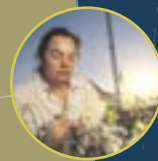
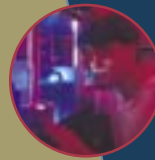


THE UNIVERSITY OF ADELAIDE
Annual Report 2002





Message from the Vice-Chancellor



THE UNIVERSITY
OF ADELAIDE
AUSTRALIA

The University of Adelaide can look back on 2002 as a year when we not only consolidated our financial situation, but also made significant strides in a number of key areas.

Before I expand on our successes over the past 12 months, I want to single out my predecessor Professor Cliff Blake, who laid the groundwork for what we achieved in 2002. I wish to thank him for steering the University so ably through a critically important transition period.

The most significant feature of 2002 was achieving an operating surplus of \$12.4 million, compared with an operating deficit of \$6.4 million in 2001. When the results of University subsidiaries are added, the consolidated result is a surplus of \$15.7 million.

This is an excellent achievement and reflects well on the hard work of all staff to achieve the necessary restructure. The primary reasons for the turnaround are related to the effects of the staff restructure and growth in revenues outstripping growth in expenditure.

Another highlight was the repaying of all debt and the completion of significant capital programs relating to the lower level development and enterprise system implementation.

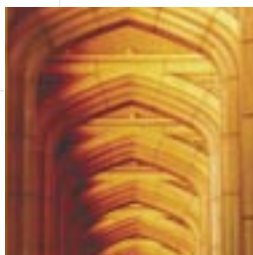
The Australian Universities Quality Audit (AUQA) occurred in October. In AUQA's subsequent report on the University, we were praised for our thorough and exhaustive self-assessment. In fact, many of the findings of the report were identified in our own self-analysis.

The University will incorporate the planned improvements from its Performance Portfolio and the recommendations from the AUQA report into an Action Plan that will feed into other institutional plans over the coming years.

Student numbers at the University continue to rise with a total actual student load (EFTSU) of 12,949 in 2002 compared to 11,908 in 2001. Our total international student load also increased significantly in 2002 and that trend is expected to continue.

The University of Adelaide is continuing to make significant strides. With our positive attitude and approach, a highly committed staff and a clear direction for the next few years, we can look forward to many more achievements.

Professor James A. McWha
Vice-Chancellor



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Report of the Council of The University of Adelaide for the period 1 January 2002 to 31 December 2002.

To Her Excellency, the Honourable Marjorie Jackson-Nelson, AC, CVO, MBE,
Governor of South Australia.

May it please Your Excellency, I have the honour to transmit to your Excellency
the Report of the Council of The University of Adelaide for the period 1 January
2002 to 31 December 2002, furnished in compliance with Section 25 of the
University of Adelaide Act 1971.

Robert Champion de Crespigny
Chancellor



2002 at a glance

Chancellor

Mr Robert Champion de Crespigny AC

Vice-Chancellor

Professor CD Blake AO (to 5 August)

Professor James A McWha (from 6 August)

Financial Statistics

	2002	2001
Consolidated operating Revenue	371.377	325.502
University operating revenue	338.340	297.296
Consolidated research grants, fees and other research revenue	79.349	69.328
International Student Fees	27.616	21.297

Source: University of Adelaide audited financial statements.

Staff Statistics

	2002	2001
Full-time and Fractional Full-time Staff FTE*	2,055	2,105
Academic	929	929
Non-academic	1,126	1,176

Source: DEST selected higher education staff statistics

* FTE: Full time equivalent.

Student Numbers ¹

	2002	2001
Total students (persons)	15,064	13,603
Male	7,695	7,068
Female	7,389	6,535
Undergraduates	11,721	10,822
Higher Degree research	1,337	1,205
Higher Degree coursework	832	588
Other Postgraduate	972	801
Aboriginal and Torres Strait Islander	128	106
Other (enabling, non-award)	202	188
Total Actual Student Load (EFTSU) ²	12,949	11,908

Source: DEST Selected Higher Education Statistics – Students

1. Student numbers are at 31 March for students with Submission 1 load (excluding cross institution)

2. Student load (EFTSU) is as at 31 August.



Campuses

North Terrace
Roseworthy
Thebarton
Waite

Faculties

Engineering, Computer and Mathematical Sciences
Health Sciences
Humanities and Social Sciences
Professions
Sciences

Commonwealth-Funded Research Centres

National Research Centres

Funded by the Australian Research Council
Special Research Centre for the Molecular Genetics of Development
Special Research Centre for the Subatomic Structure of Matter
Funded by the Australian Research Council and Grains Research and Development Corporation
Australian Centre for Plant Functional Genomics
Funded by the National Health and Medical Research Council
Program for Early Origins of Adult Disease
Program for Understanding the Human Genome: Molecular Mechanisms of Genetic Disease

Cooperative Research Centres

CRC for Australian Petroleum
CRC for Australian Weed Management
CRC for Biological Control of Pest Animals
CRC for Cattle and Beef Quality
CRC for Clean Power from Lignite
CRC for Freshwater Ecology
CRC for Landscape Environments and Mineral Exploration
CRC for Molecular Plant Breeding
CRC for Plant-Based Management of Dryland Salinity
CRC for Sensor Signal and Information Processing
CRC for Smart Internet Technology
CRC for Tissue Growth and Repair
CRC for Viticulture
CRC for Water Quality and Treatment
CRC for Welded Structures



2002 at a glance continued

University-Designated Research Centres

Australian Research Centre for Population Oral Health
Centre for Applied Modelling in Water Engineering
Centre for Biomedical Engineering
Centre for Computer Systems and Software Engineering
Centre for Evolutionary Biology and Biodiversity
Centre for High Performance Computing and Applications
Centre for High Performance Integrated Technologies and Systems
Centre for Infrastructure Diagnosis, Assessment and Rehabilitation
Centre for International Economic Studies (incorporating Chinese Economies Research Centre)
Centre for Internet Technology Research
Centre for Labour Research
Centre for Physiology of Early Development
Centre for Plant Root Symbioses
Institute for Geometry and its Applications
National Centre for Petroleum Geology and Geophysics
South Australian Institute for Theoretical Physics (incorporating National Institute for Theoretical Physics)

Faculty Research Groups/Units

Adelaide Fire Safety Research Unit
Centre for Australian Indigenous Research and Studies
Centre for Asian and Middle Eastern Architecture
Centre for Functional Genomics in the Productivity and End-use Quality of Cereals
Centre for the History of Food and Drink
Colgate Australian Clinical Dental Research Centre
Convergent Communications Research Group
Dental Statistics and Research Unit
Disabilities Research Unit
Discourse and Rhetoric Unit
Food Technology Research Group
Forensic Odontology Unit
Franco-Australian Centre for International Research in Marketing
Geographic Information Systems Cooperative of Adelaide
Human Cognitive and Applied Decision Making Research Unit
Joanna Briggs Institute for Evidence Based Nursing
Power System Dynamics Research Group
Primary Mental Health Care Research Centre
Research Centre for South East Asian Ceramics
Road Accident Research Unit
TRC Mathematical Modelling
Turbulence Energy and Combustion Group



Joint University Units

South Australian Centre for Economic Studies
South Australian Centre for Parallel Computing
South Australian Centre for Rural and Remote Health

Key Research/Teaching Affiliations

Art Gallery of South Australia
Australian Wine Research Institute
Commonwealth Scientific and Industrial Research Organisation
Institute of Medical and Veterinary Science
Lyell McEwin Health Service
Modbury Public Hospital
Museum of Migration and Settlement
Primary Industry and Resources South Australia
Queen Elizabeth Hospital
Royal Adelaide Hospital
Royal Zoological Society
South Australian Museum
South Australian Research and Development Institute
State Library of South Australia
Tandanya National Aboriginal Cultural Institute
Women's and Children's Hospital



External Environment

The most significant event on the external horizon in 2002 was the major **Review of Higher Education** announced by the Minister for Education, Science and Training, the Hon Dr Brendan Nelson MP. In April, the Minister released “Higher Education at the Crossroads”, an overview paper designed to initiate debate on key areas of concern.



The **University’s response**, endorsed by University Council, was submitted to DEST on 28 June and outlined a series of general principles that the University considered should underpin the Commonwealth’s response to the issues raised in “Higher Education at the Crossroads”. These were:

Allocation of public subsidies

- Transferable student tuition scholarships
- Removal of cap on enrolments
- Universities to set their own fees
- Expansion of income-contingent loans and equity scholarship schemes

Efficiency and effectiveness

- Decoupling of research and teaching components of operating grant funding
- All research funding to be either contestable or performance-based
- Expanded role for State governments in strategic regional initiatives

Governance, management and workplace relations

- State governments to facilitate diversity among Australia’s universities
- The Commonwealth to ensure greater staffing flexibility through workplace relations reform.

The Department of Education, Science and Training also released a series of “issues” papers on specific themes, to which the University also responded. These were:

- Striving for Quality: learning, teaching and scholarship
- Setting Firm Foundations: financing Australian higher education
- Varieties of Excellence: diversity, specialisation and regional engagement
- Achieving Equitable and Appropriate Outcomes: Indigenous Australians in higher education
- Meeting the Challenges: the governance and management of universities
- Varieties of Learning: the interface between higher education and vocational education and training.

In 2002, the **Productivity Commission report**, “University Resourcing: Australia in an International Context”, was released. The report contains comparable information on the resourcing of higher education institutions in Australia and other countries. It was commissioned by the Commonwealth Government as an input to the Review of Higher Education.

Early in 2002 the South Australian Government established the **Economic Development Board (EDB)** to develop a new strategic approach to the development of the State.

The EDB’s two key tasks were to prepare a status report on the state of the South Australian economy, and a strategic plan for the economic development of the State.

The first part of the status report, “The State of the State” was released in November. The report identified five key issues that will shape the development of South Australia’s economy – population, export capability, government efficiency, higher education and finance. Its Higher Education paper recommended, inter alia, that the State Government:

- implement a centralised coordinating structure for strengthening communication links between the three universities
- adopt an incentive-based structure to encourage the universities to engage with and support change
- establish a Higher Education Council to promote synergies across the universities and other higher education institutions.



The report of the Commonwealth Government’s Review of Australian Education International (AEI) was released in 2002. AEI was established in 1998 to undertake generic promotion abroad on behalf of the Australian education and training industry. The Review found that AEI had been relatively successful with regard to developing the education export market and coordinating generic promotion with government-to-government work. However, it had been less successful in whole of government coordination and in working in partnership with industry.

The Report’s recommendations assume continued Government funding for AEI, but provide for significant amendment of its objectives and planning processes, the ways in which it develops its markets, stakeholder relationships, and collaboration with government and industry.





In March, the University appointed its **19th Vice-Chancellor**. A graduate of Queen's University, Belfast, and Glasgow University, Professor James McWha came to the University from Massey University in New Zealand, where he was Vice-Chancellor and President. Professor McWha took up his appointment on 6 August.

In August, the University also farewelled Professor Cliff Blake, who had taken on the role of Vice-Chancellor at short notice following the resignation of Professor Mary O'Kane in August 2001, and steered the University through a critically important transition period.

Early in 2002 **Professor David Penington** submitted his report on the **committees of Council and their function**.

The report recommended significant changes to the governance of the University, principally that:

- the University of Adelaide Act be amended
- the functions and membership of Committees of Council be defined
- reporting lines and delegations of authority to Committees and officers be defined.

Council conducted a weekend workshop on 22-23 March to consider the Penington Report. Subsequently, at its meeting on 29 April 2002, Council approved the establishment of the following Standing Committees:

- Academic Board
- Audit and Compliance Committee
- Convenors' Committee
- Finance Committee
- Personnel Committee.



A further Committee – Student Affairs – was also established as an advisory committee to the Vice-Chancellor.

To give effect to the Council's decision, all existing committees of Council, including the Academic Board, were dissolved with effect from 1 May 2002, and reconstituted on 2 May 2002.

Early in 2002, Council approved the Vice-Chancellor's recommendation that the University should be known only by its statutory name, "The University of Adelaide". This followed a two-year period during which the more informal name, "Adelaide University", had been used for marketing purposes. Council also agreed that the University should continue its practice of using a stylised version of its armorial bearings in print and electronic publications.

Mr Brian Croser AO was re-elected unopposed as Deputy Chancellor for a three year term from June 2002. **Two new Council members** were appointed in 2002 – Mr Ian Kowalick and Mr Stephen Young. Professor Graeme Dandy also joined the Council as an elected academic member.

In September, the University community was saddened by the death of **Professor Sir Geoffrey Badger AO**, who was Vice-Chancellor from 1967 to 1977.

Council Members as at 31 December 2002

Ex officio members:

Mr Robert Champion de Crespigny AC (Chancellor)
Professor James McWha (Vice-Chancellor)

Appointed members:

Mr Ross Adler AO
Ms Christine Charles
Mr Brian Croser AO (Deputy Chancellor)
Mr Ian Kowalick
Ms Pamela Martin
Dr Helen Reid OAM
Mr Stephen Young

Co-opted Member:

The Hon Gregory Crafter

Elected (Senate):

Mr Michael Abbott, QC
Dr Harry Medlin (Emeritus Senior Deputy Chancellor)
The Hon Justice John Perry

Elected (Academic Staff):

Dr Rodney Crewther
Professor Graeme Dandy
Dr Peter Gill

Elected (General Staff):

Mr John Cecchin JP
Ms Janet Dibb-Smith

Student Members:

Ms Carol Foy
Mr Mark Henderson
Ms Helen Kavanagh

Standing Committees of Council:

Academic Board –
Convenor, Professor Maciej Henneberg

Audit and Compliance Committee –
Convenor, Ms Pamela Martin

Convenors Committee –
Convenor, Mr Robert Champion de Crespigny AC

Finance Committee –
Convenor, Mr Ross Adler AO

Personnel Committee –
Convenor, Mr Brian Croser AO

Senior Managers at 31 December 2002:

Deputy Vice-Chancellor (Education) and Provost
Professor Penny Boumelha

Deputy Vice-Chancellor (Research)
Professor Edwina Cornish

Pro Vice-Chancellor (International)
Professor Ian Young

Executive Director, Student and Staff Services
Ms Susan Macintosh

Executive Director, Finance and Infrastructure
Mr Paul Duldig

Executive Dean, Faculty of Engineering,
Computer and Mathematical Sciences
Professor Ian Young

Executive Dean, Faculty of Health Sciences
Professor Derek Frewin

Executive Dean, Faculty of Humanities
and Social Sciences
Professor Michael Innes

Executive Dean, Faculty of Professions
Professor Fred McDougall

Executive Dean, Faculty of Sciences
Professor Peter Rathjen





Planning, Restructuring, Management

The University's **Strategic Plan 2002-2005**, approved by Council in November 2001, was developed to provide a framework for the conduct of the University's immediate business following the departure of Professor Mary O'Kane in August 2001, and more particularly, for the preparation of the Performance Portfolio required for audit in 2002 by the Australian Universities Quality Agency (AUQA).

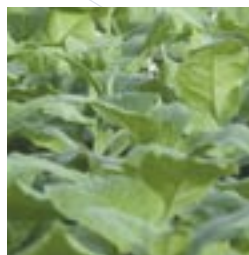
The **AUQA academic audit** of the University of Adelaide occurred between 14–16 October, 2002. The Agency operates independently of governments and the higher education sector and is responsible for conducting and reporting on the quality audits of all self-accrediting institutions and accreditation agencies over a five year rolling cycle.

In addressing the aims of the quality audit, every academic and administrative unit in the University was required to engage in a process of self-assessment to check whether the implementation of its strategies for quality assurance accorded with the University's mission and objectives. From this whole-of-institution approach, the following issues were addressed and reported on in a performance portfolio: Governance and Leadership, Research and Research Training, Learning and Teaching, Community Service and Outreach and Internationalisation.

The portfolio was submitted to AUQA in July and a five-member panel with representatives from universities and industry, both national and international, and one Audit Director from AUQA conducted the three-day audit at the University. The audit panel's role was to triangulate the claims made in the portfolio against documentation and interviews conducted in sessions. The panel spoke to over 200 staff, students and external stakeholders.

The self-assessment/audit exercise will be extremely useful in assisting the University in identifying its strengths and weaknesses and in suggesting strategies for quality improvement. The audit process that was adopted provided extensive feedback on all academic activities and the services that support them. The University will incorporate the planned improvements from its portfolio and the recommendations from the AUQA report into an Action Plan that will feed into other institutional plans over the coming years.

Late in 2002 the Vice-Chancellor instigated a process to complement the Strategic Plan through the development of:



- A Planning Framework Document setting out the University's values and vision
- A five-year University Plan identifying specific medium-term goals
- An annual Operational Plan specifying actions and targets.

This process of directional planning will take place over most of 2003.

The new **Office of Planning and Development** formally came into existence in January 2002. Its role is to support the strategic and operational activities of the University's management through the preparation of background reports, the collection, analysis and dissemination of key data, the coordination of quality assurance processes, and related planning and policy activities.

The major new faculty structures approved in 2001 were put into effect during 2002. Science and Agricultural and Natural Resource Sciences were merged into the Faculty of Sciences, with four Schools – Agriculture and Wine, Earth and Environmental Sciences, Chemistry and Physics, and Molecular and Biomedical Science.

Humanities and Social Sciences was restructured into four Schools and two Centres – the Schools of History and Politics, Social Science, Humanities, and the Elder School of Music, the Centre for Australian Indigenous Studies and Research, and the Centre for Social Science Research.

The new Faculty of the Professions comprises the Adelaide Graduate School of Business (formerly the Graduate School of Management), the Schools of

Architecture, Landscape Architecture and Urban Design, Commerce, Economics, Law and the Graduate School of Education.

In the Faculty of Engineering, Computer and Mathematical Sciences, all existing departments were renamed as Schools.

Two of the University's senior academic management team retired during the course of the year. They were **Dr Alastair Blake**, Executive Dean of the Faculty of Science, and **Professor Malcolm Oades**, Executive Dean of the Faculty of Agricultural and Natural Resource Sciences. In addition, the **University Secretary** (formerly the Director, Executive Services), Ms Susan Graebner, resigned late in the year. **New Executive Deans** were appointed to head the Faculties of Sciences (Professor Peter Rathjen), Humanities and Social Sciences (Professor Michael Innes), and the Professions (Professor Fred McDougall).

A number of Strategic Reviews were conducted or concluded during 2002. These included Reviews of the School of Computer Science, the Departments of Pure and Applied Mathematics, the School of Economics, and the Higher Degrees by Research Program.

