

CELEBRATING
25 YEARS
1991 - 2016

2016

annual financial statements



University of
South Australia



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 2016.

2016 Council members

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

Mr Jim McDowell, Chancellor

Professor David Lloyd, Vice Chancellor and President

Dr Wendy Craik AM, Deputy Chancellor

Mr Terry Evans, Pro Chancellor

Professor Pat Buckley

Ms Pauline Carr

Mr Eric Granger

Mr Jim Hazel

Hon John Hill

Mr Nick (Ka Leung) Li (term completed 31 December 2016)

Mr Carey Moore (term completed 31 December 2016)

Ms Paula Nagel AM

Ms Jade O'Donohue

Professor Leanna Read

Professor Rick Sarre (term completed 31 December 2016)

Ms Miriam Silva

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

Changes in Council membership since 31 December 2016

Ms Kayla Dickeson (term commenced 1 January 2017)

Ms Louise Kriaki (term commenced 1 January 2017)

Professor Vicki Wayne (term commenced 1 January 2017)

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 2016, 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		Governance Legislation		Honorary Awards	
	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B
Mr Jim McDowell	7	7							1	1			3	3	1	1	3	3	2	2
Professor David Lloyd	7	7	4	8			6	6	1	1	3	3	3	3	2	2	3	3	2	2
Dr Wendy Craik AM	6	7							1	1									1	2
Mr Terry Evans	6	7			5	5					3	3					2	3		
Professor Pat Buckley	5	7	7	8					1	1							3	3	2	2
Ms Pauline Carr	4	7			5	5	5	6					3	3						
Mr Eric Granger	6	7													4	4				
Mr Jim Hazel	7	7					6	6												
Hon John Hill	6	7															3	3		
Mr Nick (Ka Leung) Li	6	7																		
Mr Carey Moore	6	7	5	8													3	3		
Ms Paula Nagel AM	6	7			3	5														
Ms Jade O'Donohue	6	7	5	8					1	1							3	3		
Professor Leanna Read	6	7																	0	2
Professor Rick Sarre	5	7	8	8															1	2
Ms Miriam Silva	5	7					3	6							3	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 2016 year.

Review of operations

The 2016 consolidated surplus was \$40.5 million (2015: \$55.9 million). The surplus resulted in a safety margin (operating result as a percentage of total income) of 6.6% (2015: 9.2%). Income remained stable at \$609.3 million while expenses increased by 3.1% to \$568.9 million.

The University's consolidated financial position remained sound during the 2016 year with net assets of \$1,174.0 million (2015: \$1,071.0 million). Cash balances decreased to \$317.8 million at year end (2015: \$343.0 million).

Consolidated cash flows from operating activities in 2016 were \$74.6 million (2015: \$64.6 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 2016 year not otherwise disclosed in this report or elsewhere in the Annual Review.

Subsequent events

There has not arisen in the interval between the end of the 2016 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 2016 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 13 April 2017.



Jim McDowell
Chancellor

13 April 2017



Professor David G. Lloyd
Vice Chancellor and President

13 April 2017



STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 December 2016

	Notes	Consolidated		University	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Revenue from continuing operations					
Australian Government financial assistance					
Australian Government grants	2	265,501	260,362	265,501	260,362
HECS-HELP - Australian Government Payments	2	118,235	115,199	118,235	115,199
FEE-HELP	2	9,138	8,708	9,138	8,708
SA-HELP	2	2,979	2,882	2,979	2,882
State and Local Government financial assistance	3	7,807	13,753	7,441	13,577
HECS-HELP - Student Payments		10,617	11,650	10,617	11,650
Fees and charges	4	132,919	120,083	132,919	120,083
Investment revenue	5	11,016	13,466	10,893	13,661
Royalties		498	208	90	146
Consultancy and contract research	6	34,958	35,126	34,913	35,392
Other income	7	16,060	14,815	15,602	14,748
Gains / (Losses) on disposal of assets	8	(391)	11,312	(391)	11,312
Total income from continuing operations		609,337	607,564	607,937	607,720
Expenses from continuing operations					
Employee related expenses	9	357,414	349,509	355,709	347,884
Depreciation and amortisation	10	32,408	32,410	32,401	32,404
Repairs and maintenance	11	16,132	15,001	16,131	15,000
Other expenses	12	162,452	154,462	162,749	156,049
Bad and doubtful debts	13	534	346	534	346
Total expenses from continuing operations		568,940	551,728	567,524	551,683
Operating result before income tax		40,397	55,836	40,413	56,037
Income tax (income)/expense		(64)	(16)	35	12
Operating result attributable to members of University of South Australia	26(b)	40,461	55,852	40,378	56,025
Items that may be reclassified to profit or loss:					
Available-for-sale financial assets valuation gains taken to equity	26(a)	11,352	9,208	11,352	9,208
Available-for-sale financial assets transfer to profit or loss	26(a)	(111)	(60)	(111)	(60)
Total		11,241	9,148	11,241	9,148
Items that will not be reclassified to profit or loss:					
Gain/(Loss) on revaluation of land, buildings and infrastructure	26(a)	50,994	(3,188)	50,994	(3,188)
Gain on revaluation of art collection	26(a)	323	-	323	-
Total		51,317	(3,188)	51,317	(3,188)
Total comprehensive income attributable to the members of the University of South Australia		103,019	61,812	102,936	61,985

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



STATEMENT OF FINANCIAL POSITION

AS AT 31 December 2016

	Notes	Consolidated		University	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Current assets					
Cash and cash equivalents	14	317,789	343,029	316,597	341,600
Receivables	15	25,348	22,216	25,330	22,358
Deferred Government superannuation contribution	31	30,700	30,300	30,700	30,300
Other non-financial assets	18	23,008	22,477	22,986	22,451
Non-current assets held for sale	19	3,080	-	3,080	-
Total current assets		399,925	418,022	398,693	416,709
Non-current assets					
Other financial assets	17	35,779	24,580	37,339	26,337
Property, plant and equipment	20	930,387	808,479	930,362	808,473
Deferred tax assets		398	298	-	-
Intangible assets	21	3,763	3,727	3,763	3,727
Deferred Government superannuation contribution	31	399,761	418,306	399,761	418,306
Total non-current assets		1,370,088	1,255,390	1,371,225	1,256,843
Total assets		1,770,013	1,673,412	1,769,918	1,673,552
Current liabilities					
Trade and other payables	22	49,332	36,549	49,134	36,767
Provisions	24	58,592	56,291	58,418	56,155
Current tax liabilities		42	31	46	31
Other liabilities	25	42,944	48,653	43,735	49,146
Defined benefit obligation	31	30,700	30,300	30,700	30,300
Total current liabilities		181,610	171,824	182,033	172,399
Non-current liabilities					
Trade and other payables	22	1,277	1,191	1,277	1,191
Provisions	24	13,382	11,127	13,382	11,127
Defined benefit obligation	31	399,761	418,306	399,761	418,306
Total non-current liabilities		414,420	430,624	414,420	430,624
Total liabilities		596,030	602,448	596,453	603,023
Net assets		1,173,983	1,070,964	1,173,465	1,070,529
Equity					
Reserves	26(a)	252,566	190,003	252,566	190,003
Retained earnings	26(b)	921,417	880,961	920,899	880,526
Total equity		1,173,983	1,070,964	1,173,465	1,070,529

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 2016

	Consolidated		University	
	Reserves	Retained earnings	Reserves	Retained earnings
	\$'000	\$'000	\$'000	\$'000
Balance as at 1 January 2015	178,772	830,380	178,772	829,772
Profit or loss	-	55,852	-	56,025
Available-for-sale financial assets valuation gains taken to equity	9,208	-	9,208	-
Available-for-sale financial assets valuation gains taken to profit or loss	(60)	-	(60)	-
Loss on revaluation of land, buildings and infrastructure	(3,188)	-	(3,188)	-
Total comprehensive income	5,960	55,852	5,960	56,025
Transfers (from) / to Reserves	5,271	(5,271)	5,271	(5,271)
Balance as at 31 December 2015	190,003	880,961	190,003	880,526

	Consolidated		University	
	Reserves	Retained earnings	Reserves	Retained earnings
	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2016	190,003	880,961	190,003	880,526
Profit or loss	-	40,461	-	40,378
Available-for-sale financial assets valuation gains taken to equity	11,352	-	11,352	-
Available-for-sale financial assets valuation gains taken to profit or loss	(111)	-	(111)	-
Gain on revaluation of land, buildings and infrastructure	50,994	-	50,994	-
Gain on revaluation of art collection	323	-	323	-
Total comprehensive income	62,558	40,461	62,558	40,378
Transfers (from) / to Reserves	5	(5)	5	(5)
Balance as at 31 December 2016	252,566	921,417	252,566	920,899

