



THE UNIVERSITY
OF ADELAIDE
AUSTRALIA



The University of Adelaide

Annual Report 2001

2001

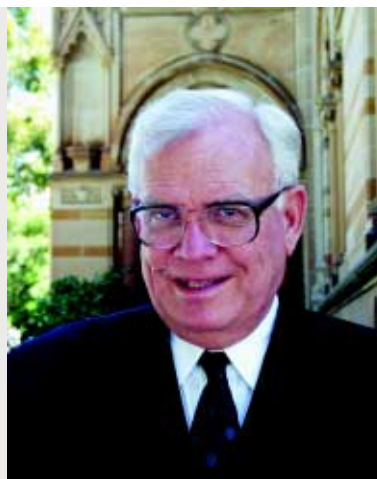
Contents

1	Chancellor's Letter
2	Message from the Vice-Chancellor
4	2001 at a Glance
7	External Environment
8	Governance
10	Planning, Restructuring, Management
12	Learning and Teaching
14	Research and Research Training
18	Commercialisation Activities
19	International Links
20	Property Developments
22	The University and the Community
24	Alumni and Community Relations, Fundraising
26	Staff and Students
29	Financial Report

Report of the Council of Adelaide University for the period 1 January 2001 to 31 December 2001.

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 2001 to 31 December 2001,
furnished in compliance with Section 25 of the University of Adelaide Act 1971.

Robert Champion de Crespigny
Chancellor



Message from the Vice-Chancellor

When I entered on duty as Vice-Chancellor in August 2001, I was impressed by the enthusiasm and commitment of the Council and the staff of the University to make the University of Adelaide one of Australia's premium teaching and research institutions. My experience of the University has served only to strengthen that view.

The year under review has been a time of significant change, affecting the way in which we engage in our core activities of education and research, and in the management and administration of the institution.

The academic structure of the University was reviewed in 2001, and recommended the reduction in the number of faculties from six to five. The groundwork was laid for a new Elder School of Music, formed through the amalgamation of the Elder Conservatorium and the Flinders Street School of Music, while work began in earnest on the task of addressing the far-reaching recommendations of the review of the Law School.

Within the senior management of the University, Professor Mary O'Kane resigned as Vice-Chancellor, and an international search for a new appointee was embarked upon. Five other senior managers retired or resigned, and new managers were appointed to these pivotal positions. The appointment of outstanding scholars to Chairs in Music and Law were key challenges in a year when senior appointments featured high on the agenda.

The Research Branch was merged with Luminis Pty Ltd to form Adelaide Research and Innovation, and plans were completed for the Graduate Centre, to provide a focus for research education while simplifying management and administration. An Office of Planning and Development was created to inform and advise on strategic planning issues and associated resourcing decisions. The Office of the University Secretary was created to consolidate Council and committee support, governance, compliance and external relations functions. Finally, an International Office was established to bring together international student recruitment activities.

With so many important developments in progress, it was essential that the University continued to focus on, and implement, the key strategies agreed by the University Council. To this end, a series of management initiatives were implemented in the later part of the year. The most important of these was a new budget strategy that aimed to restore the University's capital base after some years of sustained, but costly, capital outlay.

Careful management of expenditure will continue to be required to capitalise on the gains expected to be made in 2002. The challenge for the University in the immediate future will be to grow revenue significantly while containing costs. This will require careful financial management and considerable discipline. Revenue growth is most likely to come from student fees and from the commercialisation of research and educational products. This growth will provide a sound financial base for an enterprise that is sustainable, flexible, and responsive to a changing policy environment.

In this turbulent but exciting environment, it is a tribute to all concerned that the University's progress in many of its areas of strength and leadership has been sustained and advanced. In 2001, the University continued to attract substantial external support for its research activities, underlining its position at the forefront of Australia research endeavour. Funding received from the National Health and Medical Research Council was the highest per capita of

any Australian university, while the success rate of applications for research funding across the board remained well above the average, both nationally and indeed in the Asia-Pacific region. Multi-million dollar grants for research in areas ranging from laser diagnostics to hormone replacement therapy, human genome research, and the early origins of adult disease, were indicative of the University's commanding position.

Our policy commitment to active learning and the pursuit of knowledge has been underpinned by action. We have provided the resources necessary to develop an environment conducive to the distinctive and high quality learning experience that distinguishes the University of Adelaide in a highly competitive market. The establishment of the Online Learning and Teaching Unit, for example, is a notable demonstration of our commitment to using technology to enhance learning and teaching.

The investments in Music and Law already mentioned illustrated our determination to drive forward in 2001, and they accord well with significant developments in almost every area. The \$22 million Rural Clinical School at Whyalla, for example, and new buildings for Engineering, Mathematics, and Molecular Life Sciences, are especially tangible signs of growth. Building works commenced on the new School of Petroleum Engineering and Management (in both directions – the capital works include the drilling of a 150-metre-deep experimental well!). Assisted by a commitment of \$25 million from the energy company Santos, the School aims to produce petroleum engineering graduates of world-class standing for the benefit of the entire Australian and South-East Asian petroleum industry.

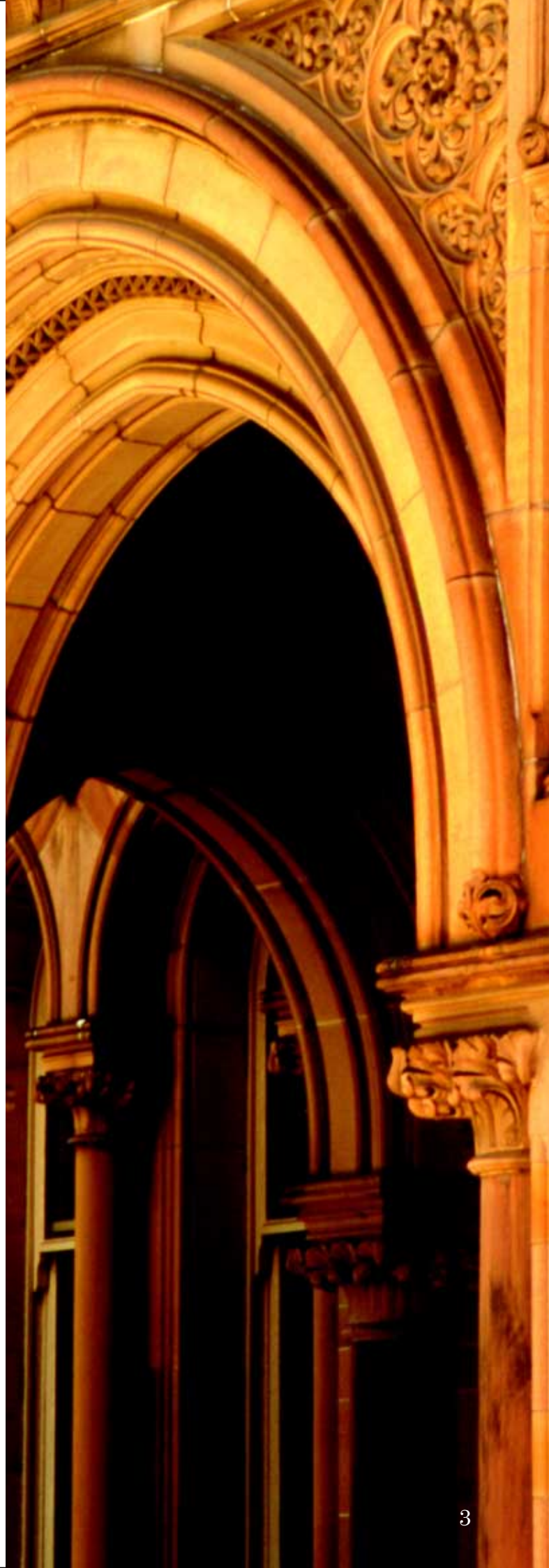
On a sad note, the University community mourned the death in September of former Chancellor William Faulding Scammell CBE. Adelaide born and bred, and a life-long friend of the University, Bill Scammell was one of the most popular Chancellors we have had.

The University of Adelaide is strongly positioned to meet the challenges of the future. I pay tribute to the work of staff, students and supporters, whose joint and several contributions continue to be critically important as we seek to build on our achievements in the years ahead.



CD Blake AO

Vice-Chancellor



2001 at a Glance

Chancellor

Robert Champion de Crespigny, AC

Vice-Chancellor

Professor Mary O'Kane (to 6 August)

Professor CD Blake, AO (from 13 August)

Financial Statistics	2001	2000
Consolidated operating revenue	325.502	306.605
University operating revenue	297.296	273.901
Consolidated research grants, fees and other research revenue	71.675	70.322
International student fees	21.297	19.795

Source: University of Adelaide audited financial statement

Student Numbers*	2001	2000
Total	13,603	12,885
Male	7,068	6,794
Female	6,535	6,151
Undergraduates	10,822	10,271
Higher Degree research	1,205	1,221
Higher Degree coursework	588	556
Other Postgraduates	801	662
Aboriginal and Torres Strait Islander	106	140
Other	188	175
Total Student Load (EFTSU)	11,908	11,293

*Source: DEST Selected Higher Education Statistics – Students

Staff FTE*	2001	2000
Total	2,466	2,462
Academic	1,066	1,052
Non-academic	1,400	1,410

*Source: DEST staff statistics submission and DEST Selected Higher Education Statistics – Staff

*FTE: Full time equivalent; includes casual staff

Campuses

North Terrace
Roseworthy
Thebarton
Waite

Faculties

Agricultural and Natural Resource Sciences
Engineering, Computer and Mathematical Sciences
Health Sciences
Humanities and Social Sciences
Performing Arts, Law, Architecture, Commerce and Economics
Science





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

Key Centre for Social Applications of Geographical Information Systems

Cooperative Research Centres – the Commonwealth Program linking industry with government and higher education research organisations

Australian Petroleum CRC

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 Pest Animal Control

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 Australian Weed Management

CRC for Welded Structures

University-Designated Research Centres

Adelaide Research Centre for the Humanities and Social Sciences

Australian Centre for Environmental Law

Australian Research Centre for Population Oral Health

Centre for Amphibian Studies

Centre for Applied Modelling in Water Engineering

Centre for Biomedical Engineering

Centre for British Studies

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 Symbiosis

Centre for Telecommunications Information Networking

Institute for Geometry and its Applications

Institute for Information Technology and Telecommunications

National Centre for Petroleum Geology and Geophysics

South Australian Institute for Theoretical Physics (incorporating the National Institute for Theoretical Physics)

Faculty Research Groups/Units

Adelaide Fire Safety Research Unit
 Centre for Asian and Middle Eastern Architecture
 Centre for History of Food and Drink
 Centre for Turbulence and Energy Combustion
 Colgate Australian Clinical Dental Research Centre
 Dental Statistics and Research Unit
 Forensic Odontology Unit
 Franco-Australia Centre for International Research in Marketing
 Joanna Briggs Institute for Evidence Based Nursing
 Research Centre for South East Asian Ceramics
 Road Accident Research Unit
 Teletraffic Research Centre

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

Australian Wine Research Institute
 Commonwealth Scientific and Industrial Research Organisation
 Institute of Medical and Veterinary Science
 Modbury Public Hospital
 Museum of Migration and Settlement
 Northwestern Adelaide Health Service
 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 year 2001 was a **Federal election year** which saw the return of the Liberal/National Party Coalition Government in November. As a result of ministerial changes announced by the Prime Minister soon after the election, the Department of Education, Training and Youth Affairs became the Department of Education, Science and Training, assuming responsibility for science policy and programs (including the CSIRO), while the youth affairs function was transferred to the Family and Community Services portfolio. Dr Brendan Nelson replaced Dr David Kemp as Minister for Education, Science and Training in the Cabinet reshuffle, and Ms Jenny Macklin, the new Deputy Leader of the Australian Labor Party, became shadow Minister for Employment, Education, Training and Science in the reorganisation of the Opposition front bench. The new ministry's position on higher education financing and fee deregulation will be of particular interest to the sector in the future.

In January, the Federal Government released **Backing Australia's Ability: An Innovation Action Plan for the Future**, in response to a series of reports released in 2000 drawing attention to the decline in Australia's level of public and private investment in research and development. The statement contained measures which were welcomed by Australia's universities, including: increased funding for the Australian Research Council; increases to Research Infrastructure Block Grants and a new fund for systemic infrastructure; additional undergraduate places in information technology, mathematics and science; the establishment of a new postgraduate loans scheme; an expansion of the Cooperative Research Centres program; and positive changes to research and development tax concession arrangements. More than half of the extra funding contained in these initiatives is set to flow in 2004/05 and 2005/06.

The **Inquiry by the Senate** Employment, Workplace Relations, Small Business and Education Committee into "The capacity of public universities to meet Australia's higher education needs" released its reports – the majority report written by Labor and Democrats Senators, and the minority report written by Government Senators – in September. The University contributed a submission to the Inquiry, and the Vice-Chancellor and several members of the University community appeared before the Committee at its public hearings in both Adelaide and Sydney. The recommendations contained in the majority report, *Universities in Crisis*, call for: significant extra funding over ten years; a review of Higher Education Contribution Scheme (HECS) levels and repayment thresholds; stricter guidelines for university commercial arms; phasing out of domestic full fee-paying students; a review of the true cost of providing education for overseas students; and a doubling of the number of research scholarships.

The **Group of Eight (Go8)** research-intensive universities, to which Adelaide belongs, successfully maintained policy pressure on both the government and opposition parties through the year. Prior to the election it released a major issues and initiatives paper – *Creativity and Innovation; Universities Leading Australia* – which proposed a series of policy reforms aimed at advancing Australia through higher education, strengthening our R&D capability and enhancing research infrastructure in universities. It also proposed increasing tertiary education operating grants, supporting the humanities, promoting the study of science and enhancing the higher education export industry. Earlier in the year the Go8 announced two initiatives of its own – a suite of "equity and merit" scholarships to support undergraduate study at the Go8 universities, and the funding of a Chair of Australian Studies at Georgetown University in Washington, to act as an "intellectual ambassador" for Australia. The Group also hosted an Innovation Forum with Government and business to discuss Australia's investment in R&D and to foster effective partnerships between government, universities and business.

A strategic review of the South Australian higher education sector for **South Australian Business Vision 2010** was conducted during the year by consultants Phillips Curran Pty Ltd. The review analyses the opportunities and threats likely to arise over the next five years and the potential contribution of the local higher education sector. It finds that the three South Australian universities are above average in their research performance, compared with similar universities, but below average in attracting international students. The report also details demographic trends in South Australia, which indicate that the pool of local students will begin to decrease significantly from 2006.

A mid-term **review of Education Adelaide** – the organisation jointly operated by the State Government and Adelaide's major educational institutions, which seeks to market Adelaide as an education destination – was also completed in 2001. The report addresses a range of issues, including the constraints facing Education Adelaide in attracting fee-paying overseas students to South Australia and recommends a series of measures to improve the state's ability to attract such students. However in December the University's Pro Vice-Chancellor (International) appeared at a State Parliament Economic and Finance Committee inquiry into the cost of Education Adelaide, recommending that the body should be disbanded.

Governance

Early in 2001 Council approved an amended **Council committee structure**, with two new committees established, the terms of reference of others changed slightly and the Senior Salaries and Industrial Relations committee renamed the People Committee. Late in the year more far-reaching changes were foreshadowed when the University engaged Professor David Penington, a former Vice-Chancellor of the University of Melbourne, to review all the committees of Council and their functions. His report was expected early in 2002.

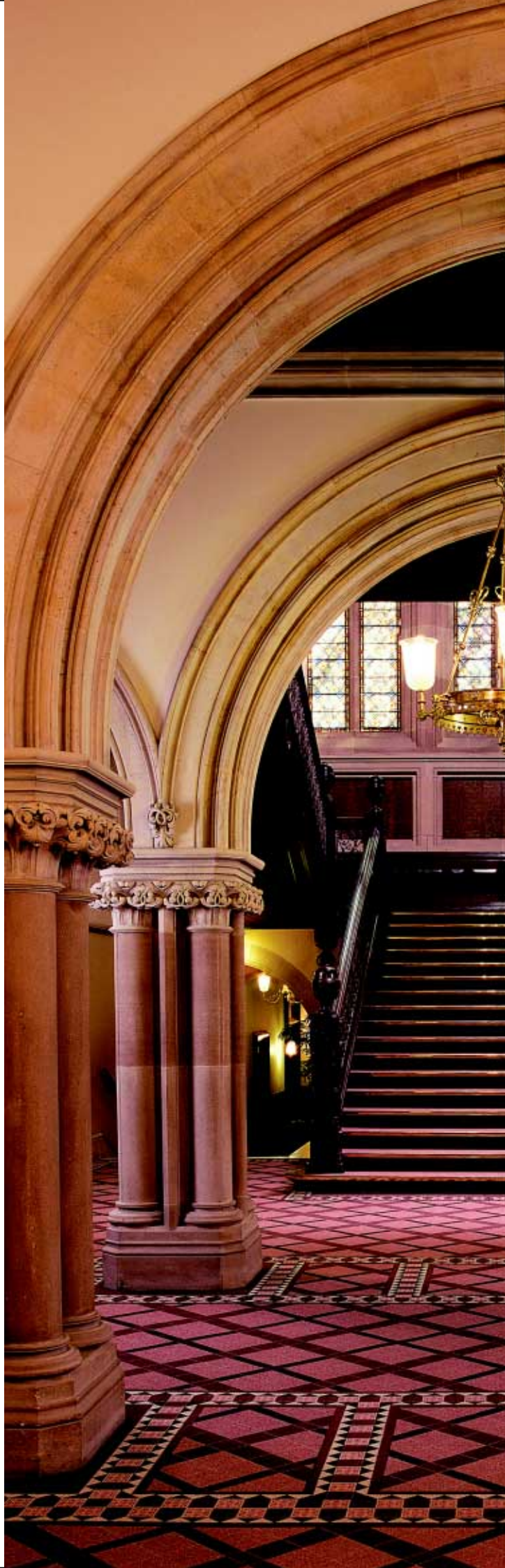
A review by the Council Secretary of the **University of Adelaide Act 1971** also commenced late in the year, with a view to modernising some of its provisions and rendering it comparable with other Australian university Acts.

