior Staff Forum. Previously Head of the School of Science and Director of the Centre for Quantum Dynamics at Griffith University and Pro Vice-Chancellor (Learning and Quality) at the University of Adelaide. Member of the Regional Universities Network Deputy Vice-Chancellor Academic Group, member of the Universities Australia Deputy Vice-Chancellor/Pro Vice-Chancellor (Academic) Group, Deputy Chair, QTAC Board and Chair, QTAC Audit and Risk Committee; member, Regional Development Australia Sunshine Coast committee. Research interests in atomic and molecular physics.



Pro Vice-Chancellor (International and Quality)

Oversees, manages and provides advice on internationalisation, quality assurance and improvement, organisational and program reviews, and marketing and communications.

Professor Robert Elliot

BA(Hons) *NSW*, MA *La Trobe*, DipEd *Melb.*, PhD *Qld*

Pro Vice-Chancellor (International and Quality) and Professor of Philosophy. A founding staff member of the University. Member of University Council, University Executive, and Learning and Teaching Committee, Deputy Chairperson of Academic Board and Chairperson of the Internationalisation Advisory Committee. Former foundation Dean of Arts and subsequently Dean, Faculty of Arts and Social Sciences, University of the Sunshine Coast, from 1995–2005.



Chief Operating Officer

Responsible for overseeing a range of business functions to facilitate the ongoing financial and planning viability of the University. Secretary to the University Council and oversees the University's planning, budgeting, infrastructure, human resources, marketing and communications, financial and information technology services and implements internal controls and risk management systems. The Chief Operating Officer provides advice to the Vice-Chancellor and President and the University Council on budget and financial risk management.

Dr Scott Snyder

PhD *Adel*

Appointed to the University in June 2014 as the Pro Vice-Chancellor of Corporate Services. In October 2015 the position was renamed Chief Operating Officer along with an adjustment to include Marketing and Communications in to the corporate portfolio. Attends meetings of University Council, Planning and Resources Committee and Audit and Risk Management Committee. Previously, from Charles Darwin University where he held the role of Chief Operating Officer, and has also held roles as Executive Dean and Pro Vice-Chancellor.



Pro Vice-Chancellor (Research)

Oversees, manages and advises on University research activity, aligning research effort with the University's goals and advancing the research profile of the University.

Professor Roland De Marco

BSc, MSc *RMIT*, PhD *La Trobe*, MRACI

Appointed to the University in 2010, taking up the newly-created Pro Vice-Chancellor (Research) role from January 2011. Member of Academic Board and Chairperson of the Research Committee. He is Member of the Board of the SmartWater Centre headquartered at Griffith University, and previously served as Chair (2011–2012) of the Queensland Nuclear Magnetic Resonance Spectroscopy Network headquartered at The University of Queensland. He presently serves on the Australian Institute of Nuclear Science and Engineering (AINSE) Materials, Structures and Dynamics Specialist Committee. He is also a member of the Editorial Board of the Elsevier journal *Sensors and Actuators B: Chemical*, and is Handling Editor of the Elsevier journal *Sensing and Biosensing Research*. Previously Professor of Chemistry, along with Chemistry Department Head 2001–2007, Dean of Research in Science and Engineering 2007–2009 and Associate Deputy Vice-Chancellor (Research) 2010 at Curtin University. Recipient of the 2008 RACI Lloyd Smythe Medal for excellence in research in Analytical Chemistry.



Pro Vice-Chancellor (Engagement)

Oversees the University's links with its primary stakeholders and its regional community in achieving the teaching and learning, and research priorities of the University.

Professor Mike Hefferan

BA *Qld*, GradDipMgmt *C.Qld*, MAppSci, PhD *QldUT*

Pro Vice-Chancellor (Engagement) and Professor of Property and Development. Appointed to the University in 2008. Member of Academic Board, Executive and Foundation Board, and Chair of Innovation Centre Sunshine Coast Pty Ltd. Past President of the Australian Property Institute (Queensland Division), immediate past Chair of the API's National Education Board and immediate past board member of Regional Development Australia (Sunshine Coast) and the Sunshine Coast Business Council. Registered Urban and Rural Valuer, Fellow of the Australian Institute of Company Directors, Urban Development Institute of Australia, Australian Property Institute and Royal Institution of Chartered Surveyors.



Pro Vice-Chancellor (Students)

Chair of the Learning and Teaching Committee, with responsibility for USC's strategies for student engagement and success and oversight of Services and Engagement, Student Wellbeing, Indigenous Services and the Academic Secretariat.

Professor Karen Nelson

BIT(Hons) *QUT*, PhD *QUT*

Appointed to the University in 2014 as the inaugural Pro Vice-Chancellor (Students). Member of the Academic Board, and Chair of the Learning and Teaching Committee. Active researcher in the areas of student engagement, students experiences of higher education, student success and retention, and the first year in higher education. Adjunct Professor in the Information Systems School, Science and Engineering Faculty at Queensland University of Technology.



Executive Dean, Faculty of Arts and Business

Oversees the Faculty of Arts and Business, comprising the School of Business, School of Communication, School of Social Sciences, the Sustainability Research Centre, the Forest Industries Research Centre, the Tropical Forests and People Centre.

Professor Joanne Scott

BA(Hons) *Qld*, GradCertEd *QldUT*, GradCertCulturalHtge *Deakin*, PhD *Qld*

One of the longest-serving members of the University. Became the inaugural Head of the School of Social Sciences (2006-2010), and chaired USC's Learning and Teaching Committee (2007–2010). She commenced her current role as Executive Dean of the Faculty of Arts and Business in January 2012. Member of Academic Board, Executive, Planning and Resources Committee, Senior Staff Forum, and Equity Advisory Committee. Research interests include Australian and oral history.

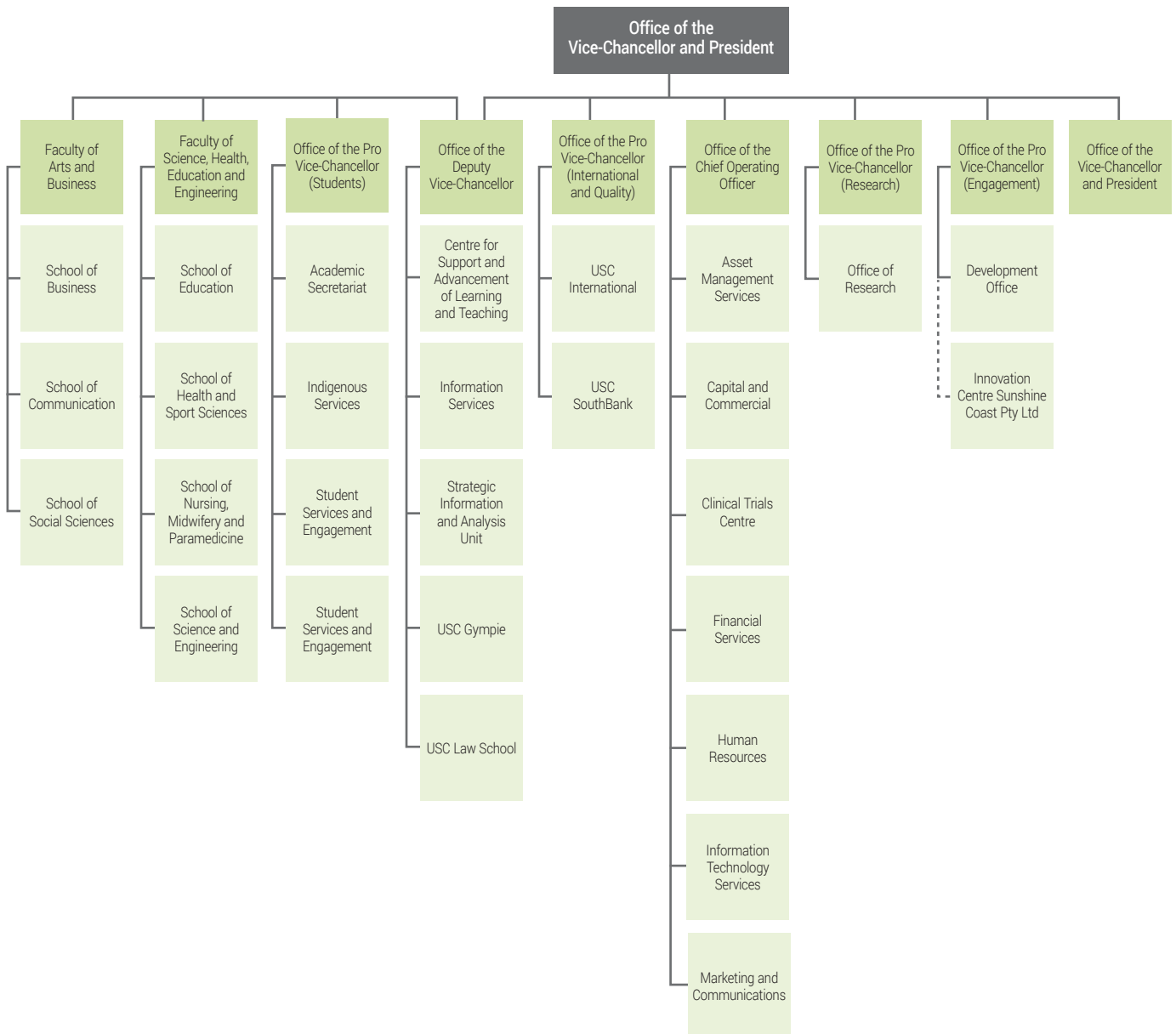


Executive Dean, Faculty of Science, Health, Education and Engineering

Oversees the Faculty of Science, Health, Education and Engineering, comprising the School of Science and Engineering, School of Education, School of Health and Sport Sciences, School of Nursing, Midwifery and Paramedicine, GeneCology Research Centre, Centre for Animal Health Innovation and several research clusters.

Professor John Bartlett
 BSc (Hons) Newcastle, PhD Newcastle

Appointed to the University in 2011, taking up the position of Executive Dean, Faculty of Science, Health, Education and Engineering in February 2012. Member of Academic Board, Executive, Senior Staff Forum and Equity Advisory Committee. Previously Head of the School of Natural Sciences and Dean-Elect of the School of Science at the University of Western Sydney and Acting Head, Institute of Materials Engineering and Science at the Australian Nuclear Science and Technology Organisation. Research interests include materials chemistry and nanotechnology.



University committees

Academic Board

The University's Academic Board was established under the *University of the Sunshine Coast Act 1998* as the University's senior academic body.

In 2015 its members included:

- Deputy Vice-Chancellor [Chairperson]
- Pro Vice-Chancellor (Research)
- Pro Vice-Chancellor (International and Quality)
- Pro Vice-Chancellor (Engagement)
- Pro Vice-Chancellor (Students)
- Faculty Executive Deans
- Faculty Associate Deans (Learning and Teaching)
- Faculty Associate Deans (Research)
- Chairpersons of Academic Board standing committees
- Heads of Schools
- Three elected academic staff members from each faculty
- One undergraduate and one postgraduate student
- External representative of TAFE
- Director, Student Services and Engagement
- Director, Student Wellbeing
- Director, Centre for Support and Advancement of Learning and Teaching
- Director, Information Services.

The role of the Academic Board is to:

- advise Council on teaching, scholarship and research matters concerning the University
- formulate proposals for academic policies of the University
- monitor the academic activities of the University's faculties
- promote and encourage scholarship and research at the University.

In 2015 the Academic Board met six times. The Board did not receive any remuneration in 2015.

The terms of reference of Academic Board in 2015 were as follows:

1. To monitor academic integrity and academic standards, and assure the quality of teaching, research and research training
2. To foster discourse and deliberation on issues related to higher education through informed and open discussion
3. To approve and amend academic policy
4. To foster excellence and innovation in teaching, learning, scholarship and research
5. To advise Council and make recommendations where appropriate on the academic strategic directions and practices of the University
6. To accredit the introduction of new programs and approve significant program amendments
7. To confer academic awards of the University, other than Honorary awards.

Academic Board decisions in 2015

Strategic and academic quality assurance developments in 2015 included:

- Academic Board monitored programs to ensure compliance with the Australian Qualifications Framework.
- Academic Board approved the report of the Inherent Academic Requirements Working Party and associated template for the development of inherent academic requirements and introduction into programs from 2016.
- Academic Board received regular reports from the Embedding Aboriginal and Torres Strait Islander Knowledges and Perspectives in Curriculum Working Party.
- Academic Board recommended the Student Charter for the Vice-Chancellor and President's approval.
- Academic Board approved initial faculty responses to reviews of the following programs:
 - Nutrition and Dietetics Programs
 - Nursing and Midwifery Programs
 - Regional and Urban Planning Programs
 - Occupational Therapy Program
 - Psychology Programs
 - Science and Environmental Science Programs
- Academic Board approved the initial faculty response to the 2014 Review of the Faculty of Science, Health, Education and Engineering.

Policy developments in 2015 included:

- Approved the revision of the Monitoring Academic Progress and Exclusion - Academic Policy and endorsed the Procedures
- Approved the revision of the Work Integrated Learning – Academic Policy and endorsed the new Workplace and Industry Placement – Procedures
- Endorsed the Program Accreditation and Course Approval – Governing Policy for recommendation for approval by Council in March 2015
- Endorsed the following new procedures relating to the revised Program Accreditation and Course Approval – Governing Policy:
 - Course Approval, Change and Discontinuation – Procedures
 - Program Accreditation – Procedures
 - Program Changes – Procedures
- Subsequently Council approved the changes to procedures effective 1 May 2015 which:
 - Transferred authority to approve the discontinuation of programs from the Academic Board to the Vice-Chancellor and President
 - Transferred authority to approve new courses and study components from the Academic Board, under delegation of authority, to the Learning and Teaching Committee
 - Transferred authority to approve the discontinuation of courses to the relevant Executive Dean or the Head of the USC Law School

- Approved the revision of the Learning and Teaching Grants, Awards and Fellowships – Academic Policy and endorsed the new Learning and Teaching Awards and Fellowships – Procedures and Learning and Teaching Grants – Procedures
- Approved the revision of the Internal Research Grant Schemes - Academic Policy and endorsed the Procedures
- Endorsed amendments to the Administration of Central Examinations – Procedures
- Endorsed amendments to the Program Review – Procedures
- Consulted on the Copyright – Managerial Policy and new Copyright – Procedures and Copyright Infringement/Takedown Notice – Procedures
- Endorsed amendments to the Animal Ethics – Procedures.

Academic Board accredited the following programs in 2015:

- AR710 Master of Professional Practice (Creative Writing)
- AR354 Bachelor of Serious Games
- AR396 Bachelor of Laws/Bachelor of Criminology and Justice
- AR363 Bachelor of Social Work/Bachelor of Criminology and Justice
- AR364 Bachelor of Social Science (Psychology)/Bachelor of Criminology and Justice
- ED312 Bachelor of Recreation and Outdoor Environmental Studies
- ED315 Bachelor of Education (Secondary)/Bachelor of Recreation and Outdoor Environmental Studies
- SC367 Bachelor of Health Science
- SC347 Bachelor of Sports Studies
- SC110 Diploma in Sport and Fitness
- SC423 Bachelor of Midwifery (Honours)
- SC319 Bachelor of Environmental Management
- BU740 Master of Business Administration (Extended)
- BU745 Master of Business Administration/Master of International Business.

In 2015, the Academic Board also approved the following:

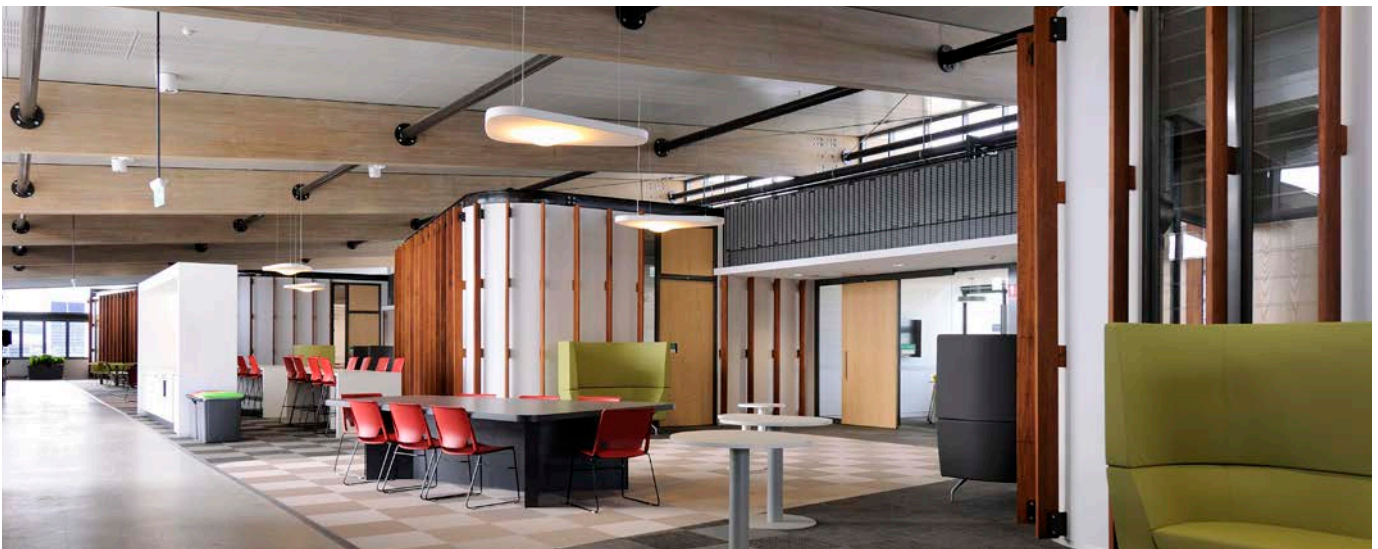
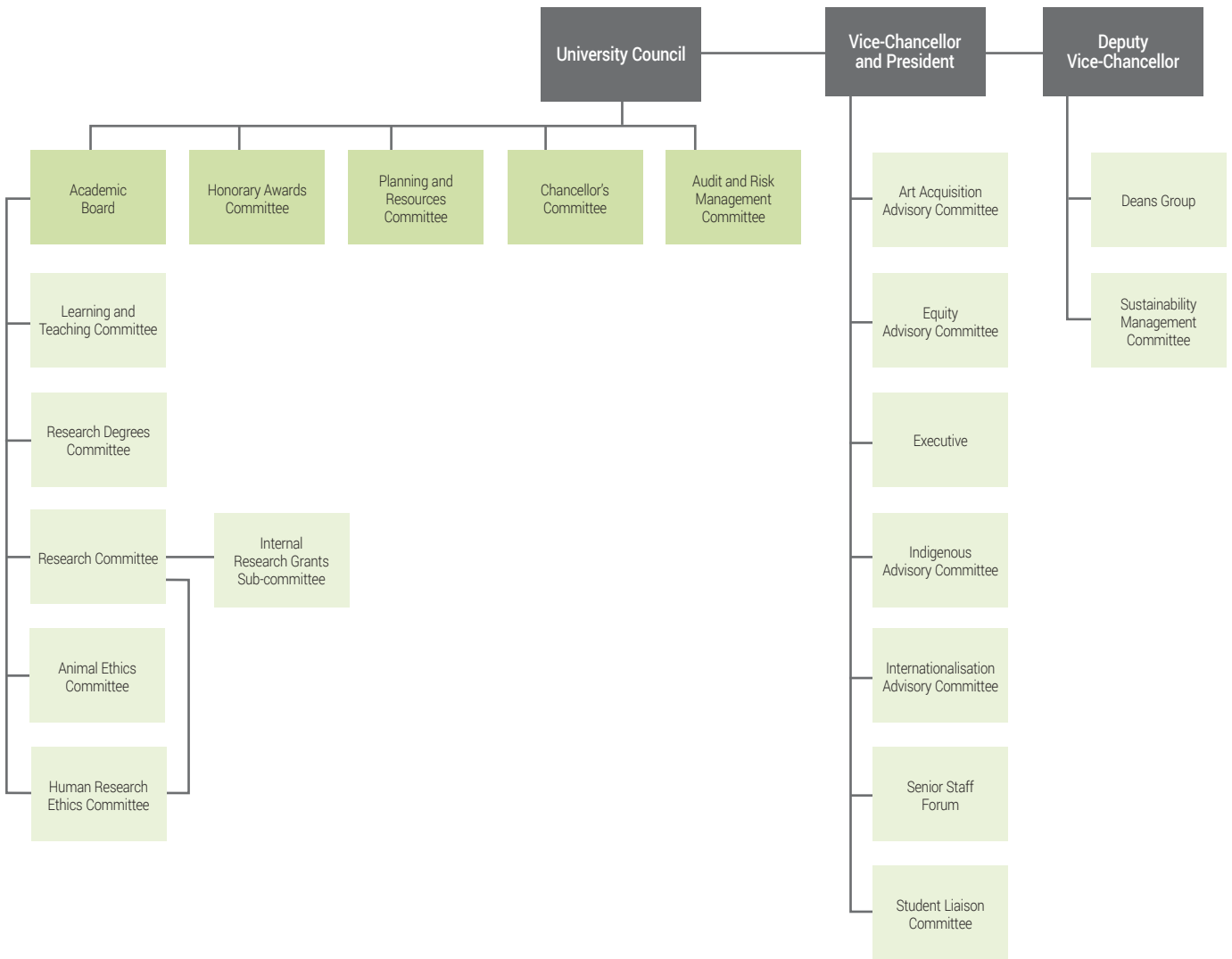
- Minor amendments to the Standing Orders for Academic Board and its Standing Committees
- Minor changes to the composition and terms of reference of its standing committees
- Amendments to the Faculty Learning and Teaching Committee Core Composition and Terms of Reference
- Revisions to the Animal Ethics Committee Terms of Reference
- Changes to programs where the Academic Board was the approval authority
- Conferral of individual student academic awards.

In 2015, the Academic Board received the following:

- Annual Summary Report on Student Academic Misconduct for 2014
- Annual Reports from Executive Deans and the Head of the USC Law School
- Faculty Annual Reports of the External Academic Advisory Committees
- 2014 Sustainability Research Centre Annual Report
- 2013 and 2014 GeneCology Research Centre Annual Reports
- May 2015 Corporate Performance Report of the 2011–2015 Strategic Plan
- May 2015 Top Level Plan Performance Report of the 2011–2015 Top Level Plans
- Higher Degrees by Research Performance Data End of Year Report 2014
- Higher Degree by Research Candidate Survey Report 2014
- Research Training Performance Data mid-year Report 2015
- Report from the Deputy Vice-Chancellor on the transition of University of Southern Queensland Fraser Coast campus to the University of the Sunshine Coast.

In 2015 the Academic Board received information on sector-wide strategic matters:

- Peer Review of Assessment networks in Australia
- Queensland Review of Senior Assessment and Tertiary Entrance Processes
- Action Now: Classroom Ready Teachers report from the Teacher Education Ministerial Advisory Group
- National Strategy on Work Integrated Learning in University Education
- Draft National Strategy for International Education
- Academy of Technological Sciences and Engineering (ATSE) – Research Engagement for Australia: Measuring Research Engagement between Universities and end users
- Australian Government Draft National Strategy for International Education
- Academy of Technological Sciences and Engineering (ATSE) Report titled “Research Engagement for Australia: Measuring Research Engagement between Universities and end users”
- Discipline Threshold Learning Outcomes for programs
- Australian Government’s Review of Research Policy and Funding Arrangements for Higher Education issues paper
- The new Higher Education Standards Framework (Threshold Standards) 2015 which revokes and replaces the Higher Education Standards Framework (Threshold Standards) 2011 from 1 January 2017.



Audit and Risk Management Committee

The Audit and Risk Management Committee (ARMC) has five major areas of responsibility:

1. Monitoring internal control and risk management
2. Monitoring of internal audit activities
3. Monitoring of external audit activities
4. Oversight and appraisal of financial reporting
5. Oversight of any fraud or ethics issues.

