



University of
South Australia

Annual Financial Statements





University of South Australia

Report by the members of the University Council

Members of the University Council present their report on the Consolidated Entity consisting of University of South Australia (the University) and the entities it controlled at the end of, or during, the year ended 31 December 2015.

2015 Council members

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

Dr Ian Gould AM, Chancellor (term completed 1 January 2016)

Professor David Lloyd, Vice Chancellor and President

Dr Wendy Craik AM, Deputy Chancellor

Mr Terry Evans, Pro Chancellor (term completed 31 December 2015, re-appointed as Pro Chancellor until 31 December 2017, and re-appointed as Council member until 31 December 2017)

Professor Pat Buckley (term completed 31 December 2015, re-appointed to 31 December 2017)

Ms Pauline Carr (term completed 31 December 2015, re-appointed to 31 December 2019)

Mr Eric Granger (term completed 20 February 2015, re-appointed to 20 February 2019)

Mr Jim Hazel (term commenced 1 January 2015)

Hon John Hill (term commenced 21 July 2015)

Mr Jay Joseph (term completed 31 December 2015)

Ms Lia Lawrie (term completed 31 December 2015)

Ms Paula Nagel AM (term completed 31 December 2015, re-appointed to 31 December 2017)

Ms Corinne Namblard (resigned effective 18 June 2015)

Professor Leanna Read

Professor Rick Sarre (term completed 31 December 2014, re-appointed 1 January 2015 to 31 December 2016)

Ms Miriam Silva (term completed 20 February 2015, re-appointed to 20 February 2019)

Ms Carol Sutherland (term completed 31 December 2015)

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

Changes in Council membership since 31 December 2015

Mr Jim McDowell, Chancellor (appointed as Chancellor from 1 January 2016)

Ms Jade O'Donohue (term commenced 1 January 2016)

Mr Carey Moore (term commenced 1 January 2016)

Mr Nick (Ka Leung) Li (term commenced 1 January 2016)

Meetings of members of the University Council

The numbers of meetings of the members of the University Council and of each Council committee held during the year ended 31 December 2015, and the numbers of meetings attended by each member were:

Member of Council	Meetings of Council Committees																				
	Council Meetings		Academic Board		Audit & Risk Management		Finance		Immediate Business		Senior Promotions		Senior Remuneration		Foundation		Governance Legislation		Honorary Awards		
	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	
Dr Ian Gould AM	7	7							4	4			4	4			4	4	4	3	3
Professor David Lloyd	7	7	6	8			5	5	4	4	3	3	4	4			4	4	4	3	3
Dr Wendy Craik AM	7	7							4	4										3	3
Mr Terry Evans	5	7			5	5							4	4			4	4			
Professor Pat Buckley	7	7							4	4							3	4	3	3	3
Ms Pauline Carr	7	7			5	5	5	5					4	4							
Mr Eric Granger	7	7													3	3					
Mr Jim Hazel	6	7					5	5													
Hon John Hill	3	3															1	1			
Mr Jay Joseph	4	7																			
Ms Lia Lawrie	7	7	7	8													3	4			
Ms Paula Nagel AM	6	7			4	5															
Ms Corinne Nambiar	2	4					2	2													
Professor Leanna Read	6	7																		2	3
Professor Rick Sarre	5	6	4	8																2	3
Ms Miriam Silva	5	7					1	3							2	3					
Ms Carol Sutherland	7	7							4	4							3	4			

A = Number of meetings attended.

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

Principal activities

The principal continuing activities of the Consolidated Entity are:

- To preserve, extend and disseminate knowledge through teaching, research, scholarship, consultancy or any other means;
- To provide tertiary education in such disciplines and areas of study as the University thinks appropriate to meet the needs of industry, commerce, the professions or any other section of the community;
- To provide such tertiary education programs as the University thinks appropriate to meet the needs of Indigenous people;
- To provide such tertiary education programs as the University thinks appropriate to meet the needs of groups within the community that the University considers have suffered disadvantages in education;
- To provide educational programs for the benefit of the wider community or programs for the enhancement of the diverse cultural life of the community, as the University thinks fit; and
- To foster and further an active corporate life within the University.

There were no significant changes in the nature of the activities of the Consolidated Entity during the 2015 year.

Review of operations

The 2015 consolidated surplus was \$55.9 million (2014: \$29.7 million) assisted by \$10.6 million of capital grants. The surplus resulted in a safety margin (operating result as a percentage of total income) of 9.2% (2014: 5.1%). Income increased by 4.0% to \$607.6 million while expenses decreased by 0.7% to \$551.7 million.

The University's consolidated financial position remained sound during the 2015 year with net assets of \$1,071.0 million (2014: \$1,009.2 million). Cash balances increased to \$343.0 million at year end (2014: \$316.9 million).

Consolidated cash flows from operating activities in 2015 were \$64.6 million (2014: \$48.2 million).

Changes in the state of affairs

In the opinion of the members of the University Council there were no significant changes in the state of affairs of the Consolidated Entity that occurred during the 2015 year not otherwise disclosed in this report or elsewhere in the Annual Review.

Subsequent events

There has not arisen in the interval between the end of the 2015 year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the members of the University Council, to affect significantly the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity, in future financial years.

Likely developments and expected results of operations

The Consolidated Entity will continue to pursue its principal activities while maintaining its financial sustainability.

Environmental regulation

The Consolidated Entity's operations are subject to various environmental regulations under both Commonwealth and State legislation. The significant environmental regulations applying to the Consolidated Entity are Dangerous Substance Act (1979), Radiation Protection and Control Act (1982) and the Environmental Protection Act (1993).

Members of the University Council are not aware of any significant breaches during the period covered by this report.

Insurance of officers

The University has paid insurance premiums in respect to Directors and Officers liability, Directors and Officers supplementary legal expenses and statutory liability, for current and former members of University Council and officers.

Directors and Officers liability insurance does not cover acts that are fraudulent, dishonest or criminal. Statutory liability insurance does not cover breaches that are wilful, intentional or deliberate.

Legal proceedings on behalf of the Consolidated Entity

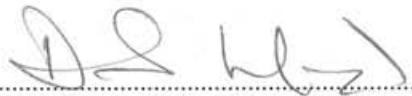
There are no legal proceedings on behalf of the Consolidated Entity that have arisen during the 2015 year or subsequent to year end that affect significantly the operations of the Consolidated Entity.

This report is made in accordance with a resolution of the members of the University Council in Mount Gambier, South Australia on 20 April 2016.



.....
Jim McDowell
Chancellor

20 April 2016



.....
Professor David G. Lloyd
Vice Chancellor and President

20 April 2016



STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 December 2015

	Notes	Consolidated		University	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Revenue from continuing operations					
Australian Government financial assistance					
Australian Government grants	3	260,362	258,406	260,362	258,406
HECS-HELP - Australian Government Payments	3	115,199	109,624	115,199	109,624
FEE-HELP	3	8,708	7,607	8,708	7,607
SA-HELP	3	2,882	2,733	2,882	2,733
State and local Government financial assistance	4	13,753	10,576	13,577	10,481
HECS-HELP - Student Payments		11,650	12,681	11,650	12,681
Fees and charges	5	120,083	116,260	120,083	116,260
Investment revenue	6	13,466	13,905	13,661	13,833
Royalties		208	347	146	102
Consultancy and contract research	7	35,126	38,266	35,392	38,065
Other income	8	14,815	12,518	14,748	12,904
Gains/(Losses) on disposal of assets	9	11,312	1,234	11,312	1,020
Total income from continuing operations		607,564	584,157	607,720	583,716
Expenses from continuing operations					
Employee related expenses	10	349,509	349,978	347,884	348,593
Depreciation and amortisation	11	32,410	32,146	32,404	32,132
Repairs and maintenance	12	17,119	19,670	17,118	19,667
Other expenses	13	152,344	153,454	153,931	155,047
Bad and doubtful debts	14	346	429	346	429
Total expenses from continuing operations		551,728	555,677	551,683	555,868
Operating result before income tax		55,836	28,480	56,037	27,848
Income tax (income)/expense		(16)	(1,175)	12	(1,243)
Operating result attributable to members of University of South Australia	26(b)	55,852	29,655	56,025	29,091
Items that may be reclassified to profit or loss:					
Available-for-sale financial assets valuation gains taken to equity	26(a)	9,208	214	9,208	214
Available-for-sale financial assets transfer to profit or loss	26(a)	(60)	(1,888)	(60)	(1,888)
Total		9,148	(1,674)	9,148	(1,674)
Items that will not be reclassified to profit or loss:					
Loss on revaluation of land and buildings	26(a)	(3,188)	-	(3,188)	-
Total		(3,188)	-	(3,188)	-
Total comprehensive income attributable to the members of the University of South Australia		61,812	27,981	61,985	27,417

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

**STATEMENT OF FINANCIAL POSITION**

AS AT 31 December 2015

	Notes	Consolidated		University	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Current assets					
Cash and cash equivalents	15	343,029	316,932	341,600	314,628
Receivables	16	22,216	25,980	22,358	26,018
Deferred Government superannuation contribution	31	30,300	30,100	30,300	30,100
Other non-financial assets	19	22,477	18,877	22,451	18,829
Total current assets		418,022	391,889	416,709	389,575
Non-current assets					
Other financial assets	18	24,580	8,170	26,337	10,209
Property, plant and equipment	20	808,479	803,625	808,473	803,610
Deferred tax assets		298	270	-	-
Intangible assets	21	3,727	3,145	3,727	3,145
Deferred Government superannuation contribution	31	418,306	441,588	418,306	441,588
Total non-current assets		1,255,390	1,256,798	1,256,843	1,258,552
Total assets		1,673,412	1,648,687	1,673,552	1,648,127
Current liabilities					
Trade and other payables	22	36,549	36,895	36,767	37,063
Provisions	24	56,291	50,415	56,155	50,290
Current tax liabilities		31	36	31	21
Other liabilities	25	48,653	65,030	49,146	65,050
Defined benefit obligation	31	30,300	30,100	30,300	30,100
Total current liabilities		171,824	182,476	172,399	182,524
Non-current liabilities					
Trade and other payables	22	1,191	1,322	1,191	1,322
Provisions	24	11,127	14,149	11,127	14,149
Defined benefit obligation	31	418,306	441,588	418,306	441,588
Total non-current liabilities		430,624	457,059	430,624	457,059
Total liabilities		602,448	639,535	603,023	639,583
Net assets		1,070,964	1,009,152	1,070,529	1,008,544
Equity					
Reserves	26(a)	190,003	178,772	190,003	178,772
Retained earnings	26(b)	880,961	830,380	880,526	829,772
Total equity		1,070,964	1,009,152	1,070,529	1,008,544

The above Statement of Financial Position should be read in conjunction with the accompanying notes.



STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 December 2015

	Consolidated		University	
	Reserves	Retained earnings	Reserves	Retained earnings
	\$'000	\$'000	\$'000	\$'000
Balance as at 1 January 2014	180,446	800,725	180,446	800,681
Profit or loss	-	29,655	-	29,091
Available-for-sale financial assets valuation gains taken to equity	214	-	214	-
Available-for-sale financial assets valuation gains taken to profit or loss	(1,888)	-	(1,888)	-
Total comprehensive income	(1,674)	29,655	(1,674)	29,091
Balance as at 31 December 2014	178,772	830,380	178,772	829,772
		1,009,152		1,008,544
				27,417

	Consolidated		University	
	Reserves	Retained earnings	Reserves	Retained earnings
	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2015	178,772	830,380	178,772	829,772
Profit or loss	-	55,852	-	56,025
Available-for-sale financial assets valuation gains taken to equity	9,208	-	9,208	-
Available-for-sale financial assets valuation gains taken to profit or loss	(60)	-	(60)	-
Loss on revaluation of land and buildings	(3,188)	-	(3,188)	-
Total comprehensive income	5,960	55,852	5,960	56,025
Transfers (from) / to Reserves	5,271	(5,271)	5,271	(5,271)
Balance as at 31 December 2015	190,003	880,961	190,003	880,526
		1,070,964		1,070,529

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



STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 December 2015

	Notes	Consolidated		University	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Cash flows from operating activities:					
Inflows:					
Australian Government grants received	3(h)	383,469	375,543	383,469	375,543
OS-HELP (net)	3(h)	(715)	1,248	(715)	1,248
Superannuation Supplementation	3(h)	29,303	28,827	29,303	28,827
State and Local Government grants		13,856	9,696	13,680	9,601
HECS-HELP - Student payments		11,650	12,681	11,650	12,681
Receipts from student fees and other customers		129,880	124,322	129,308	124,177
Dividends received		2,168	1,730	2,389	1,730
Interest received		12,340	10,350	12,314	10,279
Royalties		208	347	146	102
Consultancy and contract research		33,727	35,074	34,145	34,764
Other receipts		16,881	12,652	16,821	13,042
GST recovered		8,712	9,212	8,870	9,401
Outflows:					
Payments to suppliers and employees (GST incl)		(576,853)	(573,466)	(576,089)	(573,561)
Net cash provided by / (used in) operating activities		64,626	48,216	65,291	47,834
Cash flows from investing activities:					
Inflows:					
Proceeds from sale of property, plant and equipment		30,186	92	30,186	92
Proceeds from sale of investments		2,240	2,963	2,240	2,963
Outflows:					
Payments for property, plant and equipment		(61,595)	(42,203)	(61,594)	(42,193)
Payments for investments		(9,360)	(2,219)	(9,151)	(1,744)
Net cash provided by / (used in) investing activities		(38,529)	(41,367)	(38,319)	(40,882)
Net increase / (decrease) in cash and cash equivalents		26,097	6,849	26,972	6,952
Cash and cash equivalents at the beginning of the financial year		316,932	310,083	314,628	307,676
Cash and cash equivalents at the end of the financial year	15	343,029	316,932	341,600	314,628

Non-cash investing and financing activities - refer to note 37.