In June the University Council approved a recommendation that it revoke the qualified **delegation of its powers** to the Chancellor. The proposal was made to Council by the Chancellor himself on the recommendation of the Chancellor's Committee; it noted that no event requiring the exercise of the powers had arisen since the Committee's establishment in July 2000.

At a **weekend workshop** in April Council agreed that it would strive to make decisions by consensus on major issues and principles, and that Council committee chairs should in future be routinely invited to speak to their reports at Council meetings. Council also decided that senior managers should feel free to speak at and participate fully in Council meetings.

Two **new Council members** were appointed – Ms Pamela Martin in March and Ms Christine Charles in July.

In September the University community was saddened by the **death of its former Chancellor**, Mr Bill Scammell CBE. Mr Scammell was appointed Chancellor in 1991 and was re-appointed for a second term in 1995. He retired from the position in 1998. During his two terms as Chancellor Mr Scammell played a major part in assisting the University to establish much closer links with the business community.



Council Members at 31 December 2001

Ex Officio Members

Mr Robert Champion de Crespigny (Chancellor)
Professor Cliff Blake (Vice-Chancellor)

Appointed Members

Mr Ross Adler AO
Ms Christine Charles
Mr Brian Croser (Deputy Chancellor)
Ms Jane Jose
Dr Jane Lomax-Smith
Ms Pamela Martin
Dr Helen Reid OAM

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
Dr Peter Gill

Elected (General Staff)

Ms Janet Dibb-Smith
Mr John Cecchin JP

Student Members

Ms Helen Kavanagh
Mr Stephen Mullighan
Mrs Elysia Ryan

Senior Managers as at 31/12/2001

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

Deputy Vice-Chancellor (Research) – **Professor Edwina Cornish**

Executive Director, Student and Staff Services
– **Ms Susan MacIntosh**

Executive Director, Finance and Infrastructure – **Mr Paul Duldig**

Pro Vice-Chancellor (Special Projects) – **Professor Judith Brine**

Director, Executive Services – **Ms Susan Graebner**

Executive Dean, Faculty of Agricultural and Natural Resource
Sciences – **Professor Malcolm Oades**

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

Executive Dean, Faculty of Health Sciences
– **Professor Derek Frewin**

Acting Executive Dean, Faculty of Humanities and Social Sciences
– **Associate Professor Nick Harvey**

Acting Executive Dean, Faculty of Performing Arts,
Law, Architecture and Urban Design, Commerce and
Economics – **Professor Cliff Blake**

Executive Dean, Faculty of Science – **Dr Alastair Blake**

Committees of Council

Academic Board
Audit and Compliance Committee
Chancellor's Committee
Education and Research Development Committee
Finance Committee
People Committee
Student Affairs Committee



Planning, Restructuring, Management

The University community was surprised in August by the sudden **resignation of the Vice-Chancellor**, Professor Mary O'Kane. Within a week the University had appointed an interim Vice-Chancellor, Professor Cliff Blake AO, who had recently retired after 11 years as foundation Vice-Chancellor of Charles Sturt University in New South Wales. Professor Blake is a former president of the Australian Higher Education Industry Association, a former convenor of the NSW Vice-Chancellors' Conference, a former chairman of the National Conference on Open and Distance Education and a former board member of the Australian Vice-Chancellors' Committee. The University immediately embarked on an international search for a permanent Vice-Chancellor.

Early in his term the Vice-Chancellor identified a set of **strategic priorities** which he aimed to address, including: the restructuring of the central administration; the revitalisation of the Academic Board; the establishment of a dedicated Planning Office; an increased focus on research and graduate studies; and the development of a comprehensive International Office.

Then in November a series of **new management initiatives** was announced aimed at strengthening the University's performance in key areas and resolving major financial issues faced by the University. These measures included: a comprehensive budget strategy to restore the University's capital base; a stronger marketing effort to build on an increase in total student applications; a staff renewal strategy, incorporating a recruitment drive and a voluntary early retirement scheme to reinvigorate the academic staff profile; a new Graduate School for postgraduate research students; new budget control measures; a \$20 million capital works program; a new University Planning Office with responsibility for strategic planning, resource allocation and capital management; and more partnership arrangements with overseas institutions.

A **new Strategic Plan** covering 2001 – 2005 was approved by the Council in November. The University's new mission is to "contribute to the wealth and well-being of South Australia, Australia and the international community through education, research and community service of distinction".

Significant **changes to senior management** structures and personnel occurred during the year. In March two new Pro Vice-Chancellor positions were created. Professor Ian Young, Executive Dean of the Faculty of Engineering, Computer and Mathematical Sciences, was appointed also Pro Vice-Chancellor (International); and Professor Malcolm Gillies, Executive Dean of the Faculty of Humanities and Social Sciences, and of the Faculty of Performing Arts, Law, Architecture, Commerce and Economics (PALACE), was appointed also Pro Vice-Chancellor (Commercialisation). Professor Gillies resigned late in the year to take up a new appointment. The role and title of the Deputy Vice-Chancellor (Education), Professor Penny Boumelha, was extended. She became the Deputy Vice-Chancellor (Education) and Provost, with the Executive Deans of the faculties reporting to the Vice-Chancellor through her.

The Executive Director of Finance and Infrastructure, Mr Tony Siebert, and the Executive Director of Student and Staff Services, Mr Ian Creagh, both resigned during the year to take up **new appointments**. Mr Paul Duldig, formerly the Department of Treasury and Finance's General Manager (Finance) was appointed Executive Director, Finance and Infrastructure in November; and Ms Susan MacIntosh was appointed Executive Director, Student and Staff Services in September. She was formerly Executive Director, Corporate and Organisational Development at the Department of Premier and Cabinet.

In July 2000 a working party was established to review **the University's academic structures** with a view to ensuring that they provide an optimal framework for the conduct of the institution's core activities of education and research. The final report of the working party recommended: the merger of the Faculty of Agricultural and Natural Resource Sciences and the Faculty of Science to create a new Faculty of Sciences; the establishment of a new Faculty of Professions; and the organisational relocation of some schools and departments. It also proposed the establishment of a limited number of short-term research institutes and the creation of a new graduate school. During 2001 a committee was formed to oversee the implementation of these structural changes which were approved by the Council in March. It was planned for the new arrangements to take effect in January 2002.

The 1999 Review of Tertiary Music Education in South Australia recommended the amalgamation of the University's Elder Conservatorium and the Flinders Street School of Music of the Adelaide Institute of TAFE. In 2001 a merger agreement was signed

by the University and the Department of Education, Training and Employment to create the **new Elder of School of Music**, from January 2002. Adelaide's Elder Chair of Music, Australia's oldest professorship of music, was filled after an 8 year vacancy. Professor Charles Bodman Rae took up the appointment in August, also assuming the roles of Dean of School and Director of the Conservatorium. He was formerly Director of Studies and Head of School at the Royal Northern College of Music in Manchester.

A **review of the University's Law School** was undertaken in 2000 with the report released in February 2001. The review contained a number of recommendations on how the Law School could enhance the quality of its teaching, research and professional outreach. In response, the University established an implementation committee to manage the introduction of a series of changes, particularly to aspects of admission policy, degree structures and teaching practices. The School worked to clarify its relations with professional bodies such as the Law Society, and sought to involve the profession more directly in the teaching of its programs. The University planned to invest \$2 million in the change process over the period 2001 – 2003.

The student records and student financials modules of the **new PeopleSoft student administration system** were successfully implemented on schedule in September. The major components of the system were in operation to allow 2002 enrolments to be processed. Remaining functions such as research student administration, exam preparation and results, the Department of Education, Science and Training (DEST) student submission and organisation of graduations are to be implemented during 2002.

Other **major management projects** completed during 2001 included: the introduction of a new staff recruitment policy; the establishment of a dedicated international student centre; the implementation of a new student complaints policy; the redesigning of the University's web site; and the completion of a comprehensive market research project undertaken to inform the development of a new strategic marketing plan.



Financial Results

The operating result for the University in 2001 was a deficit of \$6.3 million. The main cause of this deficit result was an increase in salaries and wages expenditure and lower than budgeted international student fee income.

During the year, as this result became apparent, the University developed a strategy to reduce the staffing profile of the University to align with funding levels and developed strategies to increase international student numbers. In November 2001, the Council of the University of Adelaide approved a provisional budget for 2002 that targeted a small operating surplus.

The financial position of the University remained strong in 2001. The University has minimal debt and significant positive net assets at the end of the reporting period. Whilst cash reserves were reduced in 2001, it should be noted this was partially the result of planned strategic investments in capital works and information systems.

Learning and Teaching

In 2001 the University met, and slightly exceeded its **Commonwealth-funded load** targets for undergraduate and non-higher degree by research students, partly as a result of a vigorous advertising campaign which proved even more successful than anticipated. The University's own internal load target for higher degree by research students was also exceeded early in the year, as was the target for domestic fee-paying postgraduates. A significant contribution to this particular outcome was made by the Graduate School of Management, where fee-paying student enrolments have increased by over 20 per cent. The University offered limited mid-year entry to a number of specific undergraduate programs in the Faculties of Agricultural and Natural Resource Sciences, Engineering, Computer and Mathematical Sciences, and Science. Limited transfer opportunities for current undergraduates were also made available.

At the end of the year, **application figures** for entry in 2002 showed that the number of students who put the University of Adelaide as their first preference had increased by 14.4 per cent, while the total number of preferences for Adelaide rose by 29.5 per cent.

The **Australian Universities Quality Agency** (AUQA) will begin full audits of higher education institutions in 2002, with Adelaide selected as one of the first universities to undergo the process. The audits will be based on a self-assessment portfolio (in which institutions report on achievements and deficiencies against their mission and objectives), with the AUQA then seeking verification and evidence on the claims made. Reports resulting from audits will be public.

As part of its preparation for the 2002 audit, the university undertook a **pilot internal audit** in a number of selected areas, with the aim of sharpening its self-review and evaluation procedures. The Deputy Vice-Chancellor (Education) also established a new Quality Improvement Board to assist in the coordination and monitoring of quality assurance and improvement issues across the institution.

In August the University signed a joint venture agreement with Adelaide-based Bradford Education Pty Ltd to establish a new senior secondary school, **University Senior College**, at the North Terrace Campus. The new college will enrol Year 11 and 12 students – both local and international – and help prepare them for the transition to tertiary education. Students of the College will have access to some University facilities including the library and laboratories. However there will be no special admission considerations for students wanting to go on to study at the University; all students of the College will be required to meet standard entry criteria. The new College will charge relatively low fees – \$4,000 per year for Australian students. The University will receive no financial return from the joint venture.

Planning for the opening of the University's new **School of Petroleum Engineering and Management** continued through the year. Santos is providing \$25 million over ten years to establish the School; this includes funding for the new building, provision for scholarships, specialised teaching equipment and the appointment of a professorial chair. BHP Billiton has also committed \$100k to support research projects at the School over 2002–2003. In August Professor Peter Behrenbruch, who was formerly Chief Reservoir Engineer with BHP Billiton, was appointed Head of the School which will enrol its first students, in levels 1 and 2, in 2002.

In June the University received extensive publicity when it used a professional drilling rig to sink a **gas simulation well** on the North Terrace Campus. The 150 metre deep well is the first for an Australian university, and one of only a few purpose-built teaching wells anywhere in the world. Students who study petroleum engineering will be able to use the well for real-world experience, giving them valuable skill for the work-place.

In a significant development for health sciences, the University's new Department of Rural Health, based in Whyalla, is to be expanded to include a new rural clinical school. Funding of \$2.5 million per year for five years was secured from the Federal Government Department of Health and Aged Care to establish the Whyalla School and associated learning centres in some of the major towns and cities in country South Australia. **The University of Adelaide Rural Clinical School** will provide substantial clinical training for the University's medical students in general practice, obstetrics, surgery, medicine, paediatrics and Aboriginal health. Students will go to the country for several weeks on clinical placement. The South Australian Centre for Rural and Remote Health (SACRRH), which is jointly operated by the University of Adelaide and the University of South Australia, and the Rural Clinical School will together comprise the Spencer Gulf Rural Health School.

This year several of the University's professional programs were reviewed and granted **accreditation** by the relevant external bodies. All current engineering programs received full accreditation for the next 5 years following a visit by the Institution of Engineers, Australia, accreditation group. Provisional accreditation was also granted for the new Petroleum Engineering degree. The accreditation group gave a glowing report of its visit, stating, "We have been simply overwhelmed by the scope and quality of the programs," and "These are probably the finest Engineering programs in Australia." Following a visit late in the year the Australian Dental Council indicated its intention to accredit Adelaide's Dental School for the maximum period of seven years. Adelaide has the only dental school in the country to receive such a full, unqualified accreditation. The Australian Medical Council also granted maximum accreditation to the Medical School; and professional approval was received for the University's law degree.



A dedicated **Online Learning and Teaching Unit** (OLTU) – designed to promote, support and develop the appropriate use of technology to enhance learning, teaching and assessment – was established during 2001. Associate Professor Geoff Crisp was seconded to act as its first Academic Director. The Unit conducted extensive training sessions aimed at promoting best practice in online delivery for staff interested in developing web-based teaching and learning materials. The **University's Project PLATO** (Providing Learning and Teaching Online) continued the implementation of a centrally supported IT infrastructure and support environment for full online course development and delivery. By the end of the year the trial period for MyUni, which provides students and staff with online access to course materials, discussion forums, announcements and assessment, was near completion and training sessions for staff were scheduled for the December – February period. Full implementation will be completed in 2002.



During the year the University undertook a series of **reviews** relevant to the improvement of teaching and learning. A review of the Higher Degrees by Research program evaluated the effectiveness, attractiveness and possible future directions of the program. The provision of teaching and learning support was also examined with a view to determining the most appropriate way for such services to be delivered in the future. And a working party of the University's Academic Board conducted a review of the University's assessment practices in the light of publicly-raised concerns about the "soft marking" of the work of overseas fee-paying students in some of Australia's higher education institutions.

The **University Library** selected a new computer system – the Voyager Library System from Endeavour Information Systems – to manage its operations. The selection process was conducted in partnership with the libraries of Flinders University and the University of South Australia, and all three libraries will move to the new Voyager system at the same time. The common use of the same software is expected to provide substantial benefits to users. The Library supported the University's schools liaison and recruiting activities by introducing a trial program to provide year 12 students with access to university-level information. Basic instruction for the students in library use and procedures was made available as part of the trial.

Student Enrolment by Course Level

	2001	2000
Higher Degree Research	1,205	1,221
Higher Degree Coursework	588	556
Other Postgraduate	801	662
Bachelor	10,479	9,919
Other undergraduate	343	352
Enabling courses	38	28
Non-award courses	149	147
Total	13,603	12,885

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, one that undertakes pure and strategic research of the highest quality and impact. It attracts significant external support for its research activities and in 2001 over one half of research funding awarded to individual projects and fellowships was provided by three organisations – the Australian Research Council (ARC), the National Health and Medical Research Council (NHMRC) and the Grains Research and Development Corporation (GRDC).

The ARC's National Competitive Grants program underwent significant changes for the 2001 funding round. Under the new **Discovery Grants** program (which includes both the former ARC large grants and ARC fellowships programs) Adelaide received funding for 39 of its applications – 32 research projects and seven fellowships – worth \$2.6 million for 2002, and \$8.9 million over the life of the grants, some of which run for five years.

The ARC **Linkage program** has replaced SPIRT (Strategic Partnerships with Industry – Research and Training) grants, and Adelaide received nine new grants worth \$927k over the life of the awards. Three **Linkage-International** (formerly the International Researcher Exchange program) grants were awarded, valued at \$123k. And two **Linkage-Infrastructure** (formerly the Research Infrastructure Equipment and Facilities program) applications in which Adelaide was the lead institution were successful. The University received \$220k for the Development of the Kangaroo III Very High Energy Gamma Ray telescope and \$900k for the Regional Facility for surface and micro-structure analysis. This was the largest single grant awarded in this funding round. Adelaide is also involved as a partner in several other successful Linkage-Infrastructure projects.

Initial year funds awarded for new ARC grants in 2002 total \$4,169,638.

Another key indicator for the University's research strength is success in securing funding from the **NHMRC**. In 2001 Adelaide was awarded \$25.7 million for 38 projects and two program grants – the best performance of any Australian university on a per capita basis, and third nationally in absolute dollar terms. The success rate for Adelaide's applications for projects was 33 per cent, well above the national average of just under 25 per cent.

A new **Major National Research Facilities** (MNRF) program was announced in January as part of the Commonwealth Government's innovation statement, *Backing Australia's Ability*. Adelaide was a participant in the successful MNRF bids for a National Wine Industry Research Cluster, and in the National Networked Tele-Test Facility for Integrated Systems.

