



February 25, 2013

The Honourable John-Paul Langbroek MP*
Minister for Education, Training and Employment
30 Mary Street
Brisbane Qld 4000

I am pleased to present the Annual Report 2012 and financial statements for Queensland University of Technology.

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 www.qut.edu.au/about/the-university/annual-report.

Yours sincerely

A handwritten signature in black ink that reads 'Tim Fairfax'.

Tim Fairfax AM
Chancellor

* On Tuesday 3 April 2012, Education, Training and Employment Minister John-Paul Langbroek was sworn in to the Legislative Assembly of Queensland by the Queensland Governor, Her Excellency Penelope Wensley AC, with Saxon Rice MP appointed as the Assistant Minister for Technical and Further Education.

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of Technology

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Introduction and review

From the Chancellor and Vice-Chancellor

In 2012 QUT continued to build on its achievements with a development agenda aimed at strengthening capacity to meet the local, national and international challenges facing higher education and to enhance its status as a leading Australian university. There were major improvements made to curriculum, and to QUT's physical and virtual facilities and amenities, along with changes to organisational structures that will create new academic synergies and result in cost savings. These improvements were well managed and implemented with minimal disruption to our staff and students who continued to demonstrate the highest levels of academic performance.

Throughout the year, there were changes made to some of our academic approval and monitoring bodies and to governance procedures to ensure compliance with new regulatory requirements of the Tertiary Education Quality and

Standards Agency and the Australian Qualifications Framework. Further significant reforms included a new undergraduate science degree, integration of the School of Design with the Creative Industries Faculty, a new Science and Engineering Faculty, and the establishment of a research Institute for Future Environments (IFE).

The reforms in curriculum and organisation in Science and Engineering were accompanied by the completion, in November, of the construction of QUT's new Science and Engineering Centre, which provides cutting-edge social and collaborative learning spaces for students, and houses the IFE. The centre includes a 50-metre, FINA-standard indoor pool, gymnasium, student bar, and a range of food

outlets. A new library was opened on the Caboolture campus, and planning progressed for the next stage of QUT's Creative Industries Precinct at Kelvin Grove, which will receive an \$80 million boost with new facilities due for completion in 2014.

Leading-edge technology is a key feature of these facilities, and they exemplify a determination evident across QUT to stay at the forefront in providing facilities for students and staff that stimulate, inspire and encourage learning, and provide opportunities for wider social interaction and community-building.

Over the year, QUT recorded a number of significant academic achievements and made further strong progress towards the goals in our Blueprint. Research income increased by 12 per cent over 2011, and we again exceeded targets for research student enrolments. The results of the second round of the Excellence in Research for Australia (ERA) research assessment were released, and QUT again performed strongly, with 95 per cent of our research being rated at world standard or above, demonstrating a clear improvement since the 2010 round.

We continued to have significant growth in our international study programs, with a particular focus on Asia, and maintained our very strong record as a national leader in winning learning and teaching grants and awards.

Once again it gives the university great pleasure to report that a QUT graduate, Andrew Trotter, was the 2013 Queensland Rhodes Scholar. Andrew is QUT's sixth graduate to receive the honour and this is the third consecutive year that a QUT graduate has received this prestigious award.

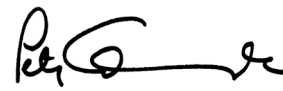
QUT's achievements in 2012 have been the result of the work, dedication and talent of our students and of our academic and professional staff. Their success and the progress made by the university in advancing the important work that is done here are testament to QUT's commitment to best practice in governance and

management. And we acknowledge the positive contributions made to this endeavour throughout 2012 by QUT Council members.

We commend this report to all our partners and stakeholders, including staff, students, alumni, donors, the professions, the business community, government, the media, and colleagues in the education and research sectors.



Tim Fairfax AM
Chancellor



Professor Peter Coaldrake AO
Vice-Chancellor



Organisation



VICE-CHANCELLOR
Professor Peter Coaldrake AO



DEPUTY VICE-CHANCELLOR
(ACADEMIC)
Professor Carol Dickenson

- Executive Deans of Faculties
- Research Institutes
- Oodgeroo Unit
- Caboolture campus



DEPUTY VICE-CHANCELLOR
(CORPORATE PROGRAMS AND PARTNERSHIPS)
Professor Peter Little +



DEPUTY VICE-CHANCELLOR
(INTERNATIONAL AND DEVELOPMENT)
Professor Scott Sheppard

- Confucius Institute at QUT
- Development
- International Relations
- QUT International
- QUT International College
- QUT Precincts



DEPUTY VICE-CHANCELLOR
(LEARNING AND TEACHING)
Professor Suzi Vaughan

- Awards and Grants
- Curriculum Design and Approval
- Learning and Teaching Development
- Learning and Teaching Evaluation
- Student Success and Retention



DEPUTY VICE-CHANCELLOR
(RESEARCH AND COMMERCIALISATION)
Professor Arun Sharma

- Commercial Services
- Research and Research Training



DEPUTY VICE-CHANCELLOR
(TECHNOLOGY, INFORMATION AND LEARNING SUPPORT)
Professor Tom Cochrane

- eLearning Services
- Information Technology Services
- Learning Environments and Technology Services
- QUT Library



EXECUTIVE DIRECTOR
(FINANCE AND RESOURCE PLANNING)
Mr Stephen Pincus

- Corporate Finance
- Facilities Management
- Planning and Budget
- Reporting and Analysis



REGISTRAR AND HEAD
ADMINISTRATIVE SERVICES
Ms Shard Lorenzo

- Equity
- Governance and Legal Services
- Human Resources
- Marketing and Communication
- Student Business Services
- Student Support Services

**Executive Office
Assurance and Risk Management Services**

+ Professor Little was appointed to this newly created role in April 2012.

Faculties



QUT BUSINESS SCHOOL EXECUTIVE DEAN

Professor Robina Xavier

- Accountancy
- Advertising, Marketing and Public Relations
- Economics and Finance
- Management
- QUT Graduate School of Business
- Corporate Education



CREATIVE INDUSTRIES EXECUTIVE DEAN

Professor Rod Wissler

- Acting
- Animation
- Architecture
 - › Landscape Architecture
- Creative Writing and Literary Studies
- Dance
- Design
 - › Industrial Design
 - › Interactive and Visual Design
 - › Interior Design
 - › Urban Design
- Drama
- Entertainment Industries
- Fashion
- Film, TV and New Media
- Journalism
- Media and Communication
- Music and Sound
- Technical Production
- Visual Arts



EDUCATION EXECUTIVE DEAN

Professor Wendy Patton

- Cultural and Language Studies in Education
- Early Childhood
- Learning and Professional Studies
- Mathematics Science, Science and Technology Education



HEALTH EXECUTIVE DEAN

Professor Ross Young*

- Biomedical Sciences
- Clinical Sciences
- Exercise and Nutrition Science
- Nursing
- Optometry and Vision Science
- Psychology and Counselling
- Public Health and Social Work



LAW EXECUTIVE DEAN

Professor John Humphrey^

- Justice
- Law
- Legal Practice



SCIENCE AND ENGINEERING EXECUTIVE DEAN

Professor Martin Betts

- Biological Sciences
- Chemistry
- Earth and Environmental Sciences
- Engineering
- Information Technology
- Mathematical Sciences
- Physics
- Urban Development

Institutes



INSTITUTE OF HEALTH AND BIOMEDICAL INNOVATION ACTING EXECUTIVE DIRECTOR

Professor Patsy Yates**



INSTITUTE FOR FUTURE ENVIRONMENTS EXECUTIVE DIRECTOR

Professor Ian Mackinnon

Professor Xavier was appointed executive dean in November 2012. Former executive dean Professor Peter Little was appointed to the new role of Deputy Vice-Chancellor (Corporate Programs and Partnerships) in April 2012. Emeritus Professor Tim Robinson acted as executive dean in the intervening period.

* Professor Young was appointed executive dean in November 2012, following the resignation of Professor Andrew Wilson.

** Professor Yates was appointed acting executive director in November 2012, following Professor Ross Young's appointment to the role of executive dean of health.

^ Professor Humphrey was appointed executive dean in July 2012, following the resignation of Professor Michael Lavarch. Professor Humphrey did not take up the role until January 2013. Professor Ros Mason acted as executive dean in the intervening period.

Our vision, values and key priorities

The QUT Blueprint is the university's institutional strategic plan. 2012 was the second year of implementation for the third iteration of the plan, titled *Blueprint 3*, which provides a revised planning framework for the university through to 2016.

Blueprint 3 sets out priorities, strategies, targets and key performance indicators (KPIs) for the university's three spheres of activity: students, learning and teaching; research and innovation; and people, culture and sustainability.

A copy of *Blueprint 3* can be accessed at qut.edu.au/about/the-university/blueprint-for-the-future.

As a leading Australian university, QUT's overall vision for the future is:

- to provide outstanding learning environments and programs that lead to excellent outcomes for graduates, enabling them to work in and guide a diverse and complex world characterised by increasing change
- to undertake high-impact research and development in selected areas, at the highest international standards, reinforcing our applied emphasis and securing significant commercial and practical benefits for the community and for our partners

- to strengthen and extend our strategic partnerships with professional and broader communities to reflect both our academic ambitions and our civic responsibility.

QUT values:

- scholarship, learning and achievement in all student and staff endeavours
- engagement with and responsiveness to our diverse internal and external communities
- social justice and equal opportunity in education, employment and research, and a particular emphasis on strategies which enable Indigenous Australians to achieve excellent educational outcomes
- a safe, supportive and healthy working environment which supports work/life balance

- honesty, integrity and ethical behaviour and practices
- a spirit of experimentation, innovation, entrepreneurialism and responsive and reliable client service.

QUT contributes to the Queensland Government's objectives for the community through courses that increase the knowledge and skills of Queenslanders and research that makes a real difference to the people of this State and their economy. In line with government objectives, QUT is committed to maintaining the financial viability of the university by achieving an appropriate underlying budget surplus.

The following pages offer summaries of achievements against the objectives and key performance indicators of each of the key priorities of *Blueprint 3*, namely:

- Realigning student composition
- Strengthening teaching and learning
- Building QUT's research reputation
- Developing a sustainable workforce
- Building further QUT's community
- Focusing on sustainability.

Council membership

CHANCELLOR (CHAIR)

Major General Peter Arnison

AC, CVO (Retd), BEc DLaws Qld, DUniv QUT, DUniv Griff, DLetters S Qld, DUniv S Cross
Concluded 8 September 2012
(attended 4 of 4 meetings)

Mr Tim Fairfax, AM, DUniv QUT,
DUniv USC, FAICD
Commenced 9 September 2012
(1/2)

VICE-CHANCELLOR

Professor Peter Coaldrake, AO
BA (Hons) James Cook, PhD Griff, FAIM, FRIPAA
(6/6)

CHAIR OF UNIVERSITY ACADEMIC BOARD

Professor Ken Bowman, AM
MScOptom Melb, LOsc, FAAO
Concluded 2 March 2012
(1/1)

Professor Carol Dickenson,
BBus QIT, PhD Qld
Commenced 5 March 2012
(5/5)

NOMINEES OF THE MINISTER FOR EDUCATION

Mr Wesley Enoch,
BA(Hons)(Drama) QUT
Commenced 21 November 2012

Ms Pia-Angela Francini-O'Hagan, BEng
(Mech) QUT, Harvard Business School (AMP)
Concluded 14 February 2012

Ms Helen Gluer, BComm Qld, MBA S Qld, CPA
(Deputy Chancellor)
Concluded 20 November 2012
(5/5)

Mr Nathan Jarro, LLB/BBus (Accy) QUT
Concluded 30 March 2012
(0/1)

Professor Anne Kelso, AO, BSc(Hons), PhD Melb
Concluded 20 November 2012
(4/5)

Mr Hugh Nalder, BBus(Acc) QUT, MICA, MASCPA, MAIMM
(6/6)

Mrs Jenny Parker, BCom Qld, CMIIA, FCA
Commenced 21 November 2012

Mr Mario Pennisi

Commenced 21 November 2012

Dr Lee-Anne Perry, BEd(Hons) MEd Syd, DipCL BIF, EdD QUT, FACE, FACEL
(5/6)

Dr John Puttick, DUniv QUT, FAICD, FAIM
(5/6)

Mr Warren Tapp, RFD, MBA, LLM Bond, GradDip (AppCorpGov) CSA, FAICD
Commenced 21 November 2012

Ms Rosemary Vilgan, BBus QUT, DipSupMgt Macq, FASFA, FAICD
(5/6)

NOMINEES OF COUNCIL

Mr David Fishel, BA(Hons) Liv, MA Newc, M.Litt Oxf
Concluded 20 November 2012
(4/5)

Professor Mark Wainwright, AM, MAppSc Adel, PhD McM, DSc UniSA, FTSE, FIE Aust, FICHEM, FRACI
Concluded 20 November 2012
(3/5)

ELECTED PROFESSIONAL STAFF

Mrs Stella Eastman, BBus(InternatBus) QUT
Concluded 20 November 2012
(3/5)

Ms Wendy Harper
Concluded 20 November 2012
(3/5)

Mr Ross Hall, BA(Music) DDIAE, GradDip(CompEd) QUT
Commenced 21 November 2012
(1/1)

Dr Samuel Nielsen, BA Qld, BIT CQU, BSc(AppPhys) CQU, PGradDipPsych Qld, MEd(Res) QUT, PhD QUT
Commenced 21 November 2012
(1/1)

ELECTED ACADEMIC STAFF MEMBERS

Associate Professor Colin Anderson, BCom(Hons) LLB(Hons) DipEd PhD Qld, LLM QUT
Commenced 21 November 2012
(1/1)

Professor Judith Clements, BAppSc MAppSci RMIT, PhD Monash
Concluded 20 November 2012
(5/5)

Mr Ross Daniels, BA(SocWk) BA(Econs) MSPD Qld
Concluded 20 November 2012
(4/5)

Dr Lee Duffield, BA DipEd DipJourn BEdSt Qld, MA Syd, PhD James Cook
Commenced 21 November 2012
(1/1)

Assoc Prof Philip Heywood, DipTP Manc, BA(Hons) Oxf
Commenced 21 November 2012
(1/1)

Professor John Lidstone, BSc (Econ) MA PhD London, FRGS
Concluded 20 November 2012
(4/5)

ELECTED STUDENT MEMBERS

Ms Kat Henderson
Concluded 20 November 2012
(3/5)

Ms Stacey Percival
Commenced 21 November 2012
(1/1)

Mr Jake Phillipot
Concluded 20 November 2012
(5/5)

Mr William Taylor
Commenced 21 November 2012
(1/1)

ELECTED ALUMNI MEMBERS

Dr Tim Baker, BA Qld, BEd EdD QUT, FAHRI, FAIPF
(2/6)

Ms Jennifer Robertson, LLB GradCertBus MBus QUT
Commenced 21 November 2012
(1/1)

Ms Marisa Vecchio, BA Qld, MBA QUT
Concluded 20 November 2012
(2/5)

SECRETARY

Dr Carol Dickenson, University Registrar
Concluded 5 March 2012

Ms Jane Banney, Acting University Registrar
25 January 2012–11 May 2012

Ms Shard Lorenzo, University Registrar
Commenced 14 May 2012

Governance

QUT values good corporate governance and seeks to adopt best practice where possible.

Management and oversight

QUT is established under the *Queensland University of Technology Act 1998* (the 'QUT Act') and operates within a comprehensive framework of legislative and regulatory requirements mandated at the State and Commonwealth level. The university was established on 1 January 1989.

Under section 4 of the QUT Act, the university is constituted as a body corporate. It has a seal and may sue and be sued in its corporate name.

Functions

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 the level 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.

Powers

The university has all the powers of an individual and they may be exercised inside or outside Queensland and Australia. QUT's powers are contained in the QUT Act and include the power to:

- enter into contracts
- acquire, hold, dispose of and deal with property
- appoint agents and attorneys
- engage consultants

- fix charges and other terms for services and other facilities supplied
- do anything else necessary to or in connection with its functions.

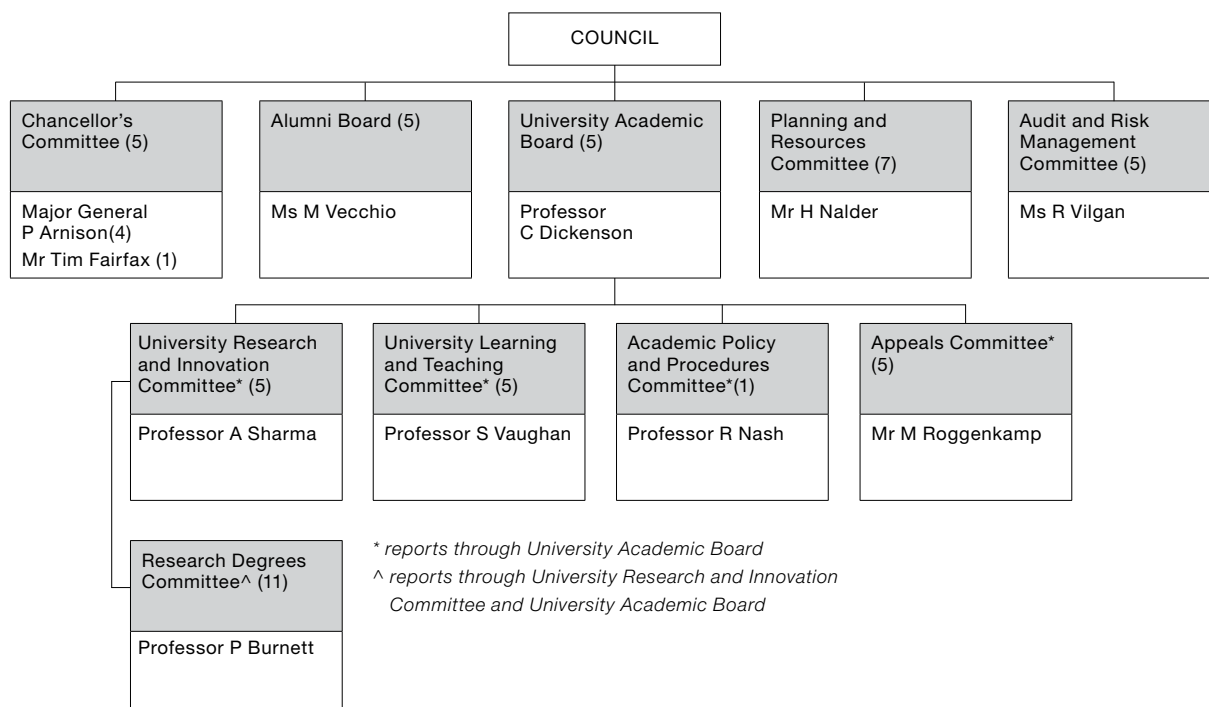
The university's governing body is the QUT Council and its chief executive officer is the Vice-Chancellor.

The university manages its governance obligations by fostering a culture of good governance, supported by a comprehensive suite of policies and procedures, including the QUT Governance Framework and the Council Charter.

QUT also complies with the Voluntary Code of Best Practice for the Governance of Australian Universities, approved by the Ministerial Council for Tertiary Education and Employment in 2011. The Council Charter and the QUT Governance Framework, together with the QUT Act and other university policies and procedures, address many of the matters set out in the voluntary code.

QUT Council undertakes an annual review of compliance with the voluntary code, and its 2012 review confirmed that QUT complies with most aspects of the code.

Council committees and committee chairs (number of meetings in 2012)



In respect of three sections of the voluntary code (overlap of members' terms, reporting for controlled entities, and risk assessment for controlled entities), QUT substantially complies with these aspects taking account of formal decisions by Council which determined the appropriate approach for QUT's circumstances.

Structure of QUT Council

QUT Council has up to 22 members and is constituted in accordance with the QUT Act. Council's term is for four years, with the exception of student members who serve a two-year term. Council's term expired on 20 November 2012, with the Council being reconstituted from 21 November 2012 for a new four-year term of office to 2016. Elections for nine elected members from the university community were

undertaken over the period from August to October 2012 and eight Governor in Council appointments for the new Council term were also made in 2012.

In 2012, Council and other committee members external to QUT were not remunerated.

Council business in 2012

In 2012, Council met six times for ordinary meetings, and also held a one-day workshop in March, focusing on governance, external settings and challenges.

During 2012 Council considered the following items in carrying out its role:

- approval of 2013–2015 Consolidated Budget and 2013–2017 Asset Management Plan

- corporate performance reports (February, June, August and December)
- introduction of and reporting on the implementation of the Student Services and Amenities Fee
- approval of formal student representation mechanisms in response to the Commonwealth Government's Student Services, Amenities and Representation and Advocacy Guidelines
- review of University Academic Board's terms of reference and subcommittees in response to standards specified by the Tertiary Education Quality and Standards Agency on course accreditation and related matters
- reports from QUT Enterprise Holdings (QEH) and its subsidiaries
- strategic reports on teaching and learning and research and commercialisation matters

- amendments to the QUT Student Guild Constitution
- status reports on construction of the Science and Engineering Centre and other capital programs
- reports on health and safety matters and implementation of harmonised work health and safety legislation
- endorsement of QUT's Reconciliation Action Plan
- reports and relevant policy items from Council sub-committees.

Evaluation and professional development of Council

Council has a framework for evaluation and professional development as specified in the Council Charter. During 2012 the following relevant activities were undertaken:

- conduct of orientation/induction activities for the incoming Chancellor and for nine elected members
- discussion and implementation of the evaluation survey of Council performance (conducted in November–December 2011) including introduction of strategic dialogue sessions
- participation by Council members in relevant activities at the university, including the Vice-Chancellor's Forum, and attendance at the university's Senior Leadership Group Conference in May 2012.

Ethical conduct and social responsibility

The QUT Governance Framework describes how the structures, policies and practices of the university are integrated, and details the respective roles of Council and

management, which are essential for the effective discharge of responsibilities. The Governance Framework also expresses QUT's recognition of its obligation to act in a socially responsible manner.

The QUT Staff Code of Conduct applies to all employees of QUT and to other 'officers' such as external committee members, adjunct and visiting academics, and volunteers acting on behalf of QUT, and outlines the ethical obligations of all staff for integrity, accountability, and the efficient use of university resources.

The university has a formal communication strategy in place for senior staff relating to their role in supporting the principles set out in the Code of Conduct, and provides an online training module to all staff on ethical decision making and behaviour. The university actively promotes the Code of Conduct and ethical behaviours through a number of staff processes and information resources throughout the year, particularly performance planning and review. All new employees are required to complete this training within one month of commencement.

QUT has a number of procedures and codes of conduct to guide and assist individuals to discharge their responsibilities in an ethical and responsible manner. They include:

- The Council Procedure 1 – Committees
- QUT Code of Conduct for Research
- University Animal Ethics Committee
- University Human Research Ethics Committee
- University Institute Biosafety Committee.

QUT maintains a *Register of Disclosed Interests* to assist staff in

recognising and declaring conflicts of interest. Specific policies on conflicts of interest related to research activities and gifts have also been developed.

QUT's Corruption and Fraud Control Plan was reviewed and updated during 2012 to reinforce a culture of high ethical standards and accountability in learning and teaching, research and community-related activities.

Compliance Program

The university's Compliance Program includes a register of obligations, an annual compliance reporting process, including risk assessment, and an active communication strategy incorporating targeted education and training activities. The Compliance Program also includes a Register of Licences, which was reviewed in 2012 to ensure that a record of all current licences and registrations held by the university is available at all times.

QUT planning and quality frameworks

QUT's policies around its planning framework, corporate reviews, and quality framework provide the overall structure to guide these activities at university and organisational area level. The policies are approved by QUT Council and are subject to periodic review. The policies are available online in QUT's Manual of Policies and Procedures.

In April 2012, the Tertiary Education Quality and Standards Agency (TEQSA) published a report of the 2011 quality audit of QUT, which was undertaken by the former Australian Universities Quality Agency.

From January 2012 TEQSA is responsible for registering and evaluating the performance of higher education providers against the Higher Education Standards Framework.

In late March 2012, the university reviewed for the first time the Institute of Health and Biomedical Innovation under the principles set out in the corporate reviews policy. An implementation plan responding to the review report's recommendations was subsequently prepared, and was endorsed by QUT Council in August 2012.

Audit and Risk Management Committee

Audit and Risk Management Committee advises both Council and the Vice-Chancellor, as accountable officer, on the performance or discharge of functions and duties under the *Financial Accountability Act 2009*, Financial Accountability Regulation 2009, Financial and Performance Management Standard 2009 and the university's Assurance and Risk Management Services Charter. Audit and Risk Management Committee's main functions are to:

- assess and contribute to the audit process including evaluation and facilitation of the internal audit function
- oversee and approve financial and operational reporting
- review business risk as reported, including compliance, corruption and fraud.

Committee membership

Chancellor

Major General P Arnison AC, CVO (Retd), BEc DLaws *Qld*, DUniv *QUT*, DUniv *Griff*, DLetters *S Qld*, DUniv *S Cross* (to 8 September 2012, attended 4 of 4 meetings)

Mr T Fairfax AM DUniv *QUT*, DUniv *USC*, FAICD (from 9 September 2012, 1/1)

External members with professional accounting, financial or auditing expertise nominated from or by Council

Ms R Vilgan
BBus *QUT*, DipSupMgt *Macq*, FASFA, FAICD (attended 5 of 5 meetings) (nominated as Chair by Chancellor)

Ms H Gluer
BComm *Qld*, MBA *S Qld* CPA (resigned 31 May 2012, 1/3)

Ms M Vecchio
BA *Qld*, MBA *QUT* (1/5)

Mr S Maitland
OAM, RFD, BEc *Syd*, MBus LLM *QUT*, FCPA, FAICD, FCIS, F Fin, FAIM (5/5)

The Vice-Chancellor, the Executive Director Finance and Resource Planning, and the Director Assurance and Risk Management Services have rights of audience and debate but are not members of the committee.

Relationship with Queensland Audit Office (QAO)

Staff from the university's Corporate Finance Department and Assurance and Risk Management Services worked closely with Crowe Horwath (auditors appointed by QAO) during the year to facilitate the university's annual audit. Staff from Crowe Horwath also attended two meetings of Audit and Risk Management Committee in 2012 and were given the opportunity to meet with the committee without the presence of management.

Assurance and Risk Management Services

The primary purpose of Assurance and Risk Management Services is to add value to the university's operations and assist the university to achieve its corporate goals by providing independent analysis, appraisals, recommendations, counsel and information on the university's systems of internal control, effectiveness of risk management and the quality of performance.

The audit approach in 2012 involved:

- adoption of a 'total audit approach' incorporating a blend of compliance, operational, quality, integrated and information technology audits and reviews to achieve a two-fold impact of internal controls enhancement and business process improvements
- supporting management through proactive preventative auditing rather than 'after-the-event' detective auditing
- a risk-based and client-focused audit methodology
- providing management advice on an effective and efficient internal control framework
- assisting management in responding to emerging issues and the changing environment
- implementation of continuous auditing in the area of human resources and payroll.

The Annual Assurance and Risk Management Plan for 2012 was achieved after approved additions and deferrals.

Financial management and accountability

QUT has a number of policies relating to financial management and accountability, including specific policies on balance sheet management, user charging and expenditure. The university also has a Financial Management Practice and Procedures Manual and a Business Case Framework for the support of significant projects or proposals.

Respecting the rights of the community

As a public institution, QUT aims to provide as much information as is practicable to the general community on its functions and activities. QUT complies with provisions of the Queensland Government's *Right to Information Act 2009* and the *Information Privacy Act 2009* and assists the community in this regard by making the university's policies and procedures publicly available through the QUT website, together with the university's organisational structure, staffing, and committee agendas and minutes, with the exception of those committee activities which are considered to be confidential, private or of legal or commercial sensitivity.

QUT's committee structure creates numerous opportunities for community involvement in the university's functioning and policy direction. The university's governing body, QUT Council, includes members of the general community, graduates, staff and students.

Council is assisted and advised in performing its functions by advisory and management committees which include representatives from Council, members of commerce, industry, government and the

professions, QUT staff and students, and academics from other higher education institutions.

Community involvement is also provided through QUT Alumni, a forum of QUT graduates, academic staff, past and present Council members and other qualified persons.

Recognising and managing risk

QUT is committed to establishing an organisational philosophy and culture that ensures risk management is an integral part of all university activities and a core management capability. Risk management allows the university to take advantage of opportunities to improve its outcomes and outputs by ensuring that any risk taken is based on informed decision making and on realistic analysis of possible outcomes.

QUT is also committed to business continuity management as an integral component of risk management, to ensure continuity of key business services.

Council through the Audit and Risk Management Committee is responsible for ensuring there are adequate policies and procedures in relation to risk management, compliance and internal control systems. The Vice-Chancellor and the senior management team are responsible for the implementation of these policies and managers at all levels are accountable for effective risk management.

The university's Risk Management Framework provides detailed guidelines on application of the risk management process, the roles and responsibilities of key stakeholders, level of documentation and reporting requirements.

