



University of
South Australia

Annual Financial Statements





University of South Australia

Report by the members of the University Council

Members of the University Council present their report on the Consolidated Entity consisting of University of South Australia (the University) and the entities it controlled at the end of, or during, the year ended 31 December 2014.

2014 Council members

The following persons were members of University Council during the year and up to the date of this report (unless otherwise noted):

Dr Ian Gould AM, Chancellor (term completed 1 January 2014, reappointed until 1 January 2016)

Professor David Lloyd, Vice Chancellor and President

Dr Wendy Craik AM, Deputy Chancellor (term completed 31 March 2014, re-appointed as Deputy Chancellor until 31 March 2016, and reappointed as Council member until 31 March 2018)

Mr Terry Evans, Pro Chancellor

Professor Pat Buckley

Ms Pauline Carr

Mr Andrew Friebe (term completed 18 June 2014)

Mr Eric Granger

Mr Jay Joseph (term commenced 21 August 2014)

Ms Lia Lawrie (term commenced 21 August 2014)

Mr Bruce Linn (term completed 31 December 2014)

Ms Paula Nagel AM

Ms Corinne Namblard (term commenced 31 March 2014, leave of absence 21 August 2014 to 31 December 2014)

Professor Leanna Read

Professor Rick Sarre (term completed 31 December 2014, re-appointed 1 January 2015 to 31 December 2016)

Ms Miriam Silva (leave of absence 21 August 2014 to 31 December 2014)

Ms Carol Sutherland

Mr Arun Thomas (term completed 18 June 2014)

The remuneration of Council members is detailed in Note 27(b) of the Financial Statements.

Changes in Council membership since 31 December 2014

Mr Eric Granger (term completed 20 February 2015, re-appointed to 20 February 2019)

Professor Rick Sarre (term completed 31 December 2014, re-appointed on 1 January 2015 to 31 December 2016)

2014 Council members (continued)

Ms Miriam Silva (term completed 20 February 2015, re-appointed to 20 February 2019)

Mr Jim Hazel (term commenced 1 January 2015)

Meetings of members of the University Council

The numbers of meetings of the members of the University Council and of each Council committee held during the year ended 31 December 2014, and the numbers of meetings attended by each member were:

Member of Council	Meetings of Council Committees															
	Council Meetings		Academic Board		Audit & Risk Management		Finance		Immediate Business		Senior Promotions		Senior Remuneration		Foundation	
	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B
Dr Ian Gould AM	6	6							2	2			3	3		
Professor David Lloyd	6	6	6	8			6	6	2	2	3	3	3	3		
Dr Wendy Craik AM	4	6							2	2						
Mr Terry Evans	6	6			5	5					3	3			4	4
Professor Pat Buckley	5	6							2	2					4	4
Ms Pauline Carr	6	6			5	5	6	6					3	3		
Mr Andrew Friebe	3	3														
Mr Eric Granger	6	6													4	4
Mr Jay Joseph	3	3														
Ms Lia Lawrie	2	3	3	5												
Mr Bruce Linn	6	6					6	6							4	4
Ms Paula Nagel AM	5	6			4	5										
Ms Corinne Namlard	2	3					2	3							1	2
Professor Leanna Read	6	6														
Professor Rick Sarre	5	6	8	8												
Ms Miriam Silva	2	3														
Ms Carol Sutherland	6	6							2	2					4	4
Mr Arun Thomas	3	3	4	4												

A = Number of meetings attended.

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

Principal activities

The principal continuing activities of the Consolidated Entity are:

- To preserve, extend and disseminate knowledge through teaching, research, scholarship, consultancy or any other means;
- To provide tertiary education in such disciplines and areas of study as the University thinks appropriate to meet the needs of industry, commerce, the professions or any other section of the community;
- To provide such tertiary education programs as the University thinks appropriate to meet the needs of Indigenous people;
- To provide such tertiary education programs as the University thinks appropriate to meet the needs of groups within the community that the University considers have suffered disadvantages in education;
- To provide educational programs for the benefit of the wider community or programs for the enhancement of the diverse cultural life of the community, as the University thinks fit; and
- To foster and further an active corporate life within the University.

There were no significant changes in the nature of the activities of the Consolidated Entity during the 2014 year.

Review of operations

The 2014 consolidated surplus was \$29.7 million (2013: \$71.6 million) assisted by \$11.5 million of capital grants. The surplus resulted in a safety margin (operating result as a percentage of total income) of 5.1% (2013: 11.8%). Income decreased by 3.3% to \$584.2 million while expenses grew by 4.2% to \$555.7 million.

The University's consolidated financial position remained sound during the 2014 year with net assets of \$1,009.2 million (2013: \$981.2 million). Cash balances increased to \$316.9 million at year end (2013: \$310.1 million).

Consolidated cash flows from operating activities in 2014 were \$48.2 million (2013: \$90.1 million).

Changes in the state of affairs

In the opinion of the members of the University Council there were no significant changes in the state of affairs of the Consolidated Entity that occurred during the 2014 year not otherwise disclosed in this report or elsewhere in the Annual Report.

Subsequent events

There has not arisen in the interval between the end of the 2014 year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the members of the University Council, to affect significantly the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity, in future financial years.

Likely developments and expected results of operations

The Consolidated Entity will continue to pursue its principal activities while maintaining its financial sustainability.

Environmental regulation

The Consolidated Entity's operations are subject to various environmental regulations under both Commonwealth and State legislation. The significant environmental regulations applying to the Consolidated Entity are Dangerous Substance Act (1979), Radiation Protection and Control Act (1982) and the Environmental Protection Act (1993).

Members of the University Council are not aware of any significant breaches during the period covered by this report.

Insurance of officers

The University has paid insurance premiums in respect to Directors and Officers liability, Directors and Officers supplementary legal expenses and statutory liability, for current and former members of University Council and officers.

Directors and Officers liability insurance does not cover acts that are fraudulent, dishonest or criminal. Statutory liability insurance does not cover breaches that are wilful, intentional or deliberate.

Legal proceedings on behalf of the Consolidated Entity

There are no legal proceedings on behalf of the Consolidated Entity that have arisen during the 2014 year or subsequent to year end that affect significantly the operations of the Consolidated Entity.

This report is made in accordance with a resolution of the members of the University Council in Adelaide, South Australia on 16 April 2015.



Dr Ian Gould
Chancellor

16 April 2015



Professor David G. Lloyd
Vice Chancellor and President

16 April 2015



STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	Consolidated		University	
		2014	2013	2014	2013
		\$'000	\$'000	\$'000	\$'000
Revenue from continuing operations					
Australian Government financial assistance					
Australian Government grants	3	258,406	294,222	258,406	294,222
HECS-HELP - Australian Government Payments	3	109,624	104,990	109,624	104,990
FEE-HELP	3	7,607	6,079	7,607	6,079
SA-HELP	3	2,733	2,609	2,733	2,609
State and Local Government financial assistance	4	10,576	12,628	10,481	12,435
HECS-HELP - Student Payments		12,681	13,702	12,681	13,702
Fees and charges	5	116,260	110,312	116,260	110,312
Investment revenue	6	13,905	15,151	13,833	14,925
Royalties		347	325	102	126
Consultancy and contract research	7	38,266	32,012	38,065	32,192
Other income	8	12,518	13,910	12,904	13,942
Total revenue from continuing operations		582,923	605,940	582,696	605,534
Gains/(Losses) on disposal of assets	9	1,234	(1,808)	1,020	(328)
Total income from continuing operations		584,157	604,132	583,716	605,206
Expenses from continuing operations					
Employee related expenses	10	349,978	338,030	348,593	336,539
Depreciation and amortisation	11	32,146	31,732	32,132	31,714
Repairs and maintenance	12	19,670	14,274	19,667	14,273
Other expenses	13	153,454	147,972	155,047	149,144
Bad and doubtful debts	14	429	468	429	468
Total expenses from continuing operations		555,677	532,476	555,868	532,138
Operating result before income tax		28,480	71,656	27,848	73,068
Income tax (income)/expense		(1,175)	87	(1,243)	78
Operating result attributable to members of University of South Australia	26(b)	29,655	71,569	29,091	72,990
Items that may be reclassified to profit or loss:					
Available-for-sale financial assets valuation gains taken to equity	26(a)	214	1,315	214	1,315
Available-for-sale financial assets transfer to profit or loss	26(a)	(1,888)	-	(1,888)	-
Total		(1,674)	1,315	(1,674)	1,315
Items that will not be reclassified to profit or loss:					
Gain on revaluation of land and buildings	26(a)	-	17,841	-	17,841
Gain on revaluation of art collection	26(a)	-	665	-	665
Total		-	18,506	-	18,506
Total comprehensive income attributable to the members of the University of South Australia		27,981	91,390	27,417	92,811

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.



STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2014

	Notes	Consolidated		University	
		2014	2013	2014	2013
		\$'000	\$'000	\$'000	\$'000
Current assets					
Cash and cash equivalents	15	316,932	310,083	314,628	307,676
Receivables	16	25,980	20,089	26,018	20,194
Deferred Government superannuation contribution	31	30,100	29,800	30,100	29,800
Other non-financial assets	19	18,877	16,990	18,829	16,968
Total current assets		391,889	376,962	389,575	374,638
Non-current assets					
Other financial assets	18	8,170	8,847	10,209	11,575
Property, plant and equipment	20	803,625	793,722	803,610	793,701
Deferred tax assets		270	251	-	-
Intangible assets	21	3,145	4,173	3,145	4,173
Deferred Government superannuation contribution	31	441,588	380,133	441,588	380,133
Total non-current assets		1,256,798	1,187,126	1,258,552	1,189,582
Total assets		1,648,687	1,564,088	1,648,127	1,564,220
Current liabilities					
Trade and other payables	22	32,099	27,259	32,267	27,512
Provisions	24	18,443	27,444	18,318	27,203
Current tax liabilities		36	900	21	821
Other liabilities	25	65,030	71,464	65,050	71,707
Defined benefit obligation	31	30,100	29,800	30,100	29,800
Total current liabilities		145,708	156,867	145,756	157,043
Non-current liabilities					
Trade and other payables	22	6,118	5,390	6,118	5,390
Provisions	24	46,121	40,527	46,121	40,527
Defined benefit obligation	31	441,588	380,133	441,588	380,133
Total non-current liabilities		493,827	426,050	493,827	426,050
Total liabilities		639,535	582,917	639,583	583,093
Net assets		1,009,152	981,171	1,008,544	981,127
Equity					
Reserves	26(a)	178,772	180,446	178,772	180,446
Retained earnings	26(b)	830,380	800,725	829,772	800,681
Total equity		1,009,152	981,171	1,008,544	981,127

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2014

	Consolidated			University		
	Reserves	Retained earnings	Total	Reserves	Retained earnings	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 January 2013						
Profit or loss		729,156	889,781	160,625	727,691	888,316
Available-for-sale financial assets valuation gains taken to equity	1,315	-	1,315	-	-	-
Gain on revaluation of land and buildings	17,841	-	17,841	17,841	-	17,841
Gain on revaluation of art collection	665	-	665	665	-	665
Total comprehensive income	19,821	71,569	91,390	19,821	72,990	92,811
Balance as at 31 December 2013	180,446	800,725	981,171	180,446	800,681	981,127

	Consolidated			University		
	Reserves	Retained earnings	Total	Reserves	Retained earnings	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2014						
Profit or loss		800,725	981,171	180,446	800,681	981,127
Available-for-sale financial assets valuation gains taken to equity	-	29,655	29,655	-	29,091	29,091
Available-for-sale financial assets valuation gains taken to profit or loss	214	-	214	214	-	214
Total comprehensive income	(1,888)	-	(1,888)	(1,888)	-	(1,888)
Balance as at 31 December 2014	(1,674)	29,655	27,981	(1,674)	29,091	27,417
	178,772	830,380	1,009,152	178,772	829,772	1,008,544

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.



STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	Consolidated		University	
		2014	2013	2014	2013
		\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities:					
Inflows:					
Australian Government grants received	3(h)	375,543	400,541	375,543	400,541
OS-HELP (net)	3(h)	1,248	50	1,248	50
Superannuation Supplementation	3(h)	28,827	29,679	28,827	29,679
State and Local Government grants		9,696	12,785	9,601	12,592
HECS-HELP - Student payments		12,681	13,702	12,681	13,702
Receipts from student fees and other customers		124,322	121,389	124,177	121,634
Dividends received		1,730	2,896	1,730	2,896
Interest received		10,350	13,067	10,279	12,841
Royalties		347	325	102	126
Consultancy and contract research		35,074	32,257	34,764	31,373
Other receipts		12,652	11,136	13,042	12,650
GST recovered		9,212	11,109	9,401	11,272
Outflows:					
Payments to suppliers and employees (GST incl)		(573,466)	(558,797)	(573,561)	(557,354)
Net cash provided by / (used in) operating activities		48,216	90,139	47,834	92,002
Cash flows from investing activities:					
Inflows:					
Proceeds from sale of plant and equipment		92	61	92	61
Proceeds from sale of investments		2,963	16	2,963	1,733
Outflows:					
Payments for property, plant and equipment		(42,203)	(73,953)	(42,193)	(73,945)
Payments for investments		(2,219)	(211)	(1,744)	(211)
Net cash provided by / (used in) investing activities		(41,367)	(74,087)	(40,882)	(72,362)
Net increase / (decrease) in cash and cash equivalents		6,849	16,052	6,952	19,640
Cash and cash equivalents at the beginning of the financial year		310,083	294,031	307,676	288,036
Cash and cash equivalents at the end of the financial year	15	316,932	310,083	314,628	307,676

Non-cash investing and financing activities - refer to note 37.