Plans for a new **Strategic Communications Office** were approved in the second half of the year. The office, to be located in the portfolio of the Executive Director, Student and Staff Services, brings together marketing, media, web and publications staff in a consolidated office under a proposed new Director. As part of a **reorganisation**



of **central administrative services** following the resignation of the University Secretary, the Alumni, Community Relations and Development Office was transferred to the Student and Staff Services portfolio. Heritage/Works of Art, compliance and corporate information functions, and the Council Secretariat were located with the Division of Finance and Infrastructure, with Gene Technology and Ethics moved to the portfolio of the Deputy Vice-Chancellor (Research). Also within the Student and Staff Services portfolio, the Prospective Students' Office, the Careers Service and Student Centre were consolidated in a new office of Student Information and Services.

On 1 July 2002 the University became subject to the Freedom of Information Act SA (1991). Council approved a **Freedom of Information Policy**, which was developed to inform the University's response to FOI requests.

Financial Results

The University achieved an **operating surplus** of \$12.4m in 2002 compared with an operating deficit of \$6.4m in 2001. When the results of University subsidiaries are added, the consolidated result was a surplus of \$15.7m. This is an excellent achievement and reflects well on the hard work of many people in the University to achieve the necessary restructure. It is important to note however, that as is usual in University finances, this surplus includes some capital revenues and other grant revenues received in advance. If these are removed, the 2002 result for the University is closer to break-even. The primary reasons for the turn-around in the University's finances are related to the effects of the staff restructure, and growth in revenues outstripping growth in expenditure.

One highlight of the year was the **repaying of all debt** of the University, and the **completion of significant capital programs** relating to the lower level development and enterprise system implementation. As has been stated previously, the University's balance sheet is strong, but careful management is required to ensure the University's operating performance remains within acceptable parameters.

Learning and Teaching

The University established a new Learning and Teaching Development Unit (LTDU) in 2002. It incorporates the Advisory Centre for University Education, Mathematics Learning Centre and Online Learning and Teaching Unit.



The role of the LTDU is to provide academic staff development, undergraduate study support, pedagogical support in the use of technology, and informed leadership to the community on matters concerning learning and teaching.

A major new web-based initiative called **MyUni** was introduced in 2002 to provide an online presence for all of the University's courses. MyUni was the result of a partnership between the Learning and Teaching Development Unit and Information Technology Services, and followed more than 12 months planning and testing by staff and students.

The key features of the system are:

- A web-based software platform that holds an entry for every academic course in addition to staff development initiatives
- Personalised access for all staff and students
- Support services that include an Online Education Helpdesk and an integrated support site for MyUni instructors and students
- An educational and quality program that includes training for instructors and students.

As well as the delivery of academic course materials, MyUni is also used for other programs such as Library Skills tutorials and Occupational Health and Safety training for staff.

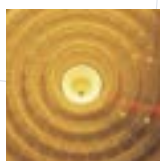
Feedback has highlighted the ability to obtain up to date information in course materials, the flexibility the system offers in accessing course content when students have part-time work, and improved communication between staff and students as positive outcomes of MyUni.

A new **Centre for Australian Indigenous Research and Studies** was established this year. Located within the Faculty of Humanities and Social Sciences, the Centre comprises two key existing indigenous units, Wilto Yerlo and the Centre for Aboriginal Studies in Music (CASM). The Centre will bring Indigenous education and research more fully into the University's academic life and strengthen the current activities and services of both Wilto Yerlo and CASM.

The University's Dental School was awarded **full accreditation** for a maximum period of seven years in 2002, and is now the only Australian dental school to hold this level of accreditation. Adelaide was one of the first dental schools in the world to move to a problem-based learning curriculum, and its approach is now a model for dental schools in other countries. The Medical School also received maximum accreditation from the Australian Medical Council, as did the Department of Psychology from the Australian Psychological Society.

A new **Education Centre for Innovation and Commercialisation** in the Faculty of Engineering, Computer and Mathematical Sciences has brought together the popular Masters program in Science and Technology Commercialisation and the expertise of the Faculty's Enterprise Education Group, which has been teaching programs in entrepreneurship, project management and innovation since 1996.

Two Adelaide students won more than \$50,000 in a business planning competition run by the University and Hewlett-Packard Australia. The team of Jeremy



Glaros and Andrew Richards won the second annual University of Adelaide **Entrepreneurs Challenge** by planning a business venture around its roofing idea. Four of the five finalists in the competition contained students undertaking a Graduate Diploma in Business Enterprise through the newly-established Education Centre for Commercialisation and Innovation.

The National Centre for Petroleum Geology and Geophysics was one of four institutions world-wide to receive a **"Next Generation"** award from World Oil. This identifies the University of Adelaide, with Aberdeen, Oklahoma and Texas A&M, as one of the top institutions for petroleum education.

Professional and Continuing Education's newly-established **English Language Centre** entered into a contract with Waseda University, Tokyo, to provide an online English language tutorial program with face-to-face instruction using video. The program will be combined with a new internship program that allows University of Adelaide students to spend eight weeks at Waseda University as English language tutors. The year also saw a significant increase in the number of Japanese students coming to Adelaide to participate in the Centre's four-week English language and culture program.

In Thailand, the Joanna Briggs Institute, a joint initiative of the University of Adelaide and the Royal Adelaide Hospital, opened a collaborative **Centre for Evidence-Based Nursing and Midwifery** at

the University of Chiang Mai. The new Centre is expected to have a positive impact on the teaching of nursing at Chiang Mai University.

2002 was a year of significant strategic achievements in support of learning, teaching, research and community outreach for the **Barr Smith Library**. Major shifts were made in virtual access to resources around the clock. The year was dominated by the implementation of **Voyager**, the new library system jointly acquired with Flinders University and the University of South Australia. Voyager has delivered dramatic improvement in the Web interface for Library services and collections, more personalised service delivery, and advances in regional co-operation.

A joint strategic initiative, between the Learning and Teaching Development Unit and the University Secretary, established a **Digital Resources Management Centre** in the Library. The Centre provides a digitalisation service for copyright materials, stores the resultant reusable digital learning objects on a central server and provides, through the Library catalogue, links for academic use of these objects in MyUni. The Centre ensures compliance with the University's copyright obligations.

In co-operation with the Executive Deans of the faculties, it was possible to make a leap in electronic access to the research journal literature and to implement a number of electronic full text journal packages, increasing online desk top access to current journal titles by 16,000 titles in all disciplines. The Web was further exploited, through digitalisation projects in Special Collections, to bring some of the Library's outstanding print and manuscript research collections to scholars worldwide.

Student Enrolment by Program Level

	2002	2001
Higher Degree Research	1,337	1,205
Higher Degree Coursework	832	588
Other Postgraduate	972	801
Bachelor	11,381	10,479
Other Undergraduate	340	343
Enabling Programs	40	38
Non-award Programs	162	149
Total students (persons)	15,064	13,603

Source: DEST Selected Higher Education Statistics - Students

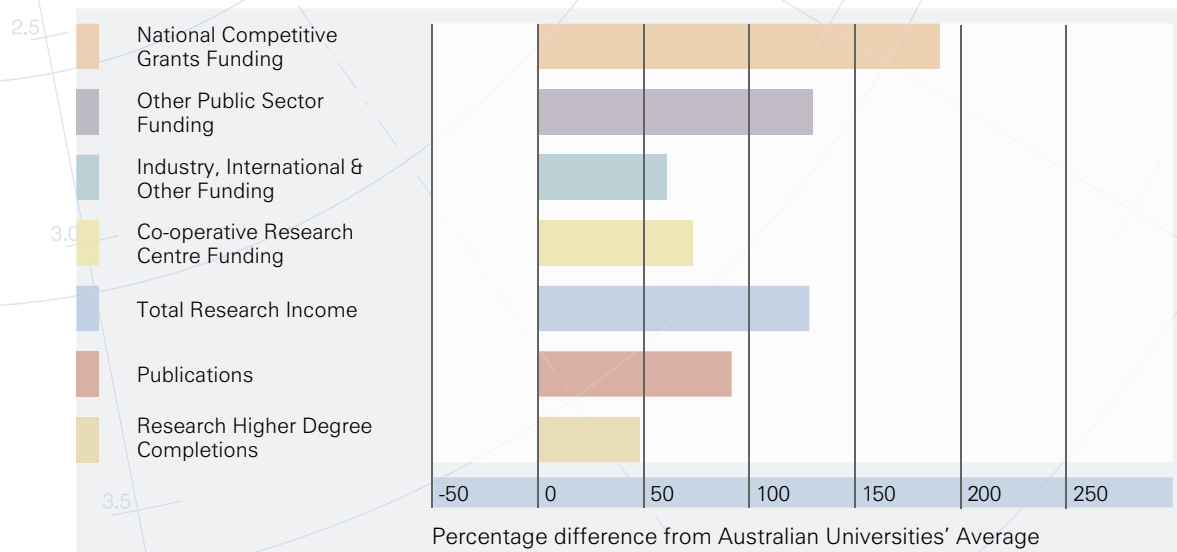




Research and Research Training

The University of Adelaide is recognised as one of Australia's leading research universities. The University earns the **highest total research funding per capita** in Australia and directly contributed in excess of \$120 million to South Australia's research and development activity in 2002.

The University of Adelaide's Total Research Performance compared to the Australian Universities Average*



* Based on the average of the 38 members of the Australian Vice-Chancellors' Committee (AVCC). Source: AVCC time series 2001

Using various indicators of research performance from funding awarded through to higher degree completion rates, the University of Adelaide's achievements far exceed the average performance of the Australian universities.

In December 2002, the Prime Minister announced four new **National Research Priorities** to focus Commonwealth investment in key research areas aimed at delivering significant economic, social and environmental benefits to Australia. The National Research Priorities are: An Environmentally Sustainable Australia; Promoting and Maintaining Good Health; Frontier Technologies for Building and Transforming Australian Industries; and Safeguarding Australia. The University of Adelaide is well-placed to make an important contribution to all four priority areas. Through the development of strong cross-institutional collaborations and partnerships, research at Adelaide will continue to encompass a broad range of research activities that address significant research questions and provide a direct benefit to Australia's economic and social wellbeing.

In 2002 Professor Graeme Hugo from Geographical and Environmental Studies was awarded the only **Federation Fellowship** to a researcher based at a South Australian university. Professor Hugo secured a \$1.125 million fellowship for his research project, "The new paradigm of international migration to and from Australia: dimensions, causes and implications". Professor Hugo's work identifies emerging trends of migration, examines global and domestic drivers of movement, explores the economic, social and demographic consequences of migration, and draws out implications for immigration and population policy. Professor Hugo's work will make a significant contribution to the national policy debate on immigration.

In 2002, the University of Adelaide and its research partners in the teaching hospitals were awarded more than \$20 million of **National Health and Medical Research Council (NHMRC) funding**. This was the third highest amount awarded nationally and the highest amount *per capita* of any Australian University. A **Program Grant of \$8.3 million** over five years was awarded to Professor Rob Norman's

research team from Obstetrics and Gynaecology to investigate women's reproductive health. Professor Norman's team will undertake basic research on how eggs within the ovary prepare for fertilisation, how embryos develop after fertilisation and how a successful pregnancy is initiated. The research team has already established close commercial ties with entities such as Repromed to facilitate the transfer of its research findings into new treatments. With infertility affecting one in six couples in this country, the work undertaken by the team has the potential to bring about major improvements in women's reproductive health in Australia.

The University of Adelaide has continued to be recognised for the quality of its research with the award of nearly \$10.9 million in the 2002 **Australian Research Council (ARC) funding** round for projects commencing in 2003. The University will receive more than \$8.2 million in large Discovery-Projects grants for 36 research projects, \$1.3 million in Linkage-Projects funding for nine research projects linked to industry partners and almost \$1.5 million in four grants under the Linkage-Infrastructure Equipment and Facilities (LIEF) program towards new equipment and facilities based at the University. The University's achievements under the LIEF program will contribute to a growing critical mass in research infrastructure in South Australia. **New facilities to be established** at the University with ARC funding are: a regional facility for molecular evolution and ecology, a high-speed cell sorter and analyser, a supercomputing facility, and a new spectroscope for wine and biotechnology research.

The University of Adelaide was successful in its bid to host a new \$32 million **Australian Centre for Plant Functional Genomics** at the Waite. The bioscience plant research centre will be funded by the ARC, the Grains Research and Development Corporation (GRDC) and the South Australian state government. The Centre will play a key role in the growth of the agricultural bioscience industry, developing molecular breeding technologies for the grain industries. The Centre will be the only one of its kind in Australia and will employ approximately 100 scientists. A new purpose-designed building at the Waite campus will be home to the Waite-based research team together with the University's commercial bioscience venture partners.

To place the wheat breeding program at the University of Adelaide and the South Australian Research & Development Institute (SARDI) on a



sound commercial footing, a new wheat breeding company was established in June 2002 to develop and commercialise new wheat varieties. **Australian Grain Technologies Pty Ltd** was formally incorporated in 2002 by the University of Adelaide, the State Government of South Australia (through SARDI) and the GRDC. The establishment of the new company will better capture the technological benefits from the advances in gene technology, and other technology germane to crop improvement; position the Australian wheat breeding industry to operate in the more commercial environment generated through the private investment in gene technology; and build on the considerable strengths of the current Australian wheat breeding industry for the competitive advantage of the Australian wheat grower.

These two new initiatives in plant breeding reinforce the University of Adelaide's place at the forefront of national and international developments in plant breeding from discovery to commercialisation.

South Australia's reputation as a world leader in road accident research has been further strengthened with the creation of a new centre in **automotive safety research**. The Centre will be based at the Road Accident Research Unit of the University of Adelaide and will receive \$1 million per year over the next 10 years from the State Government. The Centre will collaborate with the automotive industry



and the other two South Australian universities in order to grow into an international centre of excellence in occupant and pedestrian safety.

The University of Adelaide will be a key partner in a new \$43.5 million national biotechnology Centre of Excellence, the **National Centre for Stem Cell Science**. The Centre will consolidate research and development efforts across Australia in stem cell biology and medicine. Other key partners in the Centre are Monash University, the Victor Chang Cardiovascular Research Institute, the Peter MacCallum Cancer Institute, the Australian National University, the Swinburne University of Technology and the Australian Genome Research Facility. The Adelaide-based company BresaGen Ltd, a spin-off from the University, and ES Cell International will be the two **key commercial partners** in the Centre. The Centre will bring real benefits to South Australia through further product development by BresaGen and the development of other spin-off companies.

There is a great diversity of important research on water quality, soil loss and land use at the University. Researchers at the University have a particular depth of expertise in soil and landscape degradation processes in Australian catchments and in the management of water quality. International links in this field were further strengthened by the establishment in 2002 of joint laboratories in Soil Biology and Soil Environment Science at the

University of Adelaide and the Research Centre for Eco-Environmental Sciences (RCEES) at the Chinese Academy of Sciences. The establishment of joint laboratories in Beijing and Adelaide was a 'first' for Australia.

The University of Adelaide performed well in the round of Commonwealth Government funding for **Co-operative Research Centres (CRCs)** announced in December 2002. The University was a partner in eight successful CRC applications: Greenhouse Gas Technologies, Plant-based Management of Dryland Salinity, Molecular Plant Breeding, Poultry, Desert Knowledge, Oral Health Science, Environmental Biotechnology and Viticulture. It is estimated the University will receive approximately \$20 million over the next seven years through these eight particular CRCs.

Geological research and study in South Australia received a major boost in 2002 with the siting of a key government education and training centre at the University of Adelaide. The University's participation in the **Cooperative Research Centre for Landscape Environments and Mineral Exploration (LEME)** and leadership of the Education and Training program will attract more than \$12 million in Federal Government funding over five years. The bid was made by the University's Department of Geology and Geophysics in partnership with Primary Industries Research SA and the CSIRO.

In 2002 the Australian Wine Research Institute (AWRI) and CSIRO Plant Industry led a successful consortium of research agencies and other parties including the University of Adelaide to establish the **National Wine Industry Research Cluster (NWIRC)** at the Waite campus. The Federal Government will provide \$4.5 million towards this \$10.4 million Major National Research Facility to develop facilities and infrastructure for the wine and grape industry and a new company, NWIRC Pty Ltd, was formed in 2002. NWIRC links viticulture and oenological research, and was recently recognised with an SA Great Award. Located at the Waite campus and including the Australian Wine Research Institute, this multi-million dollar research facility is generating substantial improvements in the industry.

The recent upgrading and expansion of the **Australian Genome Research Facility (AGRF)** led to an agricultural node of the facility being located at the University of Adelaide. The AGRF provides state-of-the-art facilities for large scale genetic discovery by Australian research organisations and industry. Dedicated facilities for agricultural plant and animal genotyping and the development of cost effective genotyping and mapping tools serve both breeding and developmental research for Australian food production, agriculture and forestry. The Adelaide facility is responsive to the needs of the agricultural community and its initial focus has been on large scale DNA isolation and BAC library construction and curation. The AGRF infrastructure allows Australia to operate at the leading edge of international biological research.

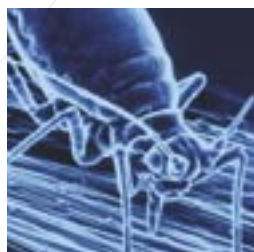
A new **high-tech microchip testing facility** was formally opened at the University in August. The facility is one of five around Australia which form the National Networked Tele-Test Facility for Integrated Systems (NNTTF). The NNTTF was established with the support of a \$4.75 million grant from the Commonwealth Government. The State Government and the University funded the South Australian node. The first of its type in Australia,



the Adelaide testing facility will enable defence, research and development organisations, and the manufacturing industry to test and prototype the latest microchip designs. The NNTTF will be of benefit to both industry and the University, as microchips designed in Adelaide will no longer have to be sent overseas to be tested.

The three South Australian universities formed the **South Australian Partnership for Advanced Computing (SAPAC)** to be the primary organisation for advanced and high-performance computing in South Australia. SAPAC will serve the high-performance computation (HPC) needs of a wide range of researchers. University of Adelaide researchers attracted substantial ARC funding for the construction and installation of a state-of-the-art, supercomputing facility that will be available to all academic and industrial researchers in South Australia with advanced HPC needs.

In 2002, a project to review the University's **policies and guidelines for involvement in trading activities**, commercialisation of trading activities, and investment in these activities was begun. The first stage of the project involved a review of the Governance Models for identified commercial activities. As an adjunct to the project, work also began on the creation of a **Directors' register**, initially for all University-owned companies, and then to be expanded for all University entities.





Additionally, workshops were held as part of the University's new **Directors' training program**.

The University IP protection for 2002 included 13 provisional patents, 9 PCT's (Patent Co-operation Treaty), 17 patent applications, 2 granted patents and 3 PBR's (Plant Breeder's Right) - an increase of around 159% from 2001. The majority of this activity was in the field of biotechnology. Income from licences and royalties increased by approximately 220% from 2001 to 2002.