Realigning student composition

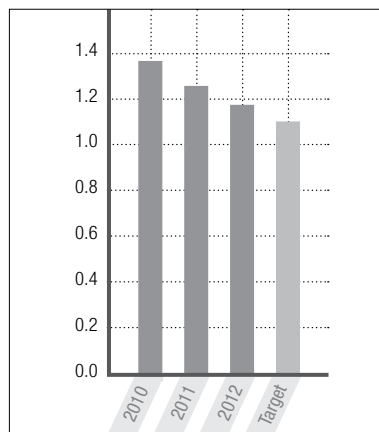
Professor Carol Dickenson, Deputy Vice-Chancellor (Academic)

QUT's student population grew from 42 554 enrolments in 2011 to almost 44 300 enrolments in 2012.

An aim of *Blueprint 3* is to increase the student population to around 44 000 students by 2016. QUT achieved this aim in 2012 with almost 44 300 total enrolments, which included growth in the numbers of domestic, international, higher degree research (HDR) and non-HDR students.

QUT continued to have strong demand for its courses through the Queensland Tertiary Admissions Centre (QTAC) and achieved almost 1000 more first preferences from applicants than in 2011. QUT has established a key performance indicator (KPI) relating to demand through the QTAC first preferences: offers ratio.

QTAC first preferences: offers ratio



Programs in the new Science and Engineering Faculty, established in January 2012, attracted 2500 commencing undergraduate students with a notable increase in the number of engineering students.

The nursing program grew by six per cent to more than 2500 students.

The new Bachelor of Entertainment Industries course saw strong demand with more than 200 first preferences for 43 planned places.

The new double degree in justice and psychology also saw strong demand with 112 first preferences for 62 planned places.

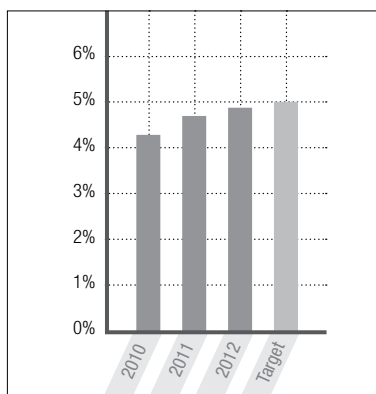
Enrolments grew at Caboolture campus, due in part to the commencement of the first year of the Bachelor of Education (Early Childhood), and a 21 per cent increase in commencing load.

Student enrolments	2009	2010	2011
Total enrolments	40 563	41 962	42 554
Course group			
Higher degree research	1726	1873	2189
Higher degree coursework	4460	4971	4783
Other postgraduate	2886	2746	2685
Bachelor degree	30 042	30 697	31 334
Other undergraduate	655	638	553
Other	794	1037	1010
Enrolment kind			
Commencing	16 413	16 120	16 648
Continuing	24 150	25 842	25 906
Gender			
Female	22 542	23 172	23 527
Male	18 021	18 790	19 027
Attendance type			
Full-time	26 807	28 108	28 180
Part-time	13 756	13 854	14 374
Campus			
Gardens Point	22 992	23 718	24 073
Kelvin Grove	12 632	13 459	13 546
Caboolture	452	528	598
Overseas	498	258	142
External	3 989	3 999	4 195
Domestic/international			
Domestic	34 163	35 183	35 635
International	6 400	6 779	6 919
Course faculty			
Built Env and Eng	6040	6298	6484
Business	7917	7917	7845
Creative Industries	2851	3252	3287
Education	4557	4310	4342
Health	6522	7059	7563
Law	3395	3714	3663
Science and Technology	5024	5239	5245
University-wide	3732	3780	3686
QUT International College	320	335	338
Other	205	58	101

Higher degree research (HDR) student load represented 4.8 per cent of QUT student load in 2012, an increase from 4.7 per cent in 2011.

Blueprint 3 has a target of at least 6 per cent of the student population being HDR students by 2016.

HDR student share of all students



In 2012 QUT worked to increase the number of HDR students with a target of 2100 enrolments. Increased funding was provided for scholarships and improving provisions, and at November 2012 the number of HDR students had increased to more than 2150.

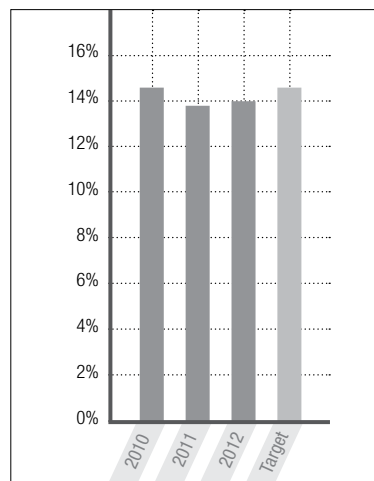
QUT received its highest ever number of applications for HDR scholarships (854), a 27 per cent increase on the previous year. International students made up 64 per cent of the applicants. More than half of the scholarship applications were in the science and engineering disciplines, followed by 22 per cent for health, 10 per cent for creative industries and nine per cent for business.

The new Science and Engineering Faculty was the home faculty for the largest number of HDR students at QUT, with 42 per cent of the university's HDR student enrolments.

Students from low socioeconomic (SES) backgrounds represented 14.0 per cent of domestic undergraduate students in 2012, an increase from 13.9 per cent in 2011.

Blueprint 3 aims for QUT to increase the share of domestic undergraduate students from low SES backgrounds to 16 per cent in 2016 (aligning with progress toward national targets set for 2020).

Share of domestic undergraduate students from low SES



In 2012 QUT conducted a range of activities to improve low-SES student retention and to expand QUT's *Widening Participation* strategy. Fourteen memoranda of understanding are in place relating to the Australian Government's Higher Education Participation and Partnerships Program with funds distributed to the relevant areas of the university. There are 45 different activities and projects underway covering outreach and retention, the largest being 'Explore Uni', which

in 2012 ran 46 day trips and four residential camps for more than 8000 students from nearly 60 schools.

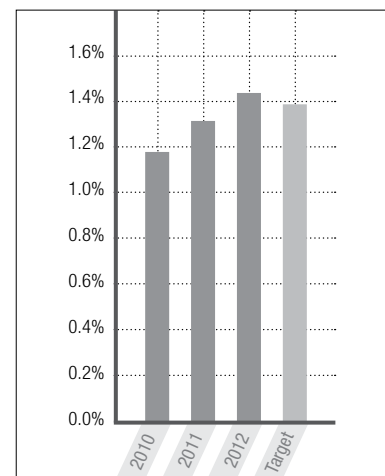
In 2012, QUT allocated 1050 equity scholarships and 533 equity bursaries, which should assist attrition rates for low-SES students. Low-SES attrition for 2011 was down from the previous year, and the attrition rate for scholarship holders was lower than that for all low-SES students.

The QUT Library also conducted activities in support of the *Widening Participation* strategy and retention strategy in 2012. Caboolture campus provided access to Personal Competencies Assessment and Special Tertiary Admissions Test workshops and sittings for 179 capable low-SES school leavers and adults.

The proportion of Indigenous undergraduate students increased from 1.31 per cent in 2011 to represent 1.43 per cent of domestic undergraduate students in 2012.

QUT aims to lift Indigenous student representation to 1.5 per cent by 2016.

Share of domestic undergraduate students who are Indigenous



QUT's 2011–2013 Mission-Based Compact with the Australian Government provided for a 2011 target of 1.28 per cent for the proportion of domestic undergraduate students who are Indigenous. QUT exceeded this target and in 2012 received a \$551 395 reward payment under the government's performance funding arrangements.

QUT continued to increase its commencing Indigenous student enrolment in 2012, with 150 students commencing in semester one (compared to 138 in 2011) and 28 students commencing in semester two (compared to 20 in 2011).

Indigenous students who enter QUT via the university's Oodgeroo Unit are provided with a bursary to assist them, and access to additional bursaries and scholarships. In 2012, the QUT Business School distributed a higher number of equity bursaries to Indigenous students and recruited new corporate partners to be able to offer an increased number of Indigenous student internships.

During 2011 and 2012 a steering committee, chaired by the Deputy Vice-Chancellor (Academic) with Indigenous staff and relevant work area representatives, guided the development of QUT's Reconciliation Action Plan (RAP).

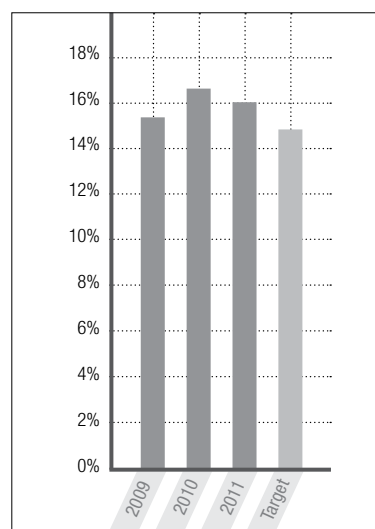
Blueprint 3 identifies the four areas on which QUT intends to focus in order to reconfirm the university's 2001 commitment to Reconciliation.

Members of the steering committee led consultation sessions around the four areas of focus, and senior university committees were informed of progress and consulted as the RAP developed.

Student attrition

A particular target of the *Blueprint* is to reduce the commencing bachelor degree attrition rate to 14 per cent by 2016.

Commencing ex-QUT bachelor degree attrition



In pursuit of this target, the Student Success Program (SSP) continued in 2012 and during the year a total of 25 000 instances of student engagement were monitored. Of these, 15 000 instances of potential disengagement were identified, and close to 7900 individual students received a supportive phone call and email action plan from the program's advisers from a total of 9500 contact attempts. This represents a 15 per cent increase in SSP activity since 2011. The program was recognised nationally, receiving both an Australian Awards for University Teaching (AAUT) Citation and an

AAUT Award for Programs that Enhance Learning, as well as a QUT Vice-Chancellor's Award for Excellence.

To decrease commencing undergraduate attrition, the Creative Industries Faculty has instituted a range of first-year experience initiatives.

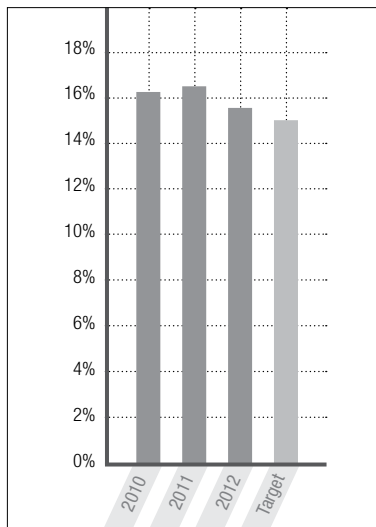
The Faculty of Law has continued the Resilience project and other activities to support retention of 'at-risk' students, including a peer mentor partnership program, Mentoring for Academic Progression and Success.

The Science and Engineering Faculty reported that unit attrition data in first-year units in 2012 suggests that the use of new learning spaces is having a significantly positive effect on commencing attrition.

International students enrolments in 2012 accounted for 15.7 per cent of the student population, with 11.1 per cent of international students being HDR students (up from 10.2 per cent in 2011).

The *Blueprint* aims to retain a balanced level of international student enrolments at about 15 per cent, with an increasing share comprising international HDR students.

International student share of total population



This outcome is a good result for QUT in light of external factors, particularly the continued high Australian dollar, that had the potential to influence demand for QUT courses in 2012.

QUT International College continued to provide pathways for students during 2012 with 95 per cent of students who successfully completed a college program in 2011 progressing on to a QUT degree program or other college program last year.

In the QUT Business School the 'Open Day Every Day' online recruitment program was introduced to promote courses to international students and drive recruitment in specific international markets. Up to 120 registrations were recorded for the first of this type of event in April 2012.

In 2012, QUT maintained its focus on developing relationships with government agencies and institutional partners by offering scholarships through tuition fee

sponsorships. This has proved to be a successful tool in attracting high-quality students and building QUT's profile, as the university has received a record number of international HDR applications for 2013 (up by more than 50 per cent on 2012 applications).

The number of international HDR students was further strengthened through activities such as:

- increasing the number of fee sponsorships for international HDR students with scholarships to 425
- undertaking an initial mapping of supervision and infrastructure capacity in areas of research strength in collaboration with faculties and institutes
- continuing to monitor student language abilities and implementing targeted programs to support students and their supervisors
- introducing an expression of interest process to fast track international HDR applicants through to potential supervisors for consideration.

Benchmarking activities

Blueprint 3 key performance indicators (KPIs) compare QUT's outcomes to prior years' averages for universities in the Australian higher education sector, Group of Eight, Australian Technology Network and Queensland. Progress reporting on these KPIs is undertaken on a quarterly basis.

Student and staff equity data is routinely benchmarked against past performance, against other universities, and against aspirational targets.

Specifically, access, participation, success and retention data for equity students is compared annually, as is gender equity parameters relating to improved practice in promotion and training of women.

Strengthening teaching and learning

Professor Suzi Vaughan, Deputy Vice-Chancellor (Learning and Teaching)

New courses and major course changes were implemented in 2012.

A priority of *Blueprint 3* is to further develop courses and programs that capitalise on the opportunities of a deregulated market and make a difference in the real world.

The School of Justice introduced a new double degree in Psychology and Justice, demand for which exceeded expectations. The first year of the Bachelor of Education (Early Childhood) was offered at Caboolture and the second-year offering confirmed for 2013.

The Bachelor of Health Information Management, Master of Health Safety and Environment and graduate certificates in Chronic Health Conditions and in Podiatric Therapeutics were developed for introduction in 2013. The Bachelor of Biomedical Sciences was reviewed and will offer a range of majors and career pathways from 2013.

The Governance and Public Policy major in the Bachelor of Justice will be offered from 2013. The major will also be available as a second major to Bachelor of Science students.

The Human Resource Management programs at both undergraduate and postgraduate level have been reaccredited by the Australian Human Resources Institute for a further three years. The School of Accountancy received CPA Australia re-accreditation for a further five years, and the school's courses also received accreditation with the Chartered Institute of Management Accountants and the Taxation Registrations Board in 2012.

The Social Work, Nursing and Nurse Practitioner initial preparation for practice programs were successfully re-accredited in 2012.

The Tertiary Education Quality and Standards Agency (TEQSA) became the national regulator for the higher education sector from January 2012. As a key response, QUT coordinated a review of policy relating to curriculum development and approval, aimed at establishing a course accreditation cycle. The revised policy will support the assessment of course viability, achievement of course learning

outcomes and in meeting or exceeding relevant threshold standards. The new processes will facilitate the design and development of high-quality curricula.

In 2012, in light of national TEQSA and Australian Qualifications Framework (AQF) changes, QUT developed action plans in preparation for 2015 mandatory AQF compliance. Activities supported the development of university-wide approaches in areas including curriculum mapping and design, moderation, research skills in coursework curriculum, and recognition of prior learning.

The Science and Engineering Faculty was established in January 2012, to position QUT as a key contributor to the national science, technology, engineering and mathematics (STEM) agenda.

The Science and Engineering Faculty (SEF) is committed to re-positioning QUT as a leading-edge provider of education and a key contributor to the national STEM agenda. The faculty implemented the first phase of a major course review and redevelopment exercise in 2012. The new Bachelor of Science was redesigned and launched for offering in 2013 and the faculty achieved five-year Engineering Australia re-accreditation of its Bachelor of Engineering programs. This includes a new first major in Process Engineering to serve the employment needs of the resources sector.

SEF has been a lead participant in the development of new units and teaching methods aligned to the advanced facilities and technology in the new Science and Engineering Centre (SEC). All first-semester units in the newly approved Bachelor of Science will be delivered in the SEC in 2013. A significant number of SEF academic staff participated in courses and induction activities designed to promote capability and confidence in the use of the new spaces and designing curriculum for them. A three-year STEM school engagement strategy has also been developed.

During 2012, QUT continued with the Blueprint priority to strengthen offerings in postgraduate coursework and customised education.

To broaden the appeal of the Graduate Certificate in Applied Law, the Applied Law suite of courses was introduced in 2012, with options in

Project Management, Health, and Business. In 2012 the restructured Graduate Diploma in Legal Practice was made available to students.

The Graduate Diploma in Business (Professional Accounting) and the Master of Business (Integrated Marketing Communication) and (Marketing) majors were launched as online programs with very strong take-up. The Master of Business Administration (MBA) program maintained its five-star rating in the *Good Universities Guide* for MBA programs.

Achievements in customised education include agreement for the Bachelor of Early Childhood (Teacher Education) in Papua New Guinea, and continuing growth in enrolments for the Bachelor of Policing in Singapore.

The Executive Master of Business in Complex Project Management was included in the Skills Australia 'Building Australia's Defence Supply Capabilities' report and referred to as 'one of the best regarded project management courses in Australia'.

Based on latest reportable data, the equivalent of 7.3 per cent of QUT's graduating students have had an international study experience.

The Blueprint aims to ensure that 10 per cent of all graduating students by 2016 have had an international study experience.

QUT has achieved significant growth in its short and semester-length mobility programs since 2009.

With respect to outbound destinations, for QUT, Asia accounts for approximately 45 per cent of all mobility experiences, some 10 per cent above the national average. QUT's ratio rises to 70 per cent for short-term programs.

The Creative Industries Faculty has established key articulation pathways with offshore and onshore providers of education to international students. The Faculty of Education was awarded \$21 500 under the Department of Industry, Innovation, Science, Research and Tertiary Education Study Overseas Short-Term Mobility Project to support 10 students to undertake a two-week study program in Malaysia.

In undergraduate courses in the Faculty of Health, a total of 44 units are available as pre-approved study abroad units in Human Movement, Psychology, Public and Social Work for inbound student exchanges.

In 2012, some 185 QUT Business School students (undergraduate and postgraduate) gained an international study experience and/or participated in international case competitions. SEF has expanded its international student mobility to see 46 of its students have such an experience in 2012.

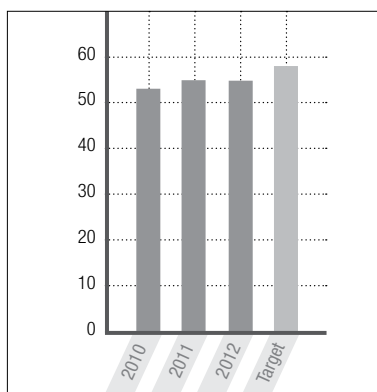
In 2012 QUT began the implementation of a comprehensive, university-wide Work Integrated Learning (WIL) Information System to effectively and efficiently manage the business of WIL.

The Blueprint aims to refine and mainstream real-world learning that engages a diverse population of students, and to enhance opportunities for work-integrated learning and transitions into professional practice across all undergraduate programs.

Work Integrated Learning Information System (WILIS) software is being piloted in Nursing, Education and Creative Industries. University-wide implementation of the software is expected to follow from the successful deployment into these three areas.

QUT has established a key performance indicator for real-world learning, which uses five items of the Australasian Survey of Student Engagement's Work Integrated Learning Scale for later years students.

Real-world learning



The Creative Industries Faculty experienced a significant increase in enrolment in WIL units in 2012. Further growth is anticipated with the harmonisation of WIL programs, which will respond to the complex and diverse set of discipline-specific requirements for professional accreditation.

The Faculty of Education undertook initiatives for its *Teaching Education Done Differently* project, which

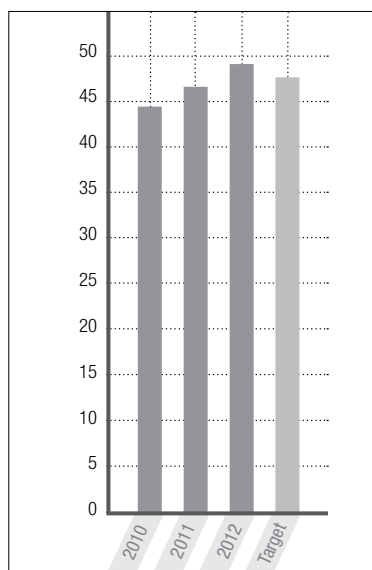
aims to integrate applied learning experiences into the Bachelor of Education degree and provide professional development for teachers mentoring preservice teachers during practicum.

WIL is a critical element in most of the Faculty of Health's undergraduate programs with about 250 000 placement days being undertaken in 2012. Simulation learning was extended in nursing and used extensively in other health courses.

Student satisfaction for domestic bachelor degree graduates was 48.4 in 2012, up from 46.2 in 2011.

QUT has established a key performance indicator to measure satisfaction of domestic bachelor graduates, which uses scores on the Course Experience Questionnaire (CEQ).

Student satisfaction: CEQ for bachelor graduates



In line with Blueprint aims, QUT is developing more comprehensive approaches to strengthening student engagement with learning and with the university.

REFRAME, QUT's new approach to evaluation of learning and teaching, continued to be rolled out across the university. During 2012 a sophisticated risk-based system was developed to gather, analyse and respond to data along with a broader set of user-centred resources. REFRAME provides individuals and teams with the tools, support and reporting they need to meaningfully reflect upon, review and improve teaching, student learning and the curriculum. To November 2012, the project is estimated to have had contact with 7437 individuals and 15 018 instances of recorded collaboration.

The Career Mentor Scheme engaged more than 600 mentors for QUT students, more than half of whom were not our alumni.

QUT coordinated a range of national student surveys that provide information concerning the quality of teaching and learning outcomes, including student engagement. In 2012 QUT participated in the first major implementation of the University Experience Survey.

The Faculty of Law has continued to develop Flexible Learning Initiative Project activities to provide a more engaging learning and teaching environment. The faculty also held the inaugural QUT Crime Club event in semester one. QUT Crime Club is a co-curricular, team-based competition, where undergraduate law and justice students work together to solve a crime and prosecute an alleged offender. The project, funded by QUT's Engagement Innovation

Grants Scheme, fostered strong engagement with a range of industry and community partners.

QUT had a very successful year in mooted competitions in 2012, the Law School fielding 10 teams in nine external mooted competitions.

In the Library, the ebook collection continues to be developed at a rapid pace, now comprising 350 000 titles across all subject areas to support learning and research.

QUT's International English Language Testing System (IELTS) Test Centre had a highly successful first 18 months of operation, winning several awards.

The Blueprint aims for QUT to improve English language proficiency for all students, aspiring for all commencing students to be at IELTS 6.5 by 2016.

The IELTS Test Centre won awards for the best audit and the best growth of a new centre in 2011, and more recently was awarded the 2012 IDP: IELTS Australia 'Best Growth for a Test Centre < 3000 candidates' in recognition of the test centre's achievements in the IDP worldwide network.

The IELTS Advanced Program, which has been operating for a year, gives students the opportunity to work towards an IELTS 7. An advanced level English for Academic Purposes program, targeted at IELTS 7, has been developed and is awaiting approval.

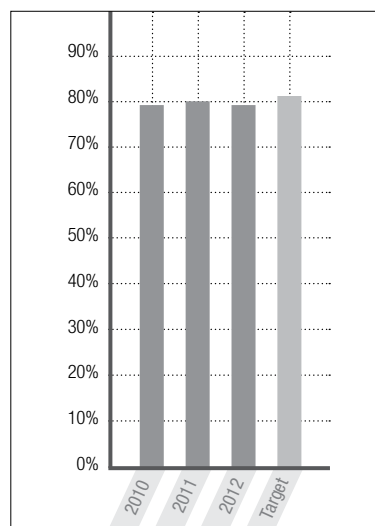
Faculty- and curriculum-embedded approaches to learning were developed in 2012, with more than

70 faculty/school workshops and whole-of-faculty Academic Language Support programs established in the Health and Education faculties. A Connections for Learning Program in the Faculty of Health provided academic English and professional communication proficiency support and development activities.

QUT continued to have strong work outcomes for domestic bachelor graduates, with those in full-time work representing 78.5 per cent of those available for full-time work.

A particular aim of the Blueprint is that QUT maintain a position in the top quartile of Australian universities for graduate employment outcomes.

Graduate Destinations survey outcomes for bachelor graduates looking for full-time work



QUT achieved outstanding success in the Australian Awards for University Teaching (AAUT) Citations.

QUT secured seven of the possible eight AAUT Citations for Outstanding Contributions to Student Learning. QUT was one of only 16 universities to receive awards in the 2012 AAUT Program Awards and the 2012 AAUT Teaching Excellence Awards round. In addition, Associate Professor Margaret Lloyd of the Faculty of Education secured one of only six National Teaching Fellowships awarded by the Office for Learning and Teaching in 2012.

The Graduate Certificate in Academic Practice was again offered to 30 incoming early-career academics.

A Blueprint aim is to extend formal teaching qualifications to new and early-career academics.

In December 2012 the first four Early Career Academic and Recruitment Development (ECARD) program participants graduated from the Academic Practice course.

Benchmarking activities

In 2012, the QUT Business School continued to participate in the annual Business Schools Questionnaire for the Association of American Collegiate Schools of Business and the *Good Universities Guide* MBA Ranking, where QUT retained its five-star ranking.

A review of student support and campus services at Caboolture, which compared services with similar university campuses across Australia, was undertaken in November 2012.

Building QUT's research reputation

Professor Arun Sharma, Deputy Vice-Chancellor (Research and Commercialisation)

The Institute for Future Environments (IFE) was established in 2012 to advance high-quality, high-impact interdisciplinary research.

As part of *Blueprint 3*, the university aims to establish a major and themed institute in the science, technology, engineering and maths (STEM) area.

The IFE was formed in 2012: this included the determination of research themes and the appointment of theme leaders, finalisation of the organisational structure, establishment of the triennium budget, development of draft operating principles, and progression of the governance framework. The institute is housed in the new Science and Engineering Centre at Gardens Point campus.

2012 saw the transition of the Central Analytical Research Facility to IFE and commissioning of new laboratories and higher degree research (HDR) spaces for the institute. The Banyo Pilot Plant was made fully operational, with appropriate workplace health and safety systems established. IFE also made extensive use of the Samford Ecological Research Facility for

teaching and research activities, and significant community engagement through open days.

The institute had a successful year in securing funding for a range of research projects. IFE also managed the transition of activities of the former Information Security Institute and Institute for Sustainable Research to the new institute.

In 2012 14 Vice-Chancellor's Research Fellowships were awarded across postdoctoral and research fellowship categories, from a highly competitive field of 124 applicants.

A Blueprint aim is to renew the focus on research potential and quality in staff recruitment.

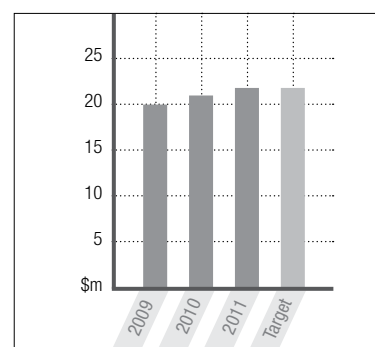
QUT's Higher Education Research Data Collection (HERDC) research income in 2011 was \$75.9 million, a 12 per cent increase from the previous year.

The Blueprint aims for 'top-two' position in national competitive grants in at least five areas (education; creative industries; applied mathematics/statistics; information technology; and robotics, avionics and automation).

QUT has established three key performance indicators relating to research income.

Competitive research uses category 1 – Australian competitive grants of the HERDC.

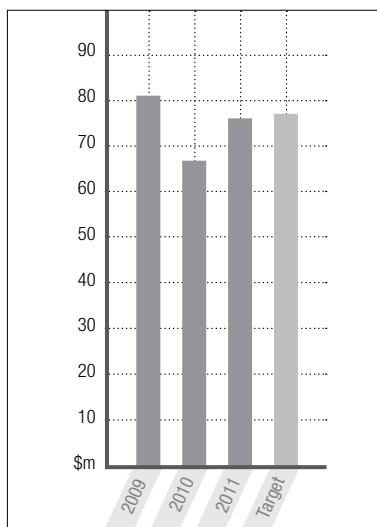
Competitive research



Research income uses the four categories of the HERDC:

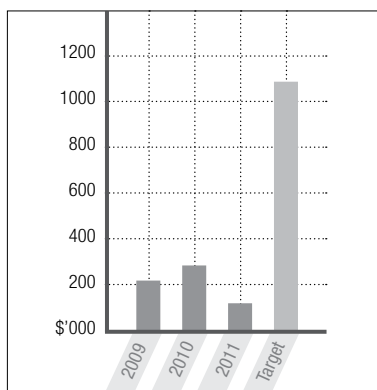
1. Australian competitive grants
2. Other public service research income
3. Industry and other research income
4. Cooperative Research Centre research income

Research income



Licensing income per \$100 million research income expresses QUT's licensing income in terms of total research income.

Licensing income per \$100 million research income



QUT was placed ninth in the country in research block grant funding from the Australian Government.

QUT received more than \$39 million in research block grant funding. This funding is based on performance across a number of research indicators: HDR student load and completions, research publications and income.

QUT continued to be successful across the national Australian Research Council (ARC) competitive grant rounds in 2012.

Seven ARC Future Fellowships were awarded to QUT, placing the university ninth in the country for the number of fellowships awarded. The QUT success rate of 47 per cent was above the national average of 35 per cent.

Eight ARC Linkage grants worth \$3 million were awarded in the single Linkage round for 2012. QUT ranked ninth in the country in terms funding awarded.

QUT was awarded 14 ARC Discovery Project grants valued at \$4 million. Nationally QUT ranked at thirteenth in the number of grants awarded.

QUT attracted one ARC Discovery Early Career Researcher Award for \$373 697.

Through the ARC Special Research Initiatives, QUT will host the National Indigenous Research and Knowledges Network led by Professor Aileen Moreton-Robinson. This initiative will receive \$3.1 million.

