

2006

THE UNIVERSITY OF ADELAIDE
ANNUAL REPORT



PART TWO FINANCIAL STATEMENTS

A MEMBER OF



Group of Eight

AUSTRALIA'S LEADING UNIVERSITIES

Life Impact The University of Adelaide



Statement by the Chancellor and the Vice-Chancellor and President

In our opinion:

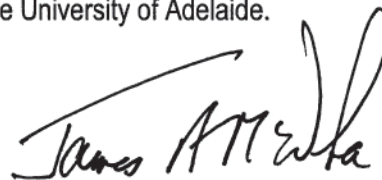
- (a) the Financial Statements of The University of Adelaide have been prepared in accordance with the accounts and record of the University and give an accurate indication of the financial transactions of the University for the year ended 31 December 2006;
- (b) in all material respects, the Financial Statements have been prepared in accordance with Treasurer's Instructions promulgated under the provisions of the Public Finance and Audit Act 1987, the Higher Education Funding Act 1988, the Higher Education Support Act 2003, Australian equivalents to International Financial Reporting Standards and other mandatory professional reporting requirements including Urgent Issues Group Consensus Views;
- (c) at the date of signing this Statement there are reasonable grounds to believe that The University of Adelaide will be able to pay its debts as and when they fall due;
- (d) the amount of Australian Government financial assistance expended during the reporting period was for the purpose for which it was provided;
- (e) The University of Adelaide has complied with applicable legislation, contracts, agreements and programme guidelines in making expenditure of the Australian Government financial assistance; and
- (f) internal controls over financial reporting have been effective throughout the reporting period.

We are not aware, at the date of signing this Statement, of any circumstances which would render any particulars included in the Financial Statements to be misleading or inaccurate.

Signed in accordance with a resolution of the Council of The University of Adelaide.



THE HON. JOHN von DOUSSA QC
Chancellor



PROFESSOR JAMES A. McWHA
Vice-Chancellor and President



MR. SHANE MCGREGOR
Chief Financial Officer

28 May 2007

INDEPENDENT AUDIT REPORT



Government of South Australia

Auditor-General's Department

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TO THE CHANCELLOR

SCOPE

As required by section 31 of the *Public Finance and Audit Act 1987* and section 25(2) of the *University of Adelaide Act 1971*, I have audited the financial report of the University of Adelaide for the financial year ended 31 December 2006. The financial report comprises:

- An Income Statement
- A Balance Sheet
- A Statement of Changes in Equity
- A Cash Flow Statement
- Notes to the Financial Statements
- Certificate by the Chancellor, Vice Chancellor and President and Chief Financial Officer.

The financial report includes the consolidated financial statements of the consolidated entity, comprising the University of Adelaide and the entities it controlled at the year's end or from time to time during the financial year.

The members of the Council of the University of Adelaide are responsible for the financial report. I have conducted an independent audit of this financial report in order to express an opinion on it to the Chancellor.

The audit has been conducted in accordance with the requirements of the *Public Finance and Audit Act 1987* and Australian Auditing and Assurance Standards to provide reasonable assurance whether the financial report is free of material misstatement.

Audit procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987*, the *Higher Education Funding Act 1988*, Accounting Standards and other mandatory professional reporting requirements in Australia so as to present a view which is consistent with my understanding of the University of Adelaide's and the consolidated entity's financial position, the results of their operations and their cash flows.

The audit opinion expressed in this report has been formed on the above basis.

AUDIT OPINION

In my opinion, the financial report presents fairly in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987*, the *Higher Education Funding Act 1988*, applicable Accounting Standards and other mandatory professional reporting requirements in Australia, the financial position of the University of Adelaide and the consolidated entity as at 31 December 2006, the results of their operations and their cash flows for the year then ended.

A handwritten signature in black ink, appearing to read 'S O'Neill'.

S O'Neill
Acting Auditor-General
1 June 2007

Report by the Members of the Council

The members of the Council present their report on the consolidated entity consisting of the University of Adelaide and the entities it controlled at the end of, or during, the year ended 31 December 2006.

Members

The following persons were members of the Council during the whole year and up to the date of this report:

The Hon John William von Doussa QC
 Professor James McWha
 Mr Ross Adler AO
 Mr Charles Bagot
 Ms Kate Castine
 Mr Ian Kowalick
 Ms Pamela Martin
 Mr Stephen Young
 Dr Rodney Crewther
 Mr John Cecchin
 Ms Rosslyn Cox

The following persons were appointed as members during 2006 and continue in office at the date of this report.

| Member | Date Appointed |
|-----------------------|------------------------------------|
| Mr Aaron Russell | 06/03/2006 (re-elected 05/03/2007) |
| Ms Jessica Cronin | 06/03/2006 (re-elected 05/03/2007) |
| Dr Michael Penniment | 06/09/2006 |
| Dr John Radcliffe A M | 06/09/2006 |

The following persons were members from the beginning of the year until his/her term of office ceased or resigned.

| Member | Date Resigned/Ceased |
|------------------------------|----------------------|
| Mr Rowan Nicholson | Ceased 05/03/2006 |
| Ms Felicity Rai | Ceased 05/03/2006 |
| Mr David Pearson | Ceased 05/03/2006 |
| Mr Edwin Harry Medlin | Resigned 22/05/2006 |
| Ms Mia Handshin | Ceased 05/09/2006 |
| Mr Michael Llewellyn-Smith | Ceased 05/09/2006 |
| Professor Charles Bodman Rae | Ceased 31/12/2006 |
| Mr Brian Croser AO | Ceased 05/03/2007 |
| The Hon Gregory Crafter | Ceased 21/03/2007 |
| Mr Matthew Athanassiadis | Ceased 05/03/2007 |
| Dr Peter Gill | Ceased 05/03/2007 |

Dr John Mayfield was a member between 06/03/2006 and 01/11/2006.

The following persons were ex officio/appointed/elected in 2007 and are members up to the date of this report.

| Member | Date Appointed/ Elected/Ex Officio |
|--------------------------|---------------------------------------|
| Ms Diane Davidson | Appointed 06/03/2007 |
| Mr Philip Swaine | Elected 05/03/2007 |
| Professor Valerie Linton | Elected 06/03/2007 |
| Professor Robert Hill | Ex Officio 01/01/2007 |

Meetings of Members

The numbers of meetings of the University of Adelaide Council and of each board committee of Council held during the year ended 31 December 2006, and the numbers of meetings attended by each member were:

| | Council | | Audit, Compliance & Risk | | Finance | | Convenors' | | Personnel | | Senior Executive Review | | Special Degrees | | Academic | |
|--|---------|---|--------------------------|---|---------|---|------------|---|-----------|---|-------------------------|---|-----------------|---|----------|---|
| | A | B | A | B | A | B | A | B | A | B | A | B | A | B | A | B |
| Chancellor (The Hon John von Doussa QC) | 6 | 8 | | | | | 6 | 6 | | | 3 | 3 | 2 | 2 | 1 | 8 |
| Vice-Chancellor (Professor James McWha) | 7 | 8 | 3 | 5 | 4 | 9 | 5 | 6 | 3 | 4 | 3 | 3 | 2 | 2 | 4 | 8 |
| Mr N R Adler AO | 8 | 8 | 2 | 5 | 9 | 9 | 4 | 6 | | | 3 | 3 | | | | |
| Mr M Athanassiadis | 0 | 7 | | | | | | | | | | | | | | |
| Mr C Bagot | 6 | 8 | 5 | 5 | | | | | | | | | | | | |
| Professor C Bodman Rae | 8 | 8 | | | | | 3 | 6 | | | | | | | 5 | 8 |
| Ms K Castine | 8 | 8 | | | | | | | 3 | 4 | | | | | | |
| Mr J D Cecchin | 8 | 8 | 5 | 5 | | | | | | | | | | | | |
| Ms R Cox | 8 | 8 | | | | | | | 3 | 4 | | | | | | |
| The Hon G J Crafter | 7 | 8 | | | | | | | | | 3 | 3 | | | | |
| Dr R J Crewther | 8 | 8 | | | | | | | | | | | | | | |
| Ms J Cronin | 5 | 7 | | | 2 | 9 | | | | | | | | | | |
| Mr B Croser AO | 5 | 8 | | | | | 3 | 6 | 4 | 4 | 3 | 3 | 1 | 2 | | |
| Dr P M Gill | 7 | 8 | | | 8 | 9 | | | | | | | | | | |
| Ms M Handshin | 1 | 5 | | | 4 | 5 | | | | | | | | | | |
| Mr I Kowalick | 8 | 8 | | | | | | | | | | | 1 | 2 | | |
| Mr M Llewellyn-Smith | 5 | 5 | | | | | | | | | | | | | | |
| Ms P J Martin | 7 | 8 | 5 | 5 | | | 6 | 6 | | | | | | | | |
| Dr J Mayfield | 2 | 3 | | | | | | | | | | | | | | |
| Dr E H Medlin | 2 | 3 | | | | | | | | | | | | | | |
| Mr R Nicholson | 1 | 1 | | | | | | | | | | | | | | |
| Mr D Pearson | 1 | 1 | | | | | | | | | | | | | | |
| Dr M Penniment | 3 | 3 | | | | | | | | | | | | | | |
| Dr J C Radcliffe AM | 3 | 3 | | | | | | | | | | | | | | |
| Ms F Rai | 1 | 1 | | | 1 | 1 | | | | | | | | | | |
| Mr A Russell | 7 | 7 | | | | | | | | | | | | | | |
| Mr S E Young | 7 | 8 | | | 8 | 9 | | | | | | | | | | |

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

During the year, the principal continuing activities of the consolidated entity consisted of higher education, research, consultancy and other commercial operations supporting or ancillary to University activities.

During the financial year the consolidated entity disposed of its reproductive medicine business, effective as at 15 May 2006. The contributions of this business for the financial years 2005 and 2006 have been disclosed within the financial statements as operating results from discontinued operations.

Review of Operations

The University reported a consolidated operating result of \$38.9m for the year (\$37.4m in 2005), which was supported by continued growth in student numbers and research performance. A summary of the University's financial performance can be found in Part 1 of the Annual Report.

Significant Changes in the State of Affairs

In the opinion of the Members of Council, there were no significant changes in the state of affairs of the consolidated entity during the financial year under review.

Matters Subsequent to the End of the Financial Year

There were no events subsequent to the reporting date that have a material effect on the financial statements for the reporting period.

Likely Developments and Expected Result of Operations

The consolidated entity will continue to pursue its primary activities of higher education and research while maintaining its financial sustainability. It is currently undertaking a sustainable program of works to enhance the University infrastructure and the student campus experience.

Environmental Regulation

The Group's operations are subject to various environmental regulations under both Commonwealth and State legislation, which sets the minimum requirement the Group entity must meet.

The University has adopted a Sustainability Policy and has various committees that consider compliance with relevant environmental regulations as part of their responsibilities, including the University Health and Safety Committee and Major Projects Steering Committee.

Insurance of Officers

The University maintains a comprehensive insurance program, which is reviewed and renewed annually. The insurance program includes Directors' and Officers' Liability insurance for members of Council, members of committees of Council and directors and officers of the University and controlled entities of the University. This report is made in accordance with a resolution of the members of the Council.



THE HON. JOHN von DOUSSA QC
Chancellor

Adelaide
28 May 2007

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2006

| | | Consolidated | | University | |
|--|------|----------------|----------------|----------------|----------------|
| | Note | 2006 | 2005 | 2006 | 2005 |
| | | \$000 | \$000 | \$000 | \$000 |
| Revenue from continuing operations | | | | | |
| Received under Higher Education Support Act | | | | | |
| Base operating financial assistance | | 124,310 | 115,347 | 124,310 | 115,347 |
| Other operating financial assistance | | 7,497 | 5,138 | 7,497 | 5,138 |
| Higher Education Contribution Scheme | | 51,444 | 54,327 | 51,444 | 54,327 |
| | | 183,251 | 174,812 | 183,251 | 174,812 |
| Learning and Teaching | | | | | |
| Student fees | 4 | 77,010 | 66,429 | 77,010 | 66,429 |
| Grants | | 24,610 | 14,768 | 24,610 | 14,768 |
| | | 101,620 | 81,197 | 101,620 | 81,197 |
| Research Grants and Fees | | | | | |
| National competitive grants | | 63,214 | 56,536 | 63,214 | 56,536 |
| Public sector - other | | 24,199 | 23,613 | 23,916 | 23,393 |
| Industry and other | | 13,566 | 10,346 | 13,566 | 10,346 |
| | | 100,979 | 90,495 | 100,696 | 90,275 |
| Research - Other | | | | | |
| Cooperative Research Centre direct funding | | 7,575 | 6,779 | 7,635 | 6,779 |
| Research infrastructure program | | 15,033 | 15,742 | 15,033 | 15,742 |
| | | 22,608 | 22,521 | 22,668 | 22,521 |
| Other | | | | | |
| Investment revenue | 4 | 30,158 | 23,218 | 27,779 | 19,664 |
| Property revenue | 4 | 10,311 | 7,585 | 9,953 | 7,585 |
| Specialist services and trading | 4 | 47,266 | 42,463 | 14,620 | 18,234 |
| Deferred government superannuation contributions | | 600 | 4,600 | 600 | 4,600 |
| Other | 4 | 18,525 | 20,242 | 13,198 | 18,993 |
| | | 106,860 | 98,108 | 66,150 | 69,076 |
| Total operating revenue from continuing operations | | 515,318 | 467,133 | 474,385 | 437,881 |
| Share of net profits/(losses) of associates and joint ventures accounted for using the equity method | 4 | 366 | (2,095) | - | - |
| Total revenue from continuing operations | | 515,684 | 465,038 | 474,385 | 437,881 |
| Expenses from continuing operations | | | | | |
| Salaries and related expenses | 5 | 256,202 | 229,110 | 245,991 | 221,792 |
| Student services | | 23,948 | 21,986 | 23,948 | 21,986 |
| Teaching and research | 5 | 52,381 | 44,676 | 52,302 | 44,636 |
| Buildings and grounds | 5 | 32,134 | 25,896 | 30,892 | 25,896 |
| Finance costs | 5 | 143 | 163 | 143 | 157 |
| Administration, communication and travel | 5 | 75,793 | 61,871 | 48,534 | 42,508 |
| Finance and fund administration | | 2,831 | 2,111 | 2,866 | 2,111 |
| Misc equip, dep'n and net loss on disposal of assets | 5 | 30,306 | 34,198 | 30,925 | 33,329 |
| Deferred Government employee benefits for superannuation | | 3,406 | 7,274 | 3,406 | 7,274 |
| Total expenses from continuing operations | | 477,144 | 427,285 | 439,007 | 399,689 |
| Operating result from continuing operations | | 38,540 | 37,753 | 35,378 | 38,192 |
| Operating result from discontinued operations | 6 | 359 | (418) | - | - |
| Operating result before minority interests | | 38,899 | 37,335 | 35,378 | 38,192 |
| Operating result attributable to minority interest | | 15 | 32 | - | - |
| Net operating result for the year | | 38,914 | 37,367 | 35,378 | 38,192 |

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

BALANCE SHEET AS AT 31 DECEMBER 2006

| | Note | Consolidated | | University | |
|---|------|----------------|----------------|----------------|----------------|
| | | 2006 \$000 | 2005 \$000 | 2006 \$000 | 2005 \$000 |
| Current Assets | | | | | |
| Cash and cash equivalents | 7 | 120,805 | 86,585 | 95,344 | 72,092 |
| Receivables | 8 | 21,393 | 28,255 | 18,172 | 24,258 |
| Other financial assets | 9 | 2,425 | 2,094 | 2,425 | 2,201 |
| Inventories | 10 | 3,685 | 4,268 | 1,383 | 1,661 |
| Other non-financial assets | 11 | 4,414 | 2,721 | 4,300 | 2,528 |
| Available-for-sale financial assets | 13 | 1,585 | 6,442 | - | - |
| Total current assets | | 154,307 | 130,365 | 121,624 | 102,740 |
| Non-current Assets | | | | | |
| Other financial assets | 9 | 100,617 | 87,712 | 100,917 | 87,712 |
| Investments accounted for using the equity method | 12 | 3,329 | 2,843 | 433 | 363 |
| Available-for-sale financial assets | 13 | - | - | 48,086 | 51,224 |
| Property, plant and equipment | 14 | 612,681 | 601,678 | 575,418 | 561,536 |
| Investment property | 15 | 18,890 | 17,717 | 18,890 | 17,717 |
| Intangible assets | 16 | 635 | 1,228 | 635 | 939 |
| Other non-financial assets | 11 | 1,206 | 1,371 | 1,206 | 1,371 |
| Deferred government superannuation contribution | 26 | 43,500 | 42,900 | 43,500 | 42,900 |
| Total non-current assets | | 780,858 | 755,449 | 789,085 | 763,762 |
| Total assets | | 935,165 | 885,814 | 910,709 | 866,502 |
| Current Liabilities | | | | | |
| Payables | 17 | 42,302 | 38,691 | 28,394 | 28,000 |
| Interest-bearing liabilities | 18 | 1,217 | 37 | 1,217 | 6 |
| Provisions | 19 | 17,205 | 12,674 | 16,687 | 12,055 |
| Deferred employee benefits for superannuation | 26 | 3,300 | 3,200 | 3,300 | 3,200 |
| Other | 20 | 7,431 | 6,589 | 7,270 | 6,303 |
| Total current liabilities | | 71,455 | 61,191 | 56,868 | 49,564 |
| Non-current Liabilities | | | | | |
| Payables | 17 | 5,494 | 3,159 | 5,440 | 3,056 |
| Interest-bearing liabilities | 18 | 68 | 75 | 68 | 75 |
| Provisions | 19 | 30,905 | 32,758 | 30,688 | 32,091 |
| Deferred employee benefits for superannuation | 26 | 40,200 | 39,700 | 40,200 | 39,700 |
| Total non-current liabilities | | 76,667 | 75,692 | 76,396 | 74,922 |
| Total liabilities | | 148,122 | 136,883 | 133,264 | 124,486 |
| Net assets | | 787,043 | 748,931 | 777,445 | 742,016 |
| Equity | | | | | |
| Capital reserves | 22 | 467,817 | 471,847 | 483,398 | 486,537 |
| Specific purpose reserves | 22 | 186,941 | 152,875 | 186,941 | 152,875 |
| Retained surplus | 22 | 130,609 | 122,448 | 107,106 | 102,604 |
| Total University interest | | 785,367 | 747,170 | 777,445 | 742,016 |
| Minority interest | | 1,676 | 1,761 | - | - |
| Total equity | | 787,043 | 748,931 | 777,445 | 742,016 |