In November, **Adelaide Research and Innovation** (ARI) was formally launched. It is a new operational entity established by integrating and collocating the Research Branch and Luminis Pty Ltd, the University's commercial development company. ARI now provides a "one-stop-shop" for research and consulting, for both internal and external clients. Many of the previous activities undertaken by Luminis, eg contract research and consulting, have been transferred to the portfolio of the Deputy Vice-Chancellor (Research). They are now managed by a new Commercial Director, Mr Steve Winslade, who is supported by three business development managers whose expertise covers agriculture, engineering and biomedical sciences. The new structure will improve the effectiveness of the management and exploitation of the University's intellectual property. ARI Pty Ltd has been established as a fully owned company of the University. It will take over from Luminis, providing the necessary corporate status for legal, insurance and accounting purposes. In its first months of operation ARI introduced commercialisation courses to broaden the understanding and skills of researchers, and conducted an audit of research programs with commercial potential in the medical biosciences and the Faculty of Science.

Work began on the development of a comprehensive University **research capability statement**. A web-based process was instituted to collect specific details from every researcher, enabling the construction of a detailed research profile of all staff members.

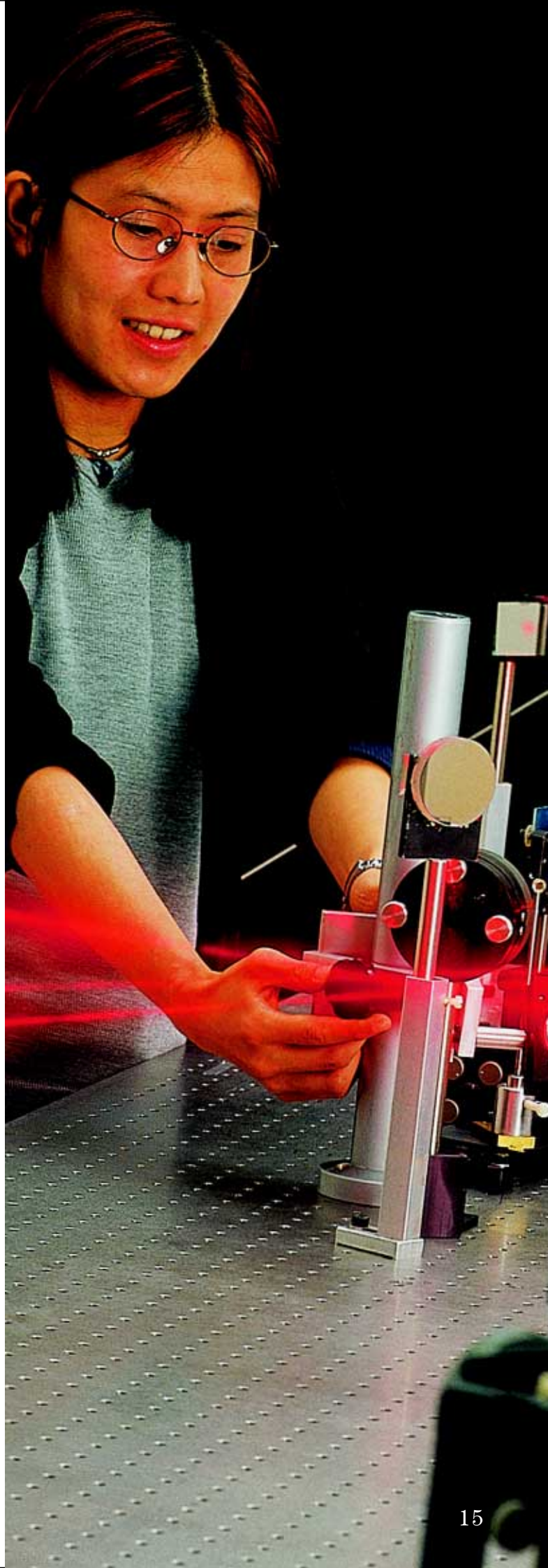
A review of the effectiveness of the University's participation in the Federal Government's **Cooperative Research Centres program** – which provides opportunities for close linkages with the end users of research in industry and commerce – also commenced during the year.

The **Board of Research Education and Development** (BRED) was active in 2001, surveying research students, supervisors and early career researchers; and receiving reports of groups evaluating the PhD, the infrastructure and professional development needs of research students, and quality assurance practices. It also recommended changes to the University's higher degree policies and procedures, to be incorporated in a revised code of practice, and developed a framework for the establishment of an Adelaide Graduate Centre in 2002.

A new **Research Staff Association** was launched during the year. It has established new web-site resources to enable research staff across the University to discuss issues, identify professional development opportunities, access information and support peer networking.

In May a new joint educational and research facility, the **Livestock Systems Alliance**, was launched by the then Deputy Premier and Minister for Primary Industries and Resources, and Regional Development, the Hon Rob Kerin. The Alliance brings together the technology and expertise of partner organisations, The University of Adelaide, the South Australian Research and Development Institute (SARDI), Primary Industries and Resources SA (PIRSA) and the Murray Institute of TAFE. It provides integrated advice and expert assistance for livestock producers seeking to improve their products. The establishment of the Alliance completes the consolidation of the Department of Animal Sciences and all its animal research on the Roseworthy campus.

A new \$1 million state-of-the-art **Laser Diagnostics Laboratory** was opened by the University's Turbulence Energy and Combustion (TEC) group early in the year. Based in two University departments, Chemical Engineering and Mechanical Engineering, the TEC received national and international recognition for its work on the fuel and combustion system for the Olympic torch and cauldrons. The group's research focuses on the development and application of new technology for the control of turbulence, and the reduction of the environmental impact of combustion. Lasers play a vital role in this research as they can be used to look into flames and accurately measure their properties and processes. The new laser laboratory makes the TEC group one of the best equipped in the nation, and competitive internationally.



University of Adelaide Total Research Funding 1997-2001

	1997	1998	1999	2000	2001
Category 1 – National Competitive Research Grants	\$26,082	\$28,293	\$29,760	\$36,013	\$37,174
Category 2 – Other Public Sector Research Funding	\$9,527	\$8,979	\$9,498	\$8,462	\$8,792
Category 3 – Industry and Other Research Funding	\$8,193	\$8,823	\$7,846	\$8,055	\$12,717
Category 4- CRC funding	-	-	-	\$4,414	\$3,604
Total	\$43,802	\$46,095	\$47,104	\$56,944	\$62,424

Source: University submission to the Higher Education Research Data Collection, Table 1. Research income does not include controlled entities.
CRC funding prior to 2000 is not comparable.

2001 ARC Large Grants (Group of 8 and South Australian Universities)

University	2001 ARC Large Grants – Funding per FTE
Sydney	\$8,420
New South Wales	\$7,886
Melbourne	\$7,694
Adelaide	\$7,322
Queensland	\$7,260
Western Australia	\$6,349
Australia National University	\$5,807
Monash	\$4,895
Flinders	\$4,432
South Australia	\$965

Source: Staff data from *DEST Selected Higher Education Statistics: Staff 2001*. Full-time equivalent academic staff, lecturer B and above.
Large grant data from *Higher Education Report for the 2001 to 2003 Triennium* table 5.15 and includes initial and continuing grants.
Because of the Institute of Advanced Studies, the ANU cannot be compared easily with other universities on this measure.



Income from Main Federal Government Large Competitive Grant Programs and Other Research Support 2001

Australian Research Council Competitive Grant Funding

Large Grants	\$5,221,000
Strategic Partnerships with Industry – Research and Training grants	\$1,583,000
Research Fellowships	\$1,889,000
Special Research Centres and Key Centres for Teaching and Research	\$1,675,000
Research Infrastructure Equipment and Facilities Grants	\$2,218,000
International Researcher Exchange Program	\$291,000

Total Australian Research Council Competitive Grant Funding **\$12,877,000**

National Health and Medical Research Council **\$14,855,887**

Grains Research and Development Corporation **\$7,900,942**

Other Research Support

Research Quantum	\$13,546,000
Research Infrastructure Block Grant	\$5,778,000
University of Adelaide Small Grant Scheme	\$1,553,000
Australian Post Graduate Awards	\$3,972,000
International Postgraduate Research Scholarships	\$943,000

Source: University audited financial statement and the Higher Education Research Data Collection table 1 (GRDC and NHMRC funding).

2001 Research Quantum Allocation (Group of 8 and SA Universities)

	RQ Allocation	FTE	RQ \$ per FTE	Brennan Index
Adelaide	\$13,546,000	729	\$18,582	0.132783
Western Australia	\$14,483,000	832	\$17,407	0.150656
Queensland	\$23,123,000	1398	\$16,540	0.105434
Melbourne	\$26,318,000	1615	\$16,296	0.124993
New South Wales	\$22,512,000	1472	\$15,293	0.121737
Sydney	\$23,691,000	1618	\$14,642	0.097205
Flinders	\$6,196,000	524	\$11,824	0.082193
Monash	\$16,416,000	1606	\$10,222	0.071909
ANU	\$6,804,000	884	\$7,697	0.031049
South Australia	\$3,704,000	673	\$5,504	0.025434

Source: Staff data from DEST Selected Higher Education Statistics (academic staff lecturer B and above)

RQ allocation is from the *Higher Education Report for the 2001 to 2003 Triennium* table 5.3.

The Brennan index is the ratio of the Research Quantum to the operating grant (the operating grant data is from the *Higher Education Report for the 2001 to 2003 Triennium* table 4.11.) There was a change in scope for this table as the Research Quantum and Research Training Scheme funding are no longer included in the operating grant total. It allows for discipline mix, and is a guide to the relative research intensity of different Australian universities. The higher the value, the greater the relative research intensity. Because of the Institute of Advanced Studies, the ANU cannot be compared easily with other universities on this measure.



Commercialisation Activities

In May the University announced its participation in the development of an advanced communications precinct to operate along North Terrace. The precinct, to be known as **mNet**, will enable IT companies to research and test the latest wireless internet applications. The University of Adelaide is one of the founding partners of the mNet project, along with the University of South Australia, Agile Pty Ltd, DSpace Pty Ltd, Playford Centre, Telstra and the City of Adelaide. The University is also a key participant in mNet Corporation, the consortium which will implement mNet along North Terrace. A regional component is planned for Whyalla so that mobile communications testing can be conducted in rural areas. The \$35m precinct received \$9.2m of federal Government funding.

Telstra awarded a new \$900k contract to **Adelaide's Teletraffic Research Centre** (TRC) to help in the design and building of Telstra's "new generation" internet-based network. A new software program called "DiaMond" will be developed by the TRC and Telstra to test and analyse the strengths and weaknesses of the network and predict future infrastructure requirements. This new 3-year contract continues a long and productive relationship between the TRC and Telstra.

The Singapore Government has announced its intention to develop an "Infocomm Masterplan" to establish Singapore as an information and communications capital with a thriving internet economy by the year 2010. Early in the year Adelaide's **Graduate School of Management** was invited to provide its Master of Business Administration degree in infocomm management (MBA [Infocomm Mgt]) to SingTel's (Singapore Telecommunications) senior managers. The curriculum of the MBA covers telecom industry analysis, marketing, finance, globalisation and management issues. The in-house program commenced in July with SingTel managers attending the company's academy in Singapore.

A memorandum of understanding with the **Network of Excellence in Training** (NExT) was signed during the year, for the National Centre for Petroleum Geology and Geophysics (NCPGG) to provide courses in petroleum engineering to the South-East Asian region under the NExT franchise. NExT is 50 per cent owned by Schlumberger Ltd, which is soon to be collocated with the NCPGG in the new School of Petroleum Engineering and Management building. Other partners in NExT are Texas A&M University, the University of Oklahoma and Heriott-Watt University, all leading educational institutions in this field.

Major international resources group **BHP Billiton** committed \$100k to support research projects in the new School of Petroleum Engineering and Management over 2002 and 2003. In-house courses for engineers employed by BHP Billiton will also be developed.

An Adelaide team participated in **Bio2001** – an international biotechnology convention in the USA which attracted 13,000 delegates – to promote the University's medical and agricultural biotechnology capability, as part of an Australian exhibition.

During the year negotiations commenced with the Grains Research and Development Corporation (GRDC) and the South Australian Research and Development Institute (SARDI) to establish a new, jointly owned company to develop and then **commercialise new wheat varieties**.

August saw the graduation of the first ten **Masters of Science and Technology Commercialisation** students. This innovative program is delivered in collaboration with the University of Texas at Austin using new information technologies.

A suite of new fee-paying **graduate programs** in regulation studies, strategic studies and liberal arts was developed for introduction in 2002. Negotiations were also concluded for the delivery of a customised program in applied psychology, with William and Mary College in Virginia, to be offered in Adelaide in May 2002.

International Links

During 2001, the new position of Pro Vice-Chancellor (International) was developed. The role of the Pro Vice-Chancellor (International) is to provide strategic direction for the University in its internationalisation. In pursuing this, the Pro Vice-Chancellor (International) provides leadership and vision in achieving the university's strategic goals, particularly in relation to international policy across the University. Professor Ian Young was appointed as Pro Vice-Chancellor (International).

During 2001, the University continued to expand its articulation agreements in Asia for the transfer of students into programs within the University. In particular, the articulation agreement with INTI College Malaysia, signed in 1999, provided entry for 75 students. These included students entering both Engineering and Commerce. The agreement was also extended to allow Engineering students to articulate into Year 4.

New articulation agreements were also signed with the Ho Chi Minh City University of Technology, Vietnam and the Widya Mandala Catholic University, Surabaya, Indonesia.

As a component of the ongoing monitoring of the performance of international students at the University, the International Students' Centre undertook a major review of all international students. Students who appeared to be experiencing difficulties in their academic performance were invited for interview and remedial plans developed. This activity was conducted in close collaboration with the relevant faculties.



Trends in International Student Enrolments 1997–2001

	1997	1998	1999	2000	2001
Total International student load	1,130	1,257	1,363	1,418	1,413
Number of countries represented	67	74	64	64	66
Income from fees (m)	18.0	19.1	21.5	19.8	21.3

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



Property Developments

In June the Council approved a new **Capital Management Plan** which was submitted to DETYA as part of the University's annual Profiles information. As well as providing for on-going capital works the Plan contains four new major projects: the upgrading of IT infrastructure across the University; the new Rural Clinical School which is directly funded by the Commonwealth Government; the relocation of Repromed Pty Ltd and the Department of Obstetrics and Gynaecology from the Queen Elizabeth Hospital to the Women's and Children's Hospital; and the refurbishment of the facilities occupied by the biotechnology company Geneworks, on the Thebarton campus.

In May, **Glenthorne Farm**, a former CSIRO property at O'Halloran Hill in Adelaide's southern suburbs, was handed over to the University by the State Government for use as a vineyard and wine research facility. The 200 hectare property had been bought by the State Government in 1998 after it was vacated by the CSIRO's Division of Health and Human Nutrition. The University plans to establish a commercial vineyard at Glenthorne in partnership with BRL Hardy. Most of the land will be put under vines and research facilities will also be located on the site. It is expected that after approximately four years the venture will begin to generate income which will be used to enhance the University's viticulture research and education programs. Local residents have been concerned about the future of the Glenthorne site. The University has undertaken to revegetate the site perimeter and to work closely with BRL Hardy to minimise noise and inconvenience from vineyard operations. It will also safeguard the property's heritage which includes its original 19th century coach house and a section of the old coach road to Victor Harbor.

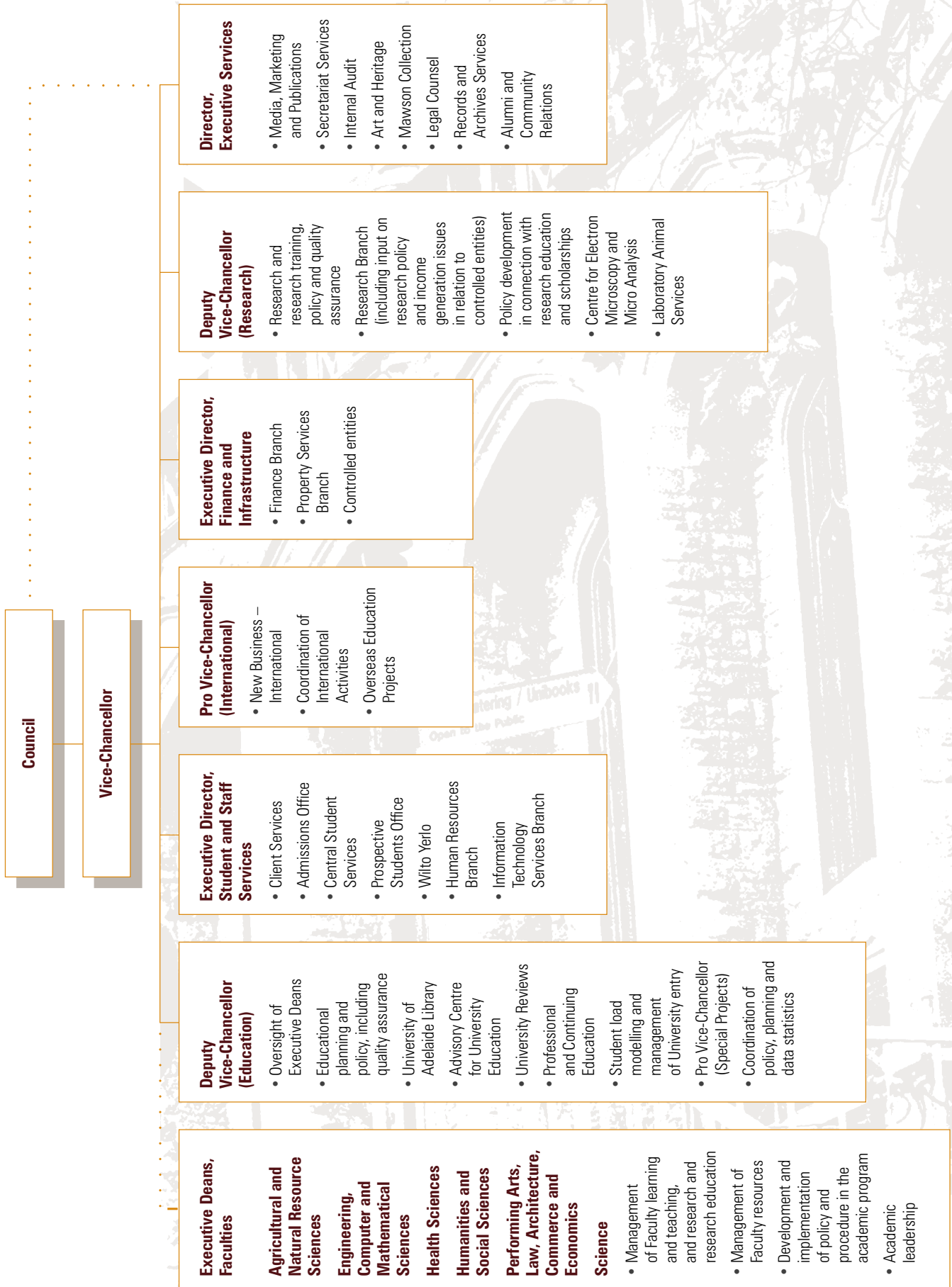
The demolition of the old Fisher Building on Frome Road allowed construction of the new building for the **School of Petroleum Engineering and Management** to commence mid-year. The original design of the building contained four floors, however during the year approval was granted for the addition of a fifth floor, to be occupied by the major international petroleum service company Schlumberger Ltd, as sole tenant. The company will relocate its local administration and training facility to the new building, strengthening links already established with the University's National Centre for Petroleum Geology and Geophysics, which will also be housed in the building.