QUT was awarded eight National Health and Medical Research Council (NHMRC) project grants with a total value of \$5.1 million. In addition, QUT received a NHMRC Early Career Fellowship (\$299 564) and a NHMRC Targeted Research Grant – Mental Health for \$702 461.

Success was achieved in other major grants in 2012.

The Bill and Melinda Gates Foundation provided \$3.9 million for a project to increase the levels of pro-vitamin A and iron in East African highland bananas, which will significantly help to address the problem of micronutrient malnutrition in Uganda.

The Queensland Government awarded \$4.8 million to support research into tropical pulses. The project will seek to develop more adaptable varieties of pulses and better farming practices aimed at increasing yields.

QUT was successful in securing two out of three major components of the Queensland Health Children's Initiative funded under the National Partnership Agreement on Preventative Health. Component 1 (Healthy Eating and Physical Activity in Early Childhood – \$2.48 million) is a corporate education program while Component 2 (Targeted Risk Modification for Kids – \$5.043 million) is a commercial research project aimed at reducing the prevalence of overweight and obese children in Queensland.

The Federal Department of Agriculture, Fisheries and Forestry awarded \$1.9 million in funding for a project which will investigate the delivery of cost-effective, verifiable and reliable mitigation strategies to reduce N₂O emissions from Australian agricultural soils.

Of the seven ARC Linkage grants that were awarded nationally in the discipline of Education in 2012, three were awarded to QUT, placing the university first in the country.

This result supports the *Blueprint 3* aim for QUT to be in a 'top-two' position in national competitive grants in at least five areas (education; creative industries; applied mathematics/statistics; information technology; and robotics, avionics and automation).

In addition, two of the 15 ARC Discovery Grants awarded nationally in the field of education, went to QUT, placing the university second nationally.

QUT was awarded the only Discovery grant in the discipline of journalism and professional writing.

Recognition of QUT's national standing in creative industries was also demonstrated with the appointments of Professor Terry Flew to the prestigious ARC's College of Experts (Humanities and Creative Arts) and Professor Andrew McNamara as a fellow of the Australian Academy of Humanities.

QUT's Optometry research group achieved a ranking of three in Excellence in Research for Australia (ERA) 2012, where its research was assessed as being at world standard.

QUT aims to distinguish its health research by a focus on prevention and the use of technology for better health outcomes. In particular, the aim is to be a national research leader in nursing, wound healing, optometry, prostate cancer, and biomedical engineering.

The Australian Centre for Health Services Innovation (AusHSI) was launched in October 2012. AusHSI is a partnership between the Queensland Government, QUT and the Royal Brisbane and Women's Hospital with the goal to deliver research solutions to challenges in health-care delivery through clinical engagement. The partners have contributed \$3.2 million over three years to provide funding support for projects to improve health services.

The work of the QUT-led Wound Healing Cooperative Research Centre (CRC) was recognised in 2012 when two of its researchers received prestigious accolades from the Australian Wound Management Association.

Two researchers from the QUT-led Australian Prostate Cancer Research Centre – Queensland received Prostate Cancer Foundation of Australia research grants in the 2012 funding round.

VitroGro[®]ECM, a novel wound healing therapy, made significant progress in 2012 towards commercial release in the European Union in 2013.

The Medical Engineering Research Facility's Body Bequest Program, which allows for qualified doctors to operate on cadaveric material, learning complicated surgical procedures in a safe environment, received a substantial increase in enquiries and donations in 2012 following an article in the *Courier-Mail's QWeekend*.

In 2012 QUT led six national research centres.

The Blueprint aims for QUT to lead at least six nationally endorsed centres of excellence in thematic areas of strength.

National centres included:

- NHMRC Centre of Research Excellence in Reducing Healthcare Associate Infections
- Wound Management Innovation CRC
- NHMRC Centre of Research Excellence in Sun and Health
- Australian Prostate Cancer Research Centre – Queensland
- ARC Centre of Excellence for Creative Industries and Innovation
- CRC for Infrastructure and Engineering Asset Management.

In the 2012 round QUT was involved in five CRC bids that have progressed to stage two of the application process.

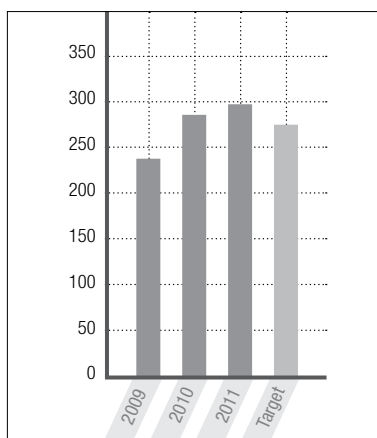
Several QUT research centres were established in 2012. The Children and Youth Research Centre was launched in March 2012. The Faculty of Education is the lead faculty, with strong partnership commitment from the Law, Health, and Creative Industries faculties and QUT Business School. Tier 3 research centres in Health Law, and Crime and Justice were established.

QUT continued to strengthen its impact including through greater research-based involvement in public policy and practice. The university actively engaged in the debate for research impact to be included in a national research assessment scheme through its involvement in the Excellence in Innovation for Australia (EIA) Australian Technology Network (ATN)/Group of Eight (Go8) Impact Trial. QUT researchers are actively engaged in positions that are influencing public policy practice.

Higher degree research (HDR) completions climbed to 294 in 2011, up from 277 in 2010.

A particular aim of *Blueprint 3* is 350 annual HDR completions by 2016.

HDR completions



This is a strong result for QUT. For several years the university has continued to have more HDR completions than the higher education sector average and the ATN and Queensland universities averages. The number of HDR completions has increased by 23 per cent since 2007.

A review of the Nomination of Examiner process was initiated in 2012 to improve the processes for HDR completions. A new online form for the appointment of examiners was launched in 2012, implementing a streamlined process resulting in a considerable saving of time.

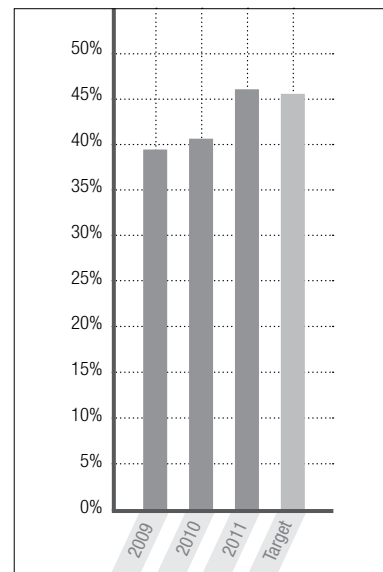
In July 2012, an 'under review to thesis examination' policy was introduced for students who had exceeded maximum candidature timeframes. This will not only assist in increasing the number of HDR completions but also ensure the pool of supervisors at QUT is optimally used.

In 2011 more than 60 per cent of the publications submitted for the HERDC were journal articles compared with 53 per cent in 2009.

A Blueprint aim is for 60 per cent of QUT-published research in journals being in ERA ranked A or A* outlets by 2016.

The ERA 2010 Journal List with rankings was replaced by the ERA 2012 Journal List that has no rankings. As the ranked journal list is no longer maintained, it will not be possible to accurately measure attainment against this criterion.

Publications in ERA A/A* outlets



The higher education sector is currently looking for other ways of assessing quality in publications that is appropriate for art and social science disciplines as well as the sciences.

Since the introduction of ERA, there has been a steady rise in the number of journal articles published at QUT.

Following 2012 ERA outcomes, for QUT at a two-digit Field of Research code level, 95 per cent of the university's research was assessed at being world standard or above, which placed QUT tenth nationally.

The ERA 2012 outcomes were released in December 2012 with the sector overall showing improvement.

At a four-digit Field of Research code level, 88 per cent of QUT's research was assessed at being world standard or above, compared to 75 per cent in 2010.

Benchmarking activities

QUT annually benchmarks its research income, competitive grants performance and block grant funding against other Australian universities, including the ATN.

QUT participates in the National Survey of Research Commercialisation which benchmarks the university against Go8 and ATN universities.

QUT prepared its ERA submission to the ARC in March 2012. This was the second iteration of this assessment.

QUT monitors its performance in global university rankings, including QS World University Rankings, Times Higher Education and the ARWU (Shanghai Jiao Tong). QUT has undertaken modelling and analysis of the core rankings data definitions to ensure the university's performance in these international ranking schemes reflects the investment in people and infrastructure.

QUT is currently working with Thomson-Reuters to ensure the university data recorded in the Web of Science database, and used for the ARWU ranking, is accurate and correctly attributed.

The university is developing an optimal list of academics and employers for QS to use in its reputational survey that forms part of the QS rankings.

In August 2012, QUT submitted 14 case studies for assessment in the ATN/Go8 EIA trial.

Developing a sustainable workforce

Ms Shard Lorenzo, Registrar and Head Administrative Services

Significant reforms were made to the structure of some QUT faculties in 2012.

A key priority of *Blueprint 3* is to develop a sustainable and high-quality workforce profile.

With the establishment of the new Science and Engineering Faculty (SEF) in January 2012, activities for the design and health-related disciplines were transferred to the Creative Industries Faculty and Faculty of Health respectively.

The Creative Industries Faculty implemented a new academic organisational and professional management structure to integrate the School of Design into the faculty.

Significant progress to embed and streamline operations of the newly restructured Faculty of Health was made to capitalise on synergies in teaching, research and engagement.

In 2012 SEF developed a clear vision for the future and mapped values, goals and strategic plans to underpin QUT's aspirations as a leading provider of science, technology, engineering and mathematics education. Six new schools, 21 academic discipline groups,

new leaders and portfolios, and professional and technical support teams were established.

QUT's 2012 workforce planning round focused on identifying and implementing strategies to address key workforce issues and reporting on current strategies, to strengthen QUT's future direction.

A specific aim of *Blueprint 3* is to enhance QUT's recruitment and workforce development programs, including leadership development.

As part of the university's focus on developing a sustainable and high-quality workforce profile, considerable effort was directed to academic workforce regeneration, to continue to grow academic capacity.

Key supporting strategies included maintaining professional staff at or below current levels, and academic salaries as a proportion of total salaries continuing to increase. Additionally, QUT aims for Indigenous staff to be 1.5 per cent of the workforce by 2016.

QUT considered workforce strategies within the framework of capacity, capability and culture. Capacity dealt with both actual number and deployment of positions, capability with knowledge and skill, and culture involved fostering successful service delivery and engaging the workforce.

As part of efforts to strengthen leadership capability, social media was used to attract and recruit outstanding candidates for senior positions in 2012. This trial will be further developed in 2013.

QUT has expanded its staff orientation program with a web-based local 'workplace orientation' module to be available for staff in the first quarter of 2013.

The other two components of QUT's orientation program include a 'Welcome to QUT', a web-based module with important information for new staff, introduced in separate timed stages. This is available as soon as employees have computer access, that is, from the first day. The other part of the orientation is the 'Welcome to QUT Morning Tea and Expo', which is run four times each year, opening with a welcome from the Vice-Chancellor and expo-style information booths to provide on-the-spot details to new staff.

Two online modules on Performance Planning and Review (PPR) were designed and developed for professional staff, academic staff, and supervisors. The module for professional staff was launched in mid-2012 and the module for academic staff will be launched by February 2013.

These modules provide staff and supervisors with immediate access to the PPR process from their workstations and replace regular in-house workshops.

In addition to completing the appropriate online module, supervisors are required to attend a full-day workshop, Performance Conversations, to prepare them for having constructive coaching conversations with staff.

The QUT Staff Code of Conduct has been revised and online Code of Conduct training developed to guide staff and visitors in making ethical decisions and acting in accordance with QUT's expectations of responsible behaviour.

The Code of Conduct provides an important platform for PPR discussions around acceptable behaviour at QUT.

The online module was launched in December 2011 with requirements around completion of the module embedded in appointment documentation for new staff and in PPR documentation for all staff. Promotion and implementation of the new online module continued through 2012.

A number of programs were offered in 2012 for staff to increase their leadership capabilities, including the Leading Others, Strategic Leadership and Women in Leadership programs, and the Senior Leadership Group Annual Conference.

Leaders are increasingly engaging in individual and executive team-based coaching to develop performance, improve engagement with staff, and to achieve change.

A leadership capability framework, developed in consultation with senior staff, was launched in 2012 with related capability development modules available to selected senior staff in a pilot arrangement.

The Leading Others program is designed to assist those who are relatively new to a leadership role. It incorporates the online QUT Quality Leadership Profile, a 360-degree feedback survey for staff to provide feedback across a number of leadership areas.

Since early 2012, QUT has been working closely with the three faculties affected by recent restructures (Science and Engineering, Creative Industries, and Health) to assess needs and design and deliver a suite of leadership modules: Strategy, Culture, Coaching and Self-Leadership.

These three modules are also being offered more widely as the 'releadership' program, the core leadership development tool for QUT's senior leaders.

Elective modules on a range of functionally specific topics, for example, Business Process Improvement, Holistic Systems Thinking, HR Leadership, Research Leadership, and Health and Safety Leadership, have been developed for offer in early 2013.

A website detailing the university's work-life balance framework was launched early in 2012.

The work-life balance framework encompasses a range of policies, programs and structures that support flexible work practices for staff.

These include:

- flexible hours and variable hours arrangements – a staff member can request to vary their span of hours or their work pattern to suit individual circumstances
- reduced working year scheme – a staff member can 'purchase' up to an additional eight weeks annual leave per year
- pre-retirement employment arrangements – in the lead-up to retirement an employee can negotiate reduced hours as part of retirement transition
- leave entitlements – generous maternity and partner leave entitlements are available, along with sick leave and additional personal leave entitlements to assist with 'carer' requirements, and special leave to serve with community groups including the Australian Defence Force and State Emergency Services

- job sharing (professional staff) – voluntary arrangement where staff share a position, with each staff member working on a part-time basis
- workload allocation guidelines.

Work is currently underway to formalise additional work-life balance arrangements which are encouraged, and in place, on an ad-hoc basis throughout the university.

Disaggregated information, for example, on flexible working arrangements, is not available as individual agreements between a staff member and their supervisor are not recorded on the HR system

QUT's work-life balance framework also supports staff who are carers, as defined by the *Carers (Recognition) Act 2008*. These initiatives include the provision of breastfeeding facilities and parenting rooms for nursing mothers.

Staff leave balances are monitored, with supervisors regularly informed of staff members with high recreational and long-service leave accruals; such staff members are then required to take leave.

A major wellness initiative in 2012 was the involvement of 85 teams (595 employees) in the Global Corporate Challenge, a walking-based 'journey around the world'. QUT was awarded second most active training organisation in Australia.

Staff wellness is promoted through the university's 'Wellness Matters' program, which provides resources, training and individual appraisals to encourage staff to attain and maintain healthy lifestyles. During 2012 the program engaged leaders, linked health and wellness activities with community events, and promoted health, safety and wellness to all QUT staff.

QUT staff Full-Time Equivalent (FTE)	2010	2011	2012
Total staff FTE	4275	4310	4247
Full-time/fractional Full-Time (FT/FFT)	3513	3568	3505
Casual *	762	742	742
Academic FT/FFT	1302	1337	1361
Professional FT/FFT	2211	2231	2145
Campus (FT/FFT)			
Gardens Point	1749	1743	1649
Kelvin Grove	1701	1740	1751
Caboolture	44	45	54
Off campus	19	39	50
Academic FT/FFT			
Female	580	600	619
Male	722	737	741
Professional FT/FFT			
Female	1369	1410	1356
Male	842	821	788

*Due to timing, 2012 casual FTE uses 2011 casual FTE
Indigenous staff made up 34.3 FTE of QUT's total staff in 2012.

At 31 August 2011, QUT had 2241 permanent staff. Of these, 237 left QUT between 31 August 2011 and 31 August 2012, a 10.6 per cent permanent separation rate and a 89.4 per cent permanent retention rate. During this period a number of permanent staff positions were made redundant across three faculties.

An online *Manual of Policies and Procedures* in plain English keeps staff informed and educated about all workplace policies and entitlements including the carers' charter. The university website, which was redeveloped with a staff gateway in 2011, also provides quick and concise information. A 'welcome to QUT' link targets new staff, ensuring all staff have relevant information and support. HR advisers also are available to help staff understand their various entitlements.

The terms and conditions of employment for the university's senior, academic and professional staff are provided for within the relevant industrial instruments:

- QUT Employee Collective Agreement (Senior Staff) 2009–2012
- QUT Enterprise Agreement (Academic Staff) 2010–2012
- QUT Enterprise Agreement (Professional Staff) 2010–2012.

These agreements expired in 2012 and negotiations have commenced for replacement agreements for academic and professional staff. The current agreements will continue to apply until terminated or replaced by new enterprise agreements.

The university consults with relevant unions on a range of matters as appropriate, including change processes and policy. Professional

and academic staff consultative committees are also used to consult with relevant unions and staff on various workplace relations issues.

QUT has well documented grievance resolution policies and procedures, with trained staff available to assist with workplace-related grievances and bullying.

During 2012, the university rolled out its harmonisation implementation plan, new associated procedures and codes of practice to manage health and safety in response to the new *Work Health and Safety Act 2011 (Qld)*.

Briefings were provided to managers, senior officers and health and safety committees on responsibilities under the new legislation, including positive general duties on 'Persons Conducting a Business Undertaking (PCBU)' and 'Officers'.

Relevant university policies were reviewed and updated. Health and safety representatives were elected where requested by a work group, and work health and safety officers (WHSOs) were transitioned to health and safety advisers (HSAs).

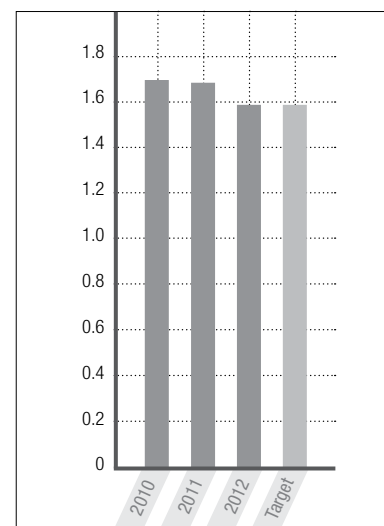
QUT has received an Employer of Choice for Women citation from the Equal Opportunity for Women in the Workplace Agency for the tenth consecutive year.

The Blueprint includes the aim to strengthen QUT's position as a preferred employer. QUT is one of the few organisations to have received the Employer of Choice for Women citation every year since its inception.

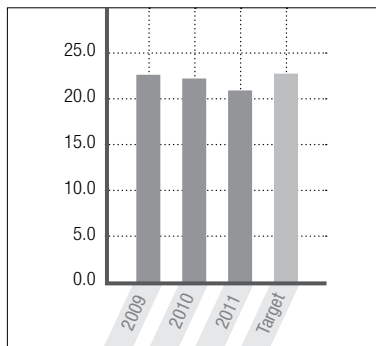
The university has established two key performance indicators for staffing ratios to align with two of the Blueprint aims:

- move the professional staff: academic staff ratio to the sector mid-point by 2016
- improve student: staff ratios to be better than national average by 2016.

Professional to academic staff ratio



Student: staff ratio



Sessional staff make a significant contribution to QUT's academic workforce, and sessional staff full-time equivalent (FTE) data is included in the student: staff ratio.

Two very successful development programs—the Sessional Academic Program (SAP) and the Sessional Academic Success (SAS) pilot—were run for sessional staff in 2012.

SAP involved a series of four incremental, scaffolded academic development opportunities, beginning with an Introduction to Learning and Teaching at QUT (attended by 235 [84 per cent] new sessional staff). Program evaluations increased from 3.5 to 4.6 (on a five-point scale) compared with the earlier approach, and teaching averaged 4.9.

The total number of staff recruited under the Early Career Academic Recruitment and Development (ECARD) program to the end of 2012 was 247, which included 31 staff recruited under the process in 2012.

Thirty-three capacity-building professors have been recruited at the end of 2012.

The Blueprint aims to maintain the momentum of building academic quality and achieving major demographic change by recruiting to the ECARD program and appointing research-capacity professors, including appropriate proportions of women and Indigenous people.

QUT offers a staff development program for ECARD appointees, with 31 participants in 2012. The invitational Mid-Career Academic Development (MCAD) and the Sessional Career Advancement Development (SCAD) programs continued in 2012, with 15 participants in the MCAD program and 59 participants in the SCAD program.

Benchmarking activities

For the professional to academic staff ratio and the student: staff ratio, QUT compares its outcomes to prior years' averages for universities in the Australian higher education sector, Group of Eight, Australian Technology Network and Queensland.

QUT has participated in the UniForum Professional Staff Activity Survey with other sector stakeholders.

Building further QUT's community

Professor Scott Sheppard, Deputy Vice-Chancellor (International and Development)

Construction of the Science and Engineering Centre at Gardens Point, the largest building project in QUT's history, was completed in 2012.

A key priority of *Blueprint 3* is to build further QUT's sense of community. This includes making the two inner-city campuses extremely attractive destinations for students, staff and the wider community.

The Science and Engineering Centre (SEC) was opened to the QUT community on 16 November 2012 and plans made for an official unveiling ceremony in early 2013.

Funding for the SEC was provided by the Australian Government, The Atlantic Philanthropies and the Queensland Government, with the balance being provided by QUT.

The centre houses innovative learning and research spaces that will change the way science, technology, engineering and mathematics (STEM) is delivered at QUT.

It is also home to The Cube, one of the world's largest digital interactive learning and display spaces and the result of collaboration among QUT researchers across several disciplines.

The Cube will be officially launched in 2013 and supported by a broader engagement strategy to promote the SEC and Gardens Point Precinct.

2012 also saw relocations and upgrades to other Gardens Point campus teaching and community facilities, designed to strengthen new academic synergies and collaborations in support of the STEM agenda.

The refurbished Kelvin Grove Library was awarded a 2012 Queensland Architecture Award in the Interior Architecture category.

The Kelvin Grove Library was also awarded a Council for Educational Facility Planners International Regional Award under category 2: Renovation/Modernisation of an entire School/Major Facility.

The QUT Executive Education Centre on Gardens Point was officially opened on 20 November 2012.

This state-of-the-art facility, opened by the Queensland Treasurer and Minister for Trade, provides high-quality, fit-for-purpose teaching spaces for executive-level postgraduate and corporate programs, as well as breakout rooms and communal space for networking outside of the classroom.

Design of the new Creative Industries Stage 2 at Kelvin Grove progressed and is on schedule for completion in 2014.

Creative Industries Stage 2 will provide high-quality teaching and research facilities in music, dance and visual arts and allow the consolidation of all Creative Industries teaching and research space.

In support of the Blueprint aim to further develop QUT's Caboolture campus, the new Library project on the campus was completed.

Funding contributions for the project were made from the Australian Government's Capital Development Pool. In addition, a new staff prefabricated building was installed to accommodate the increased number of staff at the campus.

In other community-building initiatives, Caboolture campus had 3066 school students attending on-campus events during the year.

The 150th anniversary of Old Government House was celebrated on Sunday 6 May 2012.

Her Excellency Ms Penelope Wensley AC, Governor of Queensland, officially opened the celebrations.

In promotion of the Blueprint's 'culture of community', the QUT Business Leaders' Forum celebrated its fifteenth anniversary in 2012.

In September the Business Leaders Forum hosted Steve Wozniak 'The Woz', Co-founder, Apple Computer Inc and Chief Scientist, Fusion-io, as the headline speaker.

Other speakers in 2012 included Harold Mitchell, AC, Executive Chairman, Aegis Media Pacific; Mike Smith, CEO, ANZ; Don Argus, AC, Former Managing Director and CEO of the National Australia Bank; and Bob Bryan, AM, Former Chairman and Founder of Queensland Gas Company.

The Confucius Institute at QUT (CIQ) was again awarded the 'Confucius Institute of the Year' for the second consecutive year.

Developing QUT's international and alumni networks and partnerships is another way the Blueprint seeks to build QUT's sense of community.

CIQ's profile continues to grow. It was one of only four of the world's 358 Confucius institutes invited to judge at the 2012 Chinese Bridge International Chinese Speaking Competition for University Students held in Changsha City, China.

QUT's Chair of the CIQ Board, Professor Scott Sheppard, received the only individual performance award for a Confucius institute in Australia for 2012.

Deeds of Commitment for QUT's partnership with The University of Queensland and Queensland Health to establish the Queensland Children's Hospital Academic Research Facility were finalised in 2012. The construction project is on track for completion in 2014.

QUT Business School hosted the Association of MBAs (AMBA) fifth Asia Pacific Deans and Directors Conference in the new Executive Education Centre.

This was the first time that the conference has been held outside of Asia and the first time that AMBA have held an event in Australia. The QUT Business School was specifically invited as an accredited partner school to host this event.

During 2012 SEF participated in the TechNet conference and the Computational Techniques and Applications conference, both

hosted by QUT. The university was a major sponsor and exhibitor for the International Geological Conference, and a sponsor of the International Conference on Computational Methods.

QUT's sense of community was fostered through a culture of scholarship, service and high achievement from many QUT staff in 2012.

Dr Juliana McLaughlin was appointed as President of the Australia and New Zealand Comparative and International Education Society.

Innovative architectural projects by Associate Professor Kathi Holt-Damant, Marissa Lindquist and Dr Ian Weir were selected for inclusion in the *Formations Catalogue: New Practices in Australian Architecture* at the Venice Architecture Biennale 2012 Exhibition. QUT academics represented 10 per cent of the architects published this year at the most important event on the international contemporary architecture calendar.

Distinguished Professor Stuart Cunningham has been appointed as a member of the Cooperative Research Centre Committee for five years. He has also been appointed to the Screen Queensland Board Creative Taskforce.

Professor Terry Flew has returned from his position as a Commissioner to the Australian Law Reform Commission and has been appointed to the Australian Research Council College of Experts and elected Vice-Chair of the Global Communication and Social Change Division of the International Communication Association.

Professor Andrew McNamara was elected as a Fellow of the Australian Academy of the Humanities.

Professor Ann Farrell was awarded an Honorary Doctor of Education from Gothenburg University in recognition of her high-calibre work with this university for many years.

Professor Nanette Bahr was appointed President of the Australian Teacher Education Association.

Professor Tom Cooper, Dr Gillian Kidman and the staff of the Yumi Deadly Centre received the 2012 Group Training Partnership Award by Group Training Australia for the GIVE Project which has been running in the Rockhampton region.

Professor Helen Edwards was awarded the 2012 Sigma Theta Tau International Honor Society of Nursing: International Hall of Fame for the significant impact her research has made to the nursing profession internationally.

Professor Joanne Wood received the prestigious Aulhorn Award at the International Visual Field and Imaging Symposium.

Professor Andrew Wilson received the 2012 Sidney Sax Medal of the Australian Healthcare and Hospitals Association for his contribution to health services policy, organisation, delivery and research.

Professor Judith Clements received the Women in Technology Outstanding Achievement Award 2012.

Professor Robyn Nash, Pamela Lemcke and Rena Frohman received a Best Practice in International Education Award from the International Education Association of Australia for the Connections for Learning Program.

Professor Per Davidsson was presented with the Academy of Management's Entrepreneurship Division's Award for 'Best Conceptual Paper'.

Associate Professor Gayle Kerr received the prestigious American Academy of Advertising Billy I Ross Advertising Education Award, recognising innovative work that advances the field of advertising education.

Professor Dietmar Hutmacher has had outstanding career success: in 2012 he received the Australasian Society for Biomaterials and Tissue Engineering Award for Research Excellence; he was made a Fellow of the International Union of Societies for Biomaterials Science and Engineering; and was awarded a Founding Fellowship by the Tissue Engineering and Regenerative Medicine Society.

Law School graduate Andrew Trotter's selection as the Queensland 2013 Rhodes Scholar was an exemplar of QUT student and alumni achievement in 2012.

Others examples included PhD student Connor O'Meara who won the national AusBiotech-GSK student excellence award which promotes commercial translation of bioscientific research.

'Real Studio: Murphy's Creek BNT' won the Hodgen Award for Building of the Year and a 2012 Australian Institute of Architects National Architecture Award for a new rural agricultural shed, which replaced the previous facilities destroyed in the 2011 south-east Queensland flood.

QUT graduates and adjunct professors Tracey Robertson and Nathan Mayfield received an Emmy nomination for their innovative transmedia youth program SLIDE.

A radio documentary produced by QUT student Amanda Gearing as part of her Master of Arts thesis, *The day that changed Grantham*, won a Walkley Award for Excellence in Journalism.

A group of QUT third-year Interior Design students, who designed a piece of laneway furniture that uses the surrounding built environment and activates the space it inhabits, won first prize in the 2012 Furniture Industry of Australia Awards.

QUT Acting graduate Anna McGahan won the 2012 Australians in Film Health Ledger Scholarship and Brenton Thwaites was cast as Prince Charming in Disney's film *Maleficent*, which also stars Angelina Jolie and Elle Fanning.

Creative Industries graduate Wayne Blair's movie *The Sapphires*, starring graduate Deborah Mailman, was previewed in Cannes and went on to worldwide release.

Expressions Dance Company, headed by artistic director and Creative Industries graduate Natalie

Weir, won two Australian Dance Awards for Outstanding Achievement in Choreography for her signature work *R&J* and dance graduate, Elise May, won Outstanding Performance by a Female Dancer.