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.



Note	Contents	Page No
1.	Summary of significant accounting policies	11
2.	Disaggregated information (Consolidated)	21
	Revenue	
3.	Australian Government financial assistance including HECS-HELP and FEE-HELP	22
4.	State and Local Government financial assistance	25
5.	Fees and charges	26
6.	Investment revenue	26
7.	Consultancy and contract research	26
8.	Other revenue	27
9.	Losses on disposal of assets	27
	Expenses	
10.	Employee related expenses	28
11.	Depreciation and amortisation	29
12.	Repairs and maintenance	29
13.	Other expenses	30
14.	Bad and doubtful debts	30
	Assets	
15.	Cash and cash equivalents	31
16.	Receivables	31
17.	Investments accounted for using the equity method	33
18.	Other financial assets	34
19.	Other non-financial assets	34
20.	Property, plant and equipment	35
21.	Intangible assets	38
	Liabilities	
22.	Payables	39
23.	Borrowings	40
24.	Provisions	41
25.	Other liabilities	41
	Equity	
26.	Reserves and retained earnings	42
	Disclosure Notes	
27.	Key management personnel disclosures	43
28.	Remuneration of auditors	45
29.	Contingencies	45
30.	Commitments	46
31.	Superannuation plans	47
32.	Subsidiaries	52
33.	Investments in associates	52
34.	Interests in joint arrangements	53
35.	Events occurring after the balance sheet date	54
36.	Reconciliation of operating results after income tax to net cash flows from operating activities	55
37.	Non-cash investing and financing activities	55
38.	Financial risk management	56
39.	Fair value measurement	58
40.	Acquittal of Australian Government financial assistance	64
41.	Acronyms and definitions	75



1. Summary of significant accounting policies

General information

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years reported unless otherwise stated. The financial statements include separate statements for the University of South Australia (the University) and the University and its subsidiaries (Consolidated Entity).

(a) Basis of preparation

The annual financial statements represent the audited general purpose financial statements which have been prepared on an accrual basis in accordance with Australian Accounting Standards, AASB Interpretations, requirements of the Department of Education (EDUCATION) and other State / Australian Government legislative requirements.

The University applies Tier 1 reporting requirements. Except where in conflict with the EDUCATION requirements, the financial statements are prepared in accordance with the South Australian Treasurer's Instructions and Accounting Policy Statements issued under the provisions of the Public Finance and Audit Act 1987.

In our opinion, the financial statements and notes of the Consolidated Entity comply with Australian Standards, some of which contain requirements specific to not-for-profit entities that are inconsistent with International Financial Reporting Standards.

Unless otherwise indicated, all amounts are rounded to the nearest thousand dollars and presented in Australian dollars.

Historical cost convention

The financial statements have been prepared on an accrual basis and under the historical cost convention, except for certain assets and liabilities that were valued in accordance with the applicable valuation policy.

Critical accounting estimates

Compliance with Australian Accounting Standards requires certain critical accounting estimates and assumptions to be applied in preparing the financial statements. Further, it requires management to exercise judgement in applying the University's accounting policies. Management's judgement is based on estimates and associated assumptions which are supported by historical experience and other reasonable factors.

The areas involving a high degree of judgement where assumptions and estimates are significant to the financial statements are superannuation receivable and associated defined benefit obligation, long service leave provision, and valuation and depreciation of property, plant and equipment. Further details are disclosed in the relevant notes to the financial statements.

Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed regularly. Revisions to accounting estimates are recognised in the period which it effects. If the revision affects both current and future periods, the revision is recognised in the period of the revision and future periods.

(b) Principles of consolidation

(i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the University as at 31 December 2014 and the results of all subsidiaries for the year then ended. The University and its subsidiaries together are referred to in this financial report as the Group or the Consolidated Entity.



1. Summary of significant accounting policies (continued)

(b) Principles of consolidation (continued)

Subsidiaries are all those entities over which the Group has control. The Group has control over an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Power over the investee exists when the Group has existing rights that give it current ability to direct the relevant activities of the investee. Returns are not necessarily monetary and can be only positive, only negative, or both positive and negative.

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

Inter-company transactions, balances and unrealised gains on transactions between Group 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 Group.

Details of subsidiaries are set out in Note 32.

(ii) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for in the parent entity financial statements using the cost method and in the consolidated financial statements using the equity method of accounting, after initially being recognised at cost.

The Group has no material investments in associates and therefore they are not incorporated in the financial statements (refer to Note 33).

(iii) Joint operations

If material, the share of assets, liabilities and expenses of a joint operation are incorporated in the financial statements under the appropriate headings.

Details of joint operations are set out in Note 34(a). The University's interests in these joint operations are not considered to be material to the University's core activities and therefore are not incorporated in the financial statements.

(iv) Joint ventures

If material, interests in a joint venture are accounted for in the consolidated financial statements using the equity method, after initially being recognised at cost by the University.

Under the equity method the Group's share of the profits or losses of the entity are recognised in the Statement of Comprehensive Income, and the share of movements in reserves in the Statement of Comprehensive Income and the Statement of Changes in Equity.

Details of joint ventures are set out in Note 34(b). The University's interests in these joint ventures are not considered to be material to the University's core activities and therefore are not incorporated in the financial statements.



1. Summary of significant accounting policies (continued)

(c) Foreign currency translation

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

(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.

Revenue is recognised for the major business activities as follows:

(i) Financial assistance

EDUCATION financial assistance (including Commonwealth Grant Scheme, Higher Education Loan Programs, Scholarships and EDUCATION Research)

The University recognises EDUCATION financial assistance as revenue in the year in which it had been designated for the funding of teaching and research.

Other financial assistance (including ARC, NHMRC, Australian Government and State Government)

Grants received which have specified conditions which give the grantor the right to recall funds not spent in accordance with the specific agreement imposes on the University a performance obligation. That is, the University is required to consume the future economic benefits of the grant as specified, or return the grant to the grantor. Therefore these grants are deferred until this performance obligation has been extinguished and the grant funds have been expended in accordance with their respective agreement or the grantor has exercised the right for funds to be repaid or transferred.

Other grants which do not contain specified conditions are generally recognised on receipt.

(ii) Fees and charges

Fees and charges comprise revenue earned from the provision of programs and other services. Fees and charges are recognised in the period in which the programs or services are provided.

(iii) Investment income

Interest income is recognised as it accrues. Dividend income is recognised only when it is declared, determined or recommended by external entities before the 31 December reporting date.

(iv) Consultancy and contract research

Revenue from consultancy and contract research is recognised in the period in which the services are provided.

(v) Other revenue

Other revenue is recognised when the University obtains control or the right to receive the monies and the recognition criteria is met.



1. Summary of significant accounting policies (continued)

(e) Impairment of assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other 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.

(f) Cash and cash equivalents

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

(g) Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are due for settlement no more than 14 days from the date that invoice was issued.

Student fees receivables are recognised initially at fair value as at census date and are collectible at that point. Periodically these receivables are adjusted for any provision for impairment.

Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful debts is established when there is objective evidence that the University will not be able to collect all amounts due according to the original terms of receivables. The movement in the provision is recognised in the Statement of Comprehensive Income in the period in which receivables are adjusted to an estimated recoverable amount (at least annually).

(h) 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 balance sheet date.

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

Available-for-sale financial assets are carried at fair value. Unrealised gains and losses arising from changes in the fair value of non-monetary securities classified as available-for-sale are recognised in equity in the available-for-sale investments revaluation surplus. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the Statement of Comprehensive Income as gains and losses from investment securities.

If the market for a financial asset is not active (e.g. unlisted securities), the University attempts to establish fair value by using other valuation techniques. If no relevant or reliable fair value can be determined then the valuation basis reverts to original cost adjusted for impairment.



1. Summary of significant accounting policies (continued)

(h) Available-for-sale financial assets (continued)

The University assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss is removed from equity and recognised in the Statement of Comprehensive Income.

The University has investments in shares, property trusts and managed funds, which are classified as available-for-sale financial assets and measured at fair value.

(i) Property, plant and equipment

Property, plant and equipment original 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. Repairs and maintenance are charged to the Statement of Comprehensive Income during the financial period in which they are incurred (refer Note 12).

Revaluation increments are credited directly to the asset revaluation surplus except to the extent that the net increment reverses a net revaluation decrement previously recognised as an expense, in which case the revaluation increment is charged to the Statement of Comprehensive Income.

Revaluation decrements are debited directly to the asset revaluation surplus to the extent that a credit balance exists for that asset class. Any remainder of the net revaluation decrement is charged to the Statement of Comprehensive Income.

Revaluation increments and decrements are offset against one another within asset classes, but not otherwise.

Items of property, plant and equipment have been recognised in the financial statements as identified below. Expenditure on a single item of less than \$10,000 is generally not capitalised.

(i) Land

Land occupied by the University is either owned by the University or by the State Government. All land is recognised on the basis that the University effectively controls the land occupied and is shown at fair value based on periodic, but at least triennial, valuations by external independent valuers.

The last valuation was as at 31 December 2013 and was performed by R. Wood B AppSc PRM(VAL) AAPI from Opteon Pty Ltd (formerly Southwick Goodyear Pty Ltd). Land fair value estimates were based on the highest and best use of the land, being the existing use as University campuses and valued separately from any structures or improvements residing on it, but having regard to any restrictions of its use. Detail of restrictions on assets is provided in Note 1(l).



1. Summary of significant accounting policies (continued)

(i) Property, plant and equipment (continued)

(ii) Buildings

Buildings, other than buildings under construction, have been recognised on a fair value basis which management have concluded is approximated by written down current cost. These fair value estimates are based on periodic, but at least triennial, valuations by external independent valuers.

As at 31 December 2013, the entire buildings portfolio was re-valued independently by R. Wood B AppSc PRM(VAL) AAPI from Opteon Pty Ltd (formerly Southwick Goodyear Pty Ltd). Buildings fair value estimates were based on the highest and best use, being the existing use as University campuses. The valuation approach adopted has been to assess the 'written down current cost' for the Buildings. 'New replacement' costs on the basis of a modern equivalent were assessed and then generally depreciated using the 'straight line' method, having regard to the estimated useful and remaining life for each structure.

Buildings under construction and buildings commissioned or purchased after the valuation are measured at cost.

(iii) Library collection

The library collection is valued at fair value. The University has concluded that the collection's fair value is best approximated by written down current cost based on a University valuation which is completed at the end of each year. The 2014 valuation resulted in a decrease of \$0.309 million (2013: increase of \$0.559 million). The full amount of the revaluation has been recognised as a loss in the Statement of Comprehensive Income recorded within other expenses.

(iv) Plant and equipment

Plant and equipment includes computer hardware and software, general equipment and vehicles. Plant and equipment is depreciated in accordance with Note 1(k). The carrying value, cost less accumulated depreciation, is deemed to approximate fair value.

(v) Art collection

As at 31 December 2013, the University internally valued its art collection at fair value with the offsetting adjustments to the art collection revaluation surplus. The 2013 valuation resulted in an increase to the fair value of the art collection of \$0.665 million. The art collection will be internally re-valued by the Director: Samstag Museum of Art every three years giving consideration to current sales and auctions of works by the same artist and /or similar genre.

(vi) Leased assets

Leases of property, plant and equipment where the University has substantially all the risks and rewards of ownership are classified as finance leases. As at 31 December 2014 there are no finance leases.

Leases in which a significant portion of the risk and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis, over the period of the lease. Refer to Note 30(b) for details on operating leases.



1. Summary of significant accounting policies (continued)

(j) Fair value measurement

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

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

The fair value of assets or liabilities traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices for identical assets or liabilities at the end of the reporting period (Level 1). The quoted market price used for assets held by the Group is the most representative of fair value in the circumstances within the bid-ask spread.

The fair value of assets or liabilities that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments (Level 2) are used for long-term debt instruments held. Other techniques that are not based on observable market data (Level 3) such as estimated discounted cash flows, are used to determine fair value for the remaining assets and liabilities. The level in the fair value hierarchy is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

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

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

**1. Summary of significant accounting policies (continued)****(k) Depreciation**

Depreciation is provided for all property, plant and equipment other than land, art collection and buildings under construction. The Consolidated Entity does not depreciate the art collection because it believes that the service potential of the art collection has not, in any material sense, been consumed during the reporting period. Depreciation is calculated on a straight line basis to allocate the written down current cost of an asset over its estimated remaining useful life.

Assets class	Useful Life
Property:	
Buildings	50 - 150 years
Leasehold improvements	Lease term
Library collection:	
Books	10 years
Journals	15 years
Electronic materials	10 years
Plant and equipment:	
IT infrastructure	5 years
IT systems	7 years
IT other	3 years
Motor vehicles	5 years
Other	10 years
Leased plant and equipment:	
IT infrastructure	5 years
IT other	3 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

(l) Restrictions on assets

Land includes \$49.659 million (2013: \$49.659 million) of Crown Lands and \$14.900 million (2013: \$14.900 million) of land dedicated for educational use.

The University has restrictions on the above land by application of the University of South Australia Act, 1990 Section 6(3).

(m) Intangible assets and amortisation

Expenditure on research activities, undertaken with the prospect of obtaining new scientific or technical knowledge and understanding, is recognised in the Statement of Comprehensive Income as an expense when it is incurred.

With respect to internally generated intangible assets, expenditure on development activities is capitalised if the product or service is technically and commercially feasible and adequate resources are available to complete development. The expenditure capitalised comprises all directly attributable costs, including costs of materials, services, direct labour and an appropriate proportion of overheads. Other development expenditure is recognised in the Statement of Comprehensive Income as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation. Amortisation is calculated using the straight line method to allocate the cost over the period of the expected benefit, which is currently between 6 and 7 years.