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.



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1. Summary of significant accounting policies

General information

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years reported unless otherwise stated. The financial statements include separate statements for the University of South Australia (the University) and the University and its subsidiaries (Consolidated Entity).

(a) Basis of preparation

The annual financial statements represent the audited general purpose financial statements which have been prepared on an accrual basis in accordance with Australian Accounting Standards, AASB Interpretations, requirements of the Department of Education and Training (EDUCATION) and other State / Australian Government legislative requirements.

The University applies Tier 1 reporting requirements. Except where in conflict with the EDUCATION requirements, the financial statements are prepared in accordance with the South Australian Treasurer's Instructions and Accounting Policy Statements issued under the provisions of the Public Finance and Audit Act 1987.

In our opinion, the financial statements and notes of the Consolidated Entity comply with Australian Standards, some of which contain requirements specific to not-for-profit entities that are inconsistent with International Financial Reporting Standards.

Unless otherwise indicated, all amounts are rounded to the nearest thousand dollars and presented in Australian dollars.

Historical cost convention

The financial statements have been prepared on an accrual basis and under the historical cost convention, except for certain assets and liabilities that were valued in accordance with the applicable valuation policy.

Critical accounting estimates

Compliance with Australian Accounting Standards requires certain critical accounting estimates and assumptions to be applied in preparing the financial statements. Further, it requires management to exercise judgement in applying the University's accounting policies. Management's judgement is based on estimates and associated assumptions which are supported by historical experience and other reasonable factors.

The areas involving a high degree of judgement where assumptions and estimates are significant to the financial statements are other financial assets, superannuation receivable and associated defined benefit obligation, long service leave provision, and valuation and depreciation of property, plant and equipment. Further details are disclosed in the relevant notes to the financial statements.

Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed regularly. Revisions to accounting estimates are recognised in the period which it effects. If the revision affects both current and future periods, the revision is recognised in the period of the revision and future periods.

(b) Principles of consolidation

(i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the University as at 31 December 2015 and the results of all subsidiaries for the year then ended. The University and its subsidiaries together are referred to in this financial report as the Group or the Consolidated Entity.



1. Summary of significant accounting policies (continued)

(b) Principles of consolidation (continued)

Subsidiaries are all those entities over which the Group has control. The Group has control over an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Power over the investee exists when the Group has existing rights that give it current ability to direct the relevant activities of the investee. Returns are not necessarily monetary and can be only positive, only negative, or both positive and negative.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Details of subsidiaries are set out in Note 32.

(ii) Associates

Associates are all entities over which the Group has significant influence but not control. Investments in associates are accounted for in the parent entity financial statements using the cost method and in the consolidated financial statements using the equity method of accounting, after initially being recognised at cost.

The Group has no material investments in associates and therefore they are not incorporated in the financial statements (refer to Note 33).

(iii) Joint arrangements

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

Joint operations

If material, the share of assets, liabilities and expenses of a joint operation are incorporated in the financial statements under the appropriate headings. Details of joint operations are set out in Note 34(a). The University's interests in these joint operations are not considered to be material to the University's core activities and therefore are not incorporated in the financial statements.

Joint ventures

If material, interests in a joint venture are accounted for in the consolidated financial statements using the equity method, after initially being recognised at cost by the University. Under the equity method the Group's share of the profits or losses of the entity are recognised in the Statement of Comprehensive Income, and the share of movements in reserves in the Statement of Comprehensive Income and the Statement of Changes in Equity.

Details of joint ventures are set out in Note 34(b). The University's interests in these joint ventures are not considered to be material to the University's core activities and therefore are not incorporated in the financial statements.



1. Summary of significant accounting policies (continued)

(c) Foreign currency translation

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

(d) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances rebates and amounts collected on behalf of third parties.

Revenue is recognised for the major business activities as follows:

(i) Financial assistance

EDUCATION financial assistance (including Commonwealth Grant Scheme, Higher Education Loan Programs, Scholarships and EDUCATION Research)

The University recognises EDUCATION financial assistance as revenue in the year in which it had been designated for the funding of teaching and research.

Other financial assistance (including ARC, NHMRC, Australian Government and State Government)

Grants received which have specified conditions which give the grantor the right to recall funds not spent in accordance with the specific agreement imposes on the University a performance obligation. That is, the University is required to consume the future economic benefits of the grant as specified, or return the grant to the grantor. Therefore these grants are deferred until this performance obligation has been extinguished and the grant funds have been expended in accordance with their respective agreement or the grantor has exercised the right for funds to be repaid or transferred.

Other grants which do not contain specified conditions are recognised on receipt.

(ii) Fees and charges

Fees and charges comprise revenue earned from the provision of programs and other services. Fees and charges are recognised in the period in which the programs or services are provided.

(iii) Investment income

Interest income is recognised as it accrues. Dividend income is recognised only when it is declared, determined or recommended by external entities before the 31 December reporting date.

(iv) Consultancy and contract research

Revenue from consultancy and contract research is recognised in the period in which the services are provided.

(v) Other revenue

Other revenue is recognised when the University obtains control or the right to receive the monies and the recognition criteria is met.



1. Summary of significant accounting policies (continued)

(e) Impairment of assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

(f) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(g) Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are due for settlement no more than 14 days from the date that invoice was issued for domestic Australian debtors, and no more than 30 days for other debtors.

Student fees receivables are recognised initially at fair value as at census date and are collectible at that point. Periodically these receivables are adjusted for any provision for impairment.

Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful debts is established when there is objective evidence that the University will not be able to collect all amounts due according to the original terms of receivables. The movement in the provision is recognised in the Statement of Comprehensive Income in the period in which receivables are adjusted to an estimated recoverable amount (at least annually).

(h) Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Purchases and sales of investments are recognised on trade-date (the date on which the University commits to purchase or sell the asset). Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the University has transferred substantially all the risks and rewards of ownership.

Available-for-sale financial assets are carried at fair value. Unrealised gains and losses arising from changes in the fair value of non-monetary securities classified as available-for-sale are recognised in equity in the available-for-sale investments revaluation surplus. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the Statement of Comprehensive Income as gains and losses from investment securities.

If the market for a financial asset is not active (e.g. unlisted securities), the University attempts to establish fair value by using other valuation techniques. If no relevant or reliable fair value can be determined then the valuation basis reverts to original cost adjusted for impairment.



1. Summary of significant accounting policies (continued)

(h) Available-for-sale financial assets (continued)

The University assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss is removed from equity and recognised in the Statement of Comprehensive Income.

The University has investments in shares, fixed interest, property trusts and managed funds, which are classified as available-for-sale financial assets and measured at fair value.

(i) Property, plant and equipment

Property, plant and equipment original cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the University and the cost of the item can be measured reliably. Repairs and maintenance are charged to the Statement of Comprehensive Income during the financial period in which they are incurred (refer Note 12).

Revaluation increments are credited directly to the asset revaluation surplus except to the extent that the net increment reverses a net revaluation decrement previously recognised as an expense, in which case the revaluation increment is charged to the Statement of Comprehensive Income.

Revaluation decrements are debited directly to the asset revaluation surplus to the extent that a credit balance exists for that asset class. Any remainder of the net revaluation decrement is charged to the Statement of Comprehensive Income.

Revaluation increments and decrements are offset against one another within asset classes, but not otherwise.

Items of property, plant and equipment have been recognised in the financial statements as identified below. Expenditure on a single item of less than \$10,000 is generally not capitalised.

(i) Land

Land occupied by the University is either owned by the University or by the State Government. All land is recognised on the basis that the University effectively controls the land occupied and is shown at fair value based on periodic, but at least triennial, valuations by external independent valuers.

The last valuation was as at 31 December 2013 and was performed by R. Wood B AppSc PRM(VAL) AAPI from Opteon Pty Ltd (formerly Southwick Goodyear Pty Ltd). Land fair value estimates were based on the highest and best use of the land, being the existing use as University campuses and valued separately from any structures or improvements residing on it, but having regard to any restrictions of its use. Detail of restrictions on assets is provided in Note 1(l).



1. Summary of significant accounting policies (continued)

(i) Property, plant and equipment (continued)

(ii) Buildings

Buildings, other than buildings under construction, have been recognised on a fair value basis which management have concluded is approximated by written down current cost. These fair value estimates are based on periodic, but at least triennial, valuations by external independent valuers.

As at 31 December 2013, the entire buildings portfolio was re-valued independently by R. Wood B AppSc PRM(VAL) AAPI from Opteon Pty Ltd (formerly Southwick Goodyear Pty Ltd). Buildings fair value estimates were based on the highest and best use, being the existing use as University campuses. The valuation approach adopted has been to assess the 'written down current cost' for the Buildings. 'New replacement' costs on the basis of a modern equivalent were assessed and then generally depreciated using the 'straight line' method, having regard to the estimated useful and remaining life for each structure.

Buildings under construction and buildings commissioned or purchased after the valuation are measured at cost.

(iii) Library collection

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

(iv) Plant and equipment

Plant and equipment includes computer hardware and software, general equipment and vehicles. Plant and equipment is depreciated in accordance with Note 1(k). The carrying value, cost less accumulated depreciation, is deemed to be approximate fair value.

(v) Art collection

As at 31 December 2013, the University internally valued its art collection at fair value with the offsetting adjustments to the art collection revaluation surplus. The 2013 valuation resulted in an increase to the fair value of the art collection of \$0.665 million. The art collection will be internally re-valued by the Director: Samstag Museum of Art every three years giving consideration to current sales and auctions of works by the same artist and /or similar genre.

(vi) Leased assets

Leases of property, plant and equipment where the University has substantially all the risks and rewards of ownership are classified as finance leases. As at 31 December 2015 there are no finance leases.

Leases in which a significant portion of the risk and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis, over the period of the lease. Refer to Note 30(b) for details on operating leases.



1. Summary of significant accounting policies (continued)

(j) Fair value measurement

The fair value of assets and liabilities must be measured for recognition and disclosure purposes.

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The fair value of assets or liabilities traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices for identical assets or liabilities at the end of the reporting period (Level 1). The quoted market price used for assets held by the Group is the most representative of fair value in the circumstances within the bid-ask spread.

The fair value of assets or liabilities that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments (Level 2) are used for long-term debt instruments held. Other techniques that are not based on observable market data (Level 3) such as estimated discounted cash flows, are used to determine fair value for the remaining assets and liabilities. The level in the fair value hierarchy is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

Fair value measurement of non-financial assets is based on the *highest and best use* of the asset. The Group considers market participants use of, or purchase price of the asset, to use it in a manner that would be highest and best use.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.



1. Summary of significant accounting policies (continued)

(k) Depreciation

Depreciation is provided for all property, plant and equipment other than land, art collection and buildings under construction. The Consolidated Entity does not depreciate the art collection because it believes that the service potential of the art collection has not, in any material sense, been consumed during the reporting period. Depreciation is calculated on a straight line basis to allocate the written down current cost of an asset over its estimated remaining useful life.

Assets class	Useful Life
Property:	
Buildings	50 - 150 years
Leasehold improvements	Lease term
Library collection:	
Books	10 years
Journals	15 years
Electronic materials	10 years
Plant and equipment:	
IT infrastructure	5 years
IT systems	6 - 7 years
IT other	3 years
Motor vehicles	5 years
Other	10 years
Leased plant and equipment:	
IT infrastructure	5 years
IT other	3 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

(l) Restrictions on assets

Land includes \$44.910 million (2014: \$49.659 million) of Crown Lands and \$14.900 million (2014: \$14.900 million) of land dedicated for educational use.

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

(m) Intangible assets and amortisation

Expenditure on research activities, undertaken with the prospect of obtaining new scientific or technical knowledge and understanding, is recognised in the Statement of Comprehensive Income as an expense when it is incurred.

With respect to internally generated intangible assets, expenditure on development activities is capitalised if the product or service is technically and commercially feasible and adequate resources are available to complete development. The expenditure capitalised comprises all directly attributable costs, including costs of materials, services, direct labour and an appropriate proportion of overheads. Other development expenditure is recognised in the Statement of Comprehensive Income as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation. Amortisation is calculated using the straight line method to allocate the cost over the period of the expected benefit, which is currently between 6 and 7 years.

Intangibles in progress represent capitalised expenditure where the project was incomplete at balance date. The expenditure is capitalised upon the completion of the project.