Adelaide's **new Rural Clinical School** is based in Whyalla, but will also have learning centres in Port Augusta, Port Pirie, Booleroo Centre, Coober Pedy, Ceduna and on the Yorke Peninsula. Substantial capital works were completed on the Whyalla campus of the University of South Australia (the home of the two universities' SA Centre for Rural and Remote Health) and at the Whyalla Hospital, with new offices and student learning space developed. Major new information technology infrastructure has been established and a contract to refurbish offices, student learning space and accommodation was signed late in the year. Work will be undertaken in all the learning centres over 2001 – 2002.

On the **North Terrace campus** the Department of Physiology was substantially refurbished – a more flexible layout takes account of contemporary curriculum needs and the collocation of researchers, and creates "hubs" for business planning, communications and administration. New offices were also developed to house Adelaide Research and Innovation – the "merged" Research Branch and Luminis Pty Ltd – and the expanded Alumni, Community Relations and Development office. Planning for the accommodation of the new Elder School of Music continued through the year and physical works are expected to commence mid-2002.

The **North Terrace Precinct Development** is a State Government/Adelaide City Council initiative which aims to revitalise North Terrace in the interests of the businesses and other organisations which occupy the precinct. In conjunction with the Development project the University announced a series of improvements planned for the North Terrace Campus. An uninterrupted green walk along the entire length of the terrace will require new paving at the front of the University as well as replanting and new seating along the North Terrace frontage. This will open up more views of the University's historic buildings and link its open spaces to the terrace in a more "friendly" way. The entrance to the University car park will also be moved away from the Pulteney Street intersection, increasing safety for pedestrians. Adelaide architects Woods Bagot Pty Ltd have been commissioned to re-examine the urban design of the North Terrace campus and draw up a new master plan. This will help ensure that the precinct development improvements will contribute to the vision of North Terrace as a cultural boulevard.

Organisational Structure – December 2001



The University and the Community

The University of Adelaide's expertise in food, wine and nutrition was effectively "showcased" at **Tasting Australia 2001**, the international food and wine event which was held in Adelaide in October. The University's involvement included sponsorship of Eating Our Words, the Food and Wine Writers' Festival, which featured interviews and discussions with writers and journalists, and included a forum focusing on GMOs, organic farming, sustainability, fast food, slow food and globalisation. Adelaide's new Gastronomy programs, which are conducted in collaboration with Le Cordon Bleu, were officially launched during the festival. Visiting international journalists were taken on a conducted tour of the Waite campus, and an Open Day associated with the event was held on the Roseworthy campus. The University also played a prominent role in the City of Adelaide's Terrace Proms, a series of classical musical performances staged as part of the Tasting Australia experience.

Many staff of the University participated in the highly successful **National Science Week**, held in May. The University was involved in a range of promotional activities, including seminars and lectures, with the Science for the Senses series held at both the Waite and Roseworthy campuses proving particularly popular. Events at the Waite Arboretum and the Conservation Reserve reflected the Week's focus on biodiversity and generated keen public interest. One of the highlights of the Week was the award of the title of Unsung Hero of South Australian Science to Associate Professor Gil Hollamby of the University's Plant Breeding Unit.

During the year it was announced that the **2002 Adelaide Fringe** festival would be using the University's North Terrace campus as its "hub", with performances taking place nightly in a variety of venues around the Union Building, the cloisters and the Barr Smith lawns. Both the University and the Adelaide University Union are major sponsors of the Fringe.

5UV Radio Adelaide, the University's community radio station realised its long ambition to convert to the FM band in 2001. From 1 October, the station added the 101.5FM frequency to its broadcasting on 531AM and 24-hour real audio internet broadcasting at radio.adelaide.edu.au. AM broadcasts ceased on December 31. It quickly became clear that listener numbers increased as a result of the FM conversion, as many people in metropolitan Adelaide discovered the quality stereo signal, in its new central dial position.

5UV Radio Adelaide's reputation was emphasised by eight awards in 2001, including national community broadcasting awards for *General Excellence in Broadcasting* for an innovative series of radio features incorporating broadcast, CD and on-line outcomes; *Excellence in Music Programming* for two live national broadcasts from Womadelaide; and *Excellence in Spoken Word Programming* for comprehensive coverage of the 2001 Adelaide Festival of Ideas.

Program highlights included *Wetlands Drylands*, an enthralling 30-part series on the Murray River and environs; a live national broadcast from the *Glenelg Jazz Festival*; and a range of programs supporting local live music – classical on *Adelaide Concert Hour*, local bands on *Local Noise*, and some of Australia's best talent in the high profile series recorded at the Governor Hindmarsh Hotel *Live at The Gov*.

There were some notable exhibitions at the **Urrbrae House Historic Precinct** during the year. Two highlights of the program were *Colour, Contrast and Form*, an exhibition of paintings by Beryl Martin and *A Traveller's Needle*, a retrospective of watercolours and textiles by Anne Hetzel. Lady Neal also launched the book of the same name at the opening of the exhibition.

A particularly important part of our year was the acknowledgement, particularly during this international year of the volunteer, of the role of our own dedicated group of volunteer staff. On 8 November we held a special brunch for the volunteers in the Urrbrae House Gardens. The Vice-Chancellor attended the function and unveiled a plaque honouring the contribution of volunteers to the precinct over a period of ten years.

During the year the Peter Waite Garage was conserved and refurbished.

The development of the **Gardens of Urrbrae House Historic Precinct** continued in 2001, with the help of our volunteers. His Excellency Sir Eric Neal AC, CVO, Governor of South Australia officially opened Stage 1 of the Garden of Discovery in May. Over 100 invited guests attended including descendants of Waite scientists whose scientific achievements are celebrated in the garden. Interpretive elements include an outdoor book, three soundscapes and inlaid pavers. Stage 2, which opened in November, added two more soundscapes and landscaping. The development has been supported by grants from National Science Week, Centenary of Federation, the History Trust of SA, the Australian Wine Research Institute and a number of private donations. The Twentieth Century Rose Garden continues to attract many visitors and the



Sensory Garden has been improved with the addition of a large collection of salvias donated by the Herb Society of SA. The gardens were the venue for the annual SA Salvia Show.

The **Waite Arboretum** collection was expanded during the year with more oaks, ornamental pears, palms and cycads as well as new cultivars of street trees. In March the Netherby Kindergarten Repeal Act was passed, returning alienated land to the Arboretum to honour the terms of the Peter Waite Bequest. The Arboretum's TREENET program continued to grow with a fully subscribed two-day Second National TREENET Symposium held in September, followed by the State Tree Climbing Championships held in the Arboretum. A survey of all SA Councils regarding their street tree program was completed with a grant from Horticulture Australia. Work on establishing an internet-based database is proceeding with funding from the Local Government Association and industry sponsorship. The TREENET website – treenet.com.au – was also extended.

Work at the **Waite Conservation Reserve** continued on pest plant and feral animal eradication, mapping, surveys and track maintenance, supported by grants from the Natural Heritage Trust, Urban Forest Biodiversity Program, the Activ-8 program and funds from Transport SA. Friends of Waite Conservation Reserve was formed in February and regular working-bees now assist in the maintenance of the Reserve. About 200 people attended a *Walk with Nature* in the Reserve in October. Two Heritage Agreements on the Reserve remain pending at the end of the year.

The Elder Conservatorium has once again received strong community support for its **lunch hour and evening concerts**. Audience numbers increased significantly and the overall standard of

performances was very high, particularly by the large student ensembles. The Conservatorium hosted a number of special guest artists from interstate and overseas and their performances contributed significantly to the success of the 2001 concert calendar.

The Australian String Quartet continued to “fly the flag” for the University through its frequent interstate concert tours. The Quartet is officially “quartet-in-residence” and the University is acknowledged as a sponsor in all the Quartet’s programs. In November 2001 brilliant young Japanese violinist Natsuko Yoshimoto was confirmed in her role as the new leader of the ensemble. Her appointment was greeted as signalling an exciting new era in the artistic development of the group.

The Office of Industry Liaison manages **the University’s Commerce and Research Precinct at Thebarton** with a further brief to promote interaction between the University and the community, especially in Adelaide’s Western Region. Industry focused education programs and community liaison activities have encouraged strong business and community links. A network of commercial and university tenants on the campus (RADNET) continued its development through the year. This unique partnership of over 30 businesses, which includes University graduate businesses, is promoting the joint capability available on the Precinct to national and international markets. The Thebarton Campus-based Business Initiatives from Graduates (BIG) program provided support for a further five graduates to set up and develop their business ideas. This year the program also hosted the Premier’s Enterprise Scholarship for the second time. Assisted by support from the State Government, the Cooperative Education Program (GILES and PROJECT PLUS) linked 15 students and graduates with industry-sponsored projects.

Support for the new Summer Industry Vocational Scheme (SIVS) involving six-week industry placements for undergraduates has been received from Business Enterprise Centres, the Business Centre and 15 small businesses.

The special relationship with the Thebarton Senior College continues and the Manager of the Thebarton Campus continued service as Chair of the College Council this year. In addition, there has been close involvement with the Western Adelaide Vocational Enterprise Services (WAVES) which is providing important community-based vocational education and training opportunities for children in the region. The Schools-Links project involving campus tenants also continued to grow.



Alumni and Community Relations, Fundraising

The Alumni Association's new Alumni Board and Executive Committee met for the first time in 2001. The new Board and Committee were established after a review of the Association's governance structures in 1999.

The Australian University Alumni Council awarded its **Distinguished Service Award** for 2001 to the Chair of the Alumni Association, the Hon Greg Crafter. The award recognises professionals and honorary officers who have made a significant contribution to the advancement of Alumni status, recognition and involvement within Australian Universities.

The **Alumni University Medallist** for 2001 was Farmer Salamander Schlutzenberg who graduated with a Bachelor of Science (Mathematics and Computer Science) in December 2000. Mr Schlutzenberg is now studying for his PhD in Mathematics at UCLA Berkley. Mutual Community and RC Heddle travel grants were also awarded to four postgraduate students.

In 2001 the Alumni, Community Relations and Development office significantly increased **communications with graduates and friends**. As a result over 20,000 alumni heard from the University in 2001. The United Kingdom Alumni Chapter was established and officially affiliated with the Alumni Association in September and a Commerce Alumni Working Group met for the first time and will become an affiliated Chapter of the Alumni Association in early 2002.

Added to the three Chapters in Asia and one in the United Kingdom, there is now a group of alumni in North America who have shown interest in establishing a Chapter. There has also been a strong expression of interest for alumni living in Thailand.

In July an official luncheon ceremony to mark the 50th anniversary of the Colombo Plan was hosted by the Australian High Commissioner in Kuala Lumpur. "Reverse Colombo Plan Scholarships" – the Malaysian Australia Colombo Plan Commemoration (MACC) Scholarships – were launched at the reception; they have received significant financial support from a prominent Malaysian alumnus and the University. The Foreign Minister, the Hon Alexander Downer, launched the Commemorative Volume of the Golden Jubilee in Adelaide on 5 December.

On March 8, a dedicated and prominent alumnus, Dr Andy Thomas, travelled into space aboard the **United State Space Shuttle, Discovery**, carrying a plaque with the emblem of the University. A collage containing the plaque and other photographs is now on display in the Alumni, Community Relations and Development office.

In August, the first telephone appeal for the University was conducted on behalf of the Faculty of Science to raise money for the **Honours Scholarships in Science Fund**. Outcomes from the appeal were positive and included a \$5000 donation from one generous alumna, Mrs Elizabeth Simpson, with nine other donors each contributing \$500 each. The total funds raised from the appeal amounted to almost \$40,000.

The University of Adelaide was a beneficiary in 2001 of the Dame Roma Mitchell Estate, the Margaret Rendle Sullivan Estate and the Ian Robin Barlow Estate. The Mares-Eaden Fund was also launched to establish a Prize for Shakespearean and Elizabethan Studies in memory of Tim Mares and Robin Eaden, scholars and former staff of the University.

In the Faculty of Health Sciences over \$40,000 in donations was received for various research projects. The Department of Social Inquiry also received an \$18,000 donation for research conducted in the Social Health Unit.

During 2001, the third year of the **Don Dunstan Foundation's** operations, efforts were directed towards fundraising and building support from a growing list of constituents in South Australia and the eastern states. In March 2001 the Foundation awarded its second Postgraduate Research Scholarship; Jadyne Harvey is undertaking a PhD on the present arrangements of alternative foster care within South Australia, especially for those who have left the care system, in the Departments of Psychology and Geography. The Foundation also organised several public lectures including one by well-know British journalist and social commentator, Beatrix Campbell, which was jointly hosted with the Hawke Centre. Other Foundation activities included sponsoring *The Don Dunstan Foundation Debating Invitational Competition* at the youth arts festival *comeout01*, a Sunday lunch seminar program, participation in various community events and the launch of a new book, *Left Directions: Is There a Third Way?* edited by Associate Professors Paul Nursey-Bray and Carol Lee Bacchi.



Inaugural Lectures 2001

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

Professor Peter Cole (Electrical and Electronic Engineering): Radio frequency identification

Professor Graeme Dandy (Civil and Environmental Engineering): Optimising water supply systems: a pipe dream?

Professor Barry Egan (Biochemistry): Genetic intelligence of bacteriophage

Professor Richard Hillis (National Centre for Petroleum Geology and Geophysics): The future of fossil fuels: new-Malthusians, cornucopians, greenies and roughnecks

Professor Keith King (Chemical Engineering): Oxidation, combustion and flames: from petrochemicals to the Olympic torch

Professor Valerie Linton (Mechanical Engineering): Welding and joining: from the industrial to the space age

Professor Guy Ludbrook (Anaesthesia): Perioperative medicine – the anaesthetist re-invented

Professor James Paton (Molecular Biosciences): Treatment and prevention of infectious diseases: challenges for the 21st century

Professor Charles Bodman Rae (Elder Conservatorium of Music): A sound world of contrasts

Professor Michael Sawyer (Paediatrics): 'No worries?' The mental health of young Australians

Professor Hock Lim Tan (Paediatrics): Keyhole surgery in infants and children

Professor David Wilkinson (South Australian Centre for Rural and Remote Health): Major rural health challenges for Australia into the 21st century

Staff and Students

Senior Staff Appointments

Senior management appointments

Mr Paul Duldig: Executive Director, Finance and Infrastructure

Professor Malcolm Gillies: Pro Vice-Chancellor
(Commercialisation)

Ms Susan MacIntosh: Executive Director, Student and
Staff Services

Professor Ian Young: Pro Vice-Chancellor (International)

Chairs

Professor Peter Behrenbruch: Santos Chair of Petroleum
Engineering

Professor Janet Hiller: Chair of Public Health

Professor Valerie Linton: CRC Chair of Welded Structures

Professor Ian Olver: the Anti-Cancer Foundation Chair
of Cancer Care

Professor Charles Bodman Rae: Elder Chair of Music

Professor Michael Sawyer: Chair of Child and Adolescent
Psychiatry

Professor Hock Lim Tan: Chair of Paediatric Surgery

Professor Wayne Tilley: Dame Roma Mitchell Chair of
Cancer Research

Professor Steve Tyerman: Wine Industry Chair of Viticulture

Affiliates

Professor Michel Eichelbaum: Adjunct Professor (Clinical
and Experimental Pharmacology)

Professor Robert Elliott: Adjunct Professor (Applied
Mathematics)

Professor Elizabeth Heij: Affiliate Professor (Faculty of
Agricultural and Natural Resource Sciences)

Professor Vaclav Klaus: Adjunct Professor (Economics)

Professor Geoffrey Lindell: Adjunct Professor (Law)

Professor Willis Marshall: Clinical Professor (Surgery – Royal
Adelaide Hospital)

Professor Keith Maskus: Adjunct Professor (Economics)

Professor Mike Moore: Adjunct Professor (Economics)

Professor Ronald Morrison: Adjunct Professor (Computer
Science)

Professor Avelino Nobay: Adjunct Professor (Economics)