Intangibles in progress represent capitalised expenditure where the project was incomplete at balance date. The expenditure is capitalised upon the completion of the project.



1. Summary of significant accounting policies (continued)

(n) Unfunded superannuation

An arrangement exists between the Australian Government and the South Australian State Government to share the unfunded liability of the University's beneficiaries of the South Australian State Superannuation Scheme on an emerging cost basis. This arrangement is evidenced by *Higher Education Funding Act 1988* and subsequent amending legislation. Accordingly, the unfunded liabilities have been recognised in the Statement of Financial Position as a liability with a corresponding asset. The recognition of both the asset and the liability consequently does not affect the year end net asset position of the University or the Group (refer to Note 31)

The recognition of the expense in the face statements is offset by the revenue received from the Australian Government. The Superannuation Supplementation Program funding is not recognised as revenue in the Statement of Comprehensive Income since it is in respect of an existing liability. Rather a net amount is shown as an "ordinary" expense within employee related expenses. As the University has a defined benefit plan which is fully covered by the Superannuation Supplementation program it has reported a nil expense in the Statement of Comprehensive Income.

(o) Trade and other payables

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

(p) Employee benefits provisions

Employee benefits expected to be settled within twelve months have been recognised at their nominal amount. These liabilities are measured at the amounts expected to be paid when the liability is settled. Employee entitlements to be settled later than twelve months have been measured at the present value of the estimated applicable future cash flows.

(i) Short-term obligations

Liabilities for short-term employee benefits including wages and salaries and non-monetary benefits are measured at the amount expected to be paid when the liability is settled, if it is expected to be settled wholly before twelve months after the end of the reporting period, and is recognised in provision for employee benefits. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees is estimated to be less than the annual entitlement of sick leave.

(ii) Other long-term obligations

The liability for other long-term employee benefits such as annual leave and long service leave is recognised in non-current provisions for employee benefits if it is not expected to be settled wholly before twelve months after the end of the reporting period. It is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

Regardless of the expected timing of settlements, provisions made in respect of employee benefits are classified as a current liability, unless there is an unconditional right to defer the settlements of the liability for at least 12 months after the reporting date, in which case it would be classified as a non-current liability.

The long service leave and annual leave liability is independently actuarially estimated each year in accordance with AASB 119 Employee Benefits. The last update was performed at 31 December 2014 by Bruce Watson FIA, FIAA of Brett & Watson Pty Ltd.



1. Summary of significant accounting policies (continued)

(p) Employee benefits provisions (continued)

(iii) Superannuation

Superannuation schemes exist to provide benefits to University employees and their dependants upon resignation, retirement, disability or death. The University recognises an expense in the Statement of Comprehensive Income for contributions paid to the funded schemes and on an emerging cost basis for the unfunded schemes. Note 31 provides details of the individual schemes.

(q) Workers' compensation

The University is responsible for payments of workers' compensation.

The provision for workers' compensation is independently actuarially estimated each year. The last update was performed at 31 December 2014 by Laurie Brett FIA, FIAA of Brett & Watson Pty Ltd using Case Estimation Methodology. Under this methodology, consideration is given to individual case estimates of all open claims plus an allowance for incurred but not reported claims, re-opening of claims regarded as closed and unforeseen escalation of case estimates as more information becomes available.

(r) Funds held on behalf of external entities

The University holds funds on behalf of a number of external entities which are managed by the University. As at balance date, the funds held are included in cash and cash equivalents and a corresponding liability is included in other liabilities (refer Note 25).

(s) Goods and Services Tax (GST)

Revenues and expenses are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included in receivables or payables in the Statement of Financial Position.

Cash flows are presented in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(t) Income tax

The University is exempt from income tax pursuant to Division 50 of the Income Tax Assessment Act 1997. The University subsidiaries are not exempt from income tax. Income tax expense or benefit for the period is calculated as the tax payable on the current period's taxable income based on the income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses. Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities. In relation to foreign operations, the University is subject to tax under the Tax Acts applicable in some foreign countries. Tax in respect of these operations has been brought to account in the year it is incurred.



1. Summary of significant accounting policies (continued)

(u) Interests in Co-operative Research Centres

The University has an interest in 8 Co-operative Research Centres. During 2014 the University provided funding to Co-operative Research Centres through cash contributions and research resources (in-kind) support.

The Co-operative Research Centres are:

Automotive Australia 2020 CRC
Co-operative Research Centre for Cell Therapy Manufacturing
Co-operative Research Centre for Contamination Assessment and Remediation of the Environment II
Co-operative Research Centre for Low Carbon Living
Co-operative Research Centre for Rail Innovation
Co-operative Research Centre for Remote Economic Participation
Data to Decisions Co-operative Research Centre
Wound Management Innovation Co-operative Research Centre

(v) Changes in accounting policies

Australian accounting standards and interpretations that have recently been issued or amended but are not yet effective, have not been adopted by the University for the reporting period ending 31 December 2014. The University has assessed the impact of the new and amended standards and interpretations and considers the impact to be immaterial.

(w) Comparative Amounts

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

(x) Rounding of amounts

Unless otherwise indicated, all amounts are rounded to the nearest thousand dollars.

2. Disaggregated information (Consolidated)

Geographical

	Revenue		Results		Total Assets	
	2014	2013	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Australia	578,823	600,467	29,470	71,323	1,648,612	1,563,974
Asia	4,100	5,473	185	246	75	114
Total	582,923	605,940	29,655	71,569	1,648,687	1,564,088

The University operates in the field of higher education principally in Australia and provides teaching and research services. The results of the geographical segments, other than Australia, are based upon consideration of the variable costs associated with those operations.


3. Australian Government financial assistance including HECS-HELP and FEE-HELP
(a) Commonwealth Grants Scheme and Other Grants

		Consolidated		University	
		2014	2013	2014	2013
	Note	\$'000	\$'000	\$'000	\$'000
Commonwealth Grants Scheme		168,174	168,759	168,174	168,759
Indigenous Support Program		1,113	1,197	1,113	1,197
Partnership and Participation Program		5,924	5,348	5,924	5,348
Disability Support Program		84	84	84	84
Diversity and Structural Adjustment Fund		1,296	1,546	1,296	1,546
Transitional Cost Program		-	235	-	235
Promotion of Excellence in Learning and Teaching		347	458	347	458
Reward Funding		-	804	-	804
Chair in Child Protection		-	2,719	-	2,719
Total Commonwealth Grants Scheme and Other Grants	40(a)	176,938	181,150	176,938	181,150

(b) Higher Education Loan Programs

	Note				
HECS-HELP - Australian Government Payments		109,624	104,990	109,624	104,990
FEE-HELP		7,607	6,079	7,607	6,079
SA-HELP		2,733	2,609	2,733	2,609
Total Higher Education Loan Programs	40(b)	119,964	113,678	119,964	113,678

(c) Scholarships

	Note				
Australian Postgraduate Awards		5,771	5,522	5,771	5,522
International Postgraduate Research Scholarships		470	465	470	465
Commonwealth Education Costs Scholarship		(7)	(614)	(7)	(614)
Commonwealth Accommodation Scholarships		35	(24)	35	(24)
Indigenous Access scholarships		28	(9)	28	(9)
Total Scholarships	40(c)	6,297	5,340	6,297	5,340



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

(d) Education Research

	Note	Consolidated		University	
		2014	2013	2014	2013
		\$'000	\$'000	\$'000	\$'000
Joint Research Engagement Program		7,491	7,281	7,491	7,281
JRE Engineering Cadetships		90	59	90	59
Research Training Scheme		13,294	13,287	13,294	13,287
Research Infrastructure Block Grants		2,869	2,791	2,869	2,791
Sustainable Research Excellence in Universities		2,023	2,017	2,023	2,017
Total Education Research	40(d)	25,767	25,435	25,767	25,435

(e) Other Capital Funding

	Note				
Education Investment Fund		10,170	3,080	10,170	3,080
Total Other Capital Funding	40(e)	10,170	3,080	10,170	3,080

(f) Australian Research Council

	Note				
(i) Discovery					
Projects		2,630	2,722	2,630	2,722
Fellowships		2,482	2,323	2,482	2,323
Indigenous Researchers Development		152	232	152	232
Total Discovery	40(f)(i)	5,264	5,277	5,264	5,277
(ii) Linkages					
Infrastructure		1,244	800	1,244	800
Projects		2,189	2,445	2,189	2,445
Industrial Transformational Research Program		11	-	11	-
Total Linkages	40(f)(ii)	3,444	3,245	3,444	3,245
(iii) Networks and Centres					
Centres	40(f)(iii)	197	163	197	163
Total Networks and Centres		197	163	197	163
Special Research Initiatives	40(f)(iii)	13	137	13	137
Total ARC		8,918	8,822	8,918	8,822



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

(g) Other Australian Government financial assistance

	Consolidated		University	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Non-capital				
Indigenous Tutorial Assistance Scheme	479	310	479	310
Other Commonwealth grants	4,773	7,637	4,773	7,637
Other Australian Government research grants	24,514	21,998	24,514	21,998
Total Non-capital	29,766	29,945	29,766	29,945
Capital				
Other Commonwealth grants	550	40,450	550	40,450
Total Capital	550	40,450	550	40,450
Total Other Australian Government financial assistance	30,316	70,395	30,316	70,395
Total Australian Government financial assistance	378,370	407,900	378,370	407,900
Reconciliation				
Australian Government grants	258,406	294,222	258,406	294,222
HECS-HELP payments	109,624	104,990	109,624	104,990
FEE-HELP	7,607	6,079	7,607	6,079
SA-HELP	2,733	2,609	2,733	2,609
Total Australian Government financial assistance	378,370	407,900	378,370	407,900


3. Australian Government financial assistance including HECS-HELP and FEE-HELP (continued)
(h) Australian Government Grants received - cash basis

	Consolidated		University	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
CGS and Other EDUCATION Grants	175,793	177,520	175,793	177,520
Higher Education Loan Programs	118,296	116,803	118,296	116,803
Scholarships	6,351	4,640	6,351	4,640
EDUCATION Research	25,767	25,435	25,767	25,435
Other Capital Funding	4,920	3,080	4,920	3,080
ARC grants - Discovery	5,533	5,236	5,533	5,236
ARC grants - Linkages	3,444	2,344	3,444	2,344
Other Australian Government Grants	35,439	65,483	35,439	65,483
Total Australian Government Grants received - cash basis	375,543	400,541	375,543	400,541
OS-HELP (Net)	1,248	50	1,248	50
Superannuation Supplementation	28,827	29,679	28,827	29,679
Total Australian Government funding received - cash basis	405,618	430,270	405,618	430,270

4. State and Local Government financial assistance

	Consolidated		University	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Non-capital				
Research grants	9,272	8,378	9,305	8,444
Other	515	461	387	202
Total	9,787	8,839	9,692	8,646
Capital				
Other	789	3,789	789	3,789
Total	789	3,789	789	3,789
Total State and Local Government financial assistance	10,576	12,628	10,481	12,435



5. Fees and charges

	Consolidated		University	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Course Fees and Charges				
Fee-paying onshore overseas students	87,048	82,990	87,048	82,990
Fee-paying offshore overseas students	4,002	5,787	4,002	5,787
Continuing education	531	718	531	718
Fee-paying domestic postgraduate students	4,370	3,058	4,370	3,058
Total Course Fees and Charges	95,951	92,553	95,951	92,553
Other Non-Course Fees and Charges				
Miscellaneous Enrolment Fees	7,816	6,552	7,816	6,552
Other fees and charges	9,745	9,238	9,745	9,238
Seminar / Workshop Fees	1,216	886	1,216	886
Student Services Fees from students	1,532	1,083	1,532	1,083
Total Other Fees and Charges	20,309	17,759	20,309	17,759
Total Fees and Charges	116,260	110,312	116,260	110,312

6. Investment revenue

	Consolidated		University	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Dividends and distributions	1,807	1,706	1,807	1,706
Interest	12,098	13,445	12,026	13,219
Total investment revenue	13,905	15,151	13,833	14,925

7. Consultancy and contract research

	Consolidated		University	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Consultancy	5,231	3,975	4,413	3,722
Contracts	33,035	28,037	33,652	28,470
Total consultancy and contract research	38,266	32,012	38,065	32,192



8. Other revenue

	Consolidated		University	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Donations and bequests	1,220	1,887	1,220	1,887
Scholarships and prizes	1,575	1,649	1,575	1,649
Other fees and charges	6,263	7,245	6,634	7,258
Other*	3,460	3,129	3,475	3,148
Total other revenue	12,518	13,910	12,904	13,942

* Net foreign exchange gains included in other revenue for 2014 were \$0.497 million University (\$0.490 million Consolidated) (2013: Net foreign exchange gains included in other revenue \$0.530 million University and \$0.531 million Consolidated).