1. Summary of significant accounting policies (continued)

(n) Unfunded superannuation

An arrangement exists between the Australian Government and the South Australian State Government to share the unfunded liability of the University's beneficiaries of the South Australian State Superannuation Scheme on an emerging cost basis. This arrangement is evidenced by *Higher Education Funding Act 1988* and subsequent amending legislation. Accordingly, the unfunded liabilities have been recognised in the Statement of Financial Position as a liability with a corresponding asset. The recognition of both the asset and the liability consequently does not affect the year end net asset position of the University or the Group (refer to Note 31)

The recognition of the expense in the face statements is offset by the revenue received from the Australian Government. The Superannuation Supplementation Program funding is not recognised as revenue in the Statement of Comprehensive Income since it is in respect of an existing liability. Rather a net amount is shown as an "ordinary" expense within employee related expenses. As the University has a defined benefit plan which is fully covered by the Superannuation Supplementation program it has reported a nil expense in the Statement of Comprehensive Income.

(o) Trade and other payables

These amounts represent liabilities for goods and services provided to the University prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(p) Employee benefits provisions

Employee benefits expected to be settled within twelve months have been recognised at their nominal amount. These liabilities are measured at the amounts expected to be paid when the liability is settled. Employee entitlements expected to be settled later than twelve months have been measured at the present value of the estimated applicable future cash flows.

(i) Short-term obligations

Liabilities for short-term employee benefits including wages and salaries and non-monetary benefits are measured at the amount expected to be paid when the liability is settled, if it is expected to be settled wholly before twelve months after the end of the reporting period, and is recognised in provision for employee benefits. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees is estimated to be less than the annual entitlement of sick leave.

(ii) Other long-term obligations

Liabilities for other long-term employee benefits are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

Regardless of the expected timing of settlements, provisions made in respect of employee benefits are classified as a current liability, unless there is an unconditional right to defer the settlements of the liability for at least twelve months after the reporting date, in which case it would be classified as a non-current liability. Provisions made for annual leave and unconditional long service leave would be classified as a current liability where the employee has a present entitlement to the benefit. A non-current liability would include long service leave entitlements accrued for employees with less than 7 years of continuous service.

The long service leave and annual leave liability is independently actuarially estimated each year in accordance with AASB 119 Employee Benefits. The last update was performed at 31 December 2015 by Bruce Watson FIA, FIAA of Brett & Watson Pty Ltd.



1. Summary of significant accounting policies (continued)

(p) Employee benefits provisions (continued)

(iii) Superannuation

Superannuation schemes exist to provide benefits to University employees and their dependants upon resignation, retirement, disability or death. The University recognises an expense in the Statement of Comprehensive Income for contributions paid to the funded schemes and on an emerging cost basis for the unfunded schemes. Note 31 provides details of the individual schemes.

(q) Workers' compensation

The University is responsible for payments of workers' compensation.

The provision for workers' compensation is independently actuarially estimated each year. The last update was performed at 31 December 2015 by Laurie Brett FIA, FIAA of Brett & Watson Pty Ltd using Case Estimation Methodology. Under this methodology, consideration is given to individual case estimates of all open claims plus an allowance for incurred but not reported claims, re-opening of claims regarded as closed and unforeseen escalation of case estimates as more information becomes available.

(r) Funds held on behalf of external entities

The University holds funds on behalf of a number of external entities which are managed by the University. As at balance date, the funds held are included in cash and cash equivalents and a corresponding liability is included in other liabilities (refer Note 25).

(s) Goods and Services Tax (GST)

Revenues and expenses are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included in receivables or payables in the Statement of Financial Position.

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

(t) Income tax

The University is exempt from income tax pursuant to Division 50 of the Income Tax Assessment Act 1997. The University subsidiaries are not exempt from income tax. Income tax expense or benefit for the period is calculated as the tax payable on the current period's taxable income based on the income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses. Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities extinguished. In relation to foreign operations, the University is subject to tax under the Tax Acts applicable in some foreign countries. Tax in respect of these operations has been brought to account in the year it is incurred.



1. Summary of significant accounting policies (continued)

(u) Interests in Co-operative Research Centres

The University has an interest in eight Co-operative Research Centres. During 2015 the University provided funding to Co-operative Research Centres through cash contributions and research resources (in-kind) support.

The Co-operative Research Centres are:

- Automotive Australia 2020 CRC
- Co-operative Research Centre for Cell Therapy Manufacturing
- Co-operative Research Centre for Contamination Assessment and Remediation of the Environment II
- Co-operative Research Centre for Low Carbon Living
- Co-operative Research Centre for Remote Economic Participation
- Data to Decisions Co-operative Research Centre
- Wound Management Innovation Co-operative Research Centre
- Young and Well Co-operative Research Centre

(v) Changes in accounting policies

Australian accounting standards and interpretations that have recently been issued or amended but are not yet effective, have not been adopted by the University for the reporting period ending 31 December 2015 except for AASB 2015-7 *Amendments to Australian Accounting Standards - Fair Value Disclosures of Not-for-Profit Public Sector Entities* which the University has early adopted. The University has assessed the impact of the new and amended standards and interpretations and considers the impact to be immaterial.

(w) Comparative Amounts

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

(x) Rounding of amounts

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

2. Disaggregated information (Consolidated)

Geographical

	Revenue		Results		Total Assets	
	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Australia	605,433	580,057	55,756	29,470	1,673,369	1,648,612
Asia	2,131	4,100	96	185	43	75
Total	607,564	584,157	55,852	29,655	1,673,412	1,648,687

The University operates in the field of higher education principally in Australia and provides teaching and research services. The results of the geographical segments, other than Australia, are based upon consideration of the variable costs associated with those operations.



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

(a) Commonwealth Grants Scheme and Other Grants

	Note	Consolidated		University	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Commonwealth Grants Scheme		175,210	168,174	175,210	168,174
Indigenous Support Program		1,064	1,113	1,064	1,113
Partnership and Participation Program		7,186	5,924	7,186	5,924
Disability Support Program		107	84	107	84
Diversity and Structural Adjustment Fund		1,814	1,296	1,814	1,296
Promotion of Excellence in Learning and Teaching		417	347	417	347
Australian Maths & Science Partnership Program		253	-	253	-
Total Commonwealth Grants Scheme and Other Grants	40(a)	186,051	176,938	186,051	176,938

(b) Higher Education Loan Programs

	Note				
HECS-HELP - Australian Government Payments		115,199	109,624	115,199	109,624
FEE-HELP		8,708	7,607	8,708	7,607
SA-HELP		2,882	2,733	2,882	2,733
Total Higher Education Loan Programs	40(b)	126,789	119,964	126,789	119,964

(c) Scholarships

	Note				
Australian Postgraduate Awards		5,932	5,771	5,932	5,771
International Postgraduate Research Scholarships		472	470	472	470
Commonwealth Education Costs Scholarship		45	(7)	45	(7)
Commonwealth Accommodation Scholarships		25	35	25	35
Indigenous Access scholarships		29	28	29	28
Total Scholarships	40(c)	6,503	6,297	6,503	6,297



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

(d) Education Research

	Note	Consolidated		University	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Joint Research Engagement Program		7,855	7,491	7,855	7,491
JRE Engineering Cadetships		121	90	121	90
Research Training Scheme		13,374	13,294	13,374	13,294
Research Infrastructure Block Grants		2,919	2,869	2,919	2,869
Sustainable Research Excellence in Universities		2,214	2,023	2,214	2,023
Total Education Research	40(d)	26,483	25,767	26,483	25,767

(e) Other Capital Funding

	Note	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Education Investment Fund		4,750	10,170	4,750	10,170
Total Other Capital Funding	40(e)	4,750	10,170	4,750	10,170

(f) Australian Research Council

	Note	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
(i) Discovery					
Projects		1,611	2,630	1,611	2,630
Fellowships		1,702	2,482	1,702	2,482
Indigenous Researchers Development		358	152	358	152
Total Discovery	40(f)(i)	3,671	5,264	3,671	5,264
(ii) Linkages					
Infrastructure		182	1,244	182	1,244
Projects		1,943	2,189	1,943	2,189
Industrial Transformational Research Program		179	11	179	11
Total Linkages	40(f)(ii)	2,304	3,444	2,304	3,444
(iii) Networks and Centres					
Centres	40(f)(iii)	417	197	417	197
Total Networks and Centres		417	197	417	197
Special Research Initiatives	40(f)(iii)	-	13	-	13
Total ARC		6,392	8,918	6,392	8,918



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

(g) Other Australian Government financial assistance

	Consolidated		University	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Non-capital				
Indigenous Tutorial Assistance Scheme	351	479	351	479
Other Commonwealth grants	6,695	4,773	6,695	4,773
Other Australian Government research grants	23,137	24,514	23,137	24,514
Total Non-capital	30,183	29,766	30,183	29,766
Capital				
Other Commonwealth grants	-	550	-	550
Total Capital	-	550	-	550
Total Other Australian Government financial assistance	30,183	30,316	30,183	30,316
Total Australian Government financial assistance	387,151	378,370	387,151	378,370
Reconciliation				
Australian Government grants	260,362	258,406	260,362	258,406
HECS-HELP payments	115,199	109,624	115,199	109,624
FEE-HELP	8,708	7,607	8,708	7,607
SA-HELP	2,882	2,733	2,882	2,733
Total Australian Government financial assistance	387,151	378,370	387,151	378,370



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

(h) Australian Government Grants received - cash basis

	Consolidated		University	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
CGS and Other EDUCATION Grants	183,577	175,793	183,577	175,793
Higher Education Loan Programs	126,121	118,296	126,121	118,296
Scholarships	6,449	6,351	6,449	6,351
EDUCATION Research	26,484	25,767	26,484	25,767
Other Capital Funding	10,000	4,920	10,000	4,920
ARC grants - Discovery	3,272	5,533	3,272	5,533
ARC grants - Linkages	2,608	3,444	2,608	3,444
Other Australian Government Grants	24,958	35,439	24,958	35,439
Total Australian Government Grants received - cash basis	383,469	375,543	383,469	375,543
OS-HELP (Net)	(715)	1,248	(715)	1,248
Superannuation Supplementation	29,303	28,827	29,303	28,827
Total Australian Government funding received - cash basis	412,057	405,618	412,057	405,618

4. State and Local Government financial assistance

	Consolidated		University	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Non-capital				
Research grants	7,593	9,272	7,799	9,305
Other	550	515	168	387
Total	8,143	9,787	7,967	9,692
Capital				
Other	5,610	789	5,610	789
Total	5,610	789	5,610	789
Total State and Local Government financial assistance	13,753	10,576	13,577	10,481



5. Fees and charges

	Consolidated		University	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Course Fees and Charges				
Fee-paying onshore overseas students	91,226	87,048	91,226	87,048
Fee-paying offshore overseas students	2,171	4,002	2,171	4,002
Continuing education	903	531	903	531
Fee-paying domestic postgraduate students	3,653	4,370	3,653	4,370
Total Course Fees and Charges	97,953	95,951	97,953	95,951
Other Fees and Charges				
Miscellaneous Enrolment Fees	9,120	7,816	9,120	7,816
Other fees and charges	9,454	9,745	9,454	9,745
Seminar / Workshop Fees	1,671	1,216	1,671	1,216
Student Services Fees from students	1,885	1,532	1,885	1,532
Total Other Fees and Charges	22,130	20,309	22,130	20,309
Total Fees and Charges	120,083	116,260	120,083	116,260

6. Investment revenue

	Consolidated		University	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Dividends and distributions	2,290	1,807	2,510	1,807
Interest	11,176	12,098	11,151	12,026
Total investment revenue	13,466	13,905	13,661	13,833

7. Consultancy and contract research

	Consolidated		University	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Consultancy	3,399	5,231	3,393	4,413
Contracts	31,727	33,035	31,999	33,652
Total consultancy and contract research	35,126	38,266	35,392	38,065

**8. Other revenue**

	Consolidated		University	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Donations and bequests	1,990	1,220	1,990	1,220
Scholarships and prizes	1,636	1,575	1,636	1,575
Other fees and charges	6,199	6,263	6,111	6,634
Other*	4,990	3,460	5,011	3,475
Total other revenue	14,815	12,518	14,748	12,904

* Net foreign exchange gains included in other revenue for 2015 were \$0.816 million University (\$0.812 million Consolidated) (2014: Net foreign exchange gains included in other revenue \$0.497 million University and \$0.490 million Consolidated).