An Adelaide team co-ordinated by Adelaide Research & Innovation Pty Ltd participated in the international biotechnology convention Bio2002 to promote the University's medical and agricultural biotechnology capacity. **Bio2002** is the world's largest biotechnology convention and more than 15,000 participants from 52 countries attended in 2002.

Research training at the University aims to equip its research postgraduate students to become leaders in their chosen fields, be that within academia, industry or the wider community. The **achievements of Adelaide postgraduates** continue to be recognised internationally. In 2002 research students at the University's National Centre for Petroleum Geology and Geophysics were awarded Grants-in-Aid from the American Association of Petroleum Geologists. These highly competitive grants are awarded to only the top 4-5% of postgraduate applicants worldwide. In the discipline of Physics, PhD student Melanie Johnston-Hollitt



was one of only nine scientists throughout the world in her field to be awarded the prestigious Young Scientist Award by the world's peak radio science body, the Union Radio-Scientifique Internationale.

The **consolidation of the Adelaide Graduate Centre** in one location in 2002 helped provide a focus for research education at the University, promoting a first-class experience for students while simplifying research training management and administration. Learning support and professional development programs are now being provided through the Adelaide Graduate Centre. In September a new Dean of Graduate Studies, Professor Neville Marsh, was appointed to provide leadership to the Centre. Professor Marsh brings a wealth of experience in policy development, quality assurance and innovation in graduate studies to the Dean's position.

During 2002, the University made a strategic decision to significantly increase its activities within China. China has been widely recognised as being one of the fastest growing educational markets in the world and an area where high quality education is in great demand.

In order to address the significant demand from China, the University commenced the **development of a series of articulation programs**. Under these programs, students study for two years within China and then transfer to the University of Adelaide for a further two years of study, before taking out a University of Adelaide degree. Successful programs have been developed at the Huazhong University of Science and Technology, Wuhan, in computer science and at the Dongbei University of Finance and Economics, Dalian, in commerce. In addition, the University has built on its existing research strengths by developing a **Memorandum of Understanding with the Chinese Academy of Sciences**. The Academy is the peak scientific body in China and the Memorandum of Understanding will significantly aid joint research between the Academy and the University of Adelaide.

In order to build additional pathways for international students to enter the University, the University entered into a **joint venture agreement with Bradford College** for the delivery of foundation studies and degree transfer programs. These programs will enable students to develop high quality language and background education required for them to meet the University's entry requirements. Initial enrolments within the College have been very encouraging with approximately 130 students enrolling for programs leading to entry to the University.

During 2002, the University established a **new integrated International Office**. The office provides a single point of enquiry for both recruiting and



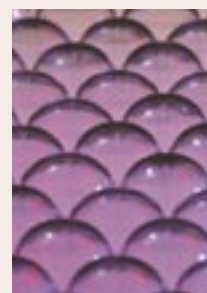
admission processes related to international students. As such, international students wishing to enter the University can be assured of a seamless process from the first point of contact with the University to the time that they arrive in Adelaide to commence their studies.

During 2002 there was a further **expansion of the University's joint venture program in Singapore** (the Ngee Ann-Adelaide Education Centre). New programs were delivered at the Centre in the Bachelor of Computer Science and Master of Applied Finance. These add to the existing MBA and Graduate Diploma in Environmental Studies, which are delivered at the Centre.

Trends in International Student Enrolments 1998 - 2002

	1998	1999	2000	2001	2002
Total international student load	1,257	1,363	1,418	1,413	1,965
Number of countries represented	74	64	64	66	80
Income from fees (m)	19.1	21.5	19.8	21.3	27.6

Source: Student data from the DEST Selected Higher Education Student submission. International student fees are from the University's audited financial statements.





Property Developments

Completion of one major new building and the beginning of work on another were among property developments of note in 2002.

The **Santos Petroleum Engineering Building** was officially opened by Prime Minister John Howard on 23 August. The new building, on the North Terrace Campus Lower Level, is home to staff and students from the School of Petroleum Engineering and Management, which began teaching in 2002. The building is also home to the National Centre for Petroleum Geology and Geophysics (NCPGG), which has relocated from the Thebarton Campus and is co-located with the petroleum school as part of an integrated training and services hub in Adelaide for the petroleum industry.

The completion of the Santos building also enabled final landscaping of the area between Frome Road and the original entrance doors to the Barr Smith Library.

An \$8 million **upgrade of the Elder School of Music** began in November. The refurbishment will enhance professional music training for the



School's students and will be completed in February 2004. Major elements of the upgrade include: development of soundproofed music studios in the Schulz Building; creation of rehearsal and practice studios for jazz and percussion in the Madley Building; improvements to the Elder Music Library on Kintore Avenue; development of a colonnade walkway as part of a "music hub" centred on Pfizner Court, linking the Hartley, Madley and Schulz Buildings with the Scott Theatre; and refurbishment of the teaching and office space in the Elder Hall building.

Work began at the Waite on a new building for the **Centre for Plant Biotechnology Research**. The Centre is associated with the \$32 million **National Centre for Plant Functional Genomics**, which is expected to play a pivotal role in the growth of Australia's agricultural bioscience industry and will help to maintain Australia's commercial competitiveness in crop production.

Also at the Waite, the design of a comprehensive **Urrbrae House Salt Damp Remediation Project** was completed in 2002, with rectification to commence early in 2003.

After wide consultation, a **North Terrace Campus Development Strategy** was endorsed by Council in November. The strategy aims to capitalise on the location of the North Terrace site in the





CBD, its parklands setting, compact nature, mix of contemporary and heritage buildings, and links with other North Terrace institutions. Key elements of the strategy include: converting Hughes Plaza into the “heart” of the campus; radically changing the focus from cars to people; improving both public spaces and pedestrian access, particularly the main north-south access; and implementing a consistent signage, landscape design and colours and materials strategy.

A comprehensive survey identifying works that need to be undertaken to implement a **Disability Action Plan** for the North Terrace Campus has also been completed.

As part of a review of off-campus property approved in February, Council later in 2002 approved the disposal of a number of **North Adelaide properties** held by the University.

The heritage Sir William Mitchell Gates at the lower level entry to the North Terrace campus were refurbished during 2002. Donated by then Vice-Chancellor Sir William Mitchell, the gates were originally constructed facing Frome Road as the start of a boulevard leading to the grand entrance of the Barr Smith Library. They were moved to their present location opposite the University Footbridge on Victoria Drive in the early 1960s. The gates are listed on the Australian Heritage Commission’s

Register of the National Estate. The restoration work included: repair of all metal work, including repainting; repair of existing plaster columns and granite bases; and restoration of the University crest to its original state.

New perimeter identification signs to the North Terrace Campus were installed in 2002, as part of a signage strategy that has also seen sky signs erected on 10 Pulteney Street and the Schulz Building.

Refurbishment of the Basten Room in the Mitchell Building was completed this year. The room, on the eastern side of the building’s upper floor, was part of the original University library. The decorative theme is based upon the light leaf tracery of the original cast balustrading of the main staircase leading to the Basten Room and is repeated in the floor covering and table support structure. Refurbishment also included reproduction of the leadlight glazing (removed and lost in the 1950s) to the whole of the first floor southern facade. The Basten Room is now an executive meeting area for the University, including University Council.

A state-of-the-art **digital pipe organ** was installed in Bonython Hall in 2002. The organ uses no pipes but reproduces the sound of a piped organ identically. With its two metre high speakers, it is the largest digital instrument in Australia and one of the largest organs of its kind in the world.



The University and the Community

Council approved a University of Adelaide **Statement of Reconciliation** in September, 2002.

The Statement acknowledges that the Kaurna People are the original inhabitants of the land where the first campus of the University was built, and that the colonisation of Australia in the past two centuries has led to the dispossession, alienation and impoverishment of the Indigenous peoples.

Late in 2002 the **University established a University of Adelaide Volunteers Committee**, under the patronage of Mrs Lindsay McWha.

The committee will establish and oversee the development of a University of Adelaide Volunteer Policy, which is designed to help the University community co-ordinate, train, recognise and attract volunteers.

The University's North Terrace Campus played host to the **Adelaide Fringe** in 2002 when the biggest independent arts festival in Australia made the University its official "Hub". The University and the Adelaide University Union were official sponsors of the Fringe, and more than 60 official events were hosted on the University grounds during the 23-day festival.

Along with Flinders University and the University of South Australia, the University of Adelaide also co-hosted the **Australian University Games** in September. The week-long event celebrated 10 years of the Australian University Games.

Other events sponsored by the University in 2002 included the World Congress on Information Technology, the SA Great Awards, the South Australian Youth Achievement Awards, the Oliphant Science Awards, and the Intervarsity Debating Championships.

The **Australian String Quartet** – the "jewel in the crown" for the Elder School of Music – continued to "fly the flag". The ASQ is Quartet-in-Residence at the Elder School of Music and confirmed the appointment of two new members in 2002: the brilliant Japanese violinist, Natsuko Yoshimoto as the new leader, and Jeremy Williams, most recently with the Hong Kong Philharmonic, as the new violinist.

The **Elder School of Music (Elder Conservatorium)** 2002 Concert Season was outstandingly successful,



both musically and in terms of audience figures. The Elder Hall Lunch-hour Concerts on Fridays continued to receive very strong community support, and many of the concerts in 2002 were sold out. The opening concert of the 2002 season was presented in association with the Adelaide Festival, broadcast on ABC, and marked the début, as composer and pianist, of the Elder Professor of Music, Charles Bodman Rae. Elder Hall was also overflowing for the Final Concert, in which the newly-established **Elder Conservatorium Choral** performed the Requiem by Mozart.

The **Urrbrae House Historic Precinct** participated in South Australia's **Encounter 2002** project to celebrate the meeting between explorers Matthew Flinders and Nicholas Baudin in 1802. Its part in the celebrations was to co-ordinate and host two exhibitions based upon encounter themes. Penny Morrison's exhibition "A contrivance of nature" showcased Australian flora and fauna, recorded by the explorers, in textiles. "Striving for excellence: the art of scientific accuracy" curated by Lance McCarthy, featured text and illustrations made and published by Flinders, Brown, Bauer and Westall on Flinders' expedition.

A unique restoration project funded by the **Friends of Urrbrae House** began in 2002. Waite family members donated the original drawing room curtains to the house. The curtains are being conserved by textile conservator, Mary Jose, and rehung in the drawing room.

In August an exhibition entitled "Dazzle", curated by Anna Willoughby, brought together Aboriginal art and contributions from a number of collections around the University to celebrate South Australian Living Artists Week at Urrbrae House.

Development of the Gardens of Urrbrae House Historic Precinct continued with the installation in the Garden of Discovery of a path containing decorative pavers made by artist Lynn Elzinger-Henry, with imagery relating to research at the Waite Institute on Australian flora. An armillary sphere sundial was commissioned and donated for the third stage of the Twentieth Century Rose Garden. The Salvia Society donated and planted more specimens in the Sensory Garden and elsewhere. All the gardens are tended by a dedicated band of volunteers and attracted a large number of visitors.

At the Coach House a final goodbye was said to the **Mawson Antarctic Collection**, which was transferred to the South Australian Museum. The volunteer group which has documented and cared for the collection over the past eight years will continue to work with the Waite Scientific Collection, which can now be housed at the Coach House.

The **Waite Arboretum** collection was expanded with 52 new specimens, many of them new cultivars donated as advanced trees to trial as part of the TREENET project. A program of specialist arboricultural work was implemented, funded by the Friends of the Waite Arboretum. The annual two day TREENET Street Tree Symposium was very successful and attracted many interstate delegates.

Conservation and regeneration of the native vegetation and track maintenance continued in the **Waite Conservation Reserve** with the help of GreenCorps, Work-for-the-Dole participants and Activ-8 volunteers. In collaboration with National Parks and Wildlife Services, Correctional Services people commenced construction of a section of the Yurrebilla Trail to link with existing marked walking trails in the Reserve. Twenty-six interpretive signs were installed in the Reserve, funded by the Friends of the Waite Conservation Reserve. Members of the Friends also contributed to the vegetation management by participating in a number of working bees held during the year. Documentation of flora and fauna is ongoing, and a start was made to integrate this data on a GIS. Two Heritage Agreements covering 131ha of the 147ha Reserve, were signed.

The University's **community radio station Radio Adelaide** (formerly 5UV) marked 30 years on air and its first full year as an FM broadcaster – on 101.5FM. The celebrations brought together the many people who built 5UV/Radio Adelaide, with the centrepiece



being a birthday celebration on 29 June that featured significant contributors to the station from down the years and representatives of community broadcasting nationally.

During 2002 the station completed its transitional name change to become Radio Adelaide by the end of the year, a name that reflects more clearly the multiplicity of connections between the station, the community of Adelaide and the University.

A more integrated and diverse set of relationships with the University evolved during the year. University departments and external clients increasingly used the station's audio production facilities. Its Lifelong Learning strategy continued to produce more learner-focused educational audio material, often in collaboration with educators from the University and elsewhere, employing a variety of delivery modes including local broadcast, on-line broadcast, satellite distribution and CD. Radio Adelaide will have a key involvement in the new Bachelor of Media from 2003.

Programming highlights in 2002 included 15 days live-to-air from the Adelaide Fringe Hub at the University, major broadcasts to over 50 stations nationally from the Glenelg Jazz Festival and national music conference Music Business Adelaide. A new focus on getting out into the community through **outside broadcasts** saw the studio set up at a range of bookshops, a rehearsal of the ASO, the Feast



The University and the Community continued

Festival, at NAIDOC week and Tauondi Aboriginal College, among others. The music series Live at the Gov won a national award for 'Contribution to Local Music', among **six awards won by the station** in 2002.



Radio Adelaide Training continued to develop, expanding to co-ordinate a state-wide network of trainers in community radio and increasing the station's relationship with schools now able to offer radio/media as SACE subjects. In its seventh year as a Registered Training Organisation Radio Adelaide continued to offer access to quality broadcast training for its more than 500 volunteers, three University courses and a wide range of external clients.

Challenges for the year included raising income for a **new high power antenna**, enabling the station to extend its local broadcast area beyond the fringes of the Adelaide metropolitan area. More than \$20,000 was contributed during 2002 by community supporters. On a larger scale, a growing number of listeners internationally find a unique window on Adelaide life through Radio Adelaide on-line at www.radio.adelaide.edu.au.

The **University of Adelaide Theatre Guild** enjoyed a very successful year in 2002, with four financially and critically successful productions bringing over 3000 people to campus-based theatre. In December, the Theatre Guild won the **2002 Adelaide Critics' Circle Coopers Award** for outstanding achievement by an amateur company. In addition, the Coopers Award for Individual

Achievement was won by Martha Lott, for her performance as Amanda in the Theatre Guild's production of *Private Lives*.

The Barr Smith Library's contribution to University outreach to the community was developed by the launch of a rapidly growing **Friends of the Library Chapter** of the Alumni Association, by Barr Smith Library sponsorship of the Flight of Ideas Chamber Choir, and by a very successful Year 12 program for high school students.

The University-based **Don Dunstan Foundation** continued its work of fostering research and education on a broad range of issues concerning social development.

In March 2002 the first Foundation-funded tertiary scholarship under the Learning for Life program of The Smith Family was awarded. The Foundation also sponsored the Don Dunstan Masterclasses at the Adelaide Festival of Arts in 2002, featuring the work of Bangarra Dance Company and various indigenous companies visiting Adelaide.

The Foundation's SA Chapter Sunday Lunches at the Governor Hindmarsh Hotel continued in 2002. Guest speakers included State Theatre Company Artistic Director, Rosalba Clemente, Founder of the Victorian Women's Trust, Mary Crooks, and writer and cultural critic, Donald Horne.

In association with the Academy of Social Sciences, the Foundation ran a series of **national seminars** to encourage debate on the forgotten issue of unemployment. The Price of Prosperity seminars were run by the Foundation in Melbourne, Adelaide and Sydney and in Brisbane in association with the Brisbane Institute, with speakers from several eastern states universities.

The NSW Chapter held a luncheon at the home of Neal Blewett in the Blue Mountains in November with guest speaker, the Hon Paul Keating. In October the Victorian Chapter hosted a Don Dunstan Foundation lecture given by Professor Julian Disney, entitled, Globalisation and Social Justice: Challenges and Opportunities, at the Centre for Public Policy, University of Melbourne.

Two mailing appeals raised over \$20,000 for a new fellowship program aimed at social justice-based research. Other minor fundraising events raised just under \$10,000 for the Foundation.

During 2002, the Foundation conducted a major strategic review of operations and prepared a new three-year plan. A new website was designed and built and online donations were launched.

Sixteen of the University's recently appointed professors delivered their inaugural lectures this year, providing an opportunity for both the University and wider communities to engage with their particular research interests.



Professor Mark Bartold
(Dentistry)

What has research got to do with dentistry?
A periodontist's perspective

Professor Justin Beilby
(General Practice)

Change, the consumer and the general practitioner

Professor Peter Behrenbruch
(Petroleum Engineering and Management)

Uncertainty and risk in offshore petroleum development

Professor Janet Hiller
(Public Health)

Health services research and the health of Australians

Professor John Kaldi
(National Centre for Petroleum Geology and Geophysics)

Upstream of the petroleum industry: preparing students for a technology-driven profession

Professor Alastair MacLennan
(Obstetrics and Gynaecology)

"The Ascent of Woman" - from the tyranny of unwanted pregnancy to the tribulations of longevity

Professor Tim Miles
(Physiology)

Rewiring the human brain

Professor Ngaire Naffine
(Law)

Who matters in law and why?

Professor Ted Nettelbeck
(Psychology)

Smarter not faster; the IQ paradox

Professor Ian Olver
(Medicine)

Cancer treatment aiming at new targets

Professor Kay Schaffer
(Social Inquiry)

All I have is my story: personal narratives and human rights in a global context

Professor Roger Seymour
(Environmental Biology)

A role for natural history in modern biology

Professor Andrew Somogyi
(Clinical and Experimental Pharmacology)

The Somogyi phenomenon:
Sacred cow or bull?

Professor Steve Tyerman
(Horticulture, Viticulture and Oenology)

Plant hydraulics: channels in membranes to water movement into grape berries

Professor Robert Vincent
(Physics and Mathematical Physics)

A physicist's view of the atmosphere:
radar, waves and climate change

Professor John Wallace
(Molecular Biosciences)

Molecular recognition:
the "lingua franca" of life



2002 was a year of consolidation for the **Alumni Association**, as the re-structured Alumni Board worked towards placing the role of alumni at the centre of the University community.

In 2002, the **Alumni University Medallist** was Najmeh Habili, who graduated with Bachelor of Laws (Honours) in December 2001.