9. Gains/(Losses) on disposal of assets

	Consolidated		University	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
(a) Disposal of property, plant and equipment				
Proceeds from sale	92	61	92	61
Carrying amount of assets sold	(934)	(1,875)	(934)	(1,875)
Net Loss on disposal of property, plant and equipment	(842)	(1,814)	(842)	(1,814)
(b) Sale of shares				
Realised gain/(loss) on disposal of investments	2,076	6	1,862	1,486
Total of Net Gain/(Loss) on disposal of assets	1,234	(1,808)	1,020	(328)



10. Employee related expenses

(a) Employee related expenses

	Consolidated		University	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Academic				
Salaries	145,753	148,027	145,794	148,010
Contributions to superannuation and pension schemes:				
Emerging cost	458	707	458	707
Funded	22,007	20,667	22,007	20,667
Payroll tax	9,119	8,551	9,119	8,551
Workers' compensation	108	490	108	490
Long service leave	5,728	1,615	5,728	1,615
Annual leave	9,323	9,455	9,323	9,455
Total academic	192,496	189,512	192,537	189,495
Non-academic				
Salaries	116,492	112,116	115,250	110,830
Contributions to superannuation and pension schemes:				
Emerging cost	199	235	84	129
Funded	18,675	17,138	18,675	17,138
Payroll tax	7,216	7,199	7,142	7,129
Workers' compensation	88	897	88	897
Long service leave	5,865	1,923	5,868	1,897
Annual leave	8,725	8,782	8,727	8,796
Total non-academic	157,260	148,290	155,834	146,816
Total academic & non-academic employee related benefits	349,756	337,802	348,371	336,311
 Council member remuneration	 222	 228	 222	 228
 Total employee related expenses	 349,978	 338,030	 348,593	 336,539

**10. Employee related expenses (continued)****(b) Voluntary separation packages**

Employee related expenses include voluntary separation packages paid during the year as follows:

	Consolidated		University	
	2014	2013	2014	2013
	Number	Number	Number	Number
Number of voluntary separation packages	9	7	9	7
	\$'000	\$'000	\$'000	\$'000
Voluntary separation packages expenses	945	423	945	423
Annual leave and long service leave entitlements paid	273	148	273	148
Total amount associated with separations	1,218	571	1,218	571

11. Depreciation and amortisation

	Consolidated		University	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Depreciation				
Buildings	19,912	18,774	19,912	18,774
Leasehold improvements	664	766	664	766
Library collection	2,023	1,978	2,023	1,978
Plant and equipment	8,116	8,571	8,102	8,553
Total depreciation	30,715	30,089	30,701	30,071
Amortisation				
Intangibles	1,431	1,643	1,431	1,643
Total amortisation	1,431	1,643	1,431	1,643
Total depreciation and amortisation	32,146	31,732	32,132	31,714

12. Repairs and maintenance

	Consolidated		University	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Buildings	12,724	12,964	12,721	12,963
Grounds	6,946	1,310	6,946	1,310
Total repairs and maintenance	19,670	14,274	19,667	14,273

**13. Other expenses**

	Consolidated		University	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Scholarships, grants and prizes	23,376	25,056	23,376	25,056
Non-capitalised equipment	5,182	6,158	5,182	6,158
Advertising, marketing and promotion	6,879	6,709	6,867	6,693
Telecommunications	3,780	4,109	3,769	4,098
Travel, staff development and entertainment	17,058	17,933	16,946	17,860
External services*	49,453	44,876	51,282	46,610
IT hardware and software	14,840	10,588	14,817	10,568
Library subscriptions	4,610	4,311	4,610	4,311
Printing	983	1,098	983	1,098
Operating lease rental expenses	1,736	1,958	1,736	1,958
Bank charges, legal costs, insurance and taxes	5,262	5,626	5,215	5,313
General consumables	7,412	8,309	7,388	8,294
Other	12,883	11,241	12,876	11,127
Total other expenses	153,454	147,972	155,047	149,144

* Included within external services for 2014 is an amount for consultants of \$2.451 million University (\$2.628 million Consolidated) exclusive of GST (2013: \$2.236 million University, \$2.426 million Consolidated). This amount excludes consultant payments for the capital works program.

14. Bad and doubtful debts

	Consolidated		University	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Bad and doubtful debts	429	468	429	468
Total bad and doubtful debts	429	468	429	468



15. Cash and cash equivalents

	Consolidated		University	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Cash at bank and on hand	8,284	7,139	7,786	6,784
Deposits at call	308,648	302,944	306,842	300,892
Total cash and cash equivalents	316,932	310,083	314,628	307,676

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

	Consolidated		University	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Balances as per Statement of Financial Position	316,932	310,083	314,628	307,676
Balances as per Statement of Cash Flows	316,932	310,083	314,628	307,676

(b) Cash at bank and on hand

During the year cash earned an average of 2.02% (2013: 3.35%) and interest is credited to the University on a monthly basis.

(c) Deposits

During the year cash deposits earned interest at a fixed rate which ranged between 3.05% and 4.33% (2013: range between 3.49% and 6.44%). These deposits had an average maturity of 201 days (2013: 169 days).

16. Receivables

	Consolidated		University	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Trade debtors	18,459	13,534	18,344	13,495
Less: Provision for impaired receivables	(151)	(160)	(151)	(160)
	18,308	13,374	18,193	13,335
Student fees	3,268	3,566	3,268	3,566
Less: Provision for impaired receivables	(647)	(692)	(647)	(692)
	2,621	2,874	2,621	2,874
Commonwealth receivables	2,559	1,374	2,559	1,374
Other	2,492	2,467	2,645	2,611
Total receivables	25,980	20,089	26,018	20,194

(a) Impaired receivables

As at 31 December 2014 current trade receivables of the Group with a nominal value of \$0.136 million (2013: \$0.146 million) were specifically identified as impaired. The individually impaired receivables were assessed in consultation with local responsible managers. Factors considered in the assessment included the age of the debt combined with the particular circumstances and experience with similar debt types. In addition, current trade receivables were collectively evaluated for impairment based upon past due status and historical collection experience resulting in a further provision of \$0.015 million (2013: \$0.014 million). The total amount of the provision for impaired trade receivables was \$0.151 million (2013: \$0.160 million).



16. Receivables (continued)

(a) Impaired receivables (continued)

Trade receivables

The ageing analysis of impaired trade receivables is as follows:

	Consolidated	
	2014	2013
	\$'000	\$'000
Less than 3 months	-	-
3 to 6 months	79	41
Over 6 months	72	119
Total impaired trade receivables	151	160

As at 31 December 2014, trade receivables of \$9.624 million (2013: \$6.966 million) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default.

The ageing analysis of past due but not impaired receivables is as follows:

	Consolidated	
	2014	2013
	\$'000	\$'000
Less than 3 months	8,379	5,912
3 to 6 months	1,144	568
Over 6 months	101	486
	9,624	6,966

Movements in the trade debtors provision for impaired receivables are as follows:

	Consolidated	
	2014	2013
	\$'000	\$'000
At 1 January	160	197
Provision for impairment recognised during the year	136	133
Receivables written off during the year as uncollectible	(11)	(18)
Unused amount reversed and debts collected	(134)	(152)
At 31 December	151	160



16. Receivables (continued)

(a) Impaired receivables (continued)

Student receivables

As at 31 December 2014, student receivables of \$2.322 million (2013: \$2.788 million) were past due but not impaired. The ageing analysis of these receivables is as follows:

	Consolidated	
	2014	2013
	\$'000	\$'000
Less than 3 months	435	598
3 to 6 months	1,127	1,275
Over 6 months	760	915
	2,322	2,788

Movements in the student fees provision for impaired receivables are as follows:

	Consolidated	
	2014	2013
	\$'000	\$'000
At 1 January	692	640
Provision for impairment recognised during the year	488	478
Receivables written off during the year as uncollectible	(471)	(413)
Unused amount reversed and debts collected	(62)	(13)
At 31 December	647	692

The creation and release of the provision for impaired receivables has been included in 'Bad and doubtful debts expense' in the Statement of Comprehensive Income. Amounts charged to the provision account are written off when there is no expectation of recovering additional cash.

The other amounts within receivables do not contain impaired assets and are not past due. Based on credit history, it is expected that these amounts will be received when due.

(b) Foreign exchange and interest rate risk

The carrying amount of the Group and the University's receivables are denominated in Australian Dollars.

(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. Investments accounted for using the equity method

The University has no material investments in associates or joint venture entities which would be accounted for in the consolidated financial statements using the equity method of accounting.



18. Other financial assets

	Note	Consolidated		University	
		2014	2013	2014	2013
		\$'000	\$'000	\$'000	\$'000
Non-Current					
Shares in subsidiaries	32	-	-	4,000	4,000
Available-for-sale financial assets at fair value		8,170	8,847	6,209	7,575
Total other financial assets		8,170	8,847	10,209	11,575

19. Other non-financial assets

		Consolidated		University	
		2014	2013	2014	2013
		\$'000	\$'000	\$'000	\$'000
Current					
Prepayments		11,891	11,808	11,860	11,786
Accrued income		6,986	5,182	6,969	5,182
Total other non financial assets		18,877	16,990	18,829	16,968



20. Property, plant and equipment

	Consolidated		University	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Land				
At valuation	128,030	128,030	128,030	128,030
At cost	9,276	-	9,276	-
Net book amount	137,306	128,030	137,306	128,030
Buildings				
At valuation	1,022,527	1,022,527	1,022,527	1,022,527
At cost	83,785	-	83,785	-
Accumulated depreciation	(512,061)	(492,149)	(512,061)	(492,149)
Net book amount	594,251	530,378	594,251	530,378
Construction in progress				
At cost	12,160	77,843	12,160	77,843
Net book amount	12,160	77,843	12,160	77,843
Plant and equipment				
At cost	84,073	80,249	83,996	80,155
Accumulated depreciation	(49,637)	(45,174)	(49,575)	(45,101)
Net book amount	34,436	35,075	34,421	35,054
Leasehold improvements				
At cost	10,362	7,215	10,362	7,215
Accumulated amortisation	(5,107)	(4,443)	(5,107)	(4,443)
Net book amount	5,255	2,772	5,255	2,772
Art collection				
At valuation	3,279	3,279	3,279	3,279
At cost	20	-	20	-
Net book amount	3,299	3,279	3,299	3,279
Library collection				
At valuation	24,686	21,584	24,686	21,584
Accumulated depreciation	(10,920)	(7,847)	(10,920)	(7,847)
Net book amount	13,766	13,737	13,766	13,737
Plant and equipment in progress				
At cost	3,152	2,608	3,152	2,608
Net book amount	3,152	2,608	3,152	2,608
Total property, plant and equipment	803,625	793,722	803,610	793,701

20. Property, plant and equipment (continued)

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Construction in progress	Land	Buildings	Plant and equipment	Plant and equipment in progress	Leasehold improvements	Library collection	Art collection	Total
Consolidated	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Year ended 31 December 2013									
Opening net book amount	32,663	126,296	516,856	37,136	691	2,208	13,120	1,594	730,564
Revaluation	-	1,598	16,243	-	-	-	559	665	19,065
Additions	63,120	-	47	5,834	2,608	-	3,437	1,020	76,066
Disposals	-	-	(59)	(357)	-	-	(1,401)	-	(1,817)
Reclassifications	(17,911)	136	16,065	1,033	(653)	1,330	-	-	-
Depreciation/amortisation charge	-	-	(18,774)	(8,571)	-	(766)	(1,978)	-	(30,089)
Other changes, movements	(29)	-	-	-	(38)	-	-	-	(67)
Closing net book amount	77,843	128,030	530,378	35,075	2,608	2,772	13,737	3,279	793,722
Year ended 31 December 2014									
Opening net book amount	77,843	128,030	530,378	35,075	2,608	2,772	13,737	3,279	793,722
Revaluation	-	-	-	-	-	-	(309)	-	(309)
Additions	24,213	9,276	-	6,365	2,462	-	2,370	10	44,696
Disposals	-	-	-	(926)	-	-	(9)	-	(935)
Reclassifications	(87,123)	-	83,785	2,038	(1,857)	3,147	-	10	-
Depreciation/amortisation charge	-	-	(19,912)	(8,116)	-	(664)	(2,023)	-	(30,715)
Other changes, movements	(2,773)	-	-	-	(61)	-	-	-	(2,834)
Closing net book amount	12,160	137,306	594,251	34,436	3,152	5,255	13,766	3,299	803,625

20. Property, plant and equipment (continued)

University	Construction in progress \$'000	Land \$'000	Buildings \$'000	Plant and equipment \$'000	Plant and equipment in progress \$'000	Leasehold improvements \$'000	Library collection \$'000	Art collection \$'000	Total \$'000
Year ended 31 December 2013									
Opening net book value	32,663	126,296	516,856	37,105	691	2,208	13,120	1,594	730,533
Revaluation	-	1,598	16,243	-	-	-	559	665	19,065
Additions	63,120	-	47	5,826	2,608	-	3,437	1,020	76,058
Disposals	-	-	(59)	(357)	-	-	(1,401)	-	(1,817)
Reclassifications	(17,911)	136	16,065	1,033	(653)	1,330	-	-	-
Depreciation/amortisation charge	-	-	(18,774)	(8,553)	-	(766)	(1,978)	-	(30,071)
Other changes, movements	(29)	-	-	-	(38)	-	-	-	(67)
Closing net book amount	77,843	128,030	530,378	35,054	2,608	2,772	13,737	3,279	793,701
Year ended 31 December 2014									
Opening net book value	77,843	128,030	530,378	35,054	2,608	2,772	13,737	3,279	793,701
Revaluation	-	-	-	-	-	-	(309)	-	(309)
Additions	24,213	9,276	-	6,356	2,462	-	2,370	10	44,687
Disposals	-	-	-	(925)	-	-	(9)	-	(934)
Reclassifications	(87,123)	-	83,785	2,038	(1,857)	3,147	-	10	-
Depreciation/amortisation charge	-	-	(19,912)	(8,102)	-	(664)	(2,023)	-	(30,701)
Other changes, movements	(2,773)	-	-	-	(61)	-	-	-	(2,834)
Closing net book amount	12,160	137,306	594,251	34,421	3,152	5,255	13,766	3,299	803,610