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 2016

	Notes	Consolidated		University	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Cash flows from operating activities:					
Inflows:					
Australian Government grants received	2(h)	390,179	383,469	390,179	383,469
OS-HELP (net)	2(h)	(518)	(715)	(518)	(715)
Superannuation Supplementation	2(h)	29,413	29,303	29,413	29,303
State and Local Government grants		9,195	13,856	8,828	13,680
HECS-HELP - Student payments		10,617	11,650	10,617	11,650
Receipts from student fees and other customers		138,009	129,880	137,811	129,308
Dividends received		945	2,168	838	2,389
Interest received		10,325	12,340	10,309	12,314
Royalties		498	208	90	146
Consultancy and contract research		31,723	33,727	31,764	34,145
Other receipts		16,319	16,881	15,853	16,821
GST recovered		13,871	8,712	14,042	8,870
Outflows:					
Payments to suppliers and employees (GST incl)		(576,003)	(576,853)	(574,840)	(576,089)
Net cash provided by / (used in) operating activities	36	74,573	64,626	74,386	65,291
Cash flows from investing activities:					
Inflows:					
Proceeds from sale of property, plant and equipment		892	30,186	892	30,186
Proceeds from sale of investments		2,827	2,240	2,728	2,240
Outflows:					
Payments for property, plant and equipment		(100,659)	(61,595)	(100,632)	(61,594)
Payments for investments		(2,873)	(9,360)	(2,377)	(9,151)
Net cash provided by / (used in) investing activities		(99,813)	(38,529)	(99,389)	(38,319)
Net increase / (decrease) in cash and cash equivalents		(25,240)	26,097	(25,003)	26,972
Cash and cash equivalents at the beginning of the financial year		343,029	316,932	341,600	314,628
Cash and cash equivalents at the end of the financial year	14	317,789	343,029	316,597	341,600

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.



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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 and Training (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 other financial assets, 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 2016 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. 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 arrangements

Under AASB 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has, rather than the legal structure of the joint arrangement.

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.

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 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 for domestic Australian debtors, and no more than 30 days for other debtors.

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, fixed interest, 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 11).

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 2016 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(m).



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 2016, 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 are measured at cost.

(iii) Library collection

The library collection was internally revalued on 31 December 2014 to fair value based upon the written down cost of the most recent price inputs. The University has determined that subsequent acquisitions are measured at historical cost which approximates fair value with the University no longer revaluing the library collection. The value is depreciated over a ten year period on a straight-line basis.

(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(l). The carrying value, cost less accumulated depreciation, is deemed to be approximate fair value.

(v) Art collection

As at 31 December 2016, the University internally valued its art collection at fair value with the offsetting adjustments to the art collection revaluation surplus. The 2016 valuation resulted in an increase to the fair value of the art collection of \$0.323 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.

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) Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell.

Assets classified as held for sale are not amortised or depreciated.

Non-current assets classified as held for sale and any associated liabilities are presented separately in the statement of financial position.

(k) 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)

(l) 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 & Infrastructure	50 - 150 years
Leasehold improvements	Lease term
Library collection:	
Books	10 years
Journals	10 years
Electronic materials	10 years
Plant and equipment:	
IT infrastructure	5 years
IT systems	6 - 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.

(m) Restrictions on assets

Land includes \$50.000 million (2015: \$44.910 million) of Crown Lands and \$17.360 million (2015: \$14.900 million) of land dedicated for educational use and Land under Finance Lease \$5.290 million (2015: nil).

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

(n) 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)

(o) 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.

(p) 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.

(q) Employee benefits provisions

(i) Annual Leave

The employees' entitlement to annual leave expected to be settled within twelve months of the end of the reporting period have been calculated at the amounts expected to be paid when liabilities are settled. Where the employees' entitlement to annual leave are not expected to be settled within 12 months of the end of the reporting period, the provision has been discounted to present values. Related on-costs have been recognised in payables.

(ii) Sick Leave

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.

(iii) Long Service Leave

The liability for employees' entitlements to long service leave represent the present value of the estimated future cash outflows to be made by the employer resulting from employees' services provided up to the end of the reporting period.

Liabilities for employees' entitlements, which are not expected to be settled within twelve months 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.

In determining the liability for employees' entitlements consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Related on-costs have been recognised in payables.



1. Summary of significant accounting policies (continued)

(q) Employee benefits provisions (continued)

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 twelve months after the reporting date, in which case it would be classified as a non-current liability. Provisions made for annual leave and unconditional long service leave would be classified as a current liability where the employee has a present entitlement to the benefit. A non-current liability would include long service leave entitlements accrued for employees with less than 7 years of continuous service.

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 2016 by Bruce Watson FIA, FIAA of Brett & Watson Pty Ltd.

(iv) 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.

(r) 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 2016 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.

(s) 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).

(t) 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.



1. Summary of significant accounting policies (continued)

(u) 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 extinguished. 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.

(v) Interests in Co-operative Research Centres

The University has an interest in eight Co-operative Research Centres. During 2016 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 Remote Economic Participation
- Data to Decisions Co-operative Research Centre
- Wound Management Innovation Co-operative Research Centre
- Young and Well Co-operative Research Centre

(w) 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 2016. The University has assessed the impact of the new and amended standards and interpretations and considers the impact to be immaterial.

The application of the AASBs highlighted below may result in material changes to the University's future financial reports, however the quantitative effects of the University adopting these standards have not yet been determined.

AASB 15 Revenue from Contracts with Customers

The Australian Accounting Standards Board issued new accounting standard *AASB 15 Revenue from Contracts with Customers* on 12 December 2014 which is mandatory for adoption from 1 January 2019. Early adoption is not permitted by EDUCATION.

AASB 15 establishes a single and comprehensive framework which sets out how and when revenue is recognised.

The core principle of AASB 15 is that revenue is recognised when transfers of goods or services to customers occur in exchange for consideration which the vendor expects to be entitled to in exchange for the provision of those goods or services (i.e. fulfilment of performance obligations). Revenue will only be recognised when control over the goods or services is transferred to the customer, either over time or at a point in time.



1. Summary of significant accounting policies (continued)

(w) Changes in accounting policies (continued)

AASB 16 Leases

The Australian Accounting Standards board issued new accounting standard *AASB 16 Leases* in February 2016 which is mandatory for adoption 1 January 2019. Early adoption is not permitted by EDUCATION.

AASB 16 introduces a single accounting treatment for lessees, that is, recognition of a right-of-use asset and a lease liability. For lessors the finance and operating lease distinction and the accounting for leases remain largely unchanged.

AASB 1058 Income of Not-for-Profit Entities

The Australian Accounting Standards board issued new accounting standard *AASB 1058 Income of Not-for-Profit Entities* on 20 December 2016 which is mandatory for adoption 1 January 2019. The standard supersedes all the income recognition requirements relating to private sector NFP entities, and the majority of income recognition requirements relating to public sector NFP entities, previously in *AASB 1004 Contribution*.

AASB 1058 clarifies and simplifies the income recognition requirements that apply to NFP entities, in conjunction with AASB 15.

AASB 2015 – 6 Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities

This standard extends the scope of *AASB 124 Related Party Disclosures* to include application by not for-profit public sector entities and is mandatory for adoption for annual reporting periods beginning on or after 1 July 2016.

The implementation of this standard will cause disclosure of related party transactions and Key Management Personnel remuneration for not-for-profit public sector entities, there will be no impact on the reported financial position or performance of the entity.

(x) Comparative Amounts

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

(y) Rounding of amounts

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



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

(a) Commonwealth Grants Scheme and Other Grants

	Note	Consolidated		University	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Commonwealth Grants Scheme		185,861	175,210	185,861	175,210
Indigenous Support Program		1,015	1,064	1,015	1,064
Partnership and Participation Program		6,685	7,186	6,685	7,186
Disability Support Program		126	107	126	107
Diversity and Structural Adjustment Fund		16	1,814	16	1,814
Promotion of Excellence in Learning and Teaching		249	417	249	417
Australian Maths & Science Partnership Program		183	253	183	253
Total Commonwealth Grants Scheme and Other Grants	40(a)	194,135	186,051	194,135	186,051

(b) Higher Education Loan Programs

	Note				
HECS-HELP - Australian Government Payments		118,235	115,199	118,235	115,199
FEE-HELP		9,138	8,708	9,138	8,708
SA-HELP		2,979	2,882	2,979	2,882
Total Higher Education Loan Programs	40(b)	130,352	126,789	130,352	126,789

(c) Scholarships

	Note				
Australian Postgraduate Awards		5,973	5,932	5,973	5,932
International Postgraduate Research Scholarships		480	472	480	472
Commonwealth Education Costs Scholarship		130	45	130	45
Commonwealth Accommodation Scholarships		68	25	68	25
Indigenous Access scholarships		108	29	108	29
Total Scholarships	40(c)	6,759	6,503	6,759	6,503



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

(d) Education Research

	Note	Consolidated		University	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Joint Research Engagement Program		8,058	7,855	8,058	7,855
JRE Engineering Cadetships		128	121	128	121
Research Training Scheme		13,580	13,374	13,580	13,374
Research Infrastructure Block Grants		3,477	2,919	3,477	2,919
Sustainable Research Excellence in Universities		3,010	2,214	3,010	2,214
Total Education Research	40(d)	28,253	26,483	28,253	26,483