Membership of ARMC is approved by Council and consists of a minimum of four and a maximum of six persons, and includes, up to two members co-opted by the Chancellor and at least one other member of Council. At least one ARMC member must be a member of the professional accounting or audit bodies in Australia and have a professional accounting, management consultancy or audit background. Additionally, at least one member should possess expertise within the education sector. The initial term of office of members is a period not exceeding three years, and may be extended for further terms subject to the composition and skill requirements of the Committee.

The ARMC's activities in 2015 were in accordance with its Terms of Reference and had due regard to Queensland Treasury's Audit Committee Guidelines. Four regular meetings and one informal meeting of the ARMC were held in 2015. Additionally, a Planning Day was held in August. The Committee assessed reports or developed recommendations on Risk Management, the Delegations review, Procurement Analysis, Fraud Control, Work Health and Safety, Workforce Planning (Safety Officers), Internal and External Audit Matters, Insurance, Legislative Compliance, the University's 2014 Annual Financial Statements and the composition/membership of ARMC. A key focus of the work of this Committee in 2015 has been contributing to the development of a Risk Appetite Statement for USC. ARMC also provided input to Management on the selection of a technology-based audit system and developed a recommendation to Council regarding the selection of a co-sourced internal audit partner. Members also received a presentation on risks associated with the use of international student recruitment agencies and participated in the annual self-review of the ARMC's performance.

The outcomes of the Committee's discussions and advice to Council were provided to Council via the minutes of its meetings.

The Audit and Risk Management Committee did not receive any remuneration in 2015.

Planning and Resources Committee

The role of the Planning and Resources Committee (PRC) is to recommend the strategic directions of the University to Council, in the context of development of the University's plans and their resourcing strategies. The Committee also provides advice to Council on issues arising from these plans. The key areas of concern to the Committee are planning and strategy, financial resources, asset management (including information technology) and human resources.

Members of the PRC include the Deputy Chancellor (who currently chairs the Committee), the Vice-Chancellor and President, one Executive Dean, four external members with specific expertise in strategic financial management and planning and up to two members co-opted by the Chancellor.

The Chancellor, Deputy Vice-Chancellor, Chief Operating Officer and Chief Financial Officer attend meetings of the Committee and have participating, but not voting, rights. In 2015, members participated in a self-review of the Committee's performance.

Five meetings of PRC were held in 2015 and discussion focused on:

- Financial matters, including budget reports and funding
- Membership of PRC
- Planning matters, including development of the next Strategic Plan (and associated KPIs, Measures and Targets) and reports on outcomes for the key performance indicators in the University's previous and current strategic and top level plans
- Capital, Commercial and Asset Management
- Information Technology Services
- The University's economic impact on the region
- New campus ventures – Moreton Bay and Fraser Coast
- USC Gympie and USC SouthBank
- Possible governance models to support expansion of USC
- The University's controlled entities (Innovation Centre Sunshine Coast and USC Retail)
- Membership of the ICSC Board
- Queensland Mind and Neuroscience – Thompson Institute
- Skills Academic and Research Centre
- ATMC Partnership
- PRC's role in managing Business Risks
- Procurement
- Project Management Framework
- Sustainability Management
- Progress of the Administration Review.

The Planning and Resources Committee did not receive any remuneration in 2015.

Honorary Awards Committee

The Chancellor chairs the five-member Honorary Awards Committee, which seeks, considers and recommends to Council nominations for honorary awards, in accordance with the University's Honorary Awards—Governing Policy. In addition to the Chancellor, the Committee's composition includes the Vice-Chancellor and President, the Deputy Vice-Chancellor and up to three University Council members. The Honorary Awards Committee met twice in 2015 to consider nominations for honorary awards.

The following honorary awards were presented in 2015:

Doctor of the University

- Emeritus Professor Peter Andrews AO

Senior Fellow of the University

- David Kirk
- William (Bill) Hauritz AM
- Philip Procopis
- Anthony Vincent
- Dr Peter Welsh.

The Honorary Awards Committee did not receive any remuneration in 2015.

Monitoring quality

The University conducts internal audits within the relevant terms of reference and has due regard to Queensland Treasury's Audit Committee Guidelines. The University monitors overall quality through a system of reports against performance indicators and planned targets, and scheduled regular reviews and internal audits of performance. The latter often include input from external sources.

The Council, committees and senior managers monitor quality, performance, standards and outcomes via performance reports and data, particularly in relation to the University's finances, Strategic Plan and thematic top-level plans such as those supporting access to the USC experience; delivery of high quality teaching, learning and graduate outcomes; building research productivity and output; and preparing USC for a sustainable future.

Improvement plans are developed in response to review and audit findings and regular reports on progress in achieving those plans are provided to senior University staff and such bodies as the University Executive, Academic Board, Council committees and the Quality and Standards Committee.

The University has not been subject to external review over the course of this reporting period.

During 2015, scheduled major internal organisational reviews of USC International, Marketing and Communications, and the Strategic Information and Analysis Unit were undertaken.



Formal reviews of the following programs were also undertaken in 2015:

- Master of Business Administration
- Graduate Certificate in Business Administration
- Graduate Diploma in Business Administration
- Executive Master of Business Administration
- Master of International Business
- Associate Degree in Science
- Bachelor of Environmental Science
- Bachelor of Science
- Bachelor of Science (Honours)
- Bachelor of Computer-Based Design
- Bachelor of Design and Communication
- Bachelor of Engineering (Civil) (Honours)
- Bachelor of Engineering (Mechanical) (Honours)
- Bachelor of Early Childhood Education
- Bachelor of Primary Education
- Bachelor of Education (Secondary)/Bachelor of Arts
- Bachelor of Education (Secondary)/Bachelor of Science
- Master of Education.

There continued to be ongoing reporting and monitoring of progress in implementation of, and outcomes from, action plans arising from formal reviews held since 2013.

The quality and standards framework is published online at usc.edu.au/quality

Benchmarking

During 2015 the University participated in a range of academic, industry and professional benchmarking activities as part of its quality assurance and continuous quality improvement processes. Cumulative inventories of benchmarking activities are maintained and updated annually. Benchmarking activities and findings are used for identifying and planning improvement actions and setting or adjusting performance or improvement targets.

Controlled entities

Council approved a Policy for the Establishment and Operation of Controlled Entities in December 2006.

Innovation Centre Sunshine Coast

The University established the Innovation Centre Sunshine Coast Pty Ltd (ICSC) on 26 October 2000, under the *University of the Sunshine Coast Act 1998* Part 2(6) with a free standing Board. The company's mission is to support the start-up and growth of knowledge-based businesses and to promote beneficial interaction between these businesses and the University of the Sunshine Coast (USC).

The ICSC operates a 1500-square metre, purpose-built business incubator facility on the USC campus. The ICSC provides a successful business development programs, high-speed fibre/wireless connections, flexible office space, video studio, business mentoring, investment readiness, extensive networking and event opportunities and collaborative links to USC research and talent.

The ICSC mission, members and general activities are fully detailed at www.innovationcentre.com.au

Dividends:

No dividends have been paid or declared during or since the 2015 financial year (2014: nil).

Review and results of operations:

The ICSC remains uniquely positioned to respond and cater to the demands of local entrepreneurs and enterprising students. With an improving economic climate, the ICSC had a relatively strong year attracting 18 new member companies. ICSC occupancy has averaged 98% in 2015 and the quality of member applications has been strong. In 2015, the ICSC was home to 38 resident companies and more than 170 entrepreneurs. Many of these companies excelled in their respective fields, winning a total of four industry awards throughout 2015.

The ICSC financial year saw a net loss of \$21,496 (profit \$44,485 in 2014) based on total revenue of \$1,019,867 (\$982,090 in 2014). In addition, the ICSC received strong in-kind support during the year from the following contributors:

- ICSC Mentor Panel – providing approximately \$74,000 of volunteered mentoring and advice;
- Big Air Sponsorship – providing \$26,000 in ICT technical services;
- Poole Group – providing \$6,300 of accounting and related services;
- ICSC Professional Partners – prizes valued at \$9,000 by Redchip Lawyers, RADBE, Poole Group; and
- ICSC Board of Directors – approximately \$8,850 of volunteered time (excluding USC staff members).

Since 2002, the ICSC has supported the start-up and growth of more than 140 businesses (principally in the digital, clean-tech, health and creative industry sectors) and has assisted clients in raising more than \$32 million in early-stage capital. In turn, the ICSC's clients have employed more than 580 new staff. A report commissioned by The AEC Group Pty Ltd in October 2015 analysed the economic impacts of the ICSC activities on the Sunshine Coast community.

AEC key findings indicate that the ICSC has contributed and estimated:

- \$103 million in output by the more than 140 businesses that are either past or current clients of the IC and operating within the Sunshine Coast economy in 2014–15.
- a total of 720 full time equivalent (FTE) jobs in the Sunshine Coast economy (including direct and flow-on activity).
- More than \$60 million in wages and salaries for employees (direct and indirect) in the Sunshine Coast.

In November 2015 the ICSC was featured as a case study in the 2015 Australian Innovation System Report. The annual report looks at innovation and entrepreneurship in Australia.

The full financial transactions of the ICSC can be located in this report on pages 87–106.

ICSC Board Members (Directors):

- Professor Mike Hefferan (Chairperson)
- Mr Andrew Fern
- Ms Julie-Anne Mee (Company Secretary)
- Professor John Bartlett
- Mr Tim Eldridge
- Dr Kirsten Baulch.

The Board met six times in 2015. The ICSC Board did not receive any remuneration in 2014.

Remuneration

No director of the ICSC has received or become entitled to receive a benefit by reason of a contract made by the ICSC or a related corporation with a director or firm of which a director is associated.

Company Members:

- Mr Mark Paddenburg (ICSC CEO)
- Ms Janet O'Hara (ICSC Board Minute Secretary).



Statutory obligations and compliance

Information privacy

The University has policies and procedures in place to ensure the appropriate management of personal information, in compliance with the requirements of the *Information Privacy Act 2009*. A privacy statement is available on the University's website and appropriate privacy statements are included on University forms. The University's policy approach to information privacy is included in its Information Management Framework Governing Policy. Procedures for information privacy are outlined in its Information and Records Management Procedures and a Guideline on Personal Information outlines the processes for the collection, use and storage of personal information. One formal request under the Information Privacy Act was processed in 2015.

Right to Information

The University has policies and procedures in place to provide information proactively and to respond quickly to requests for information, in compliance with the *Right to Information Act 2009*.

The University's policy approach to right to information is included in its Information Management Framework Governing Policy. Procedures for the management of right to information requests are included in the Information and Records Management Procedures.

The Publication Scheme on the University's website, outlining the classes of information available publicly, is updated regularly. The University's Disclosure Log provides details of information released in response to formal RTI applications. Requests for information are managed through administrative release processes wherever possible.

Two formal requests under the Right to Information Act were processed in 2015.

Equity and work-life balance initiatives

Education and awareness of equal opportunity in the workplace continued throughout 2015 with training sessions conducted on 'Preventing discrimination, harassment and bullying', 'Working with individuals from culturally diverse backgrounds' and staff access to an online equal opportunity training package. Workshops, including 'Building Resilience', 'Introduction to Mindfulness', 'Mental health and wellbeing awareness' and 'Emotional Intelligence', were conducted to support staff in the development of skills that will create healthy work-life balance. The University allows for 26 weeks paid maternity leave to be paid on a 50 percent basis over the 52 week parental leave period. The University also provides flexible work arrangements and job sharing options for staff returning from parental leave. A privately owned and operated childcare facility is available on campus for staff and students. The University of the Sunshine Coast supports the Queensland Carers Charter as detailed in the *Carers (Recognition) Act 2008*, through flexible work practices and remote access facilities for staff and students. The University ensures staff and students are provided with relevant information and support as required. At the time of a staff member's commencement USC provides information with regard to carer's leave and flexible working options to assist in their caring responsibilities. This information is available on the USC Portal

for staff to access. The University's Employee Assistance Program also includes provision of support to staff family members. Staff are provided with the opportunity to comment on any proposed changes to policy relating to carer's leave or flexible working options. This includes conducting focus groups with affected staff members whose views are then taken into consideration in the formulation of those policies.

Due to the flexible working options available at USC, staff who identify as carers are supported to meet both their work and caring responsibilities. The University also has a Disability Action Plan to assist in providing equal access to quality education for the whole community; to improve the teaching and learning environment for students and staff; and to raise awareness of disability issues and responsibilities as a foundation for good practice in equitable service provision. There is a range of disability support services and facilities available to staff and students, with all activities guided by the *Disability Discrimination Act 1992*. Support is tailored to the personal needs of staff and students, delivered by a qualified Disability Services Officer. Examples of support services include physical access, visual aids and better hearing.

Ethical standards

In compliance with the *Public Sector Ethics Act 1994*, the University's Staff Code of Conduct—Governing Policy (the Code) defines acceptable conduct for staff of the University. The Code is shaped around four key ethical principles that are intended to guide ethical decision making and behaviour. The ethical principles are:

- integrity and impartiality
- promoting the public good
- commitment to the system of government
- accountability and transparency.

Sessions on the Code are conducted in the Middle Managers Forums and Supervisor Essentials program. The University maintains a Staff Code of Conduct webpage to provide further education for staff, providing a basis for discussion at work area meetings on the meaning of the Code.

Best practice for governance

The University complies with the Voluntary Code of Best Practice for the Governance of Australian Universities, as implemented by the industry body, Universities Australia.

In 2015 the University directly contributed to the Queensland Government objectives for the community to deliver quality frontline services. USC has continued to achieve better education and training outcomes for its graduates, has supported disadvantaged Queenslanders through a range of low SES educational support programs, and has contributed to strengthening our public health system by partnering with new public health providers in 2015.

Workforce planning, attraction and retention

As at 31 March 2015*, the Full Time Equivalent (FTE) staffing was 1064, inclusive of casual staff. This was a 5 percent increase on 31 March 2014, with the growth remaining consistent with the University's Workforce Planning process. The 2014* staff retention rate decreased to 92 percent. The 2014* separation rate increased to eight percent. The University maintains a number of key policies and procedures related to workforce development and management, including Workforce Planning and Staff Recognition and Reward.

* Figures are the most up-to-date available at time of publishing.

Workplace health and safety

In 2014*, USC average time lost to injury was 9 days per workers' compensation incident, with a total of 19 claims accepted by WorkCover Queensland during the year. The enhancement of Health, Safety and Wellbeing strategies for the University continued during 2015, with initiatives including a Health Safety and Wellbeing eBook, mental health awareness workshops, stretch band program, body balance program, staff netball and bocce tournaments, USC Running Wild staff carnival, Mindfulness Workshops, a Wellbeing@USC staff photo competition and Step Challenge.

Performance management framework

The University has a Performance Management Policy and Performance Planning and Review (PPR) Policy and Procedures, with both ongoing and fixed term staff participating in an annual Performance Planning and Review process.

Leadership and management development

In 2015, a comprehensive range of leadership and management development activities was offered. These included: Academic Leadership Fundamentals; Good Decisions training; Media interview training for academics; four Middle Managers Forums including 'Creating a Positive Culture' and 'Managing the Tough Stuff'; Navigating Change; Positive Influence Skills; PPR Supervisor Training; Preventing Discrimination, Harassment and Bullying; Supervisor Essentials and Supervisory Essentials Plus. Executive and senior managers also participated in the annual Senior Staff Retreat and four Senior Staff Forums for which one of the specific and stated aims is professional development. Also, twenty one academic staff who had been identified as "emerging leaders" participated in "A conversations series". There were six sessions at which the participants discussed principles of learning and teaching leadership with executive staff and external experts.

Enterprise agreement

The University's current Enterprise Agreement has a nominal expiry date of 30 June 2013 and the University has continued negotiations with the National Tertiary Education Union (NTEU) for a new University of the Sunshine Coast Enterprise Agreement.

Student complaints and appeals

The University has a Student Complaints and Appeals Policy, which provides a framework to administer, manage and report on student complaints and appeals. In 2015, the Office of the Deputy Vice Chancellor received and investigated 25 formal complaints.

Corporate information systems and records management

The University continues to invest significantly in its ICT applications and infrastructure as well as its enabling capacity to support growth, meet new opportunities and to contribute to organisational transformation.

Major new facilities: In cooperation with key stakeholders, major new facilities were completed at Sippy Downs and South Bank. The new Engineering Learning Hub building houses world-class visualisation facilities, including a CAVE2™ laboratory, a collaboration studio, an AV rich, 96-seat, PC2-rated wetlab and numerous other AV equipped teaching and meeting spaces. USC SouthBank, with reception, video-conferencing equipped meeting rooms and teaching space, and student access areas provides a valuable presence for USC in the SouthBank education precinct.

MyUSC and enabling technologies: SharePoint was implemented as the foundation technology to enable collaboration capabilities in terms of information management, enterprise search, team site and workflows. MyUSC, the University's new intranet, has been developed using SharePoint capabilities and was successfully released to the University community in April 2015.

ePortfolio implementation: The USC ePortfolio implementation was successful in winning a platinum award (Category: Best New Technology Implementation - widespread adoption) in the prestigious National LearnX Impact Awards which celebrate eLearning and are open to all individuals, teams and organisations from the corporate, education and public service sectors.

Library System Replacement: The Library, in collaboration with IT Services, migrated to a new integrated Library solution, replacing three existing and separate systems. The new system is Internet-based, requires no on-campus IT systems and its user-friendly interface allows students and staff to easily search all Library resources (print, digital and electronic) at the one time. The system also offers efficiencies for Library staff through process automation, greater systems integration with other University systems and improved business intelligence and reporting.

Technical support for Occupational Therapy students: This initiative delivered a solution for students in clinical placements, providing an electronic records management system, MedicClinic, enabling 'long-arm' supervision of students on placement both locally and internationally as well as the use of therapy-related apps in clinics and community facilities to enhance student service provision and client outcomes.

Examination timetabling: The Databee Exam Manager system was implemented to enable the more holistic management of examinations including the exam information spreadsheets, timetables, alternate arrangement students, invigilators, attendance lists and exam papers. This automated the previous manual process.

IRM enhancement (marks and grades): Enhancements to the Interim Results Modules (IRM) were introduced and saw necessary changes to address updated assessment policy and the introduction of flexibility in the verification and ratification workflow to cater for absences.

Risk assessment (WHS) implementation: With an initial focus on managing the risks associated with work integrated learning (WIL), this system supports the standardisation of risk assessment processes and recording of assessments. Subsequently the system's Incident Management module has been leveraged to support Security services.

Space and asset management: This project delivered improved management of information about the University's facilities, providing staff and students with information about all University teaching spaces, offices and surrounding campus spaces. In addition, staff can access information about bookings of centrally timetabled spaces, staff locations, office occupancy and the location of emergency response staff (ie fire wardens). The system also supports the management of leases and the delivery of government reporting obligations.

Corporate planning and risk management: This system was implemented to enable integration and seamless end-to-end corporate, action and initiative planning with budget request, forecast and monitoring.

eRecruitment: This year saw the introduction of electronic processes designed to automate the processing of new employees, welcoming new staff into the organisation.

Records management system feasibility: A business case was developed, assessing the University's requirements and options for a holistic electronic records and document management system (eDRMS). A comprehensive investment proposal and plan was delivered, recognising the significant organisational change effort required for a successful implementation.

Research management: This year saw the introduction of an additional module supporting online process, including workflow, for the application, review and awarding of research grants.

Unified communications / Video conferencing: IT Services extended the provision of high definition video conferencing facilities across USC campuses with two new venues at SouthBank and two at Sippy Downs. Implementation of the new solution (Acano) has enabled the connection of multiple parties to participate in the one conference and the deployment of software to staff computers now allows participation from meeting room environments, desktop and mobile devices with communication and collaboration available between staff, students and external individuals or organisations.

The University continues to invest significantly in its ICT applications and infrastructure as well as its enabling capacity to support growth, meet new opportunities and to contribute to organisational transformation.

Mac server and client upgrade: To facilitate greater support for Macintosh computers used for teaching or research, a system was implemented that enabled unattended imaging, application deployment and remote support of Macintosh computers.

Audio visual: Early 2015 saw the Innovation Centre Auditorium receive new projector and wireless network enhancements to cater for a flipped classroom approach for business courses with large cohorts of students. Eight other Sippy Downs venues, including a full replacement of Lecture Theatre 6 and projector upgrades to conference rooms and multiple teaching spaces in M and D Block, were completed mid-year.

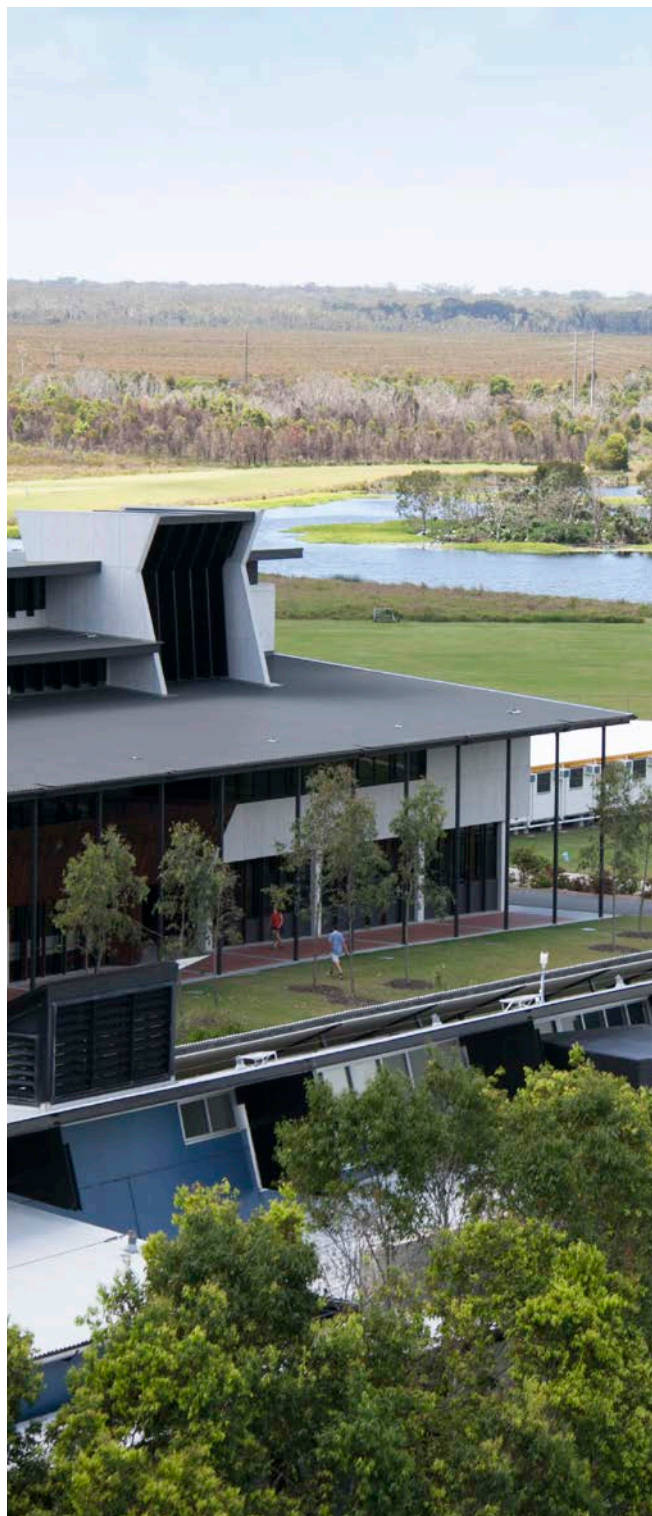
Personal computing: Major replacements were performed in FoSHEE's wetlabs and in the Library Information Commons. Labs at the Sippy Downs campus, DG.43 and DG.44, were upgraded to higher specification computers to cater for the growing technical demands of 3D modelling, animation and video editing.

Server and storage: In 2015 the Storage Area Networks (SAN), that support corporate and research data, underwent a complete technology refresh. The newly implemented solution will have scaled increases in capacity to address USC demands for several years.