9. Gains/(Losses) on disposal of assets

	Consolidated		University	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
(a) Disposal of property, plant and equipment				
Proceeds from sale	30,186	92	30,186	92
Carrying amount of assets sold	(19,355)	(934)	(19,355)	(934)
Net Gain/(Loss) on disposal of property, plant and equipment	10,831	(842)	10,831	(842)
(b) Sale of shares				
Available-for-sale investments	481	2,076	481	1,862
Total of Net Gain/(Loss) on disposal of assets	11,312	1,234	11,312	1,020



10. Employee related expenses

(a) Employee related expenses

	Consolidated		University	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Academic				
Salaries	146,871	145,753	146,837	145,794
Contributions to superannuation and pension schemes:				
Emerging cost	349	458	349	458
Funded	21,482	22,007	21,482	22,007
Payroll tax	8,778	9,119	8,778	9,119
Workers' compensation	65	108	65	108
Long service leave	3,374	5,728	3,374	5,728
Annual leave	10,250	9,323	10,250	9,323
Total academic	191,169	192,496	191,135	192,537
Non-academic				
Salaries	118,225	116,492	116,848	115,250
Contributions to superannuation and pension schemes:				
Emerging cost	184	199	61	84
Funded	18,437	18,675	18,437	18,675
Payroll tax	7,542	7,216	7,462	7,142
Workers' compensation	564	88	565	88
Long service leave	3,984	5,865	3,971	5,868
Annual leave	9,172	8,725	9,173	8,727
Total non-academic	158,108	157,260	156,517	155,834
Total academic & non-academic employee related benefits	349,277	349,756	347,652	348,371
Council member remuneration	232	222	232	222
Total employee related expenses	349,509	349,978	347,884	348,593



10. Employee related expenses (continued)

(b) Voluntary separation packages

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

	Consolidated		University	
	2015	2014	2015	2014
	Number	Number	Number	Number
Number of voluntary separation packages	34	9	34	9
	\$'000	\$'000	\$'000	\$'000
Voluntary separation packages expenses	3,045	945	3,045	945
Annual leave and long service leave entitlements paid	897	273	897	273
Total amount associated with separations	3,942	1,218	3,942	1,218

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

11. Depreciation and amortisation

	Consolidated		University	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Depreciation				
Buildings	20,545	19,912	20,545	19,912
Leasehold improvements	429	664	429	664
Library collection	2,192	2,023	2,192	2,023
Plant and equipment	8,496	8,116	8,490	8,102
Total depreciation	31,662	30,715	31,656	30,701
Amortisation				
Intangibles	748	1,431	748	1,431
Total amortisation	748	1,431	748	1,431
Total depreciation and amortisation	32,410	32,146	32,404	32,132

12. Repairs and maintenance

	Consolidated		University	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Buildings	15,816	12,724	15,815	12,721
Grounds	1,303	6,946	1,303	6,946
Total repairs and maintenance	17,119	19,670	17,118	19,667



13. Other expenses

	Consolidated		University	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Scholarships, grants and prizes	22,923	23,376	22,923	23,376
Non-capitalised equipment	6,939	5,182	6,939	5,182
Advertising, marketing and promotion	6,727	6,879	6,714	6,867
Telecommunications	3,541	3,780	3,526	3,769
Travel, staff development and entertainment	18,137	17,058	17,947	16,946
External services*	49,355	49,453	51,576	51,282
IT hardware and software	12,988	14,840	12,958	14,817
Library subscriptions	5,341	4,610	5,341	4,610
Printing	1,265	983	1,265	983
Operating lease rental expenses	1,089	1,736	1,089	1,736
Bank charges, legal costs, insurance and taxes	4,983	5,262	4,605	5,215
General consumables	6,874	7,412	6,851	7,388
Other	12,182	12,883	12,197	12,876
Total other expenses	152,344	153,454	153,931	155,047

* Included within external services for 2015 is an amount for consultants of \$1.806 million University (\$1.914 million Consolidated) exclusive of GST (2014: \$2.451 million University, \$2.628 million Consolidated). This amount excludes consultant payments for the capital works program.

14. Bad and doubtful debts

	Consolidated		University	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Bad and doubtful debts	346	429	346	429
Total bad and doubtful debts	346	429	346	429



15. Cash and cash equivalents

	Consolidated		University	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Cash at bank and on hand	9,273	8,284	9,178	7,786
Deposits at call	333,756	308,648	332,422	306,842
Total cash and cash equivalents	343,029	316,932	341,600	314,628

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

	Consolidated		University	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Balances as per Statement of Financial Position	343,029	316,932	341,600	314,628
Balances as per Statement of Cash Flows	343,029	316,932	341,600	314,628

(b) Cash at bank and on hand

During the year cash earned an average of 0.53% (2014: 2.02%) and interest was credited to the University on a monthly basis.

(c) Deposits

During the year cash deposits earned interest at a fixed rate which ranged between 2.25% and 3.80% (2014: range between 3.05% and 4.33%). These deposits had an average maturity of 232 days (2014: 201 days).

16. Receivables

	Consolidated		University	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Trade debtors	12,652	18,459	12,615	18,344
Less: Provision for impaired receivables	(166)	(151)	(166)	(151)
	12,486	18,308	12,449	18,193
Student fees	3,862	3,268	3,862	3,268
Less: Provision for impaired receivables	(562)	(647)	(562)	(647)
	3,300	2,621	3,300	2,621
Commonwealth receivables	3,925	2,559	3,925	2,559
Other	2,505	2,492	2,684	2,645
Total receivables	22,216	25,980	22,358	26,018



16. Receivables (continued)

(a) Impaired receivables

As at 31 December 2015 current trade receivables of the Group with a nominal value of \$0.141 million (2014: \$0.136 million) were specifically identified as impaired. The individually impaired receivables were assessed in consultation with local responsible managers. Factors considered in the assessment included the age of the debt combined with the particular circumstances and experience with similar debt types. In addition, current trade receivables were collectively evaluated for impairment based upon past due status and historical collection experience resulting in a further provision of \$0.025 million (2014: \$0.015 million). The total amount of the provision for impaired trade receivables was \$0.166 million (2014: \$0.151 million).

Trade receivables

The ageing analysis of impaired trade receivables is as follows:

	Consolidated	
	2015	2014
	\$'000	\$'000
Less than 3 months	-	-
3 to 6 months	164	79
Over 6 months	2	72
Total impaired trade receivables	166	151

As at 31 December 2015, trade receivables of \$5.791 million (2014: \$9.624 million) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default.

The ageing analysis of past due but not impaired receivables is as follows:

	Consolidated	
	2015	2014
	\$'000	\$'000
Less than 3 months	4,707	8,379
3 to 6 months	643	1,144
Over 6 months	441	101
	5,791	9,624

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

	Consolidated	
	2015	2014
	\$'000	\$'000
At 1 January	151	160
Provision for impairment recognised during the year	151	136
Receivables written off during the year as uncollectible	(70)	(11)
Unused amount reversed and debts collected	(66)	(134)
At 31 December	166	151



16. Receivables (continued)

(a) Impaired receivables (continued)

Student receivables

As at 31 December 2015, student receivables of \$3.238 million (2014: \$2.322 million) were past due but not impaired. The ageing analysis of these receivables is as follows:

	Consolidated	
	2015	2014
	\$'000	\$'000
Less than 3 months	171	435
3 to 6 months	1,256	1,127
Over 6 months	1,811	760
	3,238	2,322

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

	Consolidated	
	2015	2014
	\$'000	\$'000
At 1 January	647	692
Provision for impairment recognised during the year	360	488
Receivables written off during the year as uncollectible	(371)	(471)
Unused amount reversed and debts collected	(74)	(62)
At 31 December	562	647

The creation and release of the provision for impaired receivables has been included in 'Bad and doubtful debts expense' in the Statement of Comprehensive Income. Amounts charged to the provision account are written off when there is no expectation of recovering additional cash.

The other amounts within receivables do not contain impaired assets and are not past due. Based on credit history, it is expected that these amounts will be received when due.

(b) Foreign exchange and interest rate risk

The carrying amount of the Group and the University's receivables are denominated in Australian Dollars.

(c) Fair value and credit risk

Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value.

17. Investments accounted for using the equity method

The University has no material investments in associates or joint venture entities which would be accounted for in the consolidated financial statements using the equity method of accounting.



18. Other financial assets

	Note	Consolidated		University	
		2015	2014	2015	2014
		\$'000	\$'000	\$'000	\$'000
Non-Current					
Shares in subsidiaries	32	-	-	4,100	4,000
Available-for-sale financial assets at fair value		24,580	8,170	22,237	6,209
Total other financial assets		24,580	8,170	26,337	10,209

19. Other non-financial assets

	Consolidated		University	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Current				
Prepayments	16,297	11,891	16,271	11,860
Accrued income	6,180	6,986	6,180	6,969
Total other non financial assets	22,477	18,877	22,451	18,829



20. Property, plant and equipment

	Consolidated		University	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Land				
At valuation	122,570	128,030	122,570	128,030
At cost	9,276	9,276	9,276	9,276
Net book amount	131,846	137,306	131,846	137,306
Buildings				
At valuation	991,399	1,022,527	991,399	1,022,527
At cost	114,840	83,785	114,840	83,785
Accumulated depreciation	(517,567)	(512,061)	(517,567)	(512,061)
Net book amount	588,672	594,251	588,672	594,251
Construction in progress				
At cost	35,301	12,160	35,301	12,160
Net book amount	35,301	12,160	35,301	12,160
Plant and equipment				
At cost	87,264	84,073	87,190	83,996
Accumulated depreciation	(55,013)	(49,637)	(54,945)	(49,575)
Net book amount	32,251	34,436	32,245	34,421
Leasehold improvements				
At cost	7,215	10,362	7,215	10,362
Accumulated amortisation	(5,322)	(5,107)	(5,322)	(5,107)
Net book amount	1,893	5,255	1,893	5,255
Art collection				
At valuation	3,279	3,279	3,279	3,279
At cost	33	20	33	20
Net book amount	3,312	3,299	3,312	3,299
Library collection				
At valuation	21,122	24,686	21,122	24,686
At cost	1,946	-	1,946	-
Accumulated depreciation	(10,034)	(10,920)	(10,034)	(10,920)
Net book amount	13,034	13,766	13,034	13,766
Plant and equipment in progress				
At cost	2,170	3,152	2,170	3,152
Net book amount	2,170	3,152	2,170	3,152
Total property, plant and equipment	808,479	803,625	808,473	803,610



20. Property, plant and equipment (continued)

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Construction in progress	Land	Buildings	Plant and equipment	Plant and equipment in progress	Leasehold improvements	Library collection	Art collection	Total
Consolidated	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Year ended 31 December 2014									
Opening net book amount	77,843	128,030	530,378	35,075	2,608	2,772	13,737	3,279	793,722
Revaluation	-	-	-	-	-	-	(309)	-	(309)
Additions	24,213	9,276	-	6,365	2,462	-	2,370	10	44,696
Disposals	-	-	-	(926)	-	-	(9)	-	(935)
Reclassifications	(87,123)	-	83,785	2,038	(1,857)	3,147	-	10	-
Depreciation/amortisation charge	-	-	(19,912)	(8,116)	-	(664)	(2,023)	-	(30,715)
Other changes, movements	(2,773)	-	-	-	(61)	-	-	-	(2,834)
Closing net book amount	12,160	137,306	594,251	34,436	3,152	5,255	13,766	3,299	803,625
Year ended 31 December 2015									
Opening net book amount	12,160	137,306	594,251	34,436	3,152	5,255	13,766	3,299	803,625
Additions	54,797	-	-	3,685	1,991	-	1,965	-	62,438
Disposals	-	(4,750)	(13,693)	(407)	-	-	(505)	-	(19,355)
Reclassifications	(31,281)	-	31,137	3,037	(2,906)	-	-	13	-
Depreciation/amortisation charge	-	-	(20,545)	(8,496)	-	(429)	(2,192)	-	(31,662)
Revaluation	-	(710)	(2,478)	-	-	-	-	-	(3,188)
Other changes, movements	(375)	-	-	(4)	(67)	(2,933)	-	-	(3,379)
Closing net book amount	35,301	131,846	588,672	32,251	2,170	1,893	13,034	3,312	808,479



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20. Property, plant and equipment (continued)

	Construction in progress	Land	Buildings	Plant and equipment	Plant and equipment in progress	Leasehold improvements	Library collection	Art collection	Total
University	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Year ended 31 December 2014									
Opening net book value	77,843	128,030	530,378	35,054	2,608	2,772	13,737	3,279	793,701
Revaluation	-	-	-	-	-	-	(309)	-	(309)
Additions	24,213	9,276	-	6,356	2,462	-	2,370	10	44,687
Disposals	-	-	-	(925)	-	-	(9)	-	(934)
Reclassifications	(87,123)	-	83,785	2,038	(1,857)	3,147	-	10	-
Depreciation/amortisation charge	-	-	(19,912)	(8,102)	-	(664)	(2,023)	-	(30,701)
Other changes, movements	(2,773)	-	-	-	(61)	-	-	-	(2,834)
Closing net book amount	12,160	137,306	594,251	34,421	3,152	5,255	13,766	3,299	803,610
Year ended 31 December 2015									
Opening net book value	12,160	137,306	594,251	34,421	3,152	5,255	13,766	3,299	803,610
Additions	54,797	-	-	3,684	1,991	-	1,965	-	62,437
Disposals	-	(4,750)	(13,693)	(407)	-	-	(505)	-	(19,355)
Reclassifications	(31,281)	-	31,137	3,037	(2,906)	-	-	13	-
Depreciation/amortisation charge	-	-	(20,545)	(8,490)	-	(429)	(2,192)	-	(31,656)
Revaluation	-	(710)	(2,478)	-	-	-	-	-	(3,188)
Other changes, movements	(375)	-	-	-	(67)	(2,933)	-	-	(3,375)
Closing net book amount	35,301	131,846	588,672	32,245	2,170	1,893	13,034	3,312	808,473



21. Intangible assets

	Consolidated		University	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Intangibles in progress				
At cost	1,618	328	1,618	328
Net closing book amount	1,618	328	1,618	328
Other intangible assets				
At cost	10,663	10,623	10,663	10,623
Accumulated amortisation and impairment	(8,554)	(7,806)	(8,554)	(7,806)
Net closing book amount	2,109	2,817	2,109	2,817
Total Intangibles	3,727	3,145	3,727	3,145

	Consolidated		Total \$'000
	Intangibles in progress \$'000	Other intangible assets \$'000	
Year ended 31 December 2015			
Balance at the beginning of the year	328	2,817	3,145
Additions	1,290	40	1,330
Amortisation charge	-	(748)	(748)
Closing value at 31 December 2015	1,618	2,109	3,727
Year ended 31 December 2014			
Balance at the beginning of the year	-	4,173	4,173
Additions	328	75	403
Amortisation charges	-	(1,431)	(1,431)
Closing value at 31 December 2014	328	2,817	3,145



21. Intangible assets (continued)

	University		Total \$'000
	Intangibles in progress \$'000	Other intangible assets \$'000	
Year ended 31 December 2015			
Balance at the beginning of the year	328	2,817	3,145
Additions	1,290	40	1,330
Amortisation charge	-	(748)	(748)
Closing value at 31 December 2015	1,618	2,109	3,727
Year ended 31 December 2014			
Balance at the beginning of the year	-	4,173	4,173
Additions	328	75	403
Amortisation charge	-	(1,431)	(1,431)
Closing value at 31 December 2014	328	2,817	3,145

22. Payables

	Consolidated		University	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Current				
Trade creditors	23,421	23,796	23,639	23,964
Accrued salaries	3,700	3,402	3,700	3,402
Annual leave on-costs	4,899	4,737	4,899	4,737
Long service leave on-costs	3,946	3,662	3,946	3,662
OS-HELP liability to Australian Government	583	1,298	583	1,298
Total current payables	36,549	36,895	36,767	37,063
Non-current				
Long service leave on-costs	1,191	1,322	1,191	1,322
Total non-current payables	1,191	1,322	1,191	1,322
Total payables	37,740	38,217	37,958	38,385

(a) Foreign exchange and interest rate risk

The carrying amounts of the Group and the University's payables are denominated in Australian Dollars.