Professor Ronald Radford: (Art Gallery of South Australia):
Affiliate Professor

Professor Eibe Riedel: Adjunct Professor (Law)

Election to Learned Academies

Mr Ray Choate (University Library): Honorary Fellow, Australian
Academy of the Humanities

Professor Sally Smith (Soil and Water): Fellow, Australian
Academy of Sciences

Scholarly and Professional Societies

Professor Penny Boumelha (Deputy Vice-Chancellor, Education):
AVCC Standing Committee on Education and Students

Professor Michael Brooks (Computer Science): Australian
Research Council Expert Advisory Committee, Mathematics,
Information and Communication Sciences

Professor Edwina Cornish (Deputy Vice-Chancellor, Research):
Board Member, Australian Research Council

Dr Neville Hicks (Public Health): Appointed Member, Gene
Technology Ethics Committee

Professor Graeme Hugo (Geographical and Environmental
Studies): Australian Research Council Expert Advisory
Committee; Chair, Social, Behavioural and Economics Sciences

Associate Professor Peter Langridge (Plant Science): Australian
Research Council Expert Advisory Committee, Biological Science
and Biotechnology

Dr Margaret Lightbody (Commerce): Member, Academy of
Accounting Historians, US-based

Professor Doug McEachern (Politics): Australian Research
Council Programme Manager, Social, Behavioural and Economic
Sciences

Associate Professor Tony Rogers (Dentistry): Fellow, American
Academy of Microbiology

Ms Patricia Scott (Barr Smith Library): Kinetica Advisory
Committee

Professor Sally Smith (Soil and Water): Honorary Research
Professor, Chinese Academy's Research Centre for
Eco-Environmental Sciences

Dr Graham Strahle (Performing Arts, Elder Conservatorium):
Music Council of Australia

Dr John Wallace (Molecular Biosciences): Australian Research
Council Expert Advisory Committee, Biological Science and
Biotechnology

Public Appointments

Professor Penny Boumelha (Deputy Vice-Chancellor, Education): Register of Australian Universities Quality Agency Auditors

Professor Judith Brine (Pro Vice-Chancellor, Special Projects): Life Fellowship, Royal Australian Institute of Architects

Dr Felix Patrikeeff (Politics): Member, National Executive of the Australian Institute of International Affairs

Professor Andrew Smith (Soil and Water): Delegate, FEASTs, Canberra

Awards

Professor David Armstrong (Obstetrics and Gynaecology): Society for the Study of Reproduction (USA), Carl G Hartman Award 2001

Professor Russell Baudinette (Environmental Biology): Sir Joseph Medal of the Royal Society of South Australia

Dr Nigel Bean (Applied Mathematics): Michell Medal

Dr Peter Bouwknegt (Pure Mathematics): Australian Mathematical Society Award

Dr Sheila Clark (General Practice): Farberow Award from the International Association for Suicide Prevention

Dr Ken Davey (Chemical Engineering): JR Vickery Award, International Institute of Refrigeration, Australian National Committee

Professor Derek Frewin (Health Sciences): Australian Medical Association (SA) Award

Professor Michael Horowitz (Medicine): Eric Susman Medal

Dr Simon Koblar (Molecular Biosciences): Sunderland Award

Dr Michael Lee (Environmental Biology): David Edgeworth Medal

Professor Kevin Marjoribanks (Education): Most Outstanding Research Article Award, American Research Association

Dr Janelle McDonald (Obstetrics and Gynaecology): Fertility Society of Australia and the International Federation of Fertility Societies Prize

Professor Robert Norman (Obstetrics and Gynaecology): Australian Menopause Society Award for services to women's health

Professor Mary O'Kane (Vice-Chancellor): Queensland Tall Poppy in Science

Associate Professor Charles Pearce (Applied Mathematics): ANZIAM Medal

Dr Wayne Pitchford (Animal Sciences): Young Achiever Award in Food Processing Equipment, Meat Industry Awards

Professor Sally Smith (Soil and Water): Clarke Medal, Royal Society of New South Wales

Mr Michael Stewart (Performing Arts, Elder Conservatorium): Barossa Winemakers' Jazz Scholarship

Dr Dennis Taylor (Chemistry): Rennie Medal of the Royal Australian Chemical Institute for 2001

Associate Professor Tony Williams (Physics and Mathematical Physics): Walter Boas Medal

Dr Yongguan Zhu (Soil and Water): Jack Loneragan Award, Plant Nutrition Trust

Student Honours

Mr Jamie Adam (Performing Arts, Elder Conservatorium): David Galliver Memorial Award

Mr Jamie Adam (Performing Arts, Elder Conservatorium): First Prize Two-Mallet Marimba Open and Second Prize Open Snare Drum, Sydney Percussion Eisteddfod

Mr Alan Anderson (Law): David J Teece-AustLEA Scholarship in Law and Economics

Ms Anne Billington (Science): Premier's Scholarship in Biotechnology

Mr William Brodie-Tyrrell (Computer Science): Internship, Sun Microsystems Laboratories, Mountain View, California

Mr Paul Butler (Performing Arts, Elder Conservatorium): First Prize Open Snare Drum and First Prize Multiple Percussion, Sydney Percussion Eisteddfod

Mr Paul Caffin (Mechanical Engineering): National Tertiary Business Person of the Year, Young Achievement Australia Awards

Mr Ivan Crabb (National Centre for Petroleum Geology and Geophysics): Petroleum Exploration Society of Australia Scholarship

Mr Taras Diakiw (Electrical and Electronic Engineering): Premier's Scholarship in Information Technology

Mr Brad Ferguson (Electrical and Electronic Engineering):

Fulbright Scholarship

Mr Michael Haese (Applied Mathematics): Cherry Prize for best student presentation at ANZIAM conference

Mr Jadyne Harvey (Psychology/Geography): Don Dunstan Foundation Postgraduate Research Scholarship

Mr Anthony Hunt (Performing Arts, Elder Conservatorium): Doris West Elder Conservatorium Concerto Prize, Adelaide Eisteddfod

Ms Wendy Ingman (Obstetrics and Gynaecology): Trainee Research Award, Society for the Study of Reproduction

Ms Amanda Kempton (Law): Commonwealth Scholarship

Ms Rachel Lakos (Science): Premier's Scholarship in Biological Science

Mr Pei-Jee Ng (Performing Arts, Elder Conservatorium): Symphony Australia Young Performers Award, Vada Jeffries Bach Prize, Piatti Prize

Mr Travis Olds (Computer Science): Internship, Sun Microsystems Laboratories, Mountain View, California

Ms Kate Procko (Geology and Geophysics): Hales Scholarship, Australian National University

Mr David Scown (Chemical Engineering): RW Parsons Prize

Ms Vicki Stamoulis (Geology and Geophysics): Churchill Fellowship

Mr Alex Stopa (Performing Arts, Elder Conservatorium): Encouragement Award, Four-Mallet Section, Sydney Percussion Eisteddfod

Ms Syn Yee Tan (Science): Australia Malaysia Business Council Merdeka Award

Ms Kym Taylor (Law): Chevening Scholarship, Foundation for Young Australians Grant

Mr Brad Tobin (Computer Science): Clipsal Scholarship





The University of Adelaide

Financial Report 2001

2001

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 2001, and the financial position of its operations as at that date; and
- (b) in terms of Chapters 2 and 4 of the Higher Education Funding Act 1988 (HEFA) and subsequent amendments, the Operating Statement correctly displays the Commonwealth Government Grants received by The University of Adelaide, and the application of these grants to expenditure for University purposes.

The Financial Statements have been prepared on an accrual basis of accounting to comply with appropriate Australian Accounting Standards, and the reporting requirements under HEFA which are detailed in the Commonwealth Department of Education, Science and Technology (DEST)'s instructions. An explanation of accounting policies adopted is detailed in notes to the statements.

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

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



ROBERT CHAMPION de CRESPIGNY
Chancellor



CD BLAKE AO
Vice-Chancellor

6 June 2002

Statement of Financial Performance for the Year Ended 31 December 2001

	Note	Consolidated		University	
		2001 \$000	2000 \$000	2001 \$000	2000 \$000
OPERATING REVENUE FROM ORDINARY ACTIVITIES	5,6				
Received under Higher Education Funding Act					
Base operating grant		104,612	99,016	104,612	99,016
Other operating grants		2,496	2,357	2,496	2,357
Higher Education Contribution Scheme		38,533	36,990	38,533	36,990
		145,641	138,363	145,641	138,363
Learning and Teaching					
Student fees	5	30,347	28,100	30,347	28,100
Grants		6,263	5,173	6,263	5,173
		36,610	33,273	36,610	33,273
Research Grants and Fees					
National competitive grants		38,116	37,550	38,116	37,550
Public sector - other		11,639	10,324	11,419	9,806
Industry and other		10,621	10,189	10,971	10,442
		60,376	58,063	60,506	57,798
Research Other					
Cooperative Research Centre direct funding		4,392	2,949	4,392	2,949
Research infrastructure program		6,907	7,391	6,907	7,391
		11,299	10,340	11,299	10,340
Other					
Investment revenue	5	3,623	6,378	3,612	6,243
Property revenue		5,725	6,195	5,725	5,916
Specialist services and trading		41,585	34,565	14,286	10,637
Deferred employee superannuation benefits	21(e)	1,800	(2,600)	1,800	(2,600)
Other		18,843	22,028	17,817	13,931
		71,576	66,566	43,240	34,127
Total operating revenue from ordinary activities		325,502	306,605	297,296	273,901
OPERATING EXPENSES FROM ORDINARY ACTIVITIES	6				
Salaries and related expenses	3(o)	185,280	168,473	178,027	162,276
Student services		15,440	15,956	15,440	15,956
Teaching and research materials		29,834	23,680	29,834	22,358
Buildings and grounds		16,745	14,428	16,690	14,060
Administration, communication and travel		48,910	51,147	29,803	28,602
Finance and fund administration		3,692	3,583	3,510	3,511
Misc. equip, dep'n and WDV assets sold		28,057	27,984	27,346	26,817
Deferred and HEFA superannuation	21(e)	3,011	(1,401)	3,011	(1,401)
Total operating expenses from ordinary activities		330,969	303,850	303,661	272,179
Operating Surplus (deficit) before minority interests		(5,467)	2,755	(6,365)	1,722
Operating surplus (deficit) attributable to outside equity interest	26	(222)	333	-	-
OPERATING SURPLUS (DEFICIT) FROM ORDINARY ACTIVITIES		(5,689)	3,088	(6,365)	1,722
CHANGE IN EQUITY – net increase (decrease)					
Impact from change in accounting policy	4	13,187	-	13,187	-
Outside equity interest		-	(1,664)	-	-
Asset revaluation reserve	16	12,126	3,189	42,500	-
Capital profits reserve	16	171	(72)	-	-
Total changes in equity		19,795	4,541	49,322	1,722

The accompanying notes form part of these financial statements.

Statement of Financial Position as at 31 December 2001

		Consolidated		University	
	Note	2001 \$000	2000 \$000	2001 \$000	2000 \$000
CURRENT ASSETS					
Cash		14,181	14,405	5,578	9,483
Receivables	7	17,595	12,324	14,852	9,059
Investments	8	46,986	35,266	30,555	38,985
Inventories	9	3,969	3,112	1,646	1,679
Other	10	6,243	6,088	4,534	3,353
Total current assets		88,974	71,195	57,165	62,559
NON-CURRENT ASSETS					
Investments	8	66,869	82,132	111,230	75,878
Property, plant and equipment	11	494,425	483,213	472,264	461,154
Deferred government superannuation contribution	21(e)	33,700	31,900	33,700	31,900
Total non-current assets		594,994	597,245	617,194	568,932
Total assets		683,968	668,440	674,359	631,491
CURRENT LIABILITIES					
Creditors	12	16,782	21,178	12,052	15,498
Borrowings	13	23,582	4,732	22,121	7,011
Provisions	14	12,602	12,219	12,029	11,084
Deferred employee superannuation benefits	21(e)	2,400	2,100	2,400	2,100
Other	15	13,773	17,601	13,596	17,199
Total current liabilities		69,139	57,830	62,198	52,892
NON-CURRENT LIABILITIES					
Borrowings	13	293	17,288	95	17,281
Provisions	14	20,953	21,034	20,938	21,012
Deferred employee superannuation benefits	21(e)	31,300	29,800	31,300	29,800
Total non-current liabilities		52,546	68,122	52,333	68,093
Total liabilities		121,685	125,952	114,531	120,985
Net assets		562,283	542,488	559,828	510,506
EQUITY					
Capital reserves	16	383,626	371,329	393,350	350,850
Specific purpose reserves	16	108,076	98,836	108,076	98,836
Accumulated results - of operations		68,665	70,185	58,402	60,820
Total University interest		560,367	540,350	559,828	510,506
Accumulated results - outside equity interest		1,916	2,138	-	-
Total equity		562,283	542,488	559,828	510,506

The accompanying notes form part of these financial statements.

Statement of Cash Flows for the Year Ended 31 December 2001

		Consolidated		University	
	Note	2001 \$000	2000 \$000	2001 \$000	2000 \$000
CASH FLOWS FROM OPERATING ACTIVITIES					
Inflows:					
Grant Revenue					
Commonwealth Government general grants		110,976	103,900	110,976	103,900
Commonwealth Government research grants		54,736	51,669	54,736	51,361
State Government grants		8,420	6,776	8,200	6,639
Higher Education Contribution Scheme	33				
Student payments		6,063	5,571	6,063	5,571
Higher Education Trust Fund		33,100	30,897	33,100	30,897
Other research grants and fees		14,241	11,551	14,241	11,871
Student fees		29,436	29,488	29,436	29,488
Scholarships and prizes	5	998	1,237	998	1,237
Donations and bequests		5,533	2,055	5,533	2,755
Investment income received		5,413	6,483	5,271	6,166
Specialist services and produce trading		41,585	40,957	14,286	10,637
Fees and charges		8,458	10,016	9,526	8,096
Other		8,802	2,760	5,474	2,588
Total Inflows		327,761	303,360	297,840	271,206
Outflows:					
Salaries and related expenses		(185,390)	(176,111)	(175,314)	(165,097)
Student services		(15,440)	(15,958)	(15,440)	(15,958)
Goods and services		(111,054)	(90,626)	(96,102)	(66,791)
Interest paid		(1,560)	(1,817)	(1,557)	(1,775)
Total Outflows		(313,444)	(284,512)	(288,413)	(249,621)
Net cash provided by operating activities	17	14,317	18,848	9,427	21,585
CASH FLOWS FROM INVESTING ACTIVITIES					
Inflows:					
Proceeds from sale of property, plant and equipment		1,067	2,045	1,006	1,495
Proceeds from sale of investments		4,424	-	4,424	-
Repayment of loan		396	138	193	138
Total Inflows		5,887	2,183	5,623	1,633
Outflows:					
Payments for property, plant and equipment		(28,372)	(35,676)	(27,449)	(34,800)
Payments for interest in joint ventures		(101)	-	(101)	-
Payments for investments industry Composite Fund		-	(1,062)	-	(394)
Decrease in borrowings		(11)	(123)	(11)	(73)
Additional lending		-	(347)	-	(2,862)
Distribution to minority		-	(64)	-	-
Total Outflows		(28,484)	(37,272)	(27,561)	(38,129)
Net cash used in investing activities		(22,597)	(35,089)	(21,938)	(36,496)
Net increase/(decrease) in cash held					
Cash at beginning of reporting period		48,402	64,643	44,030	58,941
Cash at end of reporting period	17	40,122	48,402	31,519	44,030

There were no cash flows from financing activities during the accounting period.
The accompanying notes form part of these financial statements.

Notes to the Financial Statements

Note	Contents
1	Basis of Preparation
2	Scope of Reporting
3	Statement of Significant Accounting Policies
4	Changes in Accounting Policy
5	Operating Revenue
6	Operating Surplus
7	Receivables
8	Investments
9	Inventories
10	Other Assets
11	Property, Plant and Equipment
12	Creditors – Current
13	Borrowings
14	Provisions
15	Other Liabilities
16	Reserves
17	Notes to the Statement of Cash Flows
18	Future Expenditure Commitments
19	Contingent Liabilities
20	Event Subsequent to Balance Date
21	Superannuation Schemes
22	Segment Information
23	Auditors' Remuneration
24	Remuneration for University Senior Management
25	Additional Financial Instruments Disclosure
26	Investments in Controlled Entities
27	Investments in Associates
28	Interests in Joint Ventures
29	Other Investments
30	Related Party Transactions
	DEST Reporting Requirements
31	Operating Statement
32	Commonwealth Government Grants (Excluding HECS)
33	Acquittal of Commonwealth Government Grants
34	Acquittal of Commonwealth Government Grants – Research
35	State Government Grants
36	Fees and Charges
37	Expenses Attributed to Functions

Notes to and Forming Part of Financial Statements Year Ended 31 December 2001

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 financial statements. The financial statements and notes collectively constitute a general purpose financial report prepared in accordance with applicable Australian Accounting Standards, 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 2000 comparative results of The University of Adelaide as follows:

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

The operational aspects of The University of Adelaide also include the following activities:

- Australian Music Examinations Board
- Mawson Appeal
- The University of Adelaide Medical Foundation
- South Australian Foundation for Dental Education and Research Inc
- The Postgraduate Committee in Dentistry
- The University of Adelaide Foundation

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
- ARI Pty Ltd (formerly Luminis Pty Ltd) as trustee for ARI 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
 - Camtech R&D Pty Ltd (Sold 10/1/01)
 - Camtech ASIA Sdn Bhd (Sold 10/1/01)
- Australian Company Number 49 089 171 719 Ltd formerly Camtech Corporation Ltd (deregistered 31/12/2001)
- Repromed Pty Ltd
- Disc Pty Ltd
- Martindale Holdings Pty Ltd as trustee for JS Davies Estate
- JAT Mortlock Trust

Refer to Note 26 Investments in Controlled Entities.