The Balance Sheet should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2006

| | Note | Consolidated | | University | |
|---|------|----------------|----------------|----------------|----------------|
| | | 2006 \$000 | 2005 \$000 | 2006 \$000 | 2005 \$000 |
| Total equity at the beginning of the financial year | | 748,931 | 692,340 | 742,016 | 683,873 |
| Outside equity interest distribution paid | | (70) | (84) | - | - |
| Defined benefits fund actuarial gain | | 3,188 | 246 | 3,188 | 246 |
| Gain on revaluation of land and buildings | | (90) | 18,971 | - | 17,235 |
| Gain on revaluation of available-for-sale financial assets | | (3,938) | 74 | (3,137) | 2,470 |
| Other adjustments recognised directly in equity | | 123 | 49 | - | - |
| Net income recognised directly in equity | | (787) | 19,256 | 51 | 19,951 |
| Operating result for the year | | 38,899 | 37,335 | 35,378 | 38,192 |
| Total recognised income and expense for the year | | 38,112 | 56,591 | 35,429 | 58,143 |
| Total equity at the end of the financial year | | 787,043 | 748,931 | 777,445 | 742,016 |
| Total recognised income and expense for the year attributable to: | | | | | |
| Members of the University of Adelaide | | 38,914 | 37,367 | 35,378 | 38,192 |
| Minority interest | | (15) | (32) | - | - |
| | | 38,899 | 37,335 | 35,378 | 38,192 |

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

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2006

| | Note | Consolidated | | University | |
|--|-------|------------------|------------------|------------------|------------------|
| | | 2006 \$000 | 2005 \$000 | 2006 \$000 | 2005 \$000 |
| Cash flows from operating activities | | | | | |
| Inflows: | | | | | |
| Australian Government financial assistance | 36(g) | 270,601 | 260,972 | 270,601 | 260,972 |
| State Government financial assistance | | 26,409 | 17,522 | 26,236 | 17,302 |
| HECS-HELP - student payments | | 6,795 | 9,249 | 6,795 | 9,249 |
| OS-HELP (net of outflows) | 36(g) | (453) | 453 | (453) | 453 |
| Student fees | | 71,812 | 59,824 | 71,812 | 59,824 |
| Fees and charges | | 16,447 | 17,284 | 16,447 | 15,950 |
| Donations and bequests | | 4,707 | 4,647 | 4,707 | 7,147 |
| Interest and dividends received | | 10,056 | 7,666 | 6,824 | 6,012 |
| Consultancy and contract research | | 47,946 | 39,352 | 29,727 | 26,597 |
| Specialist services and produce trading | | 33,055 | 34,822 | 15,160 | 12,277 |
| GST Received | | 12,296 | 9,504 | 11,047 | 9,504 |
| Other | | 20,363 | 10,189 | 20,382 | 9,512 |
| Total inflows | | 520,034 | 471,484 | 479,285 | 434,799 |
| Outflows: | | | | | |
| Salaries and related expenses | | (252,478) | (241,168) | (240,505) | (227,719) |
| Student services | | (23,925) | (21,813) | (23,863) | (21,773) |
| Goods and services | | (169,620) | (142,129) | (140,459) | (120,647) |
| Interest and other costs of finance | | (145) | (163) | (143) | (157) |
| GST Paid | | (18,098) | (16,641) | (15,493) | (16,641) |
| Total outflows | | (464,266) | (421,914) | (420,463) | (386,937) |
| Net cash provided by operating activities | 23 | 55,768 | 49,570 | 58,822 | 47,862 |

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2006 - CONTINUED

| | Note | Consolidated | | University | |
|--|------|-----------------|-----------------|-----------------|-----------------|
| | | 2006 \$000 | 2005 \$000 | 2006 \$000 | 2005 \$000 |
| Cash flows from investing activities | | | | | |
| Inflows: | | | | | |
| Proceeds from sale of property, plant and equipment | | 980 | 1,731 | 808 | 1,631 |
| Proceeds from sale of financial assets | | 13,413 | 3,393 | 5,413 | 3,393 |
| Proceeds from sale of available for sale financial assets | | 7,718 | 2,099 | - | - |
| Increase in interest bearing liabilities | | 31 | - | 31 | - |
| Repayment of loans by related parties | | 816 | 333 | 791 | 333 |
| Total inflows | | 22,958 | 7,556 | 7,043 | 5,357 |
| Outflows: | | | | | |
| Purchase of shares in subsidiary | | - | - | (100) | - |
| Payments for property, plant and equipment | | (36,988) | (41,437) | (35,960) | (40,322) |
| Payments for intangible assets | | (38) | (74) | - | - |
| Payments for financial assets | | (7,226) | (3,727) | (6,156) | (3,727) |
| Decrease in interest bearing liabilities | | (6) | (6) | (6) | (6) |
| Increase in loans to related parties | | (25) | - | (300) | - |
| Total Outflows | | (44,283) | (45,244) | (42,522) | (44,055) |
| Net cash used in investing activities | | (21,325) | (37,688) | (35,479) | (38,698) |
| Cash flows from financing activities | | | | | |
| Inflows: | | | | | |
| Issue of shares to outside equity interests | | 200 | 50 | - | - |
| Total outflows | | 200 | 50 | - | - |
| Outflows: | | | | | |
| Repayment of interest bearing liabilities | | (138) | (102) | - | - |
| Dividends paid to minority interests | | (194) | (84) | - | - |
| Total outflows | | (332) | (186) | - | - |
| Net cash used in financing activities | | (132) | (136) | - | - |
| Net increase in cash and cash equivalents | | 34,311 | 11,746 | 23,343 | 9,164 |
| Cash and cash equivalents at the beginning of reporting period | | 86,585 | 74,740 | 72,092 | 62,829 |
| Effects of exchange rate changes on cash and cash equivalents | | (91) | 99 | (91) | 99 |
| Cash and cash equivalents at end of reporting period | 7 | 120,805 | 86,585 | 95,344 | 72,092 |

The Cash Flow Statement should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

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1. Basis of Preparation

These notes, prepared in conjunction with the financial statements, provide an explanation of significant accounting policies and practices adopted in the preparation of the statements. The financial statements and notes collectively constitute a general purpose financial report prepared in accordance with Australian Accounting Standards, Australian Accounting Standards Board (AASB) interpretations and the requirements of the Department of Education, Science and Training (DEST).

(a) Compliance with IFRSs

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards. Compliance with AIFRSs ensures that the University financial statements and the Consolidated Entity, and notes comply with International Financial Reporting Standards (IFRSs).

(b) Critical accounting estimates

Preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the University's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed where applicable, in the relevant notes to the financial statements.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and the future periods if the revision affects both current and future periods.

2. Scope of Reporting

The financial statements and notes disclose the 2006 operating results and 2005 comparative results of The University of Adelaide as follows:

University - refers to all aspects of operation of The University of Adelaide only.

Consolidated - refers to the financial results of The University of Adelaide together with the financial results of its controlled entities (refer to note 31). It includes the University's interests in associated entities (Note 32) and its joint venture operations (Note 33), recognised using the equity accounting method.

The controlled entities of The University of Adelaide, included in this report are:

Adelaide Research & Innovation Pty Ltd as trustee for The Adelaide Research & Innovation Investment Trust:

- ACN 008 123 466 Pty Ltd (Formerly Repromed Pty Ltd)
- Reproductive Health Science Pty Ltd (control ceased 28 September 2006)

Lubims Pty Ltd as trustee for the Unihealth Research & Development Trust

Martindale Holdings Pty Ltd as trustee for

- JS Davies Estate
- JAT Mortlock Trust
- The Roseworthy Farm

National Wine Centre Pty Ltd as trustee for the National Wine Centre Trust

Roseworthy Piggery Pty Ltd

3. Statement of Significant Accounting Policies

(a) Basis of Accounting

This general purpose financial report has been prepared on the basis of historical costs and, except where stated, does not take into account changing money values or current valuations of non-current assets.

These accounting policies have been consistently applied by each entity in the Consolidated Entity, and these policies have been consistently applied to all the years presented, unless otherwise stated.

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current financial year amounts and other disclosures.

(b) Principles of Consolidation

The consolidated financial statements of the Consolidated Entity include the financial statements of the University, being the parent entity, and its controlled entities ('the Consolidated Entity'). All entities have a 31 December reporting period except for Martindale Holdings Pty Ltd, which is a primary producer, and consequently has 31 March reporting period.

Where an entity either began or ceased to be controlled during the year, the results are included only from the date control commenced or up to the date control ceased.

The balances, and effects of transactions, between controlled entities have been eliminated in the consolidated financial statements. Accounting policies of controlled entities have been changed where necessary to ensure consistency with the policies adopted by the Consolidated Entity.

Outside interests in the equity and results of the entities that are controlled by the University are shown as a separate item in the consolidated financial statements.

(c) Foreign Currency

The University and its controlled entities financial statements are prepared in Australian dollars as their primary activities are conducted within Australia where the functional currency is Australian dollars.

Foreign currency transactions are translated to Australian currency at the rates of exchange ruling at the dates of the transactions and brought to account in the Income Statement. Amounts receivable and payable in foreign currencies at balance date are translated at the rates of exchange ruling on that date.

(d) Grant Revenue

Grant revenue is recognised in the accounting period that the University obtains control of the revenue which is generally when it is received.

(e) Revenue Recognition

- **Student Tuition Fees and Charges**

Student tuition fees and charges are recognised in the accounting period in which the service is provided.

- **Consultancy, Contract and Industry Research**

Consultancy, contract and industry research income is recognised in the accounting period in which the service is provided.

- **Bequests and Donations**

Bequests and donations are recognised as income in the accounting period they are received.

- **Interest and Investment Income**

Interest and income from investments are recognised as they accrue (refer to Note 3(k)).

- **Asset Sales**

The net gain/loss from asset sales is included in the Consolidated Entity Income Statement. The profit or loss on disposal of assets is brought to account at the date the contract of sale becomes unconditional.

(f) Goods and Services Tax

Revenues, expenses, assets and liabilities are recognised net of the amount of Goods and Services Tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax 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 as a current asset or liability in the Balance Sheet.

Cash flows are included in the Cash Flow Statement 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.

3. Statement of Significant Accounting Policies – continued

(g) Intangible Assets

Research expenditure is expensed in the period in which it is incurred. Where no internally generated asset can be recognised, development expenditure is recognised in the period as incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and

• the ability to measure reliably the expenditure attributable to the intangible asset during its development.

All computer software other than operating systems is treated as intangible assets.

Intangible assets are stated at cost less accumulated amortisation and impairment (refer to note 16).

(h) Employee Benefits

• Wages and Salaries

The employees' entitlements to wages and salaries represent the amount which the Consolidated Entity has a present obligation to pay resulting from employees' services provided up to the balance date. The entitlements have been calculated at the wage and salary rates as at the balance date and have been recognised in payables.

• Annual Leave

The employees' entitlements to annual leave expected to be settled within 12 months of the balance date have been calculated at the wage and salary rates as at the balance date and recognised in current provisions. Where the employees' entitlements to annual leave are not expected to be settled within 12 months of the balance date, the provision has been discounted to present value using the Australian Government 3 year bond rate and recognised in non-current provisions. The employee on-costs related to annual leave provision are recognised in payables.

• Long Service Leave

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

Liabilities for employees' entitlements, which are not expected to be settled within twelve months, are discounted using the rates attaching to Australian Government securities at balance date, which most closely match the terms of maturity of the related liabilities, and recognised in non-current provisions.

In determining the liability for employees' entitlements, consideration has been given to future increases in wage and salary rates, and the Consolidated Entity's experience with staff departures. Related on-costs have been recognised in payables.

• Superannuation

Superannuation schemes exist to provide benefits to University employees and their dependents upon retirement, disability or death. The contributions made to these schemes by the University, and emerging costs from unfunded schemes, are expensed in the Income Statement. For defined benefit plans, the actuarial gains and losses are recognised immediately in the Statement of Changes in Equity in the year in which they occur and the liability in relation to the defined benefit obligation, net of assets, has been recognised in the Balance Sheet. Refer to Note 26 for details relating to the individual schemes.

(i) Receivables

The collectability of receivables is assessed at balance date and provision is made for any amounts considered to be doubtful. Any debts considered to be non-collectable have been expensed as bad debts.

(j) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short-term investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3. Statement of Significant Accounting Policies – continued

(k) Other Financial Assets

The Consolidated Entity classifies its investment into the following categories: financial assets held for trading, available for sale financial assets and loans and receivables. The classification depends on the purpose for which the investments were acquired. The classification of the investments is made at initial recognition and is reviewed at each balance date.

- **Financial assets held-for-trading**

The financial assets are classified in this category if acquired for the purpose of selling in the short-term and the assets are subject to frequent changes in fair value. Financial assets held for trading purposes are recorded at fair value in the Balance Sheet, with any realised and unrealised gains or losses recognised in the Income Statement.

Composite Fund

The majority of specific purpose endowments received by the University to fund research activities, scholarships, prizes and lectures are included in the Composite Fund. This Fund is invested in cash deposits and longer term investments managed by independent investment managers. It includes a mix of Australian equities, overseas equities, fixed interest securities and property trusts. These securities are traded by the investment managers, however, the composite fund represents a long term investment holding. As a consequence, these investments are reported in non-current financial assets in the Balance Sheet at market values obtained from the investment managers.

- **Available-for-sale financial assets**

The financial assets are classified in this category where there is an intention to dispose of the investment, rather than replacing the investment through trading. Available for sale financial assets are recorded at fair value less impairment in the Balance Sheet. Unrealised gains and losses arising from changes in fair value are recognised directly in the revaluation reserve, until the investment is disposed of or is determined impaired, at which time the cumulative unrealised gain or loss previously recognised in the reserve is included in the Income Statement for the period. The University's investments in controlled entities are classified as non-current available-for-sale financial assets as the University does not intend to dispose of these assets in the near future.

- **Loans and receivables**

The financial assets are classified in this category when the Consolidated Entity provides money, goods or services to a debtor with no intention of selling the receivable. Financial assets classified as loans and receivables are recorded at amortised cost less impairment. They are included in current assets, except for those with maturities greater than 12 months after the balance date which are classified as non-current assets.

Fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes (refer to Note 30). The fair value of financial instruments traded in active markets is based on quoted market prices at the balance date. Financial instruments that are not traded in an active market are recognised at cost. The nominal value less estimated credit adjustments of receivables and payables are assumed to approximate their fair values.

(l) Investments in Business Undertakings

- **Controlled Entities**

Investments in controlled entities are carried in the University's financial statements at cost. Dividends and distributions are brought to account in the Income Statement when they are declared by the controlled entities.

- **Associates**

An associate is an entity, other than a partnership, over which the Consolidated Entity exercises a significant influence and where the investment in that entity has not been acquired with a view to disposal in the near future.

In the University's financial statements, investments in associates are carried at the lower of cost or recoverable amount.

In the consolidated financial statements, investments in associates are accounted for using the equity method of accounting. Investments in associates are carried at the lower of the equity accounted amount and recoverable amount. The Consolidated Entity's share of the associates' net profit or loss after tax is recognised in the Consolidated Income Statement after the elimination of unrealised profits and losses on transactions between the associate and any entities in the Consolidated Entity or another associate of the Consolidated Entity.

3. Statement of Significant Accounting Policies – continued

(l) Investments in Business Undertakings - continued

• **Joint Venture Operations**

The University derives income as part of its participation in Cooperative Research Centres, as listed in Note 33 (a)(i). In the ordinary course of events this income, which is recognised in the financial statements of the University, is used to meet operational costs and/or acquire equipment. As a participant, the University will be entitled to a proportionate share of any intellectual property arising, which in time, it would be required to account for under the rules of joint venture accounting. As at the balance date, the University is not aware of any material intellectual property with commercial value. As such no accounting entries have been recorded.

The University's interest in Other Joint Ventures, as described in Note 33 (a)(ii), are accounted for using the equity method of accounting.

• **Other Business Undertakings**

The Consolidated Entity holds, through The Adelaide Research & Innovation Investment Trust, significant investment in a publicly listed entity, namely GroPep Ltd. It does not exercise any significant influence over the operations of this entity. As at 31 December 2006 the investment has been valued at market value.

In addition, the Consolidated Entity holds a number of investments. In the case of publicly listed investments, these have been valued at market value. In the case of non publicly listed investments, these have been valued at lower of cost or net realisable value (refer to Note 3 (k)).

(m) Inventories

• **Consumable Materials and Trading Stock**

The University has a number of inventory stores at several locations. The inventory is valued at the lower of cost or net realisable value. Where controlled entities have reported inventory, this is included in the Consolidated Entity at the lower of cost or net realisable value.

• **Livestock**

The University breeds animals for teaching and research activities and not for profit. Consequently it does not attribute a value to livestock for recording in the Balance Sheet. Where controlled entities have reported livestock, this is included at the lower of cost or net realisable value.

(n) Property, Plant and Equipment

• **Acquisitions**

Items of property, plant and equipment are initially recorded at cost in the Balance Sheet (unless otherwise indicated) and depreciated in accordance with Note 3(p).

• **Revaluations**

During 2005 land, buildings and works of art were independently valued on a fair value basis in accordance with Australian Accounting Standards.

Increases in the carrying amounts arising on revaluation of each class of assets, being land and buildings, library collection and works of art are credited to capital reserves in equity within the Balance Sheet except to the extent that they reverse previous reductions in the carrying amounts which were charged to the Income Statement. Decreases that reverse previous increases of the same class of asset are first charged against the capital reserves in equity to the extent of the remaining reserve attributable to the class of asset. All other decreases are charged to the Income Statement.

• **Disposal of Revalued Assets**

The gain or loss on disposal of revalued assets is calculated as the difference between the carrying amount of the asset at the time of disposal and the proceeds on disposal and is included in the results in the year of disposal.

• **Land and Buildings**

The University differentiates between "trust" and "other" land and buildings. "Trust" land is land provided to the University by government to be held in trust for the specific purpose of operating the University, or acquired by settlement under a binding trust. Buildings constructed on land classified as "trust" land are classified as "trust" buildings.

All land and buildings are recorded at fair value which has been assessed via an independent valuation on the basis of market value for existing use. The valuation of buildings has been carried out by Mr N. Satchell, AAPI, B.App.Sc (Val) of Rushton Valuers Pty Ltd on 31 December 2005.

3. Statement of Significant Accounting Policies – continued

(n) Property, Plant and Equipment - continued

• **Other Collections**

The University owns a number of collections of cultural, historical and scientific significance. Many of these collections are unique or extremely rare. The University is not able to reliably measure the value of these collections and therefore has not recognised them as an asset in the Balance Sheet. Furthermore, collections which are irreplaceable (excluding works of art) are not covered by University insurance due to difficulty in determining an insurable value, the costs associated with deriving such a value, and the premium load an insurer would require to carry such a risk.

• **Library Collection**

The Library collection was revalued on 31 December 2004 using an internal valuation based on the annual price movement of books and journals. The additions to the library collection during 2005 and 2006 have been recognised at cost.

• **Works of Art**

Works of art greater than \$2,000, are recorded at fair value on the basis of an independent valuation carried out by Mr J.F.B. Bruce valuer (MSAV) of Ian Bruce Pty Ltd on 31 December 2005. No provision for depreciation is made for works of art.