23. Borrowings

The University does not hold any borrowings.

(a) Financing arrangements

Unrestricted access was available at reporting date to the following lines of credit:

	Consolidated		University	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Credit standby arrangements				
Total facilities				
Credit card facility with National Australia Bank (NAB)	8,000	8,000	8,000	8,000
Credit card facility with American Express (Amex)	-	1,080	-	1,080
Documentary letter of credit facility with NAB	200	200	200	200
Bank Guarantee	5,100	5,100	5,100	5,100
Total credit standby arrangements	13,300	14,380	13,300	14,380
Used at balance date				
Credit card facility with NAB	3	6	3	6
Credit card facility with Amex	-	124	-	124
Documentary letter of credit facility with NAB	-	-	-	-
Bank Guarantee	2,600	2,600	2,600	2,600
Total used at balance date	2,603	2,730	2,603	2,730
Unused at balance date				
Credit card facility with NAB	7,997	7,994	7,997	7,994
Credit card facility with Amex	-	956	-	956
Documentary letter of credit facility with NAB	200	200	200	200
Bank Guarantee	2,500	2,500	2,500	2,500
Total unused at balance date	10,697	11,650	10,697	11,650



24. Provisions

	Consolidated		University	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Current provisions expected to be settled within 12 months				
Annual leave	13,187	12,786	13,131	12,729
Long service leave	5,557	5,231	5,477	5,163
Separation scheme	1,305	-	1,305	-
Workers' compensation liability	502	426	502	426
	20,551	18,443	20,415	18,318
Current provisions expected to be settled after more than 12 months				
Annual leave	7,201	7,053	7,201	7,053
Long service leave	28,539	24,919	28,539	24,919
	35,740	31,972	35,740	31,972
Total current provisions	56,291	50,415	56,155	50,290
Non-current				
Long service leave	10,483	13,547	10,483	13,547
Workers' compensation liability	644	602	644	602
Total non-current provisions	11,127	14,149	11,127	14,149
Total provisions	67,418	64,564	67,282	64,439

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

	Consolidated		University	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Carrying amount at start of year	1,028	1,615	1,028	1,615
Additional provisions recognised	685	640	685	640
Amounts used	(556)	(438)	(556)	(438)
Unused amounts reversed	-	(751)	-	(751)
Increase/(decrease) in discounted amount	(11)	(38)	(11)	(38)
Carrying amount at end of year	1,146	1,028	1,146	1,028



25. Other liabilities

	Consolidated		University	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Current				
Funds held on behalf of external entities	2,924	9,691	2,840	9,512
Income in advance on incomplete projects	915	1,251	915	1,251
Fees and charges	14,637	14,327	14,637	14,327
Cwlth and State Government grants	26,523	33,915	26,523	33,915
Other	3,654	5,846	4,231	6,045
Total other liabilities	48,653	65,030	49,146	65,050



26. Reserves and retained earnings

(a) Reserves

	Consolidated		University	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Property, plant and equipment revaluation surplus				
Land and Buildings	178,763	176,680	178,763	176,680
Art collection	1,089	1,089	1,089	1,089
Library collection	-	-	-	-
	179,852	177,769	179,852	177,769
Available-for-sale investments revaluation surplus	10,151	1,003	10,151	1,003
Total reserves	190,003	178,772	190,003	178,772

Movements

Property, plant and equipment revaluation reserve

Land and buildings				
Balance 1 January	176,680	176,680	176,680	176,680
Asset revaluation decrement	(3,188)	-	(3,188)	-
Transfer (from) / to Retained earnings	5,271	-	5,271	-
Balance 31 December	178,763	176,680	178,763	176,680

Art collection				
Balance 1 January	1,089	1,089	1,089	1,089
Asset revaluation increment	-	-	-	-
Balance 31 December	1,089	1,089	1,089	1,089

Available-for-sale investments revaluation surplus

Balance 1 January	1,003	2,677	1,003	2,677
Available-for-sale financial assets valuation gains taken to equity	9,208	214	9,208	214
Available-for-sale financial assets transfer to profit or loss	(60)	(1,888)	(60)	(1,888)
Total Available-for-sale investments revaluation surplus	10,151	1,003	10,151	1,003

(b) Retained earnings

Retained earnings at 1 January	830,380	800,725	829,772	800,681
Operating result for the period	55,852	29,655	56,025	29,091
Transfers (from) / to Reserves	(5,271)	-	(5,271)	-
Retained earnings at 31 December	880,961	830,380	880,526	829,772



26. Reserves and retained earnings (continued)

(c) Nature and purpose of reserves

The University has three reserves. The land and buildings revaluation surplus records revaluations in land and buildings, the art collection revaluation surplus records revaluations in the art collection and the available-for-sale investments revaluation surplus records revaluations in investments.

27. Key management personnel disclosures

(a) Names of responsible persons

The following persons were responsible persons of the University during the 2015 year. Council members include University employees who may be ex-officio members or elected staff members.

2015 Council Members

Dr Ian Gould AM, Chancellor (term completed 1 January 2016)

Professor David Lloyd, Vice Chancellor and President

Dr Wendy Craik AM, Deputy Chancellor

Mr Terry Evans, Pro Chancellor (term completed 31 December 2015, re-appointed as Pro Chancellor until 31 December 2017, and re-appointed as Council member until 31 December 2017)

Professor Pat Buckley (term completed 31 December 2015, re-appointed to 31 December 2017)

Ms Pauline Carr (term completed 31 December 2015, re-appointed to 31 December 2019)

Mr Eric Granger (term completed 20 February 2015, re-appointed to 20 February 2019)

Mr Jim Hazel (term commenced 1 January 2015)

Hon John Hill (term commenced 21 July 2015)

Mr Jay Joseph (term completed 31 December 2015)

Ms Lia Lawrie (term completed 31 December 2015)

Ms Paula Nagel AM (term completed 10 December 2015, re-appointed to 31 December 2017)

Ms Corinne Namblard (resigned effective 18 June 2015)

Professor Leanna Read

Professor Rick Sarre (term completed 31 December 2014, re-appointed 1 January 2015 to 31 December 2016)

Ms Miriam Silva (term completed 20 February 2015, re-appointed to 20 February 2019)

Ms Carol Sutherland (term completed 31 December 2015)



27. Key management personnel disclosures (continued)

(b) Remuneration of Key management personnel

	Consolidated		University	
	2015 Number	2014 Number	2015 Number	2014 Number
Remuneration of Council members				
Nil	4	4	4	4
\$1 to \$9,999	2	6	2	6
\$10,000 to \$19,999	6	3	6	3
\$20,000 to \$29,999	4	3	4	4
\$40,000 to \$49,999	-	1	-	-
\$60,000 to \$69,999	1	1	1	1
	17	18	17	18

Remuneration received and receivable by Council members for their services as Council members was \$231,690 (2014: \$221,820). The total remuneration received and receivable by Council members in their position as Council members and as Directors of subsidiary companies was \$231,690 (2014: \$249,820).

	Consolidated		University	
	2015 Number	2014 Number	2015 Number	2014 Number
Remuneration of executive officers				
\$240,000 to \$249,999	1	-	1	-
\$290,000 to \$299,999	1	1	1	1
\$300,000 to \$309,999	1	-	1	-
\$310,000 to \$319,999	-	1	-	1
\$330,000 to \$339,999	1	1	1	1
\$340,000 to \$349,999	1	3	1	3
\$350,000 to \$359,999	2	-	2	-
\$390,000 to \$399,999*	-	1	-	1
\$400,000 to \$409,999	1	-	1	-
\$450,000 to \$459,999	-	1	-	1
\$490,000 to \$499,999	1	-	1	-
\$570,000 to \$579,999*	-	1	-	1
\$590,000 to \$599,999	1	-	1	-
\$810,000 to \$819,999	-	1	-	1
\$870,000 to \$879,999	1	-	1	-
	11	10	11	10

* includes leave paid on termination.



27. Key management personnel disclosures (continued)

(b) Remuneration of Key management personnel (continued)

Executives are defined as the Vice Chancellor and President and the University's Senior Management Group. The remuneration includes all normal salary, leave, allowances and other benefits paid during the reporting year. No executive received any remuneration from the University other than by way of salary and related benefits from a normal employment relationship.

(c) Executive Officers' compensation

	Consolidated		University	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Short-term employee benefits	4,040	3,762	4,040	3,762
Post-employment benefits	556	401	556	401
Other long-term benefits	-	54	-	54
Total Executive Officer's compensation	4,596	4,217	4,596	4,217

(d) Related party transactions

From time to time University Council members have interests or positions in entities with which the University conducts business. In all cases, transactions with these entities are undertaken on a normal commercial basis.

28. Remuneration of auditors

During the year, the following fees were paid for services provided by the auditor of the University, its related practices and non-related audit firms:

	Consolidated		University	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Audit and review of the Financial Statements				
Fees paid to Auditor-General's Department	278	281	278	281
Fees paid to BDO Australia Ltd	13	17	-	-
Total paid for audit and review	291	298	278	281

29. Contingencies

The University has no material contingent liabilities.



30. Commitments

(a) Capital commitments

Capital expenditure contracted for at the reporting date but not recognised as liabilities is as follows:

	Consolidated		University	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Property, plant and equipment:				
Within one year	72,026	28,617	72,026	28,617
Between one and five years	13,773	29,155	13,773	29,155
Later than five years	-	-	-	-
Total Property, plant and equipment commitments	85,799	57,772	85,799	57,772

(b) Lease commitments - Operating leases

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

Commitments in relation to leases contracted for at the reporting date, but not recognised as liabilities (i.e. operating leases), are payable as follows:

	Consolidated		University	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Within one year	2,414	2,557	2,414	2,557
Between one and five years	6,476	5,853	6,476	5,853
Later than five years	1,531	2,577	1,531	2,577
Total future minimum lease payments	10,421	10,987	10,421	10,987

Major operating leases include leases for office space, vehicles and computers. The terms of the office space lease agreements include renewal or purchase options ranging between one and ten years.

(c) Other expenditure commitments

Commitments for other expenditure in existence at the reporting date but not recognised as liabilities, are payable as follows:

	Consolidated		University	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Within one year	12,577	11,067	12,577	11,067
Between one and five years	13,486	14,037	13,486	14,037
Later than five years	-	125	-	125
Total other expenditure commitments	26,063	25,229	26,063	25,229

Other expenditure commitments includes cleaning, contributions to Co-operative Research Centres (CRC) and material commitments arising from grants received from the NHMRC.



31. Superannuation plans

(a) Categories

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

- (i) Those operative and open to membership:
 - UniSuper Defined Benefit Plan or Accumulation Super 2
 - Accumulation Super 1
- (ii) State Government Schemes closed to future membership by University employees:
 - State Pension Scheme
 - State Lump Sum Scheme

(b) UniSuper Limited Superannuation Scheme

The employees' UniSuper plan is determined by the terms of employment and is managed by a corporate trustee, UniSuper Limited. The plan is administered by UniSuper Manager Pty Ltd, a wholly owned subsidiary company.

The employer contribution rate for 2015 for employees in either the Defined Benefit Division (DBD) or Accumulation Super 2 was 17% of salaries. For employees in Accumulation Super 1 the contribution rate was 9.50% for January 2015 to December 2015. During the 2014 year the contribution rate was 9.25% of salaries for January 2014 to June 2014 and 9.5% of salaries from July 2014 onwards.