Network and communications: This year saw the introduction of wireless access for staff to services comparable to the wired network. The deployment of a new campus IP addressing structure is now 90 percent completed and has improved network segmentation and security.

Records management

The University takes a holistic approach to records management, with the staff of the Information Management Services unit providing professional advice on formal recordkeeping and broader information management issues. The University has a formal corporate recordkeeping system, and a number of other systems approved under ISO 16175.3 for in-place recordkeeping. Records management at the University is governed by the Information Management Framework Governing Policy and the Information and Records Management Procedures.



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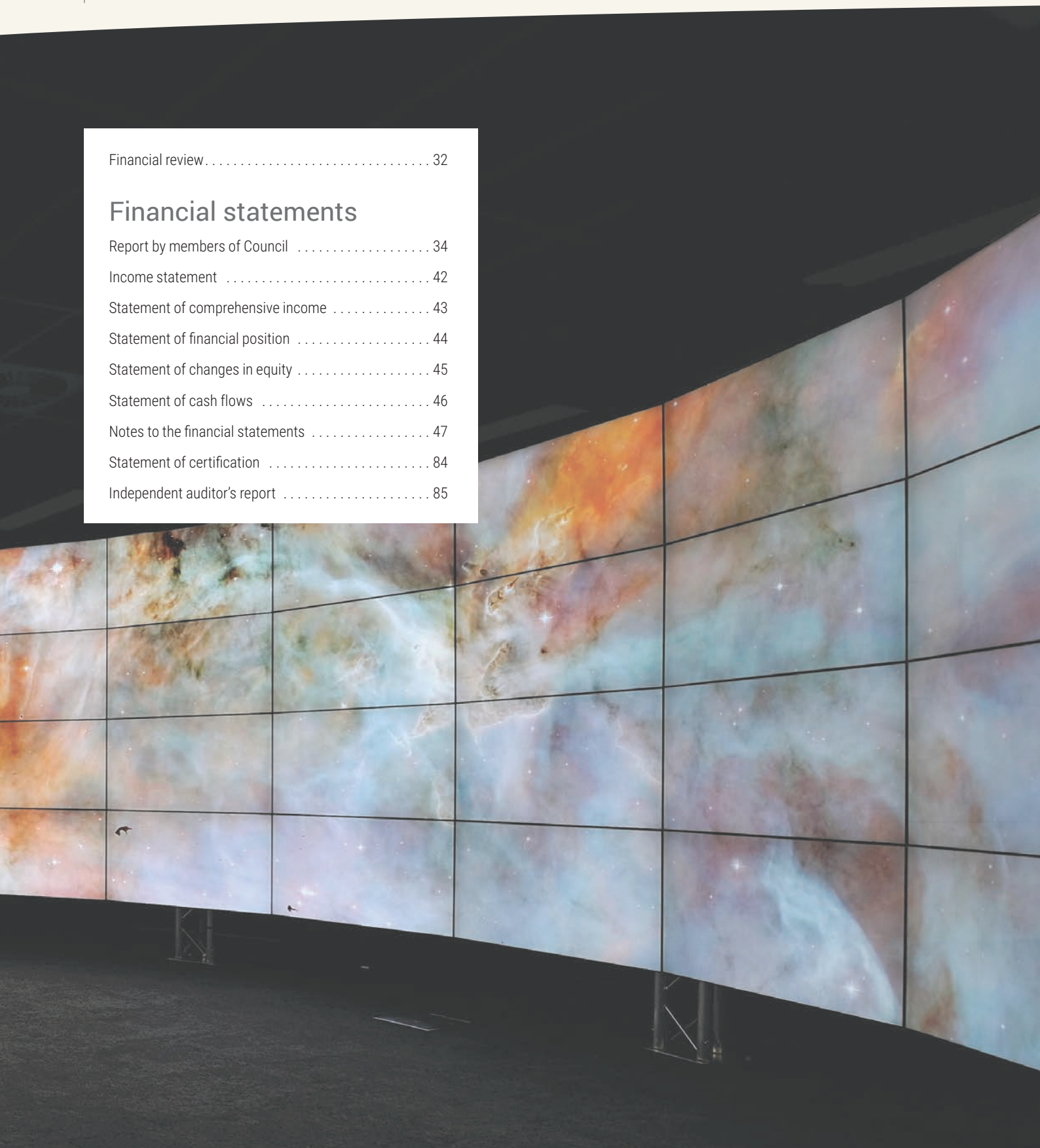
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Financial review

The University's financial position has continued to strengthen this year as a result of increased student load, reductions in operational expenditure and continuing increasing research and consultancy efforts.

Results for the year included an operating surplus of \$15.1 million (2014: \$38.6million), with an operating margin of 7.0% (2014: 17.9%).

Income and expenditure

Total income for the year was \$216.4 million – an increase of \$0.4 million (0.2 percent) on the previous year. The result was driven primarily by continued growth in Commonwealth-funded student places, receipt of \$4.5 million in capital funding and receipt of significant donations throughout 2015 offset against increased expenditure including location expansion and growth activities. Funds derived from government sources totalled \$164.8 million or 76.2 percent of revenue (includes advance payments in relation to HECS-HELP and capital funding but excludes up-front student fees), a decrease of \$4.4 million (2.6 percent) on the previous year funding.

Expenses for the year totalled \$201.3 million – an increase of \$24.1 million (13.6 percent) expended in the previous year. This increase can be attributed to an increase in employee benefits due to the 3 percent administrative wage increase in March 2015, increase in provisioning for long service and annual leave due to an ageing of the workforce, increased consultancy arrangements to maximise expertise, increased leasing fees and associated outgoings due to new teaching locations secured and increases in partnership, scholarship and travel payments from contracted research grants.

Asset Growth

At year's end, the University's net assets totalled \$336.3 million – \$34.8 million (11.6 percent) more than in the previous year. This reflects the heavy investment in property, plant and equipment during 2015 with three new buildings commissioned. In addition, the reduction of long term borrowings through regular premium payments and movements in leave provisions and a desktop revaluation of land, buildings, infrastructure and significant investment holdings.



Budget vs Actual 2015 | Actual 2015 vs Actual 2014

	2015				2014	
	ORIGINAL BUDGET \$'000	AUGUST REFORECAST \$'000	ACTUAL \$'000	VARIANCE ACTUAL vs REFORECAST	ACTUAL \$'000	VARIANCE ACTUAL 2015 vs 2014
STATEMENT OF COMPREHENSIVE INCOME						
Revenue and income from continuing operations	201,607	212,845	215,774	1%	215,370	0%
Expenses from continuing operations	189,128	194,399	200,618	3%	176,834	13%
Operating result after income tax for the period	12,479	18,446	15,156	-18%	38,536	-61%
Gain (loss) on revaluation of land and buildings, net of tax	0	0	19,705	100%	28,316	2637%
Total comprehensive income attributed to members of the University of the Sunshine Coast	12,479	18,446	34,861	89%	66,852	-48%
STATEMENT OF FINANCIAL POSITION						
Current assets	85,250	61,301	67,566	10%	83,862	-19%
Non-current assets	247,748	297,548	310,463	4%	257,493	21%
Total assets	332,998	358,849	378,029	5%	341,355	11%
Current liabilities	28,733	24,357	28,971	19%	25,494	14%
Non-current liabilities	12,607	13,740	12,825	-7%	14,490	-11%
Total liabilities	41,340	38,097	41,796	10%	39,984	5%
Net assets	291,658	320,751	336,232	5%	301,371	12%
Reserves	83,027	97,868	116,639	19%	96,934	20%
Retained surplus	208,631	222,883	219,593	-1%	204,437	7%
Total equity	291,658	320,751	336,232	5%	301,371	12%

Data relates to Parent entity.

Financial Statements

Report by members of the University Council

For the year ended 31 December 2015

Council is the governing body of the University of the Sunshine Coast and is responsible for the governance of the affairs and concerns of the University. Council's powers, duties and authorities are prescribed by the *University of the Sunshine Coast Act 1998*.

The members of the Council present their report for the 31 December 2015 financial year on the consolidated entity consisting of the University of the Sunshine Coast and controlled entity, the Innovation Centre Sunshine Coast Pty Ltd (ICSC).

It is recommended that this report be read in conjunction with the full details published in the 2015 Annual Report. The Annual Report provides a comprehensive record of the University's performance in 2015, plans for the future and achievements documented against the aims and objectives of the University's Strategic Plan 2011-2015.

Members of the University Council

The following persons were members of the Council during 2015.

Name and Qualifications

Appointment / Election / Resigned / Retired / Term completed

Chancellor

Mr John DOBSON OAM

Deputy Chancellor – until 27 April 2015

Mr David JEFFRIES, BCom *Qld.*, FCA, FAICD, FFin

Resigned as Deputy Chancellor 27 April 2015

Deputy Chancellor –from 27 April 2015

Mr Bruce COWLEY, BCom, LLB(Hons) *Qld.* FAICD

Appointed as Deputy Chancellor 27 April 2015

Vice-Chancellor and President

Professor Greg HILL, CertTeach Kelvin Grove Teach.Coll., BA(Hons), PhD *Qld.*

Chairperson of the Academic Board

Professor Birgit LOHMANN, BSc (Hons) *Adel.*, PhD *Flin.*

Six members appointed by the Governor in Council

Ms Debra BENNET

Mr Bruce COWLEY, BCom, LLB(Hons) *Qld.* FAICD

Dr Suzanne INNES, BA (Hons), BEdSt *Qld.*, GradCertTESOL *UNE*, MSchM EdD *C.Qld.*

Mr David JEFFRIES, BCom *Qld.*, FCA, FAICD, FFin

Ms Julie-Anne MEE, BBus *C.Qld.*, MAdmin *Griff.*, FCPA

Ms Jacquelyn WRIGHT, BBus(Comp) *NTU*, Master of Computing Studies *Deakin*, GDipEd(Adult) *S.Aust.*, GDipEd(Primary) *NTU*

Financial Statements

Report by members of the University Council

For the year ended 31 December 2015

Name and Qualifications

Appointment / Election / Resigned / Retired /Term completed

Two members of the University's academic staff

Professor Robert ELLIOT, BA(Hons) NSW, MA La Trobe, DipEd Melb., PhD Qld.

Dr Mark SAYERS, BAppSci CCAE, MAppSci UC, PhD RMIT

One member of the University's full-time general staff

Mr Jon DICKINS, BA(Hons) Griff

Two members of the student body

Ms Sonya WALLACE, BNursSc, GCertPR, MACN

Term concluded 8 December 2015

Ms Chelsea WALLIS, BBus, GCEcon, GCA (Pol & IR), JP (Qual), MQJA.

Term concluded 8 December 2015

Mr Michael JEFFERIES

Elected 9 December 2015

Mr Raymart WALKER

Elected 9 December 2015

Four additional members appointed by Council

Ms Natasha READ, BCom Griff., MBA Sunshine Coast, FAIM, GAICD

Mr Robert HUBBARD, BA(Hons), FCA

Mr Scott WILLIAMS, AM, QDAH Qld, BEc, GradDipCompSc GradDipFinMangt,
GradDipRurAcc NE, Hon.DLitt(NE) FAICD

Emeritus Professor Gerard SUTTON, AO, BE(Hons), MEngSc UNSW, PhD CUA, Hon DSc UOW

Members of the Audit and Risk Management Committee

The following persons were members of the Audit and Risk Management Committee during the year and up to the date of this report.

Name and Qualifications

Appointment / Election / Resigned / Retired /Term completed

Member of Council (Chairperson)

Mr Robert HUBBARD, BA(Hons), FCA

Chancellor

Mr John DOBSON OAM

Chancellor ceased to be an official member on
3 March 2015

Member of the professional accounting bodies or audit bodies in Australia with a professional accounting, management consultancy or audit background (external)

Ms Sandra BIRKENSLEIGH

Appointed 3 August 2015

Ms Catherine BLUNT, BCom Griff., MBA Deakin, CPA, CIA, CISA, CFIIA

Resigned 18 October 2015

Mr Gary McLENNAN, BCom UTas, Graduate Diploma – ICAA (CA Program), CA

Ms Natasha READ, BCom Griff., MBA Sunshine Coast, FAIM, GAICD

Up to two members co-opted by the Chancellor

Vacant

Vacant

Financial Statements

Report by members of the University Council

For the year ended 31 December 2015

Members of the Planning and Resources Committee

The following persons were members of the Planning and Resources Committee during the year and up to the date of this report.

Name and Qualifications	Appointment / Election / Resigned / Retired / Term completed
Deputy Chancellor (Chairperson) Mr Bruce COWLEY BCom, LLB(Hons) <i>Qld, FAICD</i>	
Chancellor Mr John DOBSON OAM	Chancellor ceased to be an official member on 3 March 2015
Vice-Chancellor and President Professor Greg HILL, CertTeach BA(Hons) PhD <i>Qld.</i>	

One Executive Dean or Director nominated by the Vice-Chancellor and President and appointed by Council

Professor Joanne SCOTT, Executive Dean, Faculty of Arts and Business, PhD *Qld.*,
GradCertCulturalHtge *Deakin*, GradCertEd *Qld.UT*, BA(Hons) *Qld.*

Four members with expertise in strategic financial management and planning, at least one of whom must be a member of Council

Mr David FOSTER	Appointed 06 August 2015
Mr John GALLAGHER LLB <i>Qld.</i> , Graduate Diploma in Applied Finance & Investment – Securities Institute of Australia	Term concluded 20 August 2015
Mr Bernard SMITH	Appointed 6 August 2015
Scott WILLIAMS, AM, QDAH <i>Qld</i> , BEc, GradDipCompSc GradDipFinMangt, GradDipRurAcc NE, Hon.DLitt(NE) FAICD	Term expired 8 December 2015

Up to two members co-opted by the Chancellor

Scott WILLIAMS, AM, QDAH *Qld*, BEc, GradDipCompSc GradDipFinMangt, GradDipRurAcc NE, Hon.DLitt(NE) FAICD

Co-opted 9 December 2015 – 25 May 2016

Vacant

Meetings and record of attendance

Six (6) ordinary meetings of Council were held during the year. Confirmed non-confidential minutes of the meetings are available to members of the University community for perusal upon request. In 2015, Council meetings were held on 3 March, 27 April, 23 June, 22 September, 20 October and 8 December. Additionally, a 1.5 day Council Retreat was held on 27-28 April.

Four (4) ordinary meetings of the Audit and Risk Management Committee (ARMC) were held during the year. In 2015, ARMC meetings were held on 20 February, 26 May, 3 August and 19 November. Additionally, the inaugural ARMC Planning Day was held on 3 August 2015.

Five (5) ordinary meetings of the Planning and Resources Committee (PRC) were held during the year. In 2015, PRC meetings were held on 20 February, 28 May, 6 August, 2 October and 19 November.

Financial Statements

Report by members of the University Council

For the year ended 31 December 2015

Member Listing	Board (Council) Meetings		Audit & Risk Management Committee		Planning & Resources Committee	
	A	B	A	B	A	B
John DOBSON OAM	6	6	1	1	0	1
David JEFFRIES	6	6				
Bruce COWLEY	6	6			5	5
Professor Greg HILL	4	6			4	5
Professor Birgit LOHMANN	5	6				
Debra BENNET	3	6				
Jon DICKINS	6	6				
Professor Robert ELLIOT	6	6				
Robert HUBBARD	5	6	4	4		
Dr Suzanne INNES	5	6				
Julie-Anne MEE	6	6				
Natasha READ	4	6	4	4		
Dr Mark SAYERS	6	6				
Emeritus Professor Gerard SUTTON AO	4	6				
Sonya WALLACE	5	6				
Chelsea WALLIS	4	6				
Scott WILLIAMS AM	5	6			5	5
Jacquelyn WRIGHT	5	6				
Sandra BIRKENSLEIGH			2	2		
Catherine BLUNT			2	3		
Gary McLENNAN			3	4		
David FOSTER					3	3
John GALLAGHER					3	3
Joanne SCOTT					5	5
Bernard SMITH					2	3

A = Number of meetings attended

B = Number of meetings held during the time the member held office or was a member of the council or committee during the year

Principal Activities

The University of the Sunshine Coast was established under the *Sunshine Coast University College Act 1994* and officially opened in 1996. Full university powers were granted to the University under the *University of the Sunshine Coast Act 1998*.

The main functions of the University as set out in the Act are:

- to provide education at university standard; and
- to provide facilities for, and encourage, study and research; and
- to encourage the advancement and development of knowledge, and its application to government, industry, commerce and the community; and
- to provide courses of study or instruction, at the levels of achievement the council considers appropriate, to meet the needs of the community; and
- to confer higher education awards; and
- to disseminate knowledge and promote scholarship; and
- to provide facilities and resources for the wellbeing of the university's staff, students and other persons undertaking courses at the university; and
- 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
- to perform other functions given to the university under the Act or another Act.

There were no significant changes in the nature of the activities of the University during the year.

Financial Statements

Report by members of the University Council

For the year ended 31 December 2015

Review of Operations

For 2015, the University is reporting a consolidated operating surplus of \$15.1M. The below table reports the underlying profit when adjusting for revenues and expenditures outside the standard operations of the University:

		2015	2014
STATUTORY OPERATING RESULT (as per audited financial statements)		\$15.1M	\$38.5M
Significant adjustments			
- capital revenues (including donations and bequests)	(\$12.3M)		(\$30.8M)
- growth initiatives	\$2.3M		0M
Total adjustments		(\$10.0M)	(\$30.8M)
UNDERLYING OPERATING RESULT (unaudited)		\$5.1M	\$7.7M

Underlying operations of the University are those operations relevant to providing a learning, teaching and research environment with investment in sustainable growth initiatives. It excludes those activities pertaining to one-off or tied arrangements that may not be of a recurring nature throughout the ordinary course of the University's operations.

Adjustments relating to capital revenues (including donations and bequests) represents revenues required to be stated in the statements in accordance with accounting standard but is relevant to the acquisition of capital assets and therefore has no corresponding expenditure in the income statement. Adjustments relating to growth initiatives represents the expenditure incurred relevant to the successful tender in relation to the Moreton Bay Region University Precinct at Petrie.

The underlying operating result does not provide for the adjustment of non-cash items (eg. add back of depreciation). In addition, the underlying operating result does not provide for the exclusion of external research grant arrangements or the matching of revenues and expenditures of the same in alternative years as this activity is considered to be ordinary operational activities and does not result in being a significant adjustment.

As at 31 December 2015, the University's net worth was \$336.2M compared with \$301.5M in 2014. Cash and current term deposit balances at \$53.1M largely reflect the funds to finance future commitments.

As USC approaches its 20th anniversary, a key focus for Council has been identifying the opportunities that the next phase of maturation will bring and positioning the University to take full advantage of these. As we prepare to embark on a period of major expansion, Council has worked closely with the Executive to ensure that growth occurs in a planned manner, with new programs, infrastructure and study locations introduced to meet the needs of local industry and the broader region. In October 2015, Council approved the new 2016-2020 Strategic Plan, which will further consolidate our efforts to become a university of international standing, a driver of capacity building in the wider region and an unsurpassed community asset.

2015 marked another prosperous year for USC with the institution continuing to flourish. This success has enabled us to increase research activities and postgraduate student numbers in the movement towards being a comprehensive (teaching and research) university. Enrolment numbers continued to experience solid growth at the Gympie and SouthBank campuses and plans are in place to increase offerings at both sites.

In late 2015, approval was given for the transfer of USQ's Fraser Coast Campus to USC with classes set to commence in February 2016. The establishment of a USC campus at Hervey Bay will provide strong synergies with the University's main campus at Sippy Downs, as well as its Gympie campus and Fraser Island Study Centre, and will allow USC to grow and increase higher education opportunities in the region.

In November, USC was selected to develop the exciting new Moreton Bay Region University Precinct at Petrie. The University was selected through a competitive Expression of Interest and tender process. The Petrie campus will, in time, be of equal standing to Sippy Downs and will have a comprehensive offering of courses including Law, Business, Science and Engineering.

In 2015, USC received a generous donation from a local philanthropist enabling us to purchase a property on Innovation Parkway, Birtinya. The building will house the planned Sunshine Coast Mind and Neuroscience – Thompson Institute, a world-class facility that will focus on addressing mental health issues in the community, particularly youth depression and dementia. The three-storey building will eventually become a hub for mental health research, teaching and clinical services in the region.

In September, a \$37.2 million purpose-built Engineering Learning Hub, packed with world-class technology to transform student learning, opened at Sippy Downs. The three-storey building is one of only four facilities in the world with the CAVE2™, a massive, 320-degree immersive environment that combines visualisation techniques with three-dimensional and virtual reality technology, putting USC at the cutting edge of teaching.

In 2015, USC celebrated 10 years of gaining five stars for teaching quality in the annual independent Good Universities Guide. This impressive, consistent result highlights the University's status as a national leader in the educational experience it provides to students.

Throughout 2015, Research continued to expand at a very rapid pace exceeding all key performance measures. Some highlights of 2015 are listed below:

- Dr Joanne Macdonald was USC's first recipient of a Bill and Melinda Gates Foundation- Grand Challenges Explorations Grant valued at \$138,000 for her project titled "A single rapid field test for detecting Wolbachia, malaria and dengue in caught material". This project was one of fifty selected internationally from a pool of over eighteen hundred applications.
- Dr Anna Potter was awarded an ARC DECRA Award valued at \$373,536 over 2016-2018 for her project titled "International Transformations in Children's Television 2013- 18".
- Dr Tomer Ventura was awarded his first ARC Discovery Project (DP) grant valued at \$148,000 over 2016-2017 for his project titled "Redefining the molecular mechanism underlying crustacean metamorphosis". Tomer's project was one of six hundred and thirty five awarded nationally.
- Professor Helen Wallace was awarded two major ACIAR grants valued at nearly \$6 million over four years to work on agroforestry systems in the Pacific along with the development of the canarium industry in PNG.
- Professor Paul Southgate was awarded a major ACIAR grant valued at \$2,264,620 over four years to develop a pearling industry in the Western Pacific. Professor Southgate and his team will make a significant contribution to research capacity in the newly formed Australian Centre for Pacific Islands Research at USC.
- This year three 2015 USC administered ARC Linkage Projects were granted to Dr Bridie Scott- Parker, Professor Peter Timms, Associate Professor Adam Polkinghorne and Professor Paul Salmon and Dr Natassia Goode valued at \$1,423,835.
- Associate Professor Terry Lucke was awarded an Australian Research Contract from Parklakes valued at \$332,520 to work on the performance monitoring of floating wetland treatment systems at Parklakes 2.
- Professor Thomas Schlacher, Dr Andrew Olds and Dr Ben Gilby were awarded a major Other Government Grant from the Noosa Biosphere Reserve Grants Scheme valued at \$306,000 for a project titled "Bringing fish life back to Noosa: restoring lost oyster reef habitats in the Noosa Biosphere".
- Drs Celine Frere and Romane Cristescu were granted a major Other Government Grant valued at approximately \$600,000 by the Queensland Transport and Main Roads Direct Engagement Fund for a project entitled "Non-invasive monitoring of fragmented and rehabilitated koala habitats using detection dogs: maximizing koala conservation outcomes from mitigation strategies".
- Professor Michael Kimlin was awarded a US Department of Defense (DoD) grant valued at \$390,769 for his project titled "Is vitamin D status at the time of melanoma diagnosis associated with stage of tumour?".
- Professors Mathew Summers and Stuart Smith were Australian members of a consortium bid on a successful European Commission (EU) Horizon2020 (H2020) project titled "My-AHA: My Active and Healthy Aging" that will provide €4,247,234 in funding to eligible EU members.
- The establishment of the Australian Centre for Pacific Islands Research at USC provides due recognition to USC's outstanding ACIAR supported research within the Pacific Islands region. USC presently has \$15 million of ACIAR projects within its research portfolio, with \$11 million of new projects at various stages of advanced negotiation. USC is the number one research provider in the field of forestry with 25% of the national pool of funding awarded to the University.
- Three new USC Research Centres and two new Research Clusters were established in 2015. These include the Centre for Animal Health Innovation, Tropical Forests and People Research Centre and Centre for Human Factors and Sociotechnical Systems together with the Nursing and Midwifery Cluster for Research Excellence (NURTURE) and Arts Research in Creative Humanities (ARCH) Research Clusters.
- Research Week was held from 13-17 July. This year's theme was *Integrate, innovate, inspire*. A key highlight of the event was a series of sessions run by the new Research centres and clusters in which their innovative research was showcased.
- The 2015 Excellence in Research for Australia (ERA) outcomes for USC included three well above world standard (ERA rating of 5), six above world standard (ERA rating of 4) and five at world standard (ERA rating of 3) ratings for USC disciplines.

