Note 25 Key management personnel disclosures

(a) Names of responsible persons and executive officers

Details of the University's Council Membership are located in the Governannce Section of the Annual Report.

Executive Officers

Prof, Paul Thomas (VC and President)
Prof, Greg Hill (DVC)
Prof, Robert Elliot (PVC)

(b) Other key management personnel

Key Personnel

Ms Patricia Allen (Director, SA, Part Year)
Mr Mark Bradley (Director, CPO)
Prof Pamela Dyer (Dean, FASS)
Prof Evan Douglas (Dean, FoB, Part Year)
Prof Edmond Fitzgerald (Dean, FoB, Part Year)
Mr Colin Graham (Exec Director, ICSC)
Ms Sharon Hall (Director, ORE)
Ms Sandra Jefferies (Director, IS)
Ms Maureen Klinkert (Director, ITS)
Mr Don Maconachie (Director, TARS)
Ms Kerry Martin (Director, SIAU)
Mr Mark Nugent (Director, HR)
Mr Andrew Pentland (Exec Officer, Foundation)
Ms Eva-Maree Seeto (Director, SS)
Prof Rod Simpson (Dean, FOSHE)
Ms Pamela Smith (Director, SA, Part Year)
Mr Peter Sullivan (CFO)
Ms Margaret Thursby (Director, M&C)

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

Remuneration of executive officers

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

	Consolidated		Parent entity	
	2008	**2007**	**2008**	**2007**
$210,000 to $219,999	-	1	-	1
$250,000 to $259,999	1	-	1	-
$260,000 to $269,999	-	1	-	1
$280,000 to $289,999	1	-	1	-
$380,000 to $389,999	-	1	-	1
$450,000 to $459,999	1	-	1	-
Remuneration of key management personnel				
$10,000 to $19,999	1	-	1	-
$30,000 to $39,999	1	1	1	1
$80,000 to $89,999	-	1	-	1
$90,000 to $99,999	1	2	1	2
$100,000 to $109,999	2	1	2	1
$110,000 to $119,999	2	-	2	-
$120,000 to $129,999	-	3	-	3
$130,000 to $139,999	2	3	2	2
$140,000 to $149,999	-	1	-	1
$150,000 to $159,999	1	3	1	3
$170,000 to $179,999	1	-	1	-
$180,000 to $189,999	3	2	2	2
$190,000 to $199,999	-	1	-	1
$210,000 to $219,999	1	-	1	-
$220,000 to $229,999	1	-	1	-
$230,000 to $239,999	1	-	1	-
$250,000 to $259,999	1	-	1	-

Note 25 Key management personnel disclosures (continued)

(d) Key management personnel compensation

	Consolidated 2008 $'000	Consolidated 2007 $'000	Parent entity 2008 $'000	Parent entity 2007 $'000
Short-term employee benefits	3,658	3,226	3,474	3,090
Post-employment benefits	-	-	-	-
Other long-term	-	-	-	-
Termination benefits	-	-	-	-
	3,658	3,226	**3,474**	3,090

(e) Loans to key management personnel

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

Note 26 Remuneration of auditors

During the year the following fees were paid for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

Assurance services

	Consolidated 2008 $'000	Consolidated 2007 $'000	Parent entity 2008 $'000	Parent entity 2007 $'000
1. Audit services				
Fees paid to the Queensland Audit Office:				
Audit and review of financial reports and other audit work under the Corporations Act 2001 and the Financial Administration & Audit Act 1977	**112**	106	**112**	106
2. Other assurance services				
KPMG - Internal audit, review and other audit work	-	99	-	99
AUQA	5	-	5	-
	5	99	**5**	99
Total remuneration of auditors	**117**	205	**117**	205

It is not the University's policy to employ QAO (the main auditor) on assignments additional to their statutory audit duties where QAO expertise and experience with the consolidated entity are important. It is the University's policy to seek competitive tenders for all major consulting projects where tendering is considered likely to deliver value for money.

