

# The University of Adelaide

## Annual Report 2008

### Part Two: Financial Statements







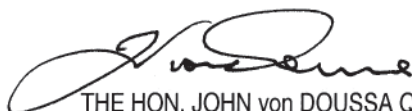
## Statement by the Chancellor, Vice-Chancellor & President and Chief Financial Officer

In our opinion:

- (a) the Financial Statements of The University of Adelaide have been prepared in accordance with the accounts and record of the University and present a true and fair view of the financial position of the University of Adelaide and the results of its operations and cash flows for the year ended 31 December 2008;
- (b) in all material respects, the Financial Statements have been prepared in accordance with Treasurer's Instructions promulgated under the provisions of the Public Finance and Audit Act 1987, the Higher Education Funding Act 1988, the Higher Education Support Act 2003, Australian equivalents to International Financial Reporting Standards and other mandatory professional reporting requirements including Urgent Issues Group Consensus Views;
- (c) at the date of signing this Statement there are reasonable grounds to believe that The University of Adelaide will be able to pay its debts as and when they fall due;
- (d) the amount of Australian Government financial assistance expended during the reporting period was for the purpose for which it was provided;
- (e) The University of Adelaide has complied with applicable legislation, contracts, agreements and programme guidelines in making expenditure of the Australian Government financial assistance; and
- (f) internal controls over financial reporting have been effective throughout the reporting period.

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

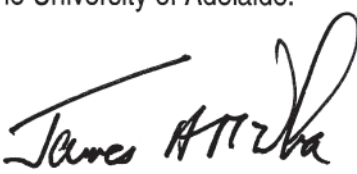
Signed in accordance with a resolution of the Council of The University of Adelaide.



THE HON. JOHN von DOUSSA QC  
Chancellor



MR. SHANE MCGREGOR  
Chief Financial Officer



PROFESSOR JAMES A. McWHA  
Vice-Chancellor and President

30 March 2009

## INDEPENDENT AUDITOR'S REPORT



Government of South Australia

Auditor-General's Department

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### TO THE CHANCELLOR UNIVERSITY OF ADELAIDE

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 accompanying financial report of the University of Adelaide and controlled entities for the financial year ended 31 December 2008. The financial report comprises:

- An Income Statement
- A Balance Sheet
- A Statement of Recognised Income and Expense
- A Cash Flow Statement
- Notes to the Financial Statements and
- A certificate by the Chancellor, Vice-Chancellor and President and Chief Financial Officer.

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

### The Responsibility of the Members of the Council for the Financial Report

The Members of the Council are responsible for the preparation and the fair presentation of the financial report in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards (including the Australian Accounting Interpretations). This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the requirements of the *Public Finance and Audit Act 1987* and Australian Auditing Standards. The Auditing Standards require that the auditor complies with relevant ethical requirements relating to audit engagements and plans and performs the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Members of the Council, as well as the overall presentation of the financial report.

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

**Auditor's Opinion**

In my opinion, the financial report presents fairly, in all material respects, the financial position of the University of Adelaide and the consolidated entity as at 31 December 2008, and their financial performance and their cash flows for the year then ended in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards (including the Australian Accounting Interpretations).

A handwritten signature in black ink, appearing to read 'S O'Neill', followed by a short horizontal line.

**S O'Neill**  
**AUDITOR-GENERAL**  
1 April 2009

## Report by the Members of the Council

The members of the Council present their report on the consolidated entity consisting of the University of Adelaide and the entities it controlled at the end of, or during, the year ended 31 December 2008.

### Members

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

The Hon John William von Doussa QC

Professor James Alexander McWha

Mr Norman Ross Adler AC

Mr Charles Bagot

Ms Kathryn Castine

Dr Rodney James Crewther

Ms Dianne Davidson

Mr Ian John Kowalick

Professor Valerie Margaret Linton

Professor Simon Maddocks

Ms Pamela June Martin

Dr John Clive Radcliffe AM

Mr Stephen Elliott Young

The following persons were newly elected members during 2008 and continue in office at the date of this report.

Member	Date Elected
Ms Carolyn Yvette Anderson	Elected 6 September 2008
Ms Sophie Plagakis	Elected 6 March 2008

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

Member	Date Ceased
Ms Jessica Sheila Cronin	Ceased 5 March 2008
Professor Robert Hill	Ceased 31 December 2008
Dr Michael Penniment	Ceased 5 September 2008
Mr Aaron Russell	Ceased 5 March 2008
Mr Philip Dalway Swaine	Ceased 5 March 2008
Mr John Cecchin	Ceased 5 March 2009
Ms Kylie Joy Percival	Ceased 5 March 2009

The following persons were new ex officio/elected in 2009 and are members up to the date of this report.

Member	Date Elected/Ex Officio
Ms Ai Chen	Elected 6 March 2009
Professor Christopher Findlay AM	Ex officio 1 January 2009
Mr Samuel Kirchner	Elected 6 March 2009
Mr Jeremy Kwan	Elected 6 March 2009
Mr Christakis Soteriou	Elected 6 March 2009

The following persons were elected during 2008 and were members until his/her term of office ceased.

Member	Date Elected	Date Ceased
Mr Trent Harron	Elected 6 March 2008	Ceased 5 March 2009
Mr Zhen Ji	Elected 6 March 2008	Ceased 5 March 2009



## Meetings of Members

The numbers of meetings of the University of Adelaide Council and of each board committee of Council held during the year ended 31 December 2008, and the numbers of meetings attended by each member were:

	Council		Academic		Audit, Compliance & Risk		Convenors'		Finance		People and Culture		Senior Executive Review		Special Degrees	
	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B
Chancellor (The Hon John von Doussa QC)	8	8					5	5					1	1	1	1
Vice-Chancellor and President (Professor James McWha)	8	8	6	8	3	5	5	5	5	8	2	2	1	1	1	1
Mr N R Adler AC	6	8			2	5	5	5	8	8			1	1	1	1
Ms C Y Anderson	4	4														
Mr C Bagot	8	8			5	5	5	5								
Ms K Castine	8	8									2	2				
Mr J D Cecchin	1	8														
Dr R J Crewther	7	8														
Ms J Cronin	1	1														
Ms D Davidson	8	8														
Mr T Harron	4	7														
Professor R Hill	6	8	8	8			5	5			2	2				
Mr Z Ji	2	7														
Mr I J Kowalick	8	8					4	5			2	2	0	1		
Professor V M Linton	6	8							6	8						
Professor S Maddocks	7	8														
Ms P J Martin	6	8													1	1
Dr M Penniment	3	4														
Ms K J Percival	5	8														
Ms S Plagakis	4	8														
Dr J C Radcliffe AM	7	8			4	5										
Mr A Russell	1	1														
Mr P D Swaine	0	1														
Mr S E Young	3	8							4	8						

A = Number of meetings attended

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



### **Principal Activities**

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

### **Review of Operations**

The University reported a consolidated operating result of \$32.2 million for the year (2007: \$32.7 million), which was supported by continued growth in student numbers and strong research performance. A summary of the University's financial performance can be found in Part 1 of the Annual Report.

### **Significant Changes in the State of Affairs**

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

### **Matters Subsequent to the End of the Financial Year**

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

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### **Likely Developments and Expected Result of Operations**

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

### **Environmental Regulation**

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

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

### **Insurance of Officers**

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

This report is made in accordance with a resolution of the members of the Council.



**The Hon John von Doussa QC**  
Chancellor

Adelaide  
30 March 2009

# Income Statement for the year ended 31 December 2008

		<b>Consolidated</b>		<b>University</b>	
		<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>Note</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
<b>Revenue from continuing operations</b>					
Received under Higher Education Support Act					
Base operating financial assistance	4	144,563	130,495	144,563	130,495
Other operating financial assistance	4	40,698	9,443	40,698	9,443
Higher Education Contribution Scheme	4	67,576	59,707	67,576	59,707
		<b>252,837</b>	<b>199,645</b>	<b>252,837</b>	<b>199,645</b>
<b>Learning and Teaching</b>					
Student fees	4	97,178	87,370	97,178	87,370
Grants		35,292	18,104	35,292	18,104
		<b>132,470</b>	<b>105,474</b>	<b>132,470</b>	<b>105,474</b>
<b>Research Grants and Fees</b>					
National competitive grants		69,976	61,076	69,976	61,076
Public sector - other		38,604	28,830	35,958	25,867
Industry and other		20,632	16,282	16,610	13,497
		<b>129,212</b>	<b>106,188</b>	<b>122,544</b>	<b>100,440</b>
<b>Research - Other</b>					
Cooperative Research Centre direct funding		5,881	6,489	5,881	6,489
Research infrastructure program		14,341	14,771	14,341	14,771
		<b>20,222</b>	<b>21,260</b>	<b>20,222</b>	<b>21,260</b>
<b>Other</b>					
Investment revenue	4	9,296	18,401	12,187	23,337
Property revenue	4	11,547	11,957	12,020	11,970
Specialist services and trading	4	56,574	53,658	17,070	15,494
Deferred government superannuation contributions		1,400	(1,200)	1,400	(1,200)
Other	4	24,230	21,551	22,482	20,372
		<b>103,047</b>	<b>104,367</b>	<b>65,159</b>	<b>69,973</b>
<b>Total operating revenue from continuing operations</b>		<b>637,788</b>	<b>536,934</b>	<b>593,232</b>	<b>496,792</b>
Share of operating results of associates and joint ventures accounted for using the equity method	4	(269)	(797)	-	-
<b>Total revenue from continuing operations</b>		<b>637,519</b>	<b>536,137</b>	<b>593,232</b>	<b>496,792</b>
<b>Expenses from continuing operations</b>					
Salaries and related expenses	5	315,599	277,348	303,784	268,026
Student services		27,921	25,600	27,921	25,600
Teaching and research	5	55,840	49,595	56,575	50,221
Buildings and grounds	5	34,250	33,005	32,800	31,894
Finance costs	5	212	120	1,188	466
Administration, communication and travel	5	97,691	82,619	63,075	52,511
Finance and fund administration	5	36,646	2,509	36,737	2,526
Misc equip, dep'n and net loss on disposal of assets	5	32,844	30,589	32,050	29,991
Deferred Government employee benefits for superannuation		4,310	1,684	4,310	1,684
<b>Total expenses from continuing operations</b>		<b>605,313</b>	<b>503,069</b>	<b>558,440</b>	<b>462,919</b>
<b>Operating result from continuing operations before minority interest</b>		<b>32,206</b>	<b>33,068</b>	<b>34,792</b>	<b>33,873</b>
Operating result attributable to minority interest		39	(373)	-	-
<b>Net operating result for the year</b>		<b>32,245</b>	<b>32,695</b>	<b>34,792</b>	<b>33,873</b>

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

# Balance Sheet as at 31 December 2008

		Consolidated		University	
	Note	2008 \$000	2007 \$000	2008 \$000	2007 \$000
<b>Current Assets</b>					
Cash and cash equivalents	6	28,095	21,241	23,456	14,825
Receivables	7	33,340	25,663	29,900	21,999
Other financial assets	8	40,530	60,314	40,172	60,314
Derivative financial instruments	9	327	-	327	-
Inventories	10	7,218	8,056	1,132	1,245
Other non-financial assets	11	6,718	4,604	6,606	4,554
<b>Total current assets</b>		<b>116,228</b>	<b>119,878</b>	<b>101,593</b>	<b>102,937</b>
<b>Non-current Assets</b>					
Other financial assets	8	88,965	120,750	89,407	121,299
Derivative financial instruments	9	-	1,637	-	1,637
Investments accounted for using the equity method	12	2,473	2,672	643	573
Available-for-sale financial assets	13	-	-	46,634	48,007
Property, plant and equipment	14	796,406	715,868	754,698	674,601
Investment property	15	21,027	21,307	21,027	21,307
Intangible assets	16	1,225	379	1,225	379
Other non-financial assets	11	1,144	1,172	1,138	1,172
Deferred government superannuation contribution	26	43,700	42,300	43,700	42,300
<b>Total non-current assets</b>		<b>954,940</b>	<b>906,085</b>	<b>958,472</b>	<b>911,275</b>
<b>Total assets</b>		<b>1,071,168</b>	<b>1,025,963</b>	<b>1,060,065</b>	<b>1,014,212</b>
<b>Current Liabilities</b>					
Payables	17	49,501	52,694	35,403	36,936
Borrowings	18	6	59	6	6
Provisions	19	24,429	19,478	23,747	18,928
Deferred employee benefits for superannuation	26	3,300	3,200	3,300	3,200
Other	20	8,081	6,996	19,804	20,947
<b>Total current liabilities</b>		<b>85,317</b>	<b>82,427</b>	<b>82,260</b>	<b>80,017</b>
<b>Non-current Liabilities</b>					
Payables	17	5,270	4,814	5,260	4,798
Borrowings	18	56	7	56	62
Provisions	19	49,022	34,048	48,842	33,859
Derivative financial instruments	9	16,067	-	16,067	-
Deferred employee benefits for superannuation	26	40,400	39,100	40,400	39,100
<b>Total non-current liabilities</b>		<b>110,815</b>	<b>77,969</b>	<b>110,625</b>	<b>77,819</b>
<b>Total liabilities</b>		<b>196,132</b>	<b>160,396</b>	<b>192,885</b>	<b>157,836</b>
<b>Net assets</b>		<b>875,036</b>	<b>865,567</b>	<b>867,180</b>	<b>856,376</b>
<b>Equity</b>					
Capital reserves	22	513,980	511,507	527,678	526,617
Specific purpose reserves	22	205,275	205,155	205,275	205,155
Retained surplus	22	154,124	147,103	134,227	124,604
<b>Total University interest</b>		<b>873,379</b>	<b>863,765</b>	<b>867,180</b>	<b>856,376</b>
Minority interest		1,657	1,802	-	-
<b>Total equity</b>		<b>875,036</b>	<b>865,567</b>	<b>867,180</b>	<b>856,376</b>

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

# Statement of Recognised Income and Expense for the year ended 31 December 2008

	Note	Consolidated		University	
		2008 \$000	2007 \$000	2008 \$000	2007 \$000
<b>Total equity at the beginning of the financial year</b>		865,567	787,043	856,376	777,445
Minority equity interest distribution paid		(108)	(260)	-	-
Defined benefits fund actuarial gain / (loss)		(7,672)	212	(7,672)	212
Gain on revaluation of land and buildings		-	43,719	-	40,400
Gain / (loss) on revaluation of available-for-sale financial assets		-	100	(1,373)	2,819
Gain on revaluation of Works of Art		2,434	-	2,434	-
Gain / (loss) on interest rate swap contracts		(17,377)	1,637	(17,377)	1,637
Other adjustments recognised directly in equity		(14)	48	-	(10)
<b>Net income recognised directly in equity</b>		<b>(22,737)</b>	<b>45,456</b>	<b>(23,988)</b>	<b>45,058</b>
Operating result for the year		32,206	33,068	34,792	33,873
<b>Total recognised income and expense for the year</b>		<b>9,469</b>	<b>78,524</b>	<b>10,804</b>	<b>78,931</b>
<b>Total equity at the end of the financial year</b>		<b>875,036</b>	<b>865,567</b>	<b>867,180</b>	<b>856,376</b>
Total recognised income and expense for the year attributable to:					
Members of the University of Adelaide		32,245	32,695	34,792	33,873
Minority interest		(39)	373	-	-
		<b>32,206</b>	<b>33,068</b>	<b>34,792</b>	<b>33,873</b>

The Statement of Recognised Income and Expense should be read in conjunction with the accompanying notes.