• **Leased Plant and Equipment**

Leased plant and equipment over which the University or its controlled entities assume substantially all the risks and benefits of ownership, are classified as finance leases. Other leases are classified as operating leases.

Payments made under operating leases are charged to the Income Statement in equal instalments over the accounting periods covered by the lease term.

(o) Impairment of Assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in the Income Statement 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.

(p) Depreciation and Amortisation

Depreciation on freehold buildings is calculated on a diminishing value basis. Depreciation is provided on other property, plant and equipment, excluding land, on a straight line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life. Leasehold improvements are amortised over the period of the lease or estimated useful life, whichever is the shorter, using the straight line method. The following estimated useful lives are used in the calculation of depreciation/amortisation:

| | Range |
|--|----------------|
| • Buildings | 20 – 160 years |
| • Leasehold improvements | 10 – 50 years |
| • Library | 10 years |
| • Plant and equipment including motor vehicles | 5 – 10 years |
| • Leased plant and equipment | 10 years |

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

(q) Investment Properties

Investment properties are distinct from property, plant and equipment, in that they are held to earn rentals, rather than for use in the production or supply of goods and services.

Investment properties are initially recognised at cost. Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to the University. Where an investment property is acquired at no cost or for nominal consideration, its cost is deemed to be its fair value, as at the date of acquisition.

Subsequent to initial recognition at cost, investment properties are re-valued to fair value with changes in the fair value recognised in the income statement in the period that they arise. The properties are not depreciated. Rental revenue from the leasing of investment properties is recognised in the Income Statement in the periods in which it is receivable, as this represents the pattern of service rendered though the provision of the properties.

An independent valuation of investment properties has been carried out by Mr N. Satchell, AAPI, B.App.Sc (Val) of Rushton Valuers Pty Ltd on 31 December 2006.

3. Statement of Significant Accounting Policies – continued

(r) Workers' Compensation

The University is responsible for payments of workers' compensation claims and is registered with Workcover as an exempt employer. Administrative arrangements with the associated entity Unisure Pty Ltd incorporate the management of claims and funds invested.

The provision for workers' compensation claims has been prepared by Mercer Human Resource Consulting Pty Ltd using the Projected Incurred Cost method. Under the Projected Incurred Cost method the development of the case estimated incurred cost (case estimates plus paid to date) is calculated and development factors adopted based on past experience. These development factors are used, together with the adopted payment rates, to project payments and estimates for future payment years.

(s) Salaries and Related Expenses

Items attributed to salaries and related expenses include salaries and wages, employee entitlements and other costs incidental to the employment of staff such as professional development costs and fringe benefit tax.

(t) Operating Revenue - Other

The classification "Other" contains revenue items which individually are not material due to their nature or size. Such items falling within this classification include sale of assets, income from independent organisations for whom the University provided management services, fund raising and bequests, sundry recoveries and recharges.

(u) Borrowings and Finance Costs

All borrowing and finance costs are expensed in the period in which they are incurred.

(v) Rounding

All amounts in this report are rounded to the nearest one thousand dollars.

| | Note | Consolidated | | University | |
|---|------|---------------|---------------|---------------|---------------|
| | | 2006 \$000 | 2005 \$000 | 2006 \$000 | 2005 \$000 |
| 4. Revenue from continuing operations | | | | | |
| Student fee income includes: | | | | | |
| Award courses | | | | | |
| Australian fee paying undergraduate students | | 2,363 | 2,042 | 2,363 | 2,042 |
| Australian fee paying postgraduate students | | 3,638 | 3,240 | 3,638 | 3,240 |
| International fee paying students | | 58,644 | 49,110 | 58,644 | 49,110 |
| | | 64,645 | 54,392 | 64,645 | 54,392 |
| Non award courses | | | | | |
| Continuing education | | 473 | 519 | 473 | 519 |
| Australian fee paying | | 1,842 | 1,968 | 1,842 | 1,968 |
| Other teaching service fees | | 4,073 | 3,212 | 4,073 | 3,212 |
| | | 6,388 | 5,699 | 6,388 | 5,699 |
| | | 71,033 | 60,091 | 71,033 | 60,091 |
| Tuition fees - Higher Education Support Act | | | | | |
| FEE-HELP | | 5,078 | 5,478 | 5,078 | 5,478 |
| Overseas postgraduate research scholarship | | 899 | 860 | 899 | 860 |
| | | 77,010 | 66,429 | 77,010 | 66,429 |
| Investment revenue | | | | | |
| General fund earnings | | 14,293 | 7,691 | 6,980 | 5,219 |
| Net realised gains on composite fund investments | | 3,851 | 3,393 | 3,851 | 3,393 |
| General and composite fund investment market valuation adjustment | | 8,593 | 8,638 | 8,593 | 8,638 |
| Unrealised gains on investment properties | | 1,119 | 1,700 | 1,119 | 1,700 |
| Royalty, trademarks and licences | | 2,049 | 1,563 | 708 | 115 |
| Dividends received | | 253 | 233 | 107 | 188 |
| Distributions from controlled entities | | - | - | 6,421 | 411 |
| | | 30,158 | 23,218 | 27,779 | 19,664 |
| Property revenue | | | | | |
| Rental charges/accommodation fees | | 8,279 | 5,447 | 7,921 | 5,447 |
| Parking fees | | 929 | 734 | 929 | 734 |
| Building development and maintenance recovery | | 542 | 623 | 542 | 623 |
| Other property revenue | | 561 | 781 | 561 | 781 |
| | | 10,311 | 7,585 | 9,953 | 7,585 |
| Specialist services and trading | | | | | |
| Consultancy fees | | 21,462 | 18,774 | 4,882 | 4,716 |
| Library charges and fines | | 882 | 963 | 882 | 963 |
| Sale of services | | 13,706 | 13,218 | 5,213 | 8,328 |
| Sale of goods | | 7,056 | 6,492 | 1,517 | 2,714 |
| Sponsorship and conference income | | 1,426 | 882 | 1,426 | 882 |
| Other specialist services and trading | | 2,734 | 2,134 | 700 | 631 |
| | | 47,266 | 42,463 | 14,620 | 18,234 |

| | Note | Consolidated | | University | |
|---|------|----------------------|-----------------------|----------------------|----------------------|
| | | 2006 \$000 | 2005 \$000 | 2006 \$000 | 2005 \$000 |
| 4. Revenue from continuing operations - continued | | | | | |
| Other revenue | | | | | |
| Bequests and donations received for: | | | | | |
| Research | | 956 | 3,540 | 956 | 3,540 |
| General operational purposes and capital works | | 4,097 | 2,910 | 4,097 | 2,910 |
| | | <u>5,053</u> | <u>6,450</u> | <u>5,053</u> | <u>6,450</u> |
| Prizes and scholarships | | 1,229 | 514 | 1,229 | 514 |
| Net gain from sale of assets and minor equipment | | 2,908 | 381 | - | 322 |
| Recharge of costs to other organisations | | 1,019 | 3,999 | 1,019 | 3,999 |
| Application management and late fee | | 564 | 482 | 564 | 482 |
| Franchise fees | | 978 | 939 | 978 | 939 |
| Bad debts recoveries | | 239 | 237 | 239 | 237 |
| Other revenue | | 6,535 | 7,240 | 4,116 | 6,050 |
| | | <u>18,525</u> | <u>20,242</u> | <u>13,198</u> | <u>18,993</u> |
| | | | | | |
| Share of net profits/(losses) of associates and joint ventures accounted for using the equity method | | | | | |
| Joint venture operations | 33 | 302 | 28 | - | - |
| Associates | 32 | 64 | (2,123) | - | - |
| | | <u>366</u> | <u>(2,095)</u> | <u>-</u> | <u>-</u> |
| | | | | | |
| Net foreign exchange gain | | <u>-</u> | <u>99</u> | <u>-</u> | <u>99</u> |

| | Consolidated | | University | |
|--|---------------------|----------------|-------------------|----------------|
| | 2006 | 2005 | 2006 | 2005 |
| Note | \$000 | \$000 | \$000 | \$000 |
| 5. Expenses from continuing operations | | | | |
| Salaries and related expenses | | | | |
| Salaries and related expenses - Academic | | | | |
| Salaries | 101,252 | 88,093 | 101,252 | 89,169 |
| Contributions to superannuation schemes: | | | | |
| Emerging cost | 1,610 | 1,526 | 1,610 | 1,526 |
| Funded | 12,891 | 12,234 | 12,891 | 12,234 |
| | 14,501 | 13,760 | 14,501 | 13,760 |
| Payroll tax | 5,638 | 5,407 | 5,638 | 5,407 |
| Annual leave | 9,729 | 9,711 | 9,729 | 8,857 |
| Long service leave | 3,128 | 3,015 | 3,128 | 2,793 |
| Workers' compensation | 442 | 427 | 442 | 427 |
| Other | 4,530 | 4,425 | 4,530 | 4,425 |
| Total academic salaries and related expenses | 139,220 | 124,838 | 139,220 | 124,838 |
| Salaries and related expenses - Non-academic | | | | |
| Salaries | 87,628 | 78,477 | 78,662 | 71,809 |
| Contributions to superannuation schemes: | | | | |
| Emerging cost | 1,196 | 1,148 | 1,196 | 1,148 |
| Funded | 10,760 | 9,636 | 10,099 | 9,450 |
| | 11,956 | 10,784 | 11,295 | 10,598 |
| Payroll tax | 4,749 | 4,365 | 4,531 | 4,275 |
| Annual leave | 8,623 | 7,641 | 8,453 | 7,580 |
| Long service leave | 2,592 | 2,536 | 2,581 | 2,314 |
| Workers' compensation | 516 | 396 | 356 | 338 |
| Other | 3,724 | 2,747 | 3,699 | 2,714 |
| Total non-academic salaries and related expenses | 119,788 | 106,946 | 109,577 | 99,628 |
| | 259,008 | 231,784 | 248,797 | 224,466 |
| Deferred Government employee benefits for superannuation | 600 | 4,600 | 600 | 4,600 |
| Total salaries and related expenses | 259,608 | 236,384 | 249,397 | 229,066 |
| Total salaries and related expenses | 259,608 | 236,384 | 249,397 | 229,066 |
| Less: | | | | |
| Emerging cost | 2,806 | 2,674 | 2,806 | 2,674 |
| Deferred Government employee benefits for superannuation | 600 | 4,600 | 600 | 4,600 |
| Salaries and related expenses | 256,202 | 229,110 | 245,991 | 221,792 |
| Teaching and research | | | | |
| Agriculture, animals and cropping | 1,128 | 2,019 | 1,128 | 2,019 |
| Books, subscriptions and printed material | 3,120 | 3,367 | 3,120 | 3,367 |
| Laboratory expenses | 13,806 | 12,401 | 13,718 | 12,401 |
| Research transfer to other institutions | 21,399 | 20,104 | 21,399 | 20,104 |
| Other teaching and research | 12,928 | 6,785 | 12,937 | 6,745 |
| | 52,381 | 44,676 | 52,302 | 44,636 |
| Buildings and grounds | | | | |
| Cleaning and security | 4,994 | 4,517 | 4,654 | 4,517 |
| Property maintenance | 10,931 | 10,243 | 10,292 | 10,243 |
| Building leases and rent | 10,041 | 5,618 | 9,955 | 5,618 |
| Utilities | 6,168 | 5,518 | 5,991 | 5,518 |
| | 32,134 | 25,896 | 30,892 | 25,896 |

| | Note | Consolidated | | University | |
|---|------|---------------|---------------|---------------|---------------|
| | | 2006 \$000 | 2005 \$000 | 2006 \$000 | 2005 \$000 |
| 5. Expenses from continuing operations - continued | | | | | |
| Finance costs | | | | | |
| Interest | | 1 | 25 | 1 | 19 |
| Finance charges | | 142 | 138 | 142 | 138 |
| | | 143 | 163 | 143 | 157 |
| Administration, communication and travel | | | | | |
| Consultants & specialist services | | 11,924 | 9,548 | 10,860 | 8,757 |
| Fees & licenses | | 6,105 | 4,918 | 6,088 | 4,918 |
| Insurance | | 2,772 | 2,849 | 2,692 | 2,282 |
| Administration & communication | | 38,095 | 30,411 | 12,231 | 12,518 |
| Publicity and fundraising | | 4,531 | 2,512 | 4,449 | 2,512 |
| Travel, accommodation & entertainment | | 12,366 | 11,633 | 12,214 | 11,521 |
| | | 75,793 | 61,871 | 48,534 | 42,508 |
| Misc equip, dep'n and net loss on disposal of assets includes: | | | | | |
| Amortisation of intangible assets | | | | | |
| Software | | 267 | 2,823 | 267 | 2,822 |
| Amortisation | 3(p) | | | | |
| Leasehold improvements | | 805 | 390 | 805 | 390 |
| | | 1,072 | 3,213 | 1,072 | 3,212 |
| Depreciation | 3(p) | | | | |
| Buildings | | 8,786 | 8,601 | 8,699 | 8,505 |
| Plant, equipment and motor vehicles | | 6,657 | 6,290 | 5,921 | 5,506 |
| Library collection | | 4,244 | 3,946 | 4,244 | 3,946 |
| | | 19,687 | 18,837 | 18,864 | 17,957 |
| | | 20,759 | 22,050 | 19,936 | 21,169 |
| Non-capitalised equipment | | 9,547 | 12,148 | 9,494 | 12,160 |
| Net loss on disposal of assets | | - | - | 1,495 | - |
| | | 30,306 | 34,198 | 30,925 | 33,329 |
| Bad and doubtful debts | | | | | |
| Student loans | | 20 | 9 | 20 | 9 |
| Student tuition | | 311 | 522 | 311 | 522 |
| Other debtors | | 386 | 323 | 321 | 297 |
| | | 717 | 854 | 652 | 828 |
| Net foreign exchange loss | | 91 | - | 91 | - |

| | Note | Consolidated | | University | |
|--|------|----------------|---------------|---------------|---------------|
| | | 2006 | 2005 | 2006 | 2005 |
| | | \$000 | \$000 | \$000 | \$000 |
| 6. Discontinued operations | | | | | |
| (a) Description | | | | | |
| ACN 008 123 466 Pty Ltd (formerly Repromed Pty Ltd) a controlled entity of the University of Adelaide disposed of its reproductive medicine business, effective as at 15 May 2006. This business represented all of that company's operations and the cash assets held as at 15 May 2006 were retained by the company. | | | | | |
| (b) Financial Performance and Cash Flow Information | | | | | |
| The financial performance and cash flow information presented are for the period ending 15 May 2006 and the year ended 31 December 2005. | | | | | |
| Revenue | | 4,829 | 13,207 | - | - |
| Expenses | | (4,470) | (13,625) | - | - |
| Profit/(loss) from discontinued operations | | <u>359</u> | <u>(418)</u> | - | - |
| Net cash inflow/(outflow) from operating activities | | (127) | 298 | - | - |
| Net cash inflow/(outflow) from investing activities | | (123) | (537) | - | - |
| Net increase/(decrease) in cash generated by the business | | <u>(250)</u> | <u>(239)</u> | - | - |
| (c) Carrying Amounts of Assets and Liabilities | | | | | |
| The carrying amounts of assets and liabilities as at 15 May 2006 and the year ended 31 December 2005. | | | | | |
| Total assets | | 5,301 | 5,591 | - | - |
| Total liabilities | | (1,073) | (1,722) | - | - |
| Net assets | | <u>4,228</u> | <u>3,869</u> | - | - |
| (d) Details of the sale of the reproductive medical services | | | | | |
| Consideration received | | 8,000 | - | - | - |
| Carrying amount of net assets sold | | (3,721) | - | - | - |
| Gain on sale | | <u>4,279</u> | - | - | - |
| 7. Cash and Cash Equivalents | | | | | |
| Cash at bank or on hand | 3(j) | 18,501 | 5,632 | 11,110 | 2,290 |
| Deposits at call | | 102,304 | 80,953 | 84,234 | 69,802 |
| | | <u>120,805</u> | <u>86,585</u> | <u>95,344</u> | <u>72,092</u> |

| | Note | Consolidated | | University | |
|--|------|---------------|---------------|---------------|---------------|
| | | 2006 \$000 | 2005 \$000 | 2006 \$000 | 2005 \$000 |
| 8. Receivables | 3(i) | | | | |
| Current | | | | | |
| Student tuition fees | | 3,552 | 4,304 | 3,552 | 4,304 |
| Less: provision for doubtful debts | | (704) | (1,039) | (704) | (1,039) |
| | | 2,848 | 3,265 | 2,848 | 3,265 |
| | | | | | |
| Sundry debtors, trade debtors and accrued income | | 19,390 | 26,547 | 16,170 | 21,876 |
| Less: provision for doubtful debts | | (911) | (1,601) | (882) | (927) |
| | | 18,479 | 24,946 | 15,288 | 20,949 |
| | | | | | |
| Student loans | | 239 | 228 | 239 | 228 |
| Less: provision for doubtful debts | | (203) | (184) | (203) | (184) |
| | | 36 | 44 | 36 | 44 |
| | | | | | |
| Other | | 30 | - | - | - |
| | | 21,393 | 28,255 | 18,172 | 24,258 |

Bad and doubtful debts

The University has recognised a loss of \$652,000 (2005: \$828,000) in respect of bad and doubtful receivables during the year ended 31 December 2006. The loss has been included in 'Finance and fund administration' expenses in the Income Statement.