(e) Other Capital Funding

	Note	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Education Investment Fund		-	4,750	-	4,750
Total Other Capital Funding	40(e)	-	4,750	-	4,750

(f) Australian Research Council

	Note	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
(i) Discovery					
Projects		1,595	1,611	1,595	1,611
Fellowships		1,108	1,702	1,108	1,702
Indigenous Researchers Development		43	358	43	358
Total Discovery	40(f)(i)	2,746	3,671	2,746	3,671
(ii) Linkages					
Infrastructure		321	182	321	182
Projects		2,821	1,943	2,821	1,943
Industrial Transformational Research Program		373	179	373	179
Total Linkages	40(f)(ii)	3,515	2,304	3,515	2,304
(iii) Networks and Centres					
Centres	40(f)(iii)	328	417	328	417
Total Networks and Centres		328	417	328	417
Total ARC		6,589	6,392	6,589	6,392



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

(g) Other Australian Government financial assistance

	Consolidated		University	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Non-capital				
Indigenous Tutorial Assistance Scheme	453	351	453	351
Other Commonwealth grants	4,219	6,695	4,219	6,695
Other Australian Government research grants	25,093	23,137	25,093	23,137
Total Non-capital	29,765	30,183	29,765	30,183
Capital				
Total Other Australian Government financial assistance	29,765	30,183	29,765	30,183
Total Australian Government financial assistance	395,853	387,151	395,853	387,151
Reconciliation				
Australian Government grants	265,501	260,362	265,501	260,362
HECS-HELP payments	118,235	115,199	118,235	115,199
FEE-HELP	9,138	8,708	9,138	8,708
SA-HELP	2,979	2,882	2,979	2,882
Total Australian Government financial assistance	395,853	387,151	395,853	387,151



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

(h) Australian Government Grants received - cash basis

	Consolidated		University	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
CGS and Other EDUCATION Grants	194,446	183,577	194,446	183,577
Higher Education Loan Programs	128,249	126,121	128,249	126,121
Scholarships	6,759	6,449	6,759	6,449
EDUCATION Research	28,253	26,484	28,253	26,484
Other Capital Funding	-	10,000	-	10,000
ARC grants - Discovery	3,399	3,272	3,399	3,272
ARC grants - Linkages	2,660	2,608	2,660	2,608
Other Australian Government Grants	26,413	24,958	26,413	24,958
Total Australian Government Grants received - cash basis	390,179	383,469	390,179	383,469
OS-HELP (Net)	(518)	(715)	(518)	(715)
Superannuation Supplementation	29,413	29,303	29,413	29,303
Total Australian Government funding received - cash basis	419,074	412,057	419,074	412,057

3. State and Local Government financial assistance

	Consolidated		University	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Non-capital				
Research grants	6,854	7,593	6,854	7,799
Other	784	550	418	168
Total	7,638	8,143	7,272	7,967
Capital				
Other	169	5,610	169	5,610
Total	169	5,610	169	5,610
Total State and Local Government financial assistance	7,807	13,753	7,441	13,577

**4. Fees and charges**

	Consolidated		University	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Course Fees and Charges				
Fee-paying onshore overseas students	102,539	91,226	102,539	91,226
Fee-paying offshore overseas students	2,467	2,171	2,467	2,171
Continuing education	967	903	967	903
Fee-paying domestic postgraduate students	3,636	3,653	3,636	3,653
Total Course Fees and Charges	109,609	97,953	109,609	97,953
Other Fees and Charges				
Miscellaneous Enrolment Fees	9,843	9,120	9,843	9,120
Other fees and charges	8,300	9,454	8,300	9,454
Seminar / Workshop Fees	3,052	1,671	3,052	1,671
Student Services Fees from students	2,115	1,885	2,115	1,885
Total Other Fees and Charges	23,310	22,130	23,310	22,130
Total Fees and Charges	132,919	120,083	132,919	120,083

5. Investment revenue

	Consolidated		University	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Dividends and distributions	796	2,290	689	2,510
Interest	10,220	11,176	10,204	11,151
Total investment revenue	11,016	13,466	10,893	13,661

6. Consultancy and contract research

	Consolidated		University	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Consultancy	2,327	3,399	2,263	3,393
Contracts	32,631	31,727	32,650	31,999
Total consultancy and contract research	34,958	35,126	34,913	35,392



7. Other income

	Consolidated		University	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Donations and bequests	1,900	1,990	1,900	1,990
Scholarships and prizes	1,573	1,636	1,573	1,636
Other fees and charges	6,530	6,199	6,247	6,111
Other	6,057	4,990	5,882	5,011
Total other income	16,060	14,815	15,602	14,748

8. Gains/(Losses) on disposal of assets

	Consolidated		University	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
(a) Disposal of property, plant and equipment				
Proceeds from sale	892	30,186	892	30,186
Carrying amount of assets sold	(1,596)	(19,355)	(1,596)	(19,355)
Net Gain/(Loss) on disposal of property, plant and equipment	(704)	10,831	(704)	10,831
(b) Sale of shares				
Available-for-sale investments	313	481	313	481
Total of Net Gain/(Loss) on disposal of assets	(391)	11,312	(391)	11,312



9. Employee related expenses

(a) Employee related expenses

	Consolidated		University	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Academic				
Salaries	148,937	146,871	148,792	146,837
Contributions to superannuation and pension schemes:				
Emerging cost	210	349	210	349
Funded	22,386	21,482	22,386	21,482
Payroll tax	8,800	8,778	8,800	8,778
Workers' compensation	152	65	152	65
Long service leave	4,283	3,374	4,283	3,374
Annual leave	10,361	10,250	10,361	10,250
Total academic	195,129	191,169	194,984	191,135
Non-academic				
Salaries	121,455	118,225	120,129	116,848
Contributions to superannuation and pension schemes:				
Emerging cost	156	184	36	61
Funded	18,581	18,437	18,581	18,437
Payroll tax	7,584	7,542	7,508	7,462
Workers' compensation	125	564	125	565
Long service leave	4,277	3,984	4,254	3,971
Annual leave	9,877	9,172	9,862	9,173
Total non-academic	162,055	158,108	160,495	156,517
Total academic & non-academic employee related benefits	357,184	349,277	355,479	347,652
Council member remuneration	230	232	230	232
Total employee related expenses	357,414	349,509	355,709	347,884



9. Employee related expenses (continued)

(b) Voluntary separation packages

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

	Consolidated		University	
	2016	2015	2016	2015
	Number	Number	Number	Number
Number of voluntary separation packages	29	34	29	34
	\$'000	\$'000	\$'000	\$'000
Voluntary separation packages expenses	2,418	3,045	2,418	3,045
Annual leave and long service leave entitlements paid	821	897	821	897
Total amount associated with separations	3,239	3,942	3,239	3,942

There is no entitlement to recover separation payments from the South Australian Department of the Premier and Cabinet.

10. Depreciation and amortisation

	Consolidated		University	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Depreciation				
Buildings	18,973	18,834	18,973	18,834
Leasehold improvements	526	429	526	429
Library collection	2,312	2,192	2,312	2,192
Plant and equipment	8,079	8,496	8,072	8,490
Infrastructure	1,710	1,711	1,710	1,711
Total depreciation	31,600	31,662	31,593	31,656
Amortisation				
Intangibles	808	748	808	748
Total amortisation	808	748	808	748
Total depreciation and amortisation	32,408	32,410	32,401	32,404

11. Repairs and maintenance

	Consolidated		University	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Buildings	14,626	13,698	14,625	13,697
Grounds	1,506	1,303	1,506	1,303
Total repairs and maintenance	16,132	15,001	16,131	15,000



12. Other expenses

	Consolidated		University	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Scholarships, grants and prizes	21,126	22,923	21,126	22,923
Non-capitalised equipment	6,200	6,939	6,200	6,939
Advertising, marketing and promotion	7,317	6,727	7,290	6,714
Telecommunications	3,461	3,541	3,449	3,526
Travel, staff development and entertainment	19,048	18,137	18,924	17,947
External services*	57,678	49,355	58,639	51,576
IT hardware and software	11,420	12,988	11,403	12,958
Library subscriptions	5,841	5,341	5,841	5,341
Printing	1,903	1,265	1,903	1,265
Operating lease rental expenses	3,320	3,340	3,320	3,340
Bank charges, legal costs, insurance and taxes	5,590	4,983	5,123	4,605
General consumables	7,326	6,874	7,310	6,851
Utilities	6,957	7,055	6,957	7,055
Other**	5,265	4,994	5,264	5,009
Total other expenses	162,452	154,462	162,749	156,049

* Included within external services for 2016 is an amount for consultants of \$1.783 million University (\$1.922 million Consolidated) exclusive of GST (2015: \$1.806 million University, \$1.914 million Consolidated). This amount excludes consultant payments for the capital works program.