In 2015, the University finalised preparations for the introduction of a number of exciting new programs commencing in 2016, including:

- Bachelor of Serious Games
- Bachelor of Laws/Bachelor of Criminology and Justice
- Bachelor of Social Science (Psychology)/Bachelor of Criminology and Justice
- Bachelor of Social Work/Bachelor of Criminology and Justice
- Master of Professional Practice (Creative Writing)
- Bachelor of Sports Studies
- Diploma in Sport and Fitness
- Bachelor of Environmental Management
- Bachelor of Education (Secondary) / Bachelor of Recreation and Outdoor Environmental Studies
- Bachelor of Midwifery (Honours)
- Bachelor of Health Science

Two new programs in the Master of Business Administration (Extended) and Master of Business Administration/ Master of International Business were accredited in 2015 and will be delivered in a managed campus partnership with ATMC Education Group based in Lonsdale Street in Melbourne from 2016.

In the lead up to the opening of the Sunshine Coast Public University Hospital (SCPUH) and Skills, Academic and Research Centre (soon to be known as the Sunshine Coast Health Institute - SCHI), the University has given consideration to which education and research programs will be

Financial Statements

Report by members of the University Council

For the year ended 31 December 2015

conducted from SCHI. USC anticipates delivering the third year of its nursing program in the SCHI. Some other allied health programs may also be delivered, at least in part, in the SCHI. USC researchers involved in areas such as nursing research, cardiovascular and other biomedical research, and cancer research of various types are likely to be located in the SCHI. In addition, a range of USC students will be undertaking clinical placements within the hospital. In October, the University announced its plans to develop a Health Research Institute (HRI) to capitalise on the University's involvement in the \$1.8 billion SCPUH. Leaders of the engineering discipline at USC see excellent opportunities for the development of a bioengineering program with a strong emphasis on clinical experience and links to advanced medical manufacturing.

In 2014, USC conducted an analysis of the clinical trials industry in combination with a consultation process with key stakeholders, including local healthcare professionals, pharmaceutical executives, and other key thought leaders. The product of this analysis supported the need for USC to establish a world class Clinical Trials Centre which would build the region's collective clinical research capacity and deliver innovative and regionally relevant research. In January 2015, the inaugural Director of the USC Clinical Trials Centre commenced and, in May, the USC Health Clinics and the head office of the Centre opened at Ochre Health in Sippy Downs.

In 2015, USC formed a new partnership with Immanuel Lutheran College, Sunshine Coast Grammar School and Independent Schools Queensland (ISQ), with a view to providing the best possible professional experience for its pre-service teachers at those schools.

This year, a collaborative project led by USC, to improve the care of nursing home residents who develop acute illnesses, has gained \$1.15 million from the Australian Government. The USC team won one of the competitive Aged Care Service Improvement and Healthy Ageing Grants from the Department of Social Services. The CEDRIC (Care Coordination through Emergency Department, Residential Aged Care and Primary Health Collaboration) Project will see USC Nursing academics partnering with Nambour General Hospital's emergency department, Sundale's residential aged care services and Sunshine Coast Health Network with the aim of developing a new model of aged care.

Due to the success of the Guaranteed Entry Scheme, offered as a pilot to the five Gympie schools in 2015, the Scheme was expanded to cover all secondary schools in the main USC catchment areas, namely Sunshine Coast, Gympie, Wide Bay and Moreton regions (approximately 70 schools) in the lead up to the 2016 academic year.

A series of major reviews occurred at USC in 2015 aimed at ensuring that administration operates efficiently and effectively. As a result, restructures have occurred within Corporate Services, Financial Services, ITS, Governance, Student Services/Administration and Facilities Management.

In February, new students were matched with 300 peer Mentors during Welcome Week. Over 3,000 commencing students attended orientation sessions and, in addition to the program and study essentials sessions, over 25 social, recreational and cultural activities were provided.

In 2015, the University officially opened its new Multi-Level Car Park which has provided an additional 500 spaces. The car park was built following a generous donation received from local philanthropists. The donors and the University each contributed \$5 Million towards its construction, with USC committing to a parking revenue stream that will fund the Thompson Scholarship Scheme into the future. In February, four high-achieving students received inaugural Thompson Excellence Scholarships, valued at \$32,000. The scholarships were among 66 awards totaling \$824,000 presented at USC's 2015 Semester 1 Scholarships Presentation Ceremony.

A purpose-built Moot Court was opened at the Sippy Downs campus in September. The facility, which has a bar table, judges bench and witness box, will be used for hands-on teaching and student assessment activities for law students. It will also be the venue for mooting competitions and other events run by the USC Law Students' Association (USCLSA).

The World Rankings Project was launched in 2015 with the aim of supporting specific interventions to enable USC to achieve a THE Top 100 Under 50 years ranking by no later than 2020. Its scope includes: increasing knowledge and understanding among USC's senior staff about what university rankings are, how they work, their strengths and limitations, and what relevance they have to USC; and clarify the Top 100 Under 50 scheme requirements, USC's current performance against these, and the gaps in USC's performance that need to be addressed if USC is to achieve a ranking in this scheme.

Indigenous education leaders from around the country gathered at the University of the Sunshine Coast for the 9th annual Indigenous Education Symposium on Saturday 29 August. With the theme *Education is the way*, the Symposium explored ways to work effectively and in partnership with the Indigenous community. The event featured keynote addresses from some of Australia's most prominent Indigenous education academics, as well as presentations on education, social work, psychology, nursing and business/accounting.

Learning and Teaching Week 2015 was held from 14-18 September. This year's theme was *Teaching Visions: See teaching in a new way*, which aimed to support effective utilisation of the new learning spaces, which feature 3-D immersive and 2-D touch enabled technologies, as well as extended development of curriculum utilising blended learning capacities.

On 24 September the following USC staff were awarded 2015 *Citations for Outstanding Contributions to Student Learning* by the Office of Learning and Teaching:

Associate Professor Patrea Andersen

For sustained leadership in the development, implementation and dissemination of innovative simulation pedagogy that enhances student engagement and learning in the nursing and health disciplines

Mr David Hollinsworth

For inspirational teaching that challenges and supports social science students to critically examine racism, social justice and positionality, transforming their personal and professional lives

Dr Retha De Villiers Scheepers

For inspiring entrepreneurship students to create their future by crafting authentic learning opportunities that motivate, engage and empower

Dr Susan Simon

For inspiring and mentoring postgraduate education students to become effective leaders through professional expertise, guidance, collegiality, collaboration and promoting critical reflection

Dr Nicholas Stevens

For establishing applied curricula and digital resources which prioritise student access to town planning principles, practice and projects, enabling them to 'plan for great places'

Significant Changes in the State of Affairs

During the year there were no significant changes in the state of the affairs of the University that have not yet been highlighted in this report.

Matters Subsequent to the End of the Financial Year

Other than those referred to in the financial statements and notes following, no matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the University or the consolidated entity, the results of those operations or the state of affairs of the University in future financial years.

Likely Developments and Expected Results of Operations

Disclosure of information regarding likely developments, future prospects and business strategies of the operations of the University in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the University. Accordingly, this information has not been disclosed in this report.

Environmental Regulation

The University's operations are undertaken in accordance with any environmental regulations of the Commonwealth, State or Territory.

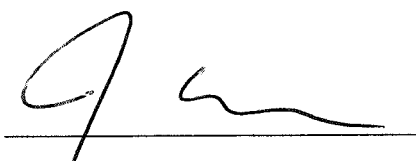
Insurance of Officers

In 2015, the University of the Sunshine Coast held comprehensive insurance policies in relation to its Executive Members and Officers.

Proceedings on behalf of the University of the Sunshine Coast

There are no significant legal matters other than those referred to in the financial statements and notes following.

This report is made in accordance with the resolution of the members of the Council of the University of the Sunshine Coast.



Mr John Dobson OAM
Chancellor
University of the Sunshine Coast

23 February 2016



Professor Greg Hill
Vice-Chancellor and President
University of the Sunshine Coast

23 February 2016

Financial Statements

Income statement

For the year ended 31 December 2015

	Notes	Consolidated		Parent entity	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Revenue from continuing operations					
Australian Government financial assistance					
Australian Government grants	2	112,059	120,369	112,059	120,369
HELP - Australian Government payments	2	51,429	45,486	51,429	45,486
State and Local Government financial assistance	3	1,320	3,376	1,215	3,255
HECS-HELP - Student payments		3,699	3,468	3,699	3,468
Fees and charges	4	26,837	23,943	26,401	23,545
Investment revenue		2,448	3,101	2,444	3,095
Consultancy and contracts		3,182	2,066	3,167	2,056
Other revenue	5	15,426	14,239	15,360	14,096
Total revenue from continuing operations		216,400	216,048	215,774	215,370
Expenses from continuing operations					
Employee related expenses	6	122,305	109,509	121,830	109,024
Depreciation and amortisation		8,939	8,992	8,930	8,983
Repairs and maintenance		6,645	4,433	6,640	4,419
Scholarships, grants & prizes		15,518	12,724	15,768	12,724
Non-capitalised equipment		6,241	6,161	6,200	6,125
Professional fees		9,765	8,292	9,703	8,276
Travel & entertainment		5,135	3,734	5,100	3,728
Rental hire and other leasing fees		3,360	2,631	3,352	2,622
Occupancy and utilities		3,370	3,073	3,317	3,021
Borrowing costs		689	775	689	775
Impairment of assets		183	82	183	81
Net gain/losses on disposal of assets		11	(17)	11	(17)
Other expenses	7	19,104	17,078	18,895	17,074
Total expenses from continuing operations		201,265	177,467	200,618	176,835
Operating result before income tax		15,135	38,581	15,156	38,535
Income tax expense		-	-	-	-
Operating result after income tax for the period and attributable to members of the University of the Sunshine Coast	12(b)	15,135	38,581	15,156	38,535

The above income statement should be read in conjunction with the accompanying notes.

Financial Statements

Statement of comprehensive income

For the year ended 31 December 2015

	Notes	Consolidated		Parent entity	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Operating Result after income tax for the period		15,135	38,581	15,156	38,535
Gain (loss) on revaluation of land, buildings and other financial assets, net of tax	12(a)	19,705	28,316	19,705	28,316
Total comprehensive income		34,840	66,897	34,861	66,851
Total comprehensive income attributed to non-controlling interest		-	-	-	-
Total comprehensive income attributed to members of the University of the Sunshine Coast		34,840	66,897	34,861	66,851

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

Financial Statements

Statement of financial position

As at 31 December 2015

	Notes	Consolidated		Parent entity	
		2015	2014	2015	2014
		\$'000	\$'000	\$'000	\$'000
ASSETS					
Current assets					
Cash and cash equivalents		23,289	11,068	23,058	10,852
Receivables	8	4,326	9,985	4,353	9,961
Other financial assets		30,000	60,272	30,000	60,272
Other non-financial assets		10,163	2,778	10,155	2,777
Total current assets		67,778	84,103	67,566	83,862
Non-current assets					
Receivables		166	19	166	19
Other financial assets		9,278	100	9,278	100
Property, plant & equipment	9	297,412	255,432	297,373	255,383
Intangible assets		3,251	1,657	3,251	1,657
Other non-financial assets		395	334	395	334
Total non-current assets		310,502	257,542	310,463	257,493
Total assets		378,280	341,645	378,029	341,355
LIABILITIES					
Current liabilities					
Trade and other payables		6,909	7,246	6,788	7,122
Borrowings	10	1,748	1,648	1,748	1,648
Provisions	11	16,055	13,431	16,031	13,396
Other liabilities		4,404	3,328	4,404	3,328
Total current liabilities		29,116	25,653	28,971	25,494
Non-current liabilities					
Borrowings	10	8,878	10,605	8,878	10,605
Provisions	11	3,947	3,887	3,947	3,885
Total non-current liabilities		12,825	14,492	12,825	14,490
Total liabilities		41,941	40,145	41,796	39,984
Net assets		336,339	301,500	336,232	301,371
EQUITY					
Reserves	12(a)	116,639	96,934	116,639	96,934
Retained surplus	12(b)	219,700	204,566	219,593	204,437
Parent entity interest		336,339	301,500	336,232	301,371
Total equity		336,339	301,500	336,232	301,371

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

Financial Statements

Statement of changes in equity
For the period ended 31 December 2015

	Consolidated			Parent entity			
	Reserves \$'000	Retained earnings \$'000	Non-controlling interest \$'000	Total \$'000	Reserves \$'000	Retained earnings \$'000	Total \$'000
Balance at 1 January 2014	68,618	165,987	-	234,605	68,618	165,903	234,521
Retrospective changes	-	-	-	-	-	-	-
Balance as restated	68,618	165,987	-	234,605	68,618	165,903	234,521
Profit or loss	-	38,581	-	38,581	-	38,536	38,536
Revaluation of Land, Buildings & Infrastructure	28,085	-	-	28,085	28,085	-	28,085
Revaluation of Art	230	-	-	230	230	-	230
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	28,315	38,581	-	66,896	28,315	38,536	66,851
Balance at 31 December 2014	96,934	204,566	-	301,500	96,934	204,437	301,371
Balance at 1 January 2015	96,934	204,566	-	301,500	96,934	204,437	301,371
Profit or loss	-	15,135	-	15,135	-	15,156	15,156
Revaluation of Land, Buildings & Infrastructure	10,372	-	-	10,372	10,372	-	10,372
Revaluation of Art	155	-	-	155	155	-	155
Revaluation of Other Financial Assets	9,178	-	-	9,178	9,178	-	9,178
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	19,705	15,135	-	34,840	19,705	15,156	34,861
Balance at 31 December 2015	116,639	219,700	-	336,339	116,639	219,593	336,232

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

Financial Statements

Statement of cash flows

For the year ended 31 December 2015

	Notes	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Cash flows from operating activities					
Australian Government grants received	2(h)	166,246	158,774	166,246	158,774
OS-HELP (net)	2(h)	316	(73)	316	(73)
State Government grants received		991	2,906	991	2,906
Local Government grants received		224	349	224	349
HECS-HELP - Student payments		3,699	3,468	3,699	3,468
Receipts from students fees and other customers		42,230	36,277	41,194	35,240
Interest received		2,785	3,231	2,781	3,225
Interest and other costs of finance paid		(689)	(775)	(689)	(775)
Payments to suppliers and employees (inclusive of goods and services tax)		(204,994)	(166,110)	(203,972)	(165,085)
GST recovered/(paid)		6,771	4,568	6,774	4,599
Net cash provided by / (used in) operating activities	17	17,579	42,615	17,564	42,628
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment		19	37	19	37
Payments for property, plant and equipment		(41,091)	(39,016)	(41,091)	(39,016)
Proceeds from financial assets		60,272	55,000	60,272	55,000
Payments for financial assets		(22,931)	(60,272)	(22,931)	(60,272)
Net cash provided by / (used in) investing activities		(3,731)	(44,251)	(3,731)	(44,251)
Cash flows from financing activities					
Repayment of borrowings		(1,627)	(1,539)	(1,627)	(1,539)
Net cash provided by / (used in) financing activities		(1,627)	(1,539)	(1,627)	(1,539)
Net increase / (decrease) in cash and cash equivalents		12,221	(3,175)	12,206	(3,162)
Cash and cash equivalents at beginning of the financial year		11,068	14,243	10,852	14,014
Cash and cash equivalents at the end of the financial year		23,289	11,068	23,058	10,852

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

Financial Statements

Notes to the financial statements
For the year ended 31 December 2015

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Notes to the financial statements

For the year ended 31 December 2015

Note 1 Summary of significant accounting policies

The University of the Sunshine Coast (the University) is established under the *University of the Sunshine Coast Act 1998* and is a statutory body as defined by the *Financial Accountability Act 2009*.

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

The principal address of the University is 90 Sippy Downs Drive, Sippy Downs, Queensland.

a) Basis of preparation

The annual financial statements represent the audited general purpose financial statements of the University. 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* (Financial Statement Guidelines)
- *Financial and Performance Management Standard 2009*, issued under Section 57 of the *Financial Accountability Act 2009*

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

Date of authorisation of issue

The financial statements were authorised for issue by the University on 23 February 2016.

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss and certain classes of property, plant and equipment.

Critical accounting estimates

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

Provisions

The liability for other long-term employee benefits such as annual leave and long service leave is recognised in current provisions for employee benefits if it is not expected to be settled wholly before twelve months after the end of the reporting period. Further information is contained in note 1(s).

Fair value of property, plant and equipment

Land, buildings, infrastructure, library heritage and art collections are measured at fair values less any accumulated depreciation and accumulated impairment losses. All such assets are valued by an external valuer on a cyclical basis, or earlier if there is material movement. Further information is contained in note 1(m).

Impairment of assets

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

Depreciation

Property, plant and equipment, other than land and the library heritage and art collection are depreciated over their estimated economic useful lives. Further information is contained in note 1(m).

b) Basis of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the University ("parent entity") as at 31 December 2015 and the results of all subsidiaries for the year then ended. The University and its subsidiary together are referred to in this financial report as the consolidated entity.

Subsidiaries are all those entities (including structured entities) over which the Group has control. The Group has control over an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Power over the investee exists when the Group has existing rights that give it current ability to direct the relevant activities of the investee.

The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Returns are not necessarily monetary and can be only positive, only negative, or both positive and negative.

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

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

Functional and presentation currency

The consolidated financial statements are presented in Australian dollars, which is the University's functional and presentation currency.

d) Revenue recognition

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

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

Revenue is recognised for the major business activities as follows:

Government grants

Grants are recognised at their fair value where the University obtains control of the right to receive the grant, it is probable that economic benefits will flow to the consolidated entity and it can be reliably measured.

HELP Payments

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

Student fees and charges

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

Consultancy and Contracts / Fee for Service

Contract revenue is recognised in accordance with the percentage of completion method. The stage of completion is measured by reference to labour hours incurred to date as a percentage of estimated labour hours for each contract.

Other human resources revenue is recognised when the service is provided.

Interest

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. This is generally recorded on receipt from the relevant financial institution or as accrued revenue in respect of fixed term investments.

Contributions

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

Lease income

Lease income from operating leases is recognised as income on a straight-line basis over the lease term.

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Notes to the financial statements

For the year ended 31 December 2015

e) Taxation

The University and its controlled entity are, by virtue of Section 50-5 of the *Income Tax Assessment Act 1997*, exempted from the liability to pay income tax. The University and its controlled entity are, however, subject to Payroll Tax, Fringe Benefits Tax (FBT) and Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the item of 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.

f) Leases

All of the current leases held by the University are considered to be operating leases. Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis, over the period of the lease.

The University has not entered into and does not hold any finance leases.

g) Impairment of assets

The carrying amounts of all assets are reviewed for indicators of impairment at each reporting date. If an indicator of impairment exists, the asset's recoverable amount is estimated. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

The asset's recoverable amount is determined as the higher of the asset's fair value less costs to sell and depreciated replacement cost.

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

h) Cash and cash equivalents

For statement of cash flows presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

i) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest rate method, less provision for impairment. Trade and other receivables are due for settlement no more than 30 days from the date of recognition. Receivables arising from student fees are recognised as amounts receivable, as sanctions are applied to students who do not pay.

Collectability of trade and other receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off in the year in which they are impaired and are recognised in the income statement. A provision for impairment is established when there is objective evidence that the consolidated entity will not be able to collect all amounts due according to the original terms of receivables.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. Cash flows relating to short term receivables are not discounted if the effect of discounting is immaterial. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement.

j) Prepayments

Payments for goods and services which are to be provided in future years are recognised as prepayments. Prepayments are recorded in other non-financial assets in the statement of financial position.

k) Investments and other financial assets

Classification

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

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are included in receivables in the statement of financial position.

(ii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the consolidated entity has the positive intention and ability to hold to maturity. Held-to-maturity investments comprising term deposits represents \$30M of the current assets.

(iii) Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the intention is to dispose of the investment within 12 months of the statement of financial position date.

Regular purchases and sales of financial assets are recognised on trade-date - the date on which the consolidated entity commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in other comprehensive income are included in the income statement as gains and losses from investment securities. Available for Sale financial assets comprising shares in Education Australia Limited and ANZ Banking Group represent \$9.3M of non-current assets.

Subsequent measurement

Available-for-sale financial assets are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Fair Value

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

Impairment

The consolidated entity assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss - is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

I) Fair value measurement

The fair value of assets and liabilities must be measured for recognition and disclosure purposes.

The consolidated entity classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1
Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2
Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3
Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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For the year ended 31 December 2015

Fair value measurement of non-financial assets is based on the highest and best use of the asset. The consolidated entity considers market participants use of, or purchase price of the asset, to use it in a manner that would be highest and best use.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the consolidated entity for similar financial instruments.

m) Property, plant and equipment

Each class of property, plant and equipment is carried at fair value or cost, less where applicable, any accumulated depreciation and impairment losses. Assets are valued at their fair value in accordance with the Queensland Treasury and Trade's Non-Current Asset Policies for the Queensland Public Sector.

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 consolidated entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Land

The asset recognition threshold for land is \$1. Land is not depreciated.

Buildings and infrastructure assets

The asset recognition threshold for building and infrastructure assets is \$10,000.

Capital works in progress

Capital works in progress is shown at a value that recognises the extent of completion of work, as represented by progress payments to date. Contracts signed for the purpose of building projects that have not been completed and / or commenced at 31 December 2015 have been disclosed as capital expenditure commitments (refer Note 14).

Library reference collection

The library reference collection is valued at fair value in accordance with NCAP 7 - Accounting for Library Collections Policy. The asset recognition threshold for library reference collection is \$5,000.

Leasehold improvements

Leasehold improvements are valued at cost. The asset recognition threshold for leasehold improvements is \$5,000.

Plant and equipment

All other plant and equipment assets are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Items of plant and equipment with a value of equal to or greater than \$5,000 are recorded at cost less depreciation and impairment losses. Additions with a value of less than \$5,000 are expensed in the year of purchase. Plant and equipment donated to the University is recorded at valuation in the year of donation.

Art collection

The University's art collection is valued at fair value, with donations to the collection, being independently valued on receipt and then in accordance with the University's revaluation policy (minimum every five years). In respect of art collections the asset recognition threshold is \$1. Art is not depreciated.

Revaluations

Land, building, infrastructure, library reference collection and art collections are revalued every 5 years by external independent valuers in accordance with Queensland Treasury and Trade's Non-Current Asset Policies for the Queensland Public Sector (NCAP). In 2015 a desktop revaluation of land, buildings and infrastructure (all valued at fair value) was performed by APV Valuers and Asset Management. With the exception of the Art collection which was last comprehensively revalued as at 31 December 2013 all remaining assets are due for formal revaluation again in 2019. A desktop revaluation was performed for the Art collection as at 31 December 2015.

The process adopted through APV Valuers and Asset Management involves dissecting the asset lifecycle into a range of phases and using a scoring process to determine the level of remaining service potential (%RSP). Depending on the asset, and how it is consumed, a different pattern of consumption may be applied.

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 and Trade. The carrying amount of the asset after revaluation equals its revalued amount.

Revaluation increments are recognised in other comprehensive income and accumulated in equity under the heading asset revaluation surplus, 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 surplus.

Depreciation

Property, plant and equipment, other than land and the library heritage and art 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	65-125	0.8 – 1.53
Infrastructure Assets	20-100	1 – 5
Leasehold Improvements	10	10
Plant and Equipment		
Computer Hardware	3	33.3
Motor Vehicles	5	20
Other Plant & Equipment	10	10

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. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. 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.