9. Other Financial Assets

Current

| | | | | |
|------------------------------|--------------|--------------|--------------|--------------|
| Loans to controlled entities | - | - | 2,400 | 2,133 |
| Term deposits | 2,400 | 2,026 | - | - |
| Other loans | 25 | 68 | 25 | 68 |
| | 2,425 | 2,094 | 2,425 | 2,201 |

| | Note | Consolidated | | University | |
|--|------|----------------|---------------|----------------|---------------|
| | | 2006 \$000 | 2005 \$000 | 2006 \$000 | 2005 \$000 |
| 9. Other Financial Assets - continued | | | | | |
| Non-current | | | | | |
| Held for trading | | | | | |
| Composite fund at fair value | 3(k) | | | | |
| Australian fixed interest securities | | 14,368 | 12,743 | 14,368 | 12,743 |
| Overseas fixed interest securities | | 7,143 | 5,690 | 7,143 | 5,690 |
| Australian equities | | 30,110 | 25,580 | 30,110 | 25,580 |
| Overseas equities | | 27,237 | 23,540 | 27,237 | 23,540 |
| Property trusts | | 6,117 | 5,119 | 6,117 | 5,119 |
| Cash and liquid assets | | 3,667 | 2,762 | 3,667 | 2,762 |
| Alternative strategies | | 197 | 1,098 | 197 | 1,098 |
| | | 88,839 | 76,532 | 88,839 | 76,532 |
| Managed investment held by Unisure Pty Ltd | | 7,847 | 7,596 | 7,847 | 7,596 |
| Other shares | | 2,749 | 2,327 | 2,749 | 2,327 |
| Total non-current other financial assets held for trading | | 99,435 | 86,455 | 99,435 | 86,455 |
| Other loans | | 1,182 | 1,257 | 1,482 | 1,257 |
| Total non-current other financial assets | | 100,617 | 87,712 | 100,917 | 87,712 |

Other loans are all secured by way of either a mortgage over land or a second priority fixed or floating charge over property.

| | | | | | |
|--|------|--------------|--------------|--------------|--------------|
| 10. Inventories | 3(m) | | | | |
| Consumable materials and trading stock | | 1,766 | 1,954 | 1,533 | 1,761 |
| Livestock | | 2,069 | 2,414 | - | - |
| Provision for obsolescence | | (150) | (100) | (150) | (100) |
| | | 3,685 | 4,268 | 1,383 | 1,661 |

The University has written down inventories of \$127,000 (2005: \$41,000) during the year ended 31 December 2006. The loss has been included in 'Teaching and research' expenses in the Income Statement.

| | | | | | |
|---------------------------------------|--|--------------|--------------|--------------|--------------|
| 11. Other Non-Financial Assets | | | | | |
| Current | | | | | |
| Prepayments | | 3,778 | 2,297 | 3,778 | 2,120 |
| Accrued income | | 636 | 424 | 522 | 408 |
| | | 4,414 | 2,721 | 4,300 | 2,528 |
| Non-current | | | | | |
| Prepayments | | 1,206 | 1,371 | 1,206 | 1,371 |

| | Note | Consolidated | | University | |
|--|------|---------------|---------------|---------------|---------------|
| | | 2006 \$000 | 2005 \$000 | 2006 \$000 | 2005 \$000 |
| 12. Investments Accounted for Using the Equity Method | 3(l) | | | | |
| Investments in associates | 32 | | | | |
| At cost | | - | - | 298 | 298 |
| Equity accounted | | 506 | 392 | - | - |
| Interests in joint ventures | 33 | | | | |
| At cost | | - | - | 135 | 65 |
| Equity accounted | | 2,823 | 2,451 | - | - |
| | | 3,329 | 2,843 | 433 | 363 |
| 13. Available-for-sale Financial Assets | | | | | |
| Current | | | | | |
| Listed shares | 3(l) | | | | |
| GroPep Ltd | | - | 4,013 | - | - |
| Other listed shares | | 1,585 | 2,429 | - | - |
| | | 1,585 | 6,442 | - | - |
| Non-current | | | | | |
| Investments in controlled entities | 31 | - | - | 48,086 | 51,224 |

14. Property, Plant and Equipment

| Consolidated | Trust Land | Other Land | Trust Buildings | Other Buildings | WIP Buildings | Leasehold Improvements | Library Collections | Works of Art | Plant and Equipment | Total |
|---------------------------------------|----------------|---------------|-----------------|-----------------|---------------|------------------------|---------------------|--------------|---------------------|----------------|
| | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| As at 1 January 2005 | | | | | | | | | | |
| Cost | - | 220 | 16,920 | 2,835 | 11,320 | 4,327 | - | - | 99,139 | 134,761 |
| Valuation | 103,690 | 65,582 | 273,391 | 26,505 | - | - | 39,457 | 4,188 | - | 512,813 |
| Accumulated depreciation/amortisation | - | - | (15,161) | (1,916) | - | (786) | - | - | (67,590) | (85,453) |
| Net book amount | 103,690 | 65,802 | 275,150 | 27,424 | 11,320 | 3,541 | 39,457 | 4,188 | 31,549 | 562,121 |
| Year ended 31 December 2005 | | | | | | | | | | |
| Opening net book amount | 103,690 | 65,802 | 275,150 | 27,424 | 11,320 | 3,541 | 39,457 | 4,188 | 31,549 | 562,121 |
| Revaluation increments/(decrements) | 8,445 | 7,028 | 2,472 | 249 | - | - | - | 777 | - | 18,971 |
| Additions | - | - | 880 | 323 | 25,586 | 349 | 3,180 | 62 | 11,245 | 41,625 |
| Disposals | - | - | - | - | - | - | (193) | (31) | (1,000) | (1,224) |
| Transfers | - | - | 16,690 | 658 | (20,711) | 2,820 | - | - | 543 | - |
| Depreciation/amortisation | - | - | (7,763) | (838) | - | (569) | (3,946) | - | (6,699) | (19,815) |
| Closing net book amount | 112,135 | 72,830 | 287,429 | 27,816 | 16,195 | 6,141 | 38,498 | 4,996 | 35,638 | 601,678 |
| As at 31 December 2005 | | | | | | | | | | |
| Cost | - | - | 784 | 664 | 16,195 | 7,495 | 2,987 | - | 103,301 | 131,426 |
| Valuation | 112,135 | 72,830 | 286,649 | 27,194 | - | - | 39,457 | 4,996 | - | 543,261 |
| Accumulated depreciation/amortisation | - | - | (4) | (42) | - | (1,354) | (3,946) | - | (67,663) | (73,009) |
| Net book amount | 112,135 | 72,830 | 287,429 | 27,816 | 16,195 | 6,141 | 38,498 | 4,996 | 35,638 | 601,678 |

14. Property, Plant and Equipment - continued

| Consolidated | Trust Land | Other Land | Trust Buildings | Other Buildings | WIP Buildings | Leasehold Improvements | Library Collections | Works of Art | Plant and Equipment | Total |
|---------------------------------------|----------------|---------------|-----------------|-----------------|---------------|------------------------|---------------------|--------------|---------------------|----------------|
| | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Year ended 31 December 2006 | | | | | | | | | | |
| Opening net book amount | 112,135 | 72,830 | 287,429 | 27,816 | 16,195 | 6,141 | 38,498 | 4,996 | 35,638 | 601,678 |
| Revaluation increments/(decrements) | - | - | - | (90) | - | - | - | - | - | (90) |
| Additions | - | - | 361 | 444 | 24,916 | 38 | 3,721 | - | 8,153 | 37,633 |
| Disposals | - | (157) | (32) | - | (352) | (1,199) | (1,231) | - | (2,847) | (5,818) |
| Transfers | - | - | 28,423 | 2,955 | (31,913) | 535 | - | - | - | - |
| Depreciation/amortisation | - | - | (7,866) | (920) | - | (873) | (4,244) | - | (6,819) | (20,722) |
| Closing net book amount | 112,135 | 72,673 | 308,315 | 30,205 | 8,846 | 4,642 | 36,744 | 4,996 | 34,125 | 612,681 |
| As at 31 December 2006 | | | | | | | | | | |
| Cost | - | - | 29,684 | 3,861 | 8,846 | 6,227 | 5,476 | - | 101,787 | 155,881 |
| Valuation | 112,135 | 72,673 | 286,501 | 27,306 | - | - | 39,458 | 4,996 | - | 543,069 |
| Accumulated depreciation/amortisation | - | - | (7,870) | (962) | - | (1,585) | (8,190) | - | (67,662) | (86,269) |
| Net book amount | 112,135 | 72,673 | 308,315 | 30,205 | 8,846 | 4,642 | 36,744 | 4,996 | 34,125 | 612,681 |

14. Property, Plant and Equipment - continued

| University | Trust Land \$000 | Other Land \$000 | Trust Buildings \$000 | Other Buildings \$000 | WIP Buildings \$000 | Leasehold Improvements \$000 | Library Collections \$000 | Works of Art \$000 | Plant and Equipment \$000 | Total \$000 |
|--|---------------------|---------------------|-----------------------------|-----------------------------|---------------------------|------------------------------------|---------------------------------|-----------------------|---------------------------------|----------------|
| As at 1 January 2005 | | | | | | | | | | |
| Cost | - | 220 | 16,920 | 2,482 | 11,320 | 2,492 | - | - | 88,827 | 122,261 |
| Valuation | 103,690 | 34,531 | 273,391 | 24,561 | - | - | 39,457 | 4,188 | - | 479,818 |
| Accumulated depreciation/amortisation | - | - | (15,161) | (1,750) | - | (391) | - | - | (61,461) | (78,763) |
| Net book amount | 103,690 | 34,751 | 275,150 | 25,293 | 11,320 | 2,101 | 39,457 | 4,188 | 27,366 | 523,316 |
| Year ended 31 December 2005 | | | | | | | | | | |
| Opening net book amount | 103,690 | 34,751 | 275,150 | 25,293 | 11,320 | 2,101 | 39,457 | 4,188 | 27,366 | 523,316 |
| Revaluation increments/(decrements) | 8,445 | 5,558 | 2,472 | (17) | - | - | - | 777 | - | 17,235 |
| Additions | - | - | 880 | 251 | 25,586 | 379 | 3,180 | 62 | 10,171 | 40,509 |
| Disposals | - | - | - | - | - | - | (193) | (31) | (953) | (1,177) |
| Transfers | - | - | 16,690 | 689 | (20,711) | 2,789 | - | - | 543 | - |
| Depreciation/amortisation | - | - | (7,763) | (742) | - | (390) | (3,946) | - | (5,506) | (18,347) |
| Closing net book amount | 112,135 | 40,309 | 287,429 | 25,474 | 16,195 | 4,879 | 38,498 | 4,996 | 31,621 | 561,536 |
| As at 31 December 2005 | | | | | | | | | | |
| Cost | - | - | 784 | 664 | 16,195 | 5,659 | 2,987 | - | 92,881 | 119,170 |
| Valuation | 112,135 | 40,309 | 286,649 | 24,852 | - | - | 39,457 | 4,996 | - | 508,398 |
| Accumulated depreciation/amortisation | - | - | (4) | (42) | - | (780) | (3,946) | - | (61,260) | (66,032) |
| Net book amount | 112,135 | 40,309 | 287,429 | 25,474 | 16,195 | 4,879 | 38,498 | 4,996 | 31,621 | 561,536 |

14. Property, Plant and Equipment - continued

| University | Trust Land \$000 | Other Land \$000 | Trust Buildings \$000 | Other Buildings \$000 | WIP Buildings \$000 | Leasehold Improvements \$000 | Library Collections \$000 | Works of Art \$000 | Plant and Equipment \$000 | Total \$000 |
|--|---------------------|---------------------|-----------------------------|-----------------------------|---------------------------|------------------------------------|---------------------------------|-----------------------|---------------------------------|----------------|
| Year ended 31 December 2006 | | | | | | | | | | |
| Opening net book amount | 112,135 | 40,309 | 287,429 | 25,474 | 16,195 | 4,879 | 38,498 | 4,996 | 31,621 | 561,536 |
| Revaluation increments/(decrements) | - | - | - | - | - | - | - | - | - | - |
| Additions | - | - | 361 | 116 | 24,916 | 38 | 3,721 | - | 7,401 | 36,553 |
| Disposals | - | (157) | (32) | - | (352) | (5) | (1,231) | - | (1,225) | (3,002) |
| Transfers | - | - | 28,423 | 2,955 | (31,913) | 535 | - | - | - | - |
| Depreciation/amortisation | - | - | (7,866) | (833) | - | (805) | (4,244) | - | (5,921) | (19,669) |
| Closing net book amount | 112,135 | 40,152 | 308,315 | 27,712 | 8,846 | 4,642 | 36,744 | 4,996 | 31,876 | 575,418 |
| As at 31 December 2006 | | | | | | | | | | |
| Cost | - | - | 29,684 | 3,623 | 8,846 | 6,227 | 5,476 | - | 94,676 | 148,532 |
| Valuation | 112,135 | 40,152 | 286,501 | 24,964 | - | - | 39,458 | 4,996 | - | 508,206 |
| Accumulated depreciation/amortisation | - | - | (7,870) | (875) | - | (1,585) | (8,190) | - | (62,800) | (81,320) |
| Net book amount | 112,135 | 40,152 | 308,315 | 27,712 | 8,846 | 4,642 | 36,744 | 4,996 | 31,876 | 575,418 |

| | Note | Consolidated | | University | |
|---------------------------------------|------|---------------|---------------|---------------|---------------|
| | | 2006 | 2005 | 2006 | 2005 |
| | | \$000 | \$000 | \$000 | \$000 |
| 15. Investment Property | | | | | |
| Balance at the beginning of the year | | 17,717 | 16,017 | 17,717 | 16,017 |
| Additions from subsequent expenditure | | 54 | - | 54 | - |
| Net gain from fair value adjustments | | 1,119 | 1,700 | 1,119 | 1,700 |
| Balance at the end of the year | | 18,890 | 17,717 | 18,890 | 17,717 |

(a) Amount recognised in income statement for investment property

The University has recognised \$1.4 million of rental income from investment properties within the Income Statement. Any direct operating expenses from generating rental income are included within the Income Statement and are immaterial.

(b) Valuation basis

The basis of valuation of investment properties is fair value being the amounts for which the properties could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location, condition and subject to similar leases.

An independent valuation of investment properties has been carried out by Mr N. Satchell, AAPI, B.App.Sc (Val) of Rushton Valuers Pty Ltd on 31 December 2006.

(c) Non-current assets pledged as security

No non-current assets have been pledged.

(d) Contractual obligations

There are no capital commitments for investment properties.

(e) Leasing arrangements

The investment properties are leased to tenants under long-term operating leases with rentals payable monthly. Minimum lease payments receivable on investment properties are as follows:

| | Consolidated | | University | |
|--|--------------|--------------|--------------|--------------|
| | 2006 | 2005 | 2006 | 2005 |
| | \$000 | \$000 | \$000 | \$000 |
| Within one year | 807 | 632 | 807 | 632 |
| Later than one year but not later than 5 years | 1,010 | 1,177 | 1,010 | 1,177 |
| later than 5 years | 258 | 178 | 258 | 178 |
| | 2,075 | 1,987 | 2,075 | 1,987 |

| | Note | Consolidated | | University | |
|--|------|---------------|---------------|---------------|---------------|
| | | 2006 \$000 | 2005 \$000 | 2006 \$000 | 2005 \$000 |
| 16. Intangible Assets | 3(g) | | | | |
| Non-current | | | | | |
| As at 1 January 2005 | | | | | |
| Cost | | 11,339 | | 11,051 | |
| Accumulated depreciation and impairment | | (7,463) | | (7,456) | |
| Net book amount | | <u>3,876</u> | | <u>3,595</u> | |
| Year ended 31 December 2005 | | | | | |
| Opening net book amount | | 3,876 | | 3,595 | |
| Additions | | 188 | | 166 | |
| Amortisation charge | | (2,836) | | (2,822) | |
| Closing net book amount | | <u>1,228</u> | | <u>939</u> | |
| As at 31 December 2005 | | | | | |
| Cost | | 11,527 | | 11,217 | |
| Accumulated depreciation and impairment | | (10,299) | | (10,278) | |
| Net book amount | | <u>1,228</u> | | <u>939</u> | |
| Year ended 31 December 2006 | | | | | |
| Opening net book amount | | 1,228 | | 939 | |
| Disposals | | (317) | | (37) | |
| Amortisation charge | | (276) | | (267) | |
| Closing net book amount | | <u>635</u> | | <u>635</u> | |
| As at 31 December 2006 | | | | | |
| Cost | | 11,180 | | 11,180 | |
| Accumulated depreciation and impairment | | (10,545) | | (10,545) | |
| Net book amount | | <u>635</u> | | <u>635</u> | |
| 17. Payables | | | | | |
| Current | | | | | |
| Accounts payable | | 29,586 | 30,218 | 22,325 | 22,742 |
| Accruals | | 7,144 | 3,582 | 504 | 367 |
| Salary and wage deductions | | 3,855 | 4,438 | 3,848 | 4,438 |
| OS-HELP Liability to Australian Government | | - | 453 | - | 453 |
| Unspent Commonwealth financial assistance | | 1,717 | - | 1,717 | - |
| | | <u>42,302</u> | <u>38,691</u> | <u>28,394</u> | <u>28,000</u> |
| Non-current | | | | | |
| Accounts payable | | 3,672 | 3,159 | 3,618 | 3,056 |
| Deferred liability | | 1,822 | - | 1,822 | - |
| | | <u>5,494</u> | <u>3,159</u> | <u>5,440</u> | <u>3,056</u> |
| 18. Interest-bearing Liabilities | | | | | |
| Current | | | | | |
| Other - unsecured | | <u>1,217</u> | <u>37</u> | <u>1,217</u> | <u>6</u> |
| Non-current | | | | | |
| Other - unsecured | | <u>68</u> | <u>75</u> | <u>68</u> | <u>75</u> |

The University maintains an unsecured \$20m Bill Acceptance and Discount Facility as a standby working capital facility. As at 31 December 2006, this facility has not been drawn down.

| | Note | Consolidated | | University | |
|------------------------------------|------|---------------|---------------|---------------|---------------|
| | | 2006 | 2005 | 2006 | 2005 |
| | | \$000 | \$000 | \$000 | \$000 |
| 19. Provisions | | | | | |
| Current | | | | | |
| Workers' compensation provision | | 736 | 861 | 736 | 861 |
| Annual and long service leave | | 14,525 | 10,261 | 14,007 | 9,642 |
| Insurance provision | | 1,944 | 1,552 | 1,944 | 1,552 |
| | | 17,205 | 12,674 | 16,687 | 12,055 |
| Non-current | | | | | |
| Workers' compensation provision | | 1,910 | 2,043 | 1,910 | 2,043 |
| Annual and long service leave | | 24,209 | 22,442 | 23,992 | 21,775 |
| Defined benefit fund net liability | | 4,786 | 8,273 | 4,786 | 8,273 |
| | | 30,905 | 32,758 | 30,688 | 32,091 |

Annual leave and oncosts

As a result of the WorkChoices legislation implemented by the Federal Government on 27 March 2006, the University has recognised for the first time in 2006 a provision for academic annual leave and oncosts (\$6,733,000). The legislation requires all annual leave to be accrued and recorded. The change to the legislation has been incorporated into the University Collective Agreement and it was agreed that annual leave for academic staff would start accruing from 1 January 2006.

| | Workers' compensation provision | Annual and long service leave | Insurance Provision | Defined benefit fund net liability |
|--|---------------------------------|-------------------------------|---------------------|------------------------------------|
| | \$000 | \$000 | \$000 | \$000 |
| Movements in provisions | | | | |
| Consolidated - current | | | | |
| Carrying amount at start of year | 861 | 9,642 | 1,552 | - |
| Additional provisions recognised | (125) | 4,365 | 392 | - |
| Carrying amount at the end of the year | 736 | 14,007 | 1,944 | - |
| Consolidated - non-current | | | | |
| Carrying amount at start of year | 2,043 | 21,775 | - | 8,273 |
| Additional provisions recognised | (133) | 2,217 | - | (3,487) |
| Carrying amount at the end of the year | 1,910 | 23,992 | - | 4,786 |

Workers' compensation provision

Provision is made based on an actuarial assessment of workers' compensation estimated claims liability for future years. Refer to policy note 3(r) Workers' Compensation.

Annual and long services leave

Provision is made for benefits accruing to employees in respect of annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably. Refer to policy note 3(h) Employee Benefits.