The inaugural **Postgraduate Alumni University Medallist** for 2002 was Dr Gregory Harmer, who graduated with a Doctor of Philosophy in the Faculty of Engineering (Electrical Engineering) in August 2002.

Mutual Community Travel Grants were awarded to Mr Amoakoh Gyasi-Agyei, Mr Mark Hutchinson and Ms Nicole Moore. **The R.C. Heddle Award** was won by Miss Edwina Ashby.

In 2002 **Distinguished Alumni Awards** were awarded to YAB Datuk Patinggi Tan Sri Dr Haji Abdul Taib Bin Mahmud, Mr Michael Khor Teik Huan, Mr Harry Lancelot Dossor and Dr Richard Hin Yung.

In 2002 the Alumni, Community Relations and Development office significantly increased communications with graduates and friends. As a result over 40,000 received the Summer 2002 edition of **Lumen**. 2431 subscribers received the Alumni online newsletter **Adelaide-Link** during 2002.

The Commerce, Adelaide University Sports Association Inc, Friends of the University of Adelaide Library and the Sarawak Alumni of the University



of Adelaide alumni chapters were established and officially affiliated with the Alumni Association during 2002. In September a Melbourne Alumni Network was formed.

In March, the John Bray Law Chapter launched **Dame Roma: Glimpses of a Glorious Life**, a collection of writings commemorating and celebrating the life of the late Dame Roma Mitchell, former Governor of South Australia, and Chancellor of the University from 1983 to 1991. All proceeds from the sale of the book will go to the JJ Bray – RF Mitchell Scholarship in Law.

In September the University participated in the 2002 **Australian Universities International Alumni Convention**. The Vice-Chancellor presented a session at the Convention, as well as meeting with many alumni from overseas. The Alumni Association sponsored four international alumni to attend the conference through the AUIAC Grant Scheme.



Following the convention a **Homecoming** was held in Adelaide to welcome back overseas graduates. A State Dinner was hosted by the Premier of South Australia, the Honourable Mike Rann and a cocktail reception was hosted by the Lord Mayor of Adelaide, the Honourable Alfred Huang. Other activities included tours of the campus and a forum highlighting aspects of the University's research directions.

More than 60 graduates from 1952 returned to the University of Adelaide on 18 October to celebrate their **Golden Jubilee reunion**. Alumni from as far away as the United Kingdom and Malaysia were re-presented to the Vice-Chancellor during a commemoration ceremony in Bonython Hall. Professor Fay Gale provided the official graduate address and Dato' Gopal Ayer Sreenevasan proposed a toast to all 1952 graduates at the reunion luncheon.

Fundraising

Two new annual appeals were launched in 2002, seeking support from alumni and friends for the following funds:

The **Barr Smith Library Annual Appeal** commenced in April and raised over \$40,000 from over 300 donors. Donors to this appeal were thanked by the Vice-Chancellor at a function to re-launch the Friends of the University of Adelaide Libraries in September.

The **Vice-Chancellor's Scholarships Annual Appeal** was launched in November 2002 and raised over \$30,000 from nearly 300 donors. This fund will support students entering university, with the specific aim of helping students from the country.

A number of smaller appeals achieved significant goals for targeted fundraising:

Established in memory of Tim Mares and Robin Eaden, the **Mares-Eaden Fund Prize** for Shakespearean and Elizabethan scholars raised more than \$11,000 and was awarded to Sarah Olive.

The **Koonamore 75th Anniversary Appeal** successfully raised funds to build a permanent toilet facility at the Koonamore Research Station in South Australia's mid-north.

Many other donations were made to the University during 2002 in support of research, teaching programs and student activities.



Staff and Students

Senior Staff Appointments:

Professor James A McWha,
Vice-Chancellor

Mr Peter Ball, Director,
International Office

Professor Paul Fairall,
Professor/Dean, Law (John Bray Chair of Law)

Professor Michael Innes,
Executive Dean, Faculty of Humanities
and Social Sciences

Professor Neville Marsh,
Dean, Graduate Studies

Professor Peter Rathjen,
Executive Dean, Faculty of Sciences

Professor Tony Travaglione,
Professor/Dean, Adelaide Graduate
School of Business

Chair Appointments:

Professor Mark Bartold,
Director, Colgate Australian Clinical Dental
Research Centre

Professor Stephen Begg,
Petroleum Engineering and Management

Professor Justin Beilby,
General Practice

Professor Reidar Bratvold,
Petroleum Engineering and Management

Professor Peter Howe,
Physiology (Professorial Research Fellow)

Professor Hemanta Sarma,
Petroleum Engineering and Management (Reg
Sprigg Chair of Petroleum Engineering)

Professor Gary Slade,
Dental School (Chair of Oral Epidemiology)

Professor Alison Tierney,
Clinical Nursing

Promotion to Professor:

Professor Andrew Austin,
Applied and Molecular Ecology

Professor Nicholas Harvey,
Geographical and Environmental Studies

Professor Ted Nettelbeck,
Psychology

Professor Julie Owens,
Physiology

Professor Pascale Quester,
Commerce

Professor Andrew Somogyi,
Clinical and Experimental Pharmacology

Professor Geoffrey Davidson,
Clinical Professor, Paediatrics

Professor John Russell,
Clinical Professor, Anaesthesia and Intensive Care
and Clinical and Experimental Pharmacology

New Titles:

Professor Alan Carey,
Adjunct Professor, Pure Mathematics

Professor John Coetzee,
Hon. Visiting Research Fellow, English

Professor W Max Corden,
Adjunct Professor, Economics

Professor Dorothy Driver,
Adjunct Professor, English

Professor Barry Egan,
Adjunct Professor, Molecular Biosciences

Professor Anna Koltunow,
Affiliate Professor, Horticulture,
Viticulture and Oenology

Emeritus Professor Sam Luxton,
Hon. Visiting Research Fellow,
Mechanical Engineering

Professor Jagannath Mazumdar,
Adjunct Professor, Applied Mathematics

Emeritus Professor Malcolm Oades,
Adjunct Professor, Soil and Water

Emeritus Professor Kenneth Ruthven,
Visiting Professor, English

Professor Robert Saint,
Adjunct Professor. Molecular Biosciences

Professor Kay Schaffer,
Adjunct Professor, Social Inquiry

Professor Bradley Selway,
Adjunct Professor, Law

Emeritus Professor Malcolm Symonds,
Visiting Professor, Obstetrics and Gynaecology

Emeritus Professor Ernest Tuck,
Adjunct Professor, Applied Mathematics

Professor David W Thomas,
Adjunct Professor, Paediatrics

Emeritus Professor Robert Warner,
Adjunct Professor, Civil and
Environmental Engineering

Scholarly and Professional Societies:

Professor Kym Anderson

(Centre for International Economic Studies): Distinguished Fellow, Australian Agricultural and Resource Economics Society; Honorary Research Fellow and member of the Research Council of the Rural Development Research Consortium, University of California, Berkeley.

Dr Peter Brooker

(Geology and Geophysics): Fellow, Modelling and Simulation Society of Australia and New Zealand

Dr Martin Lambert

(Civil and Environmental Engineering): President, Institution of Engineers, Australia

Professor James A McWha

(Vice-Chancellor): Secretary-General, International Association of University Presidents

Public Appointments:

Mr Robert Champion de Crespigny

(Chancellor): Chair, South Australian Economic Development Board

Professor Penny Boumelha

(Deputy Vice-Chancellor, Education): South Australian Vocational Education, Employment and Training Board

Professor Edwina Cornish

(Deputy Vice-Chancellor, Research): South Australian Science and Research Council

Dr Clem Macintyre

(Politics): Chair, Panel of Experts advising the 2003 Parliamentary Constitutional Convention

Awards:

Professor Cliff Blake

(Vice-Chancellor): Officer of the Order of Australia

Dr Nigel Bean

(Applied Mathematics): Moran Medal, Australian Academy of Science

Professor Michael Bruce

(Chemistry): David Craig Medal, Australian Academy of Science

Mr Robert Champion de Crespigny,

AC (Chancellor): Companion of the Order of Australia; South Australian of the Year

Dr Cathy Coulter

(Physiology): Young Tall Poppy Award

Dr Wayne Cristaudo

(Centre for European Studies and General Linguistics): Stephen Cole the Elder Prize for Excellence in Teaching

Dr William Detmold

(Physics and Mathematical Physics): Harold Woolhouse Prize

Dr Joy McEntee

(English): Fulbright American Studies Institute Award

Professor Graeme Hugo

(Geographical and Environmental Studies): ARC Federation Fellowship; Geography Teachers Association of South Australia Award; Rothwell Prize, Telecommunications Journal of Australia

Dr Martin Hand

(Geology and Geophysics): Stillwell Medal of the Geological Society of Australia

Associate Professor Patrick James

(Geology and Geophysics): Stephen Cole the Elder Prize for Excellence in Teaching

Dr Michael Lee

(Environmental Biology/SA Museum): Young Tall Poppy Award

Professor Stephen Lincoln

(Chemistry): HG Smith Memorial Medal, Royal Australian Chemical Institute

Dr Holger Maier

(Civil and Environmental Engineering): Stephen Cole the Elder Prize for Excellence in Teaching; Young Tall Poppy Award

Professor Jack McLean

(Road Accident Research Unit): Widmark Award, International Council on Alcohol, Drugs and Traffic Safety

Dr Vivienne Moore

(Public Health): Young Tall Poppy Award

Dr Sandra Orgeig

(Physics and Mathematical Physics): Fenner Medal, Australian Academy of Science; Young Tall Poppy Award

Emeritus Professor John Prescott

(Physics and Mathematical Physics): Verco Medal of the Royal Society of South Australia.

Dr Peggy Rismiller

(Anatomical Sciences): Aviva Insurance/Earthwatch Award for Climate Change Research

Dr Michael Roberts

(Physiology): Stephen Cole the Elder Prize for Excellence in Teaching

Professor George Smolicz

(Graduate School of Education): UNESCO Linguapax Prize



Staff and Students continued

Student Honours:

Mr Jamie Adam

(Elder School of Music): John "Slick" Osborne Scholarship

Ms Gillian Adshade

(National Centre for Petroleum Geology and Geophysics): 2002 American Association of Petroleum Geologists, Grant-in-Aid Award

Mr Ben Allgrove

(Law/Commerce): Rhodes Scholarship

Ms Rebekah Clarkson

(Creative Writing): HQ Short Story Competition

Mr Jeremy Glaros

(Education Centre for Innovation and Commercialisation): University of Adelaide – Hewlett Packard Australia Entrepreneurs' Challenge

Mr Min Guo

(Engineering/Law): Charles Hawker Scholarship

Mr Rhys Hill

(Computer Science): Apple University Consortium Worldwide Developers' Conference scholarship

Mr Paul Jager

(Computer Systems Engineering): Apple University Consortium Worldwide Developers' Conference scholarship

Ms Melanie Johnston-Hollitt

(Physics and Mathematical Physics): Union Radio Scientifique Internationale, Young Scientist Award

Ms Cath Kenneally

(Creative Writing): John Bray National Poetry Award

Mr Patrick Lim

(Elder School of Music): Youth Achievement Award, SA Youth Awards Showcase

Mr Mark Reilly

(National Centre for Petroleum Geology and Geophysics): 2002 American Association of Petroleum Geologists, Grant-in-Aid Award

Mr Andrew Richards

(Education Centre for Innovation and Commercialisation): University of Adelaide – Hewlett Packard Australia Entrepreneurs' Challenge

Mr James Roberts

(Creative Writing): Driftwood Manuscripts Prize

Mr Robert Root

(National Centre for Petroleum Geology and Geophysics): 2002 American Association of Petroleum Geologists, Grant-in-Aid Award

Ms Kate Seward

(Humanities and Social Sciences): Charles Hawker Scholarship

Mr Mark Tingay

(National Centre for Petroleum Geology and Geophysics): 2002 American Association of Petroleum Geologists, Grant-in-Aid Award

Mr Ray Tyndale

(English): 2002 High Beam Festival Poetry Award

University Medallists:

Mr Jonathan Ashley

(Physics)

Mr Adam Chin Loong Lee

(Music)

Ms Anne Donaldson

(Obstetrics & Gynaecology)

Ms Najmeh Habili

(Law – also Alumni University Medal)

Ms Jodie Harrison

(Microbiology and Immunology)

Mr David Harvey

(Mechatronic Engineering)

Mr Saba Hatami

(Medicine)

Mr Adrian Liston

(Microbiology and Immunology)

Mr John Mansfield

(English)

Ms Beverly Mühlhäusler

(Physiology)

Mr Nima Pakrou

(Medicine)

Mr Gregory Paton

(Dentistry)

Ms Catherine Quinn

(Chemical Engineering)

Mr Neil Seshadri

(Computer Science)

Ms Jane Simon

(English)

Mr Daniel Stanef

(Mechatronic Engineering)

Mr Julian Whiting

(Computer Science)

Ms Danielle Wood

(Economics)

Mr Kin Shing Bobby Yau

(Computer Systems Engineering)

THE UNIVERSITY OF ADELAIDE
● ● ● Financial Statements 2002



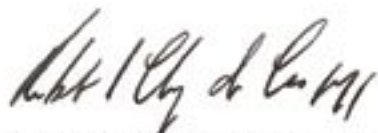
Statement by the Chancellor and the Vice-Chancellor

In our opinion:

- (a) the Financial Statements of The University of Adelaide present fairly the financial transactions of the University during the financial year ended 31 December 2002, and the financial position of its operations as at that date;
- (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, Australian Accounting 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 Commonwealth financial assistance expended during the reporting period was for the purposes for which it was provided; and
- (e) The University of Adelaide has complied in full with the requirements of programme guidelines that apply to the Commonwealth financial assistance in the Financial Statements.

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.



ROBERT CHAMPION de CRESPIGNY AC
Chancellor



PROFESSOR JAMES A McWha
Vice-Chancellor

12 May 2003

The University of Adelaide Financial Statements 2002

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 DECEMBER 2002

		Consolidated		University	
	Note	2002 \$000	2001 \$000	2002 \$000	2001 \$000
OPERATING REVENUE FROM ORDINARY ACTIVITIES 5,6					
Received Under Higher Education Funding Act					
Base operating financial assistance		115,314	104,612	115,314	104,612
Other operating financial assistance		3,798	2,496	3,798	2,496
Higher Education Contribution Scheme		41,977	38,533	41,977	38,533
		161,089	145,641	161,089	145,641
Learning and Teaching					
Student fees	5	39,294	31,290	39,294	31,290
Grants		10,080	6,263	10,080	6,263
		49,374	37,553	49,374	37,553
Research Grants and Fees					
National competitive grants		40,996	37,173	40,996	37,173
Public sector - other		11,370	11,639	11,150	11,419
Industry and other		14,280	9,217	14,280	9,567
		66,646	58,029	66,426	58,159
Research Other					
Cooperative Research Centre direct funding		4,343	4,392	4,343	4,392
Research infrastructure program		8,360	6,907	8,360	6,907
		12,703	11,299	12,703	11,299
Other					
Investment revenue	5	296	3,623	678	3,612
Property revenue	5	6,347	5,725	5,847	5,725
Specialist services and trading	5	44,302	41,585	14,330	14,286
Deferred employee superannuation benefits	22	4,100	1,800	4,100	1,800
Other	5	26,294	20,030	23,793	19,221
		81,339	72,763	48,748	44,644
Total operating revenue from ordinary activities		371,151	325,285	338,340	297,296
Share of net profits of associates and joint ventures accounted for using the equity method	5	226	217	-	-
Total revenue from ordinary activities		371,377	325,502	338,340	297,296
OPERATING EXPENSES FROM ORDINARY ACTIVITIES 6					
Salaries and related expenses	3(o), 6	194,320	185,280	186,562	178,027
Student services		17,069	15,440	17,069	15,440
Teaching and research materials		33,979	29,834	33,966	29,834
Buildings and grounds		18,284	16,745	18,284	16,690
Borrowing costs	6	1,269	2,049	1,252	2,040
Administration, communication and travel		53,940	48,910	33,769	29,803
Finance and fund administration		94	1,643	94	1,470
Misc equip, dep'n and WDV of assets sold		29,554	28,057	27,939	27,346
Deferred and HEFA superannuation	6	6,986	3,011	6,986	3,011
Total operating expenses from ordinary activities		355,495	330,969	325,921	303,661
Operating surplus / (deficit) before minority interests		15,882	(5,467)	12,419	(6,365)
Operating (surplus) / deficit attributable to outside equity interest	27	(159)	(222)	-	-
OPERATING SURPLUS / (DEFICIT) FROM ORDINARY ACTIVITIES		15,723	(5,689)	12,419	(6,365)
CHANGE IN EQUITY – net increase (decrease)					
Impact from change in accounting policy	4	-	13,187	-	13,187
Outside equity interest		134	-	-	-
Asset revaluation reserve	17	43,061	12,126	45,633	42,500
Capital profits reserve		-	171	-	-
Total changes in equity		58,918	19,795	58,052	49,322

The accompanying notes form part of these financial statements.