The University has reassessed the remaining lives of its building and infrastructure assets to ensure the University is in compliance with the depreciation requirements of AASB 116, "complex assets" which are componentised and depreciated separately into short and long life components.

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 surplus in respect of those assets, to retained earnings.

n) 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.

Software development

Expenditure on development activities relating to the design and testing of new or improved products, are recognised as intangible assets when it is probable that the project will, after considering its commercial and technical feasibility, be completed and generate future economic benefits and its costs can be measured reliably. The expenditure capitalised comprises all directly attributable costs including costs of materials, services, direct labour and an appropriate proportion of overheads. Other development expenditure is recognised in the income statement as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalised development expenditure is recorded as intangible assets and amortised from the point at which the asset is ready for use. Amortisation is calculated using the straight-line method to allocate the cost over the period of the expected benefit, which is 5 years.

The intangible asset recognition threshold is \$100,000 for software development.

Amortisation

Intangible assets are amortised on a straight line basis over their expected useful lives. The useful life of software development in 2015 is 5 years (2014: 5 years).

o) Trade and other payables

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

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Notes to the financial statements

For the year ended 31 December 2015

p) 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. Fees paid on the establishment of loan facilities, which are not an incremental cost relating to the actual draw-down of the facility, are recognised as prepayments and amortised on a straight-line basis over the term of the facility.

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 consolidated entity has an unconditional right to defer settlement of the liability for at least 12 months after the statement of position date and does not expect to settle the liability for at least 12 months after the statement of financial position date.

q) Borrowing costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed.

r) Provisions

Provisions are recognised when: the consolidated entity has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

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

s) Employee benefits

Short-term obligations

Liabilities for short-term employee benefits including wages and salaries, non-monetary benefits and profit-sharing bonuses are measured at the amount expected to be paid when the liability is settled, if it is expected to be settled wholly before twelve months after the end of the reporting period, and is recognised in other payables. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates payable.

Other long-term obligations

The liability for other long-term employee benefits such as annual leave and long service leave is recognised in current provisions for employee benefits if it is not expected to be settled wholly before twelve months after the end of the reporting period. It is 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 future 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

All employees of the University of the Sunshine Coast are entitled to benefits on retirement, disability or death from the consolidated entity superannuation plan. The consolidated entity has a defined benefit section and a defined contribution section within its plan. The defined benefit section provides defined lump sum benefits based on years of service and final average salary. The defined contribution section receives fixed contributions from consolidated entity companies and the consolidated entity's legal or constructive obligation is limited to these contributions. The employees of the parent entity are all members of the defined contribution section of the consolidated entity's plan.

Superannuation

The UniSuper Defined Benefit Division (DBD), which is 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 consolidated entity and the consolidated entity's legal or constructive obligation is limited to these contributions. Additionally, any actuarial risk and investment risk falls on the consolidated entity's employees.

Termination Benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. The consolidated entity recognises termination benefits either when it can no longer withdraw the offer of those benefits or when it has recognised costs for restructuring within the scope of AASB137 that involves the payment of termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits not expected to be settled wholly before twelve months after the end of the reporting period are discounted to present value.

t) Rounding and Comparative amounts

Amounts in the financial report have been rounded to the nearest \$1,000. Where necessary, comparative information has been reclassified to enhance comparability in respect of changes in presentation adopted in the current year.

u) Authority to issue financial report

The financial statements were authorised for issue by the Chancellor, Vice-Chancellor & President, and the Pro Vice-Chancellor (Corporate Services) at the date of signing the Statement of Certification.

v) New accounting standards and interpretations

The following Accounting Standards and Interpretations applicable to the University have been published and are not mandatory for the 31 December reporting period. The University has assessed their application to the 2014 financial report and has determined that they do not have material impact.

AASB 9 Financial Instruments

AASB 2014-3 Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations

AASB 15 Revenue from Contracts with Customers

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Notes to the financial statements

For the year ended 31 December 2015

Notes	Consolidated		Parent entity	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Note 2 Australian Government financial assistance including Australian Government loan programs (HELP)				
(a) Commonwealth Grant Scheme and Other Grants	20.1			
Commonwealth Grant Scheme #1	84,022	76,134	84,022	76,134
Indigenous Support Program	412	296	412	296
Partnership & Participation Program #2	1,798	1,823	1,798	1,823
Disability Support Program	57	51	57	51
Improving the Quality of Maths & Science Teaching Program	195	190	195	190
Promotion of Excellence in Learning & Teaching	105	286	105	286
National Priorities Pool	118	-	118	-
Total Commonwealth Grants Scheme and Other Grants	86,707	78,779	86,707	78,779
(b) Higher Education Loan Programs	20.2			
HECS - HELP	48,161	42,840	48,161	42,840
FEE - HELP #4	1,686	1,265	1,686	1,265
SA - HELP	1,582	1,382	1,582	1,382
Total Higher Education Loan Programs	51,429	45,486	51,429	45,486
(c) Scholarships	20.3			
Australian Postgraduate Awards	647	584	647	584
International Postgraduate Research Scholarships	67	67	67	67
Commonwealth Education Cost Scholarships #5	105	108	105	108
Commonwealth Accommodation Scholarships #5	36	51	36	51
Indigenous Access Scholarships	92	136	92	136
Total Scholarships	947	946	947	946
(d) EDUCATION Research	20.4			
Joint Research Engagement Program #6	998	831	998	831
Research Training Scheme	1,368	1,201	1,368	1,201
Research Infrastructure Block Grants	353	196	353	196
Sustainable Research Excellence in Universities	719	356	719	356
Total EDUCATION - Research Grants	3,438	2,584	3,438	2,584
(e) Other Capital Funding	20.5			
Education Investment Fund	4,500	23,800	4,500	23,800
Total Other Capital Funding	4,500	23,800	4,500	23,800
(f) Australian Research Council				
(i) Discovery	20.6(a)			
Project	505	406	505	406
Future Fellowships	309	281	309	281
Early Career Researcher Award	137	301	137	301
Total Discovery	951	988	951	988
(ii) Linkages	20.6(b)			
Project	543	538	543	538
Total Linkages	543	538	543	538
Total ARC	1,494	1,526	1,494	1,526

1 Includes the basic CGS grant amount, CGS-Regional Loading, CGS-Enabling Loading, Maths and Science Transitional Loading and Full Fee Places Transitional Loading

2 Includes Equity Support Program

3 Includes Collaboration & Structural Adjustment Program

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

5 Includes Grandfathered Scholarships, National Priority and National Accommodation Priority Scholarships respectively.

6 Includes Institutional Grants Scheme

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Notes to the financial statements
For the year ended 31 December 2015

	Consolidated		Parent entity	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Note 2 Australian Government financial assistance including Australian Government loan programs (HELP) (continued)				
(g) Other Australian Government financial assistance				
Non-capital				
Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education				
Apprenticeship Other	-	3	-	3
Collaborative Research Network	201	903	201	903
Co-ordinated Schools Outreach Program (HEPP)	-	478	-	478
Indigenous Engagement Program (HEPP)	-	205	-	205
Indigenous Tutorial Assistance Scheme	268	268	268	268
International Study Grants - Outbound Exchange Program	444	423	444	423
More Aboriginal & Torres Strait Islander Teachers Initiative	10	35	10	35
National Indigenous Cadetship Program	49	49	49	49
Office for Learning & Teaching	37	31	37	31
AusAid	915	1,459	915	1,459
Australian Centre International Agriculture Research	6,546	1,368	6,546	1,368
Australian Forest Operations Research Alliance (AFORA)	10	266	10	266
Australian Institute of Marine Sciences	77	124	77	124
Australian Institute of Nuclear Science & Engineering (AINSE)	5	17	5	17
Australian Research Council	19	-	19	-
Australian Seafood Cooperative Research Centre	257	746	257	746
Australian Sports Commission	51	10	51	10
Australian Synchrotron	7	-	7	-
Australian Universities	45	295	45	295
Council of Australasian Tribunals	16	-	16	-
CRC for Water Sensitive Cities	33	-	33	-
CSIRO	380	-	380	-
Department of Agriculture, Fisheries & Forestry	-	114	-	114
Department of Climate Change	-	92	-	92
Department of Defence	47	82	47	82
Department of Education & Training	171	-	171	-
Department of Foreign Affairs & Trade	1,185	2,965	1,185	2,965
Department of Health and Ageing	1,562	-	1,562	-
Department of Social Services	1,047	-	1,047	-
Fisheries Research Development Corporation	93	-	93	-
Future Farm Industries CRC	-	15	-	15
Grains Research & Development Corporation	64	31	64	31
Health Workforce Australia	-	1,542	-	1,542
Industrial Transformation Research Hub	50	-	50	-
National Blood Authority	18	-	18	-
National Climate Change Adaptation Research Facility	296	-	296	-
National Health & Medical Research Council	672	757	672	757
Pacific Agriculture Research for Development Initiative (PARDI)	333	330	333	330
Plant Biosecurity CRC	13	5	13	5
Rural Industries Research Development Corporation	52	120	52	120
Total Non-capital	14,973	12,733	14,973	12,733
Total Australian Government financial assistance	163,486	165,855	163,486	165,855

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Notes to the financial statements

For the year ended 31 December 2015

	Consolidated		Parent entity	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Note 2 Australian Government financial assistance including HECS - HELP and other Australian Government loan programs (continued)				
Reconciliation				
Australian Government Grants [a+c+d+e+f+g]	112,059	120,368	112,059	120,368
HECS - HELP payments	48,161	42,840	48,161	42,840
FEE - HELP payments	1,686	1,265	1,686	1,265
SA - HELP payments	1,582	1,382	1,582	1,382
Total Australian Government financial assistance	163,488	165,854	163,488	165,854
(h) Australian Government Grants received - cash basis				
CGS and Other EDUCATION Grants	87,144	77,867	87,144	77,867
Higher Education Loan Programmes	51,578	45,337	51,578	45,337
Scholarships	947	946	947	946
EDUCATION Research	3,438	2,584	3,438	2,584
Other Capital Funding	7,500	18,800	7,500	18,800
ARC Grants - Discovery	890	988	890	988
ARC Grants - Linkages	543	538	543	538
Other Australian Government Grants	14,205	11,713	14,205	11,713
Total Australian Government funding received - cash basis	166,245	158,774	166,245	158,774
OS HELP (Net)	20.7	316	(73)	316
Total Australian Government Grants received - cash basis	166,561	158,701	166,561	158,701

All entities are listed by their known titles at time of signing the relevant agreement.

Note 3 State and Local Government financial assistance				
Burnett Mary Regional Group for Natural Resources	29	30	29	30
Central South East Queensland (SEQ) Distributor-Retailer Authority	-	63	-	63
Central Tablelands Local Land Services	5	-	5	-
Central West Local Land Services	5	-	5	-
Department of Agriculture, Fisheries & Forestry	552	113	552	113
Department of Education, Training & Employment	37	-	37	-
Department of Employment, Economic Development & Innovation	105	240	-	119
Department of Environment & Heritage Protection	52	91	52	91
Department of Justice, Victoria	-	31	-	31
Department of National Parks, Sport & Racing	29	102	29	102
Department of Science, Information Technology, Innovation & Arts	130	-	130	-
Department of Transport & Main Roads	19	173	19	173
Gold Coast City Council	-	20	-	20
Fraser Coast Regional Council	10	-	10	-
Forestry Corporation of New South Wales	5	-	5	-
Gympie Regional Council	-	24	-	24
Moreton Bay Regional Council	-	30	-	30
New South Wales Local Land Services	25	-	25	-
Noosa Shire Council	8	17	8	17
North Burnett Regional Council	20	14	20	14
Queensland Health	75	130	75	130
Queensland Police Service	-	35	-	35
Roads Corporation	13	-	13	-
Rural Assistance Authority	45	-	45	-
Sunshine Coast Health Foundation	-	20	-	20
Queensland Hospital & Health Service	-	38	-	38
Sunshine Coast Regional Council	156	194	156	194
Total Non-capital	1,320	1,366	1,215	1,245
Capital				
Department of Education, Training & Employment	-	2,010	-	2,010
Total Capital	-	2,010	-	2,010
Total State and Local Government financial assistance	1,320	3,376	1,215	3,255

All entities are listed by their known title at the time of signing the relevant agreement.

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Notes to the financial statements
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	Consolidated		Parent entity	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Note 4 Fees and charges				
Course fees and charges				
Fee-paying overseas students	22,010	19,846	22,010	19,846
Fee-paying domestic postgraduate students	2,160	1,806	2,160	1,806
Fee-paying domestic non-award students	260	254	260	254
Total course fees and charges	24,430	21,906	24,430	21,906
Other non-course fees and charges				
Student Services and Amenities Fees from students	403	396	403	396
Applications and late fees	32	25	32	25
Library fines	30	39	30	39
Conferences, activities & excursions	261	189	261	189
Rental charges	1,396	1,177	960	777
Other	285	211	285	213
Total other non-course fees and charges	2,407	2,037	1,971	1,639
Total fees and charges	26,837	23,943	26,401	23,545
Note 5 Other revenue and income				
Donations and bequests	8,354	7,538	8,354	7,538
Scholarships, sponsorships and prizes	77	177	77	87
Food services	3,851	3,640	3,851	3,640
Sales - publications and printing	761	700	761	700
Parking permits	1,371	1,272	1,371	1,272
Other	1,012	912	946	859
Total other revenue and income	15,426	14,239	15,360	14,096
Note 6 Employee related expenses				
Academic				
Salaries	47,452	41,791	47,049	41,791
Contributions to superannuation and pension schemes funded	7,068	6,205	7,020	6,205
Payroll tax	2,584	2,236	2,561	2,236
Workers' compensation	156	143	154	143
Long service leave	748	711	748	711
Annual leave	1,122	664	1,122	664
Other	148	225	148	225
Total academic	59,277	51,975	58,802	51,975
Non-academic				
Salaries	50,626	46,317	50,626	45,918
Contributions to superannuation and pension schemes funded	7,472	6,880	7,472	6,834
Payroll tax	2,795	2,499	2,795	2,478
Workers' compensation	170	161	170	158
Long service leave	779	789	779	789
Annual leave	1,009	696	1,009	689
Other	177	192	177	183
Total non-academic	63,028	57,534	63,028	57,049
Total employee related expenses	122,305	109,509	121,830	109,024

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Notes to the financial statements

For the year ended 31 December 2015

	Consolidated		Parent entity	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Note 7 Other expenses				
Advertising, marketing and promotional expenses	2,966	2,745	2,922	2,722
Bank fees & charges	331	283	330	282
Audit and other professional fees *	273	218	263	199
Insurance	443	444	443	444
General consumables	1,644	1,522	1,644	1,522
Postage, printing and stationery	772	725	762	715
Telecommunications	1,016	853	917	775
Subscriptions and memberships	1,564	977	1,560	974
Motor vehicles	227	199	224	196
IT software and licences	2,915	2,864	2,915	2,788
Commissions paid	1,638	1,649	1,638	1,649
Food and catering	2,462	2,196	2,462	2,196
Staff development and recruitment	1,033	1,167	1,015	1,156
Student activities and excursions	336	432	336	432
Other	1,484	804	1,464	1,023
Total other expenses	19,104	17,078	18,895	17,073

*The total external audit fees relating to the 2015 financial year are estimated to be \$150K (2014: \$144K). There are no non-audit services included in this amount. Currently paid and accrued audit fees for the University is \$90K.

Note 8 Receivables				
Current				
Student fees and loans	193	148	193	148
Less: Provision for impaired receivables	(113)	(80)	(113)	(80)
Trade receivables	1,735	3,534	1,706	3,477
Less: Provision for impaired receivables	-	(2)	-	(2)
	1,815	3,600	1,786	3,543
Taxes receivable	1,163	1,659	1,163	1,659
Deposits receivable *	928	-	928	-
Accrued revenue	390	4,726	390	4,726
Sundry loans and advances	30	1	30	1
Amounts receivable from wholly owned subsidiaries	-	-	56	33
Total current receivables	4,326	9,985	4,353	9,961

Note 9 Property, plant & equipment

	Construction in progress	Freehold land	Freehold buildings	Infrastructure assets	Leasehold improvements	Plant & equipment*	Library reference collection	Art Collection	Total
Consolidated	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Year ended 31 December 2014									
Opening net book amount	21,339	15,224	136,228	11,845	335	8,569	25	2,551	196,116
Revaluation surplus	-	5,277	16,120	6,689	-	-	-	231	28,316
Additions	23,390	400	7,289	1,446	214	6,643	-	95	39,477
Transfers	(19,132)	-	17,688	157	-	1,258	-	30	-
Disposals	-	-	-	-	-	(20)	(25)	-	(45)
Depreciation charge	-	-	(4,811)	(1,073)	(78)	(2,470)	-	-	(8,432)
Closing net book amount	25,596	20,900	172,515	19,064	471	13,980	-	2,906	255,432
At 31 December 2014									
-Cost	25,596	-	-	-	950	24,700	-	-	51,246
-Valuation	-	20,900	202,105	23,052	-	-	-	2,906	248,963
Accumulated depreciation	-	-	(29,590)	(3,988)	(480)	(10,720)	-	-	(44,777)
Net book amount	25,596	20,900	172,515	19,064	471	13,980	-	2,906	255,432

* Plant & equipment represents all operational assets, including motor vehicles and computer equipment.

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For the year ended 31 December 2015

Note 9 Property, plant & equipment (continued)

	Construction in progress	Freehold land	Freehold buildings	Infrastructure assets	Leasehold improvements	Plant & equipment*	Library reference collection	Art Collection	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Consolidated									
Year ended 31 December 2015									
Opening net book amount	25,596	20,900	172,515	19,064	471	13,980	-	2,906	255,432
Revaluation surplus	-	-	9,794	578	-	-	-	155	10,527
Additions	4,691	1,050	27,464	1,349	1,227	4,895	-	954	41,629
Transfers	(24,753)	-	19,674	981	-	2,575	-	-	(1,523)
Disposals	-	-	-	-	-	(432)	-	-	(432)
Depreciation charge	-	-	(3,313)	(493)	(193)	(4,222)	-	-	(8,221)
Closing net book amount	5,534	21,950	226,134	21,479	1,504	16,796	-	4,014	297,412
At 31 December 2015									
-Cost	5,534	-	-	-	2,177	31,616	-	-	39,327
-Valuation	-	21,950	253,117	25,890	-	-	-	4,014	304,971
Accumulated depreciation	-	-	(26,983)	(4,411)	(673)	(14,820)	-	-	(46,886)
Net book amount	5,534	21,950	226,134	21,479	1,504	16,796	-	4,014	297,412

* Plant & equipment represents all operational assets, including motor vehicles and computer equipment.

Note 9 Property, plant & equipment (continued)

Parent	Construction in progress	Freehold land	Freehold buildings	Infrastructure assets	Leasehold improvements	Plant & equipment*	Library reference collection	Art Collection	Total
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Year ended 31 December 2014									
Opening net book amount	21,339	15,224	136,228	11,845	306	8,541	25	2,551	196,059
Revaluation surplus	-	5,277	16,120	6,689	-	-	-	231	28,316
Additions	23,390	400	7,289	1,446	214	6,643	-	95	39,477
Transfers	(19,132)	-	17,688	137	-	1,258	-	30	-
Disposals	-	-	-	-	-	(20)	(25)	-	(45)
Depreciation charge	-	-	(4,811)	(1,073)	(74)	(2,466)	-	-	(8,424)
Closing net book amount	25,596	20,900	172,515	19,064	445	13,956	-	2,906	255,383
At 31 December 2014									
-Cost	25,596	-	-	-	903	24,609	-	-	51,108
-Valuation	-	20,900	202,105	23,052	-	-	-	2,906	248,963
Accumulated depreciation	-	-	(29,590)	(3,988)	(458)	(10,653)	-	-	(44,688)
Net book amount	25,596	20,900	172,515	19,064	445	13,956	-	2,906	255,383

* Plant & equipment represents all operational assets, including motor vehicles and computer equipment.

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For the year ended 31 December 2015

Note 9 Property, plant & equipment (continued)

	Construction in progress	Freehold land	Freehold buildings	Infrastructure assets	Leasehold improvements	Plant & equipment*	Library reference collection	Art Collection	Total
Parent	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Year ended 31 December 2015									
Opening net book amount	25,596	20,900	172,515	19,064	445	13,956	-	2,906	255,383
Revaluation surplus	-	-	9,794	578	-	-	-	155	10,527
Additions	4,691	1,050	27,464	1,349	1,227	4,895	-	954	41,629
Transfers	(24,753)	-	19,674	981	-	2,575	-	-	(1,523)
Disposals	-	-	-	-	-	(432)	-	-	(432)
Depreciation charge	-	-	(3,313)	(493)	(188)	(4,217)	-	-	(8,211)
Closing net book amount	5,534	21,950	226,134	21,479	1,484	16,777	-	4,014	297,373
At 31 December 2015									
-Cost	5,534	-	-	-	2,130	31,525	-	-	39,189
-Valuation	-	21,950	253,117	25,890	-	-	-	4,014	304,971
Accumulated depreciation	-	-	(26,983)	(4,411)	(646)	(14,748)	-	-	(46,787)
Net book amount	5,534	21,950	226,134	21,479	1,484	16,777	-	4,014	297,373

* Plant & equipment represents all operational assets, including motor vehicles and computer equipment.

(i) Valuations of land and buildings

In 2015 a desktop revaluation of land, buildings and infrastructure (all valued at fair value) was performed by APV Valuers and Asset Management. The purpose of the desktop update is to revisit assumptions to ensure any impairment or revaluation impacts are taken into account within the subsequent years between comprehensive revaluations.

(ii) Non-current assets pledged as security

No non-current assets have been pledged as security.

(iii) Valuation effective dates

All assets requiring comprehensive revaluation, with the exception of the art collection, were revalued on 31 December 2014. The Art Collection was comprehensively revalued as at 31 December 2013. A desktop audit was performed in 2015 by external, independent valuers on all assets requiring revaluation.

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Notes to the financial statements
For the year ended 31 December 2015

	Consolidated		Parent entity	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Note 10 Borrowings				
Current				
Secured				
Loan - Queensland Treasury Corporation	1,748	1,648	1,748	1,648
Total current secured borrowings	1,748	1,648	1,748	1,648
Non-Current				
Secured				
Loan - Queensland Treasury Corporation	8,878	10,605	8,878	10,605
Total non-current secured borrowings	8,878	10,605	8,878	10,605
Total borrowings	10,626	12,253	10,626	12,253

(a) Assets pledged as security

Security for loan liabilities from the QTC is a guarantee of due performance and observance of the University's obligations under the facility by the Treasurer of Queensland in favour of QTC. No one specific asset has been pledged as security for current and non-current borrowings.

(b) Financing arrangements

The following facilities have been taken out under Queensland Government arrangements:

	Consolidated		Parent entity	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Queensland Treasury Corporation				
Credit standby arrangements				
Total facilities				
QTC - Overdraft/Short-term Funding Facility	4,000	4,000	4,000	4,000
Total facilities	4,000	4,000	4,000	4,000
Used (Drawdown) at balance date				
QTC - Overdraft/Short-term Funding Facility	-	-	-	-
Unused (Drawdown) at balance date				
QTC - Overdraft/Short-term Funding Facility	4,000	4,000	4,000	4,000
	4,000	4,000	4,000	4,000

Queensland Treasury Corporation loan/overdraft facilities consist of the following:

- \$15 million fixed loan facility. The loan is repayable in quarterly instalments of equal size such that the advance amount and interest (including capitalised interest) and fees calculated thereon are fully repaid at the end of the expected term of 17 years.
- QTC Debt Pools
- \$10 million 3 Year Debt Pool, expected term of 4 years.
- \$4 million Overdraft/short term funding facility. No overdraft exists at reporting date as funds are currently being drawn from the QTC Capital Guarantee Fund.