# Cash Flow Statement for the year ended 31 December 2008

	Note	Consolidated		University	
		2008	2007	2008	2007
		\$000	\$000	\$000	\$000
<b>Cash flows from operating activities</b>					
<b>Inflows:</b>					
Australian Government financial assistance	36(h)	355,117	290,447	355,117	290,447
State Government financial assistance		34,834	19,191	34,538	18,936
HECS-HELP student upfront payments		11,307	10,236	11,307	10,236
Fee paying student revenue received		92,962	83,209	92,962	83,209
Fees and charges		17,435	16,070	17,435	16,070
Donations and bequests		7,345	7,023	7,345	7,023
Interest and dividends received		8,720	10,253	7,276	7,471
Consultancy and contract research		54,798	48,967	29,856	27,639
Specialist services and produce trading		16,727	16,960	5,029	4,867
GST received		22,975	20,377	21,387	19,101
Other		37,026	16,335	28,818	16,498
<b>Total inflows</b>		<b>659,246</b>	<b>539,067</b>	<b>611,070</b>	<b>501,496</b>
<b>Outflows:</b>					
Salaries and related expenses		(314,177)	(269,565)	(302,947)	(260,639)
Student services		(28,015)	(25,659)	(27,929)	(25,612)
Goods and services		(204,504)	(183,253)	(168,164)	(156,464)
Interest and other costs of finance		(212)	(466)	(212)	(466)
GST paid		(24,047)	(23,456)	(20,417)	(20,363)
<b>Total outflows</b>		<b>(570,955)</b>	<b>(502,399)</b>	<b>(519,669)</b>	<b>(463,544)</b>
<b>Net cash provided by operating activities</b>	23	<b>88,291</b>	<b>36,668</b>	<b>91,401</b>	<b>37,952</b>

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# Cash Flow Statement for the year ended 31 December 2008 – continued

		Consolidated		University	
	Note	2008 \$000	2007 \$000	2008 \$000	2007 \$000
<b>Cash flows from investing activities</b>					
<b>Inflows:</b>					
Proceeds from sale of property, plant and equipment		405	807	375	663
Proceeds from sale of financial assets		2,180	7,019	2,180	7,517
Proceeds from sale of available for sale financial assets		-	860	-	-
Sale of investments - held to maturity		20,173	-	20,173	-
Increase in loans		-	44	-	8
Repayment of loans by related parties		86	103	141	2,503
Increase in funds held on deposit		-	-	-	14,233
Total inflows		<u>22,844</u>	<u>8,833</u>	<u>22,869</u>	<u>24,924</u>
<b>Outflows:</b>					
Payments for property, plant and equipment		(97,278)	(64,888)	(96,061)	(63,596)
Payments for intangible assets		(729)	(307)	(729)	(307)
Purchase of investments - held for trading		(6,025)	(19,264)	(5,675)	(18,802)
Purchase of investments - held to maturity		-	(60,173)	-	(60,173)
Decrease in loans		(81)	(149)	(81)	(77)
Increase in loans to related parties		(68)	(34)	(100)	(450)
Decrease in funds held on deposit		-	-	(3,000)	-
Total Outflows		<u>(104,181)</u>	<u>(144,815)</u>	<u>(105,646)</u>	<u>(143,405)</u>
Net cash used in investing activities		<u>(81,337)</u>	<u>(135,982)</u>	<u>(82,777)</u>	<u>(118,481)</u>
<b>Cash flows from financing activities</b>					
<b>Outflows:</b>					
Dividends paid to minority interests		(107)	(260)	-	-
Total outflows		<u>(107)</u>	<u>(260)</u>	<u>-</u>	<u>-</u>
Net cash used in financing activities		<u>(107)</u>	<u>(260)</u>	<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents		6,847	(99,574)	8,624	(80,529)
Cash and cash equivalents at the beginning of reporting period		21,241	120,805	14,825	95,344
Effects of exchange rate changes on cash and cash equivalents		7	10	7	10
Cash and cash equivalents at end of reporting period	6	<u>28,095</u>	<u>21,241</u>	<u>23,456</u>	<u>14,825</u>

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

The University invests its surplus working capital into bank bills. These bank bills are reported as Financial Assets held-to-maturity within Note 8 (2008: \$40.0 million, 2007: \$60.2 million). As a consequence these amounts are not reported within Cash and Cash Equivalents and the movement in these assets are not reported within the Cash Flow Statement.

## Notes to the Financial Statements

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37(b)	Acquittal of Australian Government Financial Assistance – Higher Education Loan Programmes
37(c)	Acquittal of Australian Government Financial Assistance – Learning Scholarships
37(d)	Acquittal of Australian Government Financial Assistance – DIISR - Research
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38	State and Local Government Financial Assistance
39	Fees and Charges
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## 1. Basis of Preparation

These notes, prepared in conjunction with the financial statements, provide an explanation of significant accounting policies and practices adopted in the preparation of the statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements and notes collectively constitute a general purpose financial report prepared in accordance with Australian Accounting Standards, Australian Accounting Standards Board (AASB) interpretations, the requirements of the Department of Education, Employment and Workplace Relations (DEEWR) and South Australian Treasurer's Instructions and the Accounting Policy Framework issued under the provisions of the Public Finance and Audit Act 1987 (except where in conflict with DEEWR requirements).

### (a) Compliance with IFRSs

The financial statements and notes of the University comply with Australian Accounting Standards, some of which contain requirements specific to not-for-profit entities that are inconsistent with IFRS requirements.

### (b) Critical accounting estimates

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

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

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

## 2. Scope of Reporting

The financial statements and notes disclose the 2008 operating results and 2007 comparative results of The University of Adelaide as follows:

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

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

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

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

- ACN 008 123 466 Pty Ltd (Formerly Repromed Pty Ltd)

Adelaide Unicare Pty Ltd as trustee for the Unihealth Research & Development Trust

Martindale Holdings Pty Ltd as trustee for

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

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

Roseworthy Piggery Pty Ltd



### 3. Statement of Significant Accounting Policies

#### (a) Basis of Accounting

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

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

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current financial year amounts and other disclosures. Where comparatives have been reclassified, the impact of this reclassification has been disclosed in the relevant note.

#### (b) Principles of Consolidation

The consolidated financial statements of the Consolidated Entity include the financial statements of the University, being the parent entity, and its controlled entities ('the Consolidated Entity'). All entities have a 31 December reporting period. Martindale Holdings Pty Ltd changed its reporting period from 31 March to 31 December during 2007.

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

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

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

#### (c) Foreign Currency

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

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

#### (d) Revenue Recognition

The University recognises revenue when the amount of revenue can be reliably measured, it is probable that the future economic benefits will flow to the University and specific criteria have been met for each of the University's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the transaction have been resolved. The group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

- **Grant Revenue**

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

- **Student Tuition Fees and Charges**

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

- **Consultancy, Contract and Industry Research**

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

- **Bequests and Donations**

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

- **Interest and Investment Income**

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

- **Asset Sales**

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

#### (e) Goods and Services Tax

Revenues, expenses, assets and liabilities are recognised net of the amount of Goods and Services Tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Balance Sheet.



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

#### (e) Goods and Services Tax – continued

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

#### (f) Intangible Assets

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

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

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

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

Intangible assets are stated at cost less accumulated amortisation and impairment, whereby impairment is tested annually. (refer to note 16).

#### (g) Employee Benefits

##### • Wages and Salaries

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

##### • Annual Leave

The employees' entitlements to annual leave expected to be settled within 12 months of the balance date have been calculated at the amounts expected to be paid when the liabilities are settled and recognised in current provisions. Where the employees' entitlements to annual leave are not expected to be settled within 12 months of the balance date, the provision has been discounted to present value using the Australian Government 10 year bond rate and recognised in non-current provisions. The employee on-costs related to annual leave provision are recognised in payables.

##### • Long Service Leave

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

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

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

##### • Superannuation

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

#### (h) Receivables

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

#### (i) Cash and Cash Equivalents

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



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

#### (j) Other Financial Assets

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

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

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

*Composite Fund*

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

- **Financial assets held-to-maturity**

During 2007 the University transferred funds held in deposits at call into bank bills with fixed maturity dates. The bank bills held at balance date had original maturities of between 90 days to 180 days. Financial assets held to maturity are recognised at cost.

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

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

- **Loans and receivables**

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

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

#### (k) Derivative Financial Instruments

The Consolidated Entity enters into interest rate swaps (Derivative financial instruments) to manage its exposure to movements in interest rates on its future borrowings.

In addition, the Consolidated Entity enters into foreign currency swaps (Derivative financial instruments) to manage its exposure to movements in exchange rates on its capital expenditure.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised as an asset or liability as the interest rates swaps are effective hedging instruments.

The fair value of hedging derivatives is classified as a non-current asset or a non-current liability if the remaining maturity of the hedge relationship is more than 12 months and as a current asset or a current liability if the remaining maturity of the hedge relationship is less than 12 months.

Hedge accounting

The Consolidated Entity has designated the interest rate and foreign currency swaps as cash flow hedges. At the inception of the hedge relationship the entity documents the relationship between the hedging instrument and hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Consolidated Entity documents whether the hedging instrument that is used in a hedging relationship is highly effective in offsetting cash flows of the hedged item.



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

#### (k) Derivative Financial Instruments - continued

##### Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designed and qualify as cash flow hedges are deferred in equity. The gain or loss relating to the ineffective portion is recognised immediately in the Income Statement. As at 31 December 2008 there are no ineffective hedge instruments.

Amounts deferred in equity are recorded in the Income Statement in the periods when the hedged item is recognised in the Income Statement. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability.

Hedge accounting is discontinued when the Consolidated Entity revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Any cumulative gain or loss deferred in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the Income Statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was deferred in equity is recognised immediately in the Income Statement.

#### (l) Investments in Business Undertakings

##### • **Controlled Entities**

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

##### • **Associates**

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

In the University's financial statements, investments in associates are carried at cost.

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

##### • **Joint Venture Operations**

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

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

##### • **Other Business Undertakings**

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

#### (m) Inventories

##### • **Consumable Materials and Trading Stock**

The University has a number of inventory stores at several locations. The inventory is valued at cost based on the weighted average cost method.

##### • **Livestock**

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



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

#### (n) Property, Plant and Equipment

- **Acquisitions**

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

- **Revaluations**

During 2007 land and buildings were independently valued on a fair value basis in accordance with Australian Accounting Standards.

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

- **Disposal of Revalued Assets**

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

- **Land and Buildings**

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

All land and buildings are recorded at fair value which has been assessed via an independent valuation on the basis of market value for existing use. The valuation of land and buildings has been carried out by Mr N. Satchell, AAPI, B.App.Sc (Val), Mr Greg McCloud, AAPI, B.App.Sc (Val), Mrs Kate Tynan, AAPI, B.Bus Prop (Val) of Rushton Valuers Pty Ltd on 31 December 2007.

- **Other Collections**

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

- **Library Collection**

The Library collection was revalued on 31 December 2007 using an internal valuation based on the annual price movement of books. The additions to the library collection during 2008 have been recognised at cost.

- **Works of Art**

Works of art greater than \$2,000, are recorded at fair value on the basis of an independent valuation carried out by Mr J.F.B. Bruce valuer (MSAV) of Bonham's & Goodman on 31 December 2008. No provision for depreciation is made for works of art.

- **Leased Property, Plant and Equipment**

Leases of property, plant and equipment where the University, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases.

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

#### (o) Impairment of Assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in the Income Statement for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

#### (p) Depreciation and Amortisation

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

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

(p) Depreciation and Amortisation - continued

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

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

(q) Investment Properties

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

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

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

An independent valuation of investment properties has been carried out by Mr N. Satchell, AAPI, B.App.Sc (Val) of Rushton Valuers Pty Ltd on 31 December 2008.

(r) Workers' Compensation

The University is responsible for payments of workers' compensation claims and is registered with Workcover as an exempt employer. Administrative arrangements were in place until 30 September 2008 with the associated entity Unisure Pty Ltd incorporating the management of claims and funds invested. The management of claims was transferred to a new service provider from 7 October 2008.