3 **Statement of Significant Accounting Policies**

(a) **Basis of Accounting**

The 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.

3 **Statement of Significant Accounting Policies (cont'd)**

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

All revenues are recognised in the accounting period to which they apply. Revenue received in advance of the reporting period is recognised as a liability in the Statement of Financial Position.

- **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 service is provided.

- **Interest and Investment Income**

Interest and income from investment is recognised as it accrues (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 includes 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 dependants 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 21 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.

3 **Statement of Significant Accounting Policies (cont'd)**

(i) Investments

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

- **Cash on Deposit**

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

- **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.

- **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, refer Note 4(b). Previously, this had been at the lower of cost and recoverable amount. 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. Other movements in reserves are recognised directly in consolidated reserves.

- **Joint Venture Operations**

The University derives income as part of its participation in Cooperative Research Centres, as listed in Note 28 (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 28 (a)(ii), is not considered material in total, and as such they have been reported as a net amount in investments.

- **Other Business Undertakings**

The Consolidated Entity holds, through ARI 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. During the course of the year, the escrow provision regarding the shareholding in both BresaGen Ltd and GroPep Ltd, lapsed. As at 31 December 2001, these have been valued at market value after allowing for diminution in value by events post 31 December 2001.

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.

3 **Statement of Significant Accounting Policies (cont'd)**

- **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.

(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**

Under the previous Australian Accounting Standards 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.

During the course of the year, changes to the accounting standards for valuation of non-current assets came into effect giving reporting entities a choice of valuation methods.

Guidelines issued by the Treasurer of South Australia provide for a continuation of the same valuation method in 2001. As a result the University cannot exercise its option to value its non-current assets in accordance with the provisions of the Australian Accounting Standards.

- **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. Any related revaluation increment standing in the asset revaluation reserve at the time of disposal is transferred to the capital profits reserve.

- **Land and Buildings**

The University differentiates between "trust" and "other" land and buildings. A "trust" building is one which is constructed on land provided by government in trust for the specific purpose of operating the University, or acquired by settlement under a binding trust. Buildings, other than these are referred to as "other" buildings.

Buildings acquired prior to 31 December 1998, are valued at net replacement cost. These valuations were prepared by Edward Rushton Australia Pty Ltd. Expenditure incurred since that valuation has been reported at cost. Subsequently, the Treasurer has exempted the University from a need to revalue its land and buildings which were due for revaluation in 2001.

- **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**

During 1998, the Library was valued using an internal valuation based on the annual price movement of books and journals. Again due to difficulties in determining a market value for the Library Collection, acquisitions since the date of the valuation have been valued at cost.

- **Works of Art**

Items greater than \$25,000, are recorded on the basis of an independent valuation carried out by Mr J.F.B. Bruce valuer (MSAV) of Ian Bruce Pty Ltd on 11 November 1999. Acquisitions after 11 November 1999 are recorded at cost. No provision for depreciation is made.

- **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

3 **Statement of Significant Accounting Policies (cont'd)**

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 18 Future Expenditure Commitments.

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

(m) Depreciation and Amortisation

Depreciation and amortisation are charged on a straight line basis using expected useful lives. The expected useful lives used for each class of asset are as follows:

	Range
• Buildings and leasehold improvements	10 - 80 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, royalties, 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 display information for the preceding corresponding reporting period. Comparative figures have been reclassified to reflect current disclosure requirements of the University and DEST.

4 **Change in Accounting Policy**

(a) Treatment of Grant Revenue

In previous years, 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 views these guidelines as taking precedence over AAS 15 - Recognisable Revenue. The guidelines have now been withdrawn which means that Section 9 of AAS 15 will be applied for the first time in 2001. This has 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 have been used such that revenue deferred from the year 2001 is treated as a prior year adjustment to accumulated surplus and the grant received in December 2001 for the 2002 academic year has been recognised as revenue in 2001.

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

(b) Revaluation of Investments

As outlined in note 3(j) Investments in Business Undertakings, the University has revalued its investment to fair value. There is no financial impact in the Statement of Financial Performance as the revaluation of \$42.5 million was brought to account through the asset revaluation reserve in the Statement of Financial Position. Refer Note 16 Reserves.

	Note	Consolidated		University	
		2001 \$000	2000 \$000	2001 \$000	2000 \$000
5 Operating Revenue					
Revenue from Operating Activities					
Bequests and donations received for:					
Research		1,404	1,478	1,404	1,478
Prizes and scholarships		998	1,237	998	1,237
General operational purposes and capital works		4,129	557	4,129	1,277
		6,531	3,292	6,531	3,992
Consultancy, contract and industry research income		27,825	17,412	12,738	11,643
Student fee income includes:					
Award courses					
Australian fee paying undergraduate students		398	521	398	521
Australian fee paying postgraduate students		4,146	3,378	4,146	3,378
International fee paying students		21,297	19,795	21,297	19,795
		25,841	23,694	25,841	23,694
Non award courses					
Australian fee paying		529	650	529	650
Continuing education		1,080	1,114	1,080	1,114
Other teaching service fees		2,897	2,642	2,897	2,642
		4,506	4,406	4,506	4,406
		30,347	28,100	30,347	28,100
Investment income includes:					
General fund earnings		3,113	4,221	2,798	3,860
Composite fund earnings		2,262	4,842	2,262	4,842
General and composite fund investment market value adjustment		(2,150)	(2,958)	(2,150)	(2,958)
Royalty income		273	273	9	21
Dividends received		125	-	18	8
Distribution from controlled entities		-	-	675	470
		3,623	6,378	3,612	6,243
Gross proceeds from sale of non-current assets		1,067	1,777	1,006	1,495
Share of net profits (losses) of:					
Associates	27	171	(127)	-	-
Joint venture operations	28	46	202	-	-

	Note	Consolidated		University	
		2001	2000	2001	2000
		\$000	\$000	\$000	\$000
6 Operating Surplus					
Operating surplus is arrived at after crediting and charging the following items:					
Credits					
Net foreign exchange gain		239	99	239	99
Net gain on disposal of property, plant and equipment		227	559	168	273
Net gain on disposal of investments		58	-	-	-
Bad debt recoveries		75	-	75	-
Charges					
Amortisation					
Leasehold improvements		20	20	20	20
Leased plant and equipment		-	12	-	12
Software and system development costs		2,918	1,939	2,918	1,852
		2,938	1,971	2,938	1,884
Bad and doubtful debts cost					
Student loans		14	20	14	20
Student tuition		144	9	144	9
Other debtors		8	996	(68)	906
		166	1,025	90	935
Depreciation					
Buildings		3,920	3,849	3,790	3,674
Plant, equipment and motor vehicles		5,348	5,505	4,751	4,734
Library collection		5,946	5,814	5,946	5,814
		15,214	15,168	14,487	14,222
Expenses directly related to employee entitlements includes					
Contributions to superannuation schemes:					
Deferred employee superannuation benefits		1,800	(2,600)	1,800	(2,600)
Emerging cost		1,211	1,199	1,211	1,199
Funded		19,635	18,430	19,392	17,494
		22,646	17,029	22,403	16,093
Payroll tax		7,610	7,893	7,586	7,497
Annual leave		5,952	5,399	5,934	5,364
Long service leave		3,375	3,091	3,398	3,100
Workers' compensation		698	709	644	621
		40,281	34,121	39,965	32,675
Finance charges on capitalised leases					
		76	158	76	89
Net loss on disposal of property, plant and equipment					
		2,047	308	2,047	236
Borrowing costs					
Interest		1,560	1,964	1,557	1,775
Finance charges		489	172	483	172
		2,049	2,136	2,040	1,947

	Note	Consolidated		University	
		2001 \$000	2000 \$000	2001 \$000	2000 \$000
7 Receivables	3(h)				
Student tuition fees		1,913	1,004	1,913	1,004
Less: provision for doubtful debts		(374)	(230)	(374)	(230)
		1,539	774	1,539	774
Sundry and trade debtors		17,014	12,697	13,638	9,186
Less: provision for doubtful debts		(1,141)	(1,305)	(500)	(1,059)
		15,873	11,392	13,138	8,127
Student loans		174	158	174	158
Other		9	-	1	-
Total Receivables		17,595	12,324	14,852	9,059

	Note	Consolidated		University	
		2001	2000	2001	2000
		\$000	\$000	\$000	\$000
8 Investments					
Current					
Short-term investment portfolio					
Cash on deposit	3(i)	25,941	34,547	25,941	34,547
Other	29	20,500	121	-	121
		46,441	34,668	25,941	34,668
Loans					
Loans to controlled entities		-	-	4,069	3,719
Other loans		545	598	545	598
		545	598	4,614	4,317
		46,986	35,266	30,555	38,985
Non-Current					
Composite fund at fair value	3(i)				
Australian fixed interest securities		4,355	1,852	4,355	1,852
Australian equities		9,223	8,775	9,223	8,775
Overseas equities		11,342	10,992	11,342	10,992
Property trusts		2,178	2,551	2,178	2,551
Cash and liquid assets		27,286	32,426	27,286	32,426
		54,384	56,596	54,384	56,596
Managed investment held by Unisure Pty Ltd		8,311	8,942	8,311	8,942
Interest in business undertakings					
Controlled entities	26	-	-	45,398	2,898
Associated entities	27				
At cost		-	-	298	197
Equity accounted		333	162	-	-
Joint venture entities	28				
At cost		-	-	150	150
Equity accounted		248	202	-	-
		581	364	45,846	3,245
Other investments		1,794	14,035	890	5,103
Loans					
Other loans		2,299	2,695	2,299	2,492
Provision for doubtful debts		(500)	(500)	(500)	(500)
		1,799	2,195	1,799	1,992
		66,869	82,132	111,230	75,878

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

	Note	Consolidated		University	
		2001 \$000	2000 \$000	2001 \$000	2000 \$000
9 Inventories	3(k)				
Consumable materials and trading stock		1,775	1,745	1,746	1,722
Livestock		2,294	1,410	-	-
Provision for obsolescence		(100)	(43)	(100)	(43)
		3,969	3,112	1,646	1,679
10 Other Assets					
Current					
Pre-payments		5,581	5,538	4,373	3,248
Accrued income		225	445	161	105
Other		437	105	-	-
		6,243	6,088	4,534	3,353

	Note	Consolidated		University	
		2001	2000	2001	2000
		\$000	\$000	\$000	\$000
11 Property, Plant and Equipment	3(l)				
11.1 Summary					
<u>Land</u>					
Trust Land: At independent valuation 1998		32,539	32,539	32,539	32,539
Other Land: At independent valuation 1998		22,233	22,233	22,233	22,233
At Council valuation 2000		17,744	17,744	-	-
At Valuer-General's valuation 2001		3,300	-	3,300	-
		43,277	39,977	25,533	22,233
Total Land		75,816	72,516	58,072	54,772
<u>Buildings</u>					
Trust buildings: At independent valuation 1998		220,001	220,001	220,001	220,001
At cost		10,487	-	10,487	-
		230,488	220,001	230,488	220,001
Other buildings: At cost		44,098	16,533	41,942	14,537
At independent valuation 1998		57,871	59,688	57,871	59,688
At independent valuation 1999		581	581	-	-
At Council valuation 2000		155	155	-	-
		102,705	76,957	99,813	74,225
Capital work in progress – at cost		5,306	28,014	5,306	28,014
Total buildings		338,499	324,972	335,607	322,240
<u>Provision for depreciation of buildings</u>					
Trust buildings: At independent valuation 1998		(7,870)	(5,205)	(7,870)	(5,205)
Other buildings: At cost		(1,087)	(794)	(304)	(128)
At independent valuation 1998		(2,613)	(1,677)	(2,605)	(1,677)
At independent valuation 1999		(258)	(236)	-	-
At Council valuation 2000		(52)	(47)	-	-
		(4,010)	(2,754)	(2,909)	(1,805)
Total provision for depreciation		(11,880)	(7,959)	(10,779)	(7,010)
Total buildings net of depreciation		326,619	317,013	324,828	315,230
<u>Leasehold improvements</u>					
At cost		529	524	200	200
Provision for amortisation		(309)	(287)	(40)	(20)
		220	237	160	180
<u>Library collection</u>					
At cost		18,663	14,307	18,663	14,307
At Council valuation 1998		167,760	167,760	167,760	167,760
		186,423	182,067	186,423	182,067
Provision for depreciation		(133,738)	(127,792)	(133,738)	(127,792)
		52,685	54,275	52,685	54,275
<u>Works of art</u>					
At independent valuation 1999		2,790	2,790	2,790	2,790
<u>Plant and equipment</u>					
At cost		99,720	95,492	93,174	88,731
Provision for depreciation		(63,425)	(59,110)	(59,445)	(54,824)
		36,295	36,382	33,729	33,907
Total Property, Plant and Equipment		494,425	483,213	472,264	461,154

	Note	Consolidated		University	
		2001	2000	2001	2000
		\$000	\$000	\$000	\$000

11 Property, Plant and Equipment (cont'd)

11.2 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 \$000	Buildings Inc WIP \$000	Leasehold Improvement \$000	Library Collections \$000	Works of Art \$000	Plant and Equipment \$000	Total \$000
Consolidated							
Opening Balance	72,516	317,013	237	54,275	2,790	36,382	483,213
Additions	3,300	13,899	3	4,657	-	10,333	32,192
Disposals	-	(373)	-	(301)	-	(2,154)	(2,828)
Depreciation/amortisation	-	(3,920)	(20)	(5,946)	-	(8,266)	(18,152)
Closing Balance	75,816	326,619	220	52,685	2,790	36,295	494,425
Parent							
Opening Balance	54,772	315,230	180	54,275	2,790	33,907	461,154
Additions	3,300	13,740	-	4,657	-	9,052	30,749
Disposal	-	(352)	-	(301)	-	(1,561)	(2,214)
Depreciation/amortisation	-	(3,790)	(20)	(5,946)	-	(7,669)	(17,425)
Closing Balance	58,072	324,828	160	52,685	2,790	33,729	472,264

11.3 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.

In accordance with AAS 6 Accounting Policies, the University whilst recognising the ascribed value of the \$7 million grant as income, has written down the value of the land to fair value, with a charge to the Statement of Financial Performance of \$3.7 million.

As a result, the transaction as a whole has a beneficial impact on the University's Statement of Financial Performance of \$3.3 million in 2001.

	Note	Consolidated		University	
		2001	2000	2001	2000
		\$000	\$000	\$000	\$000
12 Creditors – Current					
Trade creditors		13,823	15,569	10,316	11,930
Accruals		2,959	5,609	1,736	3,568
		16,782	21,178	12,052	15,498

13 Borrowings

Current

Bank loans and commercial paper	23,539	3,413	20,038	2,863
Lease liability	7	81	-	70
Other	36	1,238	36	31
Owing to controlled entities	-	-	2,047	4,047
	23,582	4,732	22,121	7,011

Non-Current

Bank loans and commercial paper	198	17,175	-	17,175
Lease liability	-	7	-	-
Other	95	106	95	106
	293	17,288	95	17,281

Bank Loans and Commercial Paper

In 1999 the University obtained a loan facility to a maximum of \$22.9 million for a period of 10 years. During the course of the year, the loan facility expired. The debt has been converted into commercial bills. The University is currently in the process of negotiating a new financial arrangement.

14 Provisions

Current

Annual and long service leave provision	11,745	10,953	11,211	10,184
Workers' compensation provision	857	900	818	900
Other provisions	-	366	-	-
	12,602	12,219	12,029	11,084

Non-Current

Workers' compensation provision	1,300	1,300	1,300	1,300
Long service leave provision	19,653	19,734	19,638	19,712
	20,953	21,034	20,938	21,012

15 Other Liabilities

Current

Grants received in advance	6,780	13,187	6,603	13,187
Outside funded positions	831	902	831	902
Salaries and wage deductions	3,432	777	3,432	380
Student tuition fees received in advance	2,702	2,709	2,702	2,704
Residential bonds	28	26	28	26
	13,773	17,601	13,596	17,199

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 is included in grants received in advance. The grant is for the purpose of restructuring and it will be offset by a reduction of DEST funding in 3 equal instalments in 2003, 2004 and 2005.