Insurance provision

Provision has been made for the actuarial assessment of future liability to the University for losses incurred prior to 31 December 2006 that were expected to be paid subsequent to 1 January 2007 and are below the University deductible in the University insurance policies.

Defined benefit fund net liability

Provision is made for the Super Scheme A 1985 defined benefit obligation in accordance with AASB 119 Employee Benefits. Refer to note 3(h) Employee Benefits and note 26(c) The University of Adelaide Super Scheme A 1985.

| | Note | Consolidated | | University | |
|--|------|--------------|--------------|--------------|--------------|
| | | 2006 | 2005 | 2006 | 2005 |
| | | \$000 | \$000 | \$000 | \$000 |
| 20. Other Liabilities | | | | | |
| Current | | | | | |
| Outside funded positions | | 1,510 | 1,615 | 1,510 | 1,615 |
| Income in advance | | 161 | 156 | - | 156 |
| Student tuition fees received in advance | | 4,475 | 3,322 | 4,475 | 3,322 |
| Residential bonds | | 262 | 132 | 262 | 132 |
| Employee benefits – redundancy | | 383 | 446 | 383 | 446 |
| Other | | 640 | 918 | 640 | 632 |
| | | 7,431 | 6,589 | 7,270 | 6,303 |

21. Employee Benefits and Related On-Cost Liabilities

In accordance with the requirements of AASB 119 "Employee Benefits", employee on-costs are required to be reported as payables whilst leave liability amounts are reported separately as "Employee Benefits". Below is a composite note disclosure showing the total liabilities the Consolidated Entity has as at 31 December 2006 relating to employee benefits:

Annual Leave

| | | | | | |
|---|----|---------------|--------------|---------------|--------------|
| On-costs included in payables - current | 17 | 2,753 | 948 | 2,733 | 898 |
| Employee benefits - current | 19 | 7,805 | 3,917 | 7,593 | 3,593 |
| | | 10,558 | 4,865 | 10,326 | 4,491 |
| On-costs included in payables - non-current | 17 | 832 | 274 | 824 | 254 |
| Employee benefits - non-current | 19 | 2,313 | 1,215 | 2,290 | 1,017 |
| | | 3,145 | 1,489 | 3,114 | 1,271 |

Long Service Leave

| | | | | | |
|---|----|---------------|---------------|---------------|---------------|
| On-costs included in payables - current | 17 | 851 | 842 | 827 | 817 |
| Employee benefits - current | 19 | 6,720 | 6,344 | 6,414 | 6,049 |
| | | 7,571 | 7,186 | 7,241 | 6,866 |
| On-costs included in payables - non-current | 17 | 2,840 | 2,885 | 2,793 | 2,802 |
| Employee benefits - non-current | 19 | 21,896 | 21,227 | 21,702 | 20,758 |
| | | 24,736 | 24,112 | 24,495 | 23,560 |
| | | 46,010 | 37,652 | 45,176 | 36,188 |

22. Retained Surplus and Reserves

22(a) Summary

Capital reserves

| | | | | | |
|--|--|----------------|----------------|----------------|----------------|
| Capital reserve | | 3,020 | 3,020 | - | - |
| Capital profits reserve | | 1,249 | 687 | - | - |
| Asset revaluation reserve | | 182,759 | 182,850 | 159,086 | 159,087 |
| Initial asset recognition reserve | | 279,124 | 279,124 | 279,124 | 279,124 |
| Available-for-sale investments revaluation reserve | | 1,665 | 6,166 | 45,188 | 48,326 |
| | | 467,817 | 471,847 | 483,398 | 486,537 |

Specific purpose reserves

| | | | | | |
|--|--|----------------|----------------|----------------|----------------|
| Special reserve | | 73,716 | 55,434 | 73,716 | 55,434 |
| Bequests/donations unspent income reserve | | 16,367 | 13,567 | 16,367 | 13,567 |
| Restricted purpose bequest capital reserve | | 61,246 | 56,613 | 61,246 | 56,613 |
| Composite fund revaluation reserve | | 35,612 | 27,261 | 35,612 | 27,261 |
| | | 186,941 | 152,875 | 186,941 | 152,875 |

| | | | | | |
|-------------------------|--|----------------|----------------|----------------|----------------|
| Retained surplus | | 130,609 | 122,448 | 107,106 | 102,604 |
|-------------------------|--|----------------|----------------|----------------|----------------|

| | Note | Consolidated | | University | |
|--|------|----------------|----------------|----------------|----------------|
| | | 2006 | 2005 | 2006 | 2005 |
| | | \$000 | \$000 | \$000 | \$000 |
| 22(b) Movements in reserves | | | | | |
| Capital reserve | | | | | |
| Opening balance | | 3,020 | 2,970 | - | - |
| Current year movement | | - | 50 | - | - |
| Closing balance | | 3,020 | 3,020 | - | - |
| Capital profits reserve | | | | | |
| Opening balance | | 687 | 687 | - | - |
| Current year movement | | 562 | - | - | - |
| Closing balance | | 1,249 | 687 | - | - |
| Asset revaluation reserve | | | | | |
| Opening balance | | 182,850 | 163,879 | 159,087 | 141,852 |
| Add revaluation increment on property, plant and equipment | | (91) | 18,971 | (1) | 17,235 |
| Closing balance | | 182,759 | 182,850 | 159,086 | 159,087 |
| Initial asset recognition reserve | | | | | |
| Opening balance | | 279,124 | 279,124 | 279,124 | 279,124 |
| Current year movement | | - | - | - | - |
| Closing balance | | 279,124 | 279,124 | 279,124 | 279,124 |
| Available-for-sale financial assets revaluation reserve | | | | | |
| Opening balance | | 6,166 | 5,971 | 48,326 | 45,856 |
| Current year movement | | (4,501) | 195 | (3,138) | 2,470 |
| Closing balance | | 1,665 | 6,166 | 45,188 | 48,326 |
| Special reserve | | | | | |
| Opening balance | | 55,434 | 55,542 | 55,434 | 55,542 |
| Transfer (to) / from retained surplus | | 18,282 | (108) | 18,282 | (108) |
| Closing balance | | 73,716 | 55,434 | 73,716 | 55,434 |
| Bequests/donations unspent income reserve | | | | | |
| Opening balance | | 13,567 | 12,651 | 13,567 | 12,651 |
| Transfer from retained surplus | | 2,800 | 916 | 2,800 | 916 |
| Closing balance | | 16,367 | 13,567 | 16,367 | 13,567 |
| Restricted purpose bequest capital reserve | | | | | |
| Opening balance | | 56,613 | 53,261 | 56,613 | 53,261 |
| Transfer from retained surplus | | 4,633 | 3,352 | 4,633 | 3,352 |
| Closing balance | | 61,246 | 56,613 | 61,246 | 56,613 |
| Composite fund revaluation reserve | | | | | |
| Opening balance | | 27,261 | 19,747 | 27,261 | 19,747 |
| Transfer from retained surplus | | 8,351 | 7,514 | 8,351 | 7,514 |
| Closing balance | | 35,612 | 27,261 | 35,612 | 27,261 |

| | Note | Consolidated | | University | |
|--|------|---------------|---------------|---------------|---------------|
| | | 2006 \$000 | 2005 \$000 | 2006 \$000 | 2005 \$000 |
| 22. Reserves - continued | | | | | |
| 22(c) Nature and purpose of reserves | | | | | |
| Capital reserve | | | | | |
| Represents capital accounts held within controlled entities of the University. | | | | | |
| Capital profits reserve | | | | | |
| Represents the accumulation of realised revalued increments of assets sold. | | | | | |
| Asset revaluation reserve | | | | | |
| Is used to record increments and decrements on the revaluation of non-current assets. Refer accounting policy note 3(n). | | | | | |
| Initial asset recognition reserve | | | | | |
| Represents the equity impact arising from the recognition of assets which until the first time the University prepared a set of accrual financial statements, had not previously been recognised. | | | | | |
| Available for sale financial assets revaluation reserve | | | | | |
| Is used to record increments and decrements on the revaluation of available for sale financial assets. Refer accounting policy note 3(k). | | | | | |
| Specific purpose reserves | | | | | |
| Represents a number of reserves generated through a series of specific purpose transactions, that can only be used in accordance with the attributes of the generating transactions. The special reserve is created for surplus funds which will be specifically acquitted in future accounting periods. | | | | | |
| 23. Reconciliation of net cash provided by operating activities to operating result | | | | | |
| Operating result | | 38,899 | 37,335 | 35,378 | 38,192 |
| Add/(subtract) non cash items | | | | | |
| Amortisation | 5 | 1,149 | 3,405 | 1,072 | 3,212 |
| Depreciation | 5 | 19,848 | 19,246 | 18,864 | 17,957 |
| Write (up) of investments | | (13,359) | (13,243) | (13,359) | (13,243) |
| Bad debts written off | | - | 16 | - | - |
| Superannuation expense | | 600 | 4,600 | 600 | 4,600 |
| Superannuation revenue | | (600) | (4,600) | (600) | (4,600) |
| Other revenue/expenses | | (6,335) | 514 | 4,799 | 696 |
| (Profit)/loss on sale of property, plant and equipment | | 183 | 45 | 337 | 99 |
| Changes in assets/liabilities | | | | | |
| (Increase)/decrease in inventories | | 583 | 96 | 278 | 93 |
| (Increase)/decrease in receivables | | 6,862 | (8,437) | 6,086 | (7,519) |
| (Increase)/decrease in other assets | | (1,528) | 621 | (1,607) | 395 |
| Increase/(decrease) in payables | | 5,939 | 3,574 | 2,778 | 1,657 |
| Increase/(decrease) in other current liabilities | | 849 | 1,242 | 967 | 1,433 |
| Increase/(decrease) in provisions | | 2,678 | 5,156 | 3,229 | 4,890 |
| Net cash provided by operating activities | | 55,768 | 49,570 | 58,822 | 47,862 |

| | Note | Consolidated | | University | |
|--|------|---------------|---------------|---------------|---------------|
| | | 2006 \$000 | 2005 \$000 | 2006 \$000 | 2005 \$000 |
| 24. Commitments | | | | | |
| Operating Expenditure | | | | | |
| Contracted but not provided for and payable: | | | | | |
| Not later than one year | | 14,574 | 16,502 | 14,574 | 16,502 |
| Later than one year, but not later than five years | | 17,532 | 11,313 | 17,532 | 11,313 |
| Later than five years | | 185 | 367 | 185 | 367 |
| | | 32,291 | 28,182 | 32,291 | 28,182 |
| Capital Expenditure | | | | | |
| Property, plant and equipment | | | | | |
| Contracted but not provided for and payable: | | | | | |
| Not later than one year | | 16,248 | 10,635 | 16,248 | 10,635 |
| Later than one year, but not later than five years | | - | - | - | - |
| Later than five years | | - | - | - | - |
| | | 16,248 | 10,635 | 16,248 | 10,635 |
| Operating Lease Commitments | | | | | |
| Future operating base rental not provided for and payable: | | | | | |
| Not later than one year | | 5,343 | 3,775 | 5,343 | 3,066 |
| Later than one year, but not later than five years | | 10,307 | 7,728 | 10,307 | 4,856 |
| Later than five years | | 670 | 3,317 | 670 | 960 |
| | | 16,320 | 14,820 | 16,320 | 8,882 |
| Representing: | | | | | |
| Cancellable operating leases | | 16,320 | 8,882 | 16,320 | 8,882 |
| Non-cancellable operating leases | | - | 5,938 | - | - |
| | | 16,320 | 14,820 | 16,320 | 8,882 |
| Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows: | | | | | |
| Within one year | | - | 709 | - | - |
| Later than one year, but not later than five years | | - | 2,872 | - | - |
| Later than five years | | - | 2,357 | - | - |
| | | - | 5,938 | - | - |

The operating lease commitments primarily relate to leases of photocopiers, computers, office equipment and office space.

25. Contingencies

(a) Guarantees

The University in 1997 provided a \$4.35 million guarantee and an indemnity to the Bank of South Australia to support a loan made to Frome Street Car Park Developments Pty Ltd. The guarantee is for a ten year period.

The University in 1997 provided a \$120,000 guarantee to the Commonwealth Government, Department of Human Services, for an interest free, 20 year loan of \$126,000 to be used for the construction of the Observatory Child Care Centre.

On July 1 2006 the University ceased to be a Crown exempt employer and was required to register as an exempt employer with Workcover and provide a bank guarantee to cover projected workers' compensation outstanding claims liabilities. The University provided a \$5.08 million bank guarantee to Workcover which matures on 30 April 2008. The amount of the guarantee was based on an actuarial assessment of the projected workers' compensation claims liabilities.

25. Contingent Liabilities - continued

(b) Superannuation

(i) The University of Adelaide Superannuation Scheme A 1985 (Scheme A 1985)

The University has guaranteed that members of this superannuation scheme will receive defined benefits in the event that this closed scheme has insufficient assets to meet the benefits. Employer contributions of 14% of salaries recommenced on actuarial advice as from 1 January 2003 to ensure there are sufficient assets in the scheme to meet expected future liabilities of remaining members. In addition the University has agreed to a contribution program to finance the current deficit where by the University contributes \$0.6 million annually over the next four years. Refer to Note 26(c).

(ii) UniSuper Limited Superannuation Schemes

Refer to Note 26(b).

(c) Litigation

In the ordinary course of its operations, the University and its controlled entities became involved in legal disputes. At the date of adoption of these financial statements, some matters remained outstanding. On legal advice, the University is of the opinion that no material losses are likely to arise. The University or its controlled entities will make a provision where a material loss is identified. Claims of an insurance nature have been covered by a provision of \$1.9 million under the self insurance component of the University programme. Refer note 19.

26. Superannuation Schemes

(a) Categories

The University contributes to a range of superannuation schemes, which are divided into the following categories:

- (i) Those operative and open to membership:
 - UniSuper Defined Contribution Plan or Investment Choice Plan
 - UniSuper Award Plus Plan
- (ii) Those operative but closed to future membership:
 - The University of Adelaide Superannuation Scheme A 1985 (Scheme A 1985)
- (iii) State Government Schemes closed to future membership by University employees:
 - State Pension Scheme
 - State Lump Sum Scheme

(b) UniSuper Limited Superannuation Schemes

The employees' UniSuper plan is determined by the terms of employment and is administered by UniSuper Management Pty Ltd with UniSuper Ltd as the trustee.

The employer contribution rate during 2006 for employees in either the Defined Contribution Plan or Investment Choice Plan was 14% of salaries plus 3% of salaries contribution to the Award Plus Plan and for employees only in the Award Plus Plan was 9% of salaries. The employee contribution rate throughout 2006 for employees in either the Defined Contribution Plan or Investment Choice Plan was 7% of their gross salaries.

At its 23 November 2006 meeting the Board approved an amendment to Clause 34 of the UniSuper Trust Deed, effective 31 December 2006, altering its classification from a Defined Benefit Plan to a Defined Contribution Plan. Previously under Clause 34 if the UniSuper assets were considered by the Trustee to be insufficient to provide benefits payable under the Deed, the trust could request additional contributions from employers, provided they are given notice that such a request may be made 4 years in advance. If such a request was agreed to by employers then members were required to also make additional contributions equal to one-half of the rate which their employer is prepared to contribute.

Clause 34 now states that where the trustee considers the assets to be insufficient to provide benefits payable under the Deed, the Trustee must reduce the benefits of its members on a fair and equitable basis.

As set out under paragraph 25 of AASB119 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 fund and the actuarial risk and investment risk fall on the employee.

As at 30 June 2006 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 Contribution Plan.

26. Superannuation Schemes – continued

(b) UniSuper Limited Superannuation Schemes - continued

As at 30 June 2006 the assets of the Defined Contribution Plan in aggregate were estimated to be \$958 million in excess of vested benefits. The vested benefits are benefits which are not conditional upon continued membership (or any factor other than leaving service of the participating institution) and include the value of CPI indexed pensions being provided by the Defined Contribution Plan.

As at 30 June 2006 the assets of the Defined Contribution Plan in aggregate were estimated to be \$1,834 million in excess of accrued benefits. The accrued benefits have been calculated as the present value of expected future benefit payments to members and CPI indexed pensions which arise from membership of UniSuper up to the reporting date.

The vested benefit and accrued benefit liabilities were determined by the Fund's actuary Russell Employee Benefits using the actuarial demographic assumptions outlined in their report dated 13 July 2006 on the actuarial investigation of the Defined Contribution Plan as at 31 December 2005. The financial assumptions used were:

| | Vested Benefits | Accrued Benefits |
|--|--------------------|---------------------|
| Gross of tax investment return | 7.0% p.a. | 8.3% p.a. |
| Net of tax investment return | 6.5% p.a. | 7.8% p.a. |
| Consumer Price Index | 2.5% p.a. | 2.5% p.a. |
| Inflationary salary increases long term | 3.5% p.a. | 3.5% p.a. |
| Inflationary salary increases next three years | 5.0% p.a. | 5.0% p.a. |

(additional promotional salary increases are assumed to apply based on past experience)

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

(c) The University of Adelaide Superannuation Scheme A 1985

The University of Adelaide Superannuation Scheme A 1985 (Scheme) is a defined benefit plan in accordance with AASB 119 Employee Benefits that provides superannuation benefits for employees who had not transferred to UniSuper. The Scheme is administered by Tidswell Financial Services Ltd. The trustee is The University of Adelaide Superannuation Scheme A 1985 Inc. The Scheme is governed by a separate trust deed and the general laws relating to trusts and superannuation. The Scheme provides a defined benefit (or accumulated member contributions multiplied by a factor of 2.5 if this amount is greater). The Scheme is closed to new members.

| Reconciliation of the present value of the defined benefit obligation | | 2006 | 2005 |
|--|---|---------------|---------------|
| | | \$000 | \$000 |
| | Present value of defined benefit obligations at the beginning of the year | 17,780 | 17,451 |
| Add | Current service costs | 526 | 394 |
| | Interest cost | 715 | 750 |
| | Contributions by scheme participants | 57 | 55 |
| | Actuarial (gains)/losses | (2,396) | 262 |
| Less | Benefits paid | (873) | (824) |
| | Taxes, premiums and expenses paid | (443) | (308) |
| | Present value of defined benefit obligations at the end of the year | 15,366 | 17,780 |

| Reconciliation of the fair value of scheme assets | | | |
|--|--|---------------|--------------|
| | Fair value of scheme assets at the beginning of the year | 9,507 | 9,287 |
| Add | Expected return on scheme assets | 460 | 495 |
| | Actuarial gains/(losses) | 792 | 508 |
| | Employer contributions | 1,080 | 294 |
| | Contributions by scheme participants | 57 | 55 |
| Less | Benefits paid | (873) | (824) |
| | Taxes, premiums and expenses paid | (443) | (308) |
| | Fair value of scheme assets at the end of the year | 10,580 | 9,507 |

26. Superannuation Schemes – continued
(c) The University of Adelaide Superannuation Scheme A 1985 - continued
Reconciliation of the assets and liabilities recognised in the Balance Sheet

| | Note | 2006 \$000 | 2005 \$000 |
|--|------|---------------|---------------|
| Defined benefit obligation including contributions tax provision | | 15,366 | 17,780 |
| Less: Fair value of scheme assets | | (10,580) | (9,507) |
| Defined benefit fund net liability | 19 | <u>4,786</u> | <u>8,273</u> |

Expense recognised in the Income Statement

| | | | |
|---------------------------|--|------------|------------|
| Service cost | | 526 | 394 |
| Interest cost | | 715 | 750 |
| Expected return on assets | | (460) | (495) |
| Superannuation expense | | <u>781</u> | <u>649</u> |

Amounts recognised in the Statement of Recognised Income and Expense

| | | | |
|-------------------|--|----------------|--------------|
| Actuarial (gains) | | <u>(3,188)</u> | <u>(246)</u> |
|-------------------|--|----------------|--------------|

Cumulative amount recognised in the Statement of Recognised Income and Expense

| | | | |
|--|--|----------------|----------------|
| Cumulative amount of actuarial (gains) | | <u>(4,406)</u> | <u>(1,218)</u> |
|--|--|----------------|----------------|

Scheme assets

The percentage invested in each asset class at the balance sheet date:

| | | |
|----------------------|-----|-----|
| Australian equity | 18% | 19% |
| International equity | 12% | 12% |
| Fixed income | 37% | 55% |
| Property | 5% | 5% |
| Cash | 28% | 9% |

Fair value of scheme assets

The fair value of scheme assets does not include amounts relating to any of the University's own financial instruments or any property occupied by, or other assets used by the University.