PhD graduate Kyra Hamilton was selected by the European Health Psychology Society to receive the Herman Schaalma Award for thesis of the year.

QUT won the 2012 Oxford International Property Law Moot competition.

QUT Business School's International Student Case Competition Team continued their enormous success in winning national and international business case competitions throughout 2012.

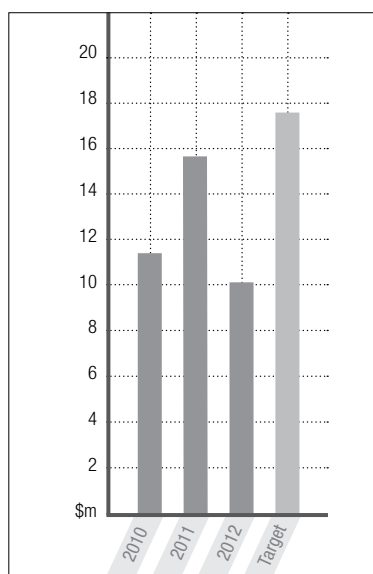
In 2012 QUT's philanthropy income was \$10.3 million, with a further \$17 million worth of corporate grants and sponsorships.

QUT has established a key performance indicator for philanthropy income, which is defined as gifts and donations to the university. This includes gifts by individuals, alumni and staff and grants made by philanthropic organisations.

The Learning Potential Fund was bolstered in 2012 with significant donor pledges, outstanding program performance and the highly successful 'Buy an L Block Brick' campaign.

The culture of giving among staff at QUT continues to flourish with the number making a contribution continuing to grow: from 182 in 2010, 290 in 2011 to 332 in 2012.

Philanthropy income



Focusing on sustainability

Professor Tom Cochrane, Deputy Vice-Chancellor
(Technology, Information and Learning Support)

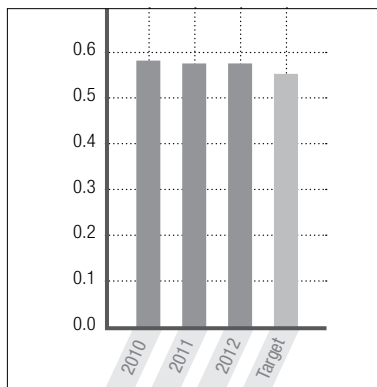
Mr Stephen Pincus, Executive Director (Finance and Resource Planning)

QUT is sharpening its focus on environmental sustainability through academic activities (coursework and research) and its own operations.

One key priority of *Blueprint 3* is to focus on the various dimensions of QUT's sustainability—environmental, social and economic.

The university has set an energy use target at 0.51 GJ/m² GFA by 2016. This target is one of the university's key performance indicators.

Annual energy intensity in GJ/m² GFA



In 2012, staff in 88 Musk Avenue at Kelvin Grove and in all buildings at Gardens Point campus participated in the 'bin exchange' program.

This was one of many activities undertaken by QUT to enhance its environmental sustainability.

QUT encourages, uses and provides sustainable transport options. The free 391 intercampus bus shuttle service carried in excess of 600 000 staff and students in 2012.

In support of financial sustainability, QUT has embarked on a major upgrade to its financial systems commencing in 2012, with a planned go-live in the second half of 2013.

The Blueprint aims to continue to integrate information and communication technologies into teaching, research, business support functions and infrastructure and, in support of this aim, 2012 saw major investment in the university's information and communication technologies.

QUT's IT Disaster Recovery Plan and testing proved the failover capability of major corporate systems. Decommissioning of legacy hardware was undertaken to reduce IT risk.

The High Performance Computing upgrade improved computing power by a factor of four and storage capacity by a factor of 10.

2012 saw the implementation of significant recommendations from the client computing review around the development of a central coordinated procurement model.

A number of improvements were made to QUT Blackboard in 2012. These included configuration and infrastructure updates, resulting in greater stability with faster page request responses. In addition, the upgrade from Elluminate Live! to Blackboard Collaborate was successfully completed in January.

The QUT Blackboard Mobile interface developed by the university was released to students and staff on 25 July 2012. Students and staff can access QUT Blackboard Mobile from a range of mobile devices.

The QUT Media Warehouse was officially launched on 5 October 2012.

This innovative project will deliver a rich media repository housing high-value, reusable assets. The repository takes an open access approach to managing the availability of media assets. It will be integrated with a range of corporate systems, extending its value across many of the university's business activities.

The Learning and Teaching in Collaborative Environments Project, which aims to support effective and pedagogically sound use of QUT's new learning spaces, has made strong progress throughout 2012.

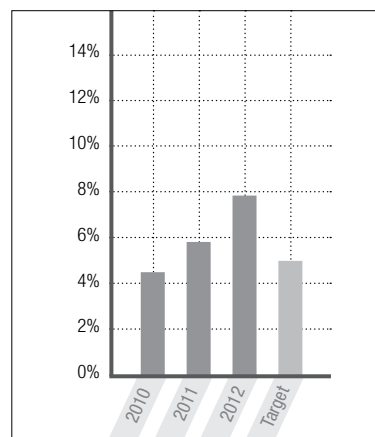
Activities include the implementation of a range of support strategies (induction training, learning community, resource development) as well as delivery of a pilot program as part of the Graduate Certificate unit IZN005 and support in the development of the Bachelor of Science curriculum.

During 2012, QUT undertook a review of its internal budget model.

QUT aims to strengthen and diversify its resource base to support the aims of the Blueprint and maintain financial viability by achieving an appropriate underlying budget surplus.

QUT has established a key performance indicator for the underlying operating margin, with the target of five per cent over three years.

Underlying operating margin



A review report of the QUT budget model, including short-, medium- and longer term recommendations was developed, with amendments agreed for the Relative Funding Model and budget process.

Monthly financial management reports were prepared in 2012 to provide more regular updates to the Executive, Planning and Resources Committee and QUT Council.

The implementation of a costing methodology progressed during the year.

The university has achieved significant improvements to its return on investment in 2012.

QUT made these improvements through actively managing its short-term cash funds, minimising foreign currency exchange risk through negotiating derivative (hedging) arrangements, and negotiating favourable rates for long-term commercial borrowings to support the major capital program.

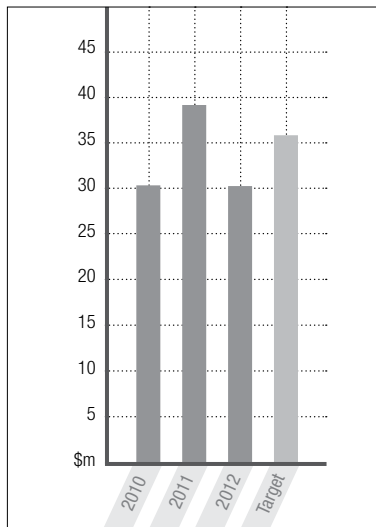
In May 2012, QUT appointed a Deputy Vice-Chancellor (Corporate Programs and Partnerships), whose role includes further developing QUT's corporate education profile.

During the year, QUT's faculties reviewed their postgraduate and domestic fee-paying course offerings.

Over the next two years, QUT will seek to build deeper relationships with corporate and government communities, and introduce new, more flexible education programs across faculties.

QUT has adopted domestic fee-paying income as a key performance indicator.

Domestic fee-paying income



Benchmarking activities

QUT compares its outcomes to prior years' averages for universities in the Australian higher education sector, Group of Eight, Australian Technology Network and Queensland.

QUT's intercampus bus service was highly rated in the International Student Barometer survey achieving second out of the 33.

Financial summary

Summary

The university has continued to manage its resources diligently to generate a solid surplus whilst maintaining a strong balance sheet which supports a significant capital development plan within an increasingly competitive and resource intensive higher education sector.

The university's financial position remains strong, underpinned by considerable holdings of property, plant and equipment and liquid assets (cash and investments) with relatively low debt to equity ratio.

The 2012 operating surplus of \$102.5 million was well above the 2012 original budget of \$12.3 million. Revenue was \$110.1 million higher while expenditure was \$19.9 million (or 2.7 per cent) higher. The increase in revenue when compared to the original budget in 2012 was predominantly due to assumptions in the budget around timing of receipt of Capital Grants from the Education Investment Fund (EIF), unbudgeted revenue from the Higher Education Participation and Partnership (HEPP) Program, an increase in overseas

student fees driven by increased International student load, increased Commonwealth Grant Scheme revenue and HECS revenue driven by increased student load, and significant turnaround in investment returns from QIC trust distributions and unrealised gains.

Provided below is an assessment of year on year performance.

Income statement

Income (\$873 million, increased \$65 million or 8 per cent)

Australian Government financial assistance increased \$30 million (9 per cent) primarily through increased student load attracting additional revenue under the demand-driven funding model. Contributing to this overall increase was additional funding of \$12.7 million for the HEPP program, Australian Research Council fellowship grants increase of \$3.6 million, and increased research grants of \$2.3 million. These results were partly offset by decreases in Capital Funding from the EIF totalling \$12.5 million

and Capital Development Pool \$4.3 million as the completion of infrastructure projects has progressed across 2011 and 2012.

The Higher Education Loan Program payments contributed a further increase to income of \$13 million (9 per cent) aligned with increases in student load.

State Government funding increased approximately \$4 million (32 per cent), mainly through the recognition of \$1.9 million grant contribution through the Innovation Building Fund towards the construction of the new Science and Engineering Centre which houses the Institute for Future Environments.

The increase in fees and charges was largely driven by the introduction in semester 2, 2012 of the Student Services and Amenities Fee, which contributed \$2.2 million in up-front student fee payments.

Other revenue and income decreased by \$3.7 million primarily due to the once-off recognition in 2011 of a large donation of artwork valued at \$5 million to QUT's William Robinson Art Collection.

Investment income benefitted substantially in 2012 from improved equity market conditions which drove a \$21.5 million unrealised gain on investments. This was a significant turnaround from the \$25.6 million unrealised loss recorded in 2011.

Expenses (\$770 million, increased \$21 million or 3 per cent)

Employee-related expenses increased \$20 million (5 per cent) driven by a combination of factors including enterprise bargaining agreement salary rate increases; and the effects of the introduction in 2011 of new entitlements for academic and senior staff to accrued unused annual recreation leave each year. The university is taking active management of the leave liability to mitigate the impact of this entitlement.

Finance Costs increased by \$0.8 million associated with the first drawdown on a commercial loan for the construction of the Science and Engineering Centre in 2012.

Other expenses increased by \$24 million (11 per cent) of which Consultants and Contractors has increased by \$11.6 million primarily associated with Commonwealth-funded programs for the Focus Schools Next Steps Initiative and contributions to Collaborative projects have increased by \$6.1 million largely driven by the transfer of HEPP program payments to collaborating bodies.

Operating Result and Margin (\$102.5 million, increased \$64 million or 35 per cent)

The university achieved a solid operating surplus of \$102.5 million or 11.7 per cent operating margin (2011: \$63.6 million or 8.1 per cent). This year's operating result represents an increase of \$38.9 million when compared to prior year.

Underlying Operating Result and Margin (\$62.3 million or 7.8 per cent)

The 2012 operating result includes the upfront recognition of multi-year income for programs such as the Focus Schools Next Step Initiative and impacts of abnormal income, expense and unrealised losses. When these impacts are excluded by applying a standard approach recommended by the Australian Institute of Company Directors, the underlying operating result and margin are \$62.3 million and 7.8 per cent respectively. This is a very positive result above the benchmark target rate of 5.0 per cent across the budget triennium.

Financial position

The Statement of Financial Position outlines the financial strength of the university and its capacity to meet current obligations and support long-term priorities.

Net Assets (\$1.286 million, increased \$91 million or 8 per cent)

QUT's net asset position as at 31 December 2012 was \$1.286 million representing an increase of \$91 million (8 per cent). This increase was driven by several key factors including:

- an increase in current assets totalling \$139 million driven by an increase in cash and cash equivalents of \$46 million to cover cash flow needs in the capital program; increase of \$69 million in current receivables impacted by the change to the timing of student invoicing for first and second semester 2013; and a net increase of \$24 million in other financial assets flowing from unrealised gains in investments;

- the increase in non-current assets totalling \$110 million driven by property, plant and equipment increases of \$96 million where the major contributor was the construction in progress on the Science and Technology Precinct at Gardens Point;
- an increase in current liabilities of \$89 million with the main contributor being the change in timing of invoicing student fees for first and second semester in 2013;
- an increase in non-current liabilities totalling \$68 million due to the \$60 million draw-down of a commercial loan for the construction of the Science and Engineering Centre; \$5 million NPV adjustment on State Government interest free loans; and \$3.7 million increase in long service liability.

Liquidity Ratio (2.3:1)

The university's liquidity ratio of current assets to current liabilities is currently placed at 2.3:1. This is well within the generally accepted better practice range for universities of 1.5 to 3.0. This outcome is at the higher end of the range though is deemed appropriate given the active management of funds held in cash and cash equivalents for the purpose of supporting the university's strategies and significant asset management plan.

In conclusion, the university produced a solid underlying operating result for 2012 and the financial position remains strong to support the university's budgeted plans, objectives and longer term aspirations.

Queensland University of Technology
Income statement
For the year ended 31 December 2012

	Notes	Consolidated		Parent entity	
		2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Revenue from continuing operations					
Australian Government financial assistance					
Australian Government grants	2	351,697	321,712	351,455	321,712
HELP - Australian Government Payment	2	165,012	151,594	165,012	151,594
State and Local Government financial assistance	3	15,458	11,805	15,454	11,685
HECS-HELP - Student payments		23,488	23,295	23,488	23,295
Fees and charges	4	167,050	164,228	167,075	163,901
Investment revenue	5	20,069	25,829	19,976	25,754
Royalties, trademarks and licences	6	550	99	414	90
Consultancy and contracts	7	57,997	55,730	58,055	55,692
Other revenue	8	49,870	53,929	50,592	54,310
Total revenue from continuing operations		851,191	808,221	851,521	808,033
Gains on disposal of assets		24	3	24	3
Other investment income	5	25,023	-	21,535	-
Total other income from continuing operations		25,047	3	21,559	3
Total revenue and income from continuing operations		876,238	808,224	873,080	808,036
Expenses from continuing operations					
Employee related expenses	9	455,943	435,485	453,786	433,656
Depreciation and amortisation	10	47,695	48,219	47,654	48,172
Repairs and maintenance	11	25,456	22,978	25,448	22,959
Borrowing costs	12	2,815	1,974	2,815	1,974
Impairment of assets	13	402	(8)	400	(17)
Losses on disposal of assets		115	997	111	986
Other expenses	14	240,980	217,764	240,331	216,419
Investment losses	5	-	16,971	-	20,268
Total expenses from continuing operations		773,406	744,380	770,545	744,417
Operating result attributable to members of Queensland University of Technology		102,832	63,844	102,535	63,619

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

Queensland University of Technology
Statement of comprehensive income
For the year ended 31 December 2012

	Notes	Consolidated		Parent entity	
		2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Operating result attributable to members of Queensland University of Technology		102,832	63,844	102,535	63,619
Other comprehensive income					
Gain / (loss) on revaluation of land and buildings, net of tax	19	(11,699)	(126)	(11,699)	(126)
Gain / (loss) on revaluation of available for sale assets, net of tax	18	(92)	74	-	255
Total other comprehensive income		<u>(11,791)</u>	<u>(52)</u>	<u>(11,699)</u>	<u>129</u>
Total comprehensive income attributable to:					
Members Queensland University of Technology		<u>91,041</u>	<u>63,792</u>	<u>90,836</u>	<u>63,748</u>
		<u>91,041</u>	<u>63,792</u>	<u>90,836</u>	<u>63,748</u>

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

Queensland University of Technology
Statement of financial position
As at 31 December 2012

		Consolidated		Parent entity	
	Notes	2012	2011	2012	2011
		\$'000	\$'000	\$'000	\$'000
Assets					
Current assets					
Cash and cash equivalents	15	135,631	88,281	131,773	86,069
Receivables	16	116,489	47,125	116,219	46,712
Inventories	17	3,091	3,240	3,094	3,244
Other financial assets	18	195,322	171,535	195,258	171,445
Total current assets		<u>450,533</u>	<u>310,181</u>	<u>446,344</u>	<u>307,470</u>
Non-current assets					
Receivables	16	41,389	30,707	41,389	30,700
Other financial assets	18	39,244	36,437	42,946	38,495
Property, plant and equipment	19	1,022,944	926,789	1,022,926	926,738
Intangible assets	20	32,855	34,675	32,847	34,665
Total non-current assets		<u>1,136,432</u>	<u>1,028,608</u>	<u>1,140,108</u>	<u>1,030,598</u>
Total assets		<u>1,586,965</u>	<u>1,338,789</u>	<u>1,586,452</u>	<u>1,338,068</u>
Liabilities					
Current liabilities					
Trade and other payables	21	40,509	32,854	40,242	32,286
Borrowings	22	899	-	899	-
Provisions	23	64,222	55,380	64,112	55,278
Other liabilities	24	92,368	20,777	92,353	20,777
Total current liabilities		<u>197,998</u>	<u>109,011</u>	<u>197,606</u>	<u>108,341</u>
Non-current liabilities					
Trade and other payables	21	-	150	-	-
Borrowings	22	77,726	13,499	77,726	13,499
Provisions	23	20,437	16,671	20,393	16,642
Other liabilities	24	4,736	4,431	4,736	4,431
Total non-current liabilities		<u>102,899</u>	<u>34,751</u>	<u>102,855</u>	<u>34,572</u>
Total liabilities		<u>300,897</u>	<u>143,762</u>	<u>300,461</u>	<u>142,913</u>
Net assets		<u>1,286,068</u>	<u>1,195,027</u>	<u>1,285,991</u>	<u>1,195,155</u>
Equity					
Reserves	25(a)	317,586	361,386	317,568	361,276
Retained earnings	25(b)	968,482	833,641	968,423	833,879
Parent entity interest		<u>1,286,068</u>	<u>1,195,027</u>	<u>1,285,991</u>	<u>1,195,155</u>
Total equity		<u>1,286,068</u>	<u>1,195,027</u>	<u>1,285,991</u>	<u>1,195,155</u>

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

Queensland University of Technology
Statement of changes in equity
For the year ended 31 December 2012

	Consolidated			Parent				
	Endowment Reserve \$'000	Revaluation Reserve \$'000	Retained Earnings \$'000	Total \$'000	Endowment Reserve \$'000	Revaluation Reserve \$'000	Retained Earnings \$'000	Total \$'000
Balance at 1 January 2011	29,685	329,429	772,121	1,131,235	29,685	329,138	772,584	1,131,407
Income statement	-	-	63,844	63,844	-	-	63,619	63,619
Gain/(loss) on revaluation of property, plant & equipment	-	(126)	-	(126)	-	(126)	-	(126)
Gain/(loss) on revaluation of available-for-sale assets	-	74	-	74	-	255	-	255
Total comprehensive income	-	(52)	63,844	63,792	-	129	63,619	63,748
Transfers - Endowment reserve / Retained surplus	2,324	-	(2,324)	-	2,324	-	(2,324)	-
Balance at 31 December 2011	32,009	329,377	833,641	1,195,027	32,009	329,267	833,879	1,195,155

	Consolidated			Parent				
	Endowment Reserve \$'000	Revaluation Reserve \$'000	Retained Earnings \$'000	Total \$'000	Endowment Reserve \$'000	Revaluation Reserve \$'000	Retained Earnings \$'000	Total \$'000
Balance at 1 January 2012	32,009	329,377	833,641	1,195,027	32,009	329,267	833,879	1,195,155
Income statement	-	-	102,832	102,832	-	-	102,535	102,535
Gain/(loss) on revaluation of property, plant & equipment	-	(11,699)	-	(11,699)	-	(11,699)	-	(11,699)
Gain/(loss) on revaluation of available-for-sale assets	-	(92)	-	(92)	-	-	-	-
Total comprehensive income	-	(11,791)	102,832	91,041	-	(11,699)	102,535	90,836
Transfers - Endowment reserve / Retained surplus	(32,009)	-	32,009	-	(32,009)	-	32,009	-
Balance at 31 December 2012	-	317,586	968,482	1,286,068	-	317,568	968,423	1,285,991

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

Queensland University of Technology
Statement of cash flows
For the year ended 31 December 2012

	Notes	Consolidated		Parent entity	
		2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Cash flows from operating activities					
Australian Government grants received	2(h)	518,788	469,916	518,546	469,916
OS - HELP (net)	2(h)	33	22	33	22
State Government grants received		9,049	7,292	9,045	7,172
Local Government grants received		18	28	18	28
HECS-HELP - Student payments		23,488	23,295	23,488	23,295
Receipts from student fees and other customers		265,732	258,510	266,211	258,086
Dividends received		-	132	-	132
Interest received		9,245	7,038	9,152	6,963
Payments to suppliers and employees (inclusive of GST)		(701,912)	(679,319)	(698,703)	(675,991)
Interest paid	12	(2,110)	-	(2,110)	-
Net cash provided by / (used in) operating activities	33	122,331	86,914	125,680	89,623
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment		306	953	306	953
Refund of imputation credits from ATO		619	500	619	500
Distributions received		10,824	18,160	10,824	18,160
Advances of cash into investment fund		(10,824)	(18,160)	(10,824)	(18,160)
Payments for additional investment in subsidiary		-	-	(5,000)	(2,566)
Payments for property, plant and equipment		(152,818)	(112,827)	(152,813)	(112,804)
Payment for intangible assets		(1,453)	(1,995)	(1,453)	(1,995)
Net cash provided by / (used in) investing activities		(153,346)	(113,369)	(158,341)	(115,912)
Cash flows from financing activities					
Loan drawdowns		79,173	13,457	79,173	13,457
Repayment of loan principal		(808)	-	(808)	-
Net cash provided by / (used in) financing activities		78,365	13,457	78,365	13,457
Net increase / (decrease) in cash and cash equivalents					
Cash and cash equivalents at the beginning of the financial year		88,281	101,279	86,069	98,901
Cash and cash equivalents at the end of the financial year	15	135,631	88,281	131,773	86,069

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

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1 Summary of significant accounting policies

The significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report includes separate financial statements for the Queensland University of Technology (QUT) as the parent entity and the consolidated entity consisting of QUT and its subsidiaries.

(a) Basis of preparation

The annual financial statements represent the audited general purpose financial statements of Queensland University of Technology. They have been prepared on an accrual basis and comply with the Australian Accounting Standards.

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

- *Higher Education Support Act 2003 (Cwlth)* (Financial Statement Guidelines)
- *Financial Accountability Act 2009 (Qld)* and the *Financial and Performance Management Standard 2009*.

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

Date of authorisation for issue

The annual financial report was authorised for issue by the Audit and Risk Management Committee on delegation of University Council as per the Certificate of the Queensland University of Technology.

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 (including derivative instruments) 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 judgement in the process of applying the consolidated entities accounting policies. Such estimates, judgements and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods as relevant.

Estimates and assumptions that have a potential significant effect are outlined in the following financial statement notes:

- Property, Plant and Equipment (note 19).
- Provisions (note 23).
- Contingencies (note 28).

The Australian government passed its Clean Energy Act in November 2011 with a start date of 1 July 2012. The legislation will result in the introduction of a price on carbon emissions made by Australian businesses from 1 July 2012.

The flexible market-based price phase of the carbon pricing mechanism will commence on 1 July 2015. It will be preceded by a three-year period during which the price of permits will be fixed at \$23 per tonne or carbon dioxide equivalent in year one, \$24.15 in year two and \$25.40 in year three.

Section 4.3.4 of Queensland Treasury's report on 'Carbon Price Impacts for Queensland' dated August 2011 indicates that, for non-residential construction activities, costs may increase by between 0.7 per cent and 0.8 per cent over the period 2012-13 to 2015-16.

On this basis and other information available, the introduction of the carbon pricing mechanism is not expected to have a significant impact on QUT's critical accounting estimates, assumptions and management judgements.

Changes in accounting policy and methodology and prior period error

In 2012 there has been no changes in accounting policy or methodology and also there are no prior period errors to report.

1 Summary of significant accounting policies (continued)

(b) Basis of consolidation

(i) *Subsidiaries*

The consolidated financial statements incorporate the results, assets and liabilities of all subsidiaries of QUT (parent entity) as at 31 December 2012. QUT and its subsidiaries together are referred to in this financial report as the consolidated entity.

Subsidiaries are all those entities (including special purpose entities) over which the consolidated entity has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the consolidated entity controls another entity.

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

The purchase method of accounting is used to account for the acquisition of subsidiaries by the consolidated entity (refer to note 1(g)).

Inter-company 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.

(ii) *Associates*

Associates are entities over which the consolidated entity has significant influence, but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are not accounted for using the equity method of accounting, due to materiality. Investments in listed securities are recorded at fair value and unlisted securities are recorded at the lower of cost and fair value.

(iii) *Joint ventures*

Joint venture operations

Interests in the assets, liabilities and expenses of joint venture operation are incorporated in the financial statements under the appropriate headings. Details of joint venture operations are set out in note 32.

(c) Foreign currency translation

(i) *Functional and presentation currency*

Items included in the financial statements of each of the consolidated entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in Australian dollars, which is QUT's functional and presentation currency.

(ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the income statement.

(iii) *Consolidated entity companies*

The results and financial position of all the consolidated entity's subsidiaries (none of which has the currency of a hyperinflationary economy) do not have a functional currency different from the 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.

1 Summary of significant accounting policies (continued)

The consolidated entity recognises revenue when: the amount of revenue can be reliably measured and it is probable that the 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 measured until all contingencies relating to the sale have been resolved. The consolidated entity bases 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:

(i) Government Grants

QUT treats operating grants received from Australian Government entities as income in the year of receipt (refer note 2). Grants are recognised at fair value where QUT obtains control of the right to receive the grant, it is likely that economic benefits will flow to QUT and it can be reliably measured.

(ii) Student fees and charges (including Government Loan Programs)

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 income is treated as unearned revenue. Fees and charges relating to debtors are recognised as revenue in the year to which the prescribed course relates.

(iii) Human resources

Contract revenue is recognised in line with the percentage of the service performed. Other human resources revenue is recognised when the service is provided.

(iv) Lease income

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

(v) Sale of goods

Revenue from the sale of goods is recognised upon the delivery of the goods to customers.

(e) Income tax

QUT is exempt from income tax under Subdivision 50-B of the *Income Tax Assessment Act 1997*, however the following subsidiaries are not:

- GeneCo Pty Ltd
- Brisbane Business School Pty Ltd
- QUT Enterprise Holdings Pty Ltd
- QUT Enterprise Holdings Trust
- qutbluebox Pty Ltd
- QUT bluebox Trust
- Creative Industries Precinct Pty Ltd

For the 2012 Financial Statements, the consolidated entity has not incurred an income tax liability. However, should an income tax liability be incurred in the future, deferred tax assets will be recognised for unused tax losses in cases where it is probable that future taxable amounts will be available to utilise those losses.

Income tax on cumulative timing differences will also be set aside to the deferred tax liability or the deferred tax asset account at the rates which are expected to apply when those timing differences reverse.

(f) Leases

Leases of property, plant and equipment, where the consolidated entity, as lessee, has substantially all the risks and rewards of ownership, are classified as finance leases (note 19). As at 31 December 2012, the consolidated entity had not entered into any finance leases.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases (note 29). 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, where material.

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

1 Summary of significant accounting policies (continued)

(g) Business combinations

The purchase method of accounting is used to account for all business combinations, including business combinations involving entities or businesses under common control, regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange.

(h) Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Value in use is assessed as the depreciated replacement cost of land, buildings and leasehold improvements and the depreciated cost of other property, plant and equipment.

(i) Cash and cash equivalents

For statement of cash flow presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, term deposits, and other short-term, highly liquid investments. These investments have 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.

(j) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Cash flows relating to short term receivables are not discounted if the effect of discounting is immaterial, as their carrying amount is assumed to approximate their fair value.

Trade and other receivables are due for settlement within 21 days. Debtors arising from student fees are recognised at the 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 uncollectable are written off.

A provision for impairment of receivables is established when there is objective evidence that the consolidated entity will not be able to collect all the 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 90 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is recognised in the income statement.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recorded in the income statement against 'impairment of assets'. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables, with subsequent recovery of amounts previously written off credited against 'impairment of assets' in the income statement.

(k) Inventories

(i) Raw materials and stores

Raw materials and stores are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and other costs directly attributable to the acquisition of the item. Costs are assigned to individual items of inventory on the basis of weighted average cost. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(ii) Bookshop

Inventories are stated at the lower of cost and net realisable value. Cost is determined using a weighted average method of calculation.

1 Summary of significant accounting policies (continued)

(l) Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale and stated at the lower of their carrying amount and fair value less costs to sell, if their carrying amount will be recovered principally through a sale transaction rather than through continued use.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale, that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale.

As at 31 December 2012, the consolidated entity did not have any non current assets (or disposal groups) held for sale or any discontinued operations.

(m) Investments and other financial assets

The consolidated entity classifies its investments in the following categories; financial assets at fair value through profit or loss; loans and receivables; and available-for-sale financial assets. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading. Financial assets in this category are classified as current assets, if acquired principally for the purpose of selling in the short term, or as non-current assets if management does not intend to dispose of the investment within 12 months of the statement of financial position date.