The University of Adelaide Financial Statements 2002

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2002

		Consolidated		University	
	Note	2002 \$000	2001 \$000	2002 \$000	2001 \$000
CURRENT ASSETS					
Cash		11,861	14,181	1,467	5,578
Receivables	7	25,974	17,595	22,717	14,852
Other financial assets	8	20,679	46,986	16,732	30,555
Inventories	9	3,463	3,969	1,660	1,646
Other	10	5,398	6,243	3,215	4,534
Total current assets		67,375	88,974	45,791	57,165
NON-CURRENT ASSETS					
Other financial assets	8	62,213	66,288	105,290	110,782
Investments accounted for using the equity method	11	807	581	363	448
Property, plant and equipment	12	551,527	494,425	517,973	472,264
Deferred government superannuation contribution	22	37,800	33,700	37,800	33,700
Total non-current assets		652,347	594,994	661,426	617,194
Total assets		719,722	683,968	707,217	674,359
CURRENT LIABILITIES					
Payables	13	23,932	20,208	15,737	12,052
Interest-bearing liabilities	14	115	20,156	6	22,121
Provisions	15	10,780	12,602	10,136	12,029
Deferred employee superannuation benefits	22	2,700	2,400	2,700	2,400
Other	16	5,131	13,773	5,128	13,596
Total current liabilities		42,658	69,139	33,707	62,198
NON-CURRENT LIABILITIES					
Interest-bearing liabilities	14	307	293	94	95
Provisions	15	20,456	20,953	20,436	20,938
Deferred employee superannuation benefits	22	35,100	31,300	35,100	31,300
Total non-current liabilities		55,863	52,546	55,630	52,333
Total liabilities		98,521	121,685	89,337	114,531
Net assets		621,201	562,283	617,880	559,828
EQUITY					
Capital reserves	17	426,084	383,626	438,983	393,350
Specific purpose reserves	17	114,278	108,076	114,278	108,076
Accumulated results – of operations		78,948	68,665	64,619	58,402
Total University interests		619,310	560,367	617,880	559,828
Accumulated results – outside equity interest		1,891	1,916	-	-
Total equity		621,201	562,283	617,880	559,828

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2002

		Consolidated		University	
	Note	2002 \$000	2001 \$000	2002 \$000	2001 \$000
CASH FLOWS FROM OPERATING ACTIVITIES					
Inflows:					
Commonwealth Government financial assistance		172,865	165,712	172,865	165,712
State Government financial assistance		15,354	8,420	15,134	8,200
Higher Education Contribution Scheme	34				
Student payments		6,638	6,063	6,638	6,063
Higher Education Trust Fund		35,339	33,100	35,339	33,100
Postgraduate Education Loan Scheme		1,293	-	1,293	-
Student fees		32,737	29,436	32,737	29,436
Other fees and charges		18,398	15,618	13,077	12,542
Donations and bequests		7,161	5,533	7,561	5,533
Investment income received		4,486	5,413	4,989	5,271
Consultancy and contract research		26,872	30,814	18,517	19,352
Specialist services and produce trading		27,602	25,654	9,599	9,817
Other		5,691	1,998	3,687	2,814
Total Inflows		354,436	327,761	321,436	297,840
Outflows:					
Salaries and related expenses		(202,144)	(185,390)	(194,417)	(175,314)
Student services		(17,082)	(15,440)	(17,069)	(15,440)
Goods and services		(110,481)	(111,054)	(88,466)	(96,102)
Interest paid		(934)	(1,560)	(917)	(1,557)
Total Outflows		(330,641)	(313,444)	(300,869)	(288,413)
Net cash provided by operating activities	18	23,795	14,317	20,567	9,427
CASH FLOWS FROM INVESTING ACTIVITIES					
Inflows:					
Proceeds from sale of property, plant and equipment		2,395	1,067	2,006	1,006
Proceeds from sale of investments		821	4,424	-	4,424
Increase in borrowings		145	-	-	-
Repayment of loan		115	396	1,078	193
Total Inflows		3,476	5,887	3,084	5,623
Outflows:					
Payments for property, plant and equipment		(22,131)	(28,372)	(18,512)	(27,449)
Payments for interest in joint ventures		-	(101)	-	(101)
Decrease in borrowings		(140)	(11)	(2,078)	(11)
Additional lending		(28)	-	-	-
Total Outflows		(22,299)	(28,484)	(20,590)	(27,561)
Net cash used in investing activities		(18,823)	(22,597)	(17,506)	(21,938)
CASH FLOWS FROM FINANCING ACTIVITIES					
Outflows:					
Repayment of borrowings		(20,038)	-	(20,038)	-
Lease repayments		-	-	-	-
Dividends paid to minority interests		(120)	-	-	-
Total Outflows		(20,158)	-	(20,038)	-
Net cash used in financing activities		(20,158)	-	(20,038)	-
Net (decrease) in cash held		(15,186)	(8,280)	(16,977)	(12,511)
Cash at the beginning of reporting period		40,122	48,402	31,519	44,030
Cash at end of reporting period	18	24,936	40,122	14,542	31,519

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

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NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2002

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 applicable Australian Accounting Standards and Urgent Issue Group Consensus Views, unless otherwise disclosed in these notes. The report also conforms with the reporting requirements of the Commonwealth Department of Education, Science and Training (DEST).

2. **Scope of Reporting**

The financial statements and notes disclose the operating results and 2001 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 financial results of its controlled entities. It includes accounts for the University's interests in associated entities and its joint venture operations.

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

Lubims Pty Ltd
Adelaide Research & Innovation Pty Ltd (formerly Luminis Pty Ltd) as trustee for Adelaide Research & Innovation Investment Trust (formerly Luminis Investment Trust)
Australian Company Number 060 292 486 Pty Ltd formerly Camtech (SA) Pty Ltd as trustee for Camtech Discretionary Trust
Repromed Pty Ltd
Disc Pty Ltd
Martindale Holdings Pty Ltd as trustee for - JS Davies Estate
- JAT Mortlock Trust

Refer to Note 27 Investments in Controlled Entities.

3. **Statement of Significant Accounting Policies**

(a) **Basis of Accounting**

The 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 except where there is a change in accounting policy, are consistent with those of the previous year.

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').

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 included in the consolidated financial statements have been eliminated.

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**

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 Statement of Financial Performance. Amounts receivable and payable in foreign currencies at balance date are translated at the rates of exchange ruling on that date.

(d) **Revenue Recognition**

• **Grant Revenue**

Grant revenue is recognised in the accounting period it is received or when there is a right to receive the grant revenue. Refer Note 4 Change in Accounting Policy.

• **Student Tuition Fees and Charges**

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

3. Statement of Significant Accounting Policies – continued

(d) Revenue Recognition– continued

- **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(i)).

- **Asset Sales**

The gross proceeds of asset sales are included as revenue of the Consolidated Entity. The profit or loss on disposal of assets is brought to account at the date an unconditional contract of sale is signed.

(e) Goods and Services Tax

Revenues, expenses and assets 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 Statement of Financial Position.

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

(f) Research and Development Costs

Research and development expenditure is expensed as incurred except to the extent that its recoverability is assured beyond any reasonable doubt, in which case it is treated as deferred expenditure and is brought to account in the Statement of Financial Position.

(g) Employee Entitlements

- **Wages, Salaries and Annual Leave**

The provision for employees' entitlements to wages, salaries and annual leave represents the amount which the Consolidated Entity has a present obligation to pay resulting from employees' services provided up to the balance date. The provisions have been calculated at undiscounted amounts based on current wage and salary rates and include related on-costs.

- **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 employee entitlements, which are not expected to be settled within twelve months, are discounted using the rates attaching to Commonwealth Government securities at balance date, which most closely match the terms of maturity of the related liabilities.

In determining the liability for employee 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 also been included in the liability.

- **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 Statement of Financial Performance. Refer to Note 22 for details relating to the individual schemes.

(h) Doubtful and Bad Debts

The collectibility 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.

(i) Other Financial Assets

Funds are invested in the following categories under guidelines determined by the University. Details of these other financial assets are disclosed in Note 8.

- **Cash on Deposit**

These are cash balances held in interest earning facilities with financial institutions.

3. **Statement of Significant Accounting Policies – continued**

(i) Other Financial Assets– continued

• 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 an independent portfolio manager. It includes a mix of Australian equities, overseas equities, fixed interest securities and property trusts. These investments are reported in the Statement of Financial Position at market values obtained from the portfolio manager. Unrealised gains or losses are recognised in the Statement of Financial Performance.

As at balance date the University was in the process of changing independent portfolio managers. Longer term investments in the Fund were invested in cash deposits to enable this change. During 2003 a proportion of these cash deposits will be re-invested in longer term investments.

• Recognition of Movements in Value

The movement in value of investments held for trading at the financial year end, is brought to account as income. The movement in value of investments of a non trading nature is reflected in the asset revaluation reserve.

(j) Investments in Business Undertakings

• Controlled Entities

Investments in controlled entities are carried in the University's financial statements at fair value. Dividends and distributions are brought to account in the Statement of Financial Performance when they are declared by the controlled entities.

• Associates

An associate is an entity, other than a partnership, over which the Consolidated Entity exercises 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 Statement of Financial Performance 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.

• Joint Venture Operations

The University derives income as part of its participation in Cooperative Research Centres, as listed in Note 29 (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 year end, the University is not aware of any material intellectual property with commercial value. As such no accounting entries have been recorded.

The Consolidated Entity's interest in Other Unincorporated Joint Ventures, as described in Note 29 (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 investments in two publicly listed investments, namely GroPep Ltd and BresaGen Ltd. It does not exercise any significant influence over the operations of these two entities. As at 31 December 2002 these have 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.

(k) 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 Statement of Financial Position. Where controlled entities have reported livestock, this is included at net realisable value.

3. Statement of Significant Accounting Policies – continued

(I) Non-Current Assets

• **Acquisitions**

Items of property, plant and equipment are initially recorded at cost in the Statement of Financial Position (unless otherwise indicated) and depreciated in accordance with Note 3(m).

• **Revaluations**

In previous years land, buildings and works of art were independently valued every three years on an existing use basis of valuation and disclosed in the financial statements at the revalued amounts. This was in accordance with Accounting Policy Statements (APS) pronounced by the Treasurer of South Australia. During 2002 land, buildings and works of art were independently valued on a fair value basis in accordance with Australian Accounting Standards and in compliance with changes to the APS requirements.

• **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 by government 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.

Land and buildings are recorded at fair value on the basis of an independent valuation carried out by Mr N. Satchell, AAPI, B.App.Sc (Val) of Edward Rushton Australia Pty Ltd on 21 December 2002. Previously buildings have been valued at replacement cost and cost. The change in valuation method has had no financial impact on the Statement of Financial Performance.

• **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 Statement of Financial Position. 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 was revalued on 31 December 2002 using an internal valuation based on the annual price movement of books and journals.

• **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 12 December 2002. No provision for depreciation is made for works of art.

In previous years only works of art greater than \$25,000 had been recognised. The recognition of those assets not previously valued has had a financial impact on the Statement of Financial Performance of \$1.09 million and has been disclosed as other revenue.

• **Software**

The University capitalises certain software costs with a purchase price greater than \$100,000 and an expected useful life greater than twelve months, together with all costs associated with implementation. These are recorded on the basis of cost and then amortised once the system is operational.

• **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.

Finance leases are capitalised. A lease asset and a lease liability equal to the present value of the minimum lease payments are recorded at the inception of the lease. Capitalised lease assets are amortised on a straight line basis over the term of the relevant lease, or where it is likely the Consolidated Entity will obtain ownership of the asset, the life of the asset. Lease liabilities are reduced by repayments of principal. The interest components of the lease payments are charged to the Statement of Financial Performance. Also refer to Note 19 Future Expenditure Commitments.

Payments made under operating leases are charged against profits in equal instalments over the accounting periods covered by the lease term.

3. **Statement of Significant Accounting Policies – continued**

(m) Depreciation and Amortisation

Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land. Depreciation is calculated 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	5 – 50 years
• Plant and equipment including motor vehicles	5 – 10 years
• Software and implementation costs	3 – 5 years
• Leased plant and equipment	10 years

(n) 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 William M. Mercer using the Claims Paid Development Method wherein all past claims are brought to current value with an allowance for late reporting of claims and administration costs.

(o) 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, fringe benefit tax etc.

(p) 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, etc.

(q) Recognition of Donations and Bequests

All donations and bequests received by the University are brought to account as income.

(r) Rounding

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

(s) Comparative Information

These financial statements and notes display information for the preceding corresponding reporting period. Comparative figures have been reclassified to reflect current disclosure requirements of the University and DEST and the major impact has been upon the Statement of Cash Flows.

In addition, there has been a reclassification of 'Other' Land and Buildings into 'Trust'. This reclassification has resulted from the 2002 independent revaluation and is as follows:

- Other Land of \$1.3 million moved to Trust Land
- Other Buildings of \$56.2 million moved to Trust Buildings

4. **Change in Accounting Policy**

Treatment of Grant Revenue

Prior to 2001, grant revenue for operating purposes was brought to account in the academic year for which the grant was advanced.

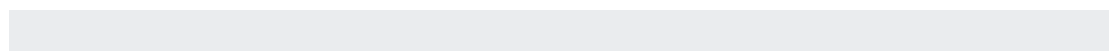
This was consistent with the former Commonwealth Department of Education, Training and Youth Affairs Reporting Guidelines, prescribing the accounting treatment for grants. The University viewed these guidelines as taking precedence over AAS 15 - Revenue. The guidelines were withdrawn in 2001 which meant that Section 9 of AAS 15 was applied for the first time in 2001. This had the effect of requiring the University to bring grants to account as revenue in the year they are received. The transitional provisions of AAS 15 were used such that revenue deferred from the year 2001 was treated as a prior year adjustment to accumulated surplus and the grant received in December 2001 for the 2002 academic year was recognised as revenue in 2001.

This had the effect of increasing the Equity in 2001 by \$13.187 million and increasing the Operating Deficit in 2001 by \$368,000.

In 2002 grant revenue has been included in the Statement of Financial Performance when it was received or when there was a right to receive the grant revenue.

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		Consolidated		University	
	Note	2002 \$000	2001 \$000	2002 \$000	2001 \$000
5. Operating Revenue					
Student fee income includes:					
Award courses					
Australian fee paying undergraduate students		664	398	664	398
Australian fee paying postgraduate students		3,504	4,146	3,504	4,146
International fee paying students		27,616	21,297	27,616	21,297
		31,784	25,841	31,784	25,841
Non award courses					
Continuing education		409	451	409	451
Australian fee paying		835	529	835	529
Other teaching service fees		4,280	3,526	4,280	3,526
		5,524	4,506	5,524	4,506
		37,308	30,347	37,308	30,347
Tuition fees - Higher Education Funding Act					
Postgraduate Education Loan Scheme		1,293	-	1,293	-
Overseas postgraduate research scholarship		693	943	693	943
		39,294	31,290	39,294	31,290
Investment revenue					
General fund earnings		2,773	3,113	2,258	2,798
Net realised gains/(losses) on composite fund investments		(2,500)	2,262	(2,500)	2,262
General and composite fund investment market valuation adjustment		(692)	(2,150)	(692)	(2,150)
Royalty, trademarks and licences		564	273	564	9
Dividends received		151	125	48	18
Distribution from controlled entities		-	-	1,000	675
		296	3,623	678	3,612
Property revenue					
Rental charges/accommodation fees		3,776	3,347	3,776	3,347
Parking fees		956	818	956	818
Building development and maintenance recovery		912	923	412	923
Other property revenue		703	637	703	637
		6,347	5,725	5,847	5,725
Specialist services and trading					
Consultancy fees		10,528	14,632	2,318	3,170
Library charges and fines		1,111	1,299	1,111	1,299
Sale of services		15,200	11,967	6,677	5,028
Sale of goods		9,072	8,178	2,685	3,091
Sponsorship & conference income		1,090	1,225	1,090	1,225
Other specialist services and trading		7,301	4,284	449	473
		44,302	41,585	14,330	14,286
Other revenue					
Bequest and donations received for:					
Research		1,658	1,404	2,058	1,404
Prizes and scholarships		765	998	765	998
General operational purposes and capital works		5,129	4,129	5,129	4,129
		7,552	6,531	7,952	6,531
Gross proceeds from sale of non-current assets		3,216	1,067	2,006	1,006
Recharge of costs to other organisations		2,484	2,157	2,484	2,157
Application management and late fee		655	561	655	561
Contribution of assets		-	3,300	-	3,300
Franchise fees		944	1,044	944	1,044
Bad debts recoveries		9	75	9	75
Initial recognition of works of art		1,090	-	1,090	-
Other revenue		10,344	5,295	8,653	4,547
		26,294	20,030	23,793	19,221
Share of net profits (losses) of associates, joint ventures accounted for using the equity method					
Associates	28	107	171	-	-
Joint venture operations	29	119	46	-	-
		226	217	-	-



6. **Operating Surplus**

Operating surplus is arrived at after crediting and charging the following items:

Credits

	Consolidated		University	
	2002	2001	2002	2001
Note	\$000	\$000	\$000	\$000
Net foreign exchange gain	123	239	123	239
Net gain on disposal of property, plant and equipment	1,239	227	1,011	168
Net gain on disposal of investments	310	58	-	-

Charges

Salaries and related expenses

Academic

Salaries	73,739	69,410	73,739	69,410
Contributions to superannuation schemes:				
Deferred employee superannuation benefits	2,323	1,012	2,323	1,012
Emerging cost	1,635	681	1,635	681
Funded	9,982	10,413	9,982	10,413
	13,940	12,106	13,940	12,106
Payroll tax	4,565	3,923	4,565	3,923
Annual leave	8,031	7,261	8,031	7,261
Long service leave	2,039	1,890	2,039	1,890
Workers' compensation	344	332	344	332
Other	4,131	3,744	4,131	3,744
Total academic salaries and related expenses	106,789	98,666	106,789	98,666

Non-Academic

Salaries	68,277	65,344	61,127	58,514
Contributions to superannuation schemes:				
Deferred employee superannuation benefits	1,777	788	1,777	788
Emerging cost	1,251	530	1,251	530
Funded	8,127	8,461	7,715	8,111
	11,155	9,779	10,743	9,429
Payroll tax	3,747	3,360	3,690	3,336
Annual leave	6,026	5,699	5,983	5,681
Long service leave	1,639	1,485	1,576	1,508
Workers' compensation	315	338	282	284
Other	3,358	3,620	3,358	3,620
Total non-academic salaries and related expenses	94,517	89,625	86,759	82,372
	201,306	188,291	193,548	181,038

Total Academic and Non-academic salaries and related expenses represented by:-

Salaries and related expenses	194,320	185,280	186,562	178,027
Deferred and emerging cost of superannuation	6,986	3,011	6,986	3,011
	201,306	188,291	193,548	181,038

Bad and doubtful debts cost

Student loans	54	14	54	14
Student tuition	(313)	144	(313)	144
Other debtors	103	8	103	(68)
	(156)	166	(156)	90

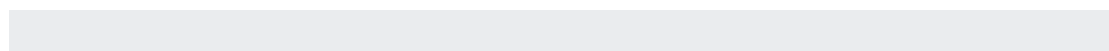
The University of Adelaide Financial Statements 2002

	Note	Consolidated		University	
		2002	2001	2002	2001
		\$000	\$000	\$000	\$000
6. <u>Operating Surplus-continued</u>					
<u>Charges - continued</u>					
Amortisation					
Leasehold improvements		217	20	178	20
Software and system development costs		3,609	2,918	3,609	2,918
		3,826	2,938	3,787	2,938
Depreciation					
Buildings		4,389	3,920	4,245	3,790
Plant, equipment and motor vehicles		5,571	5,348	4,811	4,751
Library collection		6,035	5,946	6,035	5,946
		15,995	15,214	15,091	14,487
Net loss on disposal of property, plant and equipment		1,008	2,047	816	2,047
Borrowing costs					
Interest		934	1,560	917	1,557
Finance charges		335	489	335	483
		1,269	2,049	1,252	2,040
7. <u>Receivables</u>	3(h)				
Student tuition fees		5,642	1,913	5,642	1,913
Less: provision for doubtful debts		(500)	(374)	(500)	(374)
		5,142	1,539	5,142	1,539
Sundry and trade debtors		21,415	17,014	17,909	13,638
Less: provision for doubtful debts		(801)	(1,141)	(535)	(500)
		20,614	15,873	17,374	13,138
Student loans		201	174	201	174
Other		17	9	-	1
Total Receivables		25,974	17,595	22,717	14,852