Expected rate of return on scheme assets

The expected return on assets assumption is determined by weighting the expected long-term return for each asset class by the target allocation of assets to each asset class. The returns used for each asset class are net of investment tax and investment fees.

| | | |
|---------------------------------------|--------------|--------------|
| Actual return on scheme assets | <u>1,252</u> | <u>1,003</u> |
|---------------------------------------|--------------|--------------|

Principal actuarial assumptions at the balance sheet date

| | | |
|---|------|------|
| Discount rate (active members) | 5.0% | 4.4% |
| Discount rate (pensioners) | 5.9% | 5.2% |
| Expected rate of return on plan assets (active members) | 6.8% | 6.5% |
| Expected rate of return on plan assets (pensioners) | 7.5% | 5.5% |
| Expected salary increase rate | 5.0% | 5.0% |
| Expected pension increase rate | 2.5% | 2.5% |

Historical information

| | | |
|--|--------|--------|
| Present value of defined benefit obligation | 15,366 | 17,780 |
| Fair value of scheme assets at the beginning of the year | 10,580 | 9,507 |
| Deficit in scheme | 4,786 | 8,273 |
| Experience adjustments (gain) - scheme assets | (792) | (508) |
| Experience adjustments (gain) - scheme liabilities | (872) | (7) |

26. Superannuation Schemes – continued

(c) The University of Adelaide Superannuation Scheme A 1985 - continued

Expected contributions

The expected employer contributions for the year ended 31 December 2007 are \$1 million, which includes the \$0.6 million annual payment detailed below (refer to contribution recommendations).

Funding arrangements for employer contributions

The following is a summary of the most recent financial position of the University of Adelaide Superannuation Scheme A 1985 calculated in accordance with AAS 25 "Financial Reporting by Superannuation Plans".

| | 2006 |
|-----------------------------------|-----------------------|
| | \$000 |
| Accrued benefits | 12,335 |
| Net market value of scheme assets | 10,044 |
| Net (deficit) | <u><u>(2,291)</u></u> |

Contribution recommendations

The current contribution recommendations, as set out in the actuarial valuation of Scheme A 1985 as at 1 July 2004, are 14% of salaries of defined benefit members, plus \$25,000 per month, plus additional contributions in a number of situations. The University, the Trustee and the actuary have also agreed to a contribution programme to finance the current deficit whereby the University contributes \$0.6 million annually over the next four years.

Funding method

The method used to determine the employer contribution recommendations at the last actuarial review was the accrued benefit method. The method adopted affects the timing of the cost to the employer.

Under the accrued benefit method, a "normal cost" is calculated which is the estimated employer contribution rate required to provide benefits in respect of future service after the review date. The "normal cost" is then adjusted to take into account any surplus (or deficiency) of assets over the value of liabilities in respect of service prior to the review date. Any surplus or deficiency can be used to reduce or increase the "normal" employer contribution rate over a suitable period of time.

Economic assumptions

The long-term economic assumptions adopted for the last actuarial review of the scheme as at 1 July 2006 were:

| | |
|---|------------|
| Expected rate of return on assets (discount rate) | |
| active members | 6.75% p.a. |
| pensioners | 7.5% p.a. |
| Expected salary increase rate | 5.0% p.a. |
| Expected pension increase rate | 2.5% p.a. |

Nature of asset/liability

The University has recognised a liability in the balance sheet in respect of its defined benefit superannuation arrangements. The University has covenanted to ensure that the benefits as set down in the Trust Deed will be paid irrespective of the performance of Scheme A 1985.

26. Superannuation Schemes – continued

(d) State Government Superannuation Schemes

In 1991, employees of the City Campus of the South Australian College of Advanced Education and Roseworthy Agricultural College were transferred to the University. Their terms of appointment to the University protected their membership of the State Pension Scheme and State Lump Sum Scheme. The schemes are administered by the Superannuation Board of South Australia. The schemes provide defined benefits and are mainly unfunded. The only employer contributions made in 2006 were 3% of salaries, and remaining benefits are met on an emerging cost basis.

The South Australian Department of Treasury and Finance estimate that, as at 31 December 2006, there is an unfunded liability of \$43.5 million (2005 - \$42.9 million). This represents an increase in liability of \$0.6 million since 31 December 2005. This is recognised as expenditure in the 2006 Income Statement, with a corresponding adjustment to revenue.

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. Under the Commonwealth legislation titled "State Grants (General Purposes) Amendment Act 1982", the method of payment of these costs by the Commonwealth to the State Governments was promulgated. Further, the accounting methodology employed in these financial statements is in accordance with "Financial Statement Guidelines for Australian Higher Education Providers for 2006 Reporting Period" provided by DEST. The accounting treatment employed is also consistent with the approach taken by other Australian Universities. Accordingly, total assets of \$43.5 million have been recorded as a "Deferred government superannuation contribution" which offsets the current and non-current liability for the State Government Superannuation Schemes recorded as "Deferred Employee Benefits for Superannuation".

| Summary | Consolidated | | University | |
|--|---------------|---------------|---------------|---------------|
| | 2006 | 2005 | 2006 | 2005 |
| | \$000 | \$000 | \$000 | \$000 |
| Deferred Government Superannuation Contribution | | | | |
| Non-current Asset | 43,500 | 42,900 | 43,500 | 42,900 |
| Deferred Employee Benefits for Superannuation | | | | |
| Current Liability | 3,300 | 3,200 | 3,300 | 3,200 |
| Non-current Liability | 40,200 | 39,700 | 40,200 | 39,700 |
| | 43,500 | 42,900 | 43,500 | 42,900 |
| The total employer contributions were: | | | | |
| UniSuper Defined Contribution Plan or Investment Choice Plan | 19,013 | 16,823 | 19,013 | 16,823 |
| UniSuper Award Plus Plan | 8,014 | 7,640 | 8,014 | 7,640 |
| State Government Superannuation Schemes (3%) | 25 | 25 | 25 | 25 |
| The University of Adelaide Superannuation Scheme A 1985 | 112 | 114 | 112 | 114 |
| | 27,164 | 24,602 | 27,164 | 24,602 |

27. Disaggregation Information

The University predominantly operates in the field of higher education in Australia. Its primary activities are teaching and research. Income generated overseas from teaching and research activities is not significant enough so as to warrant disaggregation information disclosure.

| | Note | Consolidated | | University | |
|--|------|---------------|---------------|---------------|---------------|
| | | 2006 \$000 | 2005 \$000 | 2006 \$000 | 2005 \$000 |
| 28. Auditors' Remuneration | | | | | |
| Amounts paid or payable for assurance services were: | | | | | |
| South Australian Auditor-General | | 207 | 206 | 207 | 206 |
| Other auditors of controlled entities | | 85 | 88 | - | - |
| | | <u>292</u> | <u>294</u> | <u>207</u> | <u>206</u> |
| Amounts paid or payable for advisory services were: | | | | | |
| Other auditors of controlled entities | | 29 | 18 | - | - |
| | | <u>321</u> | <u>312</u> | <u>207</u> | <u>206</u> |

Amounts paid or payable for advisory services relates to the provision of accounting services.

29. The University Council Members and Senior Management

(a) Names of the University Council Members and Senior Management

University Council Members

| | | |
|-------------------|--|--|
| Ex officio | von Doussa QC, the Hon John William McWha, Professor James Alexander Bodman Rae, Professor John Charles Crafter, The Hon Gregory John | |
| Co-opted | Adler AO, Mr Norman Ross | |
| Appointed | Bagot, Mr Charles Castine, Ms Kate Croser AO, Mr Brian Kowalick, Mr Ian John Martin, Ms Pamela Young, Mr Stephen Elliott | |
| Elected Staff | Cecchin, Mr John Cox, Ms Rosslyn Crewther, Dr Rodney James Gill, Dr Peter Maxwell | |
| Elected Graduates | Handshin, Ms Mia Llewellyn-Smith, Mr Michael Mayfield, Dr John Medlin, Dr Edwin Harry Penniment, Dr Michael Radcliffe AM, Dr John | ceased 5/09/2006 ceased 5/09/2006 commenced 6/09/2006, deceased 1/11/2006 resigned 22/05/2006 commenced 6/09/2006 commenced 6/09/2006 |
| Student | Athanassiadis, Mr Mathew Cronin, Ms Jessica Nicholson, Mr Rowan Pearson, Mr David Rai, Ms Felicity Russell, Mr Aaron | commenced 6/03/2006 commenced 6/03/2006 ceased 5/03/2006 ceased 5/03/2006 ceased 5/03/2006 commenced 6/03/2006 |

University Senior Management

| | |
|--|--|
| McWha, Professor James McDougall, Professor Fred Johnson, Professor Alan Marsh, Professor Neville Taplin, Professor John Duldig, Mr Paul MacIntosh, Ms Susan Beilby, Professor Justin Dowd, Professor Peter Findlay, Professor Christopher Hill, Professor Robert Innes, Professor Michael Quester, Professor Pascale Rathjen, Professor Peter Stoler, Mr Andrew | commenced 6/02/2006 ceased 5/02/2006 commenced 1/08/2006 commenced 4/09/2006 ceased 1/08/2006 ceased 31/04/2006 |
|--|--|

| | | 2006 | 2005 |
|---|----|---------------|---------------|
| | | \$000 | \$000 |
| 29. The University Council Members and Senior Management - continued | | | |
| (b) Remuneration of the University Council Members and Senior Management | | | |
| University Council Members | | | |
| No remuneration was received by the University Council Members from the University during 2006 or 2005. | | | |
| University Senior Management | | | |
| Amounts paid or payable to University senior management: | | 3,460 | 3,350 |
| | | Number | Number |
| \$ | \$ | | |
| 100,000 | - | - | 1 |
| 115,000 | - | 1 | - |
| 130,000 | - | 1 | - |
| 145,000 | - | - | 1 |
| 160,000 | - | 1 | 2 |
| 175,000 | - | 1 | - |
| 190,000 | - | - | 1 |
| 205,000 | - | 1 | 2 |
| 220,000 | - | 1 | - |
| 235,000 | - | 1 | 1 |
| 250,000 | - | 1 | 2 |
| 265,000 | - | 1 | - |
| 280,000 | - | 1 | 1 |
| 415,000 | - | 1 | 1 |
| 595,000 | - | - | 1 |
| 640,000 | - | 1 | - |
| | | 12 | 13 |

The DEST Guidelines specify that executives are defined as the CEO and/or any person in a senior management position considered to be part of the University's executive group who is directly accountable and responsible for the strategic direction and operational management of the entity.

Remuneration is based upon the total remuneration package which includes employer and employee (pre tax) superannuation contributions and termination payments, due and receivable, by senior managers from the University. Certain senior managers were employed for part of the year.

30. Financial Instruments
(a) Interest Rate Risk

The Consolidated Entity has placed its investments in a portfolio managed by independent investment managers. The fund managers enter into interest rate swaps, futures contracts, interest rate options and other forms of agreements to manage cash flow risks associated with the interest rates on investments that are floating, or to alter interest rate exposures arising from mismatches in repricing dates between assets and liabilities.

| | Note | Weighted Average Effective Rate % | Floating Interest Rate \$000 | Less than 1 year \$000 | Fixed Maturity Dates | | | | | Non-Interest Bearing \$000 | Total \$000 | |
|-----------------------------------|-------|-----------------------------------|------------------------------|------------------------|----------------------|-----------------|-----------------|-----------------|----------------|----------------------------|----------------|----------------|
| | | | | | 1-2 years \$000 | 2-3 years \$000 | 3-4 years \$000 | 4-5 years \$000 | 5+ years \$000 | | | |
| 2006 | | | | | | | | | | | | |
| Financial Assets | | | | | | | | | | | | |
| Cash & Cash Equivalents | 7 | 5.60% | 93,050 | 27,433 | - | - | - | - | - | - | 322 | 120,805 |
| Receivables | 8 | 0.00% | - | - | - | - | - | - | - | - | 21,393 | 21,393 |
| Financial Assets Held for Trading | 9 | 0.00% | - | - | - | - | - | - | - | - | 99,435 | 99,435 |
| Other Financial Assets | 9, 12 | 2.59% | - | 2,425 | 94 | 117 | 117 | 117 | 660 | 660 | 3,406 | 6,936 |
| Available for Sale | 13 | 0.00% | - | - | - | - | - | - | - | - | 1,585 | 1,585 |
| | | | 93,050 | 29,858 | 94 | 117 | 117 | 117 | 660 | 660 | 126,141 | 250,154 |
| Weighted Average Interest Rate | | | 5.60% | 5.54% | 6.28% | 6.42% | 6.42% | 6.42% | 6.42% | 6.42% | 6.64% | |
| Financial Liabilities | | | | | | | | | | | | |
| Payables | 17 | 0.00% | - | - | - | - | - | - | - | - | 47,796 | 47,796 |
| Interest-bearing Liabilities | 18 | 5.83% | - | - | 1,210 | - | - | - | - | - | 75 | 1,285 |
| | | | - | - | 1,210 | - | - | - | - | - | 47,871 | 49,081 |
| Weighted Average Interest Rate | | | 0.00% | 0.00% | 5.83% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | |

30. Financial Instruments - continued

| | Note | Weighted Average Effective Rate | Floating Interest Rate | Less than 1 year | Fixed Maturity Dates | | | | | Non-Interest Bearing | Total |
|--------------------------------|-------|---------------------------------|------------------------|------------------|----------------------|--------------|--------------|--------------|--------------|----------------------|----------------|
| | | | | | 1-2 years | 2-3 years | 3-4 years | 4-5 years | 5+ years | | |
| | | % | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| 2005 | | | | | | | | | | | |
| Financial Assets | | | | | | | | | | | |
| Cash & Cash Equivalents | 7 | 5.44% | 79,504 | - | - | - | - | - | - | - | 86,585 |
| Receivables | 8 | 0.00% | - | - | - | - | - | - | - | 28,255 | 28,255 |
| Financial Assets Held for | | | | | | | | | | | |
| Trading | 9 | 0.00% | - | - | - | - | - | - | - | 86,455 | 86,455 |
| Other Financial Assets | 9, 12 | 5.80% | - | 2,094 | 94 | 117 | 117 | 117 | 777 | 2,970 | 6,194 |
| Available for Sale | 13 | 0.00% | - | - | - | - | - | - | - | 6,442 | 6,442 |
| | | | 79,504 | 9,175 | 25 | 94 | 117 | 117 | 777 | 124,122 | 213,931 |
| Weighted Average Interest Rate | | | 5.41% | 5.74% | 3.37% | 6.03% | 6.22% | 6.22% | 6.22% | 6.47% | |
| Financial Liabilities | | | | | | | | | | | |
| Payables | 17 | 0.00% | - | - | - | - | - | - | - | 41,850 | 41,850 |
| Interest-bearing Liabilities | 18 | 4.73% | - | 31 | - | - | - | - | - | 81 | 112 |
| | | | - | 31 | - | - | - | - | - | 41,931 | 41,962 |
| Weighted Average Interest Rate | | | 0.00% | 4.73% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | |

30. Additional Financial Instruments Disclosure - continued
(b) Foreign Exchange Risk

The Consolidated Entity has placed its investments in a portfolio managed by independent investment managers. The fund managers enter into forward foreign currency exchange contracts to hedge overseas fixed interest securities and a portion of overseas equities. The terms of the hedge contracts are usually less than three months.

(c) Credit Risk Exposures

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

(i) On Balance Sheet Financial Instruments

The credit risk on financial assets recognised in the Balance Sheet is the carrying amount of those assets, net of any allowances for losses.

The credit risk relating to Receivables is limited as it consists of a large number of customers across different industries and sectors, including a significant amount owing from Government customers with minimal credit risk. The credit risk relating to Cash Holdings and Investments is limited as the counterparties are banks and investment managers with high credit ratings assigned by international credit-rating agencies.

(ii) Off Balance Sheet Financial Instruments

The reporting entity and its controlled entities do not possess or trade any Off Balance Sheet Financial Instruments.

(d) Fair Values of Financial Assets and Financial Liabilities

Fair values of financial assets and financial liabilities are determined by the Consolidated Entity on the following basis:

(i) On Balance Sheet Financial Instruments

The Consolidated Entity has placed its investments in a portfolio managed by independent managers. Listed shares and equities included within these investments are traded in an organised financial market by the fund managers. The Consolidated Entity values these investments at current market value.

Monetary financial assets and financial liabilities not readily traded in an organised financial market are determined by valuing them at amounts due from customers (reduced for expected credit losses) or due to suppliers.

Bank term deposits, accounts receivable, accounts payable and bank loans are carried at nominal value which approximates fair value.

The fair value of investments in unlisted shares in other corporations is determined by reference to the underlying net assets of the respective corporations.

(ii) Off Balance Sheet Financial Instruments

The reporting entity and its controlled entities do not possess or trade any Off Balance Sheet Financial Instruments.