	Note	Consolidated		University	
		2001 \$000	2000 \$000	2001 \$000	2000 \$000
16 Reserves					
16.1 Summary					
<u>Capital reserves</u>					
Capital reserve		2,970	2,970	-	-
Capital profits reserve		1,036	865	-	-
Asset revaluation reserve		100,242	88,116	114,226	71,726
Initial asset recognition reserve		279,378	279,378	279,124	279,124
		383,626	371,329	393,350	350,850
<u>Specific purpose reserves</u>					
Special reserve		35,626	26,187	35,626	26,187
Bequests/donations unspent income reserve		10,087	9,547	10,087	9,547
Restricted purpose bequest capital reserve		47,880	47,583	47,880	47,583
Composite fund revaluation reserve		14,483	15,519	14,483	15,519
		108,076	98,836	108,076	98,836
16.2 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		865	937	-	-
Current year movement		171	(72)	-	-
Closing balance		1,036	865	-	-
<u>Asset revaluation reserve</u>					
Opening balance		88,116	84,927	71,726	71,726
Add: revaluation increment on investments		12,126	3,189	42,500	-
Closing balance		100,242	88,116	114,226	71,726
<u>Initial asset recognition reserve</u>					
Opening balance		279,378	279,378	279,124	279,124
Current year movement		-	-	-	-
Closing balance		279,378	279,378	279,124	279,124
<u>Special reserve</u>					
Opening balance		26,187	21,667	26,187	21,667
Transfer (to) / from accumulated funds		9,439	4,520	9,439	4,520
Closing balance		35,626	26,187	35,626	26,187
<u>Bequests/donations unspent income reserve</u>					
Opening balance		9,547	8,717	9,547	8,717
Transfer (to) / from accumulated funds		540	830	540	830
Closing balance		10,087	9,547	10,087	9,547
<u>Bequests/donations capital reserve</u>					
Opening balance		47,583	46,902	47,583	46,901
Transfer (to) / from accumulated funds		297	681	297	682
Closing balance		47,880	47,583	47,880	47,583
<u>Composite fund revaluation reserve</u>					
Opening balance		15,519	16,903	15,519	16,903
Transfer (to) / from accumulated funds		(1,036)	(1,384)	(1,036)	(1,384)
Closing balance		14,483	15,519	14,483	15,519

	Note	Consolidated		University	
		2001	2000	2001	2000
		\$000	\$000	\$000	\$000
16	<u>Reserves (cont'd)</u>				
16.3	<u>Nature and purpose of reserves</u>				
	<u>Capital reserve</u>				
	Represents equity injection by the University into establishing the ARI Investment Trust.				
	<u>Capital profits reserve</u>				
	Represents the accumulation of the realised revalued increments of assets sold. Up until time of disposal, the revaluation increment is held in the asset revaluation reserve.				
	<u>Asset revaluation reserve</u>				
	Is used to record increments and decrements on the revaluation of non-current assets. Refer accounting policy note (3)(I).				
	<u>Initial asset recognition reserve</u>				
	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.				
	<u>Specific purpose reserves</u>				
	Are a number of reserves established to house excess funds which have been generated through a series of specific purpose transactions, and as a result 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.				

	Note	Consolidated		University	
		2001 \$000	2000 \$000	2001 \$000	2000 \$000

17 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	14,181	14,405	5,578	9,483
Bank overdraft	-	(550)	-	-
Short term cash investment	25,941	34,547	25,941	34,547
	40,122	48,402	31,519	44,030

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

Operating surplus (deficit)		(5,467)	2,755	(6,365)	1,722
Add/(subtract) non cash items					
Amortisation		2,938	1,971	2,938	1,884
Depreciation	6	15,214	15,168	14,487	14,222
Write down/(up) investments		2,150	2,958	2,150	2,958
Bad debts written off		528	985	452	911
Superannuation expense		1,800	(2,600)	1,800	(2,600)
Superannuation revenue		(1,800)	2,600	(1,800)	2,600
Other revenue/expenses		(3,714)	(4,145)	(4,117)	(3,154)
(Profit)/loss on sale of property, plant and equipment		1,820	(251)	1,879	(37)

Changes in assets/liabilities

(Increase)/decrease in inventories		(857)	(1,509)	33	(1,679)
(Increase)/decrease in receivables		(5,271)	(10,825)	(5,793)	(3,316)
(Increase)/decrease in loans		-	(2,826)	-	(157)
(Increase)/decrease in other current assets		(155)	44,712	(1,181)	(239)
Increase/(decrease) in creditors		(4,396)	(31,318)	(3,446)	8,137
Increase/(decrease) in other current liabilities		9,359	(577)	9,584	(966)
Increase/(decrease) in provisions		302	1,750	871	1,299
Increase/(decrease) in borrowings		1,866	-	(2,065)	-
Net cash provided by operating activities		14,317	18,848	9,427	21,585

(c) Borrowings

Refer to Note 13

Note	Consolidated		University	
	2001 \$000	2000 \$000	2001 \$000	2000 \$000
18 Future Expenditure Commitments				
Operating Expenditure				
Contracted but not provided for and payable:				
Not later than one year	4,662	3,080	4,662	3,080
Later than one year, but not later than five years	3,642	4,600	3,642	4,600
Later than five years	-	-	-	-
	8,304	7,680	8,304	7,680
Capital Expenditure				
Contracted but not provided for and payable:				
Not later than one year	6,994	4,900	6,994	4,900
Later than one year, but not later than five years	-	-	-	-
Later than five years	-	-	-	-
	6,994	4,900	6,994	4,900
Operating Lease Commitments				
Future operating base rental not provided for in the financial statements and payable:				
Not later than one year	2,998	1,210	2,892	1,066
Later than one year, but not later than five years	6,823	3,705	5,123	3,273
Later than five years	2,444	1,571	-	1,571
	12,265	6,486	8,015	5,910
Finance Lease Commitments				
Finance lease rentals are payable as follows:				
Not later than one year	7	82	-	70
Later than one year, but not later than five years	-	8	-	-
Later than five years	-	-	-	-
	7	90	-	70
Less: future lease finance charges	-	(1)	-	-
	7	89	-	70
Lease liabilities provided for in the financial statements:				
Current	7	81	-	70
Non-Current	-	8	-	-
Total lease liability	7	89	-	70

3(l)

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.

19 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) 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. Actuarial advice in 1998 states that there are sufficient assets available. Refer to Note 21(d).

19 Contingent Liabilities (cont'd)**(c) Insurance Claims**

ARI Pty Ltd was named co-defendant in an action for loss and damages with respect to the Hindmarsh Island Bridge. The total claim is approximately \$20 million (2000 – \$20 million). The claim relates to alleged negligence in the employment of a consultant who assisted in making submissions to the Minister for Aboriginal Affairs. During the course of the year, judgment was made in favour of the co-defendants. This decision is currently being appealed by the litigator.

(d) 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 accounts, 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.

(e) Taxation claim involving R&D syndicate

In August 2000 Luminis was notified by the Australian Taxation Office 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 accounts.

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 Australian Taxation office 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.

20 Event Subsequent to Balance Date

There were no other events which took place subsequent to balance date so as to have a material impact on the operating results or Statement of Financial Position of the University or the Consolidated Entity.

21 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 Defined Benefit Plan or Investment Choice Plan – formerly Superannuation Scheme for Australian Universities

From 1984 the University became a participating institution in the Superannuation Scheme for Australian Universities (SSAU). The scheme is administered by UniSuper Management Pty Ltd and UniSuper Pty Ltd is the trustee. 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. The employer contribution rate throughout 2001 was 14 per cent of salaries. The employee contribution rate throughout 2001 was 7 per cent of their gross salaries. The Defined Benefits Scheme is fully funded.

An actuarial assessment, as at 31 December 1999, was completed on 18 May 2000. The assessment was carried out 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.

On 1 October 2000, SSAU merged with TESS to form UniSuper. The scheme is known as UniSuper Defined Benefit Plan or UniSuper Investment Choice Plan depending on employee's choice.

As at 31 December 2001, 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 2001 – \$172.0 million unaudited (2000 – \$163.6 million audited).

21 Superannuation Schemes (cont'd)

- (ii) Estimated net market value of assets for current members, at 30 June 2001 available to pay the superannuation liabilities of The University of Adelaide members was \$189.8 million unaudited (2000 – \$178.7 million audited).
- (iii) The difference between the estimated net market value of assets and accrued benefits at 30 June 2001 apportioned to The University of Adelaide was \$17.8 million unaudited (2000 – \$15.0 million audited).

(c) UniSuper Award Plus Plan – formerly Tertiary Education Superannuation Scheme

The University is a participating institution in Tertiary Education Superannuation Scheme (TESS); a non-contributory scheme for University employees. The fund is administered by UniSuper Management Pty Ltd and TESS Superannuation Ltd is the trustee. The employer contribution rate, throughout 2001, was 3 per cent of salaries for members of other superannuation schemes, and 8 per cent for staff not covered by other schemes.

On 1 October 2000, TESS merged with SSAU to form UniSuper. TESS will now be known as UniSuper Award Plus Plan.

(d) The University of Adelaide Superannuation Scheme A 1985

The University of Adelaide Superannuation Scheme A 1985 (Scheme) provides superannuation benefits for employees who have 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 2001. Actuarial advice is that there are sufficient assets in the Scheme to meet expected future liabilities of remaining members and that no contributions from the University are required over the foreseeable future.

As at 30 June 2001, accrued benefits were valued by the actuary, William M Mercer Pty Ltd, and together with the vested benefits are reported as follows:

- (i) Accrued benefits at 30 June 2001 \$9.5 million (2000 – \$9.5 million)
- (ii) Vested benefits at 30 June 2001 \$10.3 million (2000 – \$10 million)
- (iii) Estimated net market value of the assets of the Scheme available to pay benefits as at 30 June 2001, was \$12.2 million (2000 - \$12.8 million).
- (iv) The difference, between accrued benefits and the net market value of assets as at 30 June 2001, was \$2.7 million (2000 - \$3.3 million).

(e) 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 2001 were 3 per cent 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 2001, there is an unfunded liability of \$33.7 million (2000 – \$31.9 million). This represents an increase in liability of \$1.8 million since 31 December 2000. This is recognised as expenditure in the 2001 Statement of Financial Performance, with a corresponding adjustment to revenue.

The Commonwealth Government has agreed to provide assistance under Section 20 of the Higher Education Funding Act to meet the additional costs in respect of State Government emerging cost schemes, where costs are in excess of funding provided for this purpose in the base operating grant (ie 14 per cent 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 accounts is in accordance with "Guidelines for the Preparation of Annual Financial Reports for the 2001 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 \$33.7 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".

Note	Consolidated		University	
	2001 \$000	2000 \$000	2001 \$000	2000 \$000
21 Superannuation Schemes (cont'd)				
Summary				
Deferred Government Superannuation Contribution				
Non-Current asset	33,700	31,900	33,700	31,900
Deferred Employee Superannuation Benefits				
Current liability	2,400	2,100	2,400	2,100
Non-Current liability	31,300	29,800	31,300	29,800
	33,700	31,900	33,700	31,900
The total employer contributions remitted by the University were:				
Superannuation Scheme for Australian Universities (SSAU)	14,961	12,675	14,961	12,675
Tertiary Education Superannuation Scheme (TESS)	6,600	5,367	6,600	5,367
State Superannuation Schemes (3%)	63	62	63	62
	21,624	18,104	21,624	18,104

22 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 segmentation reporting.

23 Auditors' Remuneration

Amounts paid or payable were:

South Australian Auditor- General	160	161	160	161
Other auditors of controlled entities	74	133	-	-
	234	294	160	161
Other	-	-	-	42
	234	294	160	203

24 Remuneration for University Senior Management

Amounts paid or payable to University Senior Management		4,081	2,390
		Number	Number
\$100,000 - \$109,999		-	1
\$130,000 - \$139,999		-	1
\$140,000 - \$149,999		-	1
\$150,000 - \$159,999		2	2
\$160,000 - \$169,999		1	1
\$170,000 - \$179,999		2	1
\$180,000 - \$189,999		1	1
\$200,000 - \$209,999		-	2
\$210,000 - \$219,999		1	1
\$220,000 - \$229,999		3	-
\$300,000 - \$309,999		1	-
\$540,000 - \$549,999		-	1
\$1,600,000 - \$1,609,999		1	-
		12	12

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.

25 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
2001							
Financial Assets							
Cash		14,181	-	-	-	-	14,181
Receivables	7	-	-	-	-	17,595	17,595
Investments	8	15,815	37,411	-	6,154	54,475	113,855
		29,996	37,411	-	6,154	72,070	145,631
Weighted average interest rate		3.35%	4.20%	-	11.99%	-	
Financial Liabilities							
Trade Creditors	12	-	-	-	-	16,782	16,782
Borrowings	13	-	20,038	-	-	3,837	23,875
		-	20,038	-	-	20,619	40,657
Weighted average interest rate		-	8.55%	-	-	-	
2000							
Financial Assets							
Cash		14,405	-	-	-	-	14,405
Receivables	7	-	-	-	-	12,324	12,324
Investments	8	20,402	46,692	-	3,778	46,526	117,398
		34,807	46,692	-	3,778	58,850	144,127
Weighted average interest rate		5.43%	6.07%	-	5.85%	-	
Financial Liabilities							
Trade Creditors	12	-	-	-	-	21,178	21,178
Borrowings	13	-	2,863	17,175	-	1,982	22,020
		-	2,863	17,175	-	23,160	43,198
Weighted average interest rate		-	10.20%	10.42%	-	-	

25 Additional Financial Instruments Disclosure (cont'd)**(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.

26 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 Operating Result	
	2001	2000	2001	2000	2001	2000
	\$000	\$000	\$000	\$000	\$000	\$000
ARI Investment Trust	21,228	2,898	2,898	2,898	(1,669)	(399)
Lubims Pty Ltd	789	-	-	-	112	79
Martindale Holdings Pty Ltd as trustee for						
• JS Davies Estate	11,663	-	-	-	1,331	972
• JAT Mortlock Trust	11,718	-	-	-	861	306
	45,398	2,898	2,898	2,898	635	958

JS Davies

The University holds a 5/6th interest in a joint venture named JS Davies Estate, the principle 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).

27 Investments in Associates

(a) Equity and Contribution to Results

Associate Entity	Principal Activity	Holding %	Consolidated Carrying Amount		Investment at at Cost	
			2001	2000	2001	2000
			\$000	\$000	\$000	\$000
Held by the University						
AITEC Pty Ltd	Provides advanced information technology courses	25.0	55	140	-	-
Unisure Pty Ltd	Responsible for processing of Tertiary Institution Workers' Compensation Insurance	33.3	-	-	-	-
Ngee Ann Adelaide Education Centre Pte Ltd	Operates a graduate education centre in Singapore	50.0	278	22	298	197
			333	162	298	197

	Note	Consolidated		University	
		2001 \$000	2000 \$000	2001 \$000	2000 \$000

(b) Movements in Carrying Amounts of Investments in Associates

At beginning of financial year	162	289	-	-
Share of operating profits/(losses)	171	(127)	-	-
	333	162	-	-

(c) Results Attributed to Associates

Operating profits/(losses)	171	(127)	-	-
Retained profits attributable to associates at start of financial year	162	289	-	-
Retained profits attributable to associates at the end of the financial year	333	162	-	-

(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.

(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.

28 **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 2001 in accordance with the Australian Accounting Standard AAS 19. For reporting purposes these have been segregated into two groups as follows: Refer accounting policy 3(j).

(i) **Cooperative Research Centres**

The University participated in a number of Cooperative Research Centres (CRCs) during 2001. 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 a 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 coordinated 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 (see below), 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.

One successful example of a CRC achieving commercial value for the intellectual property created is GroPep Ltd, a company listed on the Australian Stock Exchange and one in which the University holds a significant interest. Refer Note 29.

	Participation		
Australian Petroleum CRC	(U)	(C)	13%
CRC for Welded Structures	(I)	(C)	7%
CRC for Molecular Plant Breeding	(U)	-	17%
CRC for Clean Power from Lignite	(U)	(C)	10%
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 Weed Management Systems	(U)	(C)	7%
CRC for Biological Control of Pest Animals	(U)	(C)	8%
CRC for Cattle & Beef Quality	(U)	(C)	-
CRC for Smart Internet Technology	(U)	-	5%
CRC for Plant Dryland Salinity	(U)	-	-
CRC for Landscape Environment and Mineral Exploration	(U)	(C)	4%

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 \$3.7 million in cash and \$34.2 million in kind.

28 Interests in Joint Ventures (cont'd)

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 \$248,000 (2000 – \$202,000). These are included in the consolidated Statement of Financial Position, in accordance with the accounting policy described in Note 3.

(b) Equity and Contribution Results

Joint Venture Entity	Consolidated		Investment	
	Carrying Amount		at Cost	
	2001	2000	2001	2000
	\$000	\$000	\$000	\$000
Held by The University of Adelaide				
National Course in General Arbitration and				
Dispute Resolution	50%	4	-	65
Middleback Field Centre	33%	23	18	-
South Australian Regional Network Organisation	20%	5	34	85
South Australian Centre for Economic Studies	50%	27	-	-
South Australian Tertiary Admissions Centre	25%	189	150	-
		248	202	150
			150	150

	Consolidated		University	
	2001	2000	2001	2000
Note	\$000	\$000	\$000	\$000

(c) **Movements in Carrying Amounts of Joint Ventures**

At beginning of financial year	202	140	-	-
Share of operating profits/(losses)	46	62	-	-
	248	202	-	-

(d) Results Attributed to Joint Ventures

Operating profits/(losses)	46	62	-	-
Retained profits attributable at start of financial year	202	140	-	-
Retained profits attributable at the end of the financial year	248	202	-	-

28 Interests in Joint Ventures (cont'd)

(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 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 effect the University group figures, assets, revenue and expenditure have been reported as net amounts.

(v) Off Statement of Financial Position Financial Instruments

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

29 Other Investments

The University holds investments in the following business undertakings.

Entity	Note	Consolidated		University	
		2001 \$000	2000 \$000	2001 \$000	2000 \$000
Investments at Cost		103	5,199	103	5,103
Investment at Council valuation 2001	3(j)				
Other		1,691	264	787	-
Held by ARI Investment Trust at Council valuation	3(j)				
BresaGen Ltd Biotechnology research		7,670	7,934	-	-
GroPep Ltd Biotechnology research		12,830	638	-	-
		20,500	8,572	-	-
		22,294	14,035	890	5,103

30 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 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.

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) CSIRO

The University leases land at peppercorn rents to the CSIRO. On this land, the CSIRO has 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 28.

(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 accounts, 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 31 to Note 37 has been prepared in accordance with the DEST reporting guidelines.