The UniSuper DBD is a defined benefit plan under Superannuation Law but is considered to be a defined contribution plan under Accounting Standards AASB 119. As set out under paragraph 28 of AASB 119 a defined contribution plan is a plan where the employer's legal or constructive obligation is limited to the amount it agrees to contribute to the funds and the actuarial risk and investment risk fall on the employee.

Clause 34 (b) states that the "Trustee must consider whether it is in the interests of the Members of Division A and Division B as a whole to reduce the benefits payable under Division A and and Division B and, if it so considers that it should reduce benefits (which may include benefits in the course of payment), it must do so on a fair and equitable basis and at a time or times it decides".

Following the end of the monitoring period commenced in relation to the 31 December 2008 actuarial investigation, the UniSuper Limited Board made a decision not to reduce accrued benefits but to reduce the rate at which benefits accrue in respect of the DBD membership after 1 January 2015.

Following the end of the monitoring period commenced in relation to the 30 June 2011 actuarial investigation, the Fund's actuary advised that the Trustee is not required to take any further action under Clause 34 in relation to that monitoring period, and that monitoring period is now ceased.

As at 30 June 2015 the assets of the DBD aggregate (i.e. entire multi-employer DBD plan) were estimated to be:

- \$1,479 million in excess (2014: \$271 million in excess) of vested benefits. The vested benefits are benefits which are not conditional upon continued membership (or any factor other than leaving the service of the participating institution) and include the value of indexed pensions being provided by the DBD.
- \$3,377 million in excess (2014: \$2,071 million in excess) of accrued benefits. The accrued benefits have been calculated as the present value of expected future benefit payments to members and indexed pensioners which arise from membership of UniSuper up to reporting date.



31. Superannuation plans (continued)

(b) UniSuper Limited Superannuation Scheme (continued)

The vested benefit and accrued benefit liabilities were determined by the Fund's actuary Russell Employee Benefits using the actuarial demographic assumptions outlined in their report on the actuarial investigation of the DBD as at 1 July 2015. The financial assumptions used were:

	Vested Benefits	Accrued Benefits
Gross of tax investment return - DBD pensions	6.10% p.a.	7.80% p.a.
Gross of tax investment return - commercial rate indexed pensions	3.70% p.a.	3.70% p.a.
Net of tax investment return - non pensioner members	5.50% p.a.	7.00% 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.

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

As at 30 June 2015 there is no funding surplus or deficit which currently affects, or is expected to affect, the amount of future contributions payable by participating employers to the Defined Benefit Plan.

(c) Super SA Superannuation plan

A number of present and past employees of the University and its predecessor institutions are members of the South Australian Superannuation Scheme. This scheme is administered by Super SA on behalf of the South Australian Superannuation Board (the Board) which is responsible for managing this scheme. The board was established under section 5 of the Superannuation Act 1988. The funds are managed by the specialist investment manager, Superannuation Funds Management Corporation of South Australia (Funds SA).

Under this scheme, benefits are paid as a continuing pension or lump sum to members eligible to claim their entitlement. The Pension Scheme is a defined benefit scheme where member benefits are calculated as a percentage of final salary. Benefits are generally payable fortnightly and are indexed by Consumer Price Index (CPI). The Lump Sum Scheme is part accumulation and part defined benefit where member basic entitlements represent a refund of the member's contributions with investment returns plus a defined multiple of final salary.

Under current arrangements, Super SA pays eligible members their benefit and is reimbursed by the University for the shortfall in the employer's contribution. The Commonwealth Government fully funds the University on an emerging cost basis for the costs and recovers the State's share of the cost directly from the State Government under the Commonwealth State Agreement. The Agreement provides that the employer component of the superannuation benefits payable to former employees of the University who were members of one of the main State Schemes, be shared.

An actuarial assessment (the Assessment) of the University's superannuation liability with respect to future benefits for current pensioners and employees was performed by PricewaterhouseCoopers Securities Ltd as at 31 December 2015. The actuarial valuation was based on 30 June 2015 membership data which was projected to 31 December 2015 using the Project Unit Credit Method. The University's present value of the defined benefit obligations was assessed to be \$487.8 million (2014: \$508.6 million).

The University's liability under the scheme has been partly funded by assets of \$39.2 million (2014: \$36.9 million) from 3% productivity employer contributions. This results in an unfunded liability of \$448.6 million (2014: \$471.7 million).



31. Superannuation plans (continued)

(c) Super SA Superannuation plan (continued)

The weighted average duration of the defined benefit obligation is 13.66 years (2014: 14.11 years). The expected maturity analysis of undisclosed benefit obligations is as follows:

	Less than 1 year \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000	Total \$'000
Defined Benefit obligation - 31 Dec 2015	30,276	31,111	91,217	579,815	732,419
Defined Benefit obligation - 31 Dec 2014	30,102	30,190	91,879	612,103	764,274

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

	2015 (%)		2014 (%)	
	Active Market	No Active Market	Active Market	No Active Market
Equity instruments	49.6	0.0	51.3	0.0
Property	2.6	11.8	2.6	11.6
Diversified Strategies Growth	0.7	9.0	1.1	7.5
Diversified Strategies Income	13.8	0.0	14.0	0.0
Inflation Linked Securities	0.0	7.2	0.0	7.5
Debt instruments	2.0	0.0	2.1	0.0
Cash	3.3	0.0	2.3	0.0
Total	72.0	28.0	73.4	26.6



31. Superannuation plans (continued)

(d) Balance Sheet Amounts

	University	
	2015	2014
	\$'000	\$'000
Reconciliation of the present value of the defined benefit obligation		
Present value of defined benefit obligation at beginning of year	508,569	444,273
Current service cost	446	404
Interest cost	15,299	19,750
Actuarial (gains) / losses		
(a) Impact of changes in demographic assumptions	-	1,172
(b) Impact of changes in financial assumptions	(5,768)	74,221
(c) Experience items	(698)	(1,060)
Benefits and expenses paid	(30,085)	(30,191)
Present value of defined benefits obligations at end of year	487,763	508,569
Reconciliation of the fair value of the defined benefit plan assets		
Fair value of Scheme assets at start of year	36,881	34,340
Interest income	1,146	1,629
Actual return on assets less Interest income	1,079	849
Employer contributions	30,136	30,254
Benefits and expenses paid	(30,085)	(30,191)
Fair value of Scheme assets at end of year	39,157	36,881
Net Liability		
Defined Benefit Obligation	487,763	508,569
Less: Fair value of plan assets	(39,157)	(36,881)
Net Liability	448,606	471,688

The net unfunded amount of \$448.6 million (2014: \$471.7 million) has been recognised in the accounts of the University as a liability and a corresponding receivable from the Commonwealth Government. The asset and liability have been classified as current and non-current according to cash flow projections of the Assessment.



31. Superannuation plans (continued)

(d) Balance Sheet Amounts (continued)

The Commonwealth Government has agreed to provide assistance under Section 20 of the Higher Education Funding Act to meet the additional costs in respect of State Government emerging cost schemes, where costs are in excess of funding provided for this purpose in the base operating grant.

Assumptions adopted by PricewaterhouseCoopers Securities Ltd in determining the University's liability were:

- Long term rate of increase in the Consumer Price Index (CPI) 2.5% per annum (2014 2.5%)
- Long term rate of salary increases 4.0% per annum (2014 4.0%)
- Discount Rate 3.2% per annum (2014 3.1%)

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

The sensitivity of the defined benefit obligation to changes in the significant assumptions is:

Significant Assumption	Increase in assumption	Impact on Defined Benefit Obligation	Decrease in assumption	Impact on Defined Benefit Obligation
Discount rate	0.5%	Decrease by 5.1%	0.5%	Increase by 5.6%
Salary growth rate	0.5%	Increase by 0.1%	0.5%	Decrease by 0.1%
Pension increase rate	0.5%	Increase by 5.8%	0.5%	Decrease by 5.3%



32. Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1(b):

Name of Entity	Principal place of business	Ownership interest	
		2015	2014
		%	%
(a) University of South Australia Foundation Incorporated	Australia	100	100
(b) UniSA Ventures Pty Ltd (previously ITEK Ventures Pty Ltd)	Australia	100	100
(c) UniSA Health Pty Ltd	Australia	100	100

(a) University of South Australia Foundation Incorporated (Foundation)

The Foundation is a dormant entity with no assets, liabilities or equity as at 31 December 2015. This company will remain legally intact indefinitely to ensure that any future bequests, which have named the Foundation as the beneficiary, will ultimately flow to the University as intended.

(b) UniSA Ventures Pty Ltd (previously ITEK Ventures Pty Ltd)

ITEK Ventures Pty Ltd changed its name to UniSA Ventures Pty Ltd on 25 November 2015.

UniSA Ventures Pty Ltd was incorporated on 15 November 2011 and is wholly owned by the University. The University was allotted four million Ordinary Shares, issued at \$1.00 per share. A further share allotment of one hundred thousand Ordinary Shares, issued at \$1.00 per share occurred in May 2015.

UniSA Ventures Pty Ltd provides the University with business incubation and technology commercialisation services. Its role is to support the commercialisation of University research through the formation of spin-off companies, licensing and the sale of intellectual property to generate returns for the University, and also for the staff and students involved in the creation of intellectual property.

(c) UniSA Health Pty Ltd

UniSA Health Pty Ltd was incorporated on 13 September 2011 and is wholly owned by the University. The University was allotted ten Ordinary Shares, issued at \$1.00 per share.

The core business of UniSA Health Pty Ltd is contribute to quality teaching through the provision of placements to undergraduate and postgraduate students through a private clinic and to provide high quality patient care and health prevention/promotion to UniSA staff and students.

33. Investments in associates

SABRENet Ltd (SABRENet)

SABRENet is incorporated in Australia and was registered on 28 September 2005 as a nonprofit company limited by guarantee. The founding members are the three South Australian universities and the South Australian Government. The Defence Science and Technology Organisation (DSTO) is a contractual partner.

The company was established to further the use of advanced data networking for research and education in South Australia, in addition to enhancing economic and social advancement across the nation.

While the University has significant influence over SABRENet, its interest in SABRENet is limited to the use of SABRENet's asset (the network). That is, the University receives no return for its interest in SABRENet. To date, the University has provided \$0.250 million to SABRENet which was recognised as an expense in the year payment was made. Consequently, the University's interest in SABRENet has not been recognised in the accounts on an equity basis.



34. Interests in joint arrangements

(a) Joint operations

The University's interests in joint operations are as follows:

Entity	Reporting date	Ownership interest	
		2015 %	2014 %
(i) Centre for Cancer Biology	31 Dec	50.00 %	50.00 %
(ii) Mawson Centre Building	31 Dec	63.00 %	63.00 %

(i) Centre for Cancer Biology

The Centre for Cancer Biology (CCB) carries out an innovative research program focusing on the fundamental causes of cancer and translating these discoveries into new ways to prevent and treat the disease.

In December 2014 the University and Central Adelaide Local Health Network (CALHN) entered into an alliance agreement to establish the CCB to further accommodate and support the growth of the Centre.

(ii) Mawson Centre Building

The University, the City of Salisbury, the Land Management Corporation, Delfin Lend Lease and the Department for Education and Child Development (DECD) entered into an agreement in 2003 to design, develop, construct and operate the Mawson Centre at Mawson Lakes. This multi-purpose community centre assists in meeting the cultural, entertainment, recreational and educational needs of the Mawson Lakes residents, employees and adjacent community. The University has a 63% share of the joint venture and management responsibility for the centre, with the City of Salisbury holding a 19% share and DECD holding an 18% share.

In 2013 the building was independently re-valued and the University's 63% share of the asset's carrying amount as at 31 December 2015 is \$6.353 million (2014: \$6.515 million) which is included in Buildings.



34. Interests in joint arrangements (continued)

(b) Joint venture

The University has an interest in a number of joint ventures as described below. The University's interests in these joint ventures are not considered to be material to the University's core activities. Consequently, they have not been taken up in the accounts on an equity basis as per the Australian Accounting Standard AASB 128 Investments in Associates and Joint Ventures.

Entity	Reporting date	Ownership interest	
		2015	2014
		%	%
(i) eResearch SA	31 Dec	33.00 %	33.00 %
(ii) South Australian Tertiary Admissions Centre	31 Dec	25.00 %	25.00 %

(i) eResearch SA (formerly South Australian Partnership for Advanced Computing (SAPAC))

eResearch SA is a collaborative joint venture of the three South Australian universities. Its mission is to support the development, implementation and use of eResearch methodologies and activities in South Australia, and to provide access to eResearch facilities and practical support for researchers from all disciplines. The University's 33% share of this joint venture has not been included in the consolidated report as this is immaterial to the University's activities.

(ii) South Australian Tertiary Admissions Centre (SATAC)

SATAC is a joint operation between the three South Australian public universities and the Minister of Higher Education and Skills. SATAC receives and processes undergraduate and postgraduate applications for admission to the TAFE SA, Charles Darwin University and the three public universities in South Australia. The University's 25% share of this joint operation has not been included in the consolidated report as this is immaterial to the University's activities.