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

(s) Salaries and Related Expenses

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

(t) Operating Revenue - Other

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

(u) Borrowings and Finance Costs

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

(v) Rounding

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



	Note	Consolidated		University	
		2008	2007	2008	2007
		\$000	\$000	\$000	\$000
<b>4. Revenue from continuing operations</b>					
Received under Higher Education Support Act					
Base operating financial assistance					
Commonwealth Grants Scheme (Commonwealth supported places)		100,204	85,006	100,204	85,006
Institutional Grants Scheme		16,232	16,500	16,232	16,500
Research Training Scheme		28,127	28,989	28,127	28,989
		<b>144,563</b>	<b>130,495</b>	<b>144,563</b>	<b>130,495</b>
Other operating financial assistance					
Capital development pool and renewal funding		31,776	2,000	31,776	2,000
Other operating financial assistance		8,922	7,443	8,922	7,443
		<b>40,698</b>	<b>9,443</b>	<b>40,698</b>	<b>9,443</b>
Higher Education Contribution Scheme					
HECS-HELP student upfront payments		11,307	10,236	11,307	10,236
Australian Government financial assistance		56,269	49,471	56,269	49,471
		<b>67,576</b>	<b>59,707</b>	<b>67,576</b>	<b>59,707</b>
		<b>252,837</b>	<b>199,645</b>	<b>252,837</b>	<b>199,645</b>
Student fee income includes:					
Fee paying student revenue received					
Award courses					
Australian fee paying undergraduate students		2,743	2,680	2,743	2,680
Australian fee paying postgraduate students		3,416	3,258	3,416	3,258
International fee paying students		76,117	67,287	76,117	67,287
		<b>82,276</b>	<b>73,225</b>	<b>82,276</b>	<b>73,225</b>
Non award courses					
Continuing education		543	444	543	444
Australian fee paying		3,910	3,072	3,910	3,072
Other teaching service fees		4,063	4,319	4,063	4,319
		<b>8,516</b>	<b>7,835</b>	<b>8,516</b>	<b>7,835</b>
		<b>90,792</b>	<b>81,060</b>	<b>90,792</b>	<b>81,060</b>
Australian Government financial assistance					
FEE-HELP		5,733	5,378	5,733	5,378
Overseas postgraduate research scholarship		653	932	653	932
		<b>97,178</b>	<b>87,370</b>	<b>97,178</b>	<b>87,370</b>
Investment revenue					
General fund earnings		6,826	9,209	6,330	7,926
Net realised gains on composite fund investments		1,330	4,471	1,330	4,471
General and composite fund investment market valuation adjustment		-	1,019	-	1,019
Unrealised gains on investment properties		-	2,324	-	2,324
Royalty, trademarks and licences		922	1,126	488	526
Dividends received		218	252	218	216
Distributions from controlled entities		-	-	3,821	6,855
		<b>9,296</b>	<b>18,401</b>	<b>12,187</b>	<b>23,337</b>
Property revenue					
Rental charges/accommodation fees		9,784	8,976	10,173	8,989
Parking fees		945	978	945	978
Building development and maintenance recovery		324	1,210	324	1,210
Other property revenue		494	793	578	793
		<b>11,547</b>	<b>11,957</b>	<b>12,020</b>	<b>11,970</b>

Notes to the Financial Statements for the year ended 31 December 2008

	Note	Consolidated		University	
		2008	2007	2008	2007
		\$000	\$000	\$000	\$000
<b>4. Revenue from continuing operations - continued</b>					
Other revenue					
Specialist services and trading					
Consultancy fees		24,121	21,321	7,202	6,652
Library charges and fines		813	936	813	936
Sale of services		20,400	15,889	6,549	5,704
Sale of goods		7,750	11,534	810	892
Sponsorship and conference income		692	566	692	566
Other specialist services and trading		2,798	3,412	1,004	744
		<b>56,574</b>	<b>53,658</b>	<b>17,070</b>	<b>15,494</b>
Bequests and donations received for:					
Research		4,237	1,964	4,237	1,964
General operational purposes		4,592	5,039	4,592	5,039
		<b>8,829</b>	<b>7,003</b>	<b>8,829</b>	<b>7,003</b>
Prizes and scholarships		1,414	1,314	1,414	1,314
Recharge of costs to other organisations		433	218	433	218
Application management and late fee		1,066	660	1,066	660
Franchise fees		1,074	917	1,074	917
Bad debts recoveries		5	50	5	50
Insurance claim recovery		4	4,498	4	4,498
Salary recharges		1,002	1,177	1,002	1,177
AusAid Scholarships & stipends		1,540	810	1,540	810
Net foreign exchange gain		7	10	7	10
Other revenue		8,856	4,894	7,108	3,715
		<b>24,230</b>	<b>21,551</b>	<b>22,482</b>	<b>20,372</b>
Share of operating results of associates and joint ventures accounted for using the equity method					
Joint venture operations	33	(96)	(855)	-	-
Associates	32	(173)	58	-	-
		<b>(269)</b>	<b>(797)</b>	<b>-</b>	<b>-</b>



# Notes to the Financial Statements for the year ended 31 December 2008

	<b>Consolidated</b>		<b>University</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
<b>Note</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
<b>5. Expenses from continuing operations</b>				
Salaries and related expenses				
Salaries and related expenses - Academic				
Salaries	121,376	108,298	121,376	108,298
Contributions to superannuation schemes:				
Emerging cost	1,621	1,604	1,621	1,604
Funded	16,586	14,648	16,586	14,648
	<b>18,207</b>	<b>16,252</b>	<b>18,207</b>	<b>16,252</b>
Payroll tax	6,765	6,314	6,765	6,314
Annual leave	12,480	10,970	12,480	10,970
Long service leave	6,797	3,339	6,797	3,339
Workers' compensation	571	506	571	506
Other	4,860	4,656	4,860	4,656
Total academic salaries and related expenses	<b>171,056</b>	<b>150,335</b>	<b>171,056</b>	<b>150,335</b>
Salaries and related expenses - Non-academic				
Salaries	106,248	94,138	96,479	86,415
Contributions to superannuation schemes:				
Emerging cost	1,289	1,279	1,289	1,279
Funded	13,061	11,728	12,119	10,970
	<b>14,350</b>	<b>13,007</b>	<b>13,408</b>	<b>12,249</b>
Payroll tax	5,642	5,388	5,188	4,895
Annual leave	9,354	8,658	9,037	8,487
Long service leave	5,276	2,534	5,263	2,583
Workers' compensation	725	589	435	391
Other	5,858	5,583	5,828	5,555
Total non-academic salaries and related expenses	<b>147,453</b>	<b>129,897</b>	<b>135,638</b>	<b>120,575</b>
	<b>318,509</b>	<b>280,232</b>	<b>306,694</b>	<b>270,910</b>
Deferred Government employee benefits for superannuation	1,400	(1,200)	1,400	(1,200)
Total salaries and related expenses	<b>319,909</b>	<b>279,032</b>	<b>308,094</b>	<b>269,710</b>
Total salaries and related expenses	319,909	279,032	308,094	269,710
Less:				
Emerging cost	2,910	2,884	2,910	2,884
Deferred Government employee benefits for superannuation	1,400	(1,200)	1,400	(1,200)
Salaries and related expenses	<b>315,599</b>	<b>277,348</b>	<b>303,784</b>	<b>268,026</b>
Teaching and research				
Agriculture, animals and cropping	844	1,011	844	1,011
Books, subscriptions and printed material	4,061	4,145	4,061	4,145
Laboratory expenses	12,532	13,519	12,532	13,519
Research transfer to other institutions	25,604	19,448	25,604	19,448
Other teaching and research	12,799	11,472	13,534	12,098
	<b>55,840</b>	<b>49,595</b>	<b>56,575</b>	<b>50,221</b>
Buildings and grounds				
Cleaning and security	6,134	5,319	5,711	5,056
Property maintenance	10,253	10,271	9,551	9,764
Building leases and rent	11,153	11,262	11,099	11,203
Utilities	6,710	6,153	6,439	5,871
	<b>34,250</b>	<b>33,005</b>	<b>32,800</b>	<b>31,894</b>

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Notes to the Financial Statements for the year ended 31 December 2008

		Consolidated		University	
		2008	2007	2008	2007
	Note	\$000	\$000	\$000	\$000
<b>5. Expenses from continuing operations - continued</b>					
Finance costs					
Interest		-	-	976	346
Finance charges		212	120	212	120
		<b>212</b>	<b>120</b>	<b>1,188</b>	<b>466</b>
Administration, communication and travel					
Consultants & specialist services		22,325	17,132	20,230	15,002
Fees & licenses		7,723	6,084	7,690	6,053
Insurance		3,107	2,659	2,840	2,431
Administration & communication		45,656	39,684	13,776	12,093
Publicity and fundraising		3,672	3,289	3,447	3,234
Travel, accommodation & entertainment		15,208	13,771	15,092	13,698
		<b>97,691</b>	<b>82,619</b>	<b>63,075</b>	<b>52,511</b>
Finance and fund administration					
Bad and doubtful debts					
Student loans		77	40	77	40
Student tuition		167	222	167	222
Other debtors		376	50	267	72
		<b>620</b>	<b>312</b>	<b>511</b>	<b>334</b>
General and composite fund investment market valuation adjustment					
Unrealised losses on investment properties		280	-	280	-
Management and merchant fees		794	1,136	994	1,136
Fringe Benefit Tax Payments		1,110	897	1,110	897
Other		47	164	47	159
		<b>36,646</b>	<b>2,509</b>	<b>36,737</b>	<b>2,526</b>
Misc equip, dep'n and net loss on disposal of assets includes:					
Amortisation of intangible assets					
Software		190	194	190	194
Amortisation					
Leasehold improvements	3(p)	2,645	909	2,641	909
		<b>2,835</b>	<b>1,103</b>	<b>2,831</b>	<b>1,103</b>
Depreciation					
Buildings	3(p)	10,843	9,376	10,734	9,268
Plant, equipment and motor vehicles		6,997	6,660	6,346	5,992
Library collection		3,474	4,493	3,474	4,493
		<b>21,314</b>	<b>20,529</b>	<b>20,554</b>	<b>19,753</b>
		<b>24,149</b>	<b>21,632</b>	<b>23,385</b>	<b>20,856</b>
Non-capitalised equipment		8,289	8,690	8,259	8,690
Net loss on disposal of assets		406	267	406	445
		<b>32,844</b>	<b>30,589</b>	<b>32,050</b>	<b>29,991</b>

# Notes to the Financial Statements for the year ended 31 December 2008

	Note	Consolidated		University	
		2008	2007	2008	2007
		\$000	\$000	\$000	\$000
<b>6. Cash and Cash Equivalents</b>	3(i)				
Cash at bank or on hand		10,658	12,278	6,456	6,369
Deposits at call		17,437	8,963	17,000	8,456
		<b>28,095</b>	<b>21,241</b>	<b>23,456</b>	<b>14,825</b>

The University invested its surplus working capital into bank bills (2008: \$40.0 million, 2007: \$60.2 million). These bank bills have been reported as Financial Assets held-to-maturity in Note 8. As a result these funds are not reported within Cash and Cash Equivalents or within the Cash Flow Statement.

<b>7. Receivables</b>	3(h)				
<b>Current</b>					
Student tuition fees		1,344	2,006	1,344	2,006
Less: provision for impaired receivables		(248)	(499)	(248)	(499)
		<b>1,096</b>	<b>1,507</b>	<b>1,096</b>	<b>1,507</b>
Trade debtors		19,784	16,699	16,283	12,931
Less: provision for impaired receivables		(817)	(759)	(756)	(655)
		<b>18,967</b>	<b>15,940</b>	<b>15,527</b>	<b>12,276</b>
Sundry debtors and accrued income		13,123	8,166	13,123	8,166
Less: provision for impaired receivables		-	-	-	-
		<b>13,123</b>	<b>8,166</b>	<b>13,123</b>	<b>8,166</b>
Student loans		384	203	384	203
Less: provision for impaired receivables		(230)	(153)	(230)	(153)
		<b>154</b>	<b>50</b>	<b>154</b>	<b>50</b>
		<b>33,340</b>	<b>25,663</b>	<b>29,900</b>	<b>21,999</b>

## (a) Impaired receivables

As at 31 December 2008 current receivables of the group with a nominal value of \$1.9 million (2007: \$2.5 million) were impaired. The amount of the provision was \$1.3 million (2007: \$1.4 million). The individually impaired receivables mainly relate to outstanding trade and student debtors. It was assessed that a portion of these receivables is expected to be recovered.

The ageing of impaired receivables is as follows:

0 to 3 months	50	324	50	324
3 to 6 months	445	127	445	127
Over 6 months	1,389	2,025	1,318	1,921
	<b>1,884</b>	<b>2,476</b>	<b>1,813</b>	<b>2,372</b>

As at 31 December 2008 current receivables of the group of \$32.8 million (2007: \$24.6 million) were not impaired. The majority of these receivables are current and mainly relate to a number of Government agencies and independent customers for whom there is no recent history of default. The ageing analysis of these receivables is as follows:

0 to 3 months	29,731	22,787	27,165	19,472
3 to 6 months	1,823	894	1,002	679
Over 6 months	1,197	917	1,154	783
	<b>32,751</b>	<b>24,598</b>	<b>29,321</b>	<b>20,934</b>



	Note	Consolidated		University	
		2008	2007	2008	2007
		\$000	\$000	\$000	\$000
<b>7. Receivables - continued</b>					
The movement in the provision for impaired receivables is as follows:					
At 1 January		1,411	1,818	1,307	1,789
Net provision for impairment recognised/(reversed) during the year		520	174	541	109
Receivables written off during the year as uncollectible		(636)	(581)	(614)	(591)
		<b>1,295</b>	<b>1,411</b>	<b>1,234</b>	<b>1,307</b>

**(a) Impaired receivables - continued**

The creation and release of the provision for impaired receivables has been included in 'Finance and fund administration' in the income statement. Amounts charged to the provision account are generally written off when there is no expectation of recovering additional cash. The other amounts within receivables do not contain impaired assets and are not past due. Based on credit history, it is expected that these amounts will be received when due.

**Bad and doubtful debts**

The University has recognised a loss of \$0.5 million (2007: \$0.3 million) in respect of bad and doubtful receivables during the year ended 31 December 2008. The loss has been included in 'Finance and fund administration' expenses in the Income Statement.

**8. Other Financial Assets****Current**

Other loans	172	141	172	141
Held-to-maturity - bank bills	40,000	60,173	40,000	60,173
Term Deposits	358	-	-	-
	<b>40,530</b>	<b>60,314</b>	<b>40,172</b>	<b>60,314</b>

**Non-current****Held for trading****Composite fund at fair value**

3(j)

Australian fixed interest securities	11,984	16,115	11,984	16,115
Overseas fixed interest securities	6,325	8,056	6,325	8,056
Australian equities	26,398	35,174	26,398	35,174
Overseas equities	25,214	31,803	25,214	31,803
Property trusts	4,156	6,982	4,156	6,982
Cash and liquid assets	3,720	3,808	3,720	3,808
Alternative strategies	744	1,318	744	1,318
Global Listed Infrastructure	1,998	2,759	1,998	2,759
Commodities	1,258	1,602	1,258	1,602
	<b>81,797</b>	<b>107,617</b>	<b>81,797</b>	<b>107,617</b>
Managed investment held by Unisure Pty Ltd	1,175	7,048	1,175	7,048
Other shares	5,144	5,121	5,094	5,121
Total non-current other financial assets held for trading	<b>88,116</b>	<b>119,786</b>	<b>88,066</b>	<b>119,786</b>

**Other loans****Total non-current other financial assets**

849	964	1,341	1,513
<b>88,965</b>	<b>120,750</b>	<b>89,407</b>	<b>121,299</b>

**Held-to-maturity - bank bills**

The University invests its surplus working capital into bank bills and these bank bills have been reported as Financial Assets held-to-maturity. As a result these funds are not reported within Cash and Cash Equivalents in note 6 or within the Cash Flow Statement.