Note 27 Commitments

(a) Capital commitments

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

	Consolidated 2008 $'000	Consolidated 2007 $'000	Parent entity 2008 $'000	Parent entity 2007 $'000
Property, plant and equipment				
Payable:				
Within one year	35	12,817	35	12,817
Later than one year but not later than five years	-	-	-	-
Total property, plant & equipment	**35**	12,817	**35**	12,817
Intangible assets				
Payable:				
Within one year	416	774	416	774
Later than one year but not later than five years	-	-	-	-
Total intangible assets	**416**	774	**416**	774
Total capital commitments	**451**	13,591	**451**	13,591

(b) Lease commitments

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

	Consolidated 2008 $'000	Consolidated 2007 $'000	Parent entity 2008 $'000	Parent entity 2007 $'000
Within one year	303	250	275	237
Later than one year but not later than five years	354	276	318	231
Later than five years	373	456	373	456
Total lease commitments	**1,030**	982	**966**	924
Representing:				
Cancellable operating leases	448	394	385	336
Non-cancellable operating leases	582	588	581	588
	1,030	982	**966**	924

There are no implicit interest rates relating to the non-cancellable operating leases. These leases relate to property.

Note 28 Related parties

(a) Parent entity

The ultimate Australian parent entity is the University of the Sunshine Coast which at 31 December 2008 owns 100% of the issued ordinary shares of the Innovation Centre Sunshine Coast Pty Ltd (ICSC) (2007 100%).

(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.

(c) Key management personnel, Directors and specified executives

Directors of ICSC who are also members of the University of Sunshine Coast Council are:
Professor Paul Thomas
Professor Greg Hill

Refer to note 25 for key management personnel of the group.

(d) Transactions with related parties

The University provides goods and services to external parties on behalf of its subsidiaries for which it is subsequently reimbursed. No fee is charged in relation to this arrangement. The University also provides a grant to each of its subsidiaries for expending in an approved manner. For 2008 ICSC received $250,000 (2007 $250,000).

(e) Outstanding balances

As at 31 December 2008, the wholly owned subsidiary ICSC owed the University an amount of $138,975 (2007 $165,823) through normal intercompany arrangements.

The University also holds an $1,000 deposit with ICSC that was transferred to the University on dissolution of MAP.

Note 29 Reconciliation of operating result after income tax to net cash flows from operating activities

	Consolidated		Parent entity	
	2008	2007	**2008**	2007
	$'000	$'000	**$'000**	$'000
Operating result for the period	13,321	8,087	13,320	8,132
Depreciation and amortisation	5,398	4,511	5,393	4,507
Non-cash donations	4	(122)	4	(122)
Net (gain) / loss on sale of non-current assets	6	93	6	93
(Increase) / decrease in trade and other receivables	1,012	2,977	1,002	2,859
(Increase) / decrease in other assets	(658)	21	(658)	(22)
(Decrease) / increase in trade and other payables	(1,556)	(2,472)	(1,550)	(2,478)
(Decrease) / increase in other liabilities	1,557	713	1,494	809
(Decrease) / increase in provisions	3,421	1,860	3,416	1,859
Net cash provided by / (used in) operating activities	**22,505**	15,668	**22,425**	15,637

Note 30 Financial risk management

The Group's activities exposes it to a variety of financial risks, including:
- market risk
- credit risk
- liquidity risk

The Council has overall responsibiility for the establishment and oversight of the risk management framework. The Council has established the Audit & Risk Management Committee, which is responsible for developing and monitoring risk management policies.

Risk management policies are established to identify and analyse the risks faced by the Group, 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 Group's activities.

The Audit & Risk Management Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit & Risk Management Committee are assisted in its oversight role by Internal Audit.

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

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

The Group's 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 Group's current portfolio of invesments consists of floating rate investments in the form of cash holdings with a major banking institution, and deposits held with QTC in a Capital Guaranteed Cash Fund. This 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 Group'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.

QTCs 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.

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 30(c).

(iii) other price risk

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