35. Events occurring after the balance sheet date

There has not arisen in the interval between the end of the financial year and the date of this report, any item, transaction, event of a material and unusual nature likely to affect significantly the operation of the University or the Consolidated Entity, the results of operations, or the state of affairs of the University or the Consolidated Entity in future periods.



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

	Consolidated		University	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Operating result for the period	55,852	29,655	56,025	29,091
Add/(less) non-cash items:				
Depreciation and amortisation	32,410	32,146	32,404	32,132
Non-cash donations	(73)	(91)	(73)	(91)
Capital assets accrual	(2,099)	(2,805)	(2,099)	(2,805)
Library collection revaluation	-	309	-	309
Other	2,860	336	2,933	336
Net (gain)/loss on sale of property, plant and equipment	(10,831)	842	(10,831)	842
Net (gain)/loss on sale of available-for-sale financial assets	(481)	(2,076)	(481)	(1,862)
Fair value (gains)/losses on other financial assets at fair value through profit or loss	411	-	411	-
Property, plant and equipment in progress adjustments	446	2,834	442	2,834
Changes in operating assets and liabilities:				
(Increase)/decrease in receivables	3,764	(5,891)	3,660	(5,824)
(Increase)/decrease in other assets	(3,628)	(1,906)	(3,622)	(1,861)
Increase/(decrease) in payables	(477)	5,568	(427)	5,483
Increase/(decrease) in provisions	2,854	(3,407)	2,843	(3,291)
Increase/(decrease) in other liabilities	(16,382)	(7,298)	(15,894)	(7,459)
Net cash provided by / (used in) operating activities	64,626	48,216	65,291	47,834

37. Non-cash investing and financing activities

	Consolidated		University	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Donations of works of art and library materials	73	91	73	91
	73	91	73	91



38. Financial risk management

The University's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The University's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

The University uses different methods to measure different types of risk to which it is exposed. These methods include informal sensitivity analyses and seeking professional advice to manage the market risk of its investments.

Risk management is co-ordinated by the University under policies approved by Council. The University identifies and evaluates financial risks in close co-operation with the University's operating units.

(a) Market risk

(i) Foreign exchange risk

The University assesses the likely foreign exchange risk for offshore activities and enters into hedging arrangements if appropriate.

As at 31 December 2015 the University held MYR\$0.136 million (AUD\$0.043 million) (2014: MYR\$0.216 million (AUD\$0.075 million)) in an offshore bank account.

As at 31 December 2015 the University held USD\$5.314 million (AUD\$7.273 million) (2014: USD\$5.511 million (AUD\$6.719 million)) in an offshore bank account.

The University assesses the likely foreign exchange risk for probable forecasted transactions in foreign currencies for onshore activities and enters into hedging arrangements to mitigate foreign exchange risk if appropriate. During 2015 the University entered into five hedging contracts totalling USD \$0.85 million (AUD\$1.11 million) to mitigate foreign exchange risk for probable forecasted transactions in foreign currencies therefore classified as a fair value hedge. As at 31 December 2015 the fair value of the remaining contracts is recorded as a net payable of AUD\$0.029 million. (2014: No payable/receivables balances).

(ii) Cash flow and fair value interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

Exposures arise predominantly from assets and liabilities bearing variable interest rates as the Consolidated Entity intends to hold fixed rate assets and liabilities to maturity.

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

Investments comprise investments in listed and unlisted entities. The University has a prudent investment strategy. It is acknowledged there may be short-term fluctuations in asset values from time to time; however historical trends for such a strategy indicate that, with reasonable probability, unrealised losses will be recovered in the medium to long-term.

The nature of the University's activities are generally low risk. Investments tend to be largely held in term deposits with banking institutions and debtors are spread across a large number of customers. Due to the nature and value of the financial instruments held by the University, sensitivity analysis has not been provided.



38. Financial risk management (continued)

(b) Credit risk

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

The credit risk on financial assets excluding investments of the University which have been recognised in the statement of financial position is the carrying amount net of any provisions for impaired receivables.

The University is not materially exposed to any specific overseas country or individual customer.

(c) Liquidity risk

The following tables summarise the maturity of the Group's financial assets and financial liabilities:

	Average Interest rate	Less than 1 Year	1 to 5 years	5+ years	Non interest bearing	Total
2015	%	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets						
Cash and cash equivalents	3.13 %	343,029	-	-	-	343,029
Receivables		-	-	-	19,532	19,532
Other financial assets		-	-	-	24,580	24,580
Total financial assets		343,029	-	-	44,112	387,141
Financial liabilities						
Payables		-	-	-	24,234	24,234
Total financial liabilities		-	-	-	24,234	24,234

	Average Interest rate	Less than 1 Year	1 to 5 years	5+ years	Non interest bearing	Total
2014	%	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets						
Cash and cash equivalents	3.65 %	316,932	-	-	-	316,932
Receivables		-	-	-	23,335	23,335
Other financial assets		-	-	-	8,170	8,170
Total financial assets		316,932	-	-	31,505	348,437
Financial liabilities						
Payables		-	-	-	25,259	25,259
Total financial liabilities		-	-	-	25,259	25,259



39. Fair Value Measurement

(a) Fair value measurements

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

Due to the short-term nature of the current receivable their carrying value approximates their fair value and based on credit history it is expected that the receivables that are neither past due nor impaired will be received when due.

The carrying amounts and aggregate fair values of the Group's financial assets and liabilities at balance date are:

	Carrying Amount		Fair Value	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash and cash equivalents	343,029	316,932	343,029	316,932
Receivables	19,532	23,335	19,532	23,335
Other financial assets	24,580	8,170	24,580	8,170
Total financial assets	387,141	348,437	387,141	348,437
Financial Liabilities				
Payables	24,234	25,259	24,234	25,259
Total financial liabilities	24,234	25,259	24,234	25,259

The Group measures and recognises the following assets and liabilities at fair value on a recurring basis:

- Financial assets at fair value through profit or loss
- Available-for-sale financial assets
- Land and buildings
- Library collection
- Art collection

(b) Fair value hierarchy

The University categorises assets and liabilities measured at fair value into a hierarchy based on the level of inputs used in measurements.

Level 1	Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3	Inputs for the asset or liability that are not based on observable market data (unobservable inputs)



39. Fair Value Measurement (continued)

(b) Fair value hierarchy (continued)

(i) Recognised fair value measurements

Fair value measurements recognised in the statement of financial position are categorised into the following levels at 31 December 2015.

Fair value measurements

	Note	2015 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Recurring fair value measurements at 31 December 2015					
Financial assets					
Available-for-sale financial assets	18				
Equity securities		24,580	12,448	9,198	2,934
Total financial assets		24,580	12,448	9,198	2,934
Non-financial assets					
Land and buildings	20				
Land		131,846	-	131,846	-
Buildings		588,672	-	-	588,672
Other non-financial assets	20				
Library collection		13,034	-	-	13,034
Art collection		3,312	-	-	3,312
Total non-financial assets		736,864	-	131,846	605,018
Recurring fair value measurements at 31 December 2014					
Financial assets					
Available-for-sale financial assets	18				
Equity securities		8,170	5,585	-	2,585
Total financial assets		8,170	5,585	-	2,585
Non-financial assets					
Land and buildings	20				
Land		137,306	-	137,306	-
Buildings		594,251	-	-	594,251
Other non-financial assets	20				
Library collection		13,766	-	-	13,766
Art collection		3,299	-	-	3,299
Total non-financial assets		748,622	-	137,306	611,316



39. Fair Value Measurement (continued)

(b) Fair value hierarchy (continued)

There were no transfers between Levels 1 and 2 for recurring fair value measurements during the year. There were also no transfers in and out of Level 3 measurements.

The University's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

(ii) Disclosed fair values

The fair value of assets or liabilities traded in active markets (such as trading and available-for-sale securities disclosed in Note 18.) is based on quoted market prices for identical assets or liabilities at the reporting date (Level 1). This is the most representative of fair value in the circumstances.

The carrying value less impairment provision of trade receivables and payables is a reasonable approximation of their fair values due to the short-term nature of trade receivables.

(c) Valuation techniques used to derive Level 2 and Level 3 fair values

(i) Recurring fair value measurements

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

If there are significant inputs to a valuation which are not obtained from observable market data, the instrument is included in Level 3. This is the case for unlisted equity securities.

The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date.



39. Fair Value Measurement (continued)

(d) Fair value measurements using significant unobservable inputs (Level 3)

The following table is a reconciliation of Level 3 items for the periods ended 31 December 2015 and 2014.

Level 3 Fair Value Measurement 2015	Unlisted equity securities \$'000	Buildings \$'000	Library Collection \$'000	Art Collection \$'000	Total \$'000
Opening balance	2,585	594,251	13,766	3,299	613,901
Acquisitions	606	31,137	1,965	13	33,721
Disposals	(205)	(13,693)	(505)	-	(14,403)
Recognised in profit or loss	-	(20,545)	(2,192)	-	(22,737)
Recognised in other comprehensive income	(52)	(2,478)	-	-	(2,530)
Closing balance	2,934	588,672	13,034	3,312	607,952

Level 3 Fair Value Measurement 2014	Unlisted equity securities \$'000	Buildings \$'000	Library Collection \$'000	Art Collection \$'000	Total \$'000
Opening balance	1,851	530,378	13,737	3,279	549,245
Acquisitions	475	83,785	2,370	20	86,650
Disposals	-	-	(9)	-	(9)
Recognised in profit or loss	-	(19,912)	(2,332)	-	(22,244)
Recognised in other comprehensive income	259	-	-	-	259
Closing balance	2,585	594,251	13,766	3,299	613,901

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

Other than described above, there were no material changes in valuation techniques during the year.



39. Fair Value Measurement (continued)

(d) Fair value measurements using significant unobservable inputs (Level 3) (continued)

(ii) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in Level 3 fair value measurements. See (c) above for the valuation techniques adopted.

Description	Fair value at 31 December 2015 \$'000	Unobservable inputs	Range of inputs (probability weighted average)	Relationship of unobservable inputs to fair value
Unlisted equity securities	2,934	Market comparison based on internal assessment of net asset values and potential growth.	Net asset position and future earnings	Increase in net assets and increase in future earnings would result in higher fair values; decrease in net assets and decrease in future earnings would result in lower fair values.

(iii) Valuation processes

The Group performs the valuations of non-property items required for financial reporting purposes, including Level 3 fair values.

The Group engages external, independent and qualified valuers to determine the fair value of the Group's land and buildings at least every three years. As at 31 December 2013, the fair values of land and buildings have been determined by Opteon Pty Ltd.

The valuation technique for buildings adopted by Opteon Pty Ltd was to assess the written down current cost for the buildings. New replacement costs on the basis of a modern equivalent were assessed and then generally depreciated using the straight line method, having regard to the estimated useful and remaining life for each structure.

The library collection was internally revalued on 31 December 2014 to fair value based upon the written down cost of the most recent price inputs. The University has determined that subsequent acquisitions are measured at historical cost which approximates fair value with the University no longer revaluing the library collection.

The Art collection is revalued at least every three years using an internal valuation carried out by the Director: Samstag Museum of Art giving consideration to current sales and auctions of works by the same artist and/or similar genre.



40. Acquittal of Australian Government financial assistance

(a) Commonwealth Grants Scheme and other Grants

	Commonwealth Grants Scheme		Indigenous Support Program		Partnership & Participation Program		Disability Support Program		Capital Development Pool	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in cash during the reporting period	175,578	168,415	1,064	1,113	6,335	5,608	107	84	-	-
Net accrual adjustments	(368)	(241)	-	-	851	316	-	-	-	-
Revenue for the period	175,210	168,174	1,064	1,113	7,186	5,924	107	84	-	-
Movement in deferred income	-	-	-	-	(851)	(316)	-	-	-	-
Surplus/(deficit) from the previous year	-	-	-	-	1,209	1,642	17	346	4,900	4,900
Total revenue including accrued revenue	175,210	168,174	1,064	1,113	7,544	7,250	124	430	4,900	4,900
Less expenses including accrued expenses	(175,210)	(168,174)	(1,064)	(1,113)	(7,186)	(6,041)	(107)	(413)	(4,900)	-
Surplus/(deficit) for the reporting period	-	-	-	-	358	1,209	17	17	-	4,900

	Diversity and Structural Adjustment Fund		Promo of Exc in Learning and Teaching		Australian Maths & Science Partnership Program		Total
	2015	2014	2015	2014	2015	2014	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in cash during the reporting period	-	-	-	312	261	183,577	175,793
Net accrual adjustments	1,814	1,296	185	35	(8)	2,474	1,145
Revenue for the period	1,814	1,296	417	347	253	186,051	176,938
Movement in deferred income	(1,814)	(1,296)	(185)	(35)	8	(2,842)	(1,386)
Surplus/(deficit) from the previous year	2,182	3,478	421	480	261	8,990	10,846
Total revenue including accrued revenue	2,182	3,478	653	792	522	192,199	186,398
Less expenses including accrued expenses	(1,814)	(1,296)	(413)	(371)	(250)	(190,944)	(177,408)
Surplus/(deficit) for the reporting period	368	2,182	240	421	272	1,255	8,990