The University classifies a portion of its investments with Queensland Investment Corporation (QIC) as non-current assets, which represent the endowment funds. These investments are used to fund scholarships, prizes, sponsorships and research initiatives.

(ii) 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 balance sheet date which are classified as non-current assets. Loans and receivables are included in receivables in the statement of financial position.

(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 management intends to dispose of the investment within 12 months of the statement of financial position date.

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.

(n) Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The University designates certain derivatives as either; (1) hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or (2) hedges of highly probable forecast transactions (cash flow hedges).

(i) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in fair value of the hedged asset or liability that are attributable to the hedged risk.

(ii) Cash flow hedge

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

1 Summary of significant accounting policies (continued)

Amounts that have been recognised in other comprehensive income are reclassified from equity to profit or loss as a reclassification adjustment in the periods when the hedged item affects profit or loss (for instance when the forecast sale that is hedged takes place). The gain or loss relating to the effective portion of forward foreign exchange contracts hedging export sales is recognised in the income statement within 'sales'.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in other comprehensive income from the period when the hedge was effective shall remain separately in equity until the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was recognised in other comprehensive income shall be reclassified to profit or loss as a reclassification adjustment.

(iii) Derivatives that do not qualify for hedge accounting

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

(o) Fair value estimation

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

The fair value of financial instruments traded in active markets (such as available-for-sale securities) is based on quoted market prices at the statement of financial position date. The quoted market price used for financial assets held by the consolidated entity is the current bid price.

For those financial instruments not traded in active markets other valuation techniques are applied, including adopting the investee's net assets as a fair value measure.

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, which is available to the consolidated entity for similar financial instruments.

(p) Property, plant and equipment

Asset recognition thresholds:

(i) Land

Land purchased with a value equal to or greater than \$1 is recorded at cost.

(ii) Buildings (including heritage buildings and land improvements)

Buildings constructed since the last revaluation with a value equal to or greater than \$10,000 are initially recorded at cost.

Buildings which are capable of disaggregation into significant components are recorded as complex assets, so that the significant components and their remaining service potential are identified and depreciated independently to provide more reliable and relevant information. Buildings which are not capable of disaggregation into significant components are recorded as minor buildings.

Heritage buildings are entered or provisionally entered on the Queensland Heritage Register pursuant to the *Queensland Heritage Act 1992*.

(iii) Major plant and equipment

This asset class may be used at management discretion and includes assets with high price volatility, for example, specialised vehicles, shipping vessels and earthmoving equipment. The consolidated entity has not classified any assets within the 'Major plant and equipment' category.

(iv) Plant and equipment

Plant and equipment with a value equal to or greater than \$5,000 is initially recorded at cost. However, plant and equipment donated to the consolidated entity is recorded at the consolidated entity's estimate of fair value in the year of donation.

(v) Leasehold improvement assets

Leasehold improvement assets with a value equal to or greater than \$10,000 are initially recorded at cost.

(vi) Library – Reference

The consolidated entity does not hold any assets within the 'Library – Reference' category.

1 Summary of significant accounting policies (continued)

(vii) Heritage and cultural assets

Art collection purchases are initially recorded at cost. However, artwork donated to the consolidated entity is recorded at the consolidated entity's estimate of fair value in the year of donation.

Depreciation

Depreciation on assets is calculated using the straight-line method to allocate cost (or re-valued amounts), net of residual values, over estimated useful lives. An assets' useful life is reviewed and adjusted if necessary each year. The following is a schedule of useful lives allocated to new assets:

Category	Life (years)
Buildings	20 - 100
Plant and equipment:	
Motor vehicles	5
IT equipment	3 - 8
Other plant and equipment	3 - 20
Leasehold improvement assets	Unexpired period of the lease
Heritage and cultural assets	100 - 120

Assets are depreciated from the month after acquisition or, in respect of buildings, land improvements and leasehold improvements constructed, from the month after the asset is completed and ready for use. Land is not depreciated.

The majority of the consolidated entity's land is reserved for educational purposes under the *Land Act 1994 (Queensland)*. The consolidated entity cannot sell this land or the assets which attach to it without Queensland Government permission.

Revaluations

The following information outlines the revaluation basis and frequency for each asset class:

(i) Land

An independent valuation of land, based on fair value, is carried out at least every five years and indexed in intervening years. In accordance with these requirements the next independent valuation will occur in 2014.

(ii) Buildings (including heritage and land improvements)

An independent valuation of buildings (including heritage and land improvements), based on fair value, being depreciated replacement cost, is carried out at least every five years and is indexed in intervening years. In accordance with these requirements the next independent valuation will occur in 2016.

In accordance with Queensland State Treasury policy, accumulated depreciation is restated following revaluation, to reflect the lapsed utility in the asset, with the change in the gross carrying amount of the asset. The carrying amount of the asset after revaluation therefore equals its revalued amount.

Increases in the carrying amount arising from revaluation of buildings are credited to the asset revaluation reserve in other comprehensive income. However, if the increase reverses a decrease previously recognised in the income statement, the increase is first recognised in the income statement to the extent of the original decrease. Decreases that reverse previous increases of the same asset are first charged against revaluation reserves through other comprehensive income to the extent of the remaining reserves attributable to the asset class, all other decreases are charged to the income statement.

(iii) Plant and equipment

All plant and equipment is recorded at cost and is not independently valued or indexed.

(iv) Leasehold improvement assets

All leasehold improvement assets above \$10,000 are recorded at cost and are not independently valued or indexed.

(v) Heritage and cultural assets

An external, independent valuation of the QUT Museum collections, based on fair value, being current market value, is carried out at least every five years and indexed in intervening years. In accordance with these requirements an independent valuation of the museum art collections occurred in 2011.

1 Summary of significant accounting policies (continued)

Increases in the carrying amount arising from revaluation of the art collection are credited to asset revaluation reserve in other comprehensive income. However, if the increase reverses a decrease previously recognised in the income statement, the increase is first recognised in the income statement to the extent of the original decrease. Decreases that reverse previous increases of the same asset are first charged against revaluation reserves directly in equity to the extent of the remaining reserves attributable to the asset, all other decreases are charged to the income statement.

Revaluation increments and decrements may only be offset against one another within a class of non-current assets.

Indexations

Indexation is undertaken annually across a range of asset classes within property, plant and equipment, when an independent valuation is not scheduled to take place.

The consolidated entity indexes buildings (including heritage and land improvements) using rates from the Australian Bureau of Statistics. Buildings were indexed using the 'Non-residential Construction - Implicit Price Deflator Total Non-residential Building' 1.2% in 2012 and land improvements using the 'Engineering Construction - Work Done Implicit Price Deflator' 1.5% in 2012.

The consolidated entity's land values are indexed using rates provided by an independent valuer on a 'per campus' basis. In 2012 the consolidated entity's land values were indexed as follows: Gardens Point campus -5% and Kelvin Grove campus -10% (2011 Gardens Point and Kelvin Grove campuses 0%).

The University's heritage and cultural assets are indexed using rates provided by the University's Art Curator: 2% in 2012.

(q) Intangible assets

(i) Research and development

Expenditure on research activities is recognised in the income statement as an expense, when it is incurred.

Expenditure on development activities, including software development, relating to the design and testing of a new or improved product is recognised as an intangible asset after considering whether: it is commercially and technically feasible; it is probable that the project will be completed and will generate future economic benefits; its cost can be measured reliably; and the cost is greater than \$100,000. The capitalised expenditure comprises all directly attributable costs, including costs of materials, services and direct labour. 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 varies from 3 to 10 years.

(ii) Computer software

Computer software is stated at historical cost less amortisation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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 University 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.

Computer software is amortised using the straight-line method to allocate the cost over the period of the expected benefit, which varies from 3 to 15 years.

(iii) Trademarks and licences

During the reporting period, the consolidated entity did not hold any significant trademarks or licences.

(r) Unfunded superannuation

The consolidated entity does not have any unfunded superannuation liabilities.

(s) 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 agreed trading terms.

1 Summary of significant accounting policies (continued)

(t) 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.

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 financial position date. 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.

(u) Employee benefits

(i) Key executive management personnel and remuneration

Key executive management personnel and remuneration disclosures are made in accordance with DIISRTE Guidelines and the Financial Reporting Requirements for Queensland Government Agencies issued by Queensland Treasury.

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 2012.

Position	Responsibilities	Contract classification and appointment authority	Date appointed to position (Date resigned from position)
Vice Chancellor	The Vice Chancellor (VC) is responsible for the operation of the University.	The QUT Act provides University Council with the authority to approve recommendations to appoint the VC and the VC's remuneration is determined by the Chancellor's Committee on delegation from QUT Council.	Appointed April 2003
Deputy Vice Chancellor, Academic	The Deputy Vice Chancellor (DVC), Academic is responsible for the academic standards of the University.	The VC has the authority to appoint the DVC, Academic and determine remuneration as set out in the QUT Manual of Policies and Procedures (MOPP)	Appointed March 2012
Deputy Vice Chancellor, Corporate Programs & Partnerships	The DVC, Corporate Programs & Partnerships is responsible to the Vice-Chancellor for leading growth of the University's corporate education.	The VC has the authority to appoint the DVC, Corporate Programs & Partnerships as set out in the QUT MOPP	Appointed May 2012
Deputy Vice Chancellor, International & Development	The DVC, International and Development is head of the Division of International and Development, and is responsible to the VC for leading the University's international, development and engagement activities.	The VC has the authority to appoint the DVC, International & Development as set out in the QUT MOPP	Appointed February 2008
Deputy Vice Chancellor, Learning & Teaching	The DVC, Learning and Teaching is responsible to the Vice-Chancellor for leading improvements and advancements in teaching and learning quality in the University.	The VC has the authority to appoint the DVC, Learning & Teaching as set out in the QUT MOPP	Appointed February 2011
Deputy Vice Chancellor, Research and Commercialisation	The DVC, Research and Commercialisation is head of the Division of Research and Commercialisation and is responsible to the VC for leading the University's research and commercialisation agendas.	The VC has the authority to appoint the DVC Research and Commercialisation as set out in the QUT MOPP	Appointed January 2008
Deputy Vice Chancellor, Technology, information & Learning support	The DVC, Technology, Information and Learning Support is head of the Division of Technology, Information and Learning Support, and is responsible to the VC for leading and coordinating the University's technology, information and learning support functions.	The VC has the authority to appoint the DVC, Technology, information & Learning support as set out in the QUT MOPP	Appointed July 2003
Executive Director, Finance & Resource Planning	The Executive Director, Finance and Resource Planning is head of the Division of Finance and Resource Planning, and is responsible to the VC for the finances and planning functions of the University.	The VC has the authority to appoint the Executive Director, Finance & Resource Planning as set out in the QUT MOPP	Appointed March 2009
Registrar & Head, Administrative Services	The Registrar is head of the Division of Administrative Services, Secretary to Council and the chief administrative officer of the University, responsible to the VC for the administration of the University.	The VC has the authority to appoint the Registrar as set out in the QUT MOPP	Appointed May 2012

1 Summary of significant accounting policies (continued)

Remuneration

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

Remuneration for the university's key executive management personnel is determined by the Vice Chancellor and reviewed by the Chancellor's Committee. The remuneration for the Vice Chancellor is determined by the Chancellor's Committee. Remuneration and other terms of employment for the key executive management personnel are outlined in the Employee Collective Agreement (Senior Staff) 09-12 and under individual employment contracts. University policy provides for the provision of performance related bonuses and other benefits which can include 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 include superannuation contributions.

Redundancy for non contracted appointments, the Employee Collective agreement provides the notice period to be given. For contracted staff the individual employment contract will provide the terms and conditions of redundancy that will apply.

Performance bonuses may be paid or payable annually depending upon satisfaction of key criteria. Performance payments of the key executive management are capped at 10% of total fixed remuneration and the Vice Chancellor's is capped at 15%. In exceptional circumstances QUT policy does allow for a bonus of 20% of total fixed remuneration. The amounts payable are tied to the achievement of pre-determined individual targets and organisational performance. The Vice Chancellor's bonus is determined by the Chancellors Committee and approved by QUT Council.

(ii) Annual leave

The liability for annual leave is recognised in current provisions for employee benefits as it is due to be settled within 12 months after the end of the reporting period. It is measured at the amount expected to be paid when the liability is settled. 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 12 months after the reporting date, in which case it would be classified as a non-current liability.

(iii) Wages and salaries

Liabilities for wages and salaries, including non-monetary benefits, expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for sick leave are recognised when the leave is taken and measured at the rates paid or payable.

(iv) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to anticipated 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 approximate the estimated future cash outflows.

(v) Retirement benefit obligations

Employees of the consolidated entity are entitled to benefits on retirement, disability or death from the consolidated entity's superannuation plan. The consolidated entity has a defined benefit division and a defined contribution division within its plan. The defined benefit division provides a defined lump sum benefit or pension based on years of service and final average salary.

1 Summary of significant accounting policies (continued)

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.

(vi) Termination benefits

Termination benefits are payable when employment is terminated before the nominated appointment end date, or when an employee accepts voluntary redundancy in exchange for these benefits. QUT recognises 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 falling due more than 12 months after statement of financial position date are discounted to present value.

(v) Rounding of amounts

The financial statements preparation software (ValueFinancials) used within QUT for the preparation of these statements, has an automatic rounding function which sums all accounts in a mapping group before rounding to the nearest \$1,000.

Rounding adjustments are off set against inventories in the statement of financial position.

(w) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case, it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the taxation authority, are presented as operating cash flows.

(x) Arrangements containing a lease

In accordance with AASB Interpretation 4 Determining whether an arrangement contains a lease, the consolidated entity has determined that the following arrangement conveys the right to use an asset and has accounted for it in accordance with AASB 117 Leases:

(i) Caboolture Campus Shared Use Agreement

The agreement permits the shared use of the Caboolture Campus and facilities by QUT and The Brisbane North Institute of TAFE.

(y) Investment properties

During the reporting period, the consolidated entity did not hold any investment properties.

(z) Comparative amounts

Where necessary, comparative information has been reclassified to enhance comparability in respect of changes in presentation adopted in the current year.

In 2012 a change in practice occurred to reallocate manually accounted payables to accrued expenses. The change occurred to allow trade creditors to purely reflect that which is displayed within the QUT finance system, see note 21.

In 2012 a change in practice occurred to reallocate the net present value adjustments on Smart State and Innovation Building Fund loans to unrealised investment gains / losses in the respective years. The change occurred to account for net present value adjustments separate from interest earnings, see note 5.

1 Summary of significant accounting policies (continued)

(aa) New accounting standards and interpretations

Certain new Accounting Standards and Interpretations have been published that are not mandatory for 31 December 2012 reporting period. QUT will not be early adopting any of these standards as instructed by the Queensland Government financial reporting requirements for state government agencies and the Australian Government DIISRTE reporting guidelines.

(i) AASB 2010-4 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project*, [AASB 1, AASB 7, AASB 101 & AASB 134 and Interpretation 13] (effective from 1 January 2011).

There will be some minor changes to disclosure on the financial instruments note, in relation to fair value estimations.

(ii) AASB 1054 *Australian Additional Disclosures*, AASB 2011-1 *Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project*, [AASB 1, AASB 5, AASB 101, AASB 107, AASB 108, AASB 121, AASB 128, AASB 132 & AASB 134 and Interpretations 2, 112 & 113] (effective 1 July 2011).

Given QUT's previous disclosure practices, AASB 1054 will have minimal impact on the disclosures regarding audit fees. The only potential implication for QUT from the amending standard AASB 2011-1 was the deletion from AASB 101 Presentation of Financial Statements of the requirement for disclosure of commitments. However, Treasury Department's Financial Reporting Requirements require continuation of commitments disclosures, so this deletion from AASB 101 has no impact on the QUT's Commitments note.

(iii) AASB 2011-9 *Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income*, [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049] (effective 1 July 2012).

This impacts the financial statements for 2013. The only impact for QUT will be that, in the Statement of Comprehensive Income, items within the "Other Comprehensive Income" section will need to be presented in different sub-sections, according to whether or not they are subsequently re-classifiable to the operating result. Whether subsequent re-classification is possible depends on the requirements or criteria in the accounting standard/interpretation that relates to the item concerned.

There are several new accounting standards and amendments coming into effect in 2013. These standards cannot be applied by not-for-profit entities prior to their effective date, as the AASB is presently considering modifying them for application by not-for-profit entities in an Australian context. Any such modifications are likely to clarify how the IASB's principles should be applied by not-for-profit entities.

QUT is currently evaluating the impact of these new Standards and Interpretations.

(iv) AASB 10 *Consolidated Financial Statements*, AASB 11 *Joint Arrangements*, AASB 12 *Disclosure of Interests in Other Entities* (effective 1 January 2013).

AASB 10 redefines and clarifies the concept of control of another entity, which is the basis for determining which entities should be consolidated into an entity's financial statements. Therefore, subject to any not-for-profit modifications yet to be made to AASB 10, QUT will need to re-assess the nature of its relationships with other entities, including entities that aren't currently consolidated.

AASB 11 deals with the concept of joint control, and sets out new principles for determining the type of joint arrangement that exists – which, in turn, dictates the accounting treatment. The new categories of joint arrangements under AASB 11 are more aligned to the actual rights and obligations of the parties to the arrangement. Subject to any not-for-profit modifications yet to be made to AASB 11, QUT will need to assess the nature of any arrangements with other entities to determine whether a joint arrangement exists in terms of AASB 11.

AASB 12 contains a wide range of new disclosure requirements in respect of interests in other entities, whether those entities are controlled entities, associates, joint arrangements, or structured entities that aren't consolidated. The volume and nature of disclosures that QUT will be required to make as from its 2013 financial statements will depend on the eventual assessment of the implications of the new and revised standards listed above, particularly AASB 10, AASB 11 and AASB 128.

(v) AASB 127 *Consolidated and Separate Financial Statements*, AASB 128 *Investments in Associates and Joint Ventures* (effective 1 January 2013).

AASB 127 is renamed *Separate Financial Statements* and is now a standard dealing solely with separate financial statements. Application of this standard by QUT will not affect any of the amounts recognised in the financial statements.

1 Summary of significant accounting policies (continued)

Amendments to AASB 128 provide clarification that an entity continues to apply the equity method and does not remeasure its retained interest as part of ownership changes where a joint venture becomes an associate, and vice versa. The amendments also introduce a "partial disposal" concept.

(vi) AASB 13 *Fair Value Measurement* (effective 1 January 2013).

AASB 13 sets out a new definition of "fair value", as well as new principles to be applied when determining the fair value of assets and liabilities. The new requirements will apply to all of QUT's assets and liabilities that are measured and/or disclosed at fair value or another measurement based on fair value. The potential impacts of AASB 13 relate to the fair value measurement methodologies used, and financial statement disclosures made in respect of, such assets and liabilities.

(vii) Revised AASB 119 *Employee Benefits* (effective 1 January 2013).

The revised AASB 119 clarifies the concept of "termination benefits", and the recognition criteria for liabilities for termination benefits will be different. If termination benefits meet the timeframe criterion for "short-term employee benefits", they will be measured according to the AASB 119 requirements for "short-term employee benefits". Otherwise, termination benefits will need to be measured according to the AASB 119 requirements for "other long-term employee benefits".

(viii) AASB 2011 -7 *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards* [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17] (effective 1 July 2013).

(ab) Issuance of financial statements

The QUT Council has delegated the power to approve the financial statements to the Audit and Risk Management Committee. The financial statements are authorised for issue by the Chancellor, Vice Chancellor and Director, Corporate Finance (Chief Finance Officer) at the date of signing the Management Certificate.

(ac) Non-adjusting events after the end of the reporting period

None.

2 Australian Government financial assistance including HECS-HELP and FEE-HELP

Notes	Consolidated		Parent entity	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
(a) Commonwealth Grants Scheme and Other Grants	35.1			
Commonwealth grant scheme ^{#1}	233,130	209,382	233,130	209,382
Indigenous support program	1,354	1,354	1,354	1,354
Partnership & participation program ^{#2}	16,391	3,604	16,391	3,604
Capital development pool	-	4,303	-	4,303
Diversity & structural adjustment fund ^{#3}	-	725	-	725
Transitional cost program	478	781	478	781
Promotion of excellence in learning and teaching	248	-	248	-
Reward funding	551	-	551	-
Total Commonwealth Grants Scheme and Other Grants	252,152	220,149	252,152	220,149
(b) HELP - Australian Government Payment	35.2			
HECS-HELP	150,819	136,784	150,819	136,784
FEE-HELP ^{#4}	13,356	14,810	13,356	14,810
SA-HELP	837	-	837	-
Total HELP - Australian Government Payment	165,012	151,594	165,012	151,594
(c) Scholarships	35.3			
Australian postgraduate awards	6,855	5,629	6,855	5,629
International postgraduate research scholarship	612	572	612	572
Commonwealth education cost scholarships ^{#5}	1,198	2,660	1,198	2,660
Commonwealth accommodation scholarships ^{#5}	171	82	171	82
Indigenous access scholarships	417	404	417	404
Total Scholarships	9,253	9,347	9,253	9,347
(d) DIISRTE Research	35.4			
Joint research engagement program ^{#6}	9,539	8,842	9,539	8,842
Research training scheme	17,416	16,081	17,416	16,081
Research infrastructure block grants	3,666	3,559	3,666	3,559
Commercialisation training scheme	-	207	-	207
Sustainable research excellence in universities	2,449	2,153	2,449	2,153
Total DIISRTE Research Grants	33,070	30,842	33,070	30,842
(e) Other Capital Funding	35.5			
Education investment fund	12,500	25,000	12,500	25,000
Total Other Capital Funding	12,500	25,000	12,500	25,000

2 Australian Government financial assistance including HECS-HELP and FEE-HELP (continued)

	Notes	Consolidated 2012 \$'000	2011 \$'000	Parent entity 2012 \$'000	2011 \$'000
(f) Australian Research Council	35.6				
(i) Discovery	35.6(a)				
Project		4,907	4,549	4,907	4,549
Fellowships		4,306	1,015	4,306	1,015
Total Discovery		<u>9,213</u>	<u>5,564</u>	<u>9,213</u>	<u>5,564</u>
(ii) Linkages	35.6(b)				
Infrastructure		425	910	425	910
Projects		6,884	6,569	6,884	6,569
Total Linkages		<u>7,309</u>	<u>7,479</u>	<u>7,309</u>	<u>7,479</u>
(iii) Networks and Centres	35.6(c)				
Centres		2,160	2,173	2,160	2,173
Total Networks and Centres		<u>2,160</u>	<u>2,173</u>	<u>2,160</u>	<u>2,173</u>
Total Australian Research Council		<u>18,682</u>	15,216	<u>18,682</u>	15,216
Other ARC					
ARC Unexpended		(51)	(71)	(51)	(71)
Total Australian Research Council		<u>18,631</u>	15,145	<u>18,631</u>	15,145
(g) Other Australian Government financial assistance					
Non-capital					
AUSAID		7,330	4,735	7,330	4,735
National Health and Medical Research Council (NHMRC)		6,827	5,553	6,827	5,553
Department of Health and Ageing Health Workforce Australia		3,271	2,059	3,271	2,059
Sugar Research & Development Corporation		1,928	1,035	1,928	1,035
Department of Agriculture, Fisheries & Forestry		1,256	918	1,256	918
Department of Innovation, Industry, Science and Research		1,114	-	1,114	-
Department of Defence		1,068	523	826	523
Australian Learning and Teaching Council		717	371	717	371
Grains Research and Development Corporation		454	1,717	454	1,717
DEEWR Indigenous Tutorial Assistance Scheme		360	587	360	587
Queensland Dairyfarmers Organisation		265	510	265	510
Australia Council		190	-	190	-
Australian Research Council		175	111	175	111
University of Sydney		150	32	150	32
Murdi Paaki Regional Enterprise Corp		101	45	101	45
Horticulture Australia Ltd		100	-	100	-
Aust Council of the Deans of Education		75	-	75	-
Australian Customs and Border Protection Services		71	119	71	119
Financial Markets Foundation for Children		50	50	50	50
Australian Federal Police		49	-	49	-
National ICT Australia		40	65	40	65
Deakin University		37	123	37	123
DMTC Ltd		37	28	37	28
			-		-

2 Australian Government financial assistance including HECS-HELP and FEE-HELP (continued)

(g) Other Australian Government financial assistance (continued)

Notes	Consolidated		Parent entity	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Griffith University	36	240	36	240
Rural Industries Research & Development Corporation	36	58	36	58
CSIRO ICT Centre	33	80	33	80
Department of Infrastructure, Transport, Regional Development & Local Government	25	62	25	62
University of Queensland	22	266	22	266
Australian Institute of Criminology	22	-	22	-
University of South Australia	21	41	21	41
University of Wollongong	20	-	20	-
Safe Work Australia	20	-	20	-
University of Technology Sydney	16	735	16	735
Department of Foreign Affairs and Trade	15	-	15	-
RMIT University	14	78	14	78
Curtin University	14	37	14	37
Diving Aust Inc	5	27	5	27
Australian Centre for International Agricultural Research (ACIAR)	1	5	1	5
Department of The Prime Minister & Cabinet	-	801	-	801
Australian Commission on Safety and Quality in Health Care	-	200	-	200
University of NSW	-	195	-	195
Defence Material Organisation	-	168	-	168
Cancer Council	-	92	-	92
University of Newcastle	-	51	-	51
AIATSIS	-	39	-	39
Department of Families, Housing, Community Services & Indigenous Affairs	-	35	-	35
University of Adelaide	-	30	-	30
DFACS	-	29	-	29
Australian Sports Commission	-	(31)	-	(31)
Department of Education, Employment and Workplace Relations	-	(50)	-	(50)
Australian Vector Borne Diseases Institute	-	(100)	-	(100)
Ausbiotech Ltd	-	(588)	-	(588)
University of Tasmania	(9)	46	(9)	46
Other	97	101	97	101
Total Other Australian Government Financial Assistance	26,091	21,229	25,849	21,229
Total Australian Government financial assistance	516,709	473,306	516,467	473,306

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

2 Australian Government financial assistance including HECS-HELP and FEE-HELP (continued)

(g) Other Australian Government financial assistance (continued)

Notes	Consolidated		Parent entity	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Reconciliation				
Australian Government grants [(a) + (c) + (d) + (e) + (f) + (g)]	351,697	321,712	351,455	321,712
HECS-HELP payments	150,819	136,784	150,819	136,784
FEE-HELP payments	13,356	14,810	13,356	14,810
SA-HELP payments	837	-	837	-
Total Australian Government financial assistance	516,709	473,306	516,467	473,306
(h) Australian Government Grants received - cash basis				
CGS and Other DIISRTE Grants	252,151	219,591	252,151	219,591
Higher Education Loan Programs	167,091	148,823	167,091	148,823
Scholarships	9,253	9,872	9,253	9,872
DIISRTE Research	33,071	30,841	33,071	30,841
Other Capital Funding	12,500	25,000	12,500	25,000
ARC grants - Discovery	9,185	5,065	9,185	5,065
ARC grants - Linkages	6,710	7,292	6,710	7,292
ARC grants - Networks and Centres	1,867	1,798	1,867	1,798
Other Australian Government Grants	26,514	21,633	26,514	21,633
Total Australian Government Grants received - cash basis	518,343	469,916	518,343	469,916
OS-Help (Net)	35.7	996	813	996
Total Australian Government funding received - cash basis	519,339	470,729	519,339	470,729

3 State and Local Government financial assistance

	Consolidated		Parent entity	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Non-Capital				
State Government financial assistance	15,440	11,777	15,436	11,657
Local Government financial assistance	18	28	18	28
Total Non-Capital	15,458	11,805	15,454	11,685
Total State and Local Government financial assistance	15,458	11,805	15,454	11,685

4 Fees and charges

	Consolidated		Parent entity	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Course fees and charges				
Fee-paying overseas students	129,050	125,510	129,050	125,510
Continuing education	7,182	5,587	7,067	5,512
Fee-paying domestic postgraduate students	10,320	16,691	10,320	16,691
Fee-paying domestic undergraduate students	6,484	6,941	6,484	6,941
Fee-paying domestic non-award students	304	331	304	331
Other domestic course fees and charges	12	2	12	2
Total course fees and charges	<u>153,352</u>	<u>155,062</u>	<u>153,237</u>	<u>154,987</u>
Other non-course fees and charges				
Facilities hire fees	1,063	991	1,048	970
Health services fees	797	665	797	665
Late fees	205	177	205	177
Library photocopier fees	1,287	1,359	1,287	1,359
Parking fees	3,628	2,503	3,670	2,529
Registration fees	634	567	634	567
Rental charges	3,287	2,336	3,400	2,079
Student accommodation	85	86	85	86
Student services fees from students	2,200	-	2,200	-
Other fees and charges	512	482	512	482
Total other fees and charges	<u>13,698</u>	<u>9,166</u>	<u>13,838</u>	<u>8,914</u>
Total fees and charges	<u>167,050</u>	<u>164,228</u>	<u>167,075</u>	<u>163,901</u>

Parking revenue has increased due to two key factors including the impact of the Brisbane City Council introducing metered street parking around the Kelvin Grove Urban Village; and on-campus rates increasing as part of a regular review.