** Net foreign exchange losses included in other expenses for 2016 were \$0.163 million University (\$0.163 million Consolidated) (2015: Net foreign exchange gains included in other revenue \$0.816 million University and \$0.812 million Consolidated)

13. Bad and doubtful debts

	Consolidated		University	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Bad and doubtful debts	534	346	534	346
Total bad and doubtful debts	534	346	534	346



14. Cash and cash equivalents

	Consolidated		University	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Cash at bank and on hand	8,187	9,273	8,147	9,178
Deposits at call	309,602	333,756	308,450	332,422
Total cash and cash equivalents	317,789	343,029	316,597	341,600

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

	Consolidated		University	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Balances as per Statement of Financial Position	317,789	343,029	316,597	341,600
Balances as per Statement of Cash Flows	317,789	343,029	316,597	341,600

(b) Cash at bank and on hand

During the year cash earned an average of 0.48% (2015: 0.53%) and interest was credited to the University on a monthly basis.

(c) Deposits

During the year cash deposits earned interest at a fixed rate which ranged between 2.74% and 3.40% (2015: range between 2.25% and 3.80%). These deposits had an average maturity of 320 days (2015: 232 days).

15. Receivables

	Consolidated		University	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Trade debtors	13,218	12,652	13,015	12,615
Less: Provision for impaired receivables	(266)	(166)	(266)	(166)
	12,952	12,486	12,749	12,449
Student fees	3,741	3,862	3,741	3,862
Less: Provision for impaired receivables	(612)	(562)	(612)	(562)
	3,129	3,300	3,129	3,300
Commonwealth receivables	5,156	3,925	5,156	3,925
Other	4,111	2,505	4,296	2,684
Total receivables	25,348	22,216	25,330	22,358

15. Receivables (continued)

(a) Impaired receivables

As at 31 December 2016 current trade receivables of the Group with a nominal value of \$0.256 million (2015: \$0.141 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 \$0.010 million (2015: \$0.025 million). The total amount of the provision for impaired trade receivables was \$0.266 million (2015: \$0.166 million).

Trade receivables

The ageing analysis of impaired trade receivables is as follows:

	Consolidated	
	2016	2015
	\$'000	\$'000
Less than 3 months	-	-
3 to 6 months	19	164
Over 6 months	247	2
Total impaired trade receivables	266	166

As at 31 December 2016, trade receivables of \$4.093 million (2015: \$5.791 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	
	2016	2015
	\$'000	\$'000
Less than 3 months	3,674	4,707
3 to 6 months	390	643
Over 6 months	29	441
	4,093	5,791

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

	Consolidated	
	2016	2015
	\$'000	\$'000
At 1 January	166	151
Provision for impairment recognised during the year	237	151
Receivables written off during the year as uncollectible	-	(70)
Unused amount reversed and debts collected	(137)	(66)
At 31 December	266	166



15. Receivables (continued)

(a) Impaired receivables (continued)

Student receivables

As at 31 December 2016, student receivables of \$2.286 million (2015: \$3.238 million) were past due but not impaired. The ageing analysis of these receivables is as follows:

	Consolidated	
	2016	2015
	\$'000	\$'000
Less than 3 months	83	171
3 to 6 months	1,064	1,256
Over 6 months	1,139	1,811
	2,286	3,238

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

	Consolidated	
	2016	2015
	\$'000	\$'000
At 1 January	562	647
Provision for impairment recognised during the year	430	360
Receivables written off during the year as uncollectible	(342)	(371)
Unused amount reversed and debts collected	(38)	(74)
At 31 December	612	562

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.

16. 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.



17. Other financial assets

	Note	Consolidated		University	
		2016	2015	2016	2015
		\$'000	\$'000	\$'000	\$'000
Non-Current					
Shares in subsidiaries	32	-	-	4,100	4,100
Available-for-sale financial assets at fair value		35,779	24,580	33,239	22,237
Total other financial assets		35,779	24,580	37,339	26,337

18. Other non-financial assets

	Consolidated		University	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Current				
Prepayments	15,878	16,297	15,856	16,271
Accrued income	7,130	6,180	7,130	6,180
Total other non financial assets	23,008	22,477	22,986	22,451

19. Assets and liabilities held for sale

	Consolidated		University	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Non-current assets held for sale				
Land	3,080	-	3,080	-
Total non-current assets held for sale	3,080	-	3,080	-

The University has entered into a sales agreement to sell property at Underdale. Settlement is expected to occur in 2017. The asset was revalued under *AASB 116 Property, Plant and Equipment* and reclassified as a Non-current Asset Held for Sale, under the terms of *AASB 5 Non-Current Assets Held for Sale and Discontinued Operations*. The asset is held at fair value at 31 December 2016, with the contracted sale price considered the best indicator of fair value, under *AASB 13 Fair Value Measurement*.



20. Property, plant and equipment

	Consolidated		University	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Land				
At valuation	158,810	122,570	158,810	122,570
At cost	-	9,276	-	9,276
Net book amount	158,810	131,846	158,810	131,846
Buildings				
At valuation	1,057,884	907,147	1,057,884	907,147
At cost	-	113,393	-	113,393
Accumulated depreciation	(503,192)	(473,015)	(503,192)	(473,015)
Net book amount	554,692	547,525	554,692	547,525
Construction in progress				
At cost	120,189	35,301	120,189	35,301
Net book amount	120,189	35,301	120,189	35,301
Plant and equipment				
At cost	90,772	87,264	90,672	87,190
Accumulated depreciation	(58,726)	(55,013)	(58,651)	(54,945)
Net book amount	32,046	32,251	32,021	32,245
Leasehold improvements				
At cost	7,784	7,215	7,784	7,215
Accumulated amortisation	(5,565)	(5,322)	(5,565)	(5,322)
Net book amount	2,219	1,893	2,219	1,893
Infrastructure				
At independent valuation	87,500	84,252	87,500	84,252
At cost	-	1,446	-	1,446
Accumulated depreciation	(45,440)	(44,551)	(45,440)	(44,551)
Net book amount	42,060	41,147	42,060	41,147
Art collection				
At valuation	3,774	3,279	3,774	3,279
At cost	36	33	36	33
Net book amount	3,810	3,312	3,810	3,312
Library collection				
At valuation	17,294	21,122	17,294	21,122
At cost	5,026	1,946	5,026	1,946
Accumulated depreciation	(9,289)	(10,034)	(9,289)	(10,034)
Net book amount	13,031	13,034	13,031	13,034
Plant and equipment in progress				
At cost	3,530	2,170	3,530	2,170
Net book amount	3,530	2,170	3,530	2,170
Total property, plant and equipment	930,387	808,479	930,362	808,473



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	Infrastructure	Library collection	Art collection	Total
Consolidated	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Year ended 31 December 2015										
Opening net book amount	12,160	137,306	551,651	34,436	3,152	5,255	42,600	13,766	3,299	803,625
Additions	54,797	-	-	3,685	1,991	-	-	1,965	-	62,438
Disposals	-	(4,750)	(13,693)	(407)	-	-	-	(505)	-	(19,355)
Reclassifications	(31,281)	-	30,614	3,037	(2,906)	-	523	-	13	-
Depreciation/amortisation charge	-	-	(18,834)	(8,496)	-	(429)	(1,711)	(2,192)	-	(31,662)
Revaluation	-	(710)	(2,213)	-	-	-	(265)	-	-	(3,188)
Other changes, movements	(375)	-	-	(4)	(67)	(2,933)	-	-	-	(3,379)
Closing net book amount	35,301	131,846	547,525	32,251	2,170	1,893	41,147	13,034	3,312	808,479
Year ended 31 December 2016										
Opening net book amount	35,301	131,846	547,525	32,251	2,170	1,893	41,147	13,034	3,312	808,479
Additions	93,386	281	-	7,716	2,321	-	-	3,140	81	106,925
Disposals	-	-	-	(742)	-	(18)	-	(831)	(5)	(1,596)
Reclassifications	(8,440)	-	7,131	900	(961)	870	401	-	99	-
Transfers to held for sale	-	(3,080)	-	-	-	-	-	-	-	(3,080)
Depreciation/amortisation charge	-	-	(18,973)	(8,079)	-	(526)	(1,710)	(2,312)	-	(31,600)
Revaluation	-	29,763	19,009	-	-	-	2,222	-	323	51,317
Other changes, movements	(58)	-	-	-	-	-	-	-	-	(58)
Closing net book amount	120,189	158,810	554,692	32,046	3,530	2,219	42,060	13,031	3,810	930,387