40. Acquittal of Australian Government financial assistance (continued)

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

	HECS-HELP (Australian Government payments only)						SA-HELP		Total	
	2015		2014		2015		2015		2014	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash Payable/(Receivable) at the beginning of the year	(146)	1,036			608	1,098	18	14	480	2,148
Financial assistance received in cash during the reporting period										
Cash available for the period										
Revenue earned										
Cash Payable/(Receivable) at the end of the year	114,727	108,442	8,425	7,117	2,969	2,737	126,121	118,296		
	114,581	109,478	9,033	8,215	2,987	2,751	126,601	120,444		
	115,199	109,624	8,708	7,607	2,882	2,733	126,789	119,964		
	(618)	(146)			325	608	105	18	(188)	480

3(b)



40. Acquittal of Australian Government financial assistance (continued)

(c) Scholarships

	Australian Postgraduate Awards		International Postgraduate Research Scholarships		Commonwealth Education Cost Scholarships		Commonwealth Accommodation Scholarships		Indigenous Access Scholarships		Indigenous Staff Scholarships		Total
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	
Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in cash during the reporting period	5,932	5,771	472	470	8	8	-	60	15	42	-	-	6,449
Net accrual adjustments	-	-	-	-	15	(15)	25	(25)	14	(14)	-	-	54
Revenue for the period	5,932	5,771	472	470	45	(7)	25	35	29	28	-	-	6,503
Movement in deferred income	-	-	-	-	(15)	15	(25)	25	(14)	14	-	-	(54)
Surplus/(deficit) from the previous year	1,598	1,342	-	-	140	136	19	26	14	28	12	12	1,783
Total revenue including accrued revenue	7,530	7,113	472	470	170	144	19	86	29	70	12	12	8,232
Less expenses including accrued expenses	(5,505)	(5,515)	(472)	(470)	(51)	(4)	(19)	(67)	(29)	(56)	-	-	(6,076)
Surplus/(deficit) for the reporting period	2,025	1,598	-	-	119	140	-	19	-	14	12	12	2,156
													1,783



40. Acquittal of Australian Government financial assistance (continued)

(d) EDUCATION Research

	Joint Research Engagement		JRE Engineering Cadetships		Research Training Scheme		Research Infrastructure Block Grants		Sustainable Research Excellence in Universities		Total
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in cash during the reporting period	7,855	7,491	121	90	13,374	13,294	2,919	2,869	2,214	2,023	25,767
Net accrual adjustments	-	-	-	-	-	-	-	-	-	-	-
Revenue for the period	7,855	7,491	121	90	13,374	13,294	2,919	2,869	2,214	2,023	26,483
Surplus/(deficit) from the previous year	-	-	-	-	-	-	-	-	-	-	-
Total revenue including accrued revenue	7,855	7,491	121	90	13,374	13,294	2,919	2,869	2,214	2,023	25,767
Less expenses including accrued expenses	(7,855)	(7,491)	(121)	(90)	(13,374)	(13,294)	(2,919)	(2,869)	(2,214)	(2,023)	(25,767)
Surplus/(deficit) for the reporting period	-	-	-	-	-	-	-	-	-	-	-

3(d)



40. Acquittal of Australian Government financial assistance (continued)

(e) Other Capital Funding

	Education Investment			
	Fund		Total	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Financial assistance received in cash during the reporting period	10,000	4,920	10,000	4,920
Net accrual adjustments	(5,250)	5,250	(5,250)	5,250
Revenue for the period	4,750	10,170	4,750	10,170
Surplus/(deficit) from the previous year	7,370	2,626	7,370	2,626
Total revenue including accrued revenue	12,120	12,796	12,120	12,796
Less expenses including accrued expenses	(12,120)	(5,426)	(12,120)	(5,426)
Surplus/(deficit) for the reporting period	-	7,370	-	7,370



40. Acquittal of Australian Government financial assistance (continued)

(f) Australian Research Council Grants

(i) Discovery

Financial assistance received in cash during the reporting period

Net accrual adjustments

3(f)(i)

Revenue for the period

Movement in deferred income

Surplus/(deficit) from the previous year

Total revenue including accrued revenue

Less expenses including accrued expenses

Surplus/(deficit) for the reporting period

	Projects		Fellowships		Indigenous Researchers Development		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	1,055	2,612	1,981	2,684	236	237	3,272	5,533
	556	18	(279)	(202)	122	(85)	399	(269)
	1,611	2,630	1,702	2,482	358	152	3,671	5,264
	(543)	(248)	92	202	(122)	58	(573)	12
	2,062	2,310	1,248	1,046	210	152	3,520	3,508
	3,130	4,692	3,042	3,730	446	362	6,618	8,784
	(1,611)	(2,630)	(1,702)	(2,482)	(358)	(152)	(3,671)	(5,264)
	1,519	2,062	1,340	1,248	88	210	2,947	3,520



40. Acquittal of Australian Government financial assistance (continued)

(f) Australian Research Council Grants (continued)

	Note	Infrastructure		Projects		Industrial Transformational Research Program		Total	
		2015	2014	2015	2014	2015	2014	2015	2014
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
(ii) Linkages									
Financial assistance received in cash during the reporting period		290	1,075	2,318	2,369	-	-	2,608	3,444
Net accrual adjustments		(108)	169	(375)	(180)	179	11	(304)	-
Revenue for the period	3(f)(ii)	182	1,244	1,943	2,189	179	11	2,304	3,444
Movement in deferred income		218	(36)	294	8	82	230	594	202
Surplus/(deficit) from the previous year		-	36	2,923	2,915	230	-	3,153	2,951
Total revenue including accrued revenue		400	1,244	5,160	5,112	491	241	6,051	6,597
Less expenses including accrued expenses		(182)	(1,244)	(1,943)	(2,189)	(179)	(11)	(2,304)	(3,444)
Surplus/(deficit) for the reporting period		218	-	3,217	2,923	312	230	3,747	3,153



40. Acquittal of Australian Government financial assistance (continued)

(f) Australian Research Council Grants (continued)

	Note	Centres		Total Networks and Centres		Special Research Initiatives		Total	
		2015	2014	2015	2014	2015	2014	2015	2014
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
(iii) Networks and Centres									
Financial assistance received in cash during the reporting period		-	-	-	-	-	-	-	-
Net accrual adjustments		417	197	417	197	-	13	417	210
Revenue for the period	3(f)(iii)	417	197	417	197	-	13	417	210
Movement in deferred income		(127)	262	(127)	262	-	-	(127)	262
Surplus/(deficit) from the previous year		262	-	262	-	-	-	262	-
Total revenue including accrued revenue		552	459	552	459	-	13	552	472
Less expenses including accrued expenses		(417)	(197)	(417)	(197)	-	(13)	(417)	(210)
Surplus/(deficit) for the reporting period		135	262	135	262	-	-	135	262



40. Acquittal of Australian Government financial assistance (continued)

(g) Student Services and Amenities Fee

	2015	2014
	\$'000	\$'000
Unspent/(overspent) revenue from previous period	178	50
SA-HELP revenue earned	2,882	2,733
Student services fees direct from students	1,885	1,532
Total revenue expendable in period	4,945	4,315
Student services expenses during period	(4,669)	(4,137)
Unspent/(overspent) student services revenue	276	178

(h) OS-HELP

	2015	2014
	\$'000	\$'000
Cash Received during the reporting period	692	2,500
Cash Spent during the reporting period	(1,407)	(1,252)
Net Cash received	(715)	1,248
Cash Surplus/(deficit) from the previous period	1,298	50
Cash surplus for the reporting period	583	1,298



40. Acquittal of Australian Government financial assistance (continued)

(i) Superannuation Supplementation

	2015	2014
	\$'000	\$'000
Cash Received during the reporting period	29,303	28,827
Cash available	29,303	28,827
Cash surplus / (deficit) from the previous period	(147)	657
Cash available for current period	29,156	29,484
Contributions to specified defined benefit funds	(27,976)	(29,631)
Cash surplus for this period	1,180	(147)

Note
3(h)



41. Acronyms and definitions

The following acronyms and terminology are used throughout the Financial Statements:

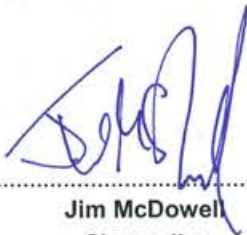
AAS	Australian Accounting Standards
AASB	Australian Accounting Standards Board
ARC	Australian Research Council
ATO	Australian Taxation Office
AUD	Australian Dollar
CPI	Consumer Price Index
CRC	Co-operative Research Centre
DBD	UniSuper Defined Benefit Division
DECD	South Australian Government Department of Education and Child Development
EDUCATION	Australian Government Department of Education and Training
GST	Goods and Services Tax
HECS	Higher Education Contribution Scheme
MYR	Malaysian Ringgit
NAB	National Australia Bank
NHMRC	National Health and Medical Research Council
Safety margin	Operating result as a percentage of total income
USD	United States Dollar



CERTIFICATE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

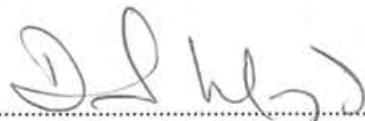
To the best of our knowledge and belief:

- the financial statements:
 - are in accordance with the accounts and records of the University and give an accurate indication of the financial transactions of the University for the year then ended;
 - comply with the relevant Treasurer's Instructions promulgated under the provisions of the South Australian Public Finance and Audit Act 1987;
 - comply with relevant Accounting Standards and other mandatory professional reporting requirements in Australia, except to the extent noted in Note 1 Summary of Significant Accounting Policies and the Independent Audit Report; and
 - present a true and fair view of the financial position of the University as at 31 December 2015 and the result of its operations and its cash flows for the year then ended.
- the amount of Australian Government financial assistance expended during the reporting period was for the purpose(s) for which it was intended and the University has complied with applicable legislation, contracts, agreements and program guidelines in making expenditure.
- the University charged Student Services and Amenities Fees strictly in accordance with the Higher Education Support Act 2003 and the Administration Guidelines made under the Act. Revenue from the fee was spent strictly in accordance with the Act and only on services and amenities specified in subsection 19-38(4) of the Act.
- internal controls over financial reporting and preparation of the financial statements have been effective throughout the reporting period.




Jim McDowell
Chancellor

20 April 2016



Professor David G. Lloyd
Vice Chancellor and President

20 April 2016



Mr Peter Prest
Chief Financial Officer

20 April 2016



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**To the Chancellor
University of South Australia**

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 19 of the *University of South Australia Act 1990*, I have audited the accompanying financial report of the University of South Australia (the University) and the consolidated entity comprising the University and its controlled entities for the financial year ended 31 December 2015. The financial report comprises:

- a Statement of Comprehensive Income for the year ended 31 December 2015
- a Statement of Financial Position as at 31 December 2015
- a Statement of Changes in Equity for the year ended 31 December 2015
- a Statement of Cash Flows for the year ended 31 December 2015
- notes, comprising a summary of significant accounting policies and other explanatory information.

The consolidated financial report comprises the University and the entities it controlled at the year's end or from time to time during the financial year.

The Council's Responsibility for the Financial Report

The members of the Council are responsible for the preparation of the financial report that gives a true and fair view in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987*, the *Higher Education Support Act 2003* and Australian Accounting Standards, and for such internal control as the members of the Council determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

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 comply with relevant ethical requirements and that the auditor plan and perform the audit to obtain reasonable assurance about 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 control relevant to the entity's preparation of the financial report that gives a true and fair view 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 qualified audit opinion.

Basis for Qualified Opinion

The University has recognised \$25.9 million of unspent funding as a liability for the year ended 31 December 2015. These amounts have been accounted for as income received in advance and included in 'Other Liabilities - Commonwealth and State Government Grants', 'Other Liabilities - Income in advance on incomplete projects' and 'Other Liabilities – Other current liability' in note 25 to the financial report. The University has disclosed its accounting treatment of these funds in note 1(d) to the financial report.

The funds represent contributions and meet the recognition criteria of income in accordance with Accounting Standard AASB 1004 Contributions and Accounting Policy Framework V Income Framework. The University controls these funds upon receipt and it is highly probable that any unspent funds will be spent in accordance with stipulated conditions. It is highly unlikely that unspent funds will need to be repaid to the granting bodies and as such funds should be recognised as income at the time of receipt.

As a result, the following has been misstated in the 2015 financial report:

- the revenue recognised as Australian Government grants is overstated by \$6.8 million (\$1.7 million understated in 2014)
- the revenue recognised as State and Local Government financial assistance is overstated by \$72 000 (\$800 000 overstated in 2014)
- the revenue recognised as Consultancy and contract research is overstated by \$2 million (\$1.6 million overstated in 2014).
- Operating result attributable to members of University of South Australia is overstated by \$8.9 million (\$700 000 overstated in 2014).
- Other liabilities is overstated by \$25.9 million (\$34.8 million overstated in 2014).
- Closing retained earnings is understated by \$25.9 million (\$34.8 million understated in 2014).

Qualified Opinion

In my opinion, except for the effects of the matter described in the 'Basis for Qualified Opinion' paragraphs, the financial report gives a true and fair view of the financial position of the University of South Australia and its controlled entities (the consolidated entity) as at 31 December 2015, their financial performance and their cash flows for the year then ended in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987*, the *Higher Education Support Act 2003* and Australian Accounting Standards.



Andrew Richardson

Auditor-General

27 April 2016



**University of
South Australia**

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