Rental revenues have increased primarily due to accounting recognition adjustments for the straight-lining of leases as per AASB 117 and regular rent reviews.

The Student Amenities fee was introduced for the second half of 2012 in compliance with Government guidelines.

5 Investment revenue and income

	Consolidated		Parent entity	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Investment revenue				
Dividends	-	132	-	132
Interest	9,245	7,038	9,152	6,963
Investment fund distributions	10,824	18,659	10,824	18,659
Total investment revenue	<u>20,069</u>	<u>25,829</u>	<u>19,976</u>	<u>25,754</u>
Other investment income				
Unrealised investment gains	25,023	-	21,535	-
Total other investment income	<u>25,023</u>	<u>-</u>	<u>21,535</u>	<u>-</u>
Other investment losses				
Unrealised investment losses	-	16,971	-	20,268
Total other investment losses	<u>-</u>	<u>16,971</u>	<u>-</u>	<u>20,268</u>
Net investment income	<u>45,092</u>	<u>8,858</u>	<u>41,511</u>	<u>5,486</u>

For the year ended 31 December 2012 the net present value adjustments to Smart State and Innovation Building Fund loans is reported in unrealised investment gains (2012: \$7.578 million). For the year ended 31 December 2011 the net present value adjustment was netted against unrealised investment losses (2011: \$5.393 million).

6 Royalties, trademarks and licences

	Consolidated		Parent entity	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
Royalties	550	99	414	90
Total royalties, trademarks and licences	550	99	414	90

7 Consultancy and contracts

	Consolidated		Parent entity	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
Consultancy	33,709	32,675	33,336	32,358
Contract research	24,288	23,055	24,719	23,334
Total consultancy and contracts	57,997	55,730	58,055	55,692

8 Other revenue and income

	Consolidated		Parent entity	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
Donations and bequests	9,572	15,220	9,572	15,220
Scholarships and prizes	698	522	698	524
Non-government grants	16,801	18,019	17,014	18,019
Sale of goods	8,525	8,659	8,525	8,659
Recoveries	10,198	8,853	10,743	9,341
Sponsorships	1,513	991	1,519	996
Other	2,563	1,665	2,521	1,551
Total other revenue and income	49,870	53,929	50,592	54,310

9 Employee related expenses

	Consolidated		Parent entity	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
Academic				
Salaries	161,239	146,418	161,239	146,418
Contributions to superannuation and pension schemes: Funded	25,809	24,131	25,809	24,131
Payroll tax	9,422	8,864	9,422	8,864
Worker's compensation	568	335	568	335
Long service leave expense	6,084	3,999	6,084	3,999
Annual leave	12,011	18,733	12,011	18,733
Parental leave expense	1,195	1,135	1,195	1,135
Total academic	216,328	203,615	216,328	203,615
Non-academic				
Salaries	176,225	170,360	174,264	168,727
Contributions to superannuation and pension schemes: Funded	28,061	26,650	27,927	26,564
Payroll tax	10,381	10,023	10,340	9,994
Workers' compensation	266	457	262	452
Long service leave expense	5,614	4,426	5,614	4,426
Annual leave	17,550	18,523	17,533	18,447
Parental leave expense	1,518	1,431	1,518	1,431
Total non-academic	239,615	231,870	237,458	230,041
Total employee related expenses	455,943	435,485	453,786	433,656

10 Depreciation and amortisation

	Consolidated		Parent entity	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
Depreciation				
Buildings	27,695	27,814	27,695	27,814
Plant and equipment	10,115	9,933	10,096	9,909
Total depreciation	37,810	37,747	37,791	37,723
Amortisation				
Leasehold improvements	6,695	7,010	6,680	6,991
Intangibles	3,190	3,462	3,183	3,458
Total amortisation	9,885	10,472	9,863	10,449
Total depreciation and amortisation	47,695	48,219	47,654	48,172

11 Repairs and maintenance

	Consolidated		Parent Entity	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
Buildings	11,734	10,839	11,727	10,834
Non-capitalised construction	2,911	3,213	2,911	3,207
Computing	8,567	6,830	8,567	6,828
Equipment	852	755	852	755
Other	1,392	1,341	1,391	1,335
Total repairs and maintenance	25,456	22,978	25,448	22,959

12 Borrowing costs

	Consolidated		Parent entity	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
Interest charges	2,815	1,974	2,815	1,974
Total borrowing costs expensed	2,815	1,974	2,815	1,974

13 Impairment of assets

	Consolidated		Parent entity	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
Doubtful debts written off	516	464	516	455
Change in provision for bad and doubtful debts	(114)	(472)	(116)	(472)
Total impairment of assets	402	(8)	400	(17)

14 Other expenses

	Consolidated		Parent entity	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Scholarships, grants and prizes	53,461	52,484	53,461	52,484
Non-capitalised equipment	14,939	12,634	14,919	12,631
Advertising, marketing and promotional expenses	10,517	9,677	10,395	9,487
Audit fees, bank charges, legal costs and insurance expenses	5,876	5,689	5,793	5,543
General consumables	8,872	9,059	8,840	9,032
Printing and stationery	3,629	4,227	3,621	4,215
Rental, hire and other leasing fees	14,024	16,487	14,010	16,312
Telecommunications	3,182	3,357	3,155	3,337
Travel and related staff development and training	24,082	22,641	23,939	22,529
Consultants and contractors	38,153	26,778	37,868	26,221
Commission	9,496	7,888	9,496	7,891
Cost of sales	5,092	5,373	5,092	5,373
Contributions to collaborative projects	20,845	14,704	20,864	14,704
Library acquisitions	10,838	10,076	10,838	10,076
Utilities	11,043	9,949	11,042	9,949
Other	6,931	6,741	6,998	6,635
Total other expenses	240,980	217,764	240,331	216,419

15 Cash and cash equivalents

	Consolidated		Parent entity	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Cash at bank and on hand	13,322	12,627	9,464	10,415
Deposits at call	62,309	25,654	62,309	25,654
Term deposits	60,000	50,000	60,000	50,000
Total cash and cash equivalents	135,631	88,281	131,773	86,069

(a) Reconciliation to cash at the end of the year

The above figures are reconciled to cash at the end of the year as shown in the statement of cash flows as follows:

Balances as above	135,631	88,281	131,773	86,069
Balances per cash flow statement	135,631	88,281	131,773	86,069

(b) Cash at bank and on hand

Cash at bank is an interest bearing account with interest received monthly. The effective interest rate as at 31 December 2012 was 2.50% (2011: 3.75%).

(c) Deposits at call

Deposits at call are interest bearing on floating interest rates. The effective interest rate as at 31 December 2012 was 4.29% (2011: 5.40%). These deposits are repayable with 24 hours notice.

(d) Term deposits

Term deposits are held for the purpose of meeting short-term cash commitments. Term deposits are bearing floating interest rates between 4.80% and 6.11% (2011 5.60% and 6.20%). These deposits have an average maturity of 95 days (2011: 70 days).

16 Receivables

	Consolidated		Parent entity	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Current				
Student fees	78,327	11,860	78,327	11,860
Less: Provision for impaired receivables	(77)	(129)	(77)	(129)
	<u>78,250</u>	11,731	<u>78,250</u>	11,731
Student loans	258	298	258	298
Less: Provision for impaired receivables	(137)	(87)	(137)	(87)
	<u>121</u>	211	<u>121</u>	211
Trade	19,357	15,892	19,232	15,276
Less: Provision for impaired receivables	(3,361)	(3,828)	(3,342)	(3,560)
	<u>15,996</u>	12,064	<u>15,890</u>	11,716
Prepayments	13,903	12,673	13,848	12,654
Goods and services tax refund due	1,581	3,006	1,472	2,978
Accrued revenue	6,638	7,440	6,638	7,422
	<u>22,122</u>	23,119	<u>21,958</u>	23,054
Total current receivables	<u>116,489</u>	47,125	<u>116,219</u>	46,712
Non-current				
Prepayments	41,389	30,700	41,389	30,700
Trade and other receivables	-	7	-	-
Total non-current receivables	<u>41,389</u>	30,707	<u>41,389</u>	30,700
Total receivables	<u>157,878</u>	77,832	<u>157,608</u>	77,412

The value of student debtors increased by \$66.5 million due to invoicing of fee revenue in advance for 2013. All income is raised to the students' account upon enrolment, and a significant portion of the debtors balance relates to 2013 income that is held in Unearned Revenue which shows a corresponding increase. (Refer to note 24 for details).

In 2011 continuing students were not enrolled until 2012.

(a) Impaired receivables

As at 31 December 2012 current receivables of the group were impaired, with a nominal value of \$3.575 million (2011: \$4.044 million), comprising: student fees of \$77,000 (2011: \$129,000); student loans of \$137,000 (2011: \$87,000); and trade receivables of \$3.361 million (2011: \$3.828 million).

The ageing analysis of these receivables is as follows:

	Consolidated	
	2012 \$'000	2011 \$'000
Student fees		
Under 3 months	5	129
3 to 6 months	16	-
Over 6 months	57	-
	<u>77</u>	129
Student loans		
Under 3 months	47	2
3 to 6 months	23	3
Over 6 months	67	82
	<u>137</u>	87
Trade		
Under 3 months	-	150
Over 3 months	3,361	3,678
	<u>3,361</u>	3,828

16 Receivables (continued)

As at 31 December 2012, trade receivables that were past due but not impaired totalled \$6.856 million (2011: \$6.673 million) and student fees of \$496,000 (2011: \$762,000). A large portion of the outstanding debt is owed by government agencies, which is considered recoverable.

The ageing of these receivables is as follows:

	Consolidated	
	2012	2011
	\$'000	\$'000
Student fees		
Under 3 months	209	440
3 to 6 months	287	322
	<u>496</u>	<u>762</u>
Trade		
Under 3 months	6,856	6,673
	<u>6,856</u>	<u>6,673</u>

Movements in the provision for impaired receivables are as follows:

	Consolidated	
	2012	2011
	\$'000	\$'000
Student fees		
At 1 January	129	-
Provision for impairment recognised during the year	77	129
Receivables written off during the year as uncollectible	(154)	(408)
Unused amount reversed	(129)	408
At 31 December	<u>(77)</u>	<u>129</u>
Student loans		
At 1 January	87	44
Provision for impairment recognised during the year	173	105
Receivables written off during the year as uncollectible	(36)	(38)
Unused amount reversed	(87)	(24)
At 31 December	<u>137</u>	<u>87</u>
Trade		
At 1 January	3,828	4,494
Provision for impairment recognised during the year	3,741	(648)
Receivables written off during the year as uncollectible	(380)	(18)
Unused amount reversed	(3,828)	-
At 31 December	<u>3,361</u>	<u>3,828</u>

16 Receivables (continued)

(b) Foreign exchange and interest rate risk

The carrying amounts of the group's receivables are denominated in the following currencies:

	Consolidated 2012 \$'000	2011 \$'000
Australian dollars	157,774	76,858
US dollars	-	953
HK dollars	62	-
Euro	42	21
	<u>157,878</u>	<u>77,832</u>
Current receivables	116,489	47,125
Non-current receivables	41,389	30,707
	<u>157,878</u>	<u>77,832</u>

A summarised analysis of the sensitivity of receivables to foreign exchange and interest rate risk can be found in note 34.

(c) Fair value and credit risk

Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value.

17 Inventories

	Consolidated		Parent entity	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Current				
Inventories - including Bookshop	3,091	3,240	3,094	3,244
Total current Inventories	<u>3,091</u>	<u>3,240</u>	<u>3,094</u>	<u>3,244</u>
Total Inventories	<u>3,091</u>	<u>3,240</u>	<u>3,094</u>	<u>3,244</u>

18 Other financial assets

	Consolidated		Parent entity	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
Current				
Fair value through profit or loss				
<i>Managed investment funds</i>				
QIC investment funds	195,259	171,445	195,259	171,445
Available for sale financial assets				
<i>Listed Securities</i>				
Leaf Energy Ltd	64	90	-	-
Total current other financial assets	195,323	171,535	195,259	171,445
Non Current				
Fair value through profit or loss				
<i>Shares in subsidiaries</i>				
QUT Enterprise Holdings Trust	-	-	3,851	2,274
QUT Enterprise Holdings Pty Ltd	-	-	10	10
<i>Managed investment funds</i>				
QIC investment funds	35,533	32,009	35,533	32,009
SciVentures Pre-Seed Fund	231	213	231	213
<i>Listed securities</i>				
Tissue Therapies Ltd	2,507	3,114	2,507	3,114
Impedimed Ltd	30	196	30	196
<i>Unlisted securities</i>				
AARNet Pty Ltd	1	1	1	1
Education Australia Ltd	782	678	782	678
Available for sale financial assets				
<i>Listed securities</i>				
Leaf Energy Ltd	159	226	-	-
Total non-current other financial assets	39,243	36,437	42,945	38,495
Total other financial assets	234,566	207,972	238,204	209,940

Changes in fair values of other financial assets are recorded in the income statement, excluding Leaf Energy Ltd which is an available for sale financial asset and changes are recorded in the statement of changes in equity through other comprehensive income.

Managed investment funds

The QIC investment funds are split into two classifications, namely: non-current assets aligned to established endowment funds totalling \$35.533 million for 2012, which are held for the long term for the purpose of supporting scholarships, prizes, sponsorship and research; and current assets which are untied and readily converted to cash to meet the current liabilities for accrued leave and various University initiatives or working capital requirements where necessary.

The University's investment in SciVentures Pre-Seed Fund is for the purpose of supporting pre-seed stage research and development activities carried out by universities and Commonwealth public sector research agencies. The University's holding represents less than 2% of total unit holdings in the fund. Sciventures Pty Ltd is the funds management company, licensed by the Commonwealth to manage the fund. The fund is valued using the net asset method.

Subsidiaries

The details of subsidiaries are set out in note 31.

Listed securities

Tissue Therapies Ltd (ASX:TIS) was established to develop and commercialise tissue technology. The University holds less than 5% (2011: 5%) of the shareholding in Tissue Therapies Ltd.

18 Other financial assets (continued)

Impedimed Ltd (ASX:IPD) was listed in October 2007. The University holds less than 1% (2011: less than 1%) of the total shares in Impedimed Ltd.

Unlisted securities

The University has investments across a number of companies. The University has not equity accounted for any unlisted securities, as the University's investments in these companies are not material.

The University has no significant influence on its remaining investments as follows:

- AARNet Pty Ltd provides network connectivity for Australian universities and the CSIRO. The University has less than 3% of the total shareholding in AARNet Pty Ltd. The shares are valued at cost.
- Education Australia Ltd is a company offering student placement and English language testing services. The University holds less than 3% of the shareholding in Education Australia Ltd. The shares are valued using the net asset method.

The University also has holdings with immaterial value. These holdings carry minimal value due to there not being an active market to trade or the shares are held as part of membership. These holdings include the following unlisted entities: Interesection Medical Inc. (US holding, formerly called Impedance Cardiology Systems); Cellborne Lipids Pty Ltd; Wound Management CRC Pty Ltd; Sacron Innovations Pty Ltd; RACQ Foundation Pty Ltd; CIEAM Pty Ltd; Creative Industries Precinct Pty Ltd; Translational Research Institute Pty Ltd; Translational Research Institute Trust; and Smart Services CRC Pty Ltd.

19 Property, plant and equipment

Consolidated	Construction in progress \$'000	Land \$'000	Buildings \$'000	Property, plant and equipment \$'000	Leasehold improvements \$'000	Other property, plant and equipment \$'000	Total \$'000
At 1 January 2011							
- Cost	86,769	-	39,747	97,296	57,649	200	281,661
- Valuation	-	214,476	830,901	-	-	14,720	1,060,097
Accumulated depreciation	-	-	(441,332)	(49,571)	(11,341)	-	(502,244)
Net book amount	86,769	214,476	429,316	47,725	46,308	14,920	839,514
Year ended 31 December 2011							
Opening net book amount	86,769	214,476	429,316	47,725	46,308	14,920	839,514
Revaluation	-	-	(2,434)	-	-	2,308	(126)
Additions	99,099	20,000	73,171	13,713	4,393	5,326	215,703
Assets included in a disposal group classified as held for sale and other disposals	-	(5,216)	-	(817)	-	(16)	(6,048)
Depreciation charge	-	-	(27,814)	(9,856)	(7,021)	-	(44,690)
Reclassifications	(77,564)	-	-	-	-	-	(77,564)
Closing net book amount	108,304	229,260	472,241	50,766	43,680	22,538	926,789
At 31 December 2011							
- Cost	108,304	-	-	108,417	62,010	79	276,810
- Valuation	-	229,260	811,390	-	-	22,459	1,063,109
Accumulated depreciation	-	-	(339,149)	(55,651)	(18,330)	-	(413,130)
Net book amount	108,304	229,260	472,241	50,766	43,680	22,538	926,789
Year ended 31 December 2012							
Opening net book amount	108,304	229,260	472,241	50,766	43,680	22,538	926,788
Revaluation	-	(17,673)	5,525	-	-	450	(11,698)
Additions	131,288	-	4,524	21,365	-	177	157,355
Assets included in a disposal group classified as held for sale and other disposals	-	-	-	(461)	-	-	(461)
Depreciation charge	-	-	(27,695)	(10,115)	(6,694)	-	(44,505)
Reclassifications	(4,535)	-	-	-	-	-	(4,535)
Closing net book amount	235,058	211,587	454,595	61,554	36,985	23,165	1,022,944
At 31 December 2012							
- Cost	235,058	-	4,524	121,218	56,451	210	417,461
- Valuation	-	211,587	821,010	-	-	22,955	1,055,552
Accumulated depreciation	-	-	(370,939)	(59,664)	(19,466)	-	(450,069)
Net book amount	235,058	211,587	454,595	61,554	36,985	23,165	1,022,944

19 Property, plant and equipment (continued)

Parent entity	Construction in progress \$'000	Land \$'000	Buildings \$'000	Property, plant and equipment \$'000	Leasehold improvements \$'000	Other property, plant and equipment \$'000	Total \$'000
At 1 January 2011							
- Cost	86,769	-	39,747	97,131	57,544	200	281,391
- Valuation	-	214,476	830,901	-	-	14,720	1,060,097
Accumulated depreciation	-	-	(441,332)	(49,450)	(11,288)	-	(502,070)
Net book amount	86,769	214,476	429,316	47,681	46,256	14,920	839,418
Year ended 31 December 2011							
Opening net book amount	86,769	214,476	429,316	47,681	46,256	14,920	839,418
Revaluation	-	-	(2,434)	-	-	2,308	(126)
Additions	99,099	20,000	73,171	13,704	4,393	5,326	215,694
Assets included in a disposal group classified as held for sale and other disposals	-	(5,216)	-	(817)	-	(16)	(6,048)
Depreciation charge	-	-	(27,814)	(9,832)	(6,991)	-	(44,636)
Reclassifications	(77,564)	-	-	-	-	-	(77,564)
Closing net book amount	108,304	229,260	472,241	50,737	43,658	22,538	926,738
At 31 December 2011							
- Cost	108,304	-	-	106,256	61,937	79	276,576
- Valuation	-	229,260	811,390	-	-	22,459	1,063,109
Accumulated depreciation	-	-	(339,149)	(55,519)	(18,279)	-	(412,947)
Net book amount	108,304	229,260	472,241	50,737	43,658	22,538	926,738
Year ended 31 December 2012							
Opening net book amount	108,304	229,260	472,241	50,737	43,658	22,538	926,738
Revaluation	-	(17,673)	5,525	-	-	450	(11,698)
Additions	131,288	-	4,524	21,359	-	177	157,348
Assets included in a disposal group classified as held for sale and other disposals	-	-	-	(456)	-	-	(456)
Depreciation charge	-	-	(27,695)	(10,096)	(6,680)	-	(44,471)
Reclassifications	(4,535)	-	-	-	-	-	(4,535)
Closing net book amount	235,058	211,587	454,595	61,543	36,978	23,165	1,022,926
At 31 December 2012							
- Cost	235,058	-	4,524	121,056	56,378	210	417,226
- Valuation	-	211,587	821,010	-	-	22,955	1,055,552
Accumulated depreciation	-	-	(370,939)	(59,513)	(19,400)	-	(449,852)
Net book amount	235,058	211,587	454,595	61,543	36,978	23,165	1,022,926

19 Property, plant and equipment (continued)

Buildings include buildings which are heritage listed. The value of these assets represents their functional service to the University rather than their heritage value to the State of Queensland, as the University's main purpose in holding these assets is to provide educational services.

Property, plant & equipment includes all operational assets.

Other property, plant & equipment includes non-operational assets such as artworks.

(a) Valuations of land and buildings

Land was indexed in 2012 using rates provided by an independent valuer. The next independent valuation of land is due in 2014 as detailed in note 1(p).

Buildings (including heritage and land improvements) were indexed in 2012 using rates sourced from the Australian Bureau of Statistics. The next independent valuation of buildings is in 2016 as detailed in note 1(p).

(b) Non-current assets pledged as security

There are no non-current assets pledged as security by QUT or any of its controlled entities.

(c) Valuation of other property, plant and equipment

The QUT museum collections were indexed in 2012 with a rate provided by the QUT Art Curator. The next independent valuation of the museum collections is due in 2016 as detailed in note 1(p).

20 Intangible assets

Consolidated	Software under construction¹ \$'000	Software at cost \$'000	Total \$'000
At 1 January 2011			
Cost	5,535	38,359	43,895
Accumulated amortisation	-	(7,767)	(7,767)
Net book amount	<u>5,535</u>	<u>30,592</u>	<u>36,128</u>
Year ended 31 December 2011			
Opening net book amount	5,535	30,592	36,128
Additions	1,995	5,921	7,916
Disposals	-	-	-
Amortisation charge	-	(3,462)	(3,462)
Reclassification	(5,907)	-	(5,907)
Closing net book amount	<u>1,624</u>	<u>33,051</u>	<u>34,675</u>
At 31 December 2011			
Cost	1,624	44,280	45,904
Accumulated amortisation	-	(11,229)	(11,229)
Net book amount	<u>1,624</u>	<u>33,051</u>	<u>34,675</u>
Consolidated			
	Software under construction \$'000	Software at cost \$'000	Total \$'000
Year ended 31 December 2012			
Opening net book amount	1,624	33,051	34,675
Additions	1,696	1,013	2,710
Disposals	-	(88)	(88)
Amortisation charge	-	(3,190)	(3,190)
Reclassification	(1,252)	-	(1,252)
Closing net book amount	<u>2,068</u>	<u>30,787</u>	<u>32,855</u>
At 31 December 2012			
Cost	2,068	43,276	45,344
Accumulated amortisation	-	(12,489)	(12,489)
Net book amount	<u>2,068</u>	<u>30,787</u>	<u>32,855</u>

¹ Software under construction includes capitalisation of internally generated software.

20 Intangible assets (continued)

Parent entity	Software under construction¹ \$'000	Software at cost \$'000	Total \$'000
At 1 January 2011			
Cost	5,535	38,359	43,894
Accumulated amortisation	-	(7,767)	(7,767)
Net book amount	<u>5,535</u>	<u>30,592</u>	<u>36,127</u>
Year ended 31 December 2011			
Opening net book amount	5,535	30,592	36,127
Additions	1,996	5,907	7,903
Disposals	-	-	-
Amortisation charge	-	(3,458)	(3,458)
Reclassification	(5,907)	-	(5,907)
Closing net book amount	<u>1,624</u>	<u>33,041</u>	<u>34,665</u>
At 31 December 2011			
Cost	1,624	44,266	45,890
Accumulated amortisation	-	(11,225)	(11,225)
Net book amount	<u>1,624</u>	<u>33,041</u>	<u>34,665</u>
Parent entity	Software under construction \$'000	Software at cost \$'000	Total \$'000
Year ended 31 December 2012			
Opening net book amount	1,624	33,041	34,665
Additions	1,696	1,008	2,705
Disposals	-	(88)	(88)
Amortisation charge	-	(3,183)	(3,183)
Reclassification	(1,252)	-	(1,252)
Closing net book amount	<u>2,068</u>	<u>30,779</u>	<u>32,847</u>
At 31 December 2012			
Cost	2,068	43,257	45,325
Accumulated amortisation	-	(12,478)	(12,478)
Net book amount	<u>2,068</u>	<u>30,779</u>	<u>32,847</u>

¹ Software under construction includes capitalisation of internally generated software.

21 Trade and other payables

	Consolidated		Parent entity	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Current				
Trade creditors	10,888	7,610	10,842	7,082
Accrued expenses	29,395	23,857	29,174	23,667
OS-HELP liability to Australian Government	56	23	56	23
Other payables	170	1,364	170	1,514
Total current trade and other payables	40,509	32,854	40,242	32,286
Non-current				
Other payables	-	150	-	-
Total non-current trade and other payables	-	150	-	-
Total trade and other payables	40,509	33,004	40,242	32,286

OS-HELP is a loan scheme to assist eligible undergraduate students to undertake some of their course of study overseas.

Due to the short-term nature of current trade creditors, the carrying value is assumed to approximate the fair value.

A change in practice occurred to reallocate manually accounted payables to accrued expenses. The change occurred to allow trade creditors to purely reflect that which is displayed within the QUT finance system.

The increase in the 2012 accrued expenses is attributable to the inclusion of the final commitments for the Science and Engineering Centre, 2012: \$6.3 million (2011: recorded within the commitments note) and an increase in the accrual for unclaimed agent commissions, 2012: \$3.8 million (2011: \$1.6 million).

Other payables declined as the centre management of the Sustainable Built Environment National Research Centre will transfer to Curtin University in 2013.

22 Borrowings

	Consolidated		Parent entity	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Current				
Unsecured				
Queensland Treasury Corporation Loans (Commercial)	899	-	899	-
Total current unsecured borrowings	899	-	899	-
Total current borrowings	899	-	899	-
Non-current				
Unsecured				
Queensland Government Loans (Non-commercial)	19,407	13,499	19,407	13,499
Queensland Treasury Corporation Loans (Commercial)	58,319	-	58,319	-
Total non-current unsecured borrowings	77,726	13,499	77,726	13,499
Total non-current borrowings	77,726	13,499	77,726	13,499
Total borrowings	78,625	13,499	78,625	13,499

The Queensland Government, through the Smart State Research Facilities Fund and the Innovation Building Fund, has lent a total of \$64.63 million towards the construction of: the Institute of Health and Biomedical Innovation (IHBI) \$22.5 million; the Medical Engineering Research Facility (MERF) \$5 million; the Plant Growth Facility \$500,000; the Australian Research Centre for Aerospace Automation (ARCAA) \$3.53 million; the Mackay Sugar Research Facility \$3.1 million; and the Science and Technology Precinct \$30 million. The \$64.63 million in borrowings has a net present value of \$19.407 million. All Smart State Research Facility Fund loans have been fully received and the only remaining Innovation Building Fund loan is the Science and Technology Precinct, with a remaining \$5 million to be received in 2013. These loans are interest free with repayments commencing in year 11 of the term.

22 Borrowings (continued)

The University was granted approval to borrow a total of \$125 million through the Queensland Treasury Corporation (QTC) for the following infrastructure projects; \$78 million to finance part of the construction costs of the Science and Technology precinct and \$47 million to finance part of the construction cost of the Creative Industries Precinct - Phase II. Progressive draw downs on the Science and Technology Precinct loan commenced in 2012 (March \$20 million, April \$20 million and May \$20 million totalling \$60 million with a weighted average rate 5.03%). The remaining \$18 million is expected to be drawn-down in 2013. The borrowings will be repaid over a period of 30 years subject to terms and conditions by QTC. The approved borrowings for the Creative Industries Precinct of \$47 million will be drawn down over 2013 and 2014. The University may also seek approval for an additional \$20 million for the construction of Creative Industries - Phase II, in 2013. This will bring the total borrowing for Creative Industries - Phase II to \$67 million.

Under the State's Borrowing Program, the University has access to an \$11.5 million working capital loan facility through QTC. The working capital loan facility, which is a temporary overdraft (limit of up to 30 days) used for cash flow management, was not accessed during 2012.

(a) Interest rate risk exposure

Details of the University's exposure to interest rate changes on interest bearing liabilities are set out in financial risk management (refer note 34).

(b) Fair value disclosures

Details of fair value of interest bearing liabilities for the University are set out in financial risk management (refer note 34).

(c) Security

The University does not have any assets pledged as security for current interest bearing liabilities.

The carrying amounts of the University's borrowings are denominated in the following currencies:

	Consolidated		Parent entity	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
Australian dollars	<u>78,625</u>	13,499	<u>78,625</u>	13,499
	<u>78,625</u>	<u>13,499</u>	<u>78,625</u>	<u>13,499</u>

23 Provisions

	Consolidated		Parent entity	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Current provisions expected to be settled:				
Within 12 months				
Employee benefits				
Annual leave	21,411	17,046	21,301	16,944
Long service leave	4,296	3,935	4,296	3,935
Parental leave	374	346	374	346
Subtotal	<u>26,081</u>	<u>21,327</u>	<u>25,971</u>	<u>21,225</u>
After more than 12 months				
Employee benefits				
Annual leave	8,054	6,499	8,054	6,499
Long service leave	30,087	27,554	30,087	27,554
Subtotal	<u>38,141</u>	<u>34,053</u>	<u>38,141</u>	<u>34,053</u>
Total current provisions	<u>64,222</u>	<u>55,380</u>	<u>64,112</u>	<u>55,278</u>
Non-current provisions				
Employee benefits				
Long service leave	20,437	16,671	20,393	16,642
Total non-current provisions	<u>20,437</u>	<u>16,671</u>	<u>20,393</u>	<u>16,642</u>
Total provisions	<u>84,659</u>	<u>72,051</u>	<u>84,505</u>	<u>71,920</u>

The current liability provision reflects an entitlement currently due to employees. This current liability has been split into two categories ie, settlements expected within 12 months and settlements expected after more than 12 months. This split is estimated based on historical trends and probability.