	Note	Consolidated		University	
		2002 \$000	2001 \$000	2002 \$000	2001 \$000
8. Other Financial Assets					
Current					
Short-term investment portfolio					
Cash on deposit	3(i)	13,075	25,941	13,075	25,941
Other	30	7,053	20,500	-	-
		20,128	46,441	13,075	25,941
Loans					
Loans to controlled entities		-	-	3,106	4,069
Other loans		551	545	551	545
		551	545	3,657	4,614
		20,679	46,986	16,732	30,555
Non-Current					
Composite fund at fair value	3(i)				
Australian fixed interest securities		-	4,355	-	4,355
Australian equities		-	9,223	-	9,223
Overseas equities		2	11,342	2	11,342
Property trusts		259	2,178	259	2,178
Cash and liquid assets		50,268	27,286	50,268	27,286
		50,529	54,384	50,529	54,384
Managed investment held by Unisure Pty Ltd		6,874	8,311	6,874	8,311
Interest in business undertakings					
Controlled entities	27	-	-	44,235	45,398
Other investments	30	3,132	1,794	1,974	890
Loans					
Other loans		2,178	2,299	2,178	2,299
Provision for doubtful debts		(500)	(500)	(500)	(500)
		1,678	1,799	1,678	1,799
		62,213	66,288	105,290	110,782
Other loans are all secured by way of either a mortgage over land or a second priority fixed or floating charge over property.					
9. Inventories	3(k)				
Consumable materials and trading stock		1,801	1,775	1,760	1,746
Livestock		1,762	2,294	-	-
Provision for obsolescence		(100)	(100)	(100)	(100)
		3,463	3,969	1,660	1,646
10. Other Assets					
Current					
Pre-payments		4,343	5,581	3,058	4,373
Accrued income		267	225	157	161
Other		788	437	-	-
		5,398	6,243	3,215	4,534
11. Investments Accounted for Using the Equity Method					
Associated entities	28				
At cost		-	-	298	298
Equity accounted		440	333	-	-
Joint venture entities	29				
At cost		-	-	65	150
Equity accounted		367	248	-	-
		807	581	363	448

The University of Adelaide Financial Statements 2002

		Consolidated		University	
		2002	2001	2002	2001
		\$000	\$000	\$000	\$000
Note					
12. Property, Plant and Equipment	3(l)				
12.1 Summary					
Land					
Trust land:	At independent valuation 1998	228	33,823	228	33,823
	At independent valuation 2002	66,065	-	66,065	-
		66,293	33,823	66,293	33,823
Other land:	At independent valuation 1998	499	20,949	499	20,949
	At Council valuation 2000	-	17,744	-	-
	At Valuer-General's valuation 2001	3,300	3,300	3,300	3,300
	At independent valuation 2002	73,466	-	46,625	-
		77,265	41,993	50,424	24,249
Total land		143,558	75,816	116,717	58,072
Buildings					
Trust buildings:	At cost	-	48,446	-	48,446
	At independent valuation 1998	-	238,215	-	238,215
	At independent valuation 2002	273,393	-	273,393	-
		273,393	286,661	273,393	286,661
Other buildings:	At cost	214	3,313	214	1,157
	At independent valuation 1998	-	41,894	-	41,894
	At independent valuation 1999	-	581	-	-
	At Council valuation 2000	-	155	-	-
	At independent valuation 2002	36,115	-	34,171	-
		36,329	45,943	34,385	43,051
Capital work in progress - at cost		2,213	5,306	2,213	5,306
Total buildings		311,935	337,910	309,991	335,018
Provision for depreciation of buildings					
Trust buildings:	At cost	-	(293)	-	(293)
	At independent valuation 1998	-	(8,875)	-	(8,875)
		-	(9,168)	-	(9,168)
Other buildings:	At cost	(3)	(783)	(3)	-
	At independent valuation 1998	-	(1,608)	-	(1,600)
	At independent valuation 1999	-	(258)	-	-
	At Council valuation 2000	-	(52)	-	-
		(3)	(2,701)	(3)	(1,600)
Total provision for depreciation		(3)	(11,869)	(3)	(10,768)
Total buildings net of depreciation		311,932	326,041	309,988	324,250
Leasehold improvements					
	At cost	2,982	1,118	1,203	789
	Provision for amortisation	(480)	(320)	(152)	(51)
		2,502	798	1,051	738
Library collection					
	At cost	-	18,663	-	18,663
	At Council valuation 1998	-	167,760	-	167,760
	At Council valuation 2002	55,819	-	55,819	-
		55,819	186,423	55,819	186,423
	Provision for depreciation	-	(133,738)	-	(133,738)
		55,819	52,685	55,819	52,685
Works of art					
	At independent valuation 1999	-	2,790	-	2,790
	At independent valuation 2002	4,188	-	4,188	-
		4,188	2,790	4,188	2,790



			Consolidated		University	
		Note	2002	2001	2002	2001
			\$000	\$000	\$000	\$000
12.	Property, Plant and Equipment - continued	3(l)				
12.1	Summary-continued					
	Plant and equipment					
	At cost		102,255	99,720	94,984	93,174
	Provision for depreciation		(68,727)	(63,425)	(64,774)	(59,445)
			33,528	36,295	30,210	33,729
	Total Property, Plant and Equipment		551,527	494,425	517,973	472,264

Aggregate depreciation and amortisation allocated during the year is recognised as an expense and disclosed in Note 6 Operating Surplus.

12.2 Reconciliation

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current financial year are set out below.

	Land	Buildings	Leasehold	Library	Works	Plant and	Total
	\$000	Inc WIP	Improvement	Collections	of Art	Equipment	\$000
Consolidated							
Opening Balance	75,816	326,041	798	52,685	2,790	36,295	494,425
Additions	265	7,772	2,076	4,237	1,090	7,782	23,222
Disposals	(250)	(34)	(155)	(367)	-	(1,369)	(2,175)
Revaluation							
increments/(decrements)	67,727	(17,458)	-	5,299	308	-	55,876
Depreciation/amortisation	-	(4,389)	(217)	(6,035)	-	(9,180)	(19,821)
Closing Balance	143,558	311,932	2,502	55,819	4,188	33,528	551,527
Parent							
Opening Balance	58,072	324,250	738	52,685	2,790	33,729	472,264
Additions	-	7,723	599	4,237	1,090	5,953	19,602
Disposal	(250)	(34)	(108)	(367)	-	(1,052)	(1,811)
Revaluations							
increments/(decrements)	58,895	(17,706)	-	5,299	308	-	46,796
Depreciation/amortisation	-	(4,245)	(178)	(6,035)	-	(8,420)	(18,878)
Closing Balance	116,717	309,988	1,051	55,819	4,188	30,210	517,973

12.3 Glenthorne

In May 2001, the University was the recipient of a grant of a parcel of land known as Glenthorne previously owned by the CSIRO. This land is intended to be used by the University for research, teaching and agricultural based commercial enterprises.

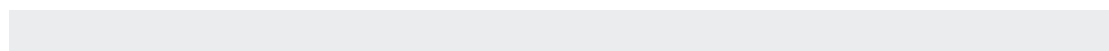
The transaction involved three parties. The Government of South Australia had agreed to purchase Glenthorne from the CSIRO for \$7 million, which was the value of the land if it were to be developed for housing. The Government of South Australia was intending to retain the land as open space. However, after consultation with various interested parties, the Government of South Australia decided that the ongoing development and management of the property would best be undertaken by the University. As a result, the Government of South Australia made a \$7 million grant to the University to purchase Glenthorne from the CSIRO.

However, the land is zoned for rural use and one of the conditions of the grant from the Government of South Australia was that the University preserve the land for agricultural and other related activities. The Valuer-General has valued the land for primary production at \$3.3 million. Should the University sell the property these same conditions would apply to the new owner and the University would be obliged to repay the original grant plus CPI to the Government of South Australia.

	Note	Consolidated		University	
		2002	2001	2002	2001
		\$000	\$000	\$000	\$000
12.3 <u>Glenthorne- continued</u>					
In accordance with AAS 6 Accounting Policies, the University whilst recognising the ascribed value of the \$7 million grant as income in 2001, wrote down the value of the land to fair value, with a charge to the Statement of Financial Performance of \$3.7 million in 2001.					
As a result, the transaction as a whole had a beneficial impact on the University's Statement of Financial Performance of \$3.3 million in 2001.					
13. <u>Payables – Current</u>					
Accounts payable		13,941	13,823	10,640	10,316
Accruals		9,991	6,385	5,097	1,736
		23,932	20,208	15,737	12,052
14. <u>Interest-bearing liabilities</u>					
<u>Current</u>					
Bank loans and commercial paper		108	20,113	-	20,038
Lease liability		-	7	-	-
Other		7	36	6	36
Owing to controlled entities		-	-	-	2,047
		115	20,156	6	22,121
<u>Non-Current</u>					
Bank loans and commercial paper		213	198	-	-
Other		94	95	94	95
		307	293	94	95
Bank Loans and Commercial Paper					
In 1991 the University obtained a loan facility to a maximum of \$22.9 million for a period of 10 years. During the course of 2001 the loan facility expired and the debt was converted into commercial bills. During the 2002 year the commercial bills were repaid from surplus cash on deposit.					
15. <u>Provisions</u>					
<u>Current</u>					
Annual and long service leave provision		9,860	11,745	9,216	11,211
Workers' compensation provision		920	857	920	818
		10,780	12,602	10,136	12,029
<u>Non-Current</u>					
Workers' compensation provision		1,580	1,300	1,580	1,300
Long service leave provision		18,876	19,653	18,856	19,638
		20,456	20,953	20,436	20,938
16. <u>Other Liabilities</u>					
<u>Current</u>					
Grants received in advance		-	6,780	-	6,603
Outside funded positions		1,054	831	1,054	831
Salary and wage deductions		351	3,432	348	3,432
Student tuition fees received in advance		1,871	2,702	1,871	2,702
Unspent Commonwealth financial assistance		1,328	-	1,328	-
Residential bonds		17	28	17	28
Employee benefits – redundancy		510	-	510	-
		5,131	13,773	5,128	13,596

Grants Received in Advance

In December 2001, the University received an advance of its operating grant of \$5m from DEST. An amount of \$0.3m had been used as at 31 December 2001, reducing this amount to \$4.7m. This amount was included in grants received in advance. The amount in grants received in advance has been included in grant revenue in the Statement of Financial Performance in 2002 together with a further \$5M operating grant received from DEST during 2002. The grant was for the purpose of restructuring and will be offset by a reduction in DEST funding in 3 equal instalments in 2003, 2004 and 2005.



	Note	Consolidated		University	
		2002 \$000	2001 \$000	2002 \$000	2001 \$000
17. Reserves					
17.1 Summary					
<u>Capital reserves</u>					
Capital reserve		2,970	2,970	-	-
Capital profits reserve		687	1,036	-	-
Asset revaluation reserve		143,303	100,242	159,859	114,226
Initial asset recognition reserve		279,124	279,378	279,124	279,124
		426,084	383,626	438,983	393,350
<u>Specific purpose reserves</u>					
Special reserve		46,452	35,626	46,452	35,626
Bequests/donations unspent income reserve		12,415	10,087	12,415	10,087
Restricted purpose bequest capital reserve		44,782	47,880	44,782	47,880
Composite fund revaluation reserve		10,629	14,483	10,629	14,483
		114,278	108,076	114,278	108,076
17.2 Movements in reserves					
<u>Capital reserve</u>					
Opening balance		2,970	2,970	-	-
Current year movement		-	-	-	-
Closing balance		2,970	2,970	-	-
<u>Capital profits reserve</u>					
Opening balance		1,036	865	-	-
Current year movement		(349)	171	-	-
Closing balance		687	1,036	-	-
<u>Asset revaluation reserve</u>					
Opening balance		100,242	88,116	114,226	71,726
Add/(deduct): revaluation increment/ decrement on investments		(12,815)	12,126	(1,163)	42,500
Add: revaluation increment on property, plant and equipment		55,876	-	46,796	-
Closing balance		143,303	100,242	159,859	114,226
<u>Initial asset recognition reserve</u>					
Opening balance		279,378	279,378	279,124	279,124
Current year movement		(254)	-	-	-
Closing balance		279,124	279,378	279,124	279,124
<u>Special reserve</u>					
Opening balance		35,626	26,187	35,626	26,187
Transfer (to) / from accumulated funds		10,826	9,439	10,826	9,439
Closing balance		46,452	35,626	46,452	35,626
<u>Bequests / donations unspent income reserve</u>					
Opening balance		10,087	9,547	10,087	9,547
Transfer (to) / from accumulated funds		2,328	540	2,328	540
Closing balance		12,415	10,087	12,415	10,087
<u>Restricted purpose bequest capital reserve</u>					
Opening balance		47,880	47,583	47,880	47,583
Transfer (to) / from accumulated funds		(3,098)	297	(3,098)	297
Closing balance		44,782	47,880	44,782	47,880
<u>Composite fund revaluation reserve</u>					
Opening balance		14,483	15,519	14,483	15,519
Transfer (to) / from accumulated funds		(3,854)	(1,036)	(3,854)	(1,036)
Closing balance		10,629	14,483	10,629	14,483

17. Reserves - continued

17.3 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(l).

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.

Specific purpose reserves

Represents a number of reserves generated through a series of specific purpose transactions, and can only be used in accordance with the attributes of the generating transactions, eg composite fund revaluations reserve, bequest/donations reserve etc. In particular, the special reserve is created for surplus funds which will be specifically acquitted in future accounting periods.

		Consolidated		University	
		2002	2001	2002	2001
		\$000	\$000	\$000	\$000
	Note				

18 Notes to the Statement of Cash Flows

(a) Reconciliation of cash

For the purposes of the Statement of Cash Flows, cash includes cash on hand and at bank and short term investments in money market instruments. Cash as at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

Cash	11,861	14,181	1,467	5,578
Short term cash investment	13,075	25,941	13,075	25,941
	24,936	40,122	14,542	31,519

(b) Reconciliation of net cash provided by operating activities to operating surplus (deficit)

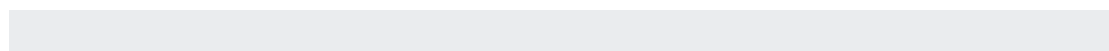
Operating surplus (deficit)		15,882	(5,467)	12,419	(6,365)
Add/(subtract) non cash items					
Amortisation	6	3,826	2,938	3,787	2,938
Depreciation	6	15,995	15,214	15,091	14,487
Write down/(up) investments		4,307	2,150	4,307	2,150
Bad debts written off		6	528	-	452
Superannuation expense		4,100	1,800	4,100	1,800
Superannuation revenue		(4,100)	(1,800)	(4,100)	(1,800)
Other revenue/expenses		(1,725)	(3,714)	(1,104)	(4,117)
(Profit)/loss on sale of property, plant and equipment		(231)	1,820	(195)	1,879

Changes in assets/liabilities

(Increase)/decrease in inventories		506	(857)	(14)	33
(Increase)/decrease in receivables		(8,379)	(5,271)	(7,865)	(5,793)
(Increase)/decrease in other current assets		845	(155)	1,319	(1,181)
Increase/(decrease) in payables		3,724	(4,396)	3,685	(3,446)
Increase/(decrease) in other current liabilities		(8,642)	9,359	(8,468)	9,584
Increase/(decrease) in provisions		(2,319)	302	(2,395)	871
Increase/(decrease) in interest-bearing liabilities		-	1,866	-	(2,065)
Net cash provided by operating activities		23,795	14,317	20,567	9,427

(c) Interest-bearing liabilities

Refer to Note 14



	Note	Consolidated		University	
		2002 \$000	2001 \$000	2002 \$000	2001 \$000
19. Future Expenditure Commitments					
Operating Expenditure					
Contracted but not provided for and payable:					
Not later than one year		9,544	4,662	9,544	4,662
Later than one year, but not later than five years		7,625	3,642	7,625	3,642
Later than five years		-	-	-	-
		17,169	8,304	17,169	8,304
Capital Expenditure					
Contracted but not provided for and payable:					
Not later than one year		8,764	6,994	8,764	6,994
Later than one year, but not later than five years		-	-	-	-
Later than five years		-	-	-	-
		8,764	6,994	8,764	6,994
Operating Lease Commitments					
Future operating base rental not provided for and payable:					
Not later than one year		4,454	2,998	3,983	2,892
Later than one year, but not later than five years		7,515	6,823	5,440	5,123
Later than five years		4,117	2,444	1,200	-
		16,086	12,265	10,623	8,015
Finance Lease Commitments	3(l)				
Finance lease rentals are payable as follows:					
Not later than one year		-	7	-	-
Later than one year, but not later than five years		-	-	-	-
Later than five years		-	-	-	-
		-	7	-	-
Less: future lease finance charges		-	-	-	-
		-	7	-	-
Lease liabilities provided for in the financial statements:					
Current		-	7	-	-
Non-Current		-	-	-	-
Total lease liability		-	7	-	-

The University leases plant and equipment under finance leases expiring from one to five years. At the end of the lease term the University has the option to purchase the equipment.

20. Contingent Liabilities

(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 Health and Aged Care, for an interest free, 20 year loan of \$126,000 to be used for the construction of the Observatory Child Care Centre.

(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. No employer contributions were made in 2002, however actuarial advice has been received to re-commence employer contributions of 14% of salaries as from 1 January 2003 to ensure there are sufficient assets in the scheme to meet expected future liabilities of remaining members. Refer to Note 22(c).

(ii) UniSuper Limited Superannuation Schemes

Refer to Note 22(b).

20. Contingent Liabilities - continued

(c) **Litigation**

In the ordinary course of its operations, the University and its controlled entities become 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. No such provision is contained in the University's financial statements.

(d) **Insurance Claims**

Adelaide Research & Innovation Pty Ltd (ARI) was named co-defendant in an action for loss and damages with respect to the Hindmarsh Island Bridge. The total claim was approximately \$20m. The claim related to alleged negligence in the employment of a consultant who assisted in making submissions to the Minister for Aboriginal Affairs. During 2001 judgment was made in favour of the co-defendants. The judgement was appealed but before the hearing date a discontinuance notice was filed.

Repromed Pty Ltd is currently party to a professional claim from a patient. In the directors opinion this claim is unlikely to be successful and in any event would be covered by the company's professional indemnity insurance policy.

(e) **Taxation claim involving R&D syndicate**

In August 2000 ARI was notified by the Australian Taxation Office (ATO) that the Trust may be assessable to income tax in respect of certain income arising from the Transgenic Syndicated R&D Project in the 1991/1992 and following years. The ATO claimed that, on the information available to it, ARI had not distributed that income to the beneficiary, The University of Adelaide. ARI has contested the ATO's view, and its legal advice strongly supports ARI's position that ARI is not properly liable for any tax. No assessment had been issued prior to the adoption of these financial statements.

