

UNIVERSITY OF SOUTH AUSTRALIA

OPERATING STATEMENT FOR THE YEAR ENDED 31 DECEMBER 1995

	<i>Note</i>	Consolidated		University	
		1995	1994	1995	1994
		\$000	\$000	\$000	\$000
OPERATING REVENUE					
Commonwealth Government grants	<i>1(d),3</i>	131 499	133 876	129 304	133 876
Higher Education Contribution Scheme	<i>4</i>	34 329	31 313	34 329	31 313
South Australian Government grants	<i>1(d),5</i>	2 348	2 850	1 781	2 850
Other research grants and contracts	<i>1(d)</i>	14 218	14 802	3 582	1 836
Scholarships and prizes		221	274	221	274
Donations and bequests		378	446	244	94
Investment income	<i>1(d)</i>	2 109	2 057	1 949	1 911
Fees and charges	<i>1(d),6</i>	19 415	17 737	19 541	17 737
Deferred income - Government contributions for superannuation	<i>18</i>	15 400	5 700	15 400	5 700
Other		177	101	-	-
Total operating revenues before abnormal items		220 094	209 156	206 351	195 591
OPERATING EXPENSES					
Academic activities	<i>7</i>	120 204	110 793	120 199	110 793
Libraries	<i>7</i>	10 333	9 305	10 333	9 305
Other academic support services	<i>7</i>	16 206	13 296	16 206	13 296
Student services	<i>7</i>	3 485	3 118	3 485	3 118
Public services	<i>7</i>	3 512	3 088	3 512	3 088
Buildings and grounds	<i>7</i>	10 390	11 829	10 390	11 829
Administration and other general institutional services	<i>7</i>	30 278	26 663	26 565	23 174
Deferred employee benefits for superannuation	<i>18</i>	15 400	5 700	15 400	5 700
Other	<i>7</i>	10 624	9 665	684	-
Total operating expenses before abnormal items		220 432	193 457	206 774	180 303
Operating result before abnormal items		(338)	15 699	(423)	15 288
Abnormal items	<i>1(j)</i>	(5 967)	(16 872)	(5 967)	(16 872)
Operating result after abnormal items		(6 305)	(1 173)	(6 390)	(1 584)
Add accumulated results of operations at beginning of year		355 746	356 919	355 066	356 650
ACCUMULATED RESULTS OF OPERATIONS AT END OF YEAR		349 441	355 746	348 676	355 066

The operating statement is to be read in conjunction with the notes to and forming part of the financial statements.

UNIVERSITY OF SOUTH AUSTRALIA

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 1995

	<i>Note</i>	Consolidated		University	
		1995	1994	1995	1994
		\$000	\$000	\$000	\$000
CURRENT ASSETS					
Cash		1 072	58	527	55
Receivables	9	4 741	4 458	5 555	4 539
Investments	10	15 372	34 855	14 357	32 539
Other	11	15 555	13 106	15 536	13 094
Total current assets		36 740	52 477	35 975	50 227
NON-CURRENT ASSETS