The non-current liability provision reflects those employee entitlements which are not classified as current and is also based on historical trends and probability.

Annual leave provision: reflects the amount of annual leave accrued as at 31 December 2012. The significant increase in annual leave liability has arisen from the change in policy in 2011, which previously "deemed" annual leave to have been taken by senior staff and academics to now comply with the requirements of the Fair Work Act which allows the carrying forward of unused annual leave entitlements.

Long service leave provision: reflects the accumulated cost of long service leave accrued as at 31 December 2012. The current provision reflects entitlements for employees with over 10 years of service.

Parental leave provision: reflects the accumulated cost of parental leave accrued as at 31 December 2012. The increase is due predominantly to the value of parental leave days carried forward.

24 Other liabilities

	Consolidated		Parent entity	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
Current				
Advances other	6	10	6	10
Unearned revenue	<u>92,362</u>	20,767	<u>92,347</u>	20,767
Total current other liabilities	<u>92,368</u>	20,777	<u>92,353</u>	20,777
Non-current				
Lease expenses	1,937	1,916	1,937	1,916
Unearned revenue	<u>2,799</u>	2,515	<u>2,799</u>	2,515
Total non-current other liabilities	<u>4,736</u>	4,431	<u>4,736</u>	4,431
Total other liabilities	<u>97,104</u>	25,208	<u>97,089</u>	25,208

Lease expenses reflect the difference between actual and straight-line payments for operating leases held by the University as at 31 December 2012. Lease expenses were previously disclosed under provisions.

Unearned revenue consists of student fees received in advance and unearned as at 31 December 2012. The 2012 result included \$84.454 million of fees for 2013 teaching periods mainly from enrolled continuing students. In 2011 the continuing students enrolments were not processed until 2012, reducing the comparative figure for 2011 which is significantly lower due to the billing not occurring until 2012. The 2012 unearned revenue increase has an offsetting increase in student debtors balances (refer note 16).

Unearned revenue also includes a building lease incentive which is being amortised over the life of the lease term through to October 2016. This lease incentive was received in 2009 and the residual amount consists of a non-current component \$2.799 million (2011: \$2.515 million) and a current component \$2.289 million (2011: \$1.374 million).

25 Reserves and retained earnings

	Consolidated		Parent entity	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
(a) Reserves				
Property, plant and equipment revaluation reserve	317,568	329,267	317,568	329,267
Available-for-sale asset revaluation reserve	18	110	-	-
Endowment fund reserve	-	32,009	-	32,009
Total Reserves	317,586	361,386	317,568	361,276

Movements

Property, plant and equipment revaluation reserve

Balance 1 January	329,267	329,393	329,267	329,393
Revaluation - gross	(11,699)	(126)	(11,699)	(126)
Balance 31 December	317,568	329,267	317,568	329,267

Available-for-sale asset revaluation reserve

Balance 1 January	110	36	-	(255)
Revaluation - gross	(92)	74	-	255
Balance 31 December	18	110	-	-

Endowment fund reserve

Balance 1 January	32,009	29,685	32,009	29,685
Transfers - Retained surplus	(32,009)	2,324	(32,009)	2,324
Balance 31 December	-	32,009	-	32,009

(b) Retained earnings

Movements in retained earnings were as follows:

	Consolidated		Parent entity	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Retained surplus at 1 January	833,641	772,121	833,879	772,584
Operating result for the year	102,832	63,844	102,535	63,619
Transfers - Endowment fund	32,009	(2,324)	32,009	(2,324)
Retained earnings at 31 December	968,482	833,641	968,423	833,879

(c) Nature and purpose of reserves

(i) Property, plant and equipment revaluation reserve

The property, plant and equipment revaluation reserve is used to record increments and decrements on the revaluation of non-current assets, as described in note 1(p).

(ii) Available-for-sale asset revaluation reserve

Changes in the fair value and exchange differences arising on translation of investments, classified as available-for-sale financial assets, are taken to the available-for-sale investments revaluation reserve, as described in note 1(m).

(iii) Endowment fund reserve

The endowment fund reserve was used to record movements in the value of the fund which is held in perpetuity for the benefit of future students through the provision of scholarships and bursaries.

In March 2012 Queensland Treasury issued APG 15 - Framework for the Approval of General Reserves, in relation to the Financial Reporting Requirements for Queensland Government Agencies, to provide guidance to agencies in relation to the approval for the creation of reserves other than those reserves required under specific Australian accounting standards. APG 15 states that the use of general reserves other than in exceptional circumstances is not supported by Treasury and therefore the continuance of the Endowment Reserve is no longer supported and has been transferred to Retained earnings as at 31 December 2012. The balance of the Endowment Fund as at 31 December 2012 was \$35.533 million, see note 18.

26 Key management personnel disclosures

(a) Names of responsible persons and executive officers

The following were responsible persons and executive officers of QUT or its subsidiaries during the financial year:

Chancellor	Mr T Fairfax, AM (Appointed 09 September 2012) Major General P Arnison, AC CVO (Retd) (Resigned 08 September 2012)
Deputy Chancellor	Ms Helen Gluer (Appointed 01 January 2012) (Resigned 20 November 2012)
Vice Chancellor	Prof P Coaldrake, AO
Chair, University Academic Board	Prof K Bowman (Resigned 02 March 2012) Prof C Dickenson (Appointed 05 March 2012)
Nominees of the Governor in Council	Ms H Gluer (Resigned 20 November 2012) Prof A Kelso, AO (Resigned 20 November 2012) Mr N Jarro (Resigned 30 March 2012) Mr H Nalder Dr J Puttick Dr L Perry Ms R Vilgan Mrs P Francini-O'Hagan (Resigned 14 February 2012) Mr W Enoch (Appointed 21 November 2012) Mr M Pennisi (Appointed 21 November 2012) Ms J Parker (Appointed 21 November 2012) Mr W Tapp (Appointed 21 November 2012)
Nominees of Council	Prof M Wainwright (Resigned 20 November 2012) Mr D Fishel (Resigned 20 November 2012)
Elected professional staff	Ms W Harper (Resigned 20 November 2012) Ms S Eastman (Resigned 20 November 2012) Mr R Hall (Appointed 21 November 2012) Dr S Nielsen (Appointed 21 November 2012)
Elected academic staff	Prof J Clements (Resigned 20 November 2012) Mr R Daniels (Resigned 20 November 2012) Prof J Lidstone (Resigned 20 November 2012) Dr L Duffield (Appointed 21 November 2012) A/Prof P Heywood (Appointed 21 November 2012) A/Prof C Anderson (Appointed 21 November 2012)
Elected student members	Ms K Henderson (Resigned 20 November 2012) Mr J Phillipot (Resigned 20 November 2012) Ms S Percival (Appointed 21 November 2012) Mr W Taylor (Appointed 21 November 2012)
Elected alumni members	Dr T Baker Ms M Vecchio (Resigned 20 November 2012) Ms J Robertson (Appointed 21 November 2012)
Secretary	Dr C Dickenson (Resigned 05 March 2012) Ms J Banney (Acting 25 January to 11 May 2012) Ms S Lorenzo (Appointed 14 May 2012)
Directors of Creative Industries Precinct Pty Ltd	Mr B Richards Mr C Cooke Ms R Drinkwater Prof S Sheppard Mr M Smellie Prof R Wissler
Secretary of Creative Industries Precinct Pty Ltd	Mr C Melvin

26 Key management personnel disclosures (continued)

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

Directors of QUT Enterprise Holdings Pty Ltd	Prof P Coaldrake Prof K Bowman (Alternate Director) Mr R Mortimer Mr S Pincus Mr J Puttick Ms S Rix
Secretary of QUT Enterprise Holdings Pty Ltd	Ms K Trott
Directors of qutbluebox Pty Ltd	Prof T Cochrane Dr T Evans Mr A Loch Mr H Nalder Prof A Sharma
Secretary of qutbluebox Pty Ltd	Mr S Denaro

(b) Other key management personnel

The following persons also had authority and responsibility for planning, directing and controlling the activities of QUT during the financial year:

Prof P Coaldrake	Vice-Chancellor	QUT
Prof K Bowman	Deputy Vice-Chancellor, Academic (Resigned 06 July 2012)	QUT
Dr C Dickenson	Deputy Vice-Chancellor, Academic (Appointed 05 March 2012)	QUT
Prof P Little	Deputy Vice-Chancellor, Corporate Programs and Partnerships (Appointed 21 May 2012)	QUT
Prof S Sheppard	Deputy Vice-Chancellor, International & Development	QUT
Prof S Vaughan	Deputy Vice-Chancellor, Learning & Teaching	QUT
Prof A Sharma	Deputy Vice-Chancellor, Research & Commercialisation	QUT
Prof T Cochrane	Deputy Vice-Chancellor, Technology, Information & Learning Support	QUT
Mr S Pincus	Executive Director, Finance & Resource Planning	QUT
Dr C Dickenson	Registrar & Head, Administrative Services (Resigned 04 March 2012)	QUT
Ms S Lorenzo	Registrar & Head, Administrative Services (Appointed 14 May 2012)	QUT

All of the above persons were also key management persons during the year ended 31 December 2012.

26 Key management personnel disclosures (continued)

(c) Remuneration of Board Members and Executives

The Board Members and Executives who received remuneration from the University, including the Chancellor in his role as head of the University Council (the University leases and maintains a motor vehicle and pays a membership to the Queensland Club for the Chancellor):

	Parent entity	
	2012	2011
	Number	Number
Remuneration of responsible persons		
Nil to \$9,999	1	-
\$10,000 to \$19,999	1	-
\$20,000 to \$29,999	-	1
 Remuneration of executive officers		
\$240,000 to \$249,999	1	-
\$300,000 to \$309,999	-	1
\$310,000 to \$319,999	1	-
\$350,000 to \$359,999	1	-
\$360,000 to \$369,999	-	2
\$370,000 to \$379,999	1	1
\$380,000 to \$389,999	1	-
\$430,000 to \$439,999	-	1
\$450,000 to \$459,999	1	-
\$460,000 to \$469,999	-	1
\$470,000 to \$479,999	2	-
\$490,000 to \$499,999	1	-
\$550,000 to \$559,999	-	1
\$880,000 to \$889,999	-	1
\$930,000 to \$939,999	1	-

26 Key management personnel disclosures (continued)

(d) Key management personnel compensation

(i) Members of Queensland University of Technology

2012	Short term monetary benefits \$	Short term non-monetary benefits \$	Long term employee benefits \$	Termination benefits \$	Post-employ- ment benefits \$	Total \$
<i>Position Title</i>						
Vice-Chancellor	776,395	29,635	16,843	-	114,272	937,145
Deputy Vice-Chancellor, Academic (Resigned 06 July 2012)	441,325	618	-	-	30,294	472,237
Deputy Vice-Chancellor, Academic (Appointed 05 March 2012)	371,728	19,087	3,436	-	59,475	453,725
Deputy Vice-Chancellor, Corporate Programs and Partnerships (Appointed 21 May 2012) Previously Executive Dean QUT Business School	416,047	-	3,271	-	53,497	472,815
Deputy Vice-Chancellor, International & Development	304,897	21,133	4,991	-	45,089	376,109
Deputy Vice-Chancellor, Learning & Teaching	257,007	17,723	5,301	-	39,066	319,097
Deputy Vice-Chancellor, Research & Commercialisation	421,096	102	8,937	-	60,575	490,710
Deputy Vice-Chancellor, Technology, Information & Learning Support	332,868	39	4,781	-	43,514	381,203
Executive Director, Finance & Resource Planning	288,119	14,262	4,121	-	45,582	352,084
Registrar & Head, Administrative Services (Appointed 14 May 2012)	205,768	-	5,112	-	32,431	243,311
Total	3,815,250	102,599	56,793	-	523,795	4,498,436

2011	Short term monetary benefits \$	Short term non-monetary benefits \$	Long term employee benefits \$	Termination benefits \$	Post-employ- ment benefits \$	Total \$
<i>Position Title</i>						
Vice-Chancellor	731,745	27,346	15,562	-	105,823	880,476
Deputy Vice-Chancellor, Academic	480,002	557	9,945	-	64,795	555,299
Deputy Vice-Chancellor, International & Development	298,104	20,126	4,832	-	43,775	366,837
Deputy Vice-Chancellor, Learning & Teaching	241,044	16,217	7,019	-	37,022	301,302
Deputy Vice-Chancellor, Research & Commercialisation	400,868	348	8,641	-	58,759	468,617
Deputy Vice-Chancellor, Technology, Information & Learning Support	323,935	479	6,195	-	41,690	372,299
Executive Director, Finance & Resource Planning	297,776	14,830	6,466	-	43,966	363,037
Registrar & Head, Administrative Services	359,275	16,982	7,729	-	52,558	436,544
Total	3,132,749	96,885	66,389	-	448,388	3,744,411

26 Key management personnel disclosures (continued)

(e) Performance payments to key management personnel

The basis for performance payments made is set out in the table below.

Position Title	Date paid	Basis for payment
2012		
Vice-Chancellor	20 April 2012	Bonus payable on meeting performance targets up to 15% of salary.
Deputy Vice-Chancellor, Academic	20 April 2012	Bonus payable on meeting performance targets up to 10% of salary.
Deputy Vice-Chancellor, Corporate Programs and Partnerships	20 April 2012	Bonus payable on meeting performance targets up to 10% of salary.
Deputy Vice-Chancellor, International & Development	20 April 2012	Bonus payable on meeting performance targets up to 10% of salary.
Deputy Vice-Chancellor, Learning & Teaching	20 April 2012	Bonus payable on meeting performance targets up to 10% of salary.
Deputy Vice-Chancellor, Research & Commercialisation	20 April 2012	Bonus payable on meeting performance targets up to 10% of salary.
Deputy Vice-Chancellor, Technology, Information & Learning Support	20 April 2012	Bonus payable on meeting performance targets up to 10% of salary.
Executive Director, Finance & Resource Planning	20 April 2012	Bonus payable on meeting performance targets up to 10% of salary.
Registrar & Head, Administrative Services	n/a	Bonus payable on meeting performance targets up to 10% of salary.

Position Title	Date paid	Basis of payment
2011		
Vice-Chancellor	08 April 2011	Bonus payable on meeting performance targets up to 15% of salary.
Deputy Vice-Chancellor, Academic	08 April 2011	Bonus payable on meeting performance targets up to 10% of salary.
Deputy Vice-Chancellor, International & Development	08 April 2011	Bonus payable on meeting performance targets up to 10% of salary.
Deputy Vice-Chancellor, Learning & Teaching	n/a	Bonus payable on meeting performance targets up to 10% of salary.
Deputy Vice-Chancellor, Research & Commercialisation	08 April 2011	Bonus payable on meeting performance targets up to 10% of salary.
Deputy Vice-Chancellor, Technology, Information & Learning Support	08 April 2011	Bonus payable on meeting performance targets up to 10% of salary.
Executive Director, Finance & Resource Planning	08 April 2011	Bonus payable on meeting performance targets up to 10% of salary.
Registrar & Head, Administrative Services	08 April 2011	Bonus payable on meeting performance targets up to 10% of salary.

The aggregate performance bonuses paid to all key management personnel are as follows:

	Parent entity	
	2012 \$'000	2011 \$'000
Key management personnel	<u>328</u>	<u>271</u>
	328	271

26 Key management personnel disclosures (continued)

(f) Loans to key management personnel

In 2012, there were no loans to key management personnel.

(g) Other transactions with key management personnel

In 2012, there were no other transactions with key management personnel.

27 Remuneration of auditors

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

	Consolidated		Parent entity	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
Audit and review of the Financial Statements				
Fees paid to Queensland Audit Office:				
Audit and review of financial reports and other audit work under the <i>Financial Accountability Act 2009</i>	321	289	273	252
Total remuneration for Audit services	321	289	273	252
Other audit and assurance services				
Fees paid to Queensland Audit Office:				
Due diligence and controls assurance services	-	-	-	-
Total remuneration for Other audit and assurance services	-	-	-	-
Total remuneration of auditors	321	289	273	252

Total external audit fees relating to 2012 Financial Statements are estimated to be \$273,000 (2011: \$252,000).

The audit work was sub-contracted by Queensland Audit Office to Crowe Horwath Brisbane in both 2011 and 2012.

28 Contingencies

(a) Contingent liabilities

The University had contingent liabilities as at 31 December 2012 in respect of:

	Consolidated		Parent entity	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
Legal disputes and claims	2,097	2,000	2,097	2,000
	<u>2,097</u>	<u>2,000</u>	<u>2,097</u>	<u>2,000</u>

There are other ongoing legal cases awaiting outcome where estimates cannot be reliably measured.

(b) Financial guarantees

A financial guarantee equivalent to the value of 6 months rent plus GST was provided in 2009 to the Cromwell Group as part of the tenancy agreement for 88 Musk Avenue Kelvin Grove whereby QUT is required to retain funds in a dedicated cash investment product for the duration of the tenancy agreement which expires on November 2016 with an option for further extensions. The guarantee is not recognised in the Statement of Financial Position as the probability of default is remote.

(c) Contingent assets

The University had contingent assets at 31 December 2012 in respect of:

	Consolidated		Parent entity	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
QUT's interest in Leaf Energy Ltd shares held by qutbluebox	-	-	106	-
	<u>-</u>	<u>-</u>	<u>106</u>	<u>-</u>

Movements in contingent assets and contingent liabilities are as follows:

	Consolidated			
	Contingent Assets		Contingent Liabilities	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
Opening balance 1 January	-	-	2,000	-
Additional and increased contingent assets/liabilities recognised during the reporting period	-	-	97	2,000
Closing balance 31 December	<u>-</u>	<u>-</u>	<u>2,097</u>	<u>2,000</u>

29 Commitments

(a) Capital commitments

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

	Consolidated		Parent entity	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
Property, plant and equipment:				
Within one year	5,667	117,033	5,667	117,033
Later than one year	1,712	-	1,712	-
Total	7,379	117,033	7,379	117,033
Intangible assets				
Within one year	883	21	883	21
Total	883	21	883	21

The above property, plant and equipment commitments include the following capital projects:

- Creative Industries Phase II at Kelvin Grove, 2012: \$2.1 million (2011: \$2.692 million). The tenders for the construction are in the process of being finalised, with the major expenditure being incurred over 2013 and 2014.
- Science and Technology Precinct in the final stage of completion, 2012: \$1.5 million (2011: \$109.676 million).

(b) Lease commitments

(i) Operating leases

The University leases various offices, research facilities and warehouses under non-cancellable operating leases expiring within one to eighty years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated. The University also has operating lease commitments relating to motor vehicles and equipment.

	Consolidated		Parent entity	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:				
Within one year	7,230	9,394	7,129	9,298
Between one year and five years	21,685	26,504	21,592	26,504
Later than five years	22,619	23,597	22,618	23,597
Total future minimum lease payments	51,534	59,494	51,339	59,398

The weighted average interest rate implicit in the non-cancellable operating leases is 3.8% (2011: 3.85%).

(ii) Finance leases

The University does not have any finance leases.

30 Related parties

(a) Parent entities

The ultimate parent entity is QUT, a statutory body established under the *Queensland University of Technology Act 1998*.

(b) Subsidiaries

Interests in subsidiaries are set out in note 31.

(c) Key management personnel

Disclosures relating to directors and specified executives are set out in note 26.

(d) Transactions with related parties

The following transactions occurred with related parties:

	Consolidated		Parent entity	
	2012	2011	2012	2011
	\$,000	\$,000	\$,000	\$,000
<i>Sales of goods and services</i>				
Sale of goods and services to subsidiaries	-	-	1,816	890
	-	-	1,816	890
<i>Purchase of goods</i>				
Purchases of goods and services from subsidiaries	-	-	112	112
	-	-	112	112
<i>Other transactions</i>				
Capital contribution provided to subsidiaries	-	-	5,000	2,821
	-	-	5,000	2,821

31 Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1(b):

Name of entity	Country of incorporation	Class of shares	Equity holding	
			2012 %	2011 %
GeneCo Pty Ltd	Australia	Ordinary	100	100
Brisbane Business School Pty Ltd	Australia	Ordinary	100	100
QUT Enterprise Holdings Pty Ltd	Australia	Ordinary	100	100
QUT Enterprise Holdings Trust	Australia	N/A	100	100
qutbluebox Pty Ltd	Australia	Ordinary	100	100
QUT bluebox Trust	Australia	N/A	100	100
Creative Industries Precinct Pty Ltd	Australia	Ordinary	100	100

The above listed entities were established under authority of the *Queensland University of Technology Act 1998 (Section 60)*.

- i GeneCo Pty Ltd was established to undertake research into gene probe technology. There is 1 share of 1,562,553 shares in GeneCo Pty Ltd that is not owned by the University. GeneCo Pty Ltd did not trade during the year. The net book value of GeneCo Pty Ltd has been fully diminished.
- ii Brisbane Business School Pty Ltd was established in 1999 in order to establish the business name 'Brisbane Business School'. Brisbane Business School Pty Ltd did not trade during the year.
- iii QUT Enterprise Holdings Pty Ltd was established in 2001 to act as the corporate trustee for QUT Enterprise Holdings Trust. QUT Enterprise Holdings Pty Ltd did not trade during the year.
- iv QUT Enterprise Holdings Trust was established in 2001 as a holding entity for QUT owned entities established to undertake or to initiate, promote, facilitate and oversee research and development projects, and education and training programs in relation to any University discipline. Creative Industries Precinct Pty Ltd and qutbluebox Pty Ltd are subsidiaries of QUT Enterprise Holdings Trust. The accounts are presented to QUT and consolidated with QUT accounts.
- v qutbluebox Pty Ltd was established in 2006 to act as the corporate trustee for QUT bluebox Trust. qutbluebox Pty Ltd did not trade during the year.
- vi QUT bluebox Trust was established in 2006 as an entity to carry out the commercialisation of QUT intellectual property. Under an agreed management and governance framework, QUT bluebox Trust will make decisions in relation to registration and use of intellectual property and the establishment of spin-off companies. The accounts are presented to QUT Enterprise Holdings and consolidated with QUT Enterprise Holdings Trust.
- vii Creative Industries Precinct Pty Ltd (trading as QUT Creative Enterprise Australia) is a subsidiary of QUT Enterprise Holdings Trust. Creative Industries Precinct Pty Ltd was established in December 2001 to manage and operate the Creative Industries Enterprise Centre in Kelvin Grove. The company accounts are independently prepared and consolidated into the accounts of QUT Enterprise Holdings Trust.

32 Jointly controlled operations and assets

(a) Kelvin Grove Urban Village (KGUV)

The University entered into a joint venture operation with the Queensland Government to develop a 16.5 hectare site adjacent to the present Kelvin Grove campus. The joint venture established the Kelvin Grove Urban Village (KGUV) to provide new opportunities in teaching, research and community engagement for the University. The completed joint venture operations include; the Creative Industries Precinct (CIP); the Institute of Health and Biomedical Innovation (IHBI); the Student Learning and Support Centre; and the Centre for Physical Activity, Clinical Education and Health (CPACEH).

Each party owns and controls its own land, but contributes to the cost of shared infrastructure and other project common works. The University and the Queensland Department of Housing signed a Co-operation Deed that prescribes the processes, organisation and responsibilities for the development.

(b) Translational Research Institute (TRI)

The Institute is a joint venture operation between The University of Queensland, Queensland University of Technology, Mater Medical Research Institute Ltd and Queensland Health, developed with the aim of translating the findings of basic biomedical research into better patient outcomes. TRI is Australia's newest and most comprehensive medical research and biopharmaceutical facility.

QUT has equal holdings in the TRI Unit Trust, although does not have control or significant influence over the entity. QUT contributes \$2.3 million per annum towards the operational costs and also has a prepaid licence agreement to occupy the TRI building over 30 years. To date \$23.75 million has been paid which is reflected in prepayments, see note 16 Receivables.

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

	Consolidated		Parent entity	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
Operating result for the period	102,832	63,844	102,535	63,619
<i>Non-cash income statement movements</i>				
Depreciation and amortisation	47,695	48,219	47,654	48,171
Net (gain) / loss on disposal of plant and equipment	(302)	891	(306)	891
Income from distributions received	(619)	(500)	(619)	(500)
<i>(Increase) / decrease in trade and other receivables</i>				
(Increase) / decrease in student loans	40	(63)	40	(63)
Increase / (decrease) in provision for doubtful debts	50	43	50	43
(Increase) / decrease in trade debtors	(3,781)	(827)	(3,956)	(646)
Increase / (decrease) in provision for doubtful debts	(204)	(669)	(218)	(658)
(Increase) / decrease in student fees debtors	(66,467)	18,269	(66,467)	18,269
Increase / (decrease) in provision for doubtful debts	(52)	129	(52)	129
Increase / (decrease) in goods and services tax refund due	1,506	(997)	1,506	(997)
Increase / (decrease) in other receivables	(11,099)	(13,032)	(11,099)	(13,033)
Increase / (decrease) in inventories	150	140	150	140
Decrease / (increase) in other financial assets at fair value through profit or loss	(39,569)	1,830	(35,960)	4,701
<i>Increase / (decrease) in payables</i>				
Increase / (decrease) in OS-HELP liability to Australian Government	33	22	33	22
Increase / (decrease) in trade creditors	(2,256)	(1,158)	(1,975)	(1,193)
Increase / (decrease) in unearned revenue	71,864	(21,530)	71,864	(21,521)
Increase / (decrease) in accrued expenses	11,242	(9,474)	11,242	(9,474)
Increase / (decrease) in grants in advance	(4)	(549)	(4)	(549)
Increase / (decrease) in accrued employee benefits	12,573	9,888	12,585	9,863
Increase / (decrease) in other operating liabilities	(1,300)	(7,563)	(1,323)	(7,591)
Net cash provided by / (used in) operating activities	<u>122,331</u>	<u>86,914</u>	<u>125,680</u>	<u>89,623</u>

34 Financial risk management

The University's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The University's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the University. The University uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, aging analysis for credit risk and benchmark analysis in respect of investment portfolios to determine market risk.

The University and the parent entity hold the following financial assets and liabilities:

	Notes	Consolidated		Parent entity	
		2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Financial assets					
Cash and cash equivalents	15	135,631	88,281	131,773	86,069
Trade and other receivables	16	157,878	77,832	157,608	77,412
Other financial assets	18	234,566	207,972	238,204	209,940
Total financial assets		528,075	374,085	527,585	373,421
Financial liabilities					
Trade and other payable	21	40,509	33,004	40,242	32,286
Borrowings (commercial)	22	59,218	-	59,218	-
Borrowings (non-commercial)	22	19,407	13,499	19,407	13,499
Other liabilities	24	97,104	25,208	97,089	25,208
Total financial liabilities		216,238	71,711	215,956	70,993

(a) Market risk

(i) Foreign exchange risk

The risk to the University that currency fluctuations will occur due to changes in the foreign exchange rates is usually minimal, as the majority of contracts are in Australian dollars. Fees charged to overseas students are generally denominated in Australian dollars. For the small number of contracts settled in other currencies payment is usually made within thirty days. The exception to this, are contracts placed by the Library in Euros, GB pounds and US dollars early in the year, of which the majority are settled in the second half of the year. QUT received approval to undertake limited derivative transactions as cited in the Statutory Bodies Financial Amendment Regulation (No. 1) 2011. The University is limited to foreign exchange forward contracts and foreign exchange options contracts only. Transactions are limited to hedge against exposure to foreign currency rate movements in relation to the payment of annual library subscriptions and purchase of high cost assets. All foreign exchange forward contracts were exercised prior to year end.

The University monitors its exposure to foreign currency risk and responds to this in an ongoing manner as part of its budget review process where material.

(ii) Price risk

The risk to the University is that the value of a financial instrument will fluctuate as a result of changes in market prices. The University prices goods and services based on a combination of cost recovery, or market forces depending on the type of item supplied. The University's biggest exposures to competitive market movements in price levels are for its market based investments with QIC, where funds are invested in the QIC Growth Fund, the QIC Australian Fixed Interest Fund and the QIC Stable Fund. The University monitors its investments with QIC and provides regular reports to management and University Council for high level review and action as required.

(iii) Cash flow and fair value interest rate risk

The University's exposure to market risk for changes in interest rates relates primarily to the long-term debt obligations. The University's commercial borrowings are all obtained through QTC and are fixed rates over a 30 year term, with a 15 year market readjustment. The University has limited exposure to interest rate risk due to interest free borrowing programs (through the Smart State Loans and Innovation Building Fund) and fixed long term debt through QTC's generic debt pool.