In addition to this claim, the company has received notification from the sponsor of the R&D Syndication that in the event that their defence of a claim placed upon them by the ATO is unsuccessful, they will make a counter claim for the 2,967,000 BresaGen shares issued to ARI Investment Trust arising from the R&D syndication. The judgement was in favour of the Syndicate, however the ATO may appeal.

21. Event Subsequent to Balance Date

Subsequent to balance date, the University of Adelaide has entered into negotiations with the State Government of South Australia, and made a conditional and non-legally binding offer to lease the National Wine Centre for a period of 40 years, and to purchase related assets for an all up consideration of \$1 million. The transaction has not been concluded as the due diligence process is not yet complete. There is no financial consequence represented in the 2002 Financial Statements.

22. Superannuation Schemes

(a) 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 Benefit Plan or Investment Choice Plan – formerly Superannuation Scheme for Australian Universities (SSAU)
 - UniSuper Award Plus Plan – formerly Tertiary Education Superannuation Scheme (TESS)
- (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**

From 1984 the University became a participating institution in the Superannuation Scheme for Australian Universities (SSAU). As at 1 July 1998, the rules governing the Fund were amended to allow employees the option to remain within the defined benefits arrangement or convert to an accumulation fund. As from 1988 the University was also a participating institution in Tertiary Education Superannuation Scheme (TESS); a non-contributory scheme for University employees. On 1 October 2000, SSAU merged with TESS to form UniSuper. The employee's UniSuper plan is determined by the terms of employment. The superannuation plans are now administered by UniSuper Management Pty Ltd with UniSuper Ltd as the trustee.

The employer contribution rate during 2002 for employees in either the Defined Benefit 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 8% of salaries up to 30 June 2002 and 9% of salaries thereafter. The employee contribution rate throughout 2002 for employees in either the Defined Benefit Plan or Investment Choice Plan was 7% of their gross salaries.

22. Superannuation Schemes – continued

(b) **UniSuper Limited Superannuation Schemes - continued**

An actuarial assessment, as at 31 December 1999, was completed on 18 May 2000. The assessment was conducted by Mr Grant Harslett (FIA, FIAA) of Towers Perrin. The actuary concluded that the assets of the fund were sufficient to meet all benefits payable in the event of the fund's termination, or the voluntary or compulsory termination of employment of each employee of the University. An actuarial assessment as at 31 December 2002 was being undertaken at the time the financial statements were being prepared, however it was not available for disclosure at the time of signing the financial statements.

The Trustee of UniSuper has advised that the vested and accrued benefits of staff members who are in the Defined Benefits Plan were valued at the greater of the present value of expected future payment of benefits or the vested benefit, as follows:

- (i) Estimated vested and accrued benefits at 30 June 2002 - \$170.4 million (2001 - \$172.0 million).
- (ii) Estimated net market value of assets for current members, at 30 June 2002 available to pay the superannuation liabilities of The University of Adelaide members was \$158.5 million (2001 - \$189.8 million).
- (iii) The difference between the estimated net market value of assets and accrued benefits at 30 June 2002 apportioned to The University of Adelaide was \$(11.9) million (2001 - \$17.8 million). The 2002 shortfall is an outcome of market decline. The accounting valuation is made on the hypothetical basis of all DBP members having to be paid at once.

The Trustee has also advised the University that based on reasonable assumptions about the future, the actuary expects commitments to members to be met and the existing contribution rates to remain appropriate. The University has not been required to increase contribution rates to the scheme in 2002.

(c) **The University of Adelaide Superannuation Scheme A 1985**

The University of Adelaide Superannuation Scheme A 1985 (Scheme) provides superannuation benefits for employees who had not transferred to UniSuper. The Scheme is administered by William M Mercer Pty 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) and is fully funded.

No employer contribution was made in 2002, however actuarial advice has been received to re-commence employer contributions of 14% of salaries as from 1 January 2003 to ensure that there are sufficient assets in the Scheme to meet expected future liabilities of remaining members.

The actuary, William M Mercer Pty Ltd, has provided the following information on the scheme, based on the most recent financial report of the superannuation fund:

- (i) Vested benefits as at 30 June 2002 was \$9.7 million (2001 - \$10.3 million)
- (ii) Net market value of the assets of the Scheme available to pay benefits as at 30 June 2002 was \$10.3 million (2001 - \$12.2 million).
- (iii) Accrued benefits as at the date of last measurement being 30 June 2001 of \$11.6 million; the previous measurement as at 30 June 1998 was \$9.5 million.
- (iv) The difference between accrued benefits and the net market value of assets as at 30 June 2001, was \$0.6 million; the difference at the last measurement as at 30 June 1998 was \$3.0 million.

(d) **State Government Superannuation Schemes**

In 1991 employees of the City Campus of 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 2002 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 2002, there is an unfunded liability of \$37.8 million (2001 - \$33.7 million). This represents an increase in liability of \$4.1 million since 31 December 2001. This is recognised as expenditure in the 2002 Statement of Financial Performance, with a corresponding adjustment to revenue.

22. Superannuation Schemes – continued

(d) State Government Superannuation Schemes - continued

The Commonwealth Government has agreed to provide assistance under Section 20 of the Higher Education Funding Act to meet the additional costs in respect of State Government emerging cost schemes, where costs are in excess of funding provided for this purpose in the base operating grant (ie 14% of salaries). 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 "Guidelines for the Preparation of Annual Financial Reports for the 2002 Reporting Period by Australian Higher Education Institutions" provided by DEST. The accounting treatment employed is also consistent with the approach taken by other Australian Universities. Accordingly, total assets of \$37.8 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 Superannuation Benefits".

Summary	Note	Consolidated		University	
		2002 \$000	2001 \$000	2002 \$000	2001 \$000
Deferred Government Superannuation Contribution					
Non-current asset		37,800	33,700	37,800	33,700
Deferred Employee Superannuation Benefits					
Current liability		2,700	2,400	2,700	2,400
Non-current liability		35,100	31,300	35,100	31,300
		37,800	33,700	37,800	33,700
The total employer contributions were:					
UniSuper Defined Benefit Plan or Investment Choice Plan		13,378	13,486	13,378	13,486
UniSuper Award Plus Plan		6,087	5,817	6,087	5,817
State Government Superannuation Schemes (3%)		45	63	45	63
		19,510	19,366	19,510	19,366

23. Disaggregation Information (previously Segment 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 are not significant so as to warrant disaggregation information disclosure.

24. Auditors' Remuneration

Amounts paid or payable were:

South Australian Auditor-General	165	160	165	160
Other auditors of controlled entities	60	74	-	-
	225	234	165	160
Other Services	-	-	-	-
	225	234	165	160

25. Remuneration for University Senior Management

	2002 \$000	2001 \$000
Amounts paid or payable to University Senior Management	2,338	3,804
	Number	Number
\$100,000 - \$109,999	2	-
\$150,000 - \$159,999	-	2
\$160,000 - \$169,999	-	1
\$170,000 - \$179,999	1	2
\$180,000 - \$189,999	1	1
\$190,000 - \$199,999	-	-
\$210,000 - \$219,999	1	1
\$220,000 - \$229,999	1	3
\$230,000 - \$239,999	1	-
\$240,000 - \$249,999	1	-
\$260,000 - \$269,999	1	-
\$280,000 - \$289,999	2	-
\$300,000 - \$309,999	-	1
\$1,600,000 - \$1,609,999	-	1
	11	12

25. Remuneration for University Senior Management - continued

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.

The Vice-Chancellor and other senior managers derive board fees for services rendered to organisations outside of the University which they pay or direct as income to the University.

26. Additional Financial Instruments Disclosure

(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, future 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	Floating Interest Rate \$000	1 Year or less \$000	Over 1 to 5 years \$000	More than 5 years \$000	Non- Interest bearing \$000	Total \$000
2002							
Financial Assets							
Cash		11,861	-	-	-	-	11,861
Receivables	7	-	-	-	-	25,974	25,974
Other Financial Assets	8,11	39,728	24,056	-	1,678	18,237	83,699
		51,589	24,056	-	1,678	44,211	121,534

Weighted average interest rate		4.03%	4.65%	-	6.21%	-	
Financial Liabilities							
Payables	13	-	-	-	-	23,932	23,932
Interest-bearing Liabilities	14	-	108	213	-	101	422
		-	108	213	-	24,033	24,354
Weighted average interest rate		-	3.7%	3.7%	-	-	

	Note	Floating Interest Rate \$000	1 Year or less \$000	Over 1 to 5 years \$000	More than 5 years \$000	Non- Interest bearing \$000	Total \$000
2001							
Financial Assets							
Cash		14,181	-	-	-	-	14,181
Receivables	7	-	-	-	-	17,595	17,595
Other Financial Assets	8,11	15,815	37,411	-	6,154	54,475	113,855
		29,996	37,411	-	6,154	72,070	145,631

Weighted average interest rate		3.75%	5%	-	12.93%	-	
Financial Liabilities							
Payables	13	-	-	-	-	20,208	20,208
Interest-bearing Liabilities	14	-	20,038	-	-	411	20,449
		-	20,038	-	-	20,619	40,657
Weighted average interest rate		-	8.55%	-	-	-	

26. 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 share trading and foreign currency cash exposures. 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 failed to perform as contracted.

(i) On Statement of Financial Position Financial Instruments

The credit risk on financial assets, excluding investments of the Consolidated Entity which have been recognised in the Statement of Financial Position, is the carrying amount, net of any provisions for doubtful debts.

The Consolidated Entity's financial assets and liabilities are not materially exposed to any individual overseas country or individual customer.

(ii) Off Statement of Financial Position Financial Instruments

The reporting entity and its controlled entities do not possess or trade any Off Statement of Financial Position Financial Instruments.

(d) Net Fair Values of Financial Asset and Liabilities

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

(i) On Statement of Financial Position 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.

The carrying amount of bank term deposits, accounts receivable, accounts payable and bank loans approximate net fair value.

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

(ii) Off Statement of Financial Position Financial Instruments

The reporting entity and its controlled entities do not possess or trade any Off Statement of Financial Position Financial Instruments.

27. Investments in Controlled Entities

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

Controlled Entity	Investment at Fair Value		Investment at Cost		Contribution to Operating Result	
	2002 \$000	2001 \$000	2002 \$000	2001 \$000	2002 \$000	2001 \$000
The Adelaide Research & Innovation Investment Trust	10,199	21,228	2,898	2,898	1,958	(1,669)
Lubims Pty Ltd	1,563	789	-	-	274	112
Martindale Holdings Pty Ltd as trustee for						
• JS Davies Estate	14,388	11,663	-	-	954	1,331
• JAT Mortlock Trust	18,085	11,718	-	-	997	861
	44,235	45,398	2,898	2,898	4,183	635

JS Davies

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 consolidated figures for the group. The remaining 1/6th is recognised as an outside equity interest.

Fair value of investments in controlled entities

The investment in controlled entities has been reported at fair value using the net asset basis. Refer Note 3(j).

28. Investments in Associates

(a) Equity and Contribution to Results

Associate Entity	Principal Activity	Holding %	Consolidated Carrying Amount		Investment at Cost	
			2002 \$000	2001 \$000	2002 \$000	2001 \$000
Held by the University						
AITEC Pty Ltd	Provides advanced information technology courses.	7.8	-	55	-	-
Unisure Pty Ltd	Responsible for processing of Tertiary Institution Workers' Compensation Insurance.	33.3	-	-	-	-
Ngee Ann Adelaide Education Centre Pty Ltd	Operates a graduate education centre in Singapore.	50.0	440	278	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.	39.0	-	-	-	-
Australian Grain Technology Pty Ltd	Responsible for the development of research into new grain varieties.	25.0	-	-	-	-
			440	333	298	298

In 2002 AITEC Pty Ltd underwent a restructuring that resulted in the University's shareholding reducing to 7.83% (2001 - 25%). As the University no longer has a significant influence in AITEC Pty Ltd, the University no longer accounts for this investment using the equity method.

Note	Consolidated		University	
	2002 \$000	2001 \$000	2002 \$000	2001 \$000
(b) Movements in Carrying Amounts of Investments in Associates				
At beginning of financial year	333	162	-	-
Share of operating profits/(losses)	107	171	-	-
	440	333	-	-
(c) Results Attributed to Associates				
Operating profits/(losses)	107	171	-	-
Retained profits attributable to associates at start of financial year	333	162	-	-
Retained profits attributable to associates at the end of the financial year	440	333	-	-

(d) Accounting for Associates

(i) Capital and Other Expenditure Commitments

There are no material capital expenditure commitments relating to associated entities.

(ii) Contingent Liabilities

There are no material contingent liabilities relating to associated entities.

(iii) After Balance date Events

There are no material after balance date events to report for associated entities.

28. Investments in Associates – continued

(d) Accounting for Associates

(iv) Assets, Revenue and Expenditure

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

(v) Off Statement of Financial Position Financial Instruments

The reporting entity, nor any of its associated entities, have any Off Statement of Financial Position Financial Instruments.

29. Interests in Joint Ventures

(a) Groups

The University participates in a number of joint ventures. These operations are not material to the University and there is no separate disclosure for 2002 in accordance with the Australian Accounting Standard AAS 19 – Accounting for Interests in Joint Ventures. For reporting purposes these have been segregated into two group as follows: Refer accounting policy 3(j).

(i) Cooperative Research Centres

The University participated in a number of Cooperative Research Centres (CRCs) during 2002. These Centres have the characteristics of joint ventures and have been reported as such.

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 CRC 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 with the overall impact for the period being revenue neutral. Consequently, they are reported as part of the University's activity. At this stage, with the exception of GroPep Ltd, there has been no intellectual property yet developed which is considered to have commercial value in either the ongoing or completed CRCs. Consequently at balance date, no value was ascribed to the intellectual property of the CRCs.

			Participation
Australian Petroleum CRC	(U)	(C)	13%
CRC for Welded Structures	(U)	(C)	7%
CRC for Molecular Plant Breeding	(U)	-	17%
CRC for Clean Power from Lignite	(U)	(C)	9%
CRC for Sensor Signal and Information Processing	(U)	-	16%
CRC for Tissue Growth and Repair	(U)	(C)	16%
CRC for Viticulture	(U)	(C)	18%
CRC for Water Quality and Treatment	(U)	(C)	6%
CRC for Australian Weed Management	(U)	(C)	7%
CRC for Biological Control of Pest Animals	(U)	(C)	8%
CRC for Cattle & Beef Quality	(U)	(C)	-
CRC for Freshwater Ecology	(U)	(C)	1%
CRC for Smart Internet Technology	(U)	-	5%
CRC for Plant-Based Management of Dryland Salinity	(U)	(C)	-
CRC for Landscape Environments and Mineral Exploration	(U)	(C)	5%

The University is a supporting participant (but not a signatory) for the CRC for Cattle and Beef Quality.

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 \$3.0 million in cash and \$27.8 million in kind.

29. Interests in Joint Venture - continued

(ii) Other Unincorporated Joint Ventures

Name	Principal Activity	Participation	
South Australian Regional Network Organisation (SAARDNet)	To provide high speed microwave networks to link areas of research concentration in South Australia.	(U)	20%
Middleback Field Centre	To provide pastoral-zone courses and range land ecology research programmes.	(U)	33%
National Course in General Arbitration & Dispute Resolution	To develop and deliver tertiary courses in general arbitration and alternative dispute resolution.	(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%
(I) Incorporated	(U) Unincorporated	(C) CSIRO is a partner	

The Consolidated Entity's reported interest in the assets employed in the joint ventures total \$367,000 (2001-\$248,000). These are included in the consolidated Statement of Financial Position, in accordance with the accounting policy described in Note 3 (j).

(b) Equity and Contribution to Results

Joint Venture Entity		Consolidated Carrying Amount		Investment at Cost	
		2002 \$000	2001 \$000	2002 \$000	2001 \$000
Held by The University of Adelaide					
National Course in General Arbitration & Dispute Resolution	50%	19	4	65	65
Middleback Field Centre	33%	24	23	-	-
South Australian Regional Network Organisation	20%	-	5	-	85
South Australian Centre for Economic Studies	50%	43	27	-	-
South Australian Tertiary Admissions Centre	25%	281	189	-	-
		367	248	65	150

The South Australian Regional Network Organisation (SAARDNet) is no longer a going concern and has ceased operations.

Note	Consolidated		Investment	
	2002 \$000	2001 \$000	2002 \$000	2001 \$000

(c) Movements in Carrying Amounts of Joint Ventures

At beginning of financial year	248	202	-	-
Share of operating profits/(losses)	119	46	-	-
	367	248	-	-

(d) Results Attributed to Joint Ventures

Operating profits/(losses)	119	46	-	-
Retained profits attributable at start of financial year	248	202	-	-
Retained profits attributable at the end of the financial year	367	248	-	-

29. Interests in Joint Venture - continued

(e) Accounting for Joint Ventures

(i) Capital and other expenditure commitments

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

(ii) Contingent Liabilities

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

(iii) After Balance Date Events

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

(iv) Assets, Revenue and Expenditure

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

(v) Off Statement of Financial Position Financial Instruments

The reporting entity, nor any of its joint ventures, have any Off Statement of Financial Position Financial Instruments.

30. Other Investments

The University holds investments in the following business undertakings.

Entity	Note	Consolidated		University	
		2002 \$000	2001 \$000	2002 \$000	2001 \$000
Investments at Cost		76	103	86	86
Investments at Council valuation 2002	3(j)				
Other		3,056	1,691	1,888	804
Held by ARI Investment Trust at Council valuation ⁽¹⁾	3(j)				
BresaGen Ltd	Biotechnology research	2,983	7,670	-	-
GroPep Ltd	Biotechnology research	4,070	12,830	-	-
		7,053	20,500	-	-
		10,185	22,294	1,974	890

⁽¹⁾ These investments are publicly listed and have been recorded at the market value at balance date.

31. Related Party Transactions

(a) 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.

Mr Brian Croser, AO, is a director of Petaluma Ltd. One of the subsidiary's of this group transacts business on normal commercial trading terms with JAT Mortlock Trust through Martindale Holdings Pty Ltd as trustee.

Mr NR Adler, AO, is Chairman and director of the board of The Australian Trade Commission (Austrade), which provides on normal commercial terms to the University, various marketing services, primarily in the area of international students.

Mr NR Adler, AO, is the major shareholder and Chairman of the board of directors of Amtrade International Pty Ltd, which provides on normal commercial terms to the University, various chemical and plastic raw materials.