	Note	Consolidated		University	
		2008	2007	2008	2007
		\$000	\$000	\$000	\$000
<b>9. Derivative Financial Instruments</b>					
<b>Current Assets</b>					
Foreign Currency Swap contracts - cash flow hedges		327	-	327	-
<b>Non-Current Assets</b>					
Interest rate swap contracts - cash flow hedges		-	1,637	-	1,637
<b>Non-Current Liabilities</b>					
Interest rate swap contracts - cash flow hedges		16,067	-	16,067	-

During 2007 the University entered into nine \$10.0 million forward start interest rate swaps (totalling \$90.0 million), to manage its interest rate exposures on planned borrowings for its North Terrace Development Strategy. The swaps are due to commence in February 2010 and amortise on a straight line basis over twenty years. The University is obligated to pay a fixed interest rate of 6.65%. These interest rate swaps are effective hedges and the fair value of these hedges were recorded as a non-current asset in 2007 and a non-current liability in 2008.

During 2008 the University entered into foreign currency swaps totalling \$4.4 million to manage Euro foreign currency exposures on capital expenditure for the Plant Accelerator Project. As at 31 December 2008, EUR1.0 million remained with maturities out to December 2009 at a weighted average exchange rate of 0.5759. These foreign currency swaps are effective hedges and the fair value of these hedges have been recorded as a current asset.

**10. Inventories**

3(m)

Consumable materials and trading stock	5,373	6,012	1,332	1,345
Livestock	2,045	2,144	-	-
Provision for obsolescence	(200)	(100)	(200)	(100)
	<b>7,218</b>	<b>8,056</b>	<b>1,132</b>	<b>1,245</b>

The University has written down inventories of \$8,000 (2007: \$94,000) during the year ended 31 December 2008. The loss has been included in 'Teaching and research' expenses in the Income Statement.

As noted in the Statement of Significant Accounting Policies - Principles of Consolidation 3(b), Martindale Holdings Pty Ltd has changed its reporting period from 31 March to 31 December during 2007. As a consequence, inventory in the nature of crops has been recognised for the first time on consolidation.

**11. Other Non-Financial Assets****Current**

Prepayments	5,907	3,491	5,867	3,476
Accrued income	811	1,113	739	1,078
	<b>6,718</b>	<b>4,604</b>	<b>6,606</b>	<b>4,554</b>

**Non-current**

Prepayments	1,144	1,172	1,138	1,172
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**12. Investments Accounted for Using the Equity Method** 3(l)

<b>Investments in associates</b>	32				
At cost		-	-	298	298
Equity accounted		391	564	-	-
<b>Interests in joint ventures</b>	33				
At cost		-	-	345	275
Equity accounted		2,082	2,108	-	-
		<b>2,473</b>	<b>2,672</b>	<b>643</b>	<b>573</b>

**13. Available-for-sale Financial Assets****Non-current**

Investments in controlled entities	31	-	-	46,634	48,007
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**14. Property, Plant and Equipment**

Consolidated	Trust Land	Other Land	Trust Buildings	Other Buildings	WIP Buildings	Leasehold Improvements	Library Collections	Works of Art	Plant and Equipment	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>As at 1 January 2007</b>										
Cost	-	-	29,684	3,861	8,846	6,227	5,476	-	101,787	155,881
Valuation	112,135	72,673	286,501	27,306	-	-	39,458	4,996	-	543,069
Accumulated depreciation/amortisation	-	-	(7,870)	(962)	-	(1,585)	(8,190)	-	(67,662)	(86,269)
Net book amount	<b>112,135</b>	<b>72,673</b>	<b>308,315</b>	<b>30,205</b>	<b>8,846</b>	<b>4,642</b>	<b>36,744</b>	<b>4,996</b>	<b>34,125</b>	<b>612,681</b>
<b>Year ended 31 December 2007</b>										
Opening net book amount	112,135	72,673	308,315	30,205	8,846	4,642	36,744	4,996	34,125	612,681
Revaluation increments/(decrements)	23,459	12,010	12,780	(4,232)	-	-	(298)	-	-	43,719
Additions	-	2,107	-	4,824	61,610	80	3,019	104	10,383	82,127
Disposals	-	-	(191)	-	-	-	(228)	-	(794)	(1,213)
Transfers	-	313	22,240	6,138	(36,803)	8,112	-	-	-	-
Depreciation/amortisation	-	-	(8,391)	(985)	-	(909)	(4,493)	-	(6,668)	(21,446)
Closing net book amount	<b>135,594</b>	<b>87,103</b>	<b>334,753</b>	<b>35,950</b>	<b>33,653</b>	<b>11,925</b>	<b>34,744</b>	<b>5,100</b>	<b>37,046</b>	<b>715,868</b>
<b>As at 31 December 2007</b>										
Cost	4	2,562	864	6,634	33,653	14,419	-	104	110,215	168,455
Valuation	135,590	84,541	333,921	29,383	-	-	34,744	4,996	-	623,175
Accumulated depreciation/amortisation	-	-	(32)	(67)	-	(2,494)	-	-	(73,169)	(75,762)
Net book amount	<b>135,594</b>	<b>87,103</b>	<b>334,753</b>	<b>35,950</b>	<b>33,653</b>	<b>11,925</b>	<b>34,744</b>	<b>5,100</b>	<b>37,046</b>	<b>715,868</b>



**14. Property, Plant and Equipment - continued**

Consolidated	Trust Land	Other Land	Trust Buildings	Other Buildings	WIP Buildings	Leasehold Improvements	Library Collections	Works of Art	Plant and Equipment	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Year ended 31 December 2008</b>										
Opening net book amount	135,594	87,103	334,753	35,950	33,653	11,925	34,744	5,100	37,046	715,868
Revaluation increments/(decrements)	-	-	-	-	-	-	-	2,434	-	2,434
Additions	-	-	1,015	509	92,609	-	2,557	-	6,503	103,193
Disposals	-	(50)	-	-	-	-	(288)	-	(485)	(823)
Transfers	-	-	53,679	20,467	(75,403)	1,011	-	-	(61)	(307)
Depreciation/amortisation	-	-	(9,123)	(1,720)	-	(2,645)	(3,474)	-	(6,997)	(23,959)
Closing net book amount	<b>135,594</b>	<b>87,053</b>	<b>380,324</b>	<b>55,206</b>	<b>50,859</b>	<b>10,291</b>	<b>33,539</b>	<b>7,534</b>	<b>36,006</b>	<b>796,406</b>
<b>As at 31 December 2008</b>										
Cost	4	2,512	54,543	27,610	50,859	15,430	2,269	-	113,874	267,101
Valuation	135,590	84,541	334,936	29,383	-	-	34,744	7,534	-	626,728
Accumulated depreciation/amortisation	-	-	(9,155)	(1,787)	-	(5,139)	(3,474)	-	(77,868)	(97,423)
Net book amount	<b>135,594</b>	<b>87,053</b>	<b>380,324</b>	<b>55,206</b>	<b>50,859</b>	<b>10,291</b>	<b>33,539</b>	<b>7,534</b>	<b>36,006</b>	<b>796,406</b>

## 14. Property, Plant and Equipment - continued

University	Trust Land	Other Land	Trust Buildings	Other Buildings	WIP Buildings	Leasehold Improvements	Library Collections	Works of Art	Plant and Equipment	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>As at 1 January 2007</b>										
Cost	-	-	29,684	3,623	8,846	6,227	5,476	-	94,676	148,532
Valuation	112,135	40,152	286,501	24,964	-	-	39,458	4,996	-	508,206
Accumulated depreciation/amortisation	-	-	(7,870)	(875)	-	(1,585)	(8,190)	-	(62,800)	(81,320)
Net book amount	112,135	40,152	308,315	27,712	8,846	4,642	36,744	4,996	31,876	575,418
<b>Year ended 31 December 2007</b>										
Opening net book amount	112,135	40,152	308,315	27,712	8,846	4,642	36,744	4,996	31,876	575,418
Revaluation increments/(decrements)	23,459	8,910	12,780	(4,451)	-	-	(298)	-	-	40,400
Additions	-	2,000	-	4,462	61,610	-	3,019	104	9,305	80,500
Disposals	-	-	(191)	-	-	-	(228)	-	(636)	(1,055)
Transfers	-	-	22,240	6,451	(36,803)	8,112	-	-	-	-
Depreciation/amortisation	-	-	(8,391)	(877)	-	(909)	(4,493)	-	(5,992)	(20,662)
Closing net book amount	135,594	51,062	334,753	33,297	33,653	11,845	34,744	5,100	34,553	674,601
<b>As at 31 December 2007</b>										
Cost	4	2,562	864	6,634	33,653	14,339	-	104	102,591	160,751
Valuation	135,590	48,500	333,921	26,730	-	-	34,744	4,996	-	584,481
Accumulated depreciation/amortisation	-	-	(32)	(67)	-	(2,494)	-	-	(68,038)	(70,631)
Net book amount	135,594	51,062	334,753	33,297	33,653	11,845	34,744	5,100	34,553	674,601

**14. Property, Plant and Equipment - continued**

University	Trust Land	Other Land	Trust Buildings	Other Buildings	WIP Buildings	Leasehold Improvements	Library Collections	Works of Art	Plant and Equipment	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Year ended 31 December 2008</b>										
Opening net book amount	135,594	51,062	334,753	33,297	33,653	11,845	34,744	5,100	34,553	674,601
Revaluation increments/(decrements)	-	-	-	-	-	-	-	2,434	-	2,434
Additions	-	-	1,015	-	92,609	-	2,557	-	5,795	101,976
Disposals	-	(50)	-	-	-	-	(288)	-	(473)	(811)
Transfers	-	-	53,679	20,467	(75,403)	1,011	-	-	(61)	(307)
Depreciation/amortisation	-	-	(9,123)	(1,611)	-	(2,641)	(3,474)	-	(6,346)	(23,195)
Closing net book amount	135,594	51,012	380,324	52,153	50,859	10,215	33,539	7,534	33,468	754,698
<b>As at 31 December 2008</b>										
Cost	4	2,512	54,543	27,101	50,859	15,350	2,269	-	105,693	258,331
Valuation	135,590	48,500	334,936	26,730	-	-	34,744	7,534	-	588,034
Accumulated depreciation/amortisation	-	-	(9,155)	(1,678)	-	(5,135)	(3,474)	-	(72,225)	(91,667)
Net book amount	135,594	51,012	380,324	52,153	50,859	10,215	33,539	7,534	33,468	754,698



# Notes to the Financial Statements for the year ended 31 December 2008

	Note	Consolidated		University	
		2008	2007	2008	2007
		\$000	\$000	\$000	\$000
<b>15. Investment Property</b>					
Balance at the beginning of the year		21,307	18,890	21,307	18,890
Additions from subsequent expenditure		-	93	-	93
Net gain (loss) from fair value adjustments		(280)	2,324	(280)	2,324
Balance at the end of the year		<u>21,027</u>	<u>21,307</u>	<u>21,027</u>	<u>21,307</u>

## (a) Amount recognised in income statement for investment property

The University has recognised \$1.5 million (2007: \$1.4 million) of rental income from investment properties within the Income Statement. Any direct operating expenses from generating rental income are included within the Income Statement and are immaterial.

## (b) Valuation basis

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

An independent valuation of investment properties has been carried out by Mr N. Satchell, AAPI, B.App.Sc (Val) of Rushton Valuers Pty Ltd on 31 December 2008.

## (c) Non-current assets pledged as security

No non-current assets have been pledged.

## (d) Contractual obligations

There are no capital commitments for investment properties.

## (e) Leasing arrangements

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

	Consolidated		University	
	2008	2007	2008	2007
	\$000	\$000	\$000	\$000
Within one year	1,141	697	1,141	697
Later than one year but not later than 5 years	3,133	557	3,133	557
Later than 5 years	24	78	24	78
	<u>4,298</u>	<u>1,332</u>	<u>4,298</u>	<u>1,332</u>

# Notes to the Financial Statements for the year ended 31 December 2008

	Note	Consolidated		University	
		2008	2007	2008	2007
		\$000	\$000	\$000	\$000
<b>16. Intangible Assets</b>	3(f)				
Non-current					
As at 1 January 2007					
Cost		11,180		11,180	
Accumulated amortisation and impairment		(10,545)		(10,545)	
Net book amount		<u>635</u>		<u>635</u>	
Year ended 31 December 2007					
Opening net book amount		635		635	
Disposals		(62)		(62)	
Amortisation charge		(194)		(194)	
Closing net book amount		<u>379</u>		<u>379</u>	
As at 1 January 2008					
Cost		11,050		11,050	
Accumulated amortisation and impairment		(10,671)		(10,671)	
Net book amount		<u>379</u>		<u>379</u>	
Year ended 31 December 2008					
Opening net book amount		379		379	
Additions		729		729	
Transfer from WIP		307		307	
Amortisation charge		(190)		(190)	
Closing net book amount		<u>1,225</u>		<u>1,225</u>	
As at 31 December 2008					
Cost		12,086		12,086	
Accumulated amortisation and impairment		(10,861)		(10,861)	
Net book amount		<u>1,225</u>		<u>1,225</u>	
<b>17. Payables</b>					
Current					
Accounts payable		41,233	40,439	28,694	29,736
Accruals		2,750	5,553	1,194	501
Salary and wage deductions		5,428	4,673	5,425	4,670
Unspent Commonwealth financial assistance		90	29	90	29
Deferred liability		-	2,000	-	2,000
		<u>49,501</u>	<u>52,694</u>	<u>35,403</u>	<u>36,936</u>
Non-current					
Accounts payable		<u>5,270</u>	<u>4,814</u>	<u>5,260</u>	<u>4,798</u>
<b>18. Borrowings</b>					
Current					
Other - unsecured		<u>6</u>	<u>59</u>	<u>6</u>	<u>6</u>
Non-current					
Other - unsecured		<u>56</u>	<u>7</u>	<u>56</u>	<u>62</u>

The University maintains an unsecured \$20 million Bill Acceptance and Discount Facility (as a standby working capital facility) and an unsecured \$100 million Multi-Option Facility (to part fund the North Terrace Development Strategy). As at 31 December 2008, these facilities have not been drawn down.