The University's exposure to market risk for changes in interest rates also relates to short-term investments. The University minimises its exposure to fluctuating market interest rates by diversifying the University's investments in both cash and short term funding with approved financial institutions. The risk sensitivity adopted by the University is +/- 1%. This reflects market conditions generally, whereby interest rates have the capacity to move by these margins within a 12 month period.

34 Financial risk management (continued)

(iv) Summarised sensitivity analysis

The following table summarises the sensitivity of QUT's financial assets and financial liabilities to interest rate risk, foreign exchange risk and other price risk.

Sensitivity analysis

Consolidated	Carrying amount \$'000	Interest rate risk				Foreign exchange risk				Other price risk			
		-1%		+1%		-10%		+10%		-10%		+10%	
		Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000
31 December 2012													
Financial assets													
Cash and cash equivalents	135,631	(1,356)	(1,356)	1,356	1,356	-	-	-	-	-	-	-	-
Receivables	157,878	-	-	-	-	12	12	(10)	(10)	-	-	-	-
Other financial assets:													
QIC investment funds	230,792	-	-	-	-	-	-	-	-	(23,079)	(23,079)	23,079	23,079
Listed securities	2,760	-	-	-	-	-	-	-	-	(276)	(276)	276	276
Unlisted securities / managed funds	1,014	-	-	-	-	-	-	-	-	(101)	(101)	101	101
Sub Total		(1,356)	(1,356)	1,356	1,356	12	12	(10)	(10)	(23,456)	(23,456)	23,456	23,456
Trade and other payables	40,509	-	-	-	-	(31)	(31)	26	26	-	-	-	-
Borrowings (commercial) ⁽ⁱⁱⁱ⁾	59,218	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings (non-commercial) ⁽ⁱ⁾	19,407	-	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	97,104	-	-	-	-	-	-	-	-	-	-	-	-
Sub Total		-	-	-	-	(31)	(31)	26	26	-	-	-	-
Total increase / (decrease)		(1,356)	(1,356)	1,356	1,356	(19)	(19)	16	16	(23,456)	(23,456)	23,456	23,456
31 December 2011													
Financial assets													
Cash and cash equivalents	88,281	(883)	(883)	883	883	-	-	-	-	-	-	-	-
Receivables	77,832	-	-	-	-	108	108	(89)	(89)	-	-	-	-
Other financial assets:													
QIC investment funds	203,454	(2,035)	(2,035)	2,035	2,035	-	-	-	-	(20,345)	(20,345)	20,345	20,345
Listed securities	3,626	-	-	-	-	-	-	-	-	(363)	(363)	363	363
Unlisted securities / managed funds	892	-	-	-	-	-	-	-	-	(89)	(89)	89	89
Sub Total		(2,918)	(2,918)	2,918	2,918	108	108	(89)	(89)	(20,797)	(20,797)	20,797	20,797
Financial liabilities													
Trade and other payable	33,004	-	-	-	-	(103)	(103)	84	84	-	-	-	-
Borrowings (non-commercial) ⁽ⁱ⁾	13,499	-	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	25,208	-	-	-	-	-	-	-	-	-	-	-	-
Sub Total		-	-	-	-	(103)	(103)	84	84	-	-	-	-
Total increase/ (decrease)		(2,918)	(2,918)	2,918	2,918	5	5	(5)	(5)	(20,797)	(20,797)	20,797	20,797

(i) Non-commercial loans include Smart State Research Facilities Fund and the Innovation Building Fund. These borrowings are not subject to interest and reflect the Net Present Value of the loans.

(ii) Queensland Treasury Corporation fixed rate loans are over a 30 year term, with a 15 year market readjustment.

34 Financial risk management (continued)

(b) Credit risk

The risk to the University that one party of a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss is considered minimal. The University undertakes credit checks on new debtors where the assessed value exceeds \$5,000. In addition, credit risk is minimised by trading with a substantial number of parties. Credit checks are not required for government departments, public statutory bodies, and government and semi government agencies. Where a customer fails a credit check, any work undertaken by the University must be paid for in advance.

For wholesale customers without credit rating, the University generally retains title over the goods sold until full payment is received. For some trade receivables, the University may also obtain security in the form of guarantees, deeds of undertaking or letters of credit which can be called upon if the counterparty is in default under the terms of the agreement.

(c) Liquidity risk

The risk to the University that the entity will encounter difficulty in raising funds to meet commitments is managed within the University's investment and borrowings policy. In which the investment policy keeps a safety net level of cash and cash equivalent financial assets in order to satisfy the University's financial liabilities as they fall due. The University has a very strong statement of financial position and regularly monitors liquidity as part of its treasury operations, budget review and reporting arrangements. In regards to borrowings the University has an established working capital loan facility (of up to \$11.5 million for thirty days) to act as a safety net for short term cash demands, this facility has not been used since 2009. The University also has non-commercial borrowings through the Smart State Research Facilities Fund; the Innovation Building Fund; and commercial borrowings through QTC. The borrowings through the Queensland Government's Smart State Research Facilities Fund and the Innovation Building Fund are interest free and one third of the loan will be forgiven if all conditions of the loan are met. The approved QTC borrowings for infrastructure projects are interest bearing thirty year commercial loan agreements.

The University's accounts payables and receivables are considered to be short term in nature.

34 Financial risk management (continued)

Maturities of financial assets and liabilities

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

31 December 2012	Notes	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest	Total
		%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets								
Cash and cash equivalents	15	4.93	75,631	60,000	-	-	-	135,631
Receivables	16	-	-	-	-	-	157,878	157,878
Other financial assets:	18							
QIC investment funds		-	-	-	-	-	230,792	230,792
Listed securities		-	-	-	-	-	2,760	2,760
Unlisted securities / managed funds		-	-	-	-	-	1,014	1,014
Total financial assets			75,631	60,000	-	-	392,444	528,075
Financial liabilities								
Trade and other payables	21	-	-	-	-	-	40,509	40,509
Borrowings (commercial)	22	5.03	-	899	4,092	54,227	-	59,218
Borrowings (non-commercial)	22	-	-	-	-	-	19,407	19,407
Other liabilities	24	-	-	-	-	-	97,104	97,104
Total financial liabilities			-	899	4,092	54,227	157,020	216,238
31 December 2011								
31 December 2011	Notes	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest	Total
		%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets								
Cash and cash equivalents	15	5.64	38,281	50,000	-	-	-	88,281
Receivables	16	-	-	-	-	-	77,832	77,832
Other financial assets:	18							
Other financial assets (QIC)		-	-	-	-	-	203,454	203,454
Listed securities		-	-	-	-	-	3,626	3,626
Unlisted securities / managed funds		-	-	-	-	-	892	892
Total financial assets			38,281	50,000	-	-	285,804	374,085
Financial liabilities								
Trade and other payables	21	-	-	-	-	-	33,004	33,004
Borrowings (non-commercial)	22	-	-	-	-	-	13,499	13,499
Other liabilities	24	-	-	-	-	-	25,208	25,208
Total financial liabilities			-	-	-	-	71,711	71,711

(d) Fair value estimation

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

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. The quoted market price used for financial assets held by QUT is the current bid price. The fair value of financial instruments which are not traded is the net book value of those instruments (refer note 18).

The carrying value less impairment provision of trade receivables and payables is a reasonable approximation of their fair value due to the short-term nature of trade receivables.

The University has non-commercial loans repayable through the Smart State Research Facilities Fund. These are recorded at their net present value.

The University also has commercial loans payable to the Queensland Treasury Corporation. The carrying amount (book value) is a traditional measure of indebtedness and is used to record the value of a borrowing for accounting purposes. The fair value (market value) of the debt reflects the remaining cash flows required to repay the debt, valued at the current market rate of interest at the time. The fair value represents the true value of the borrowers indebtedness and hence the amount that would be required to be paid to extinguish the debt outstanding.

34 Financial risk management (continued)

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:

Consolidated	Notes	Carrying Amount		Fair Value	
		2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Financial assets					
Cash and cash equivalents	15	135,631	88,281	135,631	88,281
Receivables	16	157,878	77,832	157,878	77,832
Other financial assets	18	234,566	207,972	234,566	207,972
Total financial assets		<u>528,075</u>	<u>374,085</u>	<u>528,075</u>	<u>374,085</u>
Financial liabilities					
Trade and other payables	21	(40,509)	(33,004)	(40,509)	(33,004)
Borrowings (commercial)	22	(59,218)	-	(62,095)	-
Borrowings (non-commercial)	22	(19,407)	(13,499)	(19,407)	(13,499)
Other liabilities	24	(97,104)	(25,208)	(97,104)	(25,208)
Total financial liabilities		<u>(216,238)</u>	<u>(71,711)</u>	<u>(219,115)</u>	<u>(71,711)</u>
Total		<u>311,837</u>	<u>302,374</u>	<u>308,960</u>	<u>302,374</u>

The University uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets and liabilities;

Level 2: other techniques for which all inputs which have significant effect on the recorded value are observable; and

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable data.

34 Financial risk management (continued)

Fair value measurements recognised in the statement of financial position are categorised into the following levels:

Consolidated	31 December 2012 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial assets				
Cash and cash equivalents	135,631	135,631	-	-
Receivables	157,878	157,878	-	-
Other financial assets				
QIC investment funds	230,792	230,792	-	-
Listed securities	2,760	2,760	-	-
Unlisted securities / managed funds	1,014	-	-	1,014
Total financial assets	<u>528,075</u>	<u>527,061</u>	<u>-</u>	<u>1,014</u>
Financial liabilities				
Trade and other payables	(40,509)	(40,509)	-	-
Borrowings (commercial)	(59,218)	(59,218)	-	-
Borrowings (non-commercial)	(19,407)	-	-	(19,407)
Other liabilities	(97,104)	(97,104)	-	-
Total financial liabilities	<u>(216,238)</u>	<u>(196,831)</u>	<u>-</u>	<u>(19,407)</u>
Total	<u>311,837</u>	<u>330,230</u>	<u>-</u>	<u>(18,393)</u>

Consolidated	31 December 2011 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial assets				
Cash and cash equivalents	88,281	88,281	-	-
Receivables	77,832	77,832	-	-
Other financial assets				
QIC investment funds	203,454	203,454	-	-
Listed securities	3,626	3,626	-	-
Unlisted securities / managed funds	892	-	-	892
Total financial assets	<u>374,085</u>	<u>373,193</u>	<u>-</u>	<u>892</u>
Financial liabilities				
Trade and other payables	(33,004)	(33,004)	-	-
Borrowings (non-commercial)	(13,499)	-	-	(13,499)
Other liabilities	(25,208)	(25,208)	-	-
Total financial liabilities	<u>(71,711)</u>	<u>(58,212)</u>	<u>-</u>	<u>(13,499)</u>
Total	<u>302,374</u>	<u>314,981</u>	<u>-</u>	<u>(12,607)</u>

34 Financial risk management (continued)

Reconciliation of Financial Assets categorised as level 3:

Level 3 Financial Assets 2012	Unlisted securities / managed funds \$'000	Total \$'000
Consolidated		
Opening balance	892	892
Total gains or losses (recognised in profit or loss)	86	86
Purchases	36	36
Closing balance	<u>1,014</u>	<u>1,014</u>
Level 3 Financial Liabilities 2012		
	Borrowings (non-commercial) \$'000	Total \$'000
Consolidated		
Opening balance	(13,499)	(13,499)
Total gains or losses (recognised in profit or loss)	13,239	13,239
Issued debt	(19,147)	(19,147)
Closing balance	<u>(19,407)</u>	<u>(19,407)</u>
Level 3 Financial Assets 2011		
	Unlisted securities / managed funds \$'000	Total \$'000
Consolidated		
Opening balance	871	871
Total gains or losses (recognised in profit or loss)	(4)	(4)
Purchases	25	25
Closing balance	<u>892</u>	<u>892</u>
Level 3 Financial Liabilities 2011		
	Borrowings (non-commercial) \$'000	Total \$'000
Consolidated		
Opening balance	(7,948)	(7,948)
Total gains or losses (recognised in profit or loss)	7,906	7,906
Issues	(13,457)	(13,457)
Closing balance	<u>(13,499)</u>	<u>(13,499)</u>

Gains (losses) in financial investments are included in investment revenue (expense) in the income statement.

35 Acquitment of Australian Government financial assistance

35.1 DIISRTE - CGS and Other DIISRTE Grants

	Notes	Commonwealth grant scheme ¹		Indigenous support program		Partnership & participation program		Workplace productivity program		Capital development pool		Diversity & structural adjustment fund		Transitional cost program	
		2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programs)		233,130	208,824	1,354	1,354	16,391	3,604	-	-	-	4,303	-	-	-	-
Net accrual adjustments		-	559	-	-	-	-	-	-	-	-	-	-	-	-
Revenue for the period	2(a)	233,130	209,382	1,354	1,354	16,391	3,604	-	-	-	4,303	-	-	-	781
Surplus / (deficit) from the previous year		-	-	-	-	-	-	-	-	-	4,043	-	-	-	-
Total revenue including accrued revenue		233,130	209,382	1,354	1,354	16,391	3,604	-	-	-	4,043	-	-	-	781
Less expenses including accrued expenses		(233,130)	(209,382)	(1,354)	(1,354)	(16,391)	(3,604)	-	(168)	-	(2,336)	-	(1,090)	(478)	(781)
Surplus / (deficit) for reporting period		-	-	-	-	-	-	-	-	-	1,707	-	-	-	-

35 Acquittal of Australian Government financial assistance (continued)

35.1 DIISRTE - CGS and Other DIISRTE Grants (continued)

	Notes	Promotion of excellence in learning and teaching		Reward funding		Total	
		2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programs)		248	-	551	-	252,152	219,591
Net accrual adjustments		-	-	-	-	-	559
Revenue for the period	2(a)	248	-	551	-	252,152	220,150
Surplus / (deficit) from the previous year		-	-	-	-	4,043	1,498
Total revenue including accrued revenue		248	-	551	-	256,195	221,648
Less expenses including accrued expenses		(248)	-	(551)	-	(254,488)	(217,605)
Surplus / (deficit) for reporting period		-	-	-	-	1,707	4,043

¹ Includes the basic CGS grant amount, CGS-Regional Loading, CGS-Enabled Loading.

35 Acquitment of Australian Government financial assistance (continued)

35.2 Higher Education Loan Programs (excl OS-HELP)

	Notes	HECS-HELP (Australian Government payments only)		FEE-HELP		SA-HELP		Total	
		2012	2011	2012	2011	2012	2011	2012	2011
		\$'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 Programs)		148,066	133,013	18,187	15,810	837	-	167,090	148,824
Net accrual adjustments		2,753	3,770	(4,831)	(1,000)	-	-	(2,078)	2,770
Cash available for period	2(b)	150,819	136,784	13,356	14,810	837	-	165,012	151,594
Revenue earned		(150,819)	(136,784)	(13,356)	(14,810)	(837)	-	(165,012)	(151,594)
Cash Payable/(Receivable) at end of year		-	-	-	-	-	-	-	-

35 Acquittal of Australian Government financial assistance (continued)

35.3 Scholarships

	Notes	Australian postgraduate awards		International postgraduate research scholarship		Commonwealth education cost scholarships ³		Commonwealth accommodation scholarships ³		Indigenous access scholarships		Total	
		2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programs)		6,855	5,629	612	572	1,198	3,185	171	82	417	404	9,253	9,872
Net accrual adjustments		-	-	-	-	-	(524)	-	-	-	-	-	(524)
Revenue for the period	2(c)	6,855	5,629	612	572	1,198	2,660	171	82	417	404	9,253	9,348
Surplus / (deficit) from the previous year		1,184	985	-	-	4,885	3,174	-	-	55	44	6,124	4,203
Total revenue including accrued revenue		8,039	6,614	612	572	6,083	5,834	171	82	472	448	15,377	13,551
Less expenses including accrued expenses		(7,193)	(5,430)	(612)	(572)	(6,083)	(949)	(118)	(82)	(466)	(393)	(14,472)	(7,426)
Surplus / (deficit) for reporting period		845	1,184	-	-	6	4,885	53	-	6	55	905	6,125

² Includes National Priority Scholarships / Grandfathered Scholarships

³ Includes National Accommodation Scholarships

35 Acquittal of Australian Government financial assistance (continued)

35.4 DIISRTE Research⁴

	Notes	Joint research engagement program		Research training scheme		Systemic infrastructure initiative		Research infrastructure block grants		Implementation assistance program		Commercialisation training scheme		Sustainable research excellence in universities	
		2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programs)		9,539	8,842	17,416	16,081	-	-	3,666	3,559	-	-	-	-	2,449	2,153
Net accrual adjustments		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revenue for the period	2(d)	9,539	8,842	17,416	16,081	-	-	3,666	3,559	-	-	-	-	2,449	2,153
Surplus / (deficit) from the previous year		-	-	-	-	114	194	468	1,328	-	-	-	-	1,963	1,167
Total revenue including accrued revenue		9,539	8,842	17,416	16,081	114	194	4,134	4,887	-	-	-	-	4,412	3,320
Less expenses including accrued expenses		(9,539)	(8,842)	(17,416)	(16,081)	(114)	(80)	(3,689)	(4,419)	-	-	-	-	(3,708)	(1,357)
Surplus / (deficit) for reporting period		-	-	-	-	-	114	445	468	-	-	-	-	704	1,963

35 Acquittal of Australian Government financial assistance (continued)

35.4 DIISRTE Research (continued)⁴

	Notes	Total	
		2012 \$'000	2011 \$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programs)		33,070	30,842
Net accrual adjustments		-	-
Revenue for the period	2(d)	<u>33,070</u>	<u>30,842</u>
Surplus / (deficit) from the previous year		2,545	2,757
Total revenue including accrued revenue		35,615	33,599
Less expenses including accrued expenses		<u>(34,466)</u>	<u>(31,054)</u>
Surplus / (deficit) for reporting period		<u>1,149</u>	<u>2,545</u>

⁴ The reported Surplus for Research infrastructure block grants (\$445,000) and Sustainable research excellence in universities (\$704,000) for 2012 is requested as a rollover.

35 Acquittal of Australian Government financial assistance (continued)

35.5 Other Capital Funding

	Notes	Better universities renewal funding		Teaching and learning capital fund		Education investment fund		Total	
		2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programs)		-	-	-	-	12,500	25,000	12,500	25,000
Net accrual adjustments		-	-	-	-	-	-	-	-
Revenue for the period	2(e)	-	-	-	-	12,500	25,000	12,500	25,000
Surplus / (deficit) from the previous year		865	6,440	-	4,857	157	12,936	1,022	24,233
Total revenue including accrued revenue		865	6,440	-	4,857	12,657	37,936	13,522	49,233
Less expenses including accrued expenses		(865)	(5,575)	-	(4,857)	(12,657)	(37,779)	(13,522)	(48,211)
Surplus / (deficit) for reporting period		-	865	-	-	-	157	-	1,022

35 Acquittal of Australian Government financial assistance (continued)

35.6 Australian Research Council Grants

(a) Discovery

	Notes	Project		Fellowships		Indigenous researchers development		Total	
		2012	2011	2012	2011	2012	2011	2012	2011
		\$'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 Programs)		4,930	4,121	4,306	1,015	-	-	9,236	5,136
Funds received via other universities		(23)	428	-	-	-	-	(23)	428
Revenue for the period	2(f)(i)	4,907	4,549	4,306	1,015	-	-	9,213	5,564
Surplus / (deficit) from the previous year		3,135	2,463	697	99	-	-	3,832	2,566
Total revenue including accrued revenue		8,042	7,012	5,003	1,114	-	4	13,045	8,130
Less expenses including accrued expenses		(4,416)	(3,877)	(2,381)	(416)	-	(4)	(6,797)	(4,297)
Surplus / (deficit) for reporting period		3,626	3,135	2,622	697	-	-	6,248	3,833

35 Acquittal of Australian Government financial assistance (continued)

35.6 Australian Research Council Grants (continued)

(b) Linkages

	Notes	Infrastructure		International		Projects		Total	
		2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programs)		270	830	-	-	6,440	6,462	6,710	7,292
Funds received via other universities		155	80	-	-	444	107	599	187
Revenue for the period	2(f)(ii)	425	910	-	-	6,884	6,569	7,309	7,479
Surplus / (deficit) from the previous year		577	796	5	16	6,115	6,375	6,697	7,187
Total revenue including accrued revenue		1,002	1,706	5	16	12,999	12,944	14,006	14,666
Less expenses including accrued expenses		(399)	(1,130)	(5)	(11)	(8,014)	(6,829)	(8,418)	(7,970)
Surplus / (deficit) for reporting period		603	577	-	5	4,985	6,115	5,588	6,696

35 Acquittal of Australian Government financial assistance (continued)

35.6 Australian Research Council Grants (continued)

(c) Networks and Centres

	Notes	Centres		Total	
		2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programs)		1,867	1,798	1,867	1,798
Funds received via other universities		293	374	293	374
Revenue for the period	2(f)(iii)	2,160	2,173	2,160	2,172
Surplus / (deficit) from the previous year		883	475	883	475
Total revenue including accrued revenue		3,043	2,648	3,043	2,647
Less expenses including accrued expenses		(2,675)	(1,765)	(2,675)	(1,765)
Surplus / (deficit) for reporting period		368	883	368	882

35 Acquittal of Australian Government financial assistance (continued)

35.7 OS-HELP

	Notes	Parent entity	
		2012 \$'000	2011 \$'000
Cash Received during the reporting period		996	813
Cash Spent during the reporting period		(964)	(791)
Net Cash received	2(h)	32	22
Cash Surplus / (deficit) from the previous period		24	2
Cash Surplus / (deficit) for reporting period	21	56	24

35.8 Student Services and Amenities Fee

	Notes	Parent entity	
		2012 \$'000	2011 \$'000
Unspent/(overspent) revenue from previous period		-	-
SA-HELP Revenue Earned	2(b)	837	-
Student services fees from students	4	2,200	-
Total revenue expendable in period		3,037	-
Student Services expenses during period		(747)	-
Unspent/(overspent) Student Services Revenue		2,290	-

Certificate of the Queensland University of Technology

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

(a) the financial reports are in agreement with the accounts and records of the Queensland University of Technology and its controlled entities; 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 reports have been drawn up to present a true and fair view of the transactions of the Queensland University of Technology for the period 1 January 2012 to 31 December 2012 and of the financial position as at 31 December 2012 in accordance with prescribed accounting standards and conform with the Financial Statement Guidelines for Australian Higher Education Providers for the 2012 Reporting Period issued by the Department of Industry, Innovation, Science, Research and Tertiary Education;
- iii. at the time of the certificate, there are reasonable grounds to believe that the University will be able to pay its debts as and when they fall due; and
- iv. the amount of Australian Government financial assistance expended during the reporting period was for the purpose(s) for which it was intended and Queensland University of Technology has complied with applicable legislation, contracts, agreements and program guidelines in making expenditure.
- v. Queensland University of Technology 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.



T V Fairfax, AM
Chancellor

Date: 21 February 2013



O P Coaldrake, AO
Vice-Chancellor

Date: 21 February 2013



C R Cartwright
Director
Corporate Finance

Date: 21 February 2013

INDEPENDENT AUDITOR'S REPORT

To the Council of Queensland University of Technology

Report on the Financial Report

I have audited the accompanying financial report of Queensland University of Technology, which comprises the statements of financial position as at 31 December 2012, the 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 Director Corporate Finance of the entity and the consolidated entity comprising the University and the entities it controlled at the year's end or from time to time during the financial year.

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.

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 Queensland University of Technology and the consolidated entity for the financial year 1 January 2012 to 31 December 2012 and of the financial position as at the end of that year.

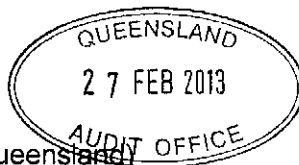
Other Matters - Electronic Presentation of the Audited Financial Report

This auditor's report relates to the financial report of the Queensland University of Technology and the consolidated entity for the year ended 31 December 2012. Where the financial report is included on the University's website the Council is responsible for the integrity of the University's website and I have not been engaged to report on the integrity of the University's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements or otherwise included with the financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.

These matters also relate to the presentation of the audited financial report in other electronic media including CD Rom.



J F WELSH FCPA
(as Delegate of the Auditor-General of Queensland)



Queensland Audit Office
Brisbane

Glossary

AACSB Association of American Collegiate Schools of Business	ECARD Early Career Academic Recruitment And Development	MCAD Mid-Career Academic Development
AAUT Australian Awards for University Teaching	EIA Excellence in Innovation for Australia	MERF Medical Engineering Research Facility
AC Companion of the Order of Australia	ERA Excellence in Research for Australia	MOPP Manual of Policies and Procedures
AM Member of the Order of Australia	FLIP Flexible Learning Initiative Project	NHMRC National Health and Medical Research Council
AMBA Association of MBAs	FTE Full-time equivalent	PCBU Persons Conducting a Business Undertaking
ANZCIES Australia and New Zealand Comparative and International Education Society	FTERM Founding Fellowship by the Tissue Engineering and Regenerative Medicine Society	PCFA Prostate Cancer Foundation of Australia
AO Officer of the Order of Australia	GDS Graduate Destination Survey	PDL Professional Development Leave
APCRC – Q Australian Prostate Cancer Research Centre – Queensland	GFA Gross floor area	PDP Professional Development Program
AQF Australian Qualifications Framework	Go8 Group of Eight	PPR Performance Planning and Review
ARC Australian Research Council	GP Gardens Point	QAO Queensland Audit Office
ARWU Academic Ranking of World Universities	HDR Higher Degree Research	QBS Qualifications-Based Selection
ASBTE Society for Biomaterials and Tissue Engineering	HEPPP Higher Education Participation and Partnerships Program	QEH QUT Enterprise Holdings
ATN Australian Technology Network	HERDC Higher Education Research Data Collection	QTAC Queensland Tertiary Admissions Centre
AusHSI Australian Centre for Health Services Innovation	HR Human Resources	QUT Queensland University of Technology
Cab Caboolture	HSAs Health and Safety Advisors	SAP Sessional Academic Program
CARF Central Analytical Research Facility	ICA International Communication Association	SAS Sessional Academic Success
CEFPI Council for Educational Facility Planners International	IEAA International Education Association Of Australia	SCAD Sessional Career Advancement Development
CEO Chief executive officer	IELTS International English Language Testing System	SEC Science and Engineering Centre
CEQ Course Experience Questionnaire	IFE Institute for Future Environments	SEF Science and Engineering Faculty
CIQ Confucius Institute at QUT	IHBI Institute of Health and Biomedical Innovation	SES socioeconomic status
CRC Cooperative Research Centre	IT Information technology	SSP Student Success Program
CVO Commander of the Royal Victorian Order	KG Kelvin Grove	SSS Student Support Services
DECRA Discovery Early Career Researcher Awards	KPI Key performance indicator	STEM Science, Technology, Engineering and Mathematics
DIISRTE Department Of Industry, Innovation, Science, Research and Tertiary Education	LATICE Learning And Teaching in Collaborative Environments	TEQSA Tertiary Education Quality and Standards Agency
DVC Deputy Vice-Chancellor	MAPS Mentoring For Academic Progression And Success	THE Times Higher Education
	MBA Master of Business Administration	VC Vice-Chancellor
		WHSOs Work Health and Safety Officers
		WIL Work Integrated Learning
		WILIS WIL Information System

Campuses and facilities

Brisbane inner city

Gardens Point campus

2 George Street, Brisbane

- Institute for Future Environments
- QUT Business School
- Faculty of Law
- Science and Engineering Faculty
- Science and Engineering Centre
 - › Central Analytical Facility
- Gardens Point Precinct
 - › Old Government House
 - › William Robinson Gallery
 - › QUT Art Museum
 - › QUT Gardens Theatre

Kelvin Grove campus

Victoria Park Road, Kelvin Grove

- Institute for Health and Biomedical Innovation
- Faculty of Health
- Centre for Accident Research and Road Safety–Queensland
- Faculty of Education
- Creative Industries Faculty
 - › Gasworks Music Studio, Fortitude Valley
- Creative Industries Precinct

Brisbane north

Caboolture campus

Tallon Street, Caboolture

Canberra

- QUT Business School

Major research facilities

- QUT Medical Engineering and Research Facility, Prince Charles Hospital
- Australian Research Centre for Aerospace Automation, Brisbane Airport (partner)
- Pilot Plant and Engineering Workshops, Banyo
- Ecological Research Facility, Samford
- Australian Prostate Cancer Research Centre–Qld, Princess Alexandra Hospital (partner)
- Translational Research Institute, Princess Alexandra Hospital (partner)
- Renewable Biocommodities Pilot Plant, Mackay



ATN MEMBER

QUT is a member of the Australian Technology Network (ATN) of universities. Other members are the University of Technology Sydney, RMIT University, the University of South Australia and Curtin University of Technology.



CRC PARTICIPANTS

In addition to two Cooperative Research Centres, Wound Management Innovation and Integrated Engineering Asset Management, based at QUT, the university is a participant in another nine CRCs: Automotive Australia 2020; Defense Materials Technology; Optimising Resource Extraction; Plant Biosecurity; Polymers; Railway Innovation; Spatial Information; Smart Services; and Young and Well.



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