20. Property, plant and equipment (continued)

University	Construction in progress		Land	Buildings	Plant and equipment	Plant and equipment in progress		Leasehold improvements	Infrastructure	Library collection	Art collection	Total
	\$'000	\$'000				\$'000	\$'000					
Year ended 31 December 2015												
Opening net book value	12,160	137,306	551,651	34,421	3,152	5,255	42,600	13,766	3,299	803,610		
Additions	54,797	-	-	3,684	1,991	-	-	1,965	-	62,437		
Disposals	-	(4,750)	(13,693)	(407)	-	-	-	(505)	-	(19,355)		
Reclassifications	(31,281)	-	30,614	3,037	(2,906)	-	523	-	13	-		
Depreciation/amortisation charge	-	-	(18,834)	(8,490)	-	(429)	(1,711)	(2,192)	-	(31,656)		
Revaluation	-	(710)	(2,213)	-	-	-	(265)	-	-	(3,188)		
Other changes, movements	(375)	-	-	-	(67)	(2,933)	-	-	-	(3,375)		
Closing net book amount	35,301	131,846	547,525	32,245	2,170	1,893	41,147	13,034	3,312	808,473		
Year ended 31 December 2016												
Opening net book value	35,301	131,846	547,525	32,245	2,170	1,893	41,147	13,034	3,312	808,473		
Additions	93,386	281	-	7,690	2,321	-	-	3,140	81	106,899		
Disposals	-	-	-	(742)	-	(18)	-	(831)	(5)	(1,596)		
Reclassifications	(8,440)	-	7,131	900	(961)	870	401	-	99	-		
Transfers to held for sale	-	(3,080)	-	-	-	-	-	-	-	(3,080)		
Depreciation/amortisation charge	-	-	(18,973)	(8,072)	-	(526)	(1,710)	(2,312)	-	(31,593)		
Revaluation	-	29,763	19,009	-	-	-	2,222	-	323	51,317		
Other changes, movements	(58)	-	-	-	-	-	-	-	-	(58)		
Closing net book amount	120,189	158,810	554,692	32,021	3,530	2,219	42,060	13,031	3,810	930,362		



21. Intangible assets

	Consolidated		University	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Intangibles in progress				
At cost	1,469	1,618	1,469	1,618
Net closing book amount	1,469	1,618	1,469	1,618
Other intangible assets				
At cost	11,655	10,663	11,655	10,663
Accumulated amortisation and impairment	(9,361)	(8,554)	(9,361)	(8,554)
Net closing book amount	2,294	2,109	2,294	2,109
Total Intangibles	3,763	3,727	3,763	3,727

	Consolidated		Total \$'000
	Intangibles in progress \$'000	Other intangible assets \$'000	
Year ended 31 December 2016			
Balance at the beginning of the year	1,618	2,109	3,727
Additions	844	-	844
Reclassifications	(993)	993	-
Amortisation charge	-	(808)	(808)
Closing value at 31 December 2016	1,469	2,294	3,763
Year ended 31 December 2015			
Balance at the beginning of the year	328	2,817	3,145
Additions	1,290	40	1,330
Amortisation charges	-	(748)	(748)
Closing value at 31 December 2015	1,618	2,109	3,727



21. Intangible assets (continued)

	University		Total \$'000
	Intangibles in progress \$'000	Other intangible assets \$'000	
Year ended 31 December 2016			
Balance at the beginning of the year	1,618	2,109	3,727
Additions	844	-	844
Reclassifications	(993)	993	-
Amortisation charge	-	(808)	(808)
Closing value at 31 December 2016	1,469	2,294	3,763
Year ended 31 December 2015			
Balance at the beginning of the year	328	2,817	3,145
Additions	1,290	40	1,330
Amortisation charge	-	(748)	(748)
Closing value at 31 December 2015	1,618	2,109	3,727

22. Payables

	Consolidated		University	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Current				
Trade creditors	34,656	23,421	34,458	23,639
Accrued salaries	5,049	3,700	5,049	3,700
Annual leave on-costs	5,355	4,899	5,355	4,899
Long service leave on-costs	4,207	3,946	4,207	3,946
OS-HELP liability to Australian Government	65	583	65	583
Total current payables	49,332	36,549	49,134	36,767
Non-current				
Long service leave on-costs	1,277	1,191	1,277	1,191
Total non-current payables	1,277	1,191	1,277	1,191
Total payables	50,609	37,740	50,411	37,958

(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	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Credit standby arrangements				
Total facilities				
Credit card facility	8,000	8,000	8,000	8,000
Documentary letter of credit facility	200	200	200	200
Bank Guarantee	5,100	5,100	5,100	5,100
Overseas bills purchased facility	1,000	1,000	1,000	1,000
Total credit standby arrangements	14,300	14,300	14,300	14,300
Used at balance date				
Credit card facility	11	3	11	3
Documentary letter of credit facility	-	-	-	-
Bank Guarantee	2,600	2,600	2,600	2,600
Overseas bills purchased facility	-	-	-	-
Total used at balance date	2,611	2,603	2,611	2,603
Unused at balance date				
Credit card facility	7,989	7,997	7,989	7,997
Documentary letter of credit facility	200	200	200	200
Bank Guarantee	2,500	2,500	2,500	2,500
Overseas bills purchased facility	1,000	1,000	1,000	1,000
Total unused at balance date	11,689	11,697	11,689	11,697



24. Provisions

	Consolidated		University	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Current provisions expected to be settled within 12 months				
Annual leave	14,295	13,187	14,224	13,131
Long service leave	5,923	5,557	5,820	5,477
Separation scheme	888	1,305	888	1,305
Workers' compensation liability	391	502	391	502
	21,497	20,551	21,323	20,415
Current provisions expected to be settled after more than 12 months				
Annual leave	8,074	7,201	8,074	7,201
Long service leave	29,021	28,539	29,021	28,539
	37,095	35,740	37,095	35,740
Total current provisions	58,592	56,291	58,418	56,155
Non-current				
Long service leave	12,910	10,483	12,910	10,483
Workers' compensation liability	472	644	472	644
Total non-current provisions	13,382	11,127	13,382	11,127
Total provisions	71,974	67,418	71,800	67,282

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

	Consolidated		University	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Carrying amount at start of year	1,146	1,028	1,146	1,028
Additional provisions recognised	689	685	689	685
Amounts used	(602)	(556)	(602)	(556)
Unused amounts reversed	(395)	-	(395)	-
Increase/(decrease) in discounted amount	25	(11)	25	(11)
Carrying amount at end of year	863	1,146	863	1,146



25. Other liabilities

	Consolidated		University	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Current				
Funds held on behalf of external entities	1,731	2,924	1,631	2,840
Income in advance on incomplete projects	708	915	708	915
Fees and charges	13,365	14,637	13,365	14,637
Cwlth and State Government grants	23,281	26,523	23,281	26,523
Other	3,859	3,654	4,750	4,231
Total other liabilities	42,944	48,653	43,735	49,146



26. Reserves and retained earnings

(a) Reserves

	Consolidated		University	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Property, plant and equipment revaluation surplus				
Land, Buildings and Infrastructure	229,757	178,763	229,757	178,763
Art collection	1,417	1,089	1,417	1,089
	231,174	179,852	231,174	179,852
Available-for-sale investments revaluation surplus	21,392	10,151	21,392	10,151
Total reserves	252,566	190,003	252,566	190,003

Movements

Property, plant and equipment revaluation reserve

Land, Buildings and Infrastructure				
Balance 1 January	178,763	176,680	178,763	176,680
Asset revaluation increment / (decrement)	50,994	(3,188)	50,994	(3,188)
Transfer (from) / to Retained earnings	-	5,271	-	5,271
Balance 31 December	229,757	178,763	229,757	178,763

Art collection

Balance 1 January	1,089	1,089	1,089	1,089
Asset revaluation increment	323	-	323	-
Transfer (from) / to Retained earnings	5	-	5	-
Balance 31 December	1,417	1,089	1,417	1,089

Available-for-sale investments revaluation surplus

Balance 1 January	10,151	1,003	10,151	1,003
Available-for-sale financial assets valuation gains taken to equity	11,352	9,208	11,352	9,208
Available-for-sale financial assets transfer to profit or loss	(111)	(60)	(111)	(60)
Total Available-for-sale investments revaluation surplus	21,392	10,151	21,392	10,151

(b) Retained earnings

Retained earnings at 1 January	880,961	830,380	880,526	829,772
Operating result for the period	40,461	55,852	40,378	56,025
Transfers (from) / to Reserves	(5)	(5,271)	(5)	(5,271)
Retained earnings at 31 December	921,417	880,961	920,899	880,526



26. Reserves and retained earnings (continued)

(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 2016 year. Council members include University employees who may be ex-officio members or elected staff members.