21. Intangible assets

	Consolidated		University	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Intangibles in progress				
At cost	328	-	328	-
Net closing book amount	328	-	328	-
Other intangible assets				
At cost	10,623	10,548	10,623	10,548
Accumulated amortisation and impairment	(7,806)	(6,375)	(7,806)	(6,375)
Net closing book amount	2,817	4,173	2,817	4,173
Total Intangibles	3,145	4,173	3,145	4,173

	Consolidated		Total
	Intangibles in progress	Other intangible assets	
	\$'000	\$'000	\$'000
Year ended 31 December 2014			
Balance at the beginning of the year	-	4,173	4,173
Additions	328	75	403
Amortisation charge	-	(1,431)	(1,431)
Closing value at 31 December 2014	328	2,817	3,145
Year ended 31 December 2013			
Balance at the beginning of the year	744	5,092	5,836
Additions	19	19	38
Disposals	-	(58)	(58)
Reclassifications	(763)	763	-
Amortisation charges	-	(1,643)	(1,643)
Closing value at 31 December 2013	-	4,173	4,173



21. Intangible assets (continued)

	University		
	Intangibles in progress	Other intangible assets	Total
	\$'000	\$'000	\$'000
Year ended 31 December 2014			
Balance at the beginning of the year	-	4,173	4,173
Additions	328	75	403
Amortisation charge	-	(1,431)	(1,431)
Closing value at 31 December 2014	328	2,817	3,145
Year ended 31 December 2013			
Balance at the beginning of the year	744	5,092	5,836
Additions	19	19	38
Disposals	-	(58)	(58)
Reclassifications	(763)	763	-
Amortisation charge	-	(1,643)	(1,643)
Closing value at 31 December 2013	-	4,173	4,173

22. Payables

	Consolidated		University	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Current				
Trade creditors	23,796	20,694	23,964	20,978
Accrued salaries	3,402	2,954	3,402	2,923
Annual leave on-costs	3,037	2,971	3,037	2,971
Long service leave on-costs	566	590	566	590
OS-HELP liability to Australian Government	1,298	50	1,298	50
Total current payables	32,099	27,259	32,267	27,512
Non-current				
Annual leave on-costs	1,700	1,685	1,700	1,685
Long service leave on-costs	4,418	3,705	4,418	3,705
Total non-current payables	6,118	5,390	6,118	5,390
Total payables	38,217	32,649	38,385	32,902

(a) Foreign exchange and interest rate risk

The carrying amounts of the Group and the University's payables are denominated in Australian Dollars.

**23. Borrowings**

The University does not hold any borrowings.

(a) Financing arrangements

Unrestricted access was available at reporting date to the following lines of credit:

	Consolidated		University	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Credit standby arrangements				
Total facilities				
Credit card facility with National Australia Bank (NAB)	8,000	8,000	8,000	8,000
Credit card facility with American Express (Amex)	1,080	1,230	1,080	1,230
Documentary letter of credit facility with NAB	200	200	200	200
Bank Guarantee	5,100	5,100	5,100	5,100
Total credit standby arrangements	14,380	14,530	14,380	14,530
Used at balance date				
Credit card facility with NAB	6	11	6	11
Credit card facility with Amex	124	-	124	-
Documentary letter of credit facility with NAB	-	-	-	-
Bank Guarantee	2,600	2,600	2,600	2,600
Total used at balance date	2,730	2,611	2,730	2,611
Unused at balance date				
Credit card facility with NAB	7,994	7,989	7,994	7,989
Credit card facility with Amex	956	1,230	956	1,230
Documentary letter of credit facility with NAB	200	200	200	200
Bank Guarantee	2,500	2,500	2,500	2,500
Total unused at balance date	11,650	11,919	11,650	11,919



24. Provisions

	Consolidated		University	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Current				
Annual leave	12,786	12,913	12,729	12,853
Long service leave	5,231	6,213	5,163	6,118
Separation scheme	-	7,707	-	7,621
Workers' compensation liability	426	611	426	611
Total current provisions	18,443	27,444	18,318	27,203
Non-current				
Annual leave	7,053	6,985	7,053	6,985
Long service leave	38,466	32,538	38,466	32,538
Workers' compensation liability	602	1,004	602	1,004
Total non-current provisions	46,121	40,527	46,121	40,527
Total provisions	64,564	67,971	64,439	67,730

Movements in the Workers' compensation liability are set out below:

	Consolidated		University	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Carrying amount at start of year	1,615	725	1,615	725
Additional provisions recognised	640	660	640	660
Amounts used	(438)	(261)	(438)	(261)
Unused amounts reversed	(751)	468	(751)	468
Increase/(decrease) in discounted amount	(38)	23	(38)	23
Carrying amount at end of year	1,028	1,615	1,028	1,615

25. Other liabilities

	Consolidated		University	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Current				
Funds held on behalf of external entities	9,691	16,841	9,512	16,762
Income in advance on incomplete projects	1,022	813	1,022	813
Fees and charges	14,327	13,063	14,327	13,063
Cwlth and State Government grants	33,915	36,241	33,915	36,241
Other	6,075	4,506	6,274	4,828
Total other liabilities	65,030	71,464	65,050	71,707



26. Reserves and retained earnings

(a) Reserves

	Consolidated		University	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Property, plant and equipment revaluation surplus				
Land and Buildings	176,680	176,680	176,680	176,680
Art collection	1,089	1,089	1,089	1,089
Library collection	-	-	-	-
	177,769	177,769	177,769	177,769
Available-for-sale investments revaluation surplus	1,003	2,677	1,003	2,677
Total reserves	178,772	180,446	178,772	180,446

Movements

Property, plant and equipment revaluation reserve

Land and buildings				
Balance 1 January	176,680	158,839	176,680	158,839
Asset revaluation increment	-	17,841	-	17,841
Balance 31 December	176,680	176,680	176,680	176,680

Art collection				
Balance 1 January	1,089	424	1,089	424
Asset revaluation increment	-	665	-	665
Balance 31 December	1,089	1,089	1,089	1,089

Available-for-sale investments revaluation surplus

Balance 1 January	2,677	1,362	2,677	1,362
Available-for-sale financial assets valuation gains taken to equity	214	1,315	214	1,315
Available-for-sale financial assets transfer to profit or loss	(1,888)	-	(1,888)	-
Total Available-for-sale investments revaluation surplus	1,003	2,677	1,003	2,677

(b) Retained earnings

Retained earnings at 1 January	800,725	729,156	800,681	727,691
Operating result for the period	29,655	71,569	29,091	72,990
Retained earnings at 31 December	830,380	800,725	829,772	800,681

(c) Nature and purpose of reserves

The University has three reserves. The land and buildings revaluation surplus records revaluations in land and buildings, the art collection revaluation surplus records revaluations in the art collection and the available-for-sale investments revaluation surplus records revaluations in investments.



27. Key management personnel disclosures

(a) Names of responsible persons

The following persons were responsible persons of the University during the 2014 year. Council members include University employees who may be ex-officio members or elected staff members.

2014 Council Members

Dr Ian Gould AM, Chancellor (term completed 1 January 2014, reappointed until 1 January 2016)

Professor David Lloyd, Vice Chancellor and President

Dr Wendy Craik AM, Deputy Chancellor (term completed 31 March 2014, re-appointed as Deputy Chancellor until 31 March 2016, and reappointed as Council member until 31 March 2018)

Mr Terry Evans, Pro Chancellor

Associate Professor Pat Buckley

Ms Pauline Carr

Mr Andrew Friebe (term completed 18 June 2014)

Mr Eric Granger

Mr Jay Joseph (term commenced 21 August 2014)

Ms Lia Lawrie (term commenced 21 August 2014)

Mr Bruce Linn (term completed 31 December 2014)

Ms Paula Nagel AM

Ms Corinne Namblard (term commenced 31 March 2014, leave of absence 21 August 2014 to 31 December 2014)

Professor Leanna Read

Professor Rick Sarre (term completed 31 December 2014, re-appointed 1 January 2015 to 31 December 2016)

Ms Miriam Silva (leave of absence 21 August 2014 to 31 December 2014)

Ms Carol Sutherland

Mr Arun Thomas (term completed 18 June 2014)

Directorships held by Council members during the 2014 year in subsidiaries and associates of University

Mr Bruce Linn, ITEK Ventures Pty Ltd and SABRENet Ltd.



27. Key management personnel disclosures (continued)

(b) Remuneration of Key management personnel

	Consolidated		University	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Remuneration of Council members				
Nil	4	6	4	6
\$1 to \$9,999	6	-	6	-
\$10,000 to \$19,999	3	7	3	7
\$20,000 to \$29,999	3	3	4	4
\$40,000 to \$49,999	1	1	-	-
\$60,000 to \$69,999	1	1	1	1
	18	18	18	18

Remuneration received and receivable by Council members for their services as Council members was \$221,820 (2013: \$228,225). The total remuneration received and receivable by Council members in their position as Council members and as Directors of subsidiary companies was \$249,820 (2013: \$256,225).

	Consolidated		University	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Remuneration of executive officers				
\$140,000 to \$149,999	-	1	-	1
\$150,000 to \$159,999	-	2	-	2
\$220,000 to \$229,999	-	1	-	1
\$290,000 to \$299,999	1	-	1	-
\$310,000 to \$319,999	1	1	1	1
\$330,000 to \$339,999	1	1	1	1
\$340,000 to \$349,999	3	-	3	-
\$370,000 to \$379,999	-	1	-	1
\$390,000 to \$399,999*	1	1	1	1
\$450,000 to \$459,999	1	-	1	-
\$470,000 to \$479,999*	-	1	-	1
\$500,000 to \$509,999	-	1	-	1
\$540,000 to \$549,999	-	1	-	1
\$570,000 to \$579,999*	1	-	1	-
\$810,000 to \$819,999	1	-	1	-
	10	11	10	11

* includes leave paid on termination.

**27. Key management personnel disclosures (continued)****(b) Remuneration of Key management personnel (continued)**

Executives are defined as the Vice Chancellor & President and the University's Senior Management Group. The remuneration includes all normal salary, leave, allowances and other benefits paid during the reporting year. No executive received any remuneration from the University other than by way of salary and related benefits from a normal employment relationship.

(c) Executive Officers' compensation

	Consolidated		University	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Short-term employee benefits	3,762	3,378	3,762	3,378
Post-employment benefits	401	436	401	436
Other long-term benefits	54	-	54	-
Total Executive Officer's compensation	4,217	3,814	4,217	3,814

(d) Related party transactions

From time to time University Council members have interests or positions in entities with which the University conducts business. In all cases, transactions with these entities are undertaken on a normal commercial basis.

28. Remuneration of auditors

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

	Consolidated		University	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Audit and review of the Financial Statements				
Fees paid to Auditor-General's Department	281	258	281	258
Fees paid to BDO Australia Ltd	17	9	-	-
Total paid for audit and review	298	267	281	258

29. Contingencies

The University has no material contingent liabilities.



30. Commitments

(a) Capital commitments

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

	Consolidated		University	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Property, plant and equipment:				
Within one year	28,617	5,820	28,617	5,820
Between one and five years	29,155	195	29,155	195
Later than five years	-	-	-	-
Total Property, plant and equipment commitments	57,772	6,015	57,772	6,015

(b) Lease commitments - Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases, net of any incentives received from the lessor, are charged to the Statement of Comprehensive Income on a straight line basis over the period of the lease.

Commitments in relation to leases contracted for at the reporting date, but not recognised as liabilities (i.e. operating leases), are payable as follows:

	Consolidated		University	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Within one year	2,557	2,504	2,557	2,504
Between one and five years	5,853	6,400	5,853	6,400
Later than five years	2,577	3,805	2,577	3,805
Total future minimum lease payments	10,987	12,709	10,987	12,709

Major operating leases include leases for office space, vehicles and computers. The terms of the office space lease agreements include renewal or purchase options ranging between 1 and 10 years.

(c) Other expenditure commitments

Commitments for other expenditure in existence at the reporting date but not recognised as liabilities, are payable as follows:

	Consolidated		University	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Within one year	11,067	8,760	11,067	8,760
Between one and five years	14,037	17,177	14,037	17,177
Later than five years	125	663	125	663
Total other expenditure commitments	25,229	26,600	25,229	26,600

Other expenditure commitments includes cleaning, contributions to Co-operative Research Centres (CRC) and material commitments arising from grants received from the NHMRC.



31. Superannuation plans

(a) Categories

The University contributes to a numbers of superannuation schemes, divided into the following categories:

- (i) Those operative and open to membership:
 - Uni Super Defined Benefit Plan or Accumulation Super 2
 - Accumulation Super 1
- (ii) State Government Schemes closed to future membership by University employees:
 - State Pension Scheme
 - State Lump Sum Scheme

(b) UniSuper Limited Superannuation Scheme

The employees' UniSuper plan is determined by the terms of employment and is managed by a corporate trustee, UniSuper Limited. The plan is administered by UniSuper Manager Pty Ltd, a wholly owned subsidiary company.

The employer contribution rate for 2014 for employees in either the Defined Benefit Division (DBD) or Accumulation Super 2 was 17% of salaries. For employees in Accumulation Super 1 the contribution rate was 9.25% for January 2014 to June 2014 and 9.50% of salaries from July 2014 to December 2014. During the 2013 year the contribution rate was 9.0% for January 2013 to June 2013 and 9.25% of salaries from July 2013 to December 2013.

The UniSuper DBD is a defined benefit plan under Superannuation Law but is considered to be a defined contribution plan under Accounting Standards AASB 119. As set out under paragraph 28 of AASB 119 a defined contribution plan is a plan where the employer's legal or constructive obligation is limited to the amount it agrees to contribute to the funds and the actuarial risk and investment risk fall on the employee.