# Notes to the Financial Statements for the year ended 31 December 2008

	Note	Consolidated		University	
		2008	2007	2008	2007
		\$000	\$000	\$000	\$000
<b>19. Provisions</b>					
<b>Current</b>					
Workers' compensation provision		955	739	955	739
Annual and long service leave		21,587	17,314	20,905	16,764
Insurance provision		1,887	1,425	1,887	1,425
		<b>24,429</b>	<b>19,478</b>	<b>23,747</b>	<b>18,928</b>
<b>Non-current</b>					
Workers' compensation provision		2,653	1,903	2,653	1,903
Annual and long service leave		36,457	28,858	36,277	28,669
Defined benefit fund net liability		9,912	3,287	9,912	3,287
		<b>49,022</b>	<b>34,048</b>	<b>48,842</b>	<b>33,859</b>
		Workers' compensation provision	Annual and long service leave	Insurance Provision	Defined benefit fund net liability
		<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
<b>Movements in provisions</b>					
<b>Consolidated - current</b>					
Carrying amount at start of year		739	17,314	1,425	-
Additional/(reductions in) provisions recognised		216	4,273	462	-
Carrying amount at the end of the year		<b>955</b>	<b>21,587</b>	<b>1,887</b>	<b>-</b>
<b>Consolidated - non-current</b>					
Carrying amount at start of year		1,903	28,858	-	3,287
Additional/(reductions in) provisions recognised		750	7,599	-	6,625
Carrying amount at the end of the year		<b>2,653</b>	<b>36,457</b>	<b>-</b>	<b>9,912</b>

## Workers' compensation provision

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

## Annual and long services leave

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

During 2008 the provisions for annual leave and long service leave were calculated using salary loadings for the first time and the comparatives have not been adjusted. The impact of the inclusion of salary loadings in the calculation were \$1.1 million increase for annual leave and \$2.0 million increase for long service leave.

## Insurance provision

Provision has been made for the actuarial assessment of future liability to the University for losses incurred prior to 31 December 2008 that were expected to be paid subsequent to 1 January 2009 and are below the University deductible in the University insurance policies.

## Defined benefit fund net liability

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



	Note	Consolidated		University	
		2008 \$000	2007 \$000	2008 \$000	2007 \$000
<b>20. Other Liabilities</b>					
Current					
Outside funded positions		1,699	2,074	1,699	2,074
Income in advance		703	258	255	25
Student tuition fees received in advance		4,897	3,411	4,897	3,411
Residential bonds		321	326	321	326
Employee benefits – redundancy		27	300	27	300
Funds held on deposit for controlled entities		-	-	12,209	14,233
Other		434	627	396	578
		<b>8,081</b>	<b>6,996</b>	<b>19,804</b>	<b>20,947</b>

**21. Employee Benefits and Related On-Cost Liabilities**

In accordance with the requirements of AASB 119 "Employee Benefits", employee on-costs are required to be reported as payables whilst leave liability amounts are reported separately as "Employee Benefits". Below is a composite note disclosure showing the total liabilities the Consolidated Entity has as at 31 December 2008 relating to employee benefits:

**Annual Leave**

On-costs included in payables - current	17	2,469	2,261	2,441	2,241
Employee benefits - current	19	13,998	10,519	13,639	10,249
		<b>16,467</b>	<b>12,780</b>	<b>16,080</b>	<b>12,490</b>
On-costs included in payables - non-current	17	697	651	695	649
Employee benefits - non-current	19	3,932	2,999	3,882	2,971
		<b>4,629</b>	<b>3,650</b>	<b>4,577</b>	<b>3,620</b>

**Long Service Leave**

On-costs included in payables - current	17	755	790	729	769
Employee benefits - current	19	7,589	6,795	7,266	6,515
		<b>8,344</b>	<b>7,585</b>	<b>7,995</b>	<b>7,284</b>
On-costs included in payables - non-current	17	4,579	4,158	4,565	4,148
Employee benefits - non-current	19	32,525	25,859	32,395	25,698
		<b>37,104</b>	<b>30,017</b>	<b>36,960</b>	<b>29,846</b>
		<b>66,544</b>	<b>54,032</b>	<b>65,612</b>	<b>53,240</b>

**22. Retained Surplus and Reserves****22(a) Summary****Capital reserves**

Capital reserve	2,971	2,971	-	-
Capital profits reserve	1,481	1,481	-	-
Asset revaluation reserve	228,951	226,478	201,920	199,486
Initial asset recognition reserve	279,124	279,124	279,124	279,124
Available-for-sale investments revaluation reserve	1,453	1,453	46,634	48,007
	<b>513,980</b>	<b>511,507</b>	<b>527,678</b>	<b>526,617</b>

**Specific purpose reserves**

Special reserve	107,377	80,102	107,377	80,102
Bequests/donations unspent income reserve	13,301	17,199	13,301	17,199
Restricted purpose bequest capital reserve	77,188	71,832	77,188	71,832
Composite fund revaluation reserve	7,409	36,022	7,409	36,022
	<b>205,275</b>	<b>205,155</b>	<b>205,275</b>	<b>205,155</b>

Retained surplus	<b>154,124</b>	<b>147,103</b>	<b>134,227</b>	<b>124,604</b>
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	Note	Consolidated		University	
		2008	2007	2008	2007
		\$000	\$000	\$000	\$000
<b>22(b) Movements in reserves</b>					
<b>Capital reserve</b>					
Opening balance		2,971	3,020	-	-
Current year movement		-	(49)	-	-
Closing balance		<u>2,971</u>	<u>2,971</u>	-	-
<b>Capital profits reserve</b>					
Opening balance		1,481	1,249	-	-
Current year movement		-	232	-	-
Closing balance		<u>1,481</u>	<u>1,481</u>	-	-
<b>Asset revaluation reserve</b>					
Opening balance		226,517	182,759	199,486	159,086
Add revaluation increment on property, plant and equipment		2,434	43,719	2,434	40,400
Closing balance		<u>228,951</u>	<u>226,478</u>	<u>201,920</u>	<u>199,486</u>
<b>Initial asset recognition reserve</b>					
Opening balance		279,124	279,124	279,124	279,124
Current year movement		-	-	-	-
Closing balance		<u>279,124</u>	<u>279,124</u>	<u>279,124</u>	<u>279,124</u>
<b>Available-for-sale financial assets revaluation reserve</b>					
Opening balance		2,750	1,665	48,007	45,188
Current year movement		(1,297)	(212)	(1,373)	2,819
Closing balance		<u>1,453</u>	<u>1,453</u>	<u>46,634</u>	<u>48,007</u>
<b>Special reserve</b>					
Opening balance		80,102	73,716	80,102	73,716
Transfer from retained surplus		27,275	6,386	27,275	6,386
Closing balance		<u>107,377</u>	<u>80,102</u>	<u>107,377</u>	<u>80,102</u>
<b>Bequests/donations unspent income reserve</b>					
Opening balance		17,199	16,367	17,199	16,367
Transfer (to) / from retained surplus		(3,898)	832	(3,898)	832
Closing balance		<u>13,301</u>	<u>17,199</u>	<u>13,301</u>	<u>17,199</u>
<b>Restricted purpose bequest capital reserve</b>					
Opening balance		71,832	61,246	71,832	61,246
Transfer from retained surplus		5,356	10,586	5,356	10,586
Closing balance		<u>77,188</u>	<u>71,832</u>	<u>77,188</u>	<u>71,832</u>
<b>Composite fund revaluation reserve</b>					
Opening balance		36,022	35,612	36,022	35,612
Transfer (to) / from retained surplus		(28,613)	410	(28,613)	410
Closing balance		<u>7,409</u>	<u>36,022</u>	<u>7,409</u>	<u>36,022</u>

	Note	Consolidated		University	
		2008	2007	2008	2007
		\$000	\$000	\$000	\$000
<b>22. Reserves - continued</b>					
<b>22(c) Nature and purpose of reserves</b>					
<b>Capital reserve</b>					
Represents capital accounts held within controlled entities of the University.					
<b>Capital profits reserve</b>					
Represents the accumulation of realised revalued increments of assets sold.					
<b>Asset revaluation reserve</b>					
Is used to record increments and decrements on the revaluation of non-current assets. Refer accounting policy note 3(n).					
<b>Initial asset recognition reserve</b>					
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.					
<b>Available for sale financial assets revaluation reserve</b>					
Is used to record increments and decrements on the revaluation of available for sale financial assets. Refer accounting policy note 3(j).					
<b>Specific purpose reserves</b>					
Represents a number of reserves generated through a series of specific purpose transactions, that can only be used in accordance with the attributes of the generating transactions. The special reserve is created for surplus funds which will be specifically acquitted in future accounting periods.					
<b>23. Reconciliation of net cash provided by operating activities to operating result</b>					
Operating result		32,206	33,068	34,792	33,873
Add/(subtract) non cash items					
Amortisation	5	2,835	1,103	2,831	1,103
Depreciation	5	21,314	20,529	20,554	19,753
Write down / (up) of investments		29,254	(8,641)	29,254	(8,641)
Superannuation expense		1,400	(1,200)	1,400	(1,200)
Superannuation revenue		(1,400)	1,200	(1,400)	1,200
Other revenue/expenses		(7,072)	(15,554)	(7,218)	(17,428)
Funds held on deposit		-	-	3,000	(14,233)
(Profit)/loss on sale of property, plant and equipment		406	267	406	445
<b>Changes in assets/liabilities</b>					
(Increase)/decrease in inventories		838	(4,371)	113	138
(Increase)/decrease in receivables		(7,677)	(5,154)	(7,901)	(4,711)
(Increase)/decrease in other assets		(2,086)	(156)	(2,018)	(220)
Increase/(decrease) in payables		(2,737)	12,852	(1,071)	11,040
Increase/(decrease) in other current liabilities		1,085	449	(1,143)	14,561
Increase/(decrease) in provisions		19,925	2,276	19,802	2,272
<b>Net cash provided by operating activities</b>		<b>88,291</b>	<b>36,668</b>	<b>91,401</b>	<b>37,952</b>



# Notes to the Financial Statements for the year ended 31 December 2008

	Note	Consolidated		University	
		2008	2007	2008	2007
		\$000	\$000	\$000	\$000
<b>24. Commitments</b>					
Operating Expenditure					
Contracted but not provided for and payable:					
Not later than one year		12,541	13,147	12,541	13,147
Later than one year, but not later than five years		29,162	30,213	29,162	30,213
Later than five years		388	1,238	388	1,238
		<b>42,091</b>	<b>44,598</b>	<b>42,091</b>	<b>44,598</b>
Capital Expenditure					
Property, plant and equipment					
Contracted but not provided for and payable:					
Not later than one year		94,004	81,876	94,004	81,876
Later than one year, but not later than five years		-	1,734	-	1,734
Later than five years		-	-	-	-
		<b>94,004</b>	<b>83,610</b>	<b>94,004</b>	<b>83,610</b>
Operating Lease Commitments					
Future operating base rental not provided for and payable:					
Not later than one year		8,335	5,633	8,335	5,633
Later than one year, but not later than five years		16,039	11,058	16,039	11,058
Later than five years		65	641	65	641
		<b>24,439</b>	<b>17,332</b>	<b>24,439</b>	<b>17,332</b>
Representing:					
Cancellable operating leases		24,439	17,332	24,439	17,332
Non-cancellable operating leases		-	-	-	-
		<b>24,439</b>	<b>17,332</b>	<b>24,439</b>	<b>17,332</b>

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

## 25. Contingencies

### (a) Guarantees

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

On July 1 2006 the University ceased to be a Crown exempt employer and was required to register as an exempt employer with Workcover and provide a bank guarantee to cover projected workers' compensation outstanding claims liabilities. The University provided a \$4.3 million bank guarantee to Workcover which matures on 30 April 2009. The amount of the guarantee was based on an actuarial assessment of the projected workers' compensation claims liabilities. In June 2007 the University was advised by WorkCover Corporation that its Self-Insurer Licence will be renewed for a period of three years from 1 July 2007.

## 25. Contingent Liabilities - continued

### (b) Superannuation

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

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

#### (ii) UniSuper Limited Superannuation Schemes

Refer to Note 26(b).

### (c) Litigation

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

## 26. Superannuation Schemes

### (a) Categories

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

#### (i) Those operative and open to membership:

- UniSuper Defined Benefit Plan or Accumulation Super 2 (formerly Investment Choice Plan)
- Accumulation Super 1 (formerly UniSuper Award Plus Plan)

#### (ii) Those operative but closed to future membership:

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

#### (iii) State Government Schemes closed to future membership by University employees:

- State Pension Scheme
- State Lump Sum Scheme

### (b) UniSuper Limited Superannuation Schemes

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

The employer contribution rate during 2008 for employees in either the Defined Benefit Division or Accumulation Super 2 (formerly Investment Choice Plan) was 14% of salaries plus 3% of salaries contribution to the Accumulation Super 1 (formerly Award Plus Plan) and for employees only in the Accumulation Super 1 was 9% of salaries.

The operation of Clause 34 of the Trust Deed (as amended in 2006) means that the UniSuper Defined Benefit Division is a defined contribution fund for the purpose of AASB 119, allowing participating employers to treat the UniSuper Defined Benefit Division as a defined contribution fund.

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

As set out under paragraph 25 of AASB119 a defined contribution plan is a plan where the employer's legal or constructive obligation is limited to the amount it agrees to contribute to the fund and the actuarial risk and investment risk fall on the employee.

As at 30 June 2008 there is no funding surplus or deficit which currently affects, or is expected to affect, the amount of future contributions payable by participating employers to the Defined Contribution Plan.



## 26. Superannuation Schemes – continued

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

As at 30 June 2008 the assets of the Defined Benefit Division in aggregate were estimated to be \$323 million in excess of vested benefits. The vested benefits are benefits which are not conditional upon continued membership (or any factor other than leaving service of the participating institution) and include the value of CPI indexed pensions being provided by the Defined Benefit Division.

As at 30 June 2008 the assets of the Defined Benefit Division in aggregate were estimated to be \$1.5 million in excess of accrued benefits. The accrued benefits have been calculated as the present value of expected future benefit payments to members and CPI indexed pensioners which arise from membership of UniSuper up to the reporting date.

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

	Vested Benefits	Accrued Benefits
Gross of tax investment return	7.25% p.a.	8.5% p.a.
Net of tax investment return	6.75% p.a.	8.0% p.a.
Consumer Price Index	2.75% p.a.	2.75% p.a.
Inflationary salary increases long term	3.75% p.a.	3.75% p.a.
Inflationary salary increases next three years	5.0% p.a.	5.0% p.a.