2016 Council Members

Mr Jim McDowell, Chancellor

Professor David Lloyd, Vice Chancellor and President

Dr Wendy Craik AM, Deputy Chancellor

Mr Terry Evans, Pro Chancellor

Professor Pat Buckley

Ms Pauline Carr

Mr Eric Granger

Mr Jim Hazel

Hon John Hill

Mr Nick (Ka Leung) Li (term completed 31 December 2016)

Mr Carey Moore (term completed 31 December 2016)

Ms Paula Nagel AM

Ms Jade O'Donohue

Professor Leanna Read

Professor Rick Sarre (term completed 31 December 2016)

Ms Miriam Silva



27. Key management personnel disclosures (continued)

(b) Remuneration of Key management personnel

	Consolidated		University	
	2016 Number	2015 Number	2016 Number	2015 Number
Remuneration of Council members				
Nil	4	4	4	4
\$1 to \$9,999	-	2	-	2
\$10,000 to \$19,999	7	6	7	6
\$20,000 to \$29,999	4	4	4	4
\$60,000 to \$69,999	1	1	1	1
	16	17	16	17

Remuneration received and receivable by Council members for their services as Council members was \$229,950 (2015: \$231,690). The total remuneration received and receivable by Council members in their position as Council members and as Directors of subsidiary companies was \$229,950 (2015: \$231,690).

	Consolidated		University	
	2016 Number	2015 Number	2016 Number	2015 Number
Remuneration of executive officers				
\$240,000 to \$249,999	-	1	-	1
\$290,000 to \$299,999	-	1	-	1
\$300,000 to \$309,999	-	1	-	1
\$320,000 to \$329,999	1	-	1	-
\$330,000 to \$339,999	-	1	-	1
\$340,000 to \$349,999	-	1	-	1
\$350,000 to \$359,999	1	2	1	2
\$360,000 to \$369,999	2	-	2	-
\$370,000 to \$379,999	2	-	2	-
\$380,000 to \$389,999	1	-	1	-
\$400,000 to \$409,999	-	1	-	1
\$470,000 to \$479,999	1	-	1	-
\$490,000 to \$499,999	-	1	-	1
\$530,000 to \$539,999	1	-	1	-
\$590,000 to \$599,999	-	1	-	1
\$610,000 to \$619,999	1	-	1	-
\$870,000 to \$879,999	-	1	-	1
\$950,000 to \$959,999	1	-	1	-
	11	11	11	11



27. Key management personnel disclosures (continued)

(b) Remuneration of Key management personnel (continued)

Executives are defined as the Vice Chancellor and 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	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Short-term employee benefits	4,522	4,040	4,522	4,040
Post-employment benefits	598	556	598	556
Total Executive Officer's compensation	5,120	4,596	5,120	4,596

(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	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Audit and review of the Financial Statements				
Fees paid to Auditor-General's Department	282	278	282	278
Fees paid to BDO Australia Ltd	21	13	-	-
Total paid for audit and review	303	291	282	278

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	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Property, plant and equipment:				
Within one year	124,727	72,026	124,727	72,026
Between one and five years	1,066	13,773	1,066	13,773
Later than five years	-	-	-	-
Total Property, plant and equipment commitments	125,793	85,799	125,793	85,799

(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	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Within one year	2,382	2,414	2,382	2,414
Between one and five years	6,878	6,476	6,878	6,476
Later than five years	-	1,531	-	1,531
Total future minimum lease payments	9,260	10,421	9,260	10,421

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 one and ten 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	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Within one year	9,768	12,577	12,769	12,577
Between one and five years	9,000	13,486	18,161	13,486
Later than five years	44	-	44	-
Total other expenditure commitments	18,812	26,063	30,974	26,063

Other expenditure commitments includes cleaning, contributions to Co-operative Research Centres (CRC) and material commitments arising from grants received from the NHMRC. The Consolidated other expenditure commitments eliminates \$12.2m of commitments between the University and its subsidiaries for Service Level Agreements.



31. Superannuation plans

(a) Categories

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

- (i) UniSuper plans open to membership:
 - Defined Benefit Division
 - Accumulation 1
 - Accumulation 2
- (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 Management Pty Ltd, a wholly owned subsidiary company.

The employer contribution rate for 2016 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 9.50% for 2016.

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) of the Trust Deed 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".

Clause 34 monitoring periods were initiated following the 30 June 2012 and 30 June 2013 actuarial investigations. Following the end of the monitoring period commencing on 30 June 2012, the Fund's actuary advised that the Trustee is not required to take any further action, and that monitoring period is now ceased.

The monitoring period commencing 30 June 2013 is still in place.

As at 30 June 2016 the assets of the DBD aggregate (i.e. entire multi-employer DBD plan) were estimated to be:

- \$2,252 million above vested benefits (2015: \$1,479 million) after allowing for various reserves. The Vested Benefits Index based on funding assumption was 112.2%. 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.
- \$3,757 million above accrued benefits (2015: \$3,377 million in excess) after allowing for various reserves. The Accrued Benefits Index based on best estimate assumptions was 122.2%. 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 the 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 using the actuarial demographic assumptions outlined in their report on the actuarial investigation of the DBD as at 1 July 2016. The financial assumptions used were:

	Vested Benefits	Accrued Benefits
Gross of tax investment return - DBD pensions	5.30% p.a.	6.90% 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	4.60% p.a.	6.10% p.a.
Consumer Price Index	2.50% p.a.	2.50% p.a.
Inflationary salary increases long term	3.50% p.a.	3.50% p.a.

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

As at 30 June 2016 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 2016. The actuarial valuation was based on 30 June 2016 membership data which was projected to 31 December 2016 using the Projected Unit Credit Method. The University's present value of the defined benefit obligations was assessed to be \$472.9 million (2015: \$487.8 million).

The University's liability under the scheme has been partly funded by assets of \$42.4 million (2015: \$39.2 million) from 3% productivity employer contributions. This results in an unfunded liability of \$430.5 million (2015: \$448.6 million).



31. Superannuation plans (continued)

(c) Super SA Superannuation plan (continued)

The weighted average duration of the defined benefit obligation is 13.23 years (2015: 13.66 years). The expected maturity analysis of undiscounted 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 2016	30,677	30,122	89,880	544,520	695,199
Defined Benefit obligation - 31 Dec 2015	30,276	31,111	91,217	579,815	732,419

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

	2016 (%)		2015 (%)	
	Active Market	No Active Market	Active Market	No Active Market
Equity instruments	48.1	0.0	49.6	0.0
Property	2.5	11.8	2.6	11.8
Diversified Strategies Growth	0.7	10.3	0.7	9.0
Diversified Strategies Income	15.7	0.0	13.8	0.0
Inflation Linked Securities	0.0	5.7	0.0	7.2
Debt instruments	2.8	0.0	2.0	0.0
Cash	2.4	0.0	3.3	0.0
Total	72.2	27.8	72.0	28.0



31. Superannuation plans (continued)

(d) Balance Sheet Amounts

	University	
	2016	2015
	\$'000	\$'000
Reconciliation of the present value of the defined benefit obligation		
Present value of defined benefit obligation at beginning of year	487,763	508,569
Current service cost	(56)	446
Interest cost	15,124	15,299
Actuarial (gains) / losses		
(b) Impact of changes in financial assumptions	4,968	(5,768)
(c) Experience items	(4,975)	(698)
Benefits and expenses paid	(29,972)	(30,085)
Present value of defined benefits obligations at end of year	472,852	487,763
Reconciliation of the fair value of the defined benefit plan assets		
Fair value of Scheme assets at start of year	39,157	36,881
Interest income	1,259	1,146
Actual return on assets less Interest income	1,941	1,079
Employer contributions	30,006	30,136
Benefits and expenses paid	(29,972)	(30,085)
Fair value of Scheme assets at end of year	42,391	39,157
Net Liability		
Defined Benefit Obligation	472,852	487,763
Less: Fair value of plan assets	(42,391)	(39,157)
Net Liability	430,461	448,606

The net unfunded amount of \$430.5 million (2015: \$448.6 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 (2015 2.5%)
- Long term rate of salary increases 4.0% per annum (2015 4.0%)
- Discount Rate 3.1% per annum (2015 3.2%)

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

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 5.0%	0.5%	Increase by 5.5%
Salary growth rate	0.5%	Increase by 0.1%	0.5%	Decrease by 0.1%
Pension increase rate	0.5%	Increase by 5.7%	0.5%	Decrease by 5.3%



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	
		2016	2015
		%	%
(a) University of South Australia Foundation Incorporated	Australia	100	100
(b) UniSA 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 2016. 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) UniSA Ventures Pty Ltd

UniSA 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. A further share allotment of one hundred thousand Ordinary Shares, issued at \$1.00 per share occurred in May 2015.

UniSA 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 is to contribute to quality teaching by the provision of clinical placements to undergraduate and postgraduate students in private allied health clinic and to provide high quality patient care and health prevention/promotion services to UniSA staff, students and general public.

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	
		2016	2015
		%	%
(i) Centre for Cancer Biology	31 Dec	50.00	50.00
(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 for 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 DECD holding an 18% share.

In 2016 the building was independently re-valued and the University's 63% share of the asset's carrying amount as at 31 December 2016 is \$6.510 million (2015: \$6.353 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 ventures 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	
		2016	2015
		%	%
(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 venture between the three South Australian public universities and the Minister of Higher Education and Skills. SATAC receives and processes undergraduate and postgraduate applications for admission to the TAFE SA, Charles Darwin University and the three public 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 University or the Consolidated Entity, the results of operations, or the state of affairs of the University or the Consolidated Entity in future periods.