31. Investments in Controlled Entities

Controlled entities and contribution to operating result before elimination of consolidation items:

| Controlled Entity | Holding | | Investment at Fair Value | | Investment at Cost | | Contribution to Operating Result | |
|---|---------|------|-----------------------------|---------------|-----------------------|--------------|-------------------------------------|--------------|
| | 2006 | 2005 | 2006 | 2005 | 2006 | 2005 | 2006 | 2005 |
| | % | % | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| The Adelaide Research & Innovation Investment Trust | 100 | 100 | 7,063 | 10,248 | 2,898 | 2,898 | 3,927 | 1,248 |
| Lubims Pty Ltd | 100 | 100 | 2,916 | 2,478 | - | - | 438 | 363 |
| Martindale Holdings Pty Ltd as trustee for: | | | | | | | | |
| · JS Davies Estate | 83 | 83 | 16,514 | 16,968 | - | - | (90) | (200) |
| · JAT Mortlock Trust | 100 | 100 | 21,265 | 21,530 | - | - | 319 | 238 |
| · Roseworthy Farm | 100 | 100 | 322 | - | - | - | 44 | - |
| National Wine Centre Pty Ltd | 100 | n/a | - | - | - | - | 142 | - |
| Roseworthy Piggery Pty Ltd | 100 | n/a | 6 | - | 100 | - | (94) | - |
| | | | 48,086 | 51,224 | 2,998 | 2,898 | 4,686 | 1,649 |

All of the above controlled entities are incorporated in Australia.

JS Davies Estate

The University holds a 5/6th interest in a joint venture named JS Davies Estate, the principal activity of which is farming. This venture is managed by Martindale Holdings Pty Ltd and included in the Consolidated Entity. The remaining 1/6th is recognised as an outside equity interest.

32. Investments in Associates
(a) Equity and Contribution to Operating Result

| Associated Entity | Principal Activity | Holding | | Consolidated Carrying Amount | | Investment at Cost | |
|---|---|---------|------|------------------------------|------------|--------------------|------------|
| | | 2006 | 2005 | 2006 | 2005 | 2006 | 2005 |
| | | % | % | \$000 | \$000 | \$000 | \$000 |
| Held by the University | | | | | | | |
| Unisure Pty Ltd | Responsible for processing of Tertiary Institution Workers' Compensation Insurance. | 33 | 33 | - | - | - | - |
| Ngee Ann Adelaide Education Centre Pte Ltd | Operates a graduate education centre in Singapore. | 50 | 50 | 374 | 327 | 298 | 298 |
| Australian Centre for Plant Functional Genomics Pty Ltd | Responsible for the development of world-class capability in plant genomic research & its application for economic & social benefit to Australia. | 31 | 31 | 50 | 65 | - | - |
| Reproductive Health Science Pty Ltd | Development of a diagnostic for the reproductive market | 49 | - | 82 | - | - | - |
| | | | | 506 | 392 | 298 | 298 |

Ngee Ann Adelaide Education Centre Pte Ltd is incorporated in Singapore. All other associates are incorporated in Australia.

The University has a 25% interest in an incorporated associate, SABRENet Ltd, which has been established to further the use of advanced data networking, for the conduct of research and education in South Australia. SABRENet Ltd is not accounted for using the equity method as the University does not have access to the residual assets of the entity. During 2006 the University contributed \$91,000 to the operations of SABRENet Ltd.

| | Consolidated | | University | |
|--|--------------|------------|------------|-------|
| | 2006 | 2005 | 2006 | 2005 |
| | \$000 | \$000 | \$000 | \$000 |
| (b) Movements in Carrying Amounts of Investments in Associates | | | | |
| At beginning of financial year | 392 | 2,515 | - | - |
| Additional investment in associates | 50 | - | - | - |
| Share of operating result | 64 | (2,123) | - | - |
| | 506 | 392 | - | - |
| (c) Results Attributed to Associates | | | | |
| Operating result | 64 | (2,123) | - | - |
| Additional investment in associates | 50 | - | - | - |
| Retained surplus attributable to associates at the beginning of the financial year | 392 | 2,515 | - | - |
| Retained surplus attributable to associates at the end of the financial year | 506 | 392 | - | - |
| (d) Accounting for Associates | | | | |
| (i) Capital and Other Expenditure Commitments | | | | |
| There are no material capital and other expenditure commitments relating to associated entities. | | | | |
| (ii) Contingent Liabilities | | | | |
| There are no material contingent liabilities relating to associated entities. | | | | |
| (iii) Post Balance Date Events | | | | |
| There are no material post balance date events to report for associated entities. | | | | |
| (iv) Assets, Liabilities, Revenue and Expenditure | | | | |
| Since the above activities do not materially affect the Consolidated Entity figures, assets, liabilities, revenue and expenditure have been reported as net amounts. | | | | |
| (v) Off Balance Sheet Financial Instruments | | | | |
| Neither the Consolidated Entity, nor any of its associated entities, have any Off Balance Sheet Financial Instruments. | | | | |

32. Investments in Associates – continued

(e) Unisure Pty Ltd

The University of Adelaide is a shareholder along with the University of South Australia and Flinders University in Unisure Pty Ltd, the Associate, which manages workers' compensation claims on behalf of the three institutions. The University's interest (33.3%) in Unisure Pty Ltd is not considered to be material to the University's core activities. Consequently, the investments in the associates has not been accounted for using the equity method as per AASB 128 Investments in Associates.

Unisure Pty Ltd is the trustee of the Unisure Unit trust which holds the University's workers' compensation liabilities and the associated investment funds. As at 31 December 2006 the Unit Trust held net assets of \$5.119 million on behalf of the University of Adelaide (2005: \$5.387 million).

The University has incorporated its share of the financial transactions of the Unisure Unit Trust into the University column of the Financial Statements.

33. Interests in Joint Ventures

(a) Groups

The University participates in a number of joint ventures. For reporting purposes these have been segregated into three groups as follows:

(i) Cooperative Research Centres

CRCs have the characteristics of joint ventures. These operations are not material to the University and there is no separate disclosure for 2006 in accordance with the Australian Accounting Standard AASB 131 Interests in Joint Ventures.

A CRC is a research initiative of the Australian Government established to pursue specific areas of research. One of the desired outcomes of a CRC is the creation of specific intellectual property with commercial value. The participants in CRCs are an amalgam of research institutions, eg CSIRO, universities and private enterprise. Direct participants in these schemes are vested with joint venture interest. The funding of the CRC is co-ordinated through a Centre Agent who is appointed generally from one of the participating entities.

Funding transfers between the CRC and the University are accounted for as general revenue and expenditure.

| | | Participation | |
|--|-----|----------------------|-----|
| CRC for Greenhouse Gas Technologies | (U) | (C) | 11% |
| CRC for Welded Structures Ltd | (I) | (C) | 7% |
| CRC for Molecular Plant Breeding | (U) | - | 18% |
| CRC for Clean Power from Lignite | (U) | (C) | 9% |
| CRC for Sensor Signal and Information Processing | (U) | - | 13% |
| CRC for Viticulture | (U) | (C) | 6% |
| CRC for Water Quality and Treatment | (U) | (C) | 4% |
| CRC for Australian Weed Management | (U) | (C) | 6% |
| CRC for Plant-Based Management of Dryland Salinity | (U) | (C) | 4% |
| CRC for Landscape Environments and Mineral Exploration | (U) | (C) | 8% |
| CRC for Aquafin | (U) | (C) | - |
| CRC for NPB Ltd | (I) | (C) | - |
| Beef CRC Limited | (I) | (C) | 10% |
| Pork CRC Ltd | (I) | - | 26% |
| eWater Ltd | (I) | (C) | 2% |
| Desert Knowledge | (U) | (C) | - |

(I) Incorporated

(U) Unincorporated

(C) CSIRO is a partner

The University is a supporting participant (but not a signatory) for the CRC for Aquafin and is an associate participant for the Desert Knowledge CRC under the terms of an Associate Agreement entered into with Ninti One Limited the CRC management company acting as centre agent.

The University over the next seven years will make both cash and in-kind contributions to support the work of the CRCs. The University has committed to participate in the work of these CRCs, with contributions in constant dollars, of \$2.0 million in cash (2005: \$2.6 million) and \$22.6 million in kind (2005: 31.8 million).

33. Interests in Joint Ventures - continued
(ii) Joint Ventures Accounted for Using the Equity Method

| Name | Principal Activity | Participation |
|--|--|---------------|
| Middleback Field Centre | To provide pastoral-zone courses and range land ecology research programmes. | (U) 33% |
| Professional Certificate in Arbitration (previously - National Course in General Arbitration & Dispute Resolution) | To develop and deliver tertiary courses in arbitration. | (U) 50% |
| South Australian Centre for Economic Studies | To obtain quality research regarding regional economic development with particular application to South Australia. | (U) 50% |
| South Australian Tertiary Admissions Centre | Established as the agent for tertiary institutions in Adelaide for the purpose of receiving and processing applications from intending students. | (U) 25% |
| South Australian Consortium for Information Technology & Telecommunications | Represents the three South Australian Universities by providing a focal point for the State in pursuing & winning major research funding in IT & T. | (I) 33% |
| Ethics Centre of South Australia (ECSA) | ECSA draws on expertise from the three SA Universities to conduct research and provide education and advice on ethical issues. ECSA also aims to provide discussion and understanding of ethical issues in the SA community. | (U) 33% |
| Water Ed Australia Pty Ltd | A centre of leadership and innovation in collaborative water resources management education and training. | (I) 20% |
| Monoclonal Antibodies South Australia (MAbSA) | Responsible for the development of monoclonal antibodies for the research market. | (U) 50% |
| (I) Incorporated | (U) Unincorporated | |

All Joint Ventures have a 31 December reporting period, except for South Australian Tertiary Admissions Centre and Water Ed Australia Pty Ltd, which have a 30 June reporting period.

The Consolidated Entity's reported interest in the assets employed in the joint ventures totals \$2,823,000 (2005-\$2,451,000). These are included in the consolidated Balance Sheet, in accordance with the accounting policy described in note 3(I).

(b) Equity and Contribution to Operating Result

| Joint Venture Entity | | | Consolidated Carrying Amount | | Investment at Cost | |
|---|------|------|------------------------------|--------------|--------------------|-----------|
| | 2006 | 2005 | 2006 | 2005 | 2006 | 2005 |
| | % | % | \$000 | \$000 | \$000 | \$000 |
| Held by the University | | | | | | |
| Middleback Field Centre | 33% | 33% | 29 | 31 | - | - |
| Professional Certificate in Arbitration | 50% | 50% | 69 | 49 | 65 | 65 |
| South Australian Centre for Economic Studies | 50% | 50% | 115 | 88 | - | - |
| South Australian Tertiary Admissions Centre | 25% | 25% | 291 | 334 | - | - |
| South Australian Consortium for Information Technology & Telecommunications | 33% | 33% | 969 | 972 | - | - |
| Ethics Centre of South Australia | 33% | 33% | 36 | 24 | - | - |
| Monoclonal Antibodies South Australia (MAbSA) | 50% | 0% | 9 | - | - | - |
| Water Ed Australia Pty Ltd | 20% | 20% | 1,305 | 953 | 70 | - |
| | | | 2,823 | 2,451 | 135 | 65 |

33. Interests in Joint Ventures - continued

| | Consolidated | | University | |
|--|--------------|--------------|------------|-------|
| | 2006 | 2005 | 2006 | 2005 |
| | \$000 | \$000 | \$000 | \$000 |
| (c) Movements in Carrying Amounts of Joint Ventures | | | | |
| At beginning of financial year | 2,451 | 2,423 | - | - |
| Share of operating result | 302 | 28 | - | - |
| Additional investment in joint ventures | 70 | - | - | - |
| | 2,823 | 2,451 | - | - |
| (d) Results Attributed to Joint Ventures | | | | |
| Operating result | 302 | 28 | - | - |
| Additional investment in joint ventures | 70 | - | - | - |
| Retained surplus attributable at the beginning of the financial year | 2,451 | 2,423 | - | - |
| Retained surplus attributable at the end of the financial year | 2,823 | 2,451 | - | - |

(e) Accounting for Joint Ventures
(i) Capital and other expenditure commitments

There are no material capital and other expenditure commitments relating to joint ventures.

(ii) Contingent Liabilities

There are no known material contingent liabilities relating to joint ventures.

(iii) Post Balance Date Events

There are no material post balance date events to report for joint ventures.

(iv) Assets, Liabilities, Revenue and Expenditure

Since the above activities do not materially affect the University group figures, assets, liabilities, revenue and expenditure have been reported as net amounts.

(v) Off Balance Sheet Financial Instruments

Neither the reporting entity, nor any of its joint ventures, have any Off Balance Sheet Financial Instruments.

34. Related Parties
(a) Parent entity

The ultimate parent entity within the group is the University of Adelaide.

(b) Controlled entities, joint ventures and associated entities

Investments in controlled entities are detailed in note 31, investments in associates are detailed in note 32 and interests in joint ventures are detailed in note 33.

(c) Council members and senior management

Disclosures relating to the University Council Members and Senior Management are detailed in note 29.

(d) Councillor Related Transactions

Certain Councillors are members of incorporated and unincorporated associations that are an integral part of the University. Transactions between these bodies, the University and Council members, in respect of services provided to Council members, are trivial and domestic in nature.

Certain Council members hold positions and interests in entities that provide goods and services to the University and its subsidiaries. The provision of these goods and services is on normal trading terms.

(e) Property Leases

The University is the lessor of long term leases at peppercorn rents to the CSIRO, Australian Wine Research Institute and SARDI. On this land, these organisations have erected or leased buildings. These buildings become property of the University at the termination of the lease.

The University and the CSIRO are partners in a number of Cooperative Research Centres - refer to Note 33.

(f) Fees Paid To Members of Council

No remuneration was paid to any members of Council, or members of its standing committees for the financial year in their role as councillor or members of those committees. Some members of Council are employees of the University or were contractors of the University, and as such receive remuneration in the course of their employment with the University.

(g) Students at The University of Adelaide

From time to time, Council members will have members of their immediate family who are students at the University. Unless specifically stated within the financial statements, such students are subject to the normal fee structure and scholarships as any other students. This also applies to members of Council who are enrolled as students.

The following information being Note 35 to Note 40 has been prepared in accordance with the DEST reporting guidelines.

35. Income Statement for the Year Ended 31 December 2006

| | Note | Consolidated | | University | |
|--|-------|----------------|----------------|----------------|----------------|
| | | 2006 \$000 | 2005 \$000 | 2006 \$000 | 2005 \$000 |
| REVENUE FROM CONTINUING OPERATIONS | | | | | |
| Australian Government financial assistance | | | | | |
| Australian Government grants | 36 | 228,975 | 211,142 | 228,975 | 211,142 |
| HECS-HELP - Australian Government payments | 36(b) | 41,671 | 44,338 | 41,671 | 44,338 |
| Other Australian Government loan programmes | 36(b) | 5,078 | 5,478 | 5,078 | 5,478 |
| State and Local Government financial assistance | 38 | 27,042 | 16,894 | 26,759 | 16,674 |
| HECS- HELP - student payments | | 9,773 | 10,215 | 9,773 | 10,215 |
| Fees and charges | 39 | 87,441 | 78,814 | 87,083 | 77,480 |
| Investment income | | 29,180 | 21,656 | 27,071 | 19,550 |
| Royalties, trademarks and licenses | 4 | 2,049 | 1,563 | 708 | 115 |
| Consultancy and contract revenue | 40 | 45,915 | 37,333 | 29,335 | 24,553 |
| Net Gains on disposal of assets | | 2,908 | 381 | - | 322 |
| Other revenue | | 34,686 | 34,719 | 17,332 | 23,414 |
| Sub-total | | 514,718 | 462,533 | 473,785 | 433,281 |
| Deferred government superannuation contributions | | 600 | 4,600 | 600 | 4,600 |
| Total operating revenue from continuing operations | | 515,318 | 467,133 | 474,385 | 437,881 |
| Share of net profits/(losses) of associates and joint ventures accounted for using the equity method | | 366 | (2,095) | - | - |
| Total revenue from continuing operations | | 515,684 | 465,038 | 474,385 | 437,881 |
| EXPENSES FROM CONTINUING OPERATIONS | | | | | |
| Employee benefits | 5 | 259,008 | 231,784 | 248,797 | 224,466 |
| Depreciation and amortisation | 5 | 20,759 | 22,050 | 19,936 | 21,169 |
| Buildings and grounds | 5 | 32,134 | 25,896 | 30,892 | 25,896 |
| Bad and doubtful debts | 5 | 717 | 854 | 652 | 828 |
| Finance costs | 5 | 143 | 163 | 143 | 157 |
| Scholarships, grants and prizes | | 21,622 | 20,524 | 21,622 | 20,524 |
| Non-capitalised equipment | 5 | 9,547 | 12,148 | 9,494 | 12,160 |
| Advertising, marketing and promotional expenses | | 4,449 | 2,615 | 4,449 | 2,512 |
| Net Losses on disposal of assets | 5 | - | - | 1,495 | - |
| Other expenses | | 128,165 | 106,651 | 100,927 | 87,377 |
| Sub-total | | 476,544 | 422,685 | 438,407 | 395,089 |
| Deferred Government employee benefits for superannuation | | 600 | 4,600 | 600 | 4,600 |
| Total expenses from continuing operations | | 477,144 | 427,285 | 439,007 | 399,689 |
| Operating result from continuing operations | | 38,540 | 37,753 | 35,378 | 38,192 |
| Operating result from discontinued operations | | 359 | (418) | - | - |
| Net operating result for the year | | 38,899 | 37,335 | 35,378 | 38,192 |

| | Note | Consolidated | | University | |
|--|------|---------------|---------------|---------------|---------------|
| | | 2006 \$000 | 2005 \$000 | 2006 \$000 | 2005 \$000 |
| 36. Australian Government Financial Assistance | | | | | |
| (a) DEST - Commonwealth Grants Scheme and Other DEST Grants | | | | | |
| Commonwealth Grants Scheme | | 78,751 | 70,035 | 78,751 | 70,035 |
| Indigenous Support Fund | | 472 | 401 | 472 | 401 |
| Equity Programmes | | 178 | 174 | 178 | 174 |
| Workplace Reform Programme | | 1,075 | 1,037 | 1,075 | 1,037 |
| Capital Development Pool | | 2,129 | - | 2,129 | - |
| Superannuation Programme | | 2,590 | 2,370 | 2,590 | 2,370 |
| Collaboration & Structural Reform Programme | | 20 | 73 | 20 | 73 |
| Workplace Productivity Programme | | 112 | - | 112 | - |
| | | 85,327 | 74,090 | 85,327 | 74,090 |
| (b) Higher Education Loan Programmes | | | | | |
| HECS-HELP (Australian Government payments only) | | 41,671 | 44,338 | 41,671 | 44,338 |
| FEE-HELP | | 5,078 | 5,478 | 5,078 | 5,478 |
| OS-HELP | | 356 | 222 | 356 | 222 |
| | | 47,105 | 50,038 | 47,105 | 50,038 |
| (c) Scholarships | | | | | |
| Australian Postgraduate Awards | | 4,381 | 4,461 | 4,381 | 4,461 |
| International Postgraduate Research Scholarships | | 899 | 860 | 899 | 860 |
| Commonwealth Education Costs Scholarships | | 543 | 314 | 543 | 314 |
| Commonwealth Accommodation Scholarships | | 886 | 592 | 886 | 592 |
| | | 6,709 | 6,227 | 6,709 | 6,227 |
| (d) DEST Research: | | | | | |
| Institutional Grants Scheme | | 16,371 | 16,311 | 16,371 | 16,311 |
| Research Training Scheme | | 29,757 | 29,640 | 29,757 | 29,640 |
| Systemic Infrastructure Initiative | | - | - | - | - |
| Research Infrastructure Block Grants | | 14,248 | 13,773 | 14,248 | 13,773 |
| | | 60,376 | 59,724 | 60,376 | 59,724 |
| (e) Australian Research Council | | | | | |
| (i) Discovery | | | | | |
| Projects | | 11,089 | 10,677 | 11,089 | 10,677 |
| Fellowships | | 966 | 1,438 | 966 | 1,438 |
| Indigenous Researchers Development | | - | 15 | - | 15 |
| | | 12,055 | 12,130 | 12,055 | 12,130 |
| (ii) Linkages | | | | | |
| Special Research Initiatives | | 57 | 56 | 57 | 56 |
| Infrastructure | | 785 | 1,968 | 785 | 1,968 |
| International | | 120 | 303 | 120 | 303 |
| Projects | | 4,265 | 3,781 | 4,265 | 3,781 |
| | | 5,227 | 6,108 | 5,227 | 6,108 |
| (iii) Networks and Centres | | | | | |
| Networks | | 624 | 613 | 624 | 613 |
| Centres | | 3,007 | 4,784 | 3,007 | 4,784 |
| | | 3,631 | 5,397 | 3,631 | 5,397 |