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

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

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

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

#### Reconciliation of the present value of the defined benefit obligation

	2008 \$000	2007 \$000
Present value of defined benefit obligations at the beginning of the year	15,362	15,366
Add		
Current service costs	396	364
Interest cost	813	736
Contributions by scheme participants	57	53
Actuarial (gains) / losses	4,036	(2)
Less		
Benefits paid	(659)	(701)
Taxes, premiums and expenses paid	(383)	(454)
Present value of defined benefit obligations at the end of the year	<u>19,622</u>	<u>15,362</u>

#### Reconciliation of the fair value of scheme assets

Fair value of scheme assets at the beginning of the year	12,075	10,580
Add		
Expected return on scheme assets	824	716
Actuarial gains / (losses)	(3,636)	210
Employer contributions	1,432	1,671
Contributions by scheme participants	57	53
Less		
Benefits paid	(659)	(701)
Taxes, premiums and expenses paid	(383)	(454)
Fair value of scheme assets at the end of the year	<u>9,710</u>	<u>12,075</u>



**26. Superannuation Schemes – continued****(c) The University of Adelaide Superannuation Scheme A 1985 - continued**

Reconciliation of the assets and liabilities recognised in the Balance Sheet		2008	2007
	Note	\$000	\$000
Defined benefit obligation including contributions tax provision		19,622	15,362
Less Fair value of scheme assets		(9,710)	(12,075)
Defined benefit fund net liability	19	<u>9,912</u>	<u>3,287</u>

**Expense recognised in the Income Statement**

Service cost	396	364
Interest cost	813	736
Expected return on assets	(824)	(716)
Superannuation expense	<u>385</u>	<u>384</u>

**Amounts recognised in the Statement of Recognised Income and Expense**

Actuarial (gains) / losses	<u>7,672</u>	<u>(212)</u>
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**Cumulative amount recognised in the Statement of Recognised Income and Expense**

Cumulative amount of actuarial (gains) / losses	<u>3,054</u>	<u>(4,618)</u>
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**Scheme assets**

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

Australian equity	17%	17%
International equity	31%	27%
Fixed income	33%	25%
Property	7%	10%
Cash	12%	21%

**Fair value of scheme assets**

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

**Expected rate of return on scheme assets**

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

Actual return on scheme assets	<u>(2,812)</u>	<u>926</u>
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**Principal actuarial assumptions at the balance sheet date**

Discount rate (active members)	3.6%	5.4%
Discount rate (pensioners)	4.0%	6.3%
Expected rate of return on plan assets (active members)	7.0%	6.8%
Expected rate of return on plan assets (pensioners)	7.8%	7.5%
Expected salary increase rate	4.5%	5.0%
Expected pension increase rate	2.5%	2.5%

Historical information	2008 \$000	2007 \$000	2006 \$000	2005 \$000	2004 \$000
Present value of defined benefit obligation	19,622	15,362	15,366	17,780	17,451
Fair value of scheme assets at the beginning of the year	9,710	12,075	10,580	9,507	9,287
Deficit in scheme	9,912	3,287	4,786	8,273	8,164
Experience adjustments (gain) / loss - scheme assets	3,636	(210)	(792)	(508)	(512)
Experience adjustments (gain) / loss - scheme liabilities	1,138	798	(872)	(7)	(1,789)

**26. Superannuation Schemes – continued****(c) The University of Adelaide Superannuation Scheme A 1985 - continued****Expected contributions**

The expected employer contributions for the year ended 31 December 2009 are \$1 million, which includes the \$0.6 million annual payment to finance the current deficit.

**(d) State Government Superannuation Schemes**

In 1991, employees of the City Campus of the South Australian College of Advanced Education and Roseworthy Agricultural College were transferred to the University. Their terms of appointment to the University protected their membership of the State Pension Scheme and State Lump Sum Scheme. The schemes are administered by the South Australia Superannuation Board. The schemes provide defined benefits and are mainly unfunded. The only employer contributions made in 2008 were 3% of salaries, and remaining benefits are met on an emerging cost basis.

The South Australian Department of Treasury and Finance estimate that, as at 31 December 2008, there is an unfunded liability of \$43.7 million (2007: \$42.3 million). This represents an increase in liability of \$1.4 million since 31 December 2007. This is recognised as expenditure in the 2008 Income Statement, with a corresponding adjustment to revenue.

The Commonwealth Government has agreed to provide assistance under Section 20 of the Higher Education Funding Act to meet the additional costs in respect of State Government emerging cost schemes, where costs are in excess of funding provided for this purpose in the base operating grant. Under the Commonwealth legislation titled "State Grants (General Purposes) Amendment Act 1982", the method of payment of these costs by the Commonwealth to the State Governments was promulgated. Further, the accounting methodology employed in these financial statements is in accordance with "Financial Statement Guidelines for Australian Higher Education Providers for 2008 Reporting Period" provided by DEEWR. The accounting treatment employed is also consistent with the approach taken by other Australian Universities. Accordingly, total assets of \$43.7 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 Benefits for Superannuation".

Summary	Consolidated		University	
	2008	2007	2008	2007
	\$000	\$000	\$000	\$000
<b>Deferred Government Superannuation Contribution</b>				
Non-current asset	43,700	42,300	43,700	42,300
<b>Deferred Employee Benefits for Superannuation</b>				
Current liability	3,300	3,200	3,300	3,200
Non-current liability	40,400	39,100	40,400	39,100
	43,700	42,300	43,700	42,300

**(e) Contributions**

The total employer contributions were:

UniSuper Defined Benefit Division (UniSuper Defined Contribution Plan) or Accumulation Super 2 (formerly Investment Choice Plan)	22,537	20,538
Accumulation Super 1 (formerly UniSuper Award Plus Plan)	10,014	8,913
State Government Superannuation Schemes (3%)	21	20
The University of Adelaide Superannuation Scheme A 1985	102	112
	<b>32,674</b>	<b>29,583</b>

**27. Disaggregation Information**

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

	Note	Consolidated		University	
		2008	2007	2008	2007
		\$000	\$000	\$000	\$000
<b>28. Auditors' Remuneration</b>					
Amounts paid or payable for assurance services were:					
South Australian Auditor-General		210	207	210	207
Other auditors of controlled entities		94	115	-	-
		304	322	210	207
Amounts paid or payable for other services were:					
Other auditors of controlled entities		22	24	-	-
		326	346	210	207

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

## 29. The University Council Members and Senior Management

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

#### University Council Members

Ex officio	von Doussa QC, The Hon John William McWha, Professor James Alexander Hill, Professor Robert	ceased 31/12/2008
Co-opted	vacant	
Appointed	Adler AC, Mr Norman Ross Bagot, Mr Charles Castine, Ms Kathryn Davidson, Ms Dianne Kowalick, Mr Ian John Martin, Ms Pamela June Young, Mr Stephen Elliott	
Elected Staff	Cecchin, Mr John Crewther, Dr Rodney James Linton, Professor Valerie Margaret Percival, Ms Kylie Joy	
Elected Graduates	Anderson, Ms Carolyn Yvette Maddocks, Professor Simon Penniment, Dr Michael Radcliffe AM, Dr John Clive	commenced 6/09/2008 ceased 5/09/2008
Student	Cronin, Ms Jessica Harron, Mr Trent Ji, Mr Zhen Plagakis, Ms Sophie Russell, Mr Aaron Swaine, Mr Philip Dalway	ceased 5/03/2008 commenced 6/03/2008 commenced 6/03/2008 commenced 6/03/2008 ceased 5/03/2008 ceased 5/03/2008

#### University Senior Management

McWha, Professor James  
Brooks, Professor Mike  
Duldig, Mr Paul  
McDougall, Professor Fred  
Beilby, Professor Justin  
Dowd, Professor Peter  
Harvey, Professor Nicholas  
Hill, Professor Robert  
Quester, Professor Pascale  
Lohmann, Professor Birgit  
Russell AM, Professor Richard  
Taplin, Professor John



	2008	2007
	\$000	\$000

**29. The University Council Members and Senior Management - continued****(b) Remuneration of the University Council Members and Senior Management**

## University Council Members

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

## University Senior Management

Amounts paid or payable to University senior management:

			3,517	3,118
	\$	\$	Number	Number
100,000	-	114,999	-	2
115,000	-	129,999	-	1
175,000	-	189,999	-	1
205,000	-	219,999	5	-
220,000	-	234,999	-	1
235,000	-	249,999	1	1
250,000	-	264,999	1	1
265,000	-	279,999	2	-
295,000	-	309,999	-	1
310,000	-	324,999	-	1
325,000	-	339,999	2	-
340,000	-	354,999	-	1
715,000	-	729,999	-	1
745,000	-	759,999	1	-
			12	11

Following a review of the DEEWR Guidelines in 2008, the above information for 2007 and 2008 relates to executives which are defined as the CEO and/or any person in a senior management position considered to be part of the University's executive group who is directly accountable and responsible for the strategic direction and operational management of the entity.

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

**30. Financial Instruments****(a) Interest Rate Risk**

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

The Consolidated Entity has entered into forward start interest rate swaps to manage its interest rate exposures on borrowings for its North Terrace Development Strategy. Further details are contained in Note 9.

	Note	Weighted Average Effective Rate	Floating Interest Rate	Fixed Maturity Dates						Non- Interest Bearing	Total
				Less than 1 year	1-2 years	2-3 years	3-4 years	4-5 years	5+ years		
		%	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>2008</b>											
<b>Financial Assets</b>											
Cash & Cash Equivalents	6	4.01%	27,419	-	-	-	-	-	-	676	28,095
Receivables	7	0.00%	-	-	-	-	-	-	-	33,340	33,340
<b>Financial Assets Held for Trading</b>											
Financial Assets Held for Trading	8	0.00%	-	-	-	-	-	-	-	88,116	88,116
<b>Financial Assets Held to Maturity</b>											
Financial Assets Held to Maturity	8	6.74%	-	40,358	-	-	-	-	-	-	40,358
Other Financial Assets	8, 12	1.91%	-	117	117	117	117	117	436	2,473	3,494
Derivative Financial Instruments	9	0.00%	-	-	-	-	-	-	-	327	327
			27,419	40,475	117	117	117	117	436	124,932	193,730
<b>Weighted Average Interest Rate</b>											
			4.01%	6.74%	6.41%	6.41%	6.41%	6.41%	6.76%		
<b>Financial Liabilities</b>											
Derivative Financial Instruments	9	0.00%	-	-	-	-	-	-	-	16,067	16,067
Payables	17	0.00%	-	-	-	-	-	-	-	54,771	54,771
Borrowings	18	0.00%	-	-	-	-	-	-	-	62	62
			-	-	-	-	-	-	-	70,900	70,900
<b>Weighted Average Interest Rate</b>											
			0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		

## 30. Financial Instruments - continued

Note	Weighted Average Effective Rate	Floating Interest Rate	Fixed Maturity Dates					Non- Interest Bearing	Total
			Less than 1 year	1-2 years	2-3 years	3-4 years	4-5 years	5+ years	
	%	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>2007</b>									
<b>Financial Assets</b>									
Cash & Cash Equivalents	6	6.22%							21,241
Receivables	7	0.00%	7,862	-	-	-	-	-	25,663
Financial Assets Held for Trading	8	0.00%	-	-	-	-	-	-	119,786
Financial Assets Held to Maturity	8	7.08%	-	-	-	-	-	-	60,173
Other Financial Assets	8, 12	1.66%	86	117	117	117	117	551	3,777
			<b>13,379</b>	<b>117</b>	<b>117</b>	<b>117</b>	<b>117</b>	<b>551</b>	<b>230,640</b>
Weighted Average Interest Rate		5.94%	7.03%	6.36%	6.36%	6.36%	6.36%	6.66%	
<b>Financial Liabilities</b>									
Payables	17	0.00%	-	-	-	-	-	-	57,508
Borrowings	18	0.00%	-	-	-	-	-	-	66
			<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>57,574</b>
Weighted Average Interest Rate		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	



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

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

The Consolidated Entity has entered into foreign currency swaps to manage foreign currency exposures on capital expenditure. Further details are contained in Note 9.

**(c) Credit Risk Exposures**

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

**(i) On balance sheet financial instruments**

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

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

**(ii) Off balance sheet financial instruments**

The reporting entity and its controlled entities do not possess or trade any off balance sheet financial instruments.

**(d) Liquidity Risk**

Liquidity risk is managed through maintaining a minimum level of readily accessible funds, by continuously monitoring forecast and actual cash flows, in line with the University's Liquidity Risk Management Policy.

**(e) Fair Values of Financial Assets and Financial Liabilities**

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

**(i) On balance sheet financial instruments**

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

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

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

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

**(ii) Off balance sheet financial instruments**

The reporting entity and its controlled entities do not possess or trade any off balance sheet financial instruments.

**31. Investments in Controlled Entities**

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

Controlled Entity	Holding		Investment at Fair Value		Investment at Cost		Contribution to Operating Result	
	2008	2007	2008	2007	2008	2007	2008	2007
	%	%	\$000	\$000	\$000	\$000	\$000	\$000
The Adelaide Research & Innovation Investment Trust	100	100	1,208	1,317	-	-	684	(2,157)
Adelaide Unicare Pty Ltd	100	100	1,877	2,043	-	-	51	217
Martindale Holdings Pty Ltd as trustee for:								
• JS Davies Estate	83	83	17,337	18,066	-	-	(193)	2,236
• JAT Mortlock Trust	100	100	24,681	25,258	-	-	623	2,734
• Roseworthy Farm	100	100	1,225	955	-	-	270	633
National Wine Centre Pty Ltd	100	100	306	301	-	-	5	159
Roseworthy Piggery Pty Ltd	100	100	-	67	100	100	83	(139)
			<b>46,634</b>	<b>48,007</b>	<b>100</b>	<b>100</b>	<b>1,523</b>	<b>3,683</b>

All of the above controlled entities are incorporated in Australia.

### 31. Investments in Controlled Entities - continued

The operating deficit for the Adelaide Research & Innovation Investment Trust in 2007, is a result of a donation by its' controlled entity ACN 008 123 466 Pty Ltd (Formerly Repromed Pty Ltd) to the University out of the residual proceeds from the sale of the reproductive medicine business in 2006.

The operating surplus for JAT Mortlock Trust and JS Davies Estate in 2007, is a result of the first time recognition of inventory in the nature of crops due to their change in reporting date from 31 March to 31 December. Refer to Note 10.