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

	Consolidated		University	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Operating result for the period	40,461	55,852	40,378	56,025
Add/(less) non-cash items:				
Depreciation and amortisation	32,408	32,410	32,401	32,404
Non-cash donations	(96)	(73)	(96)	(73)
Capital assets accrual	(7,016)	(2,099)	(7,016)	(2,099)
Other	201	2,860	-	2,933
Net (gain)/loss on sale of property, plant and equipment	704	(10,831)	704	(10,831)
Net (gain)/loss on sale of available-for-sale financial assets	(313)	(481)	(313)	(481)
Fair value (gains)/losses on other financial assets at fair value through profit or loss	202	411	202	411
Property, plant and equipment in progress adjustments	58	446	58	442
Changes in operating assets and liabilities:				
(Increase)/decrease in receivables	(3,132)	3,764	(2,972)	3,660
(Increase)/decrease in other assets	(631)	(3,628)	(535)	(3,622)
Increase/(decrease) in payables and tax liabilities	12,880	(477)	12,468	(427)
Increase/(decrease) in provisions	4,556	2,854	4,518	2,843
Increase/(decrease) in other liabilities	(5,709)	(16,382)	(5,411)	(15,894)
Net cash provided by / (used in) operating activities	74,573	64,626	74,386	65,291

37. Non-cash investing and financing activities

	Consolidated		University	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Donations of works of art and library materials	96	73	96	73
	96	73	96	73



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 2016 the University held MYR\$0.136 million (AUD\$0.042 million) (2015: MYR\$0.136 million (AUD\$0.043 million)) in an offshore bank account.

As at 31 December 2016 the University held USD\$4.914 million (AUD\$6.791 million) (2015: USD\$5.314 million (AUD\$7.273 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 2016 the University had four hedging contracts mature totalling USD\$1.05 million (AUD\$1.41 million) to mitigate foreign exchange risk for probable forecasted transactions in foreign currencies therefore classified as a fair value hedge. As at 31 December 2016 there were no hedging contracts in place (2015: Payable of AUD\$0.029 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 such the Consolidated Entity intends to hold fixed rate assets and liabilities to maturity.

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

Investments comprise investments in listed and unlisted 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.

**38. Financial risk management (continued)****(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.

(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	1 to 5 years	5+ years	Non interest bearing	Total
2016	%	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets						
Cash and cash equivalents	2.83 %	317,789	-	-	-	317,789
Receivables		-	-	-	21,085	21,085
Other financial assets		-	-	-	35,779	35,779
Total financial assets		317,789	-	-	56,864	374,653
Financial liabilities						
Payables		-	-	-	36,353	36,353
Total financial liabilities		-	-	-	36,353	36,353

	Average Interest rate	Less than 1 Year	1 to 5 years	5+ years	Non interest bearing	Total
2015	%	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets						
Cash and cash equivalents	3.13 %	343,029	-	-	-	343,029
Receivables		-	-	-	19,532	19,532
Other financial assets		-	-	-	24,580	24,580
Total financial assets		343,029	-	-	44,112	387,141
Financial liabilities						
Payables		-	-	-	22,572	22,572
Total financial liabilities		-	-	-	22,572	22,572



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	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash and cash equivalents	317,789	343,029	317,789	343,029
Receivables	21,085	19,532	21,085	19,532
Other financial assets	35,779	24,580	35,779	24,580
Total financial assets	374,653	387,141	374,653	387,141
Financial Liabilities				
Payables	36,353	22,572	36,353	22,572
Total financial liabilities	36,353	22,572	36,353	22,572

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 2016.

Fair value measurements

	Note	2016 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Recurring fair value measurements at 31 December 2016					
Financial assets					
Available-for-sale financial assets	17				
Equity securities		35,779	12,439	20,327	3,013
Total financial assets		35,779	12,439	20,327	3,013
Non-financial assets					
Land and buildings	20				
Land		158,810	-	158,810	-
Buildings & Infrastructure		596,752	-	11,000	585,752
Non-financial assets	20				
Library collection		13,031	-	-	13,031
Art collection		3,810	-	-	3,810
Non-current assets held for sale		3,080	-	3,080	-
Total non-financial assets		775,483	-	172,890	602,593
	Note	2015 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Recurring fair value measurements at 31 December 2015					
Financial assets					
Available-for-sale financial assets	17				
Equity securities		24,580	12,448	9,198	2,934
Total financial assets		24,580	12,448	9,198	2,934
Non-financial assets					
Land and buildings	20				
Land		131,846	-	131,846	-
Buildings & Infrastructure		588,672	-	9,300	579,372
Other non-financial assets	20				
Library collection		13,034	-	-	13,034
Art collection		3,312	-	-	3,312
Total non-financial assets		736,864	-	141,146	595,718

There were no transfers between Levels 1 and 2 for recurring fair value measurements during the year. There



39. Fair Value Measurement (continued)

(b) Fair value hierarchy (continued)

was one transfer of Equity Securities from Level 3 to Level 2 as a result of obtaining a market valuation.

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 Note 17) 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 2016 and 2015.

Level 3 Fair Value Measurement 2016	Unlisted equity securities \$'000	Buildings & Infrastructure \$'000	Library Collection \$'000	Art Collection \$'000	Total \$'000
Opening balance	2,934	579,372	13,034	3,312	598,652
Acquisitions	496	6,764	3,140	180	10,580
Disposals	-	-	(831)	(5)	(836)
Recognised in profit or loss	-	(20,683)	(2,312)	-	(22,995)
Recognised in other comprehensive income	(317)	20,299	-	323	20,305
Transfers out	(100)	-	-	-	(100)
Closing balance	3,013	585,752	13,031	3,810	605,606

Level 3 Fair Value Measurement 2015	Unlisted equity securities \$'000	Buildings & Infrastructure \$'000	Library Collection \$'000	Art Collection \$'000	Total \$'000
Opening balance	2,585	584,951	13,766	3,299	604,601
Acquisitions	606	31,137	1,965	13	33,721
Disposals	(205)	(13,693)	(505)	-	(14,403)
Recognised in profit or loss	-	(20,545)	(2,192)	-	(22,737)
Recognised in other comprehensive income	(52)	(2,478)	-	-	(2,530)
Closing balance	2,934	579,372	13,034	3,312	598,652

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

Other than described above, there were no material 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 2016 \$'000	Unobservable inputs	Range of inputs (probability weighted average)	Relationship of unobservable inputs to fair value
Unlisted equity securities	3,013	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.

(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, buildings and infrastructure at least every three years. As at 31 December 2016, 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 was internally revalued on 31 December 2014 to fair value based upon written down cost of the most recent price inputs. The University has determined that subsequent acquisitions are measured at historical cost which approximates fair value with the University no longer revaluing the library collection.

The Art collection is revalued at least every three 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	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Financial assistance received in cash during the reporting period	186,114	175,578	1,015	1,064	6,841	6,335	126	107	-	-
Net accrual adjustments	(253)	(368)	-	-	(156)	851	-	-	-	-
Revenue for the period	185,861	175,210	1,015	1,064	6,685	7,186	126	107	-	-
Movement in deferred income	-	-	-	-	156	(851)	-	-	-	-
Surplus/(deficit) from the previous year	-	-	-	-	358	1,209	17	17	-	4,900
Total revenue including accrued revenue	185,861	175,210	1,015	1,064	7,199	7,544	143	124	-	4,900
Less expenses including accrued expenses	(185,861)	(175,210)	(1,015)	(1,064)	(6,685)	(7,186)	(52)	(107)	-	(4,900)
Surplus/(deficit) for the reporting period	-	-	-	-	514	358	91	17	-	-

	Diversity and Structural Adjustment Fund		Promo of Exc in Learning and Teaching		Australian Maths & Science Partnership Program		Total
	2016	2015	2016	2015	2016	2015	
Financial assistance received in cash during the reporting period	-	-	440	232	261	261	194,446
Net accrual adjustments	367	1,814	(191)	185	(78)	(8)	(311)
Revenue for the period	16	1,814	249	417	183	253	194,135
Movement in deferred income	(367)	(1,814)	191	(185)	78	8	58
Surplus/(deficit) from the previous year	368	2,182	240	421	272	261	1,255
Total revenue including accrued revenue	17	2,182	680	653	533	522	195,448
Less expenses including accrued expenses	(17)	(1,814)	(227)	(413)	(187)	(250)	(194,044)
Surplus/(deficit) for the reporting period	-	368	453	240	346	272	1,404