Clause 34 (b) states that the "Trustee must consider whether it is in the interests of the Members of Division A and Division B as a whole to reduce the benefits payable under Division A and and Division B and, if it so considers that it should reduce benefits (which may include benefits in the course of payment), it must do so on a fair and equitable basis and at a time or times it decides".

As at 30 June 2014 the assets of the DBD aggregate (i.e. entire multi-employer DBD plan) were estimated to be:

- \$271 million in excess (2013: \$691 million deficiency) of vested benefits. The vested benefits are benefits which are not conditional upon continued membership (or any factor other than leaving the service of the participating institution) and include the value of indexed pensions being provided by the DBD.
- \$2,071 million in excess (2013: \$861 million in excess) of accrued benefits. The accrued benefits have been calculated as the present value of expected future benefit payments to members and indexed pensioners which arise from membership of UniSuper up to reporting date.

**31. Superannuation plans (continued)****(b) UniSuper Limited Superannuation Scheme (continued)**

The vested benefit and accrued benefit liabilities were determined by the Fund's actuary Russell Employee Benefits using the actuarial demographic assumptions outlined in their report on the actuarial investigation of the DBD as at 30 June 2014. The financial assumptions used were:

	Vested Benefits	Accrued Benefits
Gross of tax investment return - DBD pensions	6.10% p.a.	7.80% p.a.
Gross of tax investment return - commercial rate indexed pensions	3.70% p.a.	3.70% p.a.
Net of tax investment return - non pensioner members	5.50% p.a.	7.00% p.a.
Consumer Price Index	2.75% p.a.	2.75% p.a.
Inflationary salary increases long term	3.75% p.a.	3.75% p.a.

Assets have been included at their net market value, i.e. allowing for realisation costs.

As at 30 June 2014 there is no funding surplus or deficit which currently affects, or is expected to affect, the amount of future contributions payable by participating employers to the Defined Benefit Plan.

(c) Super SA Superannuation plan

A number of present and past employees of the University and its predecessor institutions are members of the South Australian Superannuation Scheme. This scheme is administered by Super SA on behalf of the South Australian Superannuation Board (the Board) which is responsible for managing this scheme. The board was established under section 5 of the Superannuation Act 1988. The funds are managed by the specialist investment manager, Superannuation Funds Management Corporation of South Australia (Funds SA).

Under this scheme, benefits are paid as a continuing pension or lump sum to members eligible to claim their entitlement. The Pension Scheme is a defined benefit scheme where member benefits are calculated as a percentage of final salary. Benefits are generally payable fortnightly and are indexed by Consumer Price Index (CPI). The Lump Sum Scheme is part accumulation and part defined benefit where member basic entitlements represent a refund of the member's contributions with investment returns plus a defined multiple of final salary.

Under current arrangements, Super SA pays eligible members their benefit and is reimbursed by the University for the shortfall in the employer's contribution. The Commonwealth Government fully funds the University on an emerging cost basis for the costs and recovers the State's share of the cost directly from the State Government under the Commonwealth State Agreement. The Agreement provides that the employer component of the superannuation benefits payable to former employees of the University who were members of one of the main State Schemes, be shared.

An actuarial assessment (the Assessment) of the University's superannuation liability with respect to future benefits for current pensioners and employees was performed by PricewaterhouseCoopers Securities Ltd as at 31 December 2014. The actuarial valuation was based on 30 June 2014 membership data which was projected to 31 December 2014 using the Project Unit Credit Method. The University's present value of the defined benefit obligations was assessed to be \$508.6 million (2013: \$444.3 million).

The University's liability under the scheme has been partly funded by assets of \$36.9 million (2013: \$34.3 million) from 3% productivity employer contributions. This results in an unfunded liability of \$471.7 million (2013: \$409.9 million).



31. Superannuation plans (continued)

(c) Super SA Superannuation plan (continued)

The weighted average duration of the defined benefit obligation is 14.11 years (2013: 14.43 years). The expected maturity analysis of undisclosed benefit obligations is as follows:

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Defined Benefit obligation - 31 Dec 2014	30,102	30,190	91,879	612,103	764,274
Defined Benefit obligation - 31 Dec 2013	29,838	30,581	92,023	639,068	791,510

The analysis of the plan assets and the expected rate of return at the balance sheet date is as follows:

	2014 (%)		2013 (%)	
	Active Market	No Active Market	Active Market	No Active Market
Equity instruments	51.3 %	0.0 %	52.2 %	0.0 %
Property	2.6 %	11.6 %	2.6 %	12.2 %
Diversified Strategies Growth	1.1 %	7.5 %	0.9 %	7.6 %
Diversified Strategies Income	14.0 %	0.0 %	13.3 %	0.0 %
Inflation Linked Securities	0.0 %	7.5 %	0.0 %	7.6 %
Debt instruments	2.1 %	0.0 %	2.5 %	0.0 %
Cash	2.3 %	0.0 %	1.1 %	0.0 %
Total	73.4 %	26.6 %	72.6 %	27.4 %



31. Superannuation plans (continued)

(d) Balance Sheet Amounts

	University	
	2014	2013
	\$'000	\$'000
Reconciliation of the present value of the defined benefit obligation		
Present value of defined benefit obligation at beginning of year	444,273	495,700
Current service cost	404	1,025
Interest cost	19,750	18,263
Actuarial (gains) / losses		
(a) Impact of changes in demographic assumptions	1,172	-
(b) Impact of changes in financial assumptions	74,221	(38,802)
(c) Experience items	(1,060)	(1,306)
Benefits and expenses paid	(30,191)	(30,608)
Present value of defined benefits obligations at end of year	508,569	444,272
Reconciliation of the fair value of the defined benefit plan assets		
Fair value of Scheme assets at start of year	34,340	29,900
Interest income	1,629	1,116
Actual return on assets less Interest income	849	3,217
Employer contributions	30,254	30,714
Benefits and expenses paid	(30,191)	(30,608)
Fair value of Scheme assets at end of year	36,881	34,339
Net Liability		
Defined Benefit Obligation	508,569	444,272
Less: Fair value of plan assets	(36,881)	(34,339)
Net Liability	471,688	409,933

The net unfunded amount of \$471.7 million (2013: \$409.9 million) has been recognised in the accounts of the University as a liability and a corresponding receivable from the Commonwealth Government. The asset and liability have been classified as current and non current according to cash flow projections of the Assessment.

**31. Superannuation plans (continued)****(d) Balance Sheet Amounts (continued)**

The Commonwealth Government has agreed to provide assistance under Section 20 of the Higher Education Funding Act to meet the additional costs in respect of State Government emerging cost schemes, where costs are in excess of funding provided for this purpose in the base operating grant.

Assumptions adopted by PricewaterhouseCoopers Securities Ltd in determining the University's liability were:

- Long term rate of increase in the Consumer Price Index (CPI) 2.5% per annum (2013 2.5%)
- Rate of salary increases 4.0% per annum (2013 4.0%)
- Discount Rate 3.1% per annum (2013 4.6%)
- Return of Fund assets 7.0% per annum (2013 7.0%)

These rates provide for a 1.5% real gap between long term CPI and salary increases and a 3% real gap between salary increases and investment earnings.

The sensitivity of the defined benefit obligation to changes in the significant assumptions is:

Significant Assumption	Increase in assumption	Impact on Defined Benefit Obligation	Decrease in assumption	Impact on Defined Benefit Obligation
Discount rate	0.5%	Decrease by 5.3%	0.5%	Increase by 5.8%
Salary growth rate	0.5%	Increase by 0.2%	0.5%	Decrease by 0.1%
Pension increase rate	0.5%	Increase by 6.0%	0.5%	Decrease by 5.4%



32. 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	Principal place of business	Ownership interest	
		2014	2013
		%	%
(a) University of South Australia Foundation Incorporated	Australia	100	100
(b) ITEK Ventures Pty Ltd	Australia	100	100
(c) UniSA Health Pty Ltd	Australia	100	100

(a) University of South Australia Foundation Incorporated (Foundation)

The Foundation is a dormant entity with no assets, liabilities or equity as at 31 December 2014. This company will remain legally intact indefinitely to ensure that any future bequests, which have named the Foundation as the beneficiary, will ultimately flow to the University as intended.

(b) ITEK Ventures Pty Ltd

ITEK Ventures Pty Ltd was incorporated on 15 November 2011 and is wholly owned by the University. The University was allotted four million Ordinary Shares, issued at \$1.00 per share.

ITEK Ventures Pty Ltd provides the University with business incubation and technology commercialisation services. Its role is to support the commercialisation of University research through the formation of spin-off companies, licensing and the sale of intellectual property to generate returns for the University, and also for the staff and students involved in the creation of intellectual property.

(c) UniSA Health Pty Ltd

UniSA Health Pty Ltd was incorporated on 13 September 2011 and is wholly owned by the University. The University was allotted ten Ordinary Shares, issued at \$1.00 per share.

The core business of UniSA Health Pty Ltd will initially be to contribute to quality teaching through the provision of placements to undergraduate and postgraduate students through a private clinic and to provide high quality patient care and health prevention/promotion to UniSA staff and students.

33. Investments in associates

SABRENet Ltd (SABRENet)

SABRENet is incorporated in Australia and was registered on 28 September 2005 as a nonprofit company limited by guarantee. The founding members are the three South Australian universities and the South Australian Government. The Defence Science and Technology Organisation (DSTO) is a contractual partner.

The company was established to further the use of advanced data networking for research and education in South Australia, in addition to enhancing economic and social advancement across the nation.

While the University has significant influence over SABRENet, its interest in SABRENet is limited to the use of SABRENet's asset (the network). That is, the University receives no return for its interest in SABRENet. To date, the University has provided \$0.250 million to SABRENet which was recognised as an expense in the year payment was made. Consequently, the University's interest in SABRENet has not been recognised in the accounts on an equity basis.

**34. Interests in joint arrangements****(a) Joint operations**

The University's interests in joint operations are as follows:

Entity	Reporting date	Ownership interest	
		2014	2013
		%	%
(i) Centre for Cancer Biology	31 Dec	50.00 %	0.00 %
(ii) Mawson Centre Building	31 Dec	63.00 %	63.00 %

(i) Centre for Cancer Biology

The Centre for Cancer Biology (CCB) carries out an innovative research program focusing on the fundamental causes of cancer and translating these discoveries into new ways to prevent and treat the disease.

In December 2014 the University and Central Adelaide Local Health Network (CALHN) entered into an alliance agreement to establish the CCB to further accommodate and support the growth of the Centre.

(ii) Mawson Centre Building

The University, the City of Salisbury, the Land Management Corporation, Delfin Lend Lease and the Department of Education and Child Development (DECD) entered into an agreement in 2003 to design, develop, construct and operate the Mawson Centre at Mawson Lakes. This multi-purpose community centre assists in meeting the cultural, entertainment, recreational and educational needs of the Mawson Lakes residents, employees and adjacent community. The University has a 63% share of the joint venture and management responsibility for the centre, with the City of Salisbury holding a 19% share and DECS holding an 18% share.

In 2013 the building was independently re-valued and the University's 63% share of the asset's carrying amount as at 31 December 2014 is \$6.515 million (2013: \$6.678 million) which is included in Buildings.



34. Interests in joint arrangements (continued)

(b) Joint venture

The University has an interest in a number of joint venture as described below. The University's interests in these joint ventures are not considered to be material to the University's core activities. Consequently, they have not been taken up in the accounts on an equity basis as per the Australian Accounting Standard AASB 128 Investments in Associates and Joint Ventures.

Entity	Reporting date	Ownership interest	
		2014	2013
		%	%
(i) eResearch SA	31 Dec	33.00 %	33.00 %
(ii) South Australian Tertiary Admissions Centre	31 Dec	25.00 %	25.00 %

(i) eResearch SA (formerly South Australian Partnership for Advanced Computing (SAPAC))

eResearch SA is a collaborative joint venture of the three South Australian universities. Its mission is to support the development, implementation and use of eResearch methodologies and activities in South Australia, and to provide access to eResearch facilities and practical support for researchers from all disciplines. The University's 33% share of this joint venture has not been included in the consolidated report as this is immaterial to the University's activities.

(ii) South Australian Tertiary Admissions Centre (SATAC)

SATAC is a joint operation between the three South Australian universities and the Minister for Employment, Higher Education and Skills. SATAC receives and processes undergraduate and postgraduate applications for admission to the TAFE SA, Charles Darwin University and the three universities in South Australia. The University's 25% share of this joint operation has not been included in the consolidated report as this is immaterial to the University's activities.

35. Events occurring after the balance sheet date

There has not arisen in the interval between the end of the financial year and the date of this report, any item, transaction, event of a material and unusual nature likely to affect significantly the operation of the Consolidated Entity, the results of operations, or the state of affairs of the Consolidated Entity in future periods.

**36. Reconciliation of operating results after income tax to net cash flows from operating activities**

	Consolidated		University	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Operating result for the period	29,655	71,569	29,091	72,990
Add/(less) non-cash items:				
Depreciation and amortisation	32,146	31,732	32,132	31,714
Non-cash donations	(91)	(1,045)	(91)	(1,045)
Capital assets accrual	(2,805)	(1,106)	(2,805)	(1,106)
Library collection revaluation	309	(559)	309	(559)
Other	336	-	336	-
Net (gain)/loss on sale of property, plant and equipment	842	1,814	842	1,814
Net (gain)/loss on sale of available-for-sale financial assets	(2,076)	-	(1,862)	-
Fair value (gains)/losses on other financial assets at fair value through profit or loss	-	100	-	-
Property, plant and equipment in progress adjustments	2,834	67	2,834	67
Changes in operating assets and liabilities:				
(Increase)/decrease in receivables	(5,891)	3,712	(5,824)	3,180
(Increase)/decrease in other assets	(1,906)	(4,008)	(1,861)	(3,904)
Increase/(decrease) in payables	5,568	(2,423)	5,483	(1,869)
Increase/(decrease) in provisions	(3,407)	6,808	(3,291)	6,709
Increase/(decrease) in other liabilities	(7,298)	(16,522)	(7,459)	(15,989)
Net cash provided by / (used in) operating activities	48,216	90,139	47,834	92,002

37. Non-cash investing and financing activities

	Consolidated		University	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Donations of works of art and library materials	91	1,045	91	1,045
	91	1,045	91	1,045



38. Financial risk management

The University's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow 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 Group.