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Notes to the financial statements

For the year ended 31 December 2015

Note 10 Borrowings (continued)

(c) Fair value

	2015		2014	
	Carrying amount \$'000	Fair Value \$'000	Carrying amount \$'000	Fair Value \$'000
Non-traded financial liabilities				
Queensland Treasury Corporation	10,626	11,606	12,253	13,581
	10,626	11,606	12,253	13,581

(d) Risk exposures

The exposure of the consolidated entity's and parent entity's borrowings to interest rate changes is considered minimal as all major borrowings are held with State Government entities in fixed rate arrangements.

The carrying amounts of the consolidated entity's and parent entity's borrowings are in Australian Dollars.

	Consolidated		Parent entity	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Note 11 Provisions				
Current provisions expected to be settled wholly within 12 months				
Employee benefits				
Annual leave	7,373	6,565	7,349	6,530
Long service leave	585	650	585	650
Subtotal	7,958	7,215	7,934	7,180
Current provisions expected to be settled wholly after more than 12 months				
Employee benefits				
Annual leave	1,390	1,038	1,390	1,038
Long service leave	6,707	5,178	6,707	5,178
Subtotal	8,097	6,216	8,097	6,216
Total current provisions	16,055	13,431	16,031	13,396
Non-Current				
Employee benefits				
Long service leave	3,947	3,887	3,947	3,885
Total non-current provisions	3,947	3,887	3,947	3,885
Total provisions	20,002	17,318	19,978	17,281

Employee benefits

The long service leave provision reflects the amount of long service leave accrued as at 31 December 2015. It is 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 salary increases, experience of employee departures and periods of service. Expected future payments are discounted using Reserve Bank of Australia's indicative mid rates of selected Commonwealth Government securities.

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Notes to the financial statements
For the year ended 31 December 2015

Note 12 Reserves and retained earnings

(a) Reserves

	Freehold land	Freehold buildings	Infrastructure assets	Art collection	Other financial assets	Total
Consolidated and Parent	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance - 1 January 2014	10,720	52,966	4,078	854	-	68,618
Revaluation increments	5,277	16,120	6,689	230	-	28,316
Revaluation decrements	-	-	-	-	-	-
Balance - 31 December 2014	15,997	69,086	10,767	1,084	-	96,934
Balance - 1 January 2015	15,997	69,086	10,767	1,084	-	96,934
Revaluation increments	-	9,794	578	155	9,178	19,705
Revaluation decrements	-	-	-	-	-	-
Balance - 31 December 2015	15,997	78,880	11,345	1,239	9,178	116,639

	Consolidated		Parent entity	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000

Note 12 Reserves and retained earnings (continued)

(b) Retained surplus

Movements in retained earnings were as follows:

Retained earnings at 1 January	204,566	165,987	204,437	165,903
Net operating result for the year	15,134	38,581	15,156	38,536
Retained earnings at 31 December	219,700	204,566	219,593	204,437

Note 13 Key management personnel disclosures

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

(a) Names of responsible persons and executive officers

Appointment / Election / Resigned / Retired / Term completed

Chancellor

Mr John DOBSON OAM

Deputy Chancellor – until 27 April 2015

Mr David JEFFRIES, BCom *Qld.*, FCA, FAICD, FFin

Resigned as Deputy Chancellor 27 April 2015

Deputy Chancellor –from 27 April 2015

Mr Bruce COWLEY, BCom, LLB(Hons) *Qld.* FAICD

Appointed as Deputy Chancellor 27 April 2015

Vice-Chancellor and President

Professor Greg HILL, CertTeach Kelvin Grove Teach.Coll., BA(Hons), PhD *Qld.*

Chairperson of the Academic Board

Professor Birgit LOHMANN, BSc (Hons) *Adel.*, PhD *Flin.*

Six members appointed by the Governor in Council

Ms Debra BENNET

Mr Bruce COWLEY, BCom, LLB(Hons) *Qld.* FAICD

Dr Suzanne INNES, BA (Hons), BEdSt *Qld.*, GradCertTESOL *UNE*, MSchM EdD *C. Qld.*

Mr David JEFFRIES, BCom *Qld.*, FCA, FAICD, FFin

Ms Julie-Anne MEE, BBus *C. Qld.*, MAdmin *Griff.*, FCPA

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Notes to the financial statements

For the year ended 31 December 2015

Note 13 Key management personnel disclosures (continued)

Two members of the University's academic staff

Professor Robert ELLIOT, BA(Hons) NSW, MA La Trobe, DipEd Melb., PhD Qld.

Dr Mark SAYERS, BAppSci CCAE, MAppSci UC, PhD RMIT

One member of the University's full-time general staff

Mr Jon DICKINS, BA(Hons) Griff

Two members of the student body

Ms Sonya WALLACE, BNursSc, GCertPR, MACN

Term concluded 8 December 2015

Ms Chelsea WALLIS, BBus, GCEcon, GCA (Pol & IR), JP (Qual), MQJA.

Term concluded 8 December 2015

Mr Michael JEFFERIES

Elected 9 December 2015

Mr Raymart WALKER

Elected 9 December 2015

Four additional members appointed by Council

Ms Natasha READ, BCom Griff., MBA Sunshine Coast, FAIM, GAICD

Mr Robert HUBBARD, BA(Hons), FCA

Mr Scott WILLIAMS, AM, QDAH Qld, BEc, GradDipCompSc GradDipFinMangt, GradDipRurAcc NE, Hon.DLitt(NE) FAICD

Emeritus Professor Gerard SUTTON, AO, BE(Hons), MEngSc UNSW, PhD CUA, Hon DSc UOW

Council officers

Further details of the University's Council Membership are located in the Governance Section of the Annual Report.

Executive officers

Position	Responsibilities	Current Incumbents		
		Name	Contract classification and appointment authority	Date appointed to position (Date resigned from position)
Vice-Chancellor & President	Management of the overall operations of the University and the provision of the leadership necessary to achieve the University's strategic objectives.	Prof Greg Hill	Employment contract Chancellor	14/6/2010
Senior Deputy Vice-Chancellor	The leadership and management of the University's learning and teaching function	Prof Birgit Lohmann	Employment contract Vice-Chancellor & President	14/02/2011
Deputy Vice-Chancellor, Research & Innovation	Leadership and management of the University's research activities.	Prof Roland De Marco	Employment contract Vice-Chancellor & President	26/01/2011
Pro Vice-Chancellor, Engagement	Leadership and management of the University's engagement activities	Prof Michael Hefferan	Employment contract Vice-Chancellor & President	14/04/2009
Pro Vice-Chancellor, International & Quality	Leadership and management of the University's International and Quality activities	Prof Robert Elliot	Employment contract Vice-Chancellor & President	07/03/2005
Chief Operating Officer	Leadership and management the University's Corporate Services activities	Dr Scott Snyder	Employment contract Vice-Chancellor & President	23/06/2014
Pro Vice-Chancellor, Students	Leadership and management the University's Corporate Services activities	Prof Karen Nelson	Employment contract Vice-Chancellor & President	22/04/2014
Executive Dean, Faculty of Arts and Business	Leadership and management of the Faculty	Prof Joanne Scott	Employment contract Vice-Chancellor & President	01/01/2012
Executive Dean, Faculty of Science, Health, Education and Engineering	Leadership and management of the Faculty	Prof John Bartlett	Employment contract Vice-Chancellor & President	06/02/2012

Note all position titles are as at statement of financial position date.

Note 13 Key management personnel disclosures (continued)

(b) Remuneration of Council members, executives and key management personnel

Remuneration for the University's key executive management personnel is established in accordance with the approved delegations by Council to the Vice-Chancellor & President under the *University of the Sunshine Coast Act 1998* and the Senior Staff Remuneration Policy. The remuneration and other terms of employment for the key executive management personnel are specified in employment contracts. The contracts may provide for the provision of other benefits including motor vehicles.

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

- Short term employee benefits which include:
 - Base – consisting of base salary, allowances and leave entitlements paid and provided for the entire year or for that part of the year during which the employee occupied the specified position. Amounts disclosed equal the amount expensed in the statement of comprehensive income.
 - Non-monetary benefits – consisting of provision of vehicle together with fringe benefits tax applicable to the benefit.
- Long term employee benefits include long service leave accrued.
- Post employment benefits includes superannuation.
- Redundancy payments are not provided for within individual contracts of employment. Contracts of employment provide only for notice periods or payment in lieu of notice on termination, regardless of the reason for termination.

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

No Council Member is entitled to any Retirement Benefit arising from their role as a Council Member. The University leases and maintains a motor vehicle for the Chancellor in his role as head of the University council.

(c) Key management personnel compensation

1 January 2015 – 31 December 2015

Position (resignation or commencement date if applicable)	Short Term Employee Benefits			Long Term Employee Benefits \$'000	Post Employment Benefits \$'000	Termination Benefits \$'000	Total Remuneration \$'000
	Base Salary \$'000	Bonus Payments \$'000	Non-Monetary Benefits \$'000				
Chancellor	-	-	40	-	-	-	40
Vice-Chancellor & President	542	30	49	13	92	-	726
Senior Deputy Vice-Chancellor	311	-	24	8	54	-	397
Deputy Vice-Chancellor, Research & Innovation	281	-	23	7	48	-	359
Pro Vice-Chancellor, Engagement	246	-	29	10	38	-	323
Pro Vice-Chancellor, International & Quality	285	-	20	7	49	-	361
Chief Operating Officer	354	-	30	9	59	-	452
Pro Vice-Chancellor, Students	240	-	30	6	41	-	317
Executive Dean, Faculty of Arts and Business	229	-	20	6	40	-	295
Executive Dean, Faculty of Science, Health, Education and Engineering	234	-	21	6	40	-	301
Total Remuneration	2,722	30	286	72	461	-	3,571

1 January 2014 – 31 December 2014

Position (resignation or commencement date if applicable)	Short Term Employee Benefits			Long Term Employee Benefits \$'000	Post Employment Benefits \$'000	Termination Benefits \$'000	Total Remuneration \$'000
	Base Salary \$'000	Bonus Payments \$'000	Non-Monetary Benefits \$'000				
Chancellor	-	-	39	-	-	-	39
Vice-Chancellor & President	486	30	50	12	89	-	667
Senior Deputy Vice-Chancellor	300	-	25	8	52	-	384
Deputy Vice-Chancellor, Research & Innovation	264	-	22	7	45	-	337
Pro Vice-Chancellor, Engagement	226	-	32	10	36	-	303
Pro Vice-Chancellor, International & Quality	279	-	23	7	47	-	356
Chief Operating Officer (from 24/06/14)	181	-	12	4	30	-	228
Pro Vice-Chancellor, Corporate Services (to 19/04/14)	91	10	8	-	9	-	118
Pro Vice-Chancellor, Students (from 22/04/14)	172	-	22	4	27	-	225
Executive Dean, Faculty of Arts and Business	205	-	23	6	38	-	272
Executive Dean, Faculty of Science, Health, Education and Engineering	230	-	25	6	38	-	299
Total Remuneration	2,433	40	280	64	411	-	3,228

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Notes to the financial statements

For the year ended 31 December 2015

Note 13 Key management personnel disclosures (continued)

(d) Performance payments

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

2015

Position	Date Paid	Basis for payment
Vice-Chancellor & President	9/01/15	Bonus payable on meeting agreed performance target set as part of annual review to a maximum of \$30,000

2014

Position	Date Paid	Basis for payment
Vice-Chancellor & President	21/02/14	Bonus payable on meeting agreed performance target set as part of annual review to a maximum of \$30,000
Pro Vice-Chancellor, Corporate Services (to 19/04/14)	18/04/14	Bonus payable on meeting agreed performance target set as part of annual review to a maximum of \$10,000

No performance bonus has been agreed or paid in relation to subsequent years.

(e) Loans to key management personnel

No loans were made to any key management personnel during the period.

	Consolidated		Parent entity	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000

Note 14 Commitments

(a) Capital commitments

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

Property, plant and equipment

Payable:

Within one year	6,112	17,786	6,112	17,786
Later than one year but not later than five years	3,500	-	3,500	-
Later than five years	-	-	-	-
Total Property, plant and equipment	9,612	17,786	9,612	17,786
Total capital commitments	9,612	17,786	9,612	17,786

Capital expenditure includes costs relative to acquiring the USQ Fraser Coast campus located at Hervey Bay effective 1 February 2016.

(b) Lease commitments

Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities payable:

Within one year	2,508	1,035	2,508	834
Later than one year but not later than five years	8,308	931	8,308	669
Later than five years	10,227	-	10,227	-
Total lease commitments	21,043	1,966	21,043	1,503

All operating lease arrangements are considered to be of standard terms with no unusual restrictions.

Note 15 Related parties

(a) Parent entities

The ultimate Australian parent entity within the consolidated entity is the University of the Sunshine Coast which at 31 December 2015 owns 100% (2014: 100%) of the issued ordinary shares of the Innovation Centre Sunshine Coast Pty Ltd (ICSC) and USC Capital and Commercial Pty Ltd (C&C) (established in 2015).

(b) Subsidiaries

The primary purpose of ICSC is to provide regional leadership and support for new business designed to create wealth and generate employment on the Sunshine Coast.

Controlled entity comparative figures	2015 \$'000	2014 \$'000
Total assets	307	323
Total liabilities	219	212
Total revenue	1020	1,060
Operating result for the reporting period	21	45

The objective of C&C is to enter into and manage commercial arrangements. C&C did not trade in 2015.

(c) Key management personnel, Directors and specified executives

Directors of ICSC who are also key management personnel of the University are:

Ms Julie-Anne MEE
Professor Michael HEFFERAN
Professor John BARTLETT

Directors of C&C who are also key management personnel of the University are:

Dr Scott SNYDER

Refer to note 13 for key management personnel of the consolidated entity.

(d) Transactions with related parties

The University purchases goods and services from external parties on behalf of ICSC for which it is subsequently reimbursed. No fee is charged in relation to this arrangement. The University also provides a grant for ICSC expending in an approved manner. For 2015 ICSC received \$250,000 (2014: \$250,000). The University has lease arrangements with the wholly owned subsidiary ICSC in relation to the space occupied in the Incubator and Accelerator.

There were no transactions with C&C in 2015.

The Vice-Chancellor & President held the position of Director of the IDP Education Limited Board for which he received remuneration in 2015 of \$44,355 (2014: \$85,406). The Vice-Chancellor & President resigned from the Board with an effective date of 12 November 2015.

(e) Outstanding balances

As at 31 December 2015, the wholly owned subsidiary ICSC owed the University an amount of \$55,609 (2014: \$32,963) through normal intercompany arrangements.

Note 16 Events occurring after the balance sheet date

The University has entered into a contract to purchase the University of Southern Queensland Fraser Coast Campus for approximately \$7 million less agreed adjustment for recognition of employee benefits transferable. The date of settlement was the 1 February 2016 (the acquisition date). The acquisition of the campus assets has been funded by way of vendor finance to be completed 12 months after the acquisition date. In 2016 the University will engage independent external valuers to assess the acquisition for fair value purposes and will provide for any necessary adjustment between acquisition price and fair value in the 2016 financial statements accordingly.

There are no other events that have occurred after the balance sheet date that may significantly affect the operations of the University or the consolidated entity, the results of those operations or the state of affairs of the University in future financial years

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	Consolidated		Parent entity	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Note 17 Reconciliation of operating result after income tax to net cash flows from operating activities				
Operating result for the period	15,134	38,581	15,156	38,536
Depreciation and amortisation	8,939	8,992	8,930	8,983
Non-cash donations	(925)	(1,559)	(925)	(1,559)
Net (gain) / loss on sale of non-current assets	11	(17)	11	(17)
(Increase) / decrease in trade and other receivables	5,512	(5,797)	5,461	(5,734)
(Increase) / decrease in other assets	(14,515)	(363)	(14,508)	(362)
(Decrease) / increase in trade and other payables	(337)	3,989	(334)	3,995
(Decrease) / increase in other liabilities	1,076	(3,194)	1,076	(3,191)
(Decrease) / increase in provisions	2,684	1,985	2,697	1,979
Net cash provided by / (used in) operating activities	17,579	42,615	17,564	42,628

Note 18 Financial risk management

The consolidated entity's activities expose the consolidated entity to a variety of financial risks, including: market risk, credit risk, and liquidity risk.

The Council has overall responsibility for the establishment and oversight of the risk management framework. The Council has established the Audit and Risk Management Committee, which oversees how management monitors compliance with the consolidated entity's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the consolidated entity. The Audit and Risk Management Committee are assisted in its oversight role by Internal Audit.

Risk management policies are established to identify and analyse the risks faced by the consolidated entity, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies are reviewed regularly to reflect changes in market conditions of the consolidated entity's activities.

(a) Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the consolidated entity's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising return.

The consolidated entity does not hold any derivatives or other financial liabilities related to the management of market risk.

(i) Foreign exchange risk (currency risk)

The currency in which the consolidated entity's activities and associated transactions are conducted is primarily the Australian dollar (AUD). As such, the consolidated entity's exposure to currency risk on sales, purchases and borrowings is minimal.

(ii) Price risk

As the consolidated entity has not entered into any complex financial arrangements any exposure to price risk is immaterial.

(iii) Cash flow and fair value interest rate risk.

The consolidated entity's investment policy is to only invest with; major banking institutions, Queensland Treasury Corporation (QTC) and other Government associated entities, and to only borrow from QTC and other Government associated entities.

The consolidated entity's current portfolio of investments consists of floating and fixed rate investments in the form of cash holdings with three major banking institutions, deposits held with QTC in a Capital Guaranteed Cash Fund, and a limited number of shares. The Capital Guaranteed Cash Fund enables USC to invest surplus funds in the short-term money market. The fund is run on a similar basis to a cash management account, with customers' deposits pooled together to take advantage of the more attractive interest rates and economies of scale available for larger investments with floating rate exposure.

The consolidated entity's current portfolio of borrowings consists of a mix of fixed rate funding and debt pool funding sourced through QTC. Pool lending is akin to fixed rate lending but offers greater flexibility as lump sum re-payments can be made. Such flexibility is not available with QTC's fixed rate loans, and QTC do not offer variable rate funding. Pool lending protects borrowers from large fluctuations in market value interest rates therefore reducing interest rate risk.

QTC's debt pools are structured to protect customers against adverse interest rate movements. This protection is achieved by matching the term of the loan with the term of the QTC debt pool as closely as possible. To achieve this it is necessary to move the loan through the appropriate debt pools during the term of the loan. Book rate reviews are performed periodically to safeguard against excessive interest rate risk and can be triggered by a number of events including lump sum repayments.

Note 18 Financial risk management (continued)

For interest rates applicable to each class of asset or liability refer to individual notes to the financial statements. For further details regarding interest rate risk refer to Note 18(c).

iv) Interest Rate Sensitivity Analysis

Interest rate sensitivity analysis evaluates the outcome on profit or loss 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 department would have a surplus and equity increase/ (decrease) of \$0.5 million (2014: \$0.7 million).

(b) Credit risk

Credit risk is the risk of financial loss to the consolidated entity if a customer fails to meet its contractual obligations, and arises principally from the consolidated entity's receivables from customers and, for the parent entity, receivables due from subsidiaries.

The carrying amount of the consolidated entity's financial assets represents the maximum credit exposure.

Trade Receivables

The consolidated entity's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Approximately 76% (2014: 78%) of the consolidated entity's revenue is attributable to Australian Government Financial Assistance, however, the arrangements are largely advancements rather than receivables.

The University's Financial Management Policy establishes a credit policy under which each new customer is analysed individually for creditworthiness before the consolidated entity's standard payment and delivery terms and conditions are offered. Purchase limits are established for each customer, which represents the maximum open amount without requiring approval from the Council.

More than 70% (2014: > 70%) of the consolidated entity's customers have been transacting with the consolidated entity for over 3 years, and losses have occurred infrequently. The consolidated entity does not require collateral in respect of trade and other receivables.

Investments

The consolidated entity has limited the majority of its exposure to credit risk by only investing in liquid securities with QTC or other Industry initiatives. The consolidated entity holds a limited number of shares carried at cost.

(c) Liquidity risk

Liquidity risk is the risk that the consolidated entity will not be able to meet its financial obligations as they fall due. The consolidated entity's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the consolidated entity's reputation.

The consolidated entity uses past trend analysis and commitments reporting to assist in monitoring cash flow requirements and optimising its cash return on investments. Typically the consolidated entity ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 90 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. For further details regarding current lines of credit refer to Note 10.

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For the year ended 31 December 2015

Note 18 Financial risk management (continued)

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

31 December 2015	Average interest rate	Floating interest rate	1 Year or less	1 year to 5 years	Over 5 years	Non interest bearing	Total
	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets							
Cash and cash equivalents	2.86	23,289	-	-	-	-	23,289
Receivables	-	-	-	-	-	4,326	4,326
Term deposits	2.99	-	30,000	-	-	-	30,000
Other financial assets	-	-	-	-	-	9,278	9,278
Total financial assets		23,289	30,000	-	-	13,604	66,893
Financial Liabilities							
Trade and other payables	-	-	-	-	-	6,909	6,909
Borrowings	6.11	-	1,748	6,992	1,886	-	10,626
Total financial liabilities		-	1,748	6,992	1,886	6,909	17,535

31 December 2014	Average interest rate	Floating interest rate	1 Year or less	1 year to 5 years	Over 5 years	Non interest bearing	Total
	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets							
Cash and cash equivalents	3.13	11,052	-	-	-	16	11,068
Receivables	-	-	-	-	-	10,004	10,004
Term deposits	3.64	-	60,272	-	-	-	60,272
Other financial assets	-	-	-	-	-	100	100
Total financial assets		11,052	60,272	-	-	10,120	81,444
Financial Liabilities							
Trade and other payables	-	-	-	-	-	7,246	7,246
Borrowings	6.12	-	1,647	6,588	4,018	-	12,253
Total financial liabilities		-	1,647	6,588	4,018	7,246	19,499

Note 19 Fair value measurements

a) Fair value measurements

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

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 balance date are:

	Carrying Amount		Fair Value	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash and cash equivalents	23,289	11,068	23,289	11,068
Receivables	4,326	10,004	4,326	10,004
Other financial assets	39,278	60,372	39,278	60,372
Total financial assets	66,893	81,444	66,893	81,444
Financial liabilities				
Trade and other payables	6,909	7,246	6,909	7,246
Borrowings	10,626	12,253	11,606	13,581
Total financial liabilities	17,535	19,499	18,515	20,827

The consolidated entity measures and recognises the following assets and liabilities at fair value on a recurring basis:

- Freehold land
- Freehold buildings
- Infrastructure assets
- Art and library reference collection

Note 19 Fair value measurements (continued)

The consolidated entity does not measure and recognise any liabilities at fair value on a recurring basis.

b) Fair value hierarchy

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

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – inputs other than quoted prices within level 1 that are observable for the asset or liability either directly or indirectly

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs)

i) Recognised fair value measurements

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

Fair value measurements at 31 December 2015

Recurring fair value measurements Non-financial assets	2015 \$'000	Level 1	Level 2	Level 3
		\$'000	\$'000	\$'000
Freehold land	21,950	-	21,950	-
Freehold buildings	226,134	-	6,685	219,449
Infrastructure assets	21,479	-	-	21,479
Art and library reference collection	4,014	-	-	4,014
Shares held in Public Companies	9,278	-	-	9,278
Total non-financial assets	282,855	-	28,635	254,220

Fair value measurements at 31 December 2014

Recurring fair value measurements Non-financial assets	2014 \$'000	Level 1	Level 2	Level 3
		\$'000	\$'000	\$'000
Freehold land	20,900	-	20,900	-
Freehold buildings	172,515	-	840	171,675
Infrastructure assets	19,064	-	-	19,064
Art and library reference collection	2,906	-	-	2,906
Shares held in Public Companies	-	-	-	-
Total non-financial assets	215,385	-	21,740	193,645

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

ii) Disclosed fair values

The consolidated entity has a number of assets and liabilities which are not measured at fair value, but for which the fair values are disclosed in the notes.

The fair value of assets or liabilities traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices for identical assets or liabilities at the balance sheet date (level 1). This is the most representative of fair value in the circumstances. The fair values of held-to-maturity investment and interests in associates were determined by reference to published price quotations in an active market (level 1).