40. Acquittal of Australian Government financial assistance (continued)

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

	HECS-HELP (Australian Government payments only)						SA-HELP		Total	
	2016		2015		2016		2015		2016	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash Payable/(Receivable) at the beginning of the year	(618)	(146)			608	18				480
Financial assistance received in cash during the reporting period			325	608						
Cash available for the period	116,513	114,727	8,793	8,425	2,943	2,969	128,249	126,121		
Revenue earned	115,895	114,581	9,118	9,033	3,048	2,987	128,061	126,601		
Cash Payable/(Receivable) at the end of the year	118,235	115,199	9,138	8,708	2,979	2,882	130,352	126,789		
	2(b)									
	2(b)	(2,340)	(618)	(20)	325	105	(2,291)	(188)		



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
	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Note													
Financial assistance received in cash during the reporting period	5,973	5,932	480	472	130	130	68	68	108	108	15	15	6,449
Net accrual adjustments	-	-	-	-	-	-	-	25	-	-	14	-	54
Revenue for the period	5,973	5,932	480	472	130	130	68	25	108	108	29	-	6,759
Movement in deferred income	-	-	-	-	-	-	-	(25)	-	-	(14)	-	(54)
Surplus/(deficit) from the previous year	2,025	1,598	-	-	119	140	-	19	-	-	14	12	2,156
Total revenue including accrued revenue	7,998	7,530	480	472	249	170	68	19	108	108	29	12	8,915
Less expenses including accrued expenses	(5,406)	(5,505)	(477)	(472)	(118)	(51)	(68)	(19)	(108)	(108)	(29)	-	(6,177)
Surplus/(deficit) for the reporting period	2,592	2,025	3	-	131	119	-	-	-	-	-	12	2,738
													2,156



40. Acquittal of Australian Government financial assistance (continued)

(d) EDUCATION Research

	Joint Research Engagement		JRE Engineering Cadetships		Research Training Scheme		Research Infrastructure Block Grants		Sustainable Research Excellence in Universities		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in cash during the reporting period	8,058	7,855	128	121	13,580	13,374	3,477	2,919	3,010	2,214	28,253	26,483
Net accrual adjustments	-	-	-	-	-	-	-	-	-	-	-	-
Revenue for the period	8,058	7,855	128	121	13,580	13,374	3,477	2,919	3,010	2,214	28,253	26,483
Surplus/(deficit) from the previous year	-	-	-	-	-	-	-	-	-	-	-	-
Total revenue including accrued revenue	8,058	7,855	128	121	13,580	13,374	3,477	2,919	3,010	2,214	28,253	26,483
Less expenses including accrued expenses	(8,058)	(7,855)	(128)	(121)	(13,580)	(13,374)	(3,477)	(2,919)	(3,010)	(2,214)	(28,253)	(26,483)
Surplus/(deficit) for the reporting period	-	-	-	-	-	-	-	-	-	-	-	-



40. Acquittal of Australian Government financial assistance (continued)

(e) Other Capital Funding

	Education Investment			
	Fund		Total	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Financial assistance received in cash during the reporting period	-	10,000	-	10,000
Net accrual adjustments	-	(5,250)	-	(5,250)
Revenue for the period	-	4,750	-	4,750
Surplus/(deficit) from the previous year	-	7,370	-	7,370
Total revenue including accrued revenue	-	12,120	-	12,120
Less expenses including accrued expenses	-	(12,120)	-	(12,120)
Surplus/(deficit) for the reporting period	-	-	-	-

2(e)



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	
	2016	2015	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	2,171	1,055	1,268	1,981	(40)	236	3,399	3,272
	(576)	556	(160)	(279)	83	122	(653)	399
2(f)(i)	1,595	1,611	1,108	1,702	43	358	2,746	3,671
	754	(543)	(3)	92	(73)	(122)	678	(573)
	1,519	2,062	1,340	1,248	88	210	2,947	3,520
	3,868	3,130	2,445	3,042	58	446	6,371	6,618
	(1,595)	(1,611)	(1,108)	(1,702)	(43)	(358)	(2,746)	(3,671)
	2,273	1,519	1,337	1,340	15	88	3,625	2,947



40. Acquittal of Australian Government financial assistance (continued)

(f) Australian Research Council Grants (continued)

	Note	Infrastructure		Projects		Industrial Transformational Research Program			Total				
		2016	2015	2016	2015	2016	2015	2016	2015	2016	2015		
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
(ii) Linkages													
Financial assistance received in cash during the reporting period		370	290	2,290	2,318	-	-	-	-	2,660	2,608		
Net accrual adjustments		(49)	(108)	531	(375)	373	179			855	(304)		
Revenue for the period	2(f)(ii)	321	182	2,821	1,943	373	179			3,515	2,304		
Movement in deferred income		(218)	218	(552)	294	6	82			(764)	594		
Surplus/(deficit) from the previous year		218	-	3,217	2,923	312	230			3,747	3,153		
Total revenue including accrued revenue		321	400	5,486	5,160	691	491			6,498	6,051		
Less expenses including accrued expenses		(321)	(182)	(2,821)	(1,943)	(373)	(179)			(3,515)	(2,304)		
Surplus/(deficit) for the reporting period		-	218	2,665	3,217	318	312			2,983	3,747		



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

Note	Centres		Total	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
	-	-	-	-
	328	417	328	417
2(f)(iii)	328	417	328	417
	(23)	(127)	(23)	(127)
	134	262	134	262
	439	552	439	552
	(328)	(417)	(328)	(417)
	111	135	111	135



40. Acquittal of Australian Government financial assistance (continued)

(g) Student Services and Amenities Fee

	2016	2015
	\$'000	\$'000
Unspent/(overspent) revenue from previous period	276	178
SA-HELP revenue earned	2,979	2,882
Student services fees direct from students	2,115	1,885
Total revenue expendable in period	5,370	4,945
Student services expenses during period	(4,877)	(4,669)
Unspent/(overspent) student services revenue	493	276

(h) OS-HELP

	2016	2015
	\$'000	\$'000
Cash Received during the reporting period	1,177	692
Cash Spent during the reporting period	(1,695)	(1,407)
Net Cash received	(518)	(715)
Cash Surplus/(deficit) from the previous period	583	1,298
Cash surplus for the reporting period	65	583

40. Acquittal of Australian Government financial assistance (continued)

(i) Superannuation Supplementation

	2016	2015
	\$'000	\$'000
Cash Received during the reporting period	29,413	29,303
Cash available	29,413	29,303
Cash surplus / (deficit) from the previous period	1,180	(147)
Cash available for current period	30,593	29,156
Contributions to specified defined benefit funds	(31,194)	(27,976)
Cash surplus for this period	(601)	1,180

Note
2(h)



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
EDUCATION	Australian Government Department of Education and Training
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 2016

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 2016 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.

Jim McDowell
Chancellor

13 April 2017

Professor David G. Lloyd
Vice Chancellor and President

13 April 2017

Mr Peter Prest
Chief Financial Officer

13 April 2017



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 financial report of the University of South Australia and the consolidated entity comprising the University of South Australia and its controlled entities for the financial year ended 31 December 2016.

Qualified opinion

In my opinion, except for the effects of the matter described in the Basis for qualified opinion section of my report, the accompanying financial report gives a true and fair view of the financial position of the University of South Australia and its controlled entities as at 31 December 2016, 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.

The consolidated financial report comprises:

- a Statement of Comprehensive Income for the year ended 31 December 2016
- a Statement of Financial Position as at 31 December 2016
- a Statement of Changes in Equity for the year ended 31 December 2016
- a Statement of Cash Flows for the year ended 31 December 2016
- notes, comprising significant accounting policies and other explanatory information.

Basis for qualified opinion

The University and its controlled entities has recognised \$25 million of unspent funding as a liability for the year ended 31 December 2016. 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' 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 2016 financial report:

- the revenue recognised as Australian Government grants is overstated by \$3.7 million (\$6.8 million overstated in 2015)
- the revenue recognised as State and Local Government financial assistance is understated by \$2.6 million (\$72 000 overstated in 2015)
- the revenue recognised as Consultancy and contract research is understated by \$202 000 (\$2 million overstated in 2015).
- Operating result attributable to members of University of South Australia is overstated by \$893 000 (\$8.9 million overstated in 2015)
- Other liabilities is overstated by \$25 million (\$25.9 million overstated in 2015)
- Closing retained earnings is understated by \$25 million (\$25.9 million understated in 2015).

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. I am independent of the University of South Australia and its controlled entities. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 Code of Conduct for Professional Accountants have been met.

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

Responsibilities of the Vice-Chancellor and President and the Council for the financial report

The Vice-Chancellor and President is 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 management determines is necessary to enable the preparation of the financial report that gives a true and fair view and that is free from material misstatement, whether due to fraud or error.

The Council is responsible for overseeing the University of South Australia's financial reporting process.

Auditor's responsibilities for the audit of the financial report

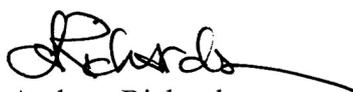
My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

My report refers only to the financial statements described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from these statements.

I communicate with those charged with governance and the Vice-Chancellor and President about, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.



Andrew Richardson

Auditor-General



**University of
South Australia**

unisa.edu.au

Telephone: (08) 8302 2376

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