The University uses different methods to measure different types of risk to which it is exposed. These methods include informal sensitivity analyses and seeking professional advice to manage the market risk of its investments.

Risk management is co-ordinated by the University under policies approved by Council. The University identifies and evaluates financial risks in close co-operation with the University's operating units.

(a) Market risk

(i) Foreign exchange risk

The University assesses the likely foreign exchange risk for offshore activities and enters into hedging arrangements if appropriate. As at 31 December 2014 the University held MYR\$0.216 million (AUD\$0.075 million) (2013: MYR\$0.336 million (AUD\$0.114 million)) in an offshore bank account.

The University assesses the likely foreign exchange risk for probable forecasted transactions in foreign currencies for onshore activities and enters into hedging arrangements to mitigate foreign exchange risk if appropriate. During 2014 the University did not enter into any USD hedging contracts, and as at 31 December 2014 held USD \$5.511 million (AUD\$6.719 million) in an onshore bank account. As no contracts were held at 31 December 2014 there were no associated payable/receivables balances. (2013: Net receivable of AUD\$0.085 million).

(ii) Cash flow and fair value interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

Exposures arise predominantly from assets and liabilities bearing variable interest rates as the Consolidated Entity intends to hold fixed rate assets and liabilities to maturity.

(iii) Risk associated with available-for-sale assets

Investments mainly comprise investments in listed entities. The University has a prudent investment strategy. It is acknowledged there may be short-term fluctuations in asset values from time to time; however historical trends for such a strategy indicate that, with reasonable probability, unrealised losses will be recovered in the medium to long-term.

The nature of the University's activities are generally low risk. Investments tend to be largely held in term deposits with banking institutions and debtors are spread across a large number of customers. Due to the nature and value of the financial instruments held by the University, sensitivity analysis has not been provided.

(b) Credit risk

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted.

The credit risk on financial assets excluding investments of the University which have been recognised in the statement of financial position is the carrying amount net of any provisions for impaired receivables.

The University is not materially exposed to any specific overseas country or individual customer.



38. Financial risk management (continued)

(c) Liquidity risk

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

	Average Interest rate %	Less than 1 Year \$'000	1 to 5 years \$'000	5+ years \$'000	Non interest bearing \$'000	Total \$'000
2014						
Financial assets						
Cash and cash equivalents	3.65 %	316,932	-	-	-	316,932
Receivables		-	-	-	23,335	23,335
Other financial assets		-	-	-	8,170	8,170
Total financial assets		316,932	-	-	31,505	348,437
Financial liabilities						
Payables		-	-	-	25,259	25,259
Total financial liabilities		-	-	-	25,259	25,259

	Average Interest rate %	Less than 1 Year \$'000	1 to 5 years \$'000	5+ years \$'000	Non interest bearing \$'000	Total \$'000
2013						
Financial assets						
Cash and cash equivalents	4.14 %	310,083	-	-	-	310,083
Receivables		-	-	-	17,562	17,562
Other financial assets		-	-	-	8,847	8,847
Total financial assets		310,083	-	-	26,409	336,492
Financial liabilities						
Payables		-	-	-	20,902	20,902
Total financial liabilities		-	-	-	20,902	20,902

**39. Fair Value Measurement****(a) Fair value measurements**

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

Due to the short-term nature of the current receivable their carrying value approximates 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 fair values of the Group's financial assets and liabilities at balance date are:

	Carrying Amount		Fair Value	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash and cash equivalents	316,932	310,083	316,932	310,083
Receivables	23,335	17,562	23,335	17,562
Other financial assets	8,170	8,847	8,170	8,847
Total financial assets	348,437	336,492	348,437	336,492
Financial Liabilities				
Payables	25,259	20,902	25,259	20,902
Total financial liabilities	25,259	20,902	25,259	20,902

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

- Financial assets at fair value through profit or loss
- Available-for-sale financial assets
- Land and buildings
- Library collection
- Art collection

(b) Fair value hierarchy

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

Level 1	Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3	Inputs for the asset or liability that are not based on observable market data (unobservable inputs)



39. Fair Value Measurement (continued)

(b) Fair value hierarchy (continued)

(i) Recognised fair value measurements

Fair value measurements recognised in the statement of financial position are categorised into the following levels at 31 December 2014.

Fair value measurements

	Note	2014 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Recurring fair value measurements at 31 December 2014					
Financial assets					
Available-for-sale financial assets	18				
Equity securities		8,170	5,585	-	2,585
Total financial assets		8,170	5,585	-	2,585
Non-financial assets					
Land and buildings	20				
Land		137,306	-	137,306	-
Buildings		594,251	-	-	594,251
Other non-financial assets	20				
Library collection		13,766	-	-	13,766
Art collection		3,299	-	-	3,299
Total non-financial assets		748,622	-	137,306	611,316

	Note	2013 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Recurring fair value measurements at 31 December 2013					
Financial assets					
Available-for-sale financial assets	18				
Equity securities		8,847	6,996	-	1,851
Total financial assets		8,847	6,996	-	1,851
Non-financial assets					
Land and buildings	20				
Land		128,030	-	128,030	-
Buildings		530,378	-	-	530,378
Other non-financial assets	20				
Library collection		13,737	-	-	13,737
Art collection		3,279	-	-	3,279
Total non-financial assets		675,424	-	128,030	547,394



39. Fair Value Measurement (continued)

(b) Fair value hierarchy (continued)

There were no transfers between Levels 1 and 2 for recurring fair value measurements during the year. There were also no transfers in and out of Level 3 measurements.

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

(ii) Disclosed fair values

The fair value of assets or liabilities traded in active markets (such as trading and available-for-sale securities disclosed in notes 18.) is based on quoted market prices for identical assets or liabilities at the reporting date (Level 1). This is the most representative of fair value in the circumstances.

The carrying value less impairment provision of trade receivables and payables is a reasonable approximation of their fair values due to the short-term nature of trade receivables.

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

(i) Recurring fair value measurements

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

If there are significant inputs to a valuation which are not obtained from observable market data, the instrument is included in Level 3. This is the case for unlisted equity securities.

The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date.



39. Fair Value Measurement (continued)

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

The following table is a reconciliation of Level 3 items for the periods ended 31 December 2014 and 2013.

Level 3 Fair Value Measurement 2014	Unlisted equity securities \$'000	Buildings \$'000	Library Collection \$'000	Art Collection \$'000	Total \$'000
Opening balance	1,851	530,378	13,737	3,279	549,245
Acquisitions	475	83,785	2,370	20	86,650
Disposals	-	-	(9)	-	(9)
Recognised in profit or loss	-	(19,912)	(2,332)	-	(22,244)
Recognised in other comprehensive income	259	-	-	-	259
Closing balance	2,585	594,251	13,766	3,299	613,901

Level 3 Fair Value Measurement 2013	Unlisted equity securities \$'000	Buildings \$'000	Library Collection \$'000	Art Collection \$'000	Total \$'000
Adoption of AASB13	1,880	516,856	13,120	1,594	533,450
Acquisitions	-	16,112	3,437	1,020	20,569
Disposals	(13)	(59)	(1,401)	-	(1,473)
Recognised in profit or loss	-	(18,774)	(1,419)	-	(20,193)
Recognised in other comprehensive income	(16)	16,243	-	665	16,892
Closing balance	1,851	530,378	13,737	3,279	549,245

(i) Transfers between Level 2 and Level 3 and changes in valuation techniques

Other than described above, there were no changes in valuation techniques during the year.



39. Fair Value Measurement (continued)

(d) Fair value measurements using significant unobservable inputs (Level 3) (continued)

(ii) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in Level 3 fair value measurements. See (c) above for the valuation techniques adopted.

Description	Fair value at 31 December 2014 \$'000	Unobservable inputs	Range of inputs (probability weighted average)	Relationship of unobservable inputs to fair value
Unlisted equity securities	2,585	Market comparison based on internal assessment of net asset values and potential growth.	Net asset position and future earnings.	Increase in net assets and increase in future earnings would result in higher fair values; decrease in net assets and decrease in future earnings would result in lower fair values.
Buildings	594,251	Estimated useful lives of individual buildings.	Useful life ranges for buildings provided by valuer.	Increased remaining useful lives of buildings would result in higher fair values; lower remaining useful lives would result in lower fair values.
Library Collection	13,766	Current year average purchase cost.	Ranges of prices and volumes of purchases.	Increased average purchased cost would result in higher fair values; lower average purchased cost would result in lower fair values.
Art Collection	3,299	Market comparison based on internal assessment of the value of comparable artworks.	Number and type of purchases and market value of comparable artworks.	Increase in market value assessment of similar art would result in higher fair value; decrease in market value assessment of similar art would result in lower fair value.

(iii) Valuation processes

The Group performs the valuations of non-property items required for financial reporting purposes, including Level 3 fair values.

The Group engages external, independent and qualified valuers to determine the fair value of the Group's land and buildings at least every 3 years. As at 31 December 2013, the fair values of land and buildings have been determined by Opteon Pty Ltd.

The valuation technique for buildings adopted by Opteon Pty Ltd was to assess the written down current cost for the buildings. New replacement costs on the basis of a modern equivalent were assessed and then generally depreciated using the straight line method, having regard to the estimated useful and remaining life for each structure.

The Library collection is revalued annually at the end of each year using an internal valuation based on the average purchase cost of books and journals.



39. Fair Value Measurement (continued)

(d) Fair value measurements using significant unobservable inputs (Level 3) (continued)

The Art collection is revalued at least every 3 years using an internal valuation carried out by the Director: Samstag Museum of Art giving consideration to current sales and auctions of works by the same artist and/or similar genre.

40. Acquittal of Australian Government financial assistance

(a) Commonwealth Grants Scheme and other Grants

	Commonwealth Grants Scheme		Indigenous Support Program		Partnership & Participation Program		Disability Support Program		Capital Development Pool	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in cash during the reporting period	168,415	166,587	1,113	1,335	5,608	6,874	84	84	-	-
Net accrual adjustments	(241)	2,172	-	(138)	316	(1,526)	-	-	-	-
Revenue for the period	168,174	168,759	1,113	1,197	5,924	5,348	84	84	-	-
Movement in deferred income	-	-	-	-	(316)	1,526	-	-	-	-
Surplus/(deficit) from the previous year	-	-	-	-	1,642	232	346	368	4,900	4,900
Total revenue including accrued revenue	168,174	168,759	1,113	1,197	7,250	7,106	430	452	4,900	4,900
Less expenses including accrued expenses	(168,174)	(168,759)	(1,113)	(1,197)	(6,041)	(5,464)	(413)	(106)	-	-
Surplus/(deficit) for the reporting period	-	-	-	-	1,209	1,642	17	346	4,900	4,900

	Diversity and Structural Adjustment Fund		Transitional Cost Program		Promo of Exc in Learning and Teaching		Reward Funding		Australian Maths & Science Partnership Program	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in cash during the reporting period	-	-	-	-	312	599	-	804	261	-
Net accrual adjustments	1,296	1,546	-	235	35	(141)	-	-	(261)	-
Revenue for the period	1,296	1,546	-	235	347	458	-	804	-	-
Movement in deferred income	(1,296)	(1,546)	-	-	(35)	141	-	-	261	-
Surplus/(deficit) from the previous year	3,478	5,037	-	-	480	310	-	-	-	-
Total revenue including accrued revenue	3,478	5,037	-	235	792	909	-	804	261	-
Less expenses including accrued expenses	(1,296)	(1,559)	-	(235)	(371)	(429)	-	(804)	-	-
Surplus/(deficit) for the reporting period	2,182	3,478	-	-	421	480	-	-	261	-

40. Acquittal of Australian Government financial assistance (continued)

(a) Commonwealth Grants Scheme and other Grants (continued)

	Chair in Child Protection			Total
	2014	2013	2014	2013
Note	\$'000	\$'000	\$'000	\$'000
Financial assistance received in cash during the reporting period	-	1,237	175,793	177,520
Net accrual adjustments	-	1,482	1,145	3,630
Revenue for the period	-	2,719	176,938	181,150
Movement in deferred income	-	(1,482)	(1,386)	(1,361)
Surplus/(deficit) from the previous year	-	1,482	10,846	12,329
Total revenue including accrued revenue	-	2,719	186,398	192,118
Less expenses including accrued expenses	-	(2,719)	(177,408)	(181,272)
Surplus/(deficit) for the reporting period	-	-	8,990	10,846

40. Acquitment of Australian Government financial assistance (continued)

(b) Higher Education Loan Programs (excl OS-HELP)

	HECS-HELP (Australian Government payments only)		FEE-HELP		SA-HELP		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Note								
Cash Payable/(Receivable) at the beginning of the year	1,036	762	1,098	(1,269)	14	(470)	2,148	(977)
Financial assistance received in cash during the reporting period	108,442	105,264	7,117	8,446	2,737	3,093	118,296	116,803
Cash available for the period	109,478	106,026	8,215	7,177	2,751	2,623	120,444	115,826
Revenue earned	109,624	104,990	7,607	6,079	2,733	2,609	119,964	113,678
Cash Payable/(Receivable) at the end of the year	(146)	1,036	608	1,098	18	14	480	2,148