Dr H Reid, OAM, is a board member of St Mark's College Incorporated. The University has advanced a loan to St Mark's College at an interest rate calculated as the CPI for the previous year plus 1%.

(b) 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 29.

(c) Fees Paid To Members of Council

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

(d) 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 as any other students. This also applies to members of Council who are enrolled as students.

The following information being Note 32 to Note 39 has been prepared in accordance with the DEST reporting guidelines.

32. **Statement of Financial Performance for the Year Ended 31 December 2002**

		Consolidated		University	
	Note	2002 \$000	2001 \$000	2002 \$000	2001 \$000
OPERATING RESULT FROM ORDINARY ACTIVITIES					
Commonwealth Government financial assistance		177,132	158,906	177,132	158,906
State Government financial assistance	38	15,131	11,720	14,911	11,500
Higher Education Contribution Scheme	34				
• Student contributions		6,638	6,063	6,638	6,063
• Commonwealth payments		35,339	33,100	35,339	33,100
Postgraduate Education Loan Scheme (PELS)	34	1,293	-	1,293	-
Fees and charges	39	55,766	45,965	50,385	42,889
Superannuation					
• Deferred Government contributions		4,100	1,800	4,100	1,800
• Commonwealth supplementation		2,465	1,212	2,465	1,212
Investment income		(268)	3,350	114	3,603
Royalties, trademarks and licenses	5	564	273	564	9
Consultancy and contract research		30,246	29,966	22,036	18,504
Other revenue		42,971	33,147	23,363	19,710
Total operating revenue from ordinary activities		371,377	325,502	338,340	297,296
OPERATING EXPENSES FROM ORDINARY ACTIVITIES					
Employee benefits	6	201,306	188,291	193,548	181,038
Depreciation and amortisation	6	19,821	18,152	18,878	17,425
Buildings and grounds		18,284	16,745	18,284	16,690
Bad and doubtful debts	6	(156)	166	(156)	90
Borrowing cost expense	6	1,269	2,049	1,252	2,040
Other expenses		114,971	105,566	94,115	86,378
Total operating expenses from ordinary activities		355,495	330,969	325,921	303,661
Operating result from ordinary activities		15,882	(5,467)	12,419	(6,365)

The University of Adelaide Financial Statements 2002

	Note	Consolidated 2002 \$000	2001 \$000	University 2002 \$000	2001 \$000
33. Commonwealth Government Financial Assistance					
(a) Financial assistance received pursuant to the Higher Education Funding Act 1988 (including Superannuation contributions from the Commonwealth, but excluding HECS & PELS)					
Teaching and Learning:					
Operating (excluding HECS & PELS)		79,204	82,203	79,204	82,203
Teaching Hospitals		530	518	530	518
ARC:					
Discovery – Projects		2,845	-	2,845	-
Large grants		3,667	5,221	3,667	5,221
Research Fellowships		1,813	1,889	1,813	1,889
Federation Fellowships		314	-	314	-
Linkage – Projects		876	-	876	-
SPIRT		957	1,583	957	1,583
Linkage – Infrastructure		225	2,218	225	2,218
Linkage – International		83	-	83	-
International Researcher Exchange		236	291	236	291
Centres of Excellence		3,712	1,675	3,712	1,675
ANZCCART		30	21	30	21
DEST:					
Institutional Grants Scheme		15,310	-	15,310	-
Research Training Scheme		24,070	23,501	24,070	23,501
Systemic Infrastructure Initiative		201	-	201	-
Research Infrastructure		8,134	5,778	8,134	5,778
Australian Postgraduate Awards		4,116	3,972	4,116	3,972
International Postgraduate Research Scholarships		693	943	693	943
Sub-total pursuant to the Higher Education Funding Act 1988		147,016	129,813	147,016	129,813
(b) Other Commonwealth Government financial assistance received:					
AusIndustry		15	-	15	-
Australian Biological Resources Study		66	57	66	57
Australian Telescope National Facility		-	13	-	13
Australian Centre for International Agricultural Research		656	459	656	459
Australian Institute of Aboriginal & Torres Strait Islander Studies		31	-	31	-
Australian Institute of Health and Welfare		595	269	595	269
Australian Synchrotron Research Program		-	13	-	13
Australian Wine Research Institute		-	11	-	11
Australian Wool Research and Promotion Organisation		-	23	-	23
AusAid		-	10	-	10
Bureau of Rural Sciences		8	-	8	-
Centrelink		136	7	136	7
CSIRO		420	175	420	175
Defence, Science and Technology Organisation		280	111	280	111
Department of Agriculture, Fisheries and Forestry		7,724	9,389	7,724	9,389
Department of Communications, IT and Arts		15	-	15	-
Department of Education, Science and Training		118	172	118	172
Department of Foreign Affairs and Trade		5	-	5	-
Department of Health and Aged Care		22,022	18,821	22,022	18,821
Department of Immigration and Multicultural and Indigenous Affairs		20	-	20	-
Department of Industry, Tourism and Resources		265	376	265	376
Department of Primary Industries and Energy		-	49	-	49
Environment Australia		-	48	-	48
Horticulture Australia Limited		-	252	-	252
Medical Services Advisory Committee		205	-	205	-
Other		-	50	-	50
Sub-total other Commonwealth Government financial assistance received		32,581	30,305	32,581	30,305
Total Commonwealth Government financial assistance excluding HECS & PELS		179,597	160,118	179,597	160,118

34. Acquittal of Commonwealth Government Financial Assistance – Teaching and Learning
Amounts received and expended pursuant to the Higher Education Funding Act 1988:

TEACHING AND LEARNING	PARENT ENTITY (UNIVERSITY) ONLY							
	Operating Financial Assistance excluding HECS and PELS		Teaching Hospitals		HECS		PELS	
	2002 \$000	2001 \$000	2002 \$000	2001 \$000	2002 \$000	2001 \$000	2002 \$000	2001 \$000
Financial assistance in advance (received in the previous reporting period)								
<i>Plus</i> Financial assistance received during reporting period	5,172	-	42	-	2,812	-	-	-
<i>Plus</i> Contributions actually received from students	79,419	87,203	530	518	35,339	33,100	1,293	-
<i>Less</i> Financial assistance in advance (received in the reporting period for the next reporting period)	-	-	-	-	6,638	6,063	-	-
Accrual Adjustments	(5,030)	(5,000)	(43)	-	(3,080)	-	-	-
<i>Less</i> 2002 Financial assistance received in 2001	(5,172)	-	(42)	-	(2,812)	-	-	-
<i>Plus</i> 2003 Financial assistance received in 2002	5,030	-	43	-	3,080	-	-	-
<i>Less</i> Work Place Reform adjustment	(215)	-	-	-	-	-	-	-
Revenue attributed to the reporting period	79,204	82,203	530	518	41,977	39,163	1,293	-
<i>Plus</i> Surplus/(Deficit) Prior Year	715	2,170	-	-	-	-	-	-
Funds available for the reporting period	79,919	84,373	530	518	41,977	39,163	1,293	-
<i>Less</i> Expenses for current period	79,919	83,658	530	518	41,977	39,163	1,293	-
Surplus/(Deficit) for reporting period	-	715	-	-	-	-	-	-

35. Accittal of Commonwealth Government Financial Assistance – Australian Research Council
Amounts received and expended pursuant to the Higher Education Funding Act 1988:

AUSTRALIAN RESEARCH COUNCIL	PARENT ENTITY (UNIVERSITY) ONLY							
	Discovery - Projects		Large Grants		Research Fellowships		Federation Fellowships	
	2002 \$000	2001 \$000	2002 \$000	2001 \$000	2002 \$000	2001 \$000	2002 \$000	2001 \$000
Financial assistance in advance (received in the previous reporting period)	-	-	-	-	-	-	-	-
<i>Plus</i> Financial assistance received during the reporting period	2,845	-	3,667	5,221	1,813	1,889	314	-
<i>Less</i> Financial assistance in advance (received in the reporting period for the next reporting period)	(238)	-	(152)	-	(111)	-	(24)	-
Accrual Adjustments								
<i>Plus</i> 2003 Financial assistance received in 2002	238	-	152	-	111	-	24	-
Revenue attributed to the reporting period	2,845	-	3,667	5,221	1,813	1,889	314	-
<i>Plus</i> Surplus/(Deficit) Prior Year	-	-	1,479	1,542	329	157	-	-
Funds available for the current period	2,845	-	5,146	6,763	2,142	2,046	314	-
<i>Less</i> Expenses for current period	1,873	-	4,079	5,284	1,809	1,717	48	-
Surplus/(Deficit) for current period	972	-	1,067	1,479	333	329	266	-

35. Accittal of Commonwealth Government Financial Assistance – Australian Research Council (Cont'd)
Amounts received and expended pursuant to the Higher Education Funding Act 1988:

AUSTRIAN RESEARCH COUNCIL - (Cont'd)	PARENT ENTITY (UNIVERSITY) ONLY							
	Linkage - Projects		SPIRT		Linkage - Infrastructure		Linkage - Infrastructure	
	2002 \$000	2001 \$000	2002 \$000	2001 \$000	2002 \$000	2001 \$000	2002 \$000	2001 \$000
Financial assistance in advance (received in the previous reporting period)	-	-	-	-	900	-	-	-
Plus Financial assistance received during reporting period	876	-	957	1,583	225	2,218	83	-
Less Financial assistance in advance (received in the reporting period for the next reporting period)	(58)	-	(49)	-	-	-	(8)	-
Accrual Adjustments								
Less 2002 Financial assistance received in 2001	-	-	-	-	(900)	-	-	-
Plus 2003 Financial assistance received in 2002	58	-	49	-	-	-	8	-
Revenue attributed to the reporting period	876	-	957	1,583	225	2,218	83	-
Plus Surplus/(Deficit) Prior Year	-	-	775	784	1,303	403	-	-
Funds available for the current period	876	-	1,732	2,367	1,528	2,621	83	-
Less Expenses for current period	517	-	1,213	1,592	1,528	1,318	43	-
Surplus/(Deficit) for current period	359	-	519	775	-	1,303	40	-

35. Acquittal of Commonwealth Government Financial Assistance – Australian Research Council (Cont'd)
Amounts received and expended pursuant to the Higher Education Funding Act 1988:

AUSTRALIAN RESEARCH COUNCIL - (Cont'd)	PARENT ENTITY (UNIVERSITY) ONLY				
	International Researcher Exchange		Centres of Excellence		ANZCCART
	2002 \$000	2001 \$000	2002 \$000	2001 \$000	2002 \$000
Financial assistance in advance (received in the previous reporting period)	-	-	-	-	-
Plus Financial assistance received during reporting period	236	291	3,712 ¹	1,675	30
Less Financial assistance in advance (received in the reporting period for the next reporting period)	(1)	-	-	-	-
Accrual Adjustments					
Plus 2003 Financial assistance received in 2002	1	-	-	-	-
Revenue attributed to the reporting period	236	291	3,712	1,675	30
Plus Surplus/(Deficit) Prior Year	172	63	1,047	1,512	-
Funds available for the current period	408	354	4,759	3,187	30
Less Expenses for current period	221	182	2,444	2,140	30
Surplus/(Deficit) for current period	187	172	2,315	1,047	-

¹ Centres of Excellence includes Plant Functional Genomics (\$2m)

36. Accrual of Commonwealth Government Financial Assistance – DEST
Amounts received and expended pursuant to the Higher Education Funding Act 1988:

DEST RESEARCH FINANCIAL ASSISTANCE	PARENT ENTITY (UNIVERSITY) ONLY							
	Institutional Grants Scheme		Research Training Scheme		Systemic Infrastructure Initiative		Research Infrastructure	
	2002 \$000	2001 \$000	2002 \$000	2001 \$000	2002 \$000	2001 \$000	2002 \$000	2001 \$000
Financial assistance in advance (received in the previous reporting period)								
Plus Financial assistance received during reporting period	1,223	-	2,017	-	17	-	636	-
Less Financial assistance in advance (received in the reporting period for the next reporting period)	15,310	-	25,398	23,501	201	-	8,134	5,778
Accrual Adjustments	(1,224)	-	(2,167)	-	(8)	-	(816)	-
Less 2002 Financial assistance received in 2001	(1,223)	-	(2,017)	-	(17)	-	(636)	-
Plus 2003 Financial assistance received in 2002	1,224	-	2,167	-	8	-	816	-
Revenue attributed to the reporting period	15,310	-	25,398	23,501	201	-	8,134	5,778
Plus Surplus/(Deficit) Prior Year	-	-	-	-	-	-	189	-
Funds available for the current period	15,310	-	25,398	23,501	201	-	8,323	5,778
Less Expenses for the current period	15,310	-	23,920	23,501	84	-	7,954	5,589
Surplus/(Deficit) for the reporting period	-	-	1,478	-	117	-	369	189

36. Accittal of Commonwealth Government Financial Assistance – DEST (Cont'd)
Amounts received and expended pursuant to the Higher Education Funding Act 1988:

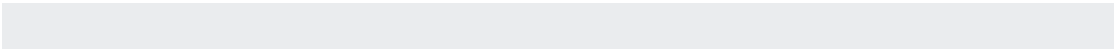
DEST RESEARCH FINANCIAL ASSISTANCE - (Cont'd)	PARENT ENTITY (UNIVERSITY) ONLY			
	2002 \$000	2001 \$000	Australian Postgraduate Awards	International Postgraduate Research Scholarships
Financial assistance in advance (received in the previous reporting period)	-	-	-	-
Plus Financial assistance received during reporting period	4,116	3,972	693	943
Less Financial assistance in advance (received in the reporting period for the next reporting period)	-	-	-	-
Revenue attributed to the reporting period	4,116	3,972	693	943
Plus Surplus/(Deficit) Prior Year	-	-	35	-
Funds available for the current period	4,116	3,972	728	943
Less Expenses for the current period	4,005	3,972	728	908
Surplus/(Deficit) for the reporting period	111	-	-	35

37. Summary of Unspent Financial Assistance

	Amount of unspent financial assistance as at 31 December 2002	Amount of unspent financial assistance that it is more likely will be approved by the Commonwealth Government for carry forward	Amount of unspent financial assistance that it is more likely will be repaid to the Commonwealth Government
Category of Financial Assistance	2002 \$'000	\$'000 2002	2002 \$'000
Teaching and Learning:			
Operating (excluding HECS & PELS)	-	-	-
Teaching Hospitals	-	-	-
HECS	-	-	-
PELS	-	-	-
ARC:			
Discovery – Projects	972	972	-
Large Grants	1,067	1,067	-
Research Fellowships	333	333	-
Federation Fellowships	266	266	-
Linkage – Projects	359	359	-
SPIRT	519	519	-
Linkage – Infrastructure	-	-	-
Linkage – International	40	40	-
International Researcher Exchange	187	187	-
Centres of Excellence	2,315	2,315	-
ANZCCART	-	-	-
DEST:			
Institutional Grants Scheme	-	-	-
Research Training Scheme	1,478	150	1,328
Systemic Infrastructure Initiative	117	117	-
Research Infrastructure	369	369	-
Australian Postgraduate Awards	111	111	-
International Postgraduate Research Scholarships	-	-	-
Total	8,133	6,805	1,328

The University of Adelaide Financial Statements 2002

	Note	Consolidated		University	
		2002 \$000	2001 \$000	2002 \$000	2001 \$000
38. State Government Financial Assistance					
(a) South Australian Government, State Government financial assistance					
Arts SA		81	89	81	89
Bio Innovation SA		4,187	-	4,187	-
Coastal Protection Board		-	20	-	20
Department for Administration and Information Services		120	-	120	-
Department of Environment and Heritage		217	166	217	166
Department for Education and Children Services		999	164	999	164
Department of Human Services		950	1,162	950	1,162
Department of Industry and Trade		-	303	-	303
Department of Premier and Cabinet		36	35	36	35
Department of Primary Industries & Resources		883	1,068	883	1,068
Department of Treasury and Finance		-	3,300	-	3,300
Department of Water, Land and Biodiversity Conservation		628	304	628	304
Drug and Alcohol Services Council		137	-	137	-
Environment Protection Agency		9	-	9	-
Institute of Medical and Veterinary Science		107	139	107	139
Mt Lofty Catchment Program		-	10	-	10
Planning SA		1	-	1	-
Police Department SA		150	150	150	150
Port Pirie Regional Health Service		-	123	-	123
Repatriation General Hospital		10	-	10	-
Royal Adelaide Hospital		1,287	1,139	1,287	1,139
SAICORP		-	20	-	20
SA Centre for Rural Health		-	20	-	20
SA Dental Service		-	171	-	171
SA Housing Trust		-	8	-	8
SA Museum		6	5	6	5
SA Rural and Remote Medical Support Agency		-	18	-	18
South Australian Research and Development Institute		2,092	294	2,092	294
South Australian State Energy Research Advisory Committee		33	25	33	25
South Australian Tourism Commission		38	-	38	-
SYP Health Commission		220	220	-	-
The Office of Economic Development		30	-	30	-
The Queen Elizabeth Hospital/ North Western Adelaide Health Service		2,127	1,852	2,127	1,852
Torrens and Patawalonga Catchment					
Water Management Boards		5	6	5	6
Transport SA		6	30	6	30
Women's and Children's Hospital		559	497	559	497
Workcover Corporation		34	27	34	27
Other		-	208	-	208
Total South Australian Government financial assistance		14,952	11,573	14,732	11,353
(b) Other State Government financial assistance		179	147	179	147
Total State Government financial assistance		15,131	11,720	14,911	11,500



	Note	Consolidated		University	
		2002 \$000	2001 \$000	2002 \$000	2001 \$000
<u>Fees and Charges</u>					
Fees and charges were collected from the following sources during the reporting period:					
Student fee income	5	37,308	30,347	37,308	30,347
Library charges and fines		1,111	1,299	1,111	1,299
Application management and late fees		655	561	655	561
Parking fees		956	818	956	818
Rental charges/accommodation fees		3,776	3,347	3,776	3,347
Recharge of costs to other organisations		2,484	2,157	2,484	2,157
Franchise fees		944	1,044	944	1,044
Other		8,532	6,392	3,151	3,316
Total		55,766	45,965	50,385	42,889



INDEPENDENT AUDIT REPORT

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 2002. The financial report comprises:

- A Statement of Financial Performance;
- A Statement of Financial Position;
- A Statement of Cash Flows;
- Notes to and forming part of the Financial Statements;
- A Certificate by the Chancellor and the Vice-Chancellor.

The financial report includes the consolidated financial statements of the consolidated entity, comprising the University of Adelaide and the entities it controlled at 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 Standards to provide reasonable assurance that 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 and of the consolidated entity's financial position, their financial performance 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 of the economic entity as at 31 December 2002, their financial performance and their cash flows for the year then ended.

22 May 2003

K I MacPHERSON
AUDITOR-GENERAL



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