The carrying value less impairment provision of trade receivables and payables is a reasonable approximation of their fair values due to the short-term nature of trade receivables. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the consolidated entity for similar financial instruments (level 3).

The fair value of non-current borrowing disclosed in note 10 is estimated by discounting the future contractual cash flows at the current market interest rates that are available to the consolidated entity for similar financial instruments. For the period ending 31 December 2015, the borrowing rates were determined to be between 5.7% and 7.21% (2014 between 5.7% and 7.13%) depending on the type of borrowing. The fair value of current borrowing approximates the carrying amount, as the impact of discounting is not significant (level 2).

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Note 19 Fair value measurements (continued)

c) Valuation techniques used to derive level 2 and level 3 fair values

i) Recurring fair value measurements

The fair value of financial instruments that are not traded in an active market (for example over the counter derivatives) is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities. The University's holdings in unlisted securities has been independently valued using the cost approach (less any impairment) as it does not have a quoted price in an active market.

Land, buildings and infrastructure are valued independently at least every five years. At the end of each reporting period, the consolidated entity updates their assessment of the fair value of each asset class, taking into account the most recent independent valuations. The consolidated entity determines the property's value within a range of reasonable fair value estimates.

The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available the consolidated entity considers information from a variety of sources, including:

- Current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences
- Discounted cash flow projections based on reliable estimates of future cash flows
- Capitalised income projections based on a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence

Where there is directly comparable market evidence Level 2 valuation inputs were used to value land held in freehold title (investment and non-investment) as well as land used for special purposes which is restricted in use under current zoning rules. Sales prices of comparable land sites in close proximity are adjusted for differences in key attributes such as property size. The most significant inputs into this valuation approach are price per square metre.

Specialised buildings were valued using the cost approach using professionally qualified Registered Valuers. The approach estimated 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 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 were classified as having been valued using level 3 valuation inputs.

The University's major infrastructure assets are unique in design or there was insufficient observable market evidence to support the valuation. As a result the valuation was performed using the cost approach. The approach estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking in to account a range of factors. While the unit rates based on 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. As such these assets were classified as having been valued using level 3 valuation inputs.

During the year there were a number of new projects completed where the actual cost was recorded and the impact of depreciation at year end was negligible. While these could be classified as valued at level 2, given the low proportion of the total portfolio that these represented and the likelihood that in future valuations they would most likely be valued at level 3, the University has adopted a policy that all infrastructure assets are deemed to be valued at level 3.

ii) Non-recurring fair value measurements

The University did not measure any financial assets or financial liabilities at fair value on a non-recurring basis as at the end of the reporting period.

Note 19 Fair value measurements (continued)

d) Fair value measurements using significant unobservable inputs (level 3)

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 2015 \$'000	Unobservable inputs*	Range of inputs (probability weighted average)		Relationship of unobservable inputs to fair value \$'000	
			Lower	Upper	Lower	Upper
Freehold buildings	226,134	Relationship between asset consumption ratings scale and the level of consumed service potential	(2.5)%	2.5%	(5,653)	5,653
Infrastructure assets	21,479	Condition of the asset where it could not be determined through physical inspection. Relationship between asset consumption ratings scale and the level of consumed service potential	(2.5)%	2.5%	(537)	537
Shares in Public Companies	9,278	Liquidity restrictions in relation to the inability of shareholders to sell to a shareholder that is not currently a shareholder and the inability of the investment to sell its major investment (escrow)	(5.0)%	5.0%	(465)	465

*There were no significant inter-relationships between unobservable inputs that materially effects fair value

(i) Valuation processes

The valuation process is managed by a team in the University's Financial Services department which engages external valuers to perform the valuations of assets required for reporting purposes. The Financial Services team reports to the Chief Operating Officer (via the Chief Financial Officer). Discussions on valuation processes are held every 12 months including changes in level 2 and 3 fair values.

The University engages external, independent and qualified valuers to determine the fair value of the Universities land, buildings, infrastructure, major plant and investments held on a regular basis (minimum of five years). 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.

As at 31 December 2015 a desktop revaluation was undertaken for all the asset classes land, buildings and infrastructure by APV Valuers and Asset Management. In 2014 a comprehensive revaluation was undertaken for the same asset classes. In addition a valuation was undertaken by ShineWing Lawyers as at 31 December 2015 in relation to investments held in unlisted equity securities.

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

- 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 an 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 judgment and include asset condition, legal and commercial obsolescence and the determination of key depreciation related assumptions such as residual value, useful life and pattern of consumption of the future economic benefit.
- The consumption rating scales were based initially on the past experience of the valuation firm and industry guides and were then updated to take into account the experience and understanding of the University's own asset management and finance staff. The results of the valuation were further evaluated by confirmation against the University's own understanding of the assets and the level of remaining service potential.
- Asset Condition - The nature of infrastructure assets is that there are a very large number of assets which comprise the network 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 regular planned inspections and updates to the system following maintenance activities and renewal treatments.
- In relation to unlisted equity securities, the approach estimated the value of the cash and investments of the unlisted equity securities discounted by 30% to reflect existing restrictions and escrow arrangements on the holdings. Sensitivity analysis applicable to the 30% discount applied includes shareholder agreement allowing Universities to sell shares in an open market +/-5.0%; inability to trade during escrow period (ends November 2016) +/-20%; and University shareholders selling shares immediately after escrow +/-5.0%.

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Note 20 Acquit of Australian Government financial assistance 20.1 Education – CGS and Other Education Grants

Notes	Commonwealth Grant Scheme #1		Indigenous Support Program		Parent entity (HEP) ONLY Partnership & Participation Program #2		Disability Support Program		Diversity & Structural Adjustment Fund #3	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)	84,218	75,279	412	296	1,873	1,766	57	51	-	-
Net accrual adjustments	(196)	855	-	-	(75)	57	-	-	-	-
Revenue for the period	84,022	76,134	412	296	1,798	1,823	57	51	-	-
Surplus/(deficit) from previous year	-	-	62	45	325	321	(25)	54	-	785
Total revenue including accrued revenue	84,022	76,134	474	341	2,123	2,144	32	105	-	785
Less expenses including accrued expenses	84,022	76,134	474	279	2,078	1,819	32	130	-	785
Surplus/(deficit) for reporting period	-	-	-	62	45	325	-	(25)	-	-

	National Priorities Pool		Improving the Quality of Maths & Science Teaching Program		Promo of Exc in Learn and Teaching		Reward Funding		Total	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)	118	-	195	190	105	286	-	-	86,978	77,868
Net accrual adjustments	-	-	-	-	-	-	-	-	(271)	912
Revenue for the period	118	-	195	190	105	286	-	-	86,707	78,779
Surplus/(deficit) from previous year	-	-	33	-	363	163	-	341	758	1,709
Total revenue including accrued revenue	118	-	228	190	468	449	-	341	87,465	80,488
Less expenses including accrued expenses	98	-	237	157	283	86	-	341	87,224	79,731
Surplus/(deficit) for reporting period	20	-	(9)	33	185	363	-	-	241	757

1 Includes the basic CGS grant amount, CGS-Regional Loading, Maths and Science Transition Loading and Full Fee Places Transition Loading.

2 Includes Equity Support Program

3 Includes Collaboration and Structural Adjustment Program

Note 20 Acquital of Australian Government financial assistance (continued)
20.2 Higher Education Loan Programs (excl OS-HELP)

	Notes	Parent entity (HEP) ONLY										Total	
		HECS-HELP (Australian Government payments only)		FEE-HELP #4				SA-HELP					
		2015	2014	2015	2014	2015	2014	2015	2014	2015	2014		
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash Payable/(Receivable) at beginning of year		(80)	270	(69)	10	-	-	-	-	-	-	(149)	280
Financial assistance received in Cash during the reporting period		48,585	42,490	1,755	1,186	1,582	1,382	1,382	1,382	51,922	45,058		
Cash available for period		48,505	42,760	1,686	1,196	1,582	1,382	1,382	1,382	51,773	45,338		
Revenue earned	2(b)	48,161	42,840	1,686	1,265	1,582	1,382	1,382	1,382	51,429	45,486		
Cash Payable/(Receivable) at end of year		344	(80)	-	(69)	-	-	-	-	344	(148)		

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

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Note 20 Acquittal of Australian Government financial assistance (continued) 20.3 Scholarships

Notes	Parent entity (HEP) ONLY							
	Australian Postgraduate Awards		International Postgraduate Research Scholarships		Commonwealth Education Cost Scholarships #5		Commonwealth Accommodation Scholarships #5	
	2015	2014	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	647	584	67	67	105	108	36	51
	-	-	-	-	-	-	-	-
2(c)	647	584	67	67	105	108	36	51
	333	329	-	4	60	78	37	44
	980	913	67	71	165	186	73	95
	712	580	67	71	165	126	74	57
	268	333	-	-	-	60	-	37

Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)

Net accrual adjustments

Revenue for the period

Surplus/(deficit) from previous year

Total revenue including accrued revenue

Less expenses including accrued expenses

Surplus/(deficit) for reporting period

Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)

Net accrual adjustments

Revenue for the period

Surplus/(deficit) from previous year

Total revenue including accrued revenue

Less expenses including accrued expenses

Surplus/(deficit) for reporting period

	Indigenous Access Scholarships		Indigenous Staff Scholarships		Totals	
	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	92	136	-	-	947	946
	92	136	-	-	947	946
	28	-	12	12	470	467
	120	136	12	12	1,417	1,413
	121	108	12	-	1,149	942
	-	28	-	12	268	471

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

Note 20 Acquittal of Australian Government financial assistance (continued)
20.4 Education Research

Notes	Parent entity (HEP) ONLY									
	Joint Research Engagement ^{#6}		Research Training Scheme		Research Infrastructure Block Grants		Sustainable Research Excellence in Universities		Totals	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)	998	831	1,368	1,201	353	196	719	356	3,438	2,584
Net accrual adjustments	-	-	-	-	-	-	-	-	-	-
Revenue for the period	998	831	1,368	1,201	353	196	719	356	3,438	2,584
Surplus/(deficit) from previous year	29	14	-	-	(32)	113	-	-	(3)	127
Total revenue including accrued revenue	1,027	845	1,368	1,201	321	309	719	356	3,435	2,711
Less expenses including accrued expenses	998	816	1,368	1,201	271	341	719	356	3,356	2,714
Surplus/(deficit) for reporting period	29	29	-	-	50	(32)	-	-	79	(3)

#6 Includes Institutional Grants Scheme and JRE Engineering Cadetship Program.

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Note 20 Accittal of Australian Government financial assistance 20.5 Other capital funding

Parent Entity (HEP) ONLY					
		Education Investment Fund		Total	
Notes	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)		7,500	18,800	7,500	18,800
Net accrual adjustments		(3,000)	5,000	(3,000)	5,000
Revenue for the period	2(e)	4,500	23,800	4,500	23,800
Surplus/(deficit) from previous year		8,043	5,971	8,043	5,971
Total revenue including accrued revenue		12,543	29,771	12,543	29,771
Less expenses including accrued expenses		12,543	21,728	12,543	21,728
Surplus/(deficit) for reporting period		-	8,043	-	8,043

20.6 Australian Research Council Grants

Parent Entity (HEP) ONLY									
		Projects		Fellowships		Early Career		Total	
Notes	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	
(a) Discovery									
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)		444	406	309	281	137	301	890	988
Net accrual adjustments		61	-	-	-	-	-	61	-
Revenue for the period	2(f)(i)	505	406	309	281	137	301	951	988
Surplus/(deficit) from previous year		235	156	222	63	136	91	593	310
Total revenue including accrued revenue		740	562	531	344	273	392	1,544	1,298
Less expenses including accrued expenses		642	327	391	122	260	256	1,293	705
Surplus/(deficit) for reporting period		99	235	140	222	13	136	252	593

Parent Entity (HEP) ONLY				
		Projects	Total	
Notes	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
(b) Linkages				
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)		543	538	538
Net accrual adjustments		-	-	-
Revenue for the period	2(f)(ii)	543	538	538
Surplus/(deficit) from previous year		233	206	206
Total revenue including accrued revenue		776	744	744
Less expenses including accrued expenses		347	511	511
Surplus/(deficit) for reporting period		428	233	233

20.7 OS - HELP

Parent entity (HEP) ONLY

	Notes	2015 \$'000	2014 \$'000
Cash received during the reporting period		683	344
Cash spent during the reporting period		366	417
Net cash received	2(h)	316	(73)
Cash surplus/(deficit) from previous period		(103)	(30)
Cash surplus/(deficit) for reporting period		213	(103)

20.8 Student Services and Amenities Fee

Unspent/(overspent) revenue from previous period		756	588
SA-HELP Revenue Earned	2(b)	1,582	1,381
Student Services and Amenities Fees direct from Students	4	403	396
Total revenue expendable in period		2,742	2,365
Student Services expenses during period		(2,368)	(1,609)
Unspent/(overspent) Student Services Revenue		374	756

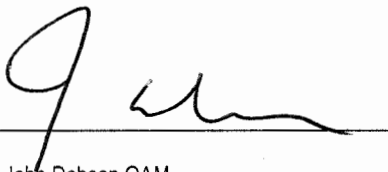
Financial Statements

Statement of certification

For the year ended 31 December 2015

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

- (a) the financial statements are in agreement with the accounts and records of the University of the Sunshine Coast and its controlled entity; and
- (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 the University of the Sunshine Coast for the period 1 January 2015 to 31 December 2015, and of the financial position as at 31 December 2015 in accordance with prescribed accounting standards and conform with the Guidelines for the Preparation of Annual Financial Statements 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 purposes for which it was intended and the University of the Sunshine Coast has complied with applicable legislation, contracts, agreements and program guidelines in making expenditure;
 - (v) the University of the Sunshine Coast charged Student Services and Amenities Fees strictly in accordance with the *Higher Education Support Act 2003* and the Administration Guidelines made under the Act. Revenue from the fee was spent strictly in accordance with the Act and only on services and amenities specified in subsection 19-38(4) of the Act.



Mr John Dobson OAM
Chancellor
University of the Sunshine Coast

23 February 2016



Professor Greg Hill
Vice-Chancellor and President
University of the Sunshine Coast

23 February 2016



Dr Scott Snyder
Chief Operating Officer
University of the Sunshine Coast

23 February 2016

To the Council of the University of the Sunshine Coast

Report on the Financial Report

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

The Council's Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

Financial Statements

Independent auditor's report

For the year ended 31 December 2015

Independence

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

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

Opinion

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

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion –
 - (i) the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects; and
 - (ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the transactions of the University of the Sunshine Coast and the consolidated entity for the financial year 1 January 2015 to 31 December 2015 and of the financial position as at the end of that year.

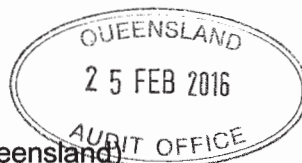
Other Matters - Electronic Presentation of the Audited Financial Report

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



J F WELSH FCPA

(as Delegate of the Auditor-General of Queensland)



Queensland Audit Office
Brisbane

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Innovation Centre Sunshine Coast Pty Ltd

Directors' Report

For the year ended 31 December 2015



This report by the Directors of the Innovation Centre Sunshine Coast Pty Ltd (ICSC) prepared in accordance with the Corporations Act 2001 is for the year ended 31 December 2015 and is accompanied by the Financial Statements for the period and by other financial information, which are to be read as part of this report.

DIRECTORS:

The names of the Directors of The Innovation Centre Sunshine Coast Pty Ltd in office during year are as follows:

Director	Term of Office	Experience
Professor Mike Hefferan, PhD (QUT), MAppSci (QUT), GradDipMgmt (CQU), BA (UQ) Certified Practising Valuer, Chairman (ICSC)	From: 18/02/2010	Pro Vice-Chancellor (Engagement), USC.
Mr Andrew Fern, BBus (Mon); MAccounting	From: 12/04/2011	Operations Director at The Australian Institute for Commercialisation, private investor and CEO, Scarpar Pty Ltd.
Ms Julie-Anne Mee, BBus (CQU); MAdmin, (GU); FCPA, Company Secretary (ICSC)	From: 07/12/2010	Qualified accountant, member of the USC Council,
Professor John Bartlett, Phd (Newcastle), B.Sc (Hons) (Newcastle)	From: 19/06/2012 To: 19/10/2015	Executive Dean, Faculty of Science, Health, Education and Engineering, USC.
Mr Tim Eldridge, B.A. (Hons.), DipM, FCIM.	From: 28/02/2012 To: 30/07/15	Founder, Eldridge Marketing, Member of ICSC Mentor Panel, Member Noosa Biosphere
Dr Kirsten Baulch, MBBS FRACGP (UQ); GCBA (QUT)	From: 19/06/2012	Qualified general practitioner, Founder and Medical Director of Medimobile Pty Ltd

Six (6) meetings of the Board were held in 2015 with meetings attended by each director:

Director	Eligible to attend	Attended	Location
Professor Michael Hefferan	6	6	ICSC
Mr Andrew Fern	6	6	ICSC
Ms Julie-Anne Mee	6	6	ICSC
Mr Tim Eldridge	4	3	ICSC
Dr Kirsten Baulch	6	2	ICSC
Professor John Bartlett	6	1	ICSC

Directors' interests in shares and options of the Company as at 31 December 2015 were nil (2014: nil). The Chief Executive Officer reports directly to the ICSC Board and he attended all six (6) meetings.

PRINCIPAL ACTIVITIES:

The University of the Sunshine Coast (USC) established the Innovation Centre Sunshine Coast Pty Ltd (ICSC) on 26 October 2000, under the University of the Sunshine Coast Act 1998 Part 2(6) with a free standing Board. The company's mission is to support the start-up and growth of knowledge-based businesses and to promote beneficial interaction between these businesses and USC.

The ICSC operates a 1500-square metre, purpose-built business incubator facility on the USC campus. The ICSC provides successful business development programs, high-speed fibre/wireless connections, flexible office space, video studio, business mentoring, investment readiness, extensive networking opportunities and collaborative links to USC capability and talent. The ICSC mission, services, clients and partners are fully detailed at www.innovationcentre.com.au.

DIVIDENDS:

No dividends have been paid or declared during or since the 2015 financial year (2014: nil).

REVIEW AND RESULTS OF OPERATIONS:

The ICSC remains uniquely positioned to respond and cater to the demands of local entrepreneurs and enterprising students. With an improving economic climate, the ICSC had a relatively strong year attracting 18 new member companies. ICSC occupancy has averaged 98% in 2015 and the quality of member applications has been strong.

In 2015, the ICSC was home to 38 resident companies and more than 170 entrepreneurs. Many of these companies excelled in their respective fields, winning a total of 4 industry awards throughout 2015. The ICSC hosted a successful 2015 Business Pitch Competition, introduced the new IC Mentor Blaze event and sponsored a range of initiatives such as Startup Weekend (including the inaugural Youth event) and supported the new Generation Innovation program for young entrepreneurs.

The ICSC financial year saw a net loss of \$21,496 (profit \$44,485 in 2014) based on total revenue of \$1,019,867 (\$982,090 in 2014). In addition, the ICSC received strong in-kind support during the year from the following contributors:

- ICSC Mentor Panel – providing approximately \$74,000 of volunteered mentoring and advice;
- Big Air Sponsorship – providing \$26,000 in ICT technical services;
- Poole Group – providing \$6,300 of accounting and related services;
- ICSC Partners – prizes valued at \$9,000 by Redchip Lawyers, RADBE, Poole Group; and
- ICSC Board of Directors - approximately \$8,850 of volunteered time (excluding USC staff members).

Although these items are not currently included in the 2015 Financial Statement, the ICSC considers this additional in-kind support as an important and material component of the business model and delivery platform, as well as a requirement by ICSC funders, partners and sponsors.

Since 2002, the ICSC has supported the start-up and growth of more than 140 businesses (principally in the digital, clean-tech, health and creative industry sectors) and has assisted clients in raising more than \$32 million in early-stage capital. In turn, the ICSC's clients have employed more than 580 new people. A report commissioned by The AEC Group Pty Ltd in October 2015 analysed the economic impacts of the ICSC activities on the Sunshine Coast community. AEC key findings indicate that the ICSC has contributed and estimated:

- \$103 million in output by the more than 140 businesses that are either past or current clients of the ICSC and operating within the Sunshine Coast economy in 2014-15.
- a total of 720 full time equivalent (FTE) jobs in the Sunshine Coast economy (including direct and flow-on activity).

Innovation Centre Sunshine Coast Pty Ltd

Directors' Report

For the year ended 31 December 2015

- More than \$60 million in wages and salaries for employees (direct and indirect) in the Sunshine Coast.

In November 2015 the ICSC was featured as a case study in the 2015 Australian Innovation System Report. The annual report looks at innovation and entrepreneurship in Australia. The Sunshine Coast was also recognised as one of three finalists for the Innovative Regions Award at the 2015 Australian Technologies Competition Awards (ICSC and USC capability contributed to the strength of the Sunshine Coast submission).

In conclusion, the ICSC Board and CEO would like to acknowledge and thank its many partners, sponsors, mentors and supporters who contribute so much to the outcomes of the ICSC. The Board and CEO would like to acknowledge the strong support from USC, the ICSC Mentor Panel and the Queensland Government's Department of Science, Information Technology and Innovation for their ongoing support. Sincere thanks also to the entire ICSC team who have delivered these strong results through their hard work, commitment and dedication.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS:

There were no significant changes in the state of affairs of the Company during the 2015 year.

POST BALANCE DATE EVENTS:

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of ICSC, the results of those operations or the state of affairs of ICSC in future financial years.

LIKELY FUTURE DEVELOPMENTS AND EXPECTED RESULTS:

The current Queensland Government's ICSC three (3) year funding agreement ends June 2016 and a new three (3) year funding submission to the Queensland Government is being prepared. The ICSC Board and CEO continue to actively review and target other funding opportunities as part of the ICSC business plan.

Disclosure of any other information regarding likely developments, future prospects and business strategies of the operations of the ICSC in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the ICSC. Accordingly, this information has not been disclosed in this report.

ENVIRONMENTAL REGULATIONS:

ICSC operations are undertaken in accordance with relevant environmental regulations of the Commonwealth and State Government.

DIRECTORS' REMUNERATION:

No director of the ICSC has received or become entitled to receive a benefit by reason of a contract made by the ICSC or a related corporation with a director or firm of which a director is associated.

KEY MANAGEMENT PERSONNEL:

Remuneration of executive officer, Mr Mark Paddenburg is in the range of \$160,000 - \$169,999.

INDEMNIFICATION OF OFFICERS AND AUDITORS:

The ICSC has not, during the financial year, in respect of any person who is or has been an officer or auditor of the ICSC or a related body corporate:

- indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings;

- paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses to defend legal proceedings.

USC carries insurances to indemnify officers and directors of the ICSC. The USC does not charge the ICSC specifically for this service.

LEGAL PROCEEDINGS:

There are no legal proceedings involving the ICSC and ICSC was not party to any such proceedings during the year.

ROUNDING OF AMOUNTS:

Amounts in the Financial Statements and Directors' Report have been rounded to the nearest dollar unless stated to be otherwise.

AUDITOR'S INDEPENDENCE DECLARATION:

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 5.

This report is made in accordance with a resolution of the Board of Directors of the Innovation Centre of the Sunshine Coast Pty Ltd.

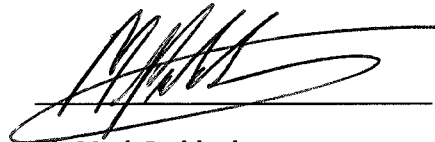


Professor Michael Hefferan

Chairman of Directors

Dated: 15.2.16

at Sippy Downs, Queensland, Australia



Mr Mark Paddenburg

Chief Executive Officer

Dated: 15.2.2016

Innovation Centre Sunshine Coast Pty Ltd

Auditor's Independence Declaration

For the year ended 31 December 2015

To the Directors of *the Innovation Centre Sunshine Coast Pty Ltd*

This auditor's independence declaration has been provided pursuant to s.307C of the *Corporations Act 2001*.