#### JS Davies Estate

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

### 32. Investments in Associates

#### (a) Equity and Contribution to Operating Result

Associated Entity	Principal Activity	Holding		Consolidated Carrying Amount		Investment at Cost	
		2008	2007	2008	2007	2008	2007
		%	%	\$000	\$000	\$000	\$000
Held by the University							
Unisure Pty Ltd	Responsible for processing of Tertiary Institution Workers' Compensation Insurance.	33	33	-	-	-	-
Ngee Ann Adelaide Education Centre Pte Ltd	Operates a graduate education centre in Singapore.	50	50	347	401	298	298
Australian Centre for Plant Functional Genomics Pty Ltd	Responsible for the development of world-class capability in plant genomic research & its application for economic & social benefit to Australia.	42	38	44	26	-	-
Reproductive Health Science Pty Ltd	Development of a diagnostic for the reproductive market	-	23	-	137	-	-
				391	564	298	298

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

Reproductive Health Science Pty Ltd ceased to be an associate in 2008 as the University share holdings were reduced to below 20%.

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

	Consolidated		University	
	2008 \$000	2007 \$000	2008 \$000	2007 \$000
<b>(b) Movements in Carrying Amounts of Investments in Associates</b>				
At beginning of financial year	564	506	-	-
Additional investment in associates	-	-	-	-
Share of operating result	(173)	58	-	-
	<b>391</b>	<b>564</b>	<b>-</b>	<b>-</b>
<b>(c) Results Attributed to Associates</b>				
Operating result	(173)	58	-	-
Additional investment in associates	-	-	-	-
Retained surplus attributable to associates at the beginning of the financial year	564	506	-	-
Retained surplus attributable to associates at the end of the financial year	<b>391</b>	<b>564</b>	<b>-</b>	<b>-</b>



**32. Investments in Associates – continued****(d) Accounting for Associates****(i) Capital and other expenditure commitments**

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

**(ii) Contingent liabilities**

There are no material contingent liabilities relating to associated entities.

**(iii) Post balance date events**

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

**(iv) Assets, liabilities, revenue and expenditure**

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

**(v) Off balance sheet financial instruments**

Neither the Consolidated Entity, nor any of its associated entities, have any off balance sheet financial instruments.

**(e) Unisure Pty Ltd**

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

Unisure Pty Ltd is the trustee of the Unisure Unit trust which managed the University's workers' compensation claims until 30 September 2008. The University's workers' compensation liabilities were transferred to the University from the Unisure Unit Trust during 2008. The Unisure Unit Trust investments were transferred to the University in January 2009.

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

**33. Interests in Joint Ventures****(a) Groups**

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

**(i) Cooperative Research Centres**

CRCs have the characteristics of joint ventures. These operations are not material to the University and there is no separate disclosure for 2008 in accordance with the Australian Accounting Standard AASB 131 Interests in Joint Ventures.

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

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

	Participation		
CRC for Greenhouse Gas Technologies	(U)	(C)	9%
CRC for Molecular Plant Breeding	(U)	-	21%
CRC for Water Quality and Treatment (finished June 2008)	(U)	(C)	4%
CRC for Australian Weed Management (finished December 2008)	(U)	(C)	7%
CRC for Landscape Environments and Mineral Exploration (finished June 2008)	(U)	(C)	8%
CRC for Aquafin (finished June 2008)	(U)	(C)	-
CRC for NPB Ltd	(I)	(C)	-
Beef CRC Ltd	(I)	(C)	8%
Pork CRC Ltd	(I)	-	27%
eWater Ltd	(I)	(C)	2%
Desert Knowledge	(U)	(C)	-
Future Farm Industries	(I)	(C)	2%
Seafood CRC	(I)	-	-

(I) Incorporated

(U) Unincorporated

(C) CSIRO is a partner



**33. Interests in Joint Ventures - continued****(a) Groups - continued****(i) Cooperative Research Centres - continued**

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

The University over the next six 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, \$0.9 million in cash (2007: \$1.4 million) and \$14.8 million in-kind (2007: \$20.8 million).

**(ii) Joint Ventures Accounted for Using the Equity Method**

Name	Principal Activity		Participation
Middleback Field Centre	To provide pastoral-zone courses and range land ecology research programmes.	(U)	33%
Professional Certificate in Arbitration (previously - National Course in General Arbitration & Dispute Resolution)	To develop and deliver tertiary courses in arbitration.	(U)	50%
South Australian Centre for Economic Studies	To obtain quality research regarding regional economic development with particular application to South Australia.	(U)	50%
South Australian Tertiary Admissions Centre	Established as the agent for tertiary institutions in Adelaide for the purpose of receiving and processing applications from intending students.	(U)	25%
South Australian Consortium for Information Technology & Telecommunications	Represents the three South Australian Universities by providing a focal point for the State in pursuing & winning major research funding in IT & T.	(I)	33%
Ethics Centre of South Australia (ECSA)	ECSA draws on expertise from the three SA Universities to conduct research and provide education and advice on ethical issues. ECSA also aims to provide discussion and understanding of ethical issues in the SA community.	(U)	33%
Water Ed Australia Pty Ltd	A centre of leadership and innovation in collaborative water resources management education and training.	(I)	20%
Monoclonal Antibodies South Australia (MAbSA)	Responsible for the development of monoclonal antibodies for the research market.	(U)	50%
Adelaide Proteomics Centre (APC)	Provision of cost effective and high quality proteomic analysis to researchers conducting basic and applied research.	(U)	50%
Defence Systems Innovation Centre	A centre to conduct contract-based studies and consultancies, post-graduate and under-graduate education programs, and collaborative research projects focussed on the needs of the defence community.	(U)	48%
eResearchSA	To provide expertise, facilities and advice to the South Australian research community for research collaboration, data management, high performance computing and visualisation technologies.	(U)	33%

(I) Incorporated

(U) Unincorporated

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

The Consolidated Entity's reported interest in the assets employed in the joint ventures totals \$2.1 million (2007: \$2.1 million). These are included in the consolidated Balance Sheet, in accordance with the accounting policy described in note 3(I).

**33. Interests in Joint Ventures - continued****(b) Equity and Contribution to Operating Result**  
Joint Venture Entity

	2008 %	2007 %	Carrying Amount		Investment at Cost	
			2008 \$000	2007 \$000	2008 \$000	2007 \$000
<b>Held by the University</b>						
Middleback Field Centre	33%	33%	22	27	-	-
Professional Certificate in Arbitration	50%	50%	33	2	65	65
South Australian Centre for Economic Studies	50%	50%	151	87	-	-
South Australian Tertiary Admissions Centre	25%	25%	204	197	-	-
South Australian Consortium for Information Technology & Telecommunications	33%	33%	200	657	-	-
Ethics Centre of South Australia	33%	33%	42	44	-	-
Water Ed Australia Pty Ltd	20%	20%	1,277	1,085	280	210
Monoclonal Antibodies South Australia (MAbSA)	50%	50%	-	9	-	-
Adelaide Proteomics Centre (APC)	50%	0%	-	-	-	-
Defence Systems Innovation Centre	48%	0%	-	-	-	-
eResearch SA	33%	0%	153	-	-	-
			<b>2,082</b>	<b>2,108</b>	<b>345</b>	<b>275</b>

Consolidated		University	
2008	2007	2008	2007
\$000	\$000	\$000	\$000

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

At beginning of financial year	2,108	2,823	-	-
Share of operating result	(96)	(855)	-	-
Additional investment in joint ventures	70	140	-	-
	<b>2,082</b>	<b>2,108</b>	<b>-</b>	<b>-</b>

**(d) Results Attributed to Joint Ventures**

Operating result	(96)	(855)	-	-
Additional investment in joint ventures	70	140	-	-
Retained surplus attributable at the beginning of the financial year	2,108	2,823	-	-
Retained surplus attributable at the end of the financial year	<b>2,082</b>	<b>2,108</b>	<b>-</b>	<b>-</b>

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

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

**(ii) Contingent liabilities**

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

**(iii) Post balance date events**

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

**(iv) Assets, liabilities, revenue and expenditure**

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

**(v) Off balance sheet financial instruments**

Neither the reporting entity, nor any of its joint ventures, have any off balance sheet financial instruments.

**34. Related Parties****(a) Parent entity**

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

**(b) Controlled entities, joint ventures and associated entities**

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

**(c) Council members and senior management**

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

**34. Related Parties - continued**

**(d) Councillor Related Transactions**

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

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

**(e) Property Leases**

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

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

**(f) Fees Paid To Members of Council**

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

**(g) Students at The University of Adelaide**

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



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

### 35. Income Statement for the Year Ended 31 December 2008

		Consolidated		University	
	Note	2008 \$000	2007 \$000	2008 \$000	2007 \$000
REVENUE FROM CONTINUING OPERATIONS					
Australian Government financial assistance	36	359,414	293,811	359,414	293,811
State and Local Government financial assistance	38	35,096	17,705	34,800	17,450
HECS- HELP - student upfront payments	4	11,307	10,236	11,307	10,236
Fees and charges	39	108,520	96,902	108,909	96,915
Investment income		10,112	17,813	11,699	22,811
Royalties, trademarks and licenses	4	922	1,126	488	526
Consultancy and contract revenue	40	54,778	47,724	31,172	27,409
Other revenue		56,239	52,817	34,043	28,834
Sub-total		636,388	538,134	591,832	497,992
Deferred government superannuation contributions		1,400	(1,200)	1,400	(1,200)
Total operating revenue from continuing operations		637,788	536,934	593,232	496,792
Share of operating results of associates and joint ventures accounted for using the equity method		(269)	(797)	-	-
Total revenue from continuing operations		637,519	536,137	593,232	496,792
EXPENSES FROM CONTINUING OPERATIONS					
Salaries and related expenses	5	318,509	280,232	306,694	270,910
Depreciation and amortisation	5	24,149	21,632	23,385	20,856
Buildings and grounds	5	34,250	33,005	32,800	31,894
Bad and doubtful debts	5	620	312	511	334
Finance costs	5	212	466	1,188	466
General and composite fund investment market valuation adjustment	5	33,795	-	33,795	-
Scholarships, grants and prizes		25,369	23,702	25,369	23,702
Non-capitalised equipment	5	8,289	8,690	8,259	8,690
Advertising, marketing and promotional expenses		3,447	3,254	3,447	3,234
Net Losses on disposal of assets	5	406	267	406	445
Other expenses		154,867	132,709	121,186	103,588
Sub-total		603,913	504,269	557,040	464,119
Deferred Government employee benefits for superannuation		1,400	(1,200)	1,400	(1,200)
Total expenses from continuing operations		605,313	503,069	558,440	462,919
Net operating result for the year		32,206	33,068	34,792	33,873

Notes to the Financial Statements for the year ended 31 December 2008

	Note	Consolidated		University	
		2008	2007	2008	2007
		\$000	\$000	\$000	\$000
<b>36. Australian Government Financial Assistance</b>					
<b>(a) DEEWR - Commonwealth Grants Scheme and Other DEEWR Grants</b>					
Commonwealth Grants Scheme		100,204	85,006	100,204	85,006
Teaching Hospitals Grant		644	617	644	617
Indigenous Support Programme		583	546	583	546
Equity Programmes		201	193	201	193
Workplace Reform Programme		1,166	1,143	1,166	1,143
Learning & Teaching Performance Fund		500	1,342	500	1,342
Capital Development Pool		16,300	2,000	16,300	2,000
Superannuation Programme		2,820	2,688	2,820	2,688
Collaboration & Structural Reform Programme		220	50	220	50
Workplace Productivity Programme		600	209	600	209
Improving the Practical Component of Teacher Education Initiative		70	-	70	-
Transitional Cost Program		1,114	-	1,114	-
		<b>124,422</b>	<b>93,794</b>	<b>124,422</b>	<b>93,794</b>
<b>(b) Higher Education Loan Programmes</b>					
HECS-HELP (Australian Government payments only)		56,269	49,471	56,269	49,471
FEE-HELP		5,733	5,378	5,733	5,378
OS-HELP		571	428	571	428
		<b>62,573</b>	<b>55,277</b>	<b>62,573</b>	<b>55,277</b>
<b>(c) Learning Scholarships</b>					
Australian Postgraduate Awards		4,210	4,301	4,210	4,301
International Postgraduate Research Scholarships		653	932	653	932
Commonwealth Education Costs Scholarships		1,109	801	1,109	801
Commonwealth Accommodation Scholarships		1,462	1,225	1,462	1,225
Indigenous Access Scholarships		188	-	188	-
		<b>7,622</b>	<b>7,259</b>	<b>7,622</b>	<b>7,259</b>
<b>(d) DIISR Research</b>					
Institutional Grants Scheme		16,232	16,500	16,232	16,500
Research Training Scheme		28,127	28,989	28,127	28,989
Research Infrastructure Block Grants		13,641	13,820	13,641	13,820
Implementation Assistance Programme		169	82	169	82
Australian Scheme for Higher Education Repositories		264	145	264	145
		<b>58,433</b>	<b>59,536</b>	<b>58,433</b>	<b>59,536</b>
<b>(e) Better Universities Renewal Funding</b>		<b>15,476</b>	<b>-</b>	<b>15,476</b>	<b>-</b>
<b>(f) Australian Research Council</b>					
<b>(i) Discovery</b>					
Projects		12,416	10,724	12,416	10,724
Fellowships		231	911	231	911
Indigenous Researchers Development		37	38	37	38
		<b>12,684</b>	<b>11,673</b>	<b>12,684</b>	<b>11,673</b>
<b>(ii) Linkages</b>					
Infrastructure		700	951	700	951
International		182	137	182	137
Projects		4,768	3,879	4,768	3,879
		<b>5,650</b>	<b>4,967</b>	<b>5,650</b>	<b>4,967</b>