3(b)

40. Acquittal of Australian Government financial assistance (continued)

(c) Scholarships

	Australian Postgraduate Awards		International Postgraduate Research Scholarships		Commonwealth Education Cost Scholarships		Commonwealth Accommodation Scholarships		Indigenous Access Scholarships		Indigenous Staff Scholarships		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Note														
Financial assistance received in cash during the reporting period	5,771	5,522	470	465	8	(1,085)	60	(202)	42	(60)	-	-	6,351	4,640
Net accrual adjustments	-	-	-	-	(15)	471	(25)	178	(14)	51	-	-	(54)	700
Revenue for the period	5,771	5,522	470	465	(7)	(614)	35	(24)	28	(9)	-	-	6,297	5,340
Movement in deferred income	-	-	-	-	15	(471)	25	(178)	14	(51)	-	-	54	(700)
Surplus/(deficit) from the previous year	1,342	1,302	-	-	136	1,372	26	290	28	(5)	12	12	1,544	2,971
Total revenue including accrued revenue	7,113	6,824	470	465	144	287	86	88	70	(65)	12	12	7,895	7,611
Less expenses including accrued expenses	(5,515)	(5,482)	(470)	(465)	(4)	(151)	(67)	(62)	(56)	93	-	-	(6,112)	(6,067)
Surplus/(deficit) for the reporting period	1,598	1,342	-	-	140	136	19	26	14	28	12	12	1,783	1,544

40. Acquittal of Australian Government financial assistance (continued)

(d) EDUCATION Research

	Joint Research Engagement		JRE Engineering Cadetships		Research Training Scheme		Research Infrastructure Block Grants	
	2014	2013	2014	2013	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in cash during the reporting period	7,491	7,281	90	59	13,294	13,287	2,869	2,791
Net accrual adjustments	-	-	-	-	-	-	-	-
Revenue for the period	7,491	7,281	90	59	13,294	13,287	2,869	2,791
Surplus/(deficit) from the previous year	-	-	-	-	-	-	-	-
Total revenue including accrued revenue	7,491	7,281	90	59	13,294	13,287	2,869	2,791
Less expenses including accrued expenses	(7,491)	(7,281)	(90)	(59)	(13,294)	(13,287)	(2,869)	(2,791)
Surplus/(deficit) for the reporting period	-	-	-	-	-	-	-	-

	Sustainable Research Excellence in Universities		Total	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Financial assistance received in cash during the reporting period	2,023	2,017	25,767	25,435
Net accrual adjustments	-	-	-	-
Revenue for the period	2,023	2,017	25,767	25,435
Surplus/(deficit) from the previous year	-	-	-	-
Total revenue including accrued revenue	2,023	2,017	25,767	25,435
Less expenses including accrued expenses	(2,023)	(2,017)	(25,767)	(25,435)
Surplus/(deficit) for the reporting period	-	-	-	-

40. Acquittal of Australian Government financial assistance (continued)

(e) Other Capital Funding

	Note	Education Investment Fund				Total	
		2014	2013	2014	2013	2014	2013
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in cash during the reporting period		4,920	3,080	4,920	3,080	3,080	
Net accrual adjustments		5,250	-	5,250	-	-	
Revenue for the period	3(e)	10,170	3,080	10,170	3,080	3,080	
Surplus/(deficit) from the previous year		2,626	3,023	2,626	3,023	3,023	
Total revenue including accrued revenue		12,796	6,103	12,796	6,103	6,103	
Less expenses including accrued expenses		(5,426)	(3,477)	(5,426)	(3,477)	(3,477)	
Surplus/(deficit) for the reporting period		7,370	2,626	7,370	2,626	2,626	



40. Acquittal of Australian Government financial assistance (continued)

(f) Australian Research Council Grants

(i) Discovery

Financial assistance received in cash during the reporting period
Net accrual adjustments

Revenue for the period

Movement in deferred income

Surplus/(deficit) from the previous year

Total revenue including accrued revenue

Less expenses including accrued expenses

Surplus/(deficit) for the reporting period

	Projects		Fellowships		Indigenous Researchers Development		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	2,612	2,601	2,684	2,321	237	314	5,533	5,236
	18	121	(202)	2	(85)	(82)	(269)	41
3(f)(i)	2,630	2,722	2,482	2,323	152	232	5,264	5,277
	(248)	(228)	202	(2)	58	81	12	(149)
	2,310	2,538	1,046	1,047	152	70	3,508	3,655
	4,692	5,032	3,730	3,368	362	383	8,784	8,783
	(2,630)	(2,722)	(2,482)	(2,322)	(152)	(231)	(5,264)	(5,275)
	2,062	2,310	1,248	1,046	210	152	3,520	3,508

40. Acquittal of Australian Government financial assistance (continued)

(f) Australian Research Council Grants (continued)

(ii) Linkages	Note	Infrastructure		Projects		Industrial Transformational Research Program		Total	
		2014	2013	2014	2013	2014	2013	2014	2013
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in cash during the reporting period		1,075	-	2,369	2,344	-	-	3,444	2,344
Net accrual adjustments		169	800	(180)	101	11	-	-	901
Revenue for the period	3(f)(ii)	1,244	800	2,189	2,445	11	-	3,444	3,245
Movement in deferred income		(36)	(211)	8	(93)	230	-	202	(304)
Surplus/(deficit) from the previous year		36	247	2,915	3,008	-	-	2,951	3,255
Total revenue including accrued revenue		1,244	836	5,112	5,360	241	-	6,597	6,196
Less expenses including accrued expenses		(1,244)	(800)	(2,189)	(2,445)	(11)	-	(3,444)	(3,245)
Surplus/(deficit) for the reporting period		-	36	2,923	2,915	230	-	3,153	2,951

40. Acquittal of Australian Government financial assistance (continued)

(f) Australian Research Council Grants (continued)

(iii) Networks and Centres

Financial assistance received in cash during the reporting period

Net accrual adjustments

Revenue for the period

Movement in deferred income

Surplus/(deficit) from the previous year

Total revenue including accrued revenue

Less expenses including accrued expenses

Surplus/(deficit) for the reporting period

	Centres		Special Research Initiatives			Total	
	2014	2013	2014	2013		2014	2013
Note	\$'000	\$'000	\$'000	\$'000		\$'000	\$'000
	-	-	-	-		-	-
	197	163	13	137		210	300
3(f)(iii)	197	163	13	137		210	300
	262	-	-	(25)		262	(25)
	-	-	-	25		-	25
	459	163	13	137		472	300
	(197)	(163)	(13)	(137)		(210)	(300)
	262	-	-	-		262	-

40. Acquittal of Australian Government financial assistance (continued)

(g) Student Services and Amenities Fee

	Note	2014 \$'000	2013 \$'000
Unspent/(overspent) revenue from previous period		50	-
SA-HELP revenue earned	3(b)	2,733	2,609
Student services fees direct from students	5	1,532	1,083
Total revenue expendable in period		4,315	3,692
Student services expenses during period		(4,137)	(3,642)
Unspent/(overspent) student services revenue		178	50

(h) OS-HELP

	Note	2014 \$'000	2013 \$'000
Cash Received during the reporting period		2,500	908
Cash Spent during the reporting period		(1,252)	(858)
Net Cash received		1,248	50
Cash Surplus/(deficit) from the previous period		50	-
Cash surplus for the reporting period	22	1,298	50

40. Acquittal of Australian Government financial assistance (continued)

(i) Superannuation Supplementation

		2014	2013
	Note	\$'000	\$'000
Cash Received during the reporting period	3(h)	28,827	29,679
Cash available		28,827	29,679
Cash surplus / (deficit) from the previous period		657	857
Cash available for current period		29,484	30,536
Contributions to specified defined benefit funds		(29,631)	(29,879)
Cash surplus for this period		(147)	657



41. Acronyms and definitions

The following acronyms and terminology are used throughout the Financial Statements:

AAS	Australian Accounting Standards
AASB	Australian Accounting Standards Board
ARC	Australian Research Council
ATO	Australian Taxation Office
AUD	Australian Dollar
CPI	Consumer Price Index
CRC	Co-operative Research Centre
DBD	UniSuper Defined Benefit Division
DECD	South Australian Government Department of Education and Child Development
DETAFE	South Australian Government Department of Education, Training and Employment
EDUCATION	Australian Government Department of Education
GST	Goods and Services Tax
HECS	Higher Education Contribution Scheme
MYR	Malaysian Ringgit
NAB	National Australia Bank
NHMRC	National Health and Medical Research Council
Safety margin	Operating result as a percentage of total income
USD	United States Dollar



CERTIFICATE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

To the best of our knowledge and belief:

- the financial statements:
 - are in accordance with the accounts and records of the University and give an accurate indication of the financial transactions of the University for the year then ended;
 - comply with the relevant Treasurer's Instructions promulgated under the provisions of the South Australian Public Finance and Audit Act 1987;
 - comply with relevant Accounting Standards and other mandatory professional reporting requirements in Australia, except to the extent noted in Note 1 Summary of Significant Accounting Policies and the Independent Audit Report; and
 - present a true and fair view of the financial position of the University as at 31 December 2014 and the result of its operations and its cash flows for the year then ended.
- the amount of Australian Government financial assistance expended during the reporting period was for the purpose(s) for which it was intended and the University has complied with applicable legislation, contracts, agreements and program guidelines in making expenditure.
- the University 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.
- internal controls over financial reporting and preparation of the financial statements have been effective throughout the reporting period.

Dr Ian Gould
Chancellor

16 April 2015

Professor David G. Lloyd
Vice Chancellor and President

16 April 2015

Mr Paul Beard
Chief Operating Officer

16 April 2015



Level 9
State Administration Centre
200 Victoria Square
Adelaide SA 5000
DX 56208
Victoria Square
Tel +618 8226 9640
Fax +618 8226 9688
ABN 53 327 061 410
audgensa@audit.sa.gov.au
www.audit.sa.gov.au

**To the Chancellor
University of South Australia**

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 19 of the *University of South Australia Act 1990*, I have audited the accompanying financial report of the University of South Australia (the University) and the consolidated entity comprising the University and its controlled entities for the financial year ended 31 December 2014. The financial report comprises:

- a Statement of Comprehensive Income for the year ended 31 December 2014
- a Statement of Financial Position as at 31 December 2014
- a Statement of Changes in Equity for the year ended 31 December 2014
- a Statement of Cash Flows for the year ended 31 December 2014
- notes, comprising a summary of significant accounting policies and other explanatory information.

The consolidated financial report comprises 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 members of the Council are responsible for the preparation of the financial report that gives a true and fair view in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987*, the *Higher Education Support Act 2003* and Australian Accounting Standards, and for such internal control as the members of the Council determines is necessary to enable the preparation of a financial report that 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 requirements of the *Public Finance and Audit Act 1987* and Australian Auditing Standards. The Auditing Standards require that the auditor comply with relevant ethical requirements and that the auditor plan and perform the audit 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. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the members of the Council, as well as the overall presentation of the financial report.

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

Basis for Qualified Opinion

The University has recognised \$34.8 million of unspent funding as a liability for the year ended 31 December 2014. These amounts have been accounted for as income received in advance and included in 'Other liabilities – Commonwealth and State Government grants', 'Other liabilities – Income in advance on incomplete projects' and 'Other liabilities – Other current liability' in note 25 to the financial report. The University has disclosed its accounting treatment of these funds in note 1(d) to the financial report.

The funds represent contributions and meet the recognition criteria of income in accordance with Accounting Standard AASB 1004 Contributions and Accounting Policy Framework V Income Framework. The University controls these funds upon receipt and it is highly probable that any unspent funds will be spent in accordance with stipulated conditions. It is highly unlikely that unspent funds will need to be repaid to the granting bodies and as such funds should be recognised as income at the time of receipt.

As a result, the following has been misstated in the 2014 financial report:

- the revenue recognised as Australian Government grants is understated by \$1.7 million (\$4.9 million overstated in 2013)
- the revenue recognised as State and Local Government financial assistance is overstated by \$800 000 (\$60 000 overstated in 2013)
- the revenue recognised as consultancy and contract research is overstated by \$1.6 million (\$2.5 million overstated in 2013)
- operating result attributable to members of University of South Australia is overstated by \$700 000 (\$7.5 million overstated in 2013)
- other liabilities is overstated by \$34.8 million (\$35.5 million overstated in 2013)
- closing retained earnings is understated by \$34.8 million (\$35.5 million understated in 2013).

Qualified Opinion

In my opinion, except for the effects of the matter described in the 'Basis for Qualified Opinion' paragraphs, the financial report gives a true and fair view of the financial position of the University of South Australia and its controlled entities (the consolidated entity) as at 31 December 2014, their financial performance and their cash flows for the year then ended in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987*, the *Higher Education Support Act 2003* and Australian Accounting Standards.



Andrew Richardson
ACTING AUDITOR-GENERAL
28 April 2015



University of South Australia

unisa.edu.au

Telephone: (08) 8302 2376

Make an enquiry: unisa.edu.au/enquiry



youtube.com/unisouthaustralia



facebook.com/UniSA



twitter.com/UniversitySA



instagram.com/universitysa

The University of South Australia reserves the right to alter, amend or delete any program, fee, course, admission requirement, mode of delivery or other arrangement without prior notice.

Information correct at time of printing (June 2015)

CRICOS provider number OO121B

For information specific to international students, please visit unisa.edu.au/international