31 Operating Statement for the Year Ended 31 December 2001

		Consolidated		University	
	Note	2001 \$000	2000 \$000	2001 \$000	2000 \$000
OPERATING REVENUE					
Commonwealth Government grants	32	160,118	153,976	160,118	153,976
Higher Education Contribution Scheme (HECS)	33	39,163	36,360	39,163	36,360
State Government grants	35	11,720	6,849	11,500	6,639
Other research grants and contracts		9,837	9,230	9,837	8,922
Scholarships and prizes	5	998	1,237	998	1,237
Donations and bequests	5	5,533	2,055	5,533	2,755
Investment income	5	3,623	6,378	3,612	6,243
Fees and charges	36	45,869	42,403	42,793	40,227
Other revenue		46,841	50,717	21,942	20,142
Deferred government contributions for superannuation	21(e)	1,800	(2600)	1,800	(2600)
Total operating revenue from ordinary activities		325,502	306,605	297,296	273,901
OPERATING EXPENSES					
	37				
Academic activities		176,081	161,676	176,081	161,676
Library		16,183	14,234	16,183	14,234
Other academic support services		24,019	21,348	24,019	21,348
Student services		21,217	21,702	21,217	21,702
Public services		2,197	2,105	2,197	2,105
Buildings and grounds		20,192	18,736	20,192	18,632
Administration and other general institutional services		69,280	66,649	41,972	35,082
Deferred employee superannuation benefits	21(e)	1,800	(2,600)	1,800	(2,600)
Total operating expenses from ordinary activities		330,969	303,850	303,661	272,179
Operating result and extraordinary items		(5,467)	2,755	(6,365)	1,722

	University	
	2001	2000
	\$000	\$000
32 Commonwealth Government Grants		
(a) Grants received pursuant to the Higher Education Funding Act 1988, excluding HECS:		
Operating purposes (excluding HECS)	104,151	100,911
Teaching Hospitals	518	506
Large Research	5,221	5,975
Strategic Partnerships with Industry	1,583	1,795
Research Fellowships	1,889	1,927
International Researcher Exchange	291	218
Research Centres	1,675	2,753
Research Infrastructure Equipment and Facilities	2,218	1,938
Small Research	1,553	1,714
Infrastructure Block	5,778	5,453
Australian Postgraduate Awards	3,972	3,677
International Postgraduate Research Scholarships	943	949
Key centres	-	175
Sub-total pursuant to the Higher Education Funding Act 1988	129,792	127,991
(b) Other Commonwealth Government grants received:		
Attorney General's Department	-	13
Australian Biological Resources Study	57	-
Australia Council	-	8
Australia Telescope National Facility	13	-
Australian Centre for International Agricultural Research	459	-
Australian Institute of Health and Welfare	269	-
Australian Nuclear Science and Technology Organisation	-	6
Australian Synchrotron Research Program	13	-
Australia Wine Research Institute	11	-
Australian Wool Research and Promotion Organisation	23	45
AusAid	10	-
Centrelink	7	4
CSIRO	175	214
Defence, Science and Technology Organisation	111	170
Department of Agriculture, Fisheries and Forestry	9,389	9,231
Department of Communications and the Arts	-	45
Department of Education, Training and Youth Affairs	172	439
Department of Environment and Heritage	-	189
Department of Foreign Affairs and Trade	-	510
Department of Health and Aged Care	18,821	14,533
Department of Industry, Science and Resources	376	376
Department of Primary Industries and Energy	49	116
Department of Veterans Affairs	-	86
Environment Australia	48	-
Horticulture Australia Limited	252	-
Other	71	-
Sub-total other Commonwealth Government grants received	30,326	25,985
Total Commonwealth Government grants excluding HECS	160,118	153,976

33 Acquittal of Commonwealth Government Grants

Amounts received and expended pursuant to the Higher Education Funding Act 1988:

TEACHING AND LEARNING	PARENT ENTITY (UNIVERSITY) ONLY							
	Operating Financial Assistance Excluding HECS		HECS		Teaching Hospitals		Capital Development Pool	
	2001 \$000	2000 \$000	2001 \$000	2000 \$000	2001 \$000	2000 \$000	2001 \$000	2000 \$000
Grants in advance (received in the previous reporting period) <i>Plus</i> Grants received during reporting period <i>Plus</i> Contributions actually received from students Less Grants in advance (received in the reporting period for the next reporting period) Accrual Adjustments	- 109,151	8,030 102,850	- 33,100	2,486 30,897	- 518	40 507	- -	- -
	-	-	6,063	5,571	-	-	-	-
	(5,000)	(9,969)	-	(2,594)	-	(41)	-	-
	-	-	-	-	-	-	-	-
Revenue attributed to the reporting period <i>Plus</i> Surplus Prior Year	104,151 1,260	100,911 987	39,163 -	36,360 -	518 -	506 497	- -	- -
Funds available for the reporting period Less Expenses for current period	105,411 (105,411)	101,898 (100,638)	39,163 (39,163)	36,360 (36,360)	518 (518)	1,003 (1,003)	- -	- -
Surplus/Deficit for reporting period	-	1,260	-	-	-	-	-	-

34 Accittal of Commonwealth Government Grants – Research

Amounts received and expended pursuant to the Higher Education Funding Act 1988:

AUSTRALIAN RESEARCH COUNCIL

PARENT ENTITY (UNIVERSITY) ONLY

	Large Research		Strategic Partnerships with Industry		Research Fellowships		International Researcher Exchange		Research Centres	
	2001 \$000	2000 \$000	2001 \$000	2000 \$000	2001 \$000	2000 \$000	2001 \$000	2000 \$000	2001 \$000	2000 \$000
Grants in advance (received in the previous reporting period)	-	340	-	101	-	139	-	-	-	50
Plus Grants received during reporting period	5,221	5,635	1,583	1,694	1,889	1,788	291	218	1,675	2,703
Less Grants in advance (received in the reporting period for the next reporting period)	-	-	-	-	-	-	-	-	-	-
Accrual Adjustments	-	-	-	-	-	-	-	-	-	-
Revenue attributed to the reporting period	5,221	5,975	1,583	1,795	1,889	1,927	291	218	1,675	2,753
Plus Surplus Prior Year	1,542	1,895	784	361	157	205	63	-	1,512	-
Funds available for the current period	6,763	7,870	2,367	2,156	2,046	2,132	354	218	3,187	2,753
Less Expenses for current period	(5,284)	(6,328)	(1,592)	(1,372)	(1,717)	(1,975)	(182)	(155)	(2,140)	(1,241)
Surplus/Deficit for current period	1,479	1,542	775	784	329	157	172	63	1,047	1,512

34 Accittal of Commonwealth Government Grants – Research (cont'd)

Amounts received and expended pursuant to the Higher Education Funding Act 1988:

AUSTRALIAN RESEARCH COUNCIL (cont'd) PARENT ENTITY (UNIVERSITY) ONLY

	Research Infrastructure Equipment & Facilities		Indigenous Researchers' Development		Special Research Initiatives		Learned Academics Special Projects	
	2001 \$000	2000 \$000	2001 \$000	2000 \$000	2001 \$000	2000 \$000	2001 \$000	2000 \$000
Grants in advance (received in the previous reporting period) <i>Plus</i> Grants received during reporting period <i>Less</i> Grants in advance (received in the reporting period for the next reporting period) Accrual Adjustments	- 2,218	- 1,938	- -	- -	- -	- -	- -	- -
Revenue attributed to the reporting period <i>Plus</i> Surplus Prior Year	2,218 403	1,938 4	- -	- -	- -	- 2	- -	- -
Funds available for the current period <i>Less</i> Expenses for current period	2,621 (1,318)	1,942 (1,539)	- -	- -	- -	2 (2)	- -	- -
Surplus/Deficit for current period	1,303	403	-	-	-	-	-	-

34 Acquittal of Commonwealth Government Grants – Research (cont'd)

Amounts received and expended pursuant to the Higher Education Funding Act 1988:

DEST RESEARCH GRANTS

PARENT ENTITY (UNIVERSITY) ONLY

	Small Research		Infrastructure Block		Australian Postgraduate Awards		International Postgraduate Research Scholarships	
	2001 \$000	2000 \$000	2001 \$000	2000 \$000	2001 \$000	2000 \$000	2001 \$000	2000 \$000
Grants in advance (received in the previous reporting period)	-	-	-	-	-	-	-	-
Plus Grants received during reporting period	1,553	1,849	5,778	5,900	3,972	3,677	943	949
Less Grants in advance (received in the reporting period for the next reporting period)	-	(135)	-	(447)	-	-	-	-
Accrual Adjustments	-	-	-	-	-	-	-	-
Revenue attributed to the reporting period	1,553	1,714	5,778	5,453	3,972	3,677	943	949
Plus Surplus Prior Year	910	718	-	703	-	156	-	-
Funds available for the current period	2,463	2,432	5,778	6,156	3,972	3,833	943	949
Less Expenses for current period	(1,748)	(1,522)	(5,589)	(6,156)	(3,972)	(3,833)	(908)	(949)
Surplus/Deficit for current period	715	910	189	-	-	-	35	-

Note	Consolidated		University	
	2001 \$000	2000 \$000	2001 \$000	2000 \$000
35 State Government Grants				
(a) South Australian Government, State Government grants				
Arts SA	89	91	89	91
Central Yorke Peninsula Hospital	-	9	-	9
Coast Protection Board	20	-	20	-
Department for Employment, Training and Further Education	164	173	164	173
Department of Environment, Heritage and Aboriginal Affairs	166	423	166	423
Department of Human Services	1,162	517	1,162	517
Department of Industry and Trade	303	61	303	61
Department of Premier and Cabinet	35	-	35	-
Department of Primary Industries & Resources (PIRSA)	1,068	1,048	1,068	1,048
Department of Treasury and Finance	3,300	110	3,300	110
Department of Water Resources	304	-	304	-
Drug and Alcohol Services Council	-	66	-	66
Institute of Medical and Veterinary Science	139	112	139	112
Mt Lofty Catchment Program	10	-	10	-
North Western Adelaide Mental Health Services	104	33	104	33
Northern Adelaide and Barossa Catchment Water Management Board	-	22	-	22
Patawalonga Catchment Water Management Board	6	1	6	1
Planning SA	-	38	-	38
Police Department, SA	150	149	150	149
Port Pirie Regional Health Service	123	-	123	-
Royal Adelaide Hospital	1,139	883	1,139	883
SAICORP	20	-	20	-
SA Centre for Rural Health	20	-	20	-
SA Dental Service	171	108	171	108
SA Housing Trust	8	20	8	20
SA Museum	5	-	5	-
SA Rural and Remote Medical Support Agency	18	-	18	-
SA Water	-	34	-	34
South Australian Research and Development Institute	294	134	294	134
South Australian State Energy Research Advisory Committee	25	-	25	-
Southern Yorke Peninsula Health Service	-	103	-	103
SYP Health Commission	220	210	-	-
The Queen Elizabeth Hospital/North Western Adelaide Health Service	1,748	2,092	1,748	2,092
Transport SA	30	20	30	20
Women's and Children's Hospital	497	323	497	323
Workcover Corporation	27	14	27	14
Other	208	29	208	29
Total South Australian Government grants	11,573	6,823	11,353	6,613
(b) Other State Government grants	147	26	147	26
Total State Government grants	11,720	6,849	11,500	6,639

		Consolidated		University	
	Note	2001 \$000	2000 \$000	2001 \$000	2000 \$000
36 Fees and Charges					
Fees and charges were collected from the following sources during the reporting period:					
Student fee income	5	30,347	28,100	30,347	28,100
Library charges and fines		1,299	1,034	1,299	1,034
Application management and late fees		561	248	561	248
Parking fees		818	845	818	845
Rental charges/accommodation fees		3,347	3,098	3,347	3,098
Recharge of costs to other organisations		2,157	2,994	2,157	2,994
Other		7,340	6,084	4,264	3,908
Total		45,869	42,403	42,793	40,227
37 Expenses Attributed to Functions					
Academic activities					
Academic staff salaries		70,869	65,396	70,869	65,396
Academic staff salary related expenses		17,996	15,435	17,996	15,435
Non-academic staff salaries		28,290	26,850	28,290	26,850
Non-academic staff salary related expenses		8,842	9,637	8,842	9,637
Depreciation expense					
Plant, equipment and motor vehicles		2,853	3,352	2,853	3,352
Buildings		22	-	22	-
Other expenses		47,209	41,006	47,209	41,006
Total academic activities		176,081	161,676	176,081	161,676
Library					
Academic staff salaries		-	-	-	-
Academic staff salary related expenses		-	-	-	-
Non-academic staff salaries		4,913	4,711	4,913	4,711
Non-academic staff salary related expenses		1,763	1,703	1,763	1,703
Depreciation expense					
Library		5,946	5,814	5,946	5,814
Plant, equipment and motor vehicles		748	54	748	54
Buildings		-	-	-	-
Other expenses		2,813	1,952	2,813	1,952
Total library		16,183	14,234	16,183	14,234
Other academic support services					
Academic staff salaries		1,363	906	1,363	906
Academic staff salary related expenses		326	242	326	242
Non-academic staff salaries		8,771	7,338	8,771	7,338
Non-academic staff salary related expenses		2,764	2,242	2,764	2,242
Depreciation expense					
Plant, equipment and motor vehicles		392	444	392	444
Buildings		-	-	-	-
Other expenses		10,403	10,176	10,403	10,176
Total other academic support services		24,019	21,348	24,019	21,348

		Consolidated		University	
	Note	2001 \$000	2000 \$000	2001 \$000	2000 \$000
37 Expenses Attributed to Functions (cont'd)					
Student services					
Academic staff salaries		645	668	645	668
Academic staff salary related expenses		140	124	140	124
Non-academic staff salaries		2,671	2,550	2,671	2,550
Non-academic staff salary related expenses		851	815	851	815
Depreciation expense					
Plant, equipment and motor vehicles		10	10	10	10
Buildings		-	-	-	-
Other expenses		16,900	17,535	16,900	17,535
Total student services		21,217	21,702	21,217	21,702
Public services					
Academic staff salaries		239	207	239	207
Academic staff salary related expenses		30	26	30	26
Non-academic staff salaries		975	840	975	840
Non-academic staff salary related expenses		262	224	262	224
Depreciation expense					
Plant, equipment and motor vehicles		13	24	13	24
Buildings		-	-	-	-
Other expenses		678	784	678	784
Total public services		2,197	2,105	2,197	2,105
Buildings and grounds					
Academic staff salaries		-	-	-	-
Academic staff salary related expenses		-	-	-	-
Non-academic staff salaries		1,417	1,949	1,417	1,949
Non-academic staff salary related expenses		338	526	338	526
Depreciation and amortisation expense					
Plant, equipment and motor vehicles		71	87	71	87
Buildings and leasehold improvements		3,774	3,869	3,775	3,694
Other expenses		14,592	12,305	14,591	12,376
Total buildings and grounds		20,192	18,736	20,192	18,632
Administration and other general institutional services					
Academic staff salaries		2,077	610	2,077	610
Academic staff salary related expenses		225	298	225	298
Non-academic staff salaries		18,395	16,668	11,478	11,176
Non-academic staff salary related expenses		4,944	5,449	4,628	4,003
Depreciation and amortisation expense					
Plant, equipment and motor vehicles		1,261	1,546	664	775
Buildings		144	-	13	-
Software and system development costs		2,918	1,939	2,918	1,852
Other expenses		39,316	40,139	19,969	16,368
Total administration and other general institutional services		69,280	66,649	41,972	35,082

	Consolidated		University	
	2001	2000	2001	2000
Note	\$000	\$000	\$000	\$000
37 Expenses Attributed to Functions (cont'd)				
Total				
Academic staff salaries	75,193	67,787	75,193	67,787
Academic staff salary related expenses	18,717	16,125	18,717	16,125
Non-academic staff salaries	65,432	60,906	58,515	55,414
Non-academic staff salary related expenses	19,764	20,596	19,448	19,150
Depreciation and amortisation expense				
Library	5,946	5,814	5,946	5,814
Plant, equipment and motor vehicles	5,348	5,517	4,751	4,746
Buildings and leasehold improvements	3,940	3,869	3,810	3,694
Software and system development costs	2,918	1,939	2,918	1,852
Sub-total depreciation expense	18,152	17,139	17,425	16,106
Other expenses	131,911	123,897	112,563	100,197
Total	329,169	306,450	301,861	274,779
Deferred employee superannuation benefits	1,800	(2,600)	1,800	(2,600)
Total expenses	330,969	303,850	303,661	272,179



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 2001. 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*, Australian Accounting Standards and other mandatory professional reporting requirements including Urgent Issues Group Consensus Views, so as to present a view which is consistent with my understanding of the University of Adelaide's and of the consolidated entity's financial position, and performance as represented by the results of their operations and their cash flows.

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

QUALIFICATION

The University has reported as part of other liabilities in Note 15 to the financial statements revenue received in advance of \$4.7 million which the University effectively controlled as at 31 December 2001, and accordingly this amount should have been recognised as revenue in accordance with the requirements of Australian Accounting Standard AAS 15 'Revenue'. As a result, the operating revenue received under the Higher Education Funding Act is understated and the operating deficit is overstated by \$4.7 million respectively, and accumulated funds are understated and current liabilities are overstated as at 31 December 2001 by the same amount.

AUDIT OPINION

In my opinion, except for the effects on the financial report of the matter referred to in the qualification paragraph, the financial report presents fairly in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1988*, the *Higher Education Funding Act 1988*, applicable Australian Accounting Standards and other mandatory professional reporting requirements, the financial position of the University of Adelaide and of the consolidated entity as at 31 December 2001, the results of their operations and their cash flows for the year then ended.

8 July 2002


K I MacPHERSON
AUDITOR-GENERAL