	Note	Consolidated		University	
		2008	2007	2008	2007
		\$000	\$000	\$000	\$000
<b>36. Australian Government Financial Assistance - continued</b>					
(f) Australian Research Council - continued					
(iii) Networks and Centres					
Networks		650	637	650	637
Centres		3,699	2,071	3,699	2,071
		<b>4,349</b>	<b>2,708</b>	<b>4,349</b>	<b>2,708</b>
(g) Other Australian Government financial assistance received:					
AusAID		419	-	419	-
Australian Centre for International Agricultural Research		1,429	522	1,429	522
Australian Institute of Health and Welfare		660	598	660	598
CSIRO		1,219	2,276	1,219	2,276
Defence, Science and Technology Organisation		1,762	2,137	1,762	2,137
Department of Agriculture, Fisheries and Forestry		12,514	13,583	12,514	13,583
Department of Communications, IT and the Arts		4	224	4	224
Department of Defence		7	90	7	90
Department of Education, Employment and Workplace Relations		1,069	3,163	1,069	3,163
Department of Environment, Water, Heritage and the Arts		239	224	239	224
Department of Health and Ageing		42,070	35,075	42,070	35,075
Department of Immigration and Citizenship		30	-	30	-
Department of Infrastructure, Transport, Regional Development and Local Government		82	-	82	-
Department of Innovation, Industry, Science and Research		6,048	-	6,048	-
Department of Resources, Energy and Tourism		61	-	61	-
Department of Trade and Economic Development		-	32	-	32
Department of Veterans' Affairs		276	256	276	256
Other		316	417	316	417
		<b>68,205</b>	<b>58,597</b>	<b>68,205</b>	<b>58,597</b>
Reconciliation					
Australian Government grants		297,412	238,962	297,412	238,962
HECS-HELP - Australian Government payments		56,269	49,471	56,269	49,471
Other Australian Government loan programmes		5,733	5,378	5,733	5,378
		<b>359,414</b>	<b>293,811</b>	<b>359,414</b>	<b>293,811</b>
(h) Australian Government grants received - cash basis					
CGS and Other DEEWR grants		121,586	93,794	121,586	93,794
Higher Education Loan Programmes		61,174	51,210	61,174	51,210
Scholarships		7,739	7,142	7,739	7,142
DIISR research		58,433	59,536	58,433	59,536
ARC Grants - Discovery		12,895	11,673	12,895	11,673
ARC Grants - Linkages		5,392	4,967	5,392	4,967
ARC Grants - Networks and Centres		4,349	2,708	4,349	2,708
Other Australian Government grants		83,549	59,417	83,549	59,417
		<b>355,117</b>	<b>290,447</b>	<b>355,117</b>	<b>290,447</b>
OS-Help (Net)		632	457	632	457
		<b>355,749</b>	<b>290,904</b>	<b>355,749</b>	<b>290,904</b>



## 37. Acquittal of Australian Government Financial Assistance

## (a) DEEWR - Commonwealth Grants Scheme and Other DEEWR Grants

Parent Entity (University) Only

	Notes	Commonwealth Grants Scheme				Teaching Hospitals Grant				Indigenous Support Programme				Equity Programmes				Workplace Reform Programme			
		2008		2007		2008		2007		2008		2007		2008		2007		2008		2007	
		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Financial assistance received in cash during the reporting period		97,493	85,006		617	644		583	546	201		193					1,166	1,143			
Net accrual adjustments		2,711	-		-	-		-	-	-		-					-	-			
Revenue for the period	36(a)	100,204	85,006		617	644		583	546	201		193					1,166	1,143			
Surplus/(Deficit) from the previous year		-	-		-	-		-	-	-		-					-	-			
Total revenue including accrued revenue		100,204	85,006		617	644		583	546	201		193					1,166	1,143			
Less expenses including accrued expenses		100,204	85,006		617	644		583	546	201		193					1,166	1,143			
Surplus/(Deficit) for the reporting period		-	-		-	-		-	-	-		-					-	-			

## 37. Acquittal of Australian Government Financial Assistance - continued

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

Parent Entity (University) Only

	Learning & Teaching Performance Fund		Capital Development Pool		Superannuation Programme		Collaboration & Structural Reform Programme		Workplace Productivity Programme	
	2008 \$000	2007 \$000	2008 \$000	2007 \$000	2008 \$000	2007 \$000	2008 \$000	2007 \$000	2008 \$000	2007 \$000
Financial assistance received in cash during the reporting period	500	1,342	16,300	2,000	2,820	2,688	220	50	600	209
Net accrual adjustments	-	-	-	-	-	-	-	-	-	-
Revenue for the period	500	1,342	16,300	2,000	2,820	2,688	220	50	600	209
Surplus/(Deficit) from the previous year	-	-	-	-	-	-	-	-	-	-
Total revenue including accrued revenue	500	1,342	16,300	2,000	2,820	2,688	220	50	600	209
Less expenses including accrued expenses	500	1,342	2,750	2,000	2,820	2,688	220	50	600	209
Surplus/(Deficit) for the reporting period	-	-	13,550	-	-	-	-	-	-	-

36(a)

37. Acquittal of Australian Government Financial Assistance - continued

(a) DEEWR - Commonwealth Grants Scheme and Other DEEWR Grants - continued  
Parent Entity (University) Only

		Improving the Practical Component of Teacher Education Initiative		Transitional Cost Program		Total	
		2008 \$000	2007 \$000	2008 \$000	2007 \$000	2008 \$000	2007 \$000
Financial assistance received in cash during the reporting period Net accrual adjustments Revenue for the period  Surplus/(Deficit) from the previous year Total revenue including accrued revenue Less expenses including accrued expenses Surplus/(Deficit) for the reporting period	Notes   36(a)	70	-	989	-	121,586	93,794
		-	-	125	-	2,836	-
		70	-	1,114	-	124,422	93,794
		-	-	-	-	-	-
		70	-	1,114	-	124,422	93,794
		70	-	1,114	-	110,872	93,794
		-	-	-	-	13,550	-



## 37. Acquitment of Australian Government Financial Assistance - continued

(b) Higher Education Loan Programmes

Parent Entity (University) Only

	Notes	HECS-HELP (Australian Government payments only)						FEE-HELP				OS-HELP				Total	
		2008		2007		2008		2008		2007		2008		2007		2008	
		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Financial assistance received in cash during the reporting period		55,130		46,253		5,412	4,500	632	457							61,174	51,210
Net accrual adjustments		1,139		3,218		321	878	(61)	(29)							1,399	4,067
Revenue for the period	36(b)	56,269		49,471		5,733	5,378	571	428							62,573	55,277
Surplus/(Deficit) from the previous year		-		-		-	-	-	-							-	-
Total revenue including accrued revenue		56,269		49,471		5,733	5,378	571	428							62,573	55,277
Less expenses including accrued expenses		56,269		49,471		5,733	5,378	571	428							62,573	55,277
Surplus/(Deficit) for the reporting period		-		-		-	-	-	-							-	-

## 37. Acquittal of Australian Government Financial Assistance - continued

## (c) Learning Scholarships

Parent Entity (University) Only

	Notes	Australian Postgraduate Awards		International Postgraduate Research Scholarships		Commonwealth Education Costs Scholarships		Commonwealth Accommodation Scholarships		Indigenous Access Scholarships		Total	
		2008 \$000	2007 \$000	2008 \$000	2007 \$000	2008 \$000	2007 \$000	2008 \$000	2007 \$000	2008 \$000	2007 \$000	2008 \$000	2007 \$000
Financial assistance received in cash during the reporting period		4,210	4,301	770	815	1,109	801	1,462	1,225	188	-	7,739	7,142
Net accrual adjustments		-	-	(117)	117	-	-	-	-	-	-	(117)	117
Revenue for the period	36(c)	4,210	4,301	653	932	1,109	801	1,462	1,225	188	-	7,622	7,259
Surplus/(Deficit) from the previous year		925	572	-	-	222	74	577	254	-	-	1,724	900
Total revenue including accrued revenue		5,135	4,873	653	932	1,331	875	2,039	1,479	188	-	9,346	8,159
Less expenses including accrued expenses		4,257	3,948	653	932	791	653	1,057	902	174	-	6,932	6,435
Surplus/(Deficit) for the reporting period		878	925	-	-	540	222	982	577	14	-	2,414	1,724

**37. Acquittal of Australian Government Financial Assistance - continued****(d) DIISR Research**

Parent Entity (University) Only

	Notes	Institutional Grants Scheme		Research Training Scheme		Research Infrastructure Block Grants		Implementation Assistance Programme		Australian Scheme for Higher Education Repositories		Total	
		2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Financial assistance received in cash during the reporting period		16,232	16,500	28,127	28,989	13,641	13,820	169	82	264	145	58,433	59,536
Net accrual adjustments		-	-	-	-	-	-	-	-	-	-	-	-
Revenue for the period	36(d)	16,232	16,500	28,127	28,989	13,641	13,820	169	82	264	145	58,433	59,536
Surplus/(Deficit) from the previous year		-	-	-	-	-	-	-	-	-	-	-	-
Total revenue including accrued revenue		16,232	16,500	28,127	28,989	13,641	13,820	169	82	264	145	58,433	59,536
Less expenses including accrued expenses		16,232	16,500	28,127	28,989	13,641	13,820	169	82	264	145	58,433	59,536
Surplus/(Deficit) for the reporting period		-	-	-	-	-	-	-	-	-	-	-	-



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**37. Acquitment of Australian Government Financial Assistance - continued****(f) Australian Research Council Grants - Discovery** Parent Entity (University) Only

	Notes	Projects		Fellowships		Indigenous Researchers Development		Total	
		2008 \$000	2007 \$000	2008 \$000	2007 \$000	2008 \$000	2007 \$000	2008 \$000	2007 \$000
Financial assistance received in cash during the reporting period		12,362	10,724	496	911	37	38	12,895	11,673
Net accrual adjustments		54	-	(265)	-	-	-	(211)	-
Revenue for the period	36(f)	12,416	10,724	231	911	37	38	12,684	11,673
Surplus/(Deficit) from the previous year		4,582	4,603	569	503	3	5	5,154	5,111
Total revenue including accrued revenue		16,998	15,327	800	1,414	40	43	17,838	16,784
Less expenses including accrued expenses		11,664	10,745	800	845	29	40	12,493	11,630
Surplus/(Deficit) for the reporting period		5,334	4,582	-	569	11	3	5,345	5,154

## 37. Acquittal of Australian Government Financial Assistance - continued

## (g) Australian Research Council Grants - Linkages

Parent Entity (University) Only

	Notes	Special Research Initiatives						Infrastructure				International				Projects				Total	
		2008		2007		2008		2007		2008		2007		2008		2007		2008		2007	
		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Financial assistance received in cash during the reporting period		-	-	-	-	-	700	951	182	137	4,510	3,879	5,392	4,967	-	-	-	-	-	-	-
Net accrual adjustments		-	-	-	-	-	-	-	-	-	258	-	258	-	-	-	-	-	-	-	-
Revenue for the period	36(f)	-	-	-	-	-	700	951	182	137	4,768	3,879	5,650	4,967	-	-	-	-	-	-	-
Surplus/(Deficit) from the previous year		-	-	-	12	-	499	613	114	91	1,684	2,234	2,297	2,950	-	-	-	-	-	-	-
Total revenue including accrued revenue		-	-	-	12	-	1,199	1,564	296	228	6,452	6,113	7,947	7,917	-	-	-	-	-	-	-
Less expenses including accrued expenses		-	-	-	12	-	1,199	1,065	207	114	4,464	4,429	5,870	5,620	-	-	-	-	-	-	-
Surplus/(Deficit) for the reporting period		-	-	-	-	-	-	499	89	114	1,988	1,684	2,077	2,297	-	-	-	-	-	-	-



**37. Acquittal of Australian Government Financial Assistance - continued****(h)** Australian Research Council Grants - Networks and Centres

Parent Entity (University) Only

	Notes	Networks		Centres		Total	
		2008 \$000	2007 \$000	2008 \$000	2007 \$000	2008 \$000	2007 \$000
Financial assistance received in cash during the reporting period	36(f)	650	637	3,699	2,071	4,349	2,708
Net accrual adjustments		-	-	-	-	-	-
Revenue for the period		650	637	3,699	2,071	4,349	2,708
Surplus/(Deficit) from the previous year		552	618	-	-	552	618
Total revenue including accrued revenue		1,202	1,255	3,699	2,071	4,901	3,326
Less expenses including accrued expenses		757	703	3,699	2,071	4,456	2,774
Surplus/(Deficit) for the reporting period		445	552	-	-	445	552

	Note	Consolidated		University	
		2008	2007	2008	2007
		\$000	\$000	\$000	\$000
<b>38. State and Local Government Financial Assistance</b>					
(a) South Australian Government and Local Government financial assistance					
Arts South Australia		128	123	128	123
Bio Innovation SA		1,853	895	1,853	895
Central Northern Adelaide Health Service		2,570	2,543	2,570	2,543
Children, Youth and Women's Health Service		365	402	365	402
Department for Environment and Heritage		489	626	489	626
Department for Families and Communities		92	17	92	17
Department of Further Education, Employment, Science and Technology		14,699	3,715	14,699	3,715
Department of Health		2,331	1,112	2,331	1,112
Department of the Premier and Cabinet		296	289	296	289
Department of Primary Industries & Resources		1,291	1,528	1,291	1,528
Department of Education & Children Services		73	11	73	11
Department for Trade and Economic Development		95	97	95	97
Department for Transport, Energy and Infrastructure		637	607	637	607
Department of Water, Land and Biodiversity Conservation		668	733	668	733
Institute of Medical and Veterinary Science		281	91	281	91
Motor Accident Commission		655	674	655	674
Police Department SA		361	105	361	105
Public Trustee Office		52	26	52	26
Repatriation General Hospital		-	25	-	25
Royal Adelaide Hospital		4,902	2,413	4,902	2,413
SafeWork SA		89	-	89	-
South Australian Dental Service		170	126	170	126
South Australian Government Financing Authority		750	-	750	-
South Australian Museum		412	223	412	223
Southern Adelaide Health Service		10	-	10	-
Southern Yorke Peninsula Health Service		296	255	-	-
Workcover Corporation		136	-	136	-
Other		710	714	710	714
<b>Total South Australian Government and Local Government financial assistance</b>		<b>34,411</b>	<b>17,352</b>	<b>34,115</b>	<b>17,097</b>
(b) Other State Government and Local Government financial assistance		685	353	685	353
<b>Total State and Local Government financial assistance</b>		<b>35,096</b>	<b>17,705</b>	<b>34,800</b>	<b>17,450</b>

		Consolidated		University	
		2008	2007	2008	2007
	Note	\$000	\$000	\$000	\$000
<b>39. Fees and Charges</b>					
Fees and charges were collected from the following sources during the reporting period:					
Student fee income	4	90,792	81,060	90,792	81,060
Library charges and fines	4	813	936	813	936
Application management and late fees	4	1,066	660	1,066	660
Parking fees	4	945	978	945	978
Rental charges/accommodation fees	4	9,784	8,976	10,173	8,989
Recharge of costs to other organisations	4	433	218	433	218
Franchise fees	4	1,074	917	1,074	917
Other		3,613	3,157	3,613	3,157
		<b>108,520</b>	<b>96,902</b>	<b>108,909</b>	<b>96,915</b>
<b>40. Consultancy and Contract Revenue</b>					
Consultancy		14,621	14,299	7,202	6,652
Contract research		40,157	33,425	23,970	20,757
		<b>54,778</b>	<b>47,724</b>	<b>31,172</b>	<b>27,409</b>



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