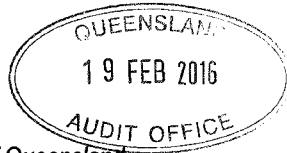
Independence Declaration

As lead auditor for the audit of the Innovation Centre Sunshine Coast Pty Ltd for the year ended 31 December 2015, I declare that, to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit
- b) no contraventions of any applicable code of professional conduct in relation to the audit.



J F Welsh FCPA
as *Delegate of the Auditor-General of Queensland*



Queensland Audit Office
Brisbane

Innovation Centre Sunshine Coast Pty Ltd

Statement of profit or loss and other comprehensive income

For the year ended 31 December 2015

	Notes	2015	2014
Revenue		\$	\$
State Government Financial Assistance		105,000	121,250
University of Sunshine Coast grant		250,000	250,000
Membership & service charges		579,445	532,044
Interest Income		4,016	6,067
Other revenue		81,406	72,730
Total revenue		1,019,867	982,090
Expenses			
Employee related expenses		474,832	477,908
Depreciation		9,266	9,289
Repairs and maintenance		4,500	5,355
Bad and doubtful debts		-	1,045
Rental, hire and other leasing fees		151,450	141,662
Occupancy & Utilities		53,007	53,227
Telecommunications		99,461	86,445
Non-capitalised equipment		40,755	36,352
Marketing & Advertising		19,339	4,972
Travel & Entertainment		35,386	18,998
Other Expenses	2	153,367	102,352
Total Expenses		1,041,364	937,605
Operating surplus/(deficit)		(21,496)	44,485
Other comprehensive income and expenses		-	-
Total comprehensive income attributable to the shareholders		(21,496)	44,485

The accompanying notes form part of these financial statements. 2014 figures are adjusted taking out in-kind contributions. See Note 10.

Innovation Centre Sunshine Coast Pty Ltd

Statement of financial position

For the year ended 31 December 2015

	Notes	2015 \$	2014 \$
ASSETS			
Current Assets			
Cash and cash equivalents	3	230,782	216,113
Trade and other receivables		37,393	57,950
Total current assets		268,175	274,064
Non-current assets			
Property, plant and equipment		39,281	48,547
Total non-current assets		39,281	48,547
Total Assets		307,456	322,611
LIABILITIES			
Trade and other payables		194,734	175,072
Short term provisions		24,094	35,164
Total current liabilities		218,828	210,237
Non-current liabilities			
Long-term provisions			
Provision Long Service Leave	10	-	2,250
Total non-current liabilities		-	2,250
Total Liabilities		218,828	212,487
Net assets		88,627	110,124
EQUITY			
Issued capital		2	2
Retained earnings		88,625	110,122
Total Equity		88,627	110,124

The accompanying notes form part of these financial statements.

Innovation Centre Sunshine Coast Pty Ltd

Statement of changes in equity
For the year ended 31 December 2015

	Notes	2015	2014
		\$	\$
Total equity at the beginning of the year		110,124	65,639
Total Comprehensive Income			
Operating surplus/(deficit) for the year		<u>(21,496)</u>	<u>44,485</u>
Total Comprehensive Income for the year		(21,496)	44,485
Total equity at the end of the year attributable to the shareholders		<u>88,627</u>	<u>110,124</u>

The accompanying notes form part of these financial statements.

Innovation Centre Sunshine Coast Pty Ltd

Statement of cash flows

For the year ended 31 December 2015

	Notes	2015 \$	2014 \$
Cash flows from operating activities			
Revenues from operating activities		1,036,409	1,037,881
Interest received		4,016	6,067
Payments to suppliers and employees		(1,025,757)	(1,024,653)
Net cash provided by / (used in) operating activities	4	14,668	19,295
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		-	-
Payments for property, plant and equipment		-	-
Net cash provided by / (used in) investing activities		-	-
Cash flows from financing activities			
Proceeds from borrowings		-	-
Repayment of borrowings		-	(32,459)
Net cash provided by / (used in) financing activities		-	(32,459)
Net increase (decrease) in cash held		14,668	(13,164)
Cash at the beginning of the financial year		216,114	229,278
Cash at the end of the financial year	3	230,782	216,114

The accompanying notes form part of these financial statements.

Note 1: Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of this financial report by the Innovation Centre Sunshine Coast Pty Ltd (ICSC) are stated in order to assist in a general understanding of the financial statements. These policies have been consistently applied to all years presented, unless otherwise indicated.

(a) Basis of preparation

The ICSC is a subsidiary of the University of the Sunshine Coast (USC), hence the financial report has been prepared for the same reporting period. The financial report covers the ICSC as an individual entity. ICSC is a not for profit company limited by shares, incorporated and domiciled in Australia.

The ICSC has prepared the financial statements on the basis that ICSC is a small proprietary company and is a non-reporting entity as management have determined there are no users dependent on general purpose financial statements. As a result special purpose financial statements have been prepared.

Section 49.1 of the ICSC constitution requires financial records are maintained to provide a true and fair view of the entity's financial position and performance. To satisfy the requirements of the Financial Incentives Agreement with State of Queensland through Department of Science, Information Technology and Innovation (DSITI), ICSC is required to prepare audited financial statements comprising at a minimum:

- Statement of Profit or loss
- Statement of Financial Position
- Note detailing other expenses

This special purpose financial report has not been prepared in accordance with prescribed accounting standards as it is assessed that there are limited intended users of the financial report and the format and content is appropriate to meet the information needs of these specific users. The primary users of this financial report are limited to:

- The Board of Directors of ICSC, and
- Department of Science, Information Technology and Innovation
- The University of the Sunshine Coast

As such, these special purpose financial statements have not been prepared in accordance with the requirements of Australian Accounting Standards except for the following which have been applied:

AASB 101 – Presentation of Financial Statements

AASB 107 – Statement of Cash Flows

AASB 108 – Accounting policies, changes in accounting estimates and errors

AASB 1031 – Materiality

AASB 1048 – Application and Interpretation of Standards

AASB 1054 – Australian Additional Disclosure

These financial statements have been prepared under the historical cost convention in special purpose format (2014 financial statements were reported in general purpose format). The financial statements, except for cash flow information, have been prepared using the accrual basis of accounting. All amounts in the financial statements are shown rounded to the nearest dollar. There are no critical estimates or judgments incorporated into the financial report.

Innovation Centre Sunshine Coast Pty Ltd

Notes to the financial statements

For the year ended 31 December 2015

(b) Currency

The functional and presentation currency of the Company is the Australian dollar.

(c) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid.

Revenue from fees and charges is recognised when assessed. Revenue from the rendering of service is recognised upon the delivery of the service to customers in accordance with governing contracts.

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

(d) Taxation

The Innovation Centre Sunshine Coast Pty Ltd is an exempt organisation under Section 50-5 of the Income Tax Assessment Act 1997. ICSC is however, subject to Payroll Tax, Fringe Benefits Tax and Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST is not recoverable from the Australian Tax 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 cash flow statement on a gross basis, except for the GST component on investing and financing activities, which are disclosed as operating cash flows.

(e) Leases

All current leases held are determined to be operating leases. Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. No accrual has been included to recognise the outstanding commitments on the term of the operating lease. However the commitments at the reporting date is disclosed in note 5. Payments made under operating leases are expensed in the periods in which they are incurred. ICSC has not entered into any finance leases.

(f) Impairment of assets

All assets are assessed for indicators of impairment on an annual basis. As at reporting date assessments by management did not identify any instances of asset impairment.

(g) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, in banks and deposits held at call with financial institutions convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(h) Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment (doubtful receivables). Receivables are due for settlement no more than 30 days from the date of recognition.

Collectability of receivables is reviewed on an ongoing basis. All impairments (bad debts) are written off in the year in which they are recognised and re-charged against the profit or loss. A provision for impairment is established when there is objective evidence that ICSC will not be able to collect all amounts due according to the original terms of receivables.

(i) Property, plant & equipment

Each class of property, plant and equipment is carried at cost or fair value, less where applicable, any accumulated depreciation and impairment losses. ICSC use Queensland Treasury 'Non-Current Asset Policies for the Queensland Public Sector' as a guide only in fair valuing their assets.

All property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Plant and equipment with a value of equal to or greater than \$5,000 are recorded at cost less depreciation and impairment losses. 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 Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred.

(j) Depreciation

Property, plant and equipment items are depreciated on a straight line basis over their expected useful lives at the following rates:

Item	Useful Life (years)	Depreciation Rate (%)
Computer Equipment	10	10
Leasehold Improvements	10	10
Other Plant and Equipment	10	10

Depreciation is charged from the month of acquisition. The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. Gains or losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the profit or loss.

(k) Trade and other payables

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

Innovation Centre Sunshine Coast Pty Ltd

Notes to the financial statements

For the year ended 31 December 2015

(l) **Borrowings**

The Company has no borrowings with external entities or the parent entity.

(m) **Employee benefits**

Provision is made for the ICSC's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The ICSC's obligations for short-term employee benefits such as wages, salaries and sick leave are recognized as a part of current trade and other payables in the statement of financial position.

The ICSC classifies employees' long service leave and annual leave entitlements as other long-term employee benefits as they are not expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. No one is currently legally entitled to long service leave and based on historical evidence probability of reaching entitlement threshold is minimal.

Retirement benefit obligations

All employees of the ICSC receive defined contribution superannuation entitlements, for which the ICSC pays the fixed superannuation guarantee contribution (currently 9.5% of the employee's average ordinary salary) to the employee's superannuation fund. All contributions in respect of employees' defined contribution entitlements are recognized as an expense when they become payable. The ICSC's obligation with respect to employees' defined contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions and are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the company's statement of financial position.

(n) **Fair Value of Assets and Liabilities**

The ICSC may be required to measure 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 company 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.

The ICSC does not measure any assets or liabilities at fair value on a recurring or non-recurring basis in the statement of financial position after recognition.

(o) **Authority to issue financial report**

The financial report was authorised for issue on 4th February 2016 by the ICSC board of directors.

	2015	2014
	\$	\$
Note 2 Other Expenses		
Administrative costs	4,734	1,596
Bank Fees & Charges	800	725
Motor Vehicles	11,082	13,522
Postage, printing and stationery	10,808	11,259
Professional fees - audit, legal & consulting **	71,946	33,104
Staff development and recruitment	1,604	2,955
Subscriptions and memberships	3,622	2,347
Other	48,772	36,844
Total Other Expenses	153,367	102,352

** Professional Fees - audit, legal & consulting: total external audit fees relating to 2015 Year \$10,000 (2014 \$18,500). There are no non-audit services included in this amount.

	2015	2014
	\$	\$
Note 3 Cash and cash equivalents		
Cheque account	7,888	58,768
Cash reserve	215,867	156,857
Cash drawer	108	90
Debit Mastercard	6,919	399
Total Cash and cash equivalents	230,782	216,113

The effective interest rate on the cash at bank (cheque account) was 0% (0% 2014). The above cash reserve account includes \$79,575 of restricted cash in relation to rental bonds (2014: \$78,352).

Note 4 Reconciliation of Cash Flow from Operations with Profit after income Tax

Operating result for the period	(21,496)	44,485
Depreciation	9,266	9,289
(Increase)/decrease in receivables	28,103	(31,050)
(Increase)/decrease in other financial assets	(7,545)	(269)
(Decrease)/increase in customer bonds held	1,223	4,233
(Decrease)/increase in trade and other payables	18,438	(14,593)
(Decrease)/increase in provision for employees	(13,320)	7,200
Net cash provided by/ (used in) operating activities	14,668	19,295

Innovation Centre Sunshine Coast Pty Ltd

Notes to the financial statements

For the year ended 31 December 2015

Note 5: Commitments for expenditure Operating Leases	2015	2014
Lease commitments in existence at the reporting date but not recognised as liabilities		
Within one year	204,556	201,130
Later than one year but not later than five years	257,993	433,964
Total Lease Commitments	462,549	635,094

Reduction in commitments is due to one lease having expired and most other leases due to expire in 2017. In addition to the lease liabilities payable, ICSC holds sub-lease arrangements with its clients in relation to the Incubator and Accelerator spaces. All sub-lease arrangements are of standard terms with no unusual restrictions nor escalation clauses. No current sub-lease agreement exceeds a term of 6 years.

The lease arrangements with clients are cancellable, with both the entity and the client required to provide 60 days' notice. Therefore there are no future sub-lease payments under non-cancellable leases.

Note 6: In kind consideration

The ICSC received in-kind support (not included in the face of statement of profit or loss) during the year from the following contributors:

- ICSC Mentor Panel – providing approximately \$74,000 of volunteered mentoring and advice;
- Big Air Sponsorship – providing \$26,000 in ICT technical services;
- Poole Group – providing \$6,300 of accounting and related services;
- ICSC Partners – prizes valued at \$9,000 by Redchip Lawyers, RADBE, Poole Group; and
- ICSC Board of Directors - approximately \$8,850 of volunteered time (excluding USC staff members)

Note 7: Economic Dependence

The continuing operation of the ICSC is dependent upon grant funds in 2015 of \$250,000 (2014: \$250,000) provided by its parent entity for operational activities. As at 31 December 2015 ICSC owed the parent entity an amount of \$53,993 (2014 \$32,963) through normal intercompany arrangements. ICSC also paid \$143,183 (2014 \$132,276) of rent to the parent entity. A letter of support from the University of the Sunshine Coast dated 28 January 2016 confirmed its financial support for the ICSC.

Note 8: Company Details

The registered office and principal place of residence of the company is:

Innovation Centre Sunshine Coast Pty Ltd

The University of the Sunshine Coast,

90 Sippy Downs Drive

SIPPY DOWNS, QLD 4556

ABN: 68 094 885 177

Note 9: Events occurring after the balance sheet date

There are no events that have occurred after the balance sheet date that may significantly affect the operations of the ICSC, the results of those operations or the state of affairs of ICSC in future financial years.

Note 10: Prior year adjustment

Adjustment to the 2014 figures with the exclusion of in-kind revenue and in-kind expenditure of \$77,500 was due to a review of applicable prescribed requirements and standards. Adjustment to 2014 figures was made with provision for long service leave \$2,250 reversed since no employee is legally entitled to long service leave and based on historical evidence probability of reaching entitlement threshold is minimal.

Innovation Centre Sunshine Coast Pty Ltd

Directors' declaration

For the year ended 31 December 2015

DIRECTORS' DECLARATION

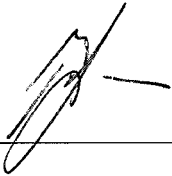
The directors have determined that the Company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In accordance with a resolution of the director of Innovation Centre Sunshine Coast Pty Ltd, the director of the Company declares that:

1. the financial statements and notes as set out on pages 6 to 17 present fairly the company's financial position as at 31 December 2015 and its performance for the year ended on that date in accordance with the accounting policies outlined in Note 1 to the financial statements;

and

2. in the directors' opinions there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.



Professor Michael Hefferan
Chairman of Directors
Dated: 15.2.2016

at Sippy Downs, Queensland



Mr Mark Paddenburg
Chief Executive Officer
Dated: 15-2-2016

To the Members of *Innovation Centre Sunshine Coast Pty Ltd*

Report on the Financial Report

I have audited the accompanying financial report, being a special purpose financial report of Innovation Centre Sunshine Coast Pty Ltd, which comprises the statement of financial position as at 31 December 2015, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 (a) to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Innovation Centre Sunshine Coast Pty Ltd

Independent auditor's report

For the year ended 31 December 2015

Independence

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

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

In conducting the audit the independence requirements of the *Corporations Act 2001* have been complied with. I confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Innovation Centre Sunshine Coast Pty Ltd, would be in the same terms if given to the directors as at the time of the auditor's report.

Opinion

In my opinion, the financial report of Innovation Centre Sunshine Coast Pty Ltd is in accordance with the *Corporations Act 2001*, including:

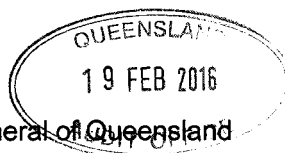
- (a) giving a true and fair view of the company's financial position as at 31 December 2015 and of its performance for the year ended on that date
- (b) complying with Australian Accounting Standards to the extent described in Note 1 (a) and the *Corporations Regulations 2001*.

Emphasis of Matter - Basis of Accounting

Without modifying my opinion, attention is drawn to Note 1 (a) to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001* and to fulfil its reporting obligations in accordance with the Financial Incentives Agreement to the *Department of Science, Information Technology and Innovation*. As a result, the financial report may not be suitable for another purpose.



J F Welsh FCPA
as Delegate of the Auditor-General of Queensland



Queensland Audit Office
Brisbane

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Glossary

ABS SEIFA Australian Bureau of Statistics Socio-Economic Indexes for Areas	HERDC Higher Education Research Data Collection
ACIAR Australian Centre for International Agricultural Research	HWA Health Workforce Australia
AGS Australian Graduate Survey	IASAS International Association of Student Affairs and Services
AIME Australian Indigenous Mentoring Experience	ICSC Innovation Centre Sunshine Coast
AINSE Australian Institute of Nuclear Science and Engineering	ICT Information and Communication Technology
APT Administrative, Professional and Technical (Staff)	KPI Key Performance Indicator
ARC Australian Research Council	NHMRC National Health and Medical Research Council
ARMC Audit and Risk Management Committee	NMR Nuclear Magnetic Resonance
BOLD International Barcode of Life Database	NTEU National Tertiary Education Union
CD Census Collection District	OLT Office for Learning and Teaching (Australian Government)
CEQ Course Experience Questionnaire	OSI Overall Satisfaction Index
CGS Commonwealth Grant Scheme	PG Postgraduate
CRICOS Commonwealth Register of Institutions and Courses for Overseas Students	PPR Performance, Planning and Review (Staff)
CRN Collaborative Research Networks	PRC Planning and Resources Committee
CSIRO Commonwealth Scientific and Industrial Research Organisation	QDAFF Queensland Government Department of Agriculture, Fisheries and Forestry
CSP Commonwealth Supported	SAMP Strategic Asset Management Plan
DE Department of Education	SARC Skills, Academic and Research Centre
DI Department of Industry	SCHHS Sunshine Coast Hospital and Health Service
EFTSL Equivalent Full-Time Student Load	SES Socio-economic status
EIF Education Investment Fund	TEP Tertiary Enabling Pathway
EIR Entrepreneur in Residence	TESOL Teaching English to Speakers of Other Languages
EMBA Executive Master of Business Administration	TEQSA Tertiary Education Quality and Standards Agency
ERA Excellence in Research for Australia	TPP Tertiary Preparation Pathway
FAB Faculty of Arts and Business	UG Undergraduate
FoSHEE Faculty of Science, Health, Education and Engineering	USC University of the Sunshine Coast
FTE Full-time equivalent (Staff)	WHS Workplace Health and Safety
HDR Higher Degree by Research (Student)	WIL Work Integrated Learning
HEPPP Higher Education Participation and Partnerships Program	YTD Year to Date



The University of the Sunshine Coast began as the Sunshine Coast University College. Founded in 1994, the first students started at the Sippy Downs campus in 1996. In 1998 the new institution was granted full university status, and became the University of the Sunshine Coast on 1 January 1999.

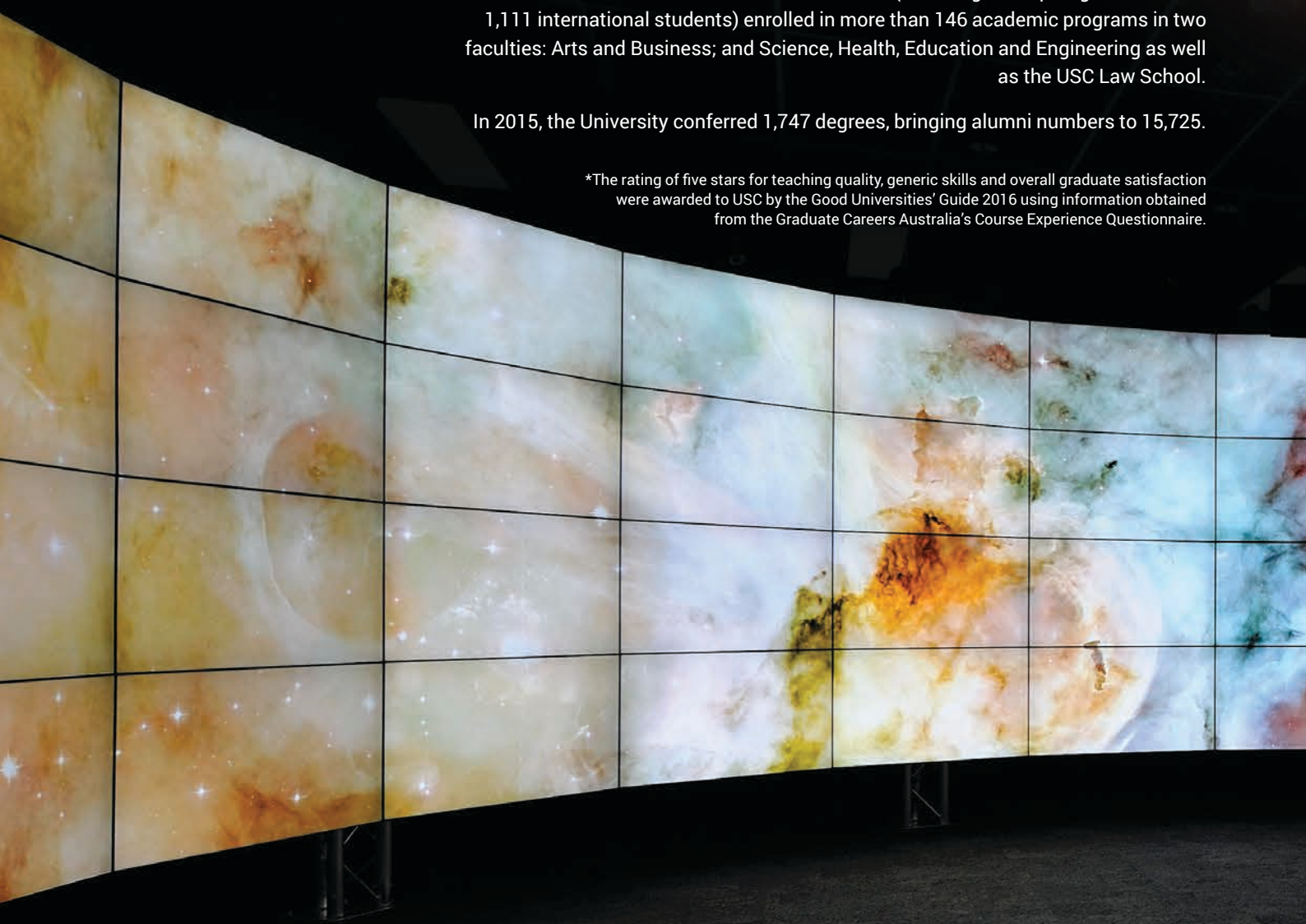
The 100-hectare Sippy Downs campus lies around 90km north of Brisbane on land that was once a cane farm. In addition to the main site at Sippy Downs, the University has teaching sites offering award programs at Gympie and South Brisbane, as well as study nodes offering tertiary preparatory programs at Noosa, Caboolture and North Lakes. In 2015, USC had a total income of \$216.4 million and employed 870 staff (full-time equivalent).

USC has a five-star rating for teaching quality, generic skills, and overall graduate satisfaction, which is recognised in the 2016 Good Universities Guide*.

At Census 1 2015, there were 10,447 students (including 1,137 postgraduates and 1,111 international students) enrolled in more than 146 academic programs in two faculties: Arts and Business; and Science, Health, Education and Engineering as well as the USC Law School.

In 2015, the University conferred 1,747 degrees, bringing alumni numbers to 15,725.

*The rating of five stars for teaching quality, generic skills and overall graduate satisfaction were awarded to USC by the Good Universities' Guide 2016 using information obtained from the Graduate Careers Australia's Course Experience Questionnaire.



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