| | Note | Consolidated | | University | |
|---|------|----------------|----------------|----------------|----------------|
| | | 2006 \$000 | 2005 \$000 | 2006 \$000 | 2005 \$000 |
| 36. Australian Government Financial Assistance - continued | | | | | |
| (f) Other Australian Government financial assistance received: | | | | | |
| Attorney General's Department | | - | 20 | - | 20 |
| Australian Centre for International Agricultural Research | | 413 | 426 | 413 | 426 |
| Australian Institute of Health and Welfare | | 674 | - | 674 | - |
| Bureau of Meteorology | | - | 40 | - | 40 |
| CSIRO | | 814 | 271 | 814 | 271 |
| Defence, Science and Technology Organisation | | 2,214 | 2,228 | 2,214 | 2,228 |
| Department of Agriculture, Fisheries and Forestry | | 16,731 | 11,194 | 16,731 | 11,194 |
| Department of Communications, IT and the Arts | | 728 | 790 | 728 | 790 |
| Department of Defence | | 50 | 150 | 50 | 150 |
| Department of Education, Science and Training | | 181 | 1,708 | 181 | 1,708 |
| Department of Environment and Heritage | | 272 | 226 | 272 | 226 |
| Department of Foreign Affairs and Trade | | - | 10 | - | 10 |
| Department of Health and Aged Care | | 32,510 | 29,586 | 32,510 | 29,586 |
| Department of Immigration, Multicultural and Indigenous Affairs | | - | 28 | - | 28 |
| Department of Industry, Tourism and Resources | | - | 14 | - | 14 |
| Department of Veterans' Affairs | | 111 | - | 111 | - |
| Other | | 596 | 553 | 596 | 553 |
| | | 55,294 | 47,244 | 55,294 | 47,244 |
| Reconciliation | | | | | |
| Australian Government grants | | 228,975 | 211,142 | 228,975 | 211,142 |
| HECS-HELP - Australian Government payments | | 41,671 | 44,338 | 41,671 | 44,338 |
| Other Australian Government loan programmes | | 5,078 | 5,478 | 5,078 | 5,478 |
| | | 275,724 | 260,958 | 275,724 | 260,958 |
| (g) Australian Government grants received - cash basis | | | | | |
| CGS and Other DEST grants | | 85,327 | 74,252 | 85,327 | 74,252 |
| Higher Education Loan Programmes | | 50,425 | 50,002 | 50,425 | 50,002 |
| Scholarships | | 6,709 | 6,227 | 6,709 | 6,227 |
| DEST research | | 60,376 | 59,724 | 60,376 | 59,724 |
| ARC Grants - Discovery | | 12,162 | 12,217 | 12,162 | 12,217 |
| ARC Grants - Linkages | | 5,449 | 6,459 | 5,449 | 6,459 |
| ARC Grants - Networks and Centres | | 3,631 | 5,397 | 3,631 | 5,397 |
| Other Australian Government grants | | 46,522 | 46,694 | 46,522 | 46,694 |
| | | 270,601 | 260,972 | 270,601 | 260,972 |
| OS-Help (Net) | | (453) | 453 | (453) | 453 |
| | | 270,148 | 261,425 | 270,148 | 261,425 |

37. Acquittal of Australian Government Financial Assistance

(a) DEST - Commonwealth Grants Scheme and Other DEST Grants

Parent Entity (University) Only

| | Notes | Commonwealth Grants Scheme | | Indigenous Support Fund | | Equity Programmes | | Workplace Reform Programme | | Capital Development Pool | |
|---|-------|----------------------------|--------|-------------------------|-------|-------------------|-------|----------------------------|-------|--------------------------|-------|
| | | 2006 | 2005 | 2006 | 2005 | 2006 | 2005 | 2006 | 2005 | 2006 | 2005 |
| | | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Financial assistance received in cash during the reporting period | | 78,751 | 70,197 | 472 | 401 | 178 | 174 | 1,075 | 1,037 | 2,129 | - |
| Net accrual adjustments | | - | (162) | - | - | - | - | - | - | - | - |
| Revenue for the period | 36(a) | 78,751 | 70,035 | 472 | 401 | 178 | 174 | 1,075 | 1,037 | 2,129 | - |
| Surplus/(Deficit) from the previous year | | - | - | - | - | - | - | - | - | - | - |
| Total revenue including accrued revenue | | 78,751 | 70,035 | 472 | 401 | 178 | 174 | 1,075 | 1,037 | 2,129 | - |
| Total expenses including accrued expenses | | 78,751 | 70,035 | 472 | 401 | 178 | 174 | 1,075 | 1,037 | 2,129 | - |
| Surplus/(Deficit) for the reporting period | | - | - | - | - | - | - | - | - | - | - |

37. Acquittal of Australian Government Financial Assistance - continued

Parent Entity (University) Only

(a) DEST - Commonwealth Grants Scheme and Other DEST Grants - continued

| | Notes | Superannuation Programme | | Collaboration & Structural Reform Programme | | Workplace Productivity Programme | | Total | |
|---|-------|--------------------------|-------|---|-------|----------------------------------|-------|--------|--------|
| | | 2006 | 2005 | 2006 | 2005 | 2006 | 2005 | 2006 | 2005 |
| | | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Financial assistance received in cash during the reporting period | | 2,590 | 2,370 | 20 | 73 | 112 | - | 85,327 | 74,252 |
| Net accrual adjustments | | - | - | - | - | - | - | - | (162) |
| Revenue for the period | 36(a) | 2,590 | 2,370 | 20 | 73 | 112 | - | 85,327 | 74,090 |
| Surplus/(Deficit) from the previous year | | - | - | - | - | - | - | - | - |
| Total revenue including accrued revenue | | 2,590 | 2,370 | 20 | 73 | 112 | - | 85,327 | 74,090 |
| Total expenses including accrued expenses | | 2,590 | 2,370 | 20 | 73 | 112 | - | 85,327 | 74,090 |
| Surplus/(Deficit) for the reporting period | | - | - | - | - | - | - | - | - |

37. Acquittal of Australian Government Financial Assistance - continued

(b) Higher Education Loan Programmes Parent Entity (University) Only

| | Notes | HECS-HELP (Australian Government payments only) | | FEE-HELP | | OS-HELP | | Total | |
|---|-------|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | | 2006 \$000 | 2005 \$000 | 2006 \$000 | 2005 \$000 | 2006 \$000 | 2005 \$000 | 2006 \$000 | 2005 \$000 |
| Financial assistance received in cash during the reporting period | | 43,613 | 44,338 | 6,456 | 5,442 | 356 | 222 | 50,425 | 50,002 |
| Net accrual adjustments | | (1,942) | - | (1,378) | 36 | - | - | (3,320) | 36 |
| Revenue for the period | 36(b) | 41,671 | 44,338 | 5,078 | 5,478 | 356 | 222 | 47,105 | 50,038 |
| Surplus/(Deficit) from the previous year | | - | - | - | - | - | - | - | - |
| Total revenue including accrued revenue | | 41,671 | 44,338 | 5,078 | 5,478 | 356 | 222 | 47,105 | 50,038 |
| Total expenses including accrued expenses | | 41,671 | 44,338 | 5,078 | 5,478 | 356 | 222 | 47,105 | 50,038 |
| Surplus/(Deficit) for the reporting period | | - | - | - | - | - | - | - | - |

37. Acquittal of Australian Government Financial Assistance - continued

(c) Scholarships

Parent Entity (University) Only

| | Notes | Australian Postgraduate Awards | | International Postgraduate Research Scholarships | | Commonwealth Education Costs Scholarships | | Commonwealth Accommodation Scholarships | | Total | |
|---|-------|--------------------------------|-------|--|-------|---|-------|---|-------|-------|-------|
| | | 2006 | 2005 | 2006 | 2005 | 2006 | 2005 | 2006 | 2005 | 2006 | 2005 |
| | | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Financial assistance received in cash during the reporting period | | 4,381 | 4,461 | 899 | 860 | 543 | 314 | 886 | 592 | 6,709 | 6,227 |
| Net accrual adjustments | | - | - | - | - | - | - | - | - | - | - |
| Revenue for the period | 36(c) | 4,381 | 4,461 | 899 | 860 | 543 | 314 | 886 | 592 | 6,709 | 6,227 |
| Surplus/(Deficit) from the previous year | | 317 | 160 | - | - | 12 | - | 70 | 8 | 399 | 168 |
| Total revenue including accrued revenue | | 4,698 | 4,621 | 899 | 860 | 555 | 314 | 956 | 600 | 7,108 | 6,395 |
| Total expenses including accrued expenses | | 4,126 | 4,304 | 899 | 860 | 481 | 302 | 702 | 530 | 6,208 | 5,996 |
| Surplus/(Deficit) for the reporting period | | 572 | 317 | - | - | 74 | 12 | 254 | 70 | 900 | 399 |

37. Acquittal of Australian Government Financial Assistance - continued

(d) DEST Research

Parent Entity (University) Only

| | Notes | Institutional Grants Scheme | | Research Training Scheme | | Systemic Infrastructure Initiative | | Research Infrastructure Block Grants | | Total | |
|---|-------|-----------------------------|--------|--------------------------|--------|------------------------------------|-------|--------------------------------------|--------|--------|--------|
| | | 2006 | 2005 | 2006 | 2005 | 2006 | 2005 | 2006 | 2005 | 2006 | 2005 |
| | | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Financial assistance received in cash during the reporting period | | 16,371 | 16,311 | 29,757 | 29,640 | - | - | 14,248 | 13,773 | 60,376 | 59,724 |
| Net accrual adjustments | | - | - | - | - | - | - | - | - | - | - |
| Revenue for the period | 36(d) | 16,371 | 16,311 | 29,757 | 29,640 | - | - | 14,248 | 13,773 | 60,376 | 59,724 |
| Surplus/(Deficit) from the previous year | | - | - | - | - | 10 | 31 | - | (448) | 10 | (417) |
| Total revenue including accrued revenue | | 16,371 | 16,311 | 29,757 | 29,640 | 10 | 31 | 14,248 | 13,325 | 60,386 | 59,307 |
| Total expenses including accrued expenses | | 16,371 | 16,311 | 29,757 | 29,640 | 10 | 21 | 14,248 | 13,325 | 60,386 | 59,297 |
| Surplus/(Deficit) for the reporting period | | - | - | - | - | - | 10 | - | - | - | 10 |

37. Acquittal of Australian Government Financial Assistance - continued

(f) Australian Research Council Grants - Linkages

Parent Entity (University) Only

| | Notes | Special Research Initiatives | | | | | | Infrastructure | | | International | | | Projects | | | Total | | |
|---|-------|------------------------------|-------|-------|-------|-------|-------|----------------|-------|-------|---------------|-------|-------|----------|-------|-------|-------|-------|--|
| | | 2006 | | 2005 | | 2006 | | 2005 | | 2006 | | 2005 | | 2006 | | 2005 | | 2006 | |
| | | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | |
| Financial assistance received in cash during the reporting period | | 57 | 56 | 785 | 1,968 | 269 | 331 | 4,338 | 4,104 | 5,449 | 6,459 | | | | | | | | |
| Net accrual adjustments | | - | - | - | - | (149) | (28) | (73) | (323) | (222) | (351) | | | | | | | | |
| Revenue for the period | 36(e) | 57 | 56 | 785 | 1,968 | 120 | 303 | 4,265 | 3,781 | 5,227 | 6,108 | | | | | | | | |
| Surplus/(Deficit) from the previous year | | 54 | - | 771 | 220 | 292 | 137 | 1,750 | 1,649 | 2,867 | 2,006 | | | | | | | | |
| Total revenue including accrued revenue | | 111 | 56 | 1,556 | 2,188 | 412 | 440 | 6,015 | 5,430 | 8,094 | 8,114 | | | | | | | | |
| Total expenses including accrued expenses | | 99 | 2 | 943 | 1,417 | 321 | 148 | 3,781 | 3,680 | 5,144 | 5,247 | | | | | | | | |
| Surplus/(Deficit) for the reporting period | | 12 | 54 | 613 | 771 | 91 | 292 | 2,234 | 1,750 | 2,950 | 2,867 | | | | | | | | |

37. Acquittal of Australian Government Financial Assistance - continued

(g) Australian Research Council Grants - Networks and Centres

Parent Entity (University) Only

| | Notes | Networks | | Centres | | Total | |
|---|-------|---------------|---------------|---------------|---------------|---------------|---------------|
| | | 2006 \$000 | 2005 \$000 | 2006 \$000 | 2005 \$000 | 2006 \$000 | 2005 \$000 |
| Financial assistance received in cash during the reporting period | | 624 | 613 | 3,007 | 4,784 | 3,631 | 5,397 |
| Net accrual adjustments | | - | - | - | - | - | - |
| Revenue for the period | 36(e) | 624 | 613 | 3,007 | 4,784 | 3,631 | 5,397 |
| Surplus/(Deficit) from the previous year | | 585 | 280 | 355 | 97 | 940 | 377 |
| Total revenue including accrued revenue | | 1,209 | 893 | 3,362 | 4,881 | 4,571 | 5,774 |
| Total expenses including accrued expenses | | 591 | 308 | 3,362 | 4,526 | 3,953 | 4,834 |
| Surplus/(Deficit) for the reporting period | | 618 | 585 | - | 355 | 618 | 940 |

| | Consolidated | | University | | |
|--|--------------|---------------|---------------|---------------|---------------|
| | 2006 | 2005 | 2006 | 2005 | |
| | Note | \$000 | \$000 | \$000 | |
| 38. State and Local Government Financial Assistance | | | | | |
| (a) South Australian Government and Local Government financial assistance | | | | | |
| Arts South Australia | | 54 | 105 | 54 | 105 |
| Bio Innovation SA | | 2,072 | 2,102 | 2,009 | 2,102 |
| Central Northern Adelaide Health Service | | 2,151 | 2,372 | 2,151 | 2,372 |
| Department for Environment and Heritage | | 460 | 237 | 460 | 237 |
| Department for Families and Communities | | 20 | 140 | 20 | 140 |
| Department of Further Education, Employment, Science and Technology | | 2,622 | 2,247 | 2,622 | 2,247 |
| Department of Health | | 2,262 | 1,072 | 2,262 | 1,072 |
| Department of the Premier and Cabinet | | 262 | 339 | 262 | 339 |
| Department of Primary Industries & Resources | | 10,967 | 1,751 | 10,967 | 1,751 |
| Department of Education & Children Services | | 11 | 156 | 11 | 156 |
| Department for Trade and Economic Development | | 30 | 211 | 30 | 211 |
| Department for Transport, Energy and Infrastructure | | 578 | 727 | 578 | 727 |
| Department of Water, Land and Biodiversity Conservation | | 710 | 649 | 710 | 649 |
| Institute of Medical and Veterinary Science | | 36 | 118 | 36 | 118 |
| Motor Accident Commission | | 595 | 650 | 595 | 650 |
| Office for the Commissioner for Public Employment | | 5 | 70 | 5 | 70 |
| Police Department SA | | 150 | 150 | 150 | 150 |
| Public Trustee Office | | 25 | 19 | 25 | 19 |
| Repatriation General Hospital | | 6 | 25 | 6 | 25 |
| Royal Adelaide Hospital | | 1,894 | 1,568 | 1,894 | 1,568 |
| South Australian Dental Service | | 141 | 79 | 141 | 79 |
| South Australian Museum | | 234 | 219 | 234 | 219 |
| Southern Adelaide Health Service | | 89 | 565 | 89 | 565 |
| Southern York Peninsula Health Commission | | 220 | 220 | - | - |
| Children, Youth and Women's Health Service | | 645 | 468 | 645 | 468 |
| Workcover Corporation | | 14 | 11 | 14 | 11 |
| Other | | 444 | 158 | 444 | 158 |
| Total South Australian Government and Local Government financial assistance | | 26,697 | 16,428 | 26,414 | 16,208 |
| (b) Other State Government and Local Government financial assistance | | 345 | 466 | 345 | 466 |
| Total State and Local Government financial assistance | | 27,042 | 16,894 | 26,759 | 16,674 |

| | Note | Consolidated | | University | |
|---|------|---------------|---------------|---------------|---------------|
| | | 2006 \$000 | 2005 \$000 | 2006 \$000 | 2005 \$000 |
| 39. Fees and Charges | | | | | |
| Fees and charges were collected from the following sources during the reporting period: | | | | | |
| Student fee income | 4 | 71,033 | 60,091 | 71,033 | 60,091 |
| Library charges and fines | 4 | 882 | 963 | 882 | 963 |
| Application management and late fees | 4 | 564 | 482 | 564 | 482 |
| Parking fees | 4 | 929 | 734 | 929 | 734 |
| Rental charges/accommodation fees | 4 | 8,279 | 5,447 | 7,921 | 5,447 |
| Recharge of costs to other organisations | 4 | 1,019 | 3,999 | 1,019 | 3,999 |
| Franchise fees | 4 | 978 | 939 | 978 | 939 |
| Other | | 3,757 | 6,159 | 3,757 | 4,825 |
| | | 87,441 | 78,814 | 87,083 | 77,480 |
| 40. Consultancy and Contract Revenue | | | | | |
| Consultancy | | 18,001 | 15,318 | 4,882 | 4,716 |
| Contract research | | 27,914 | 22,015 | 24,453 | 19,837 |
| | | 45,915 | 37,333 | 29,335 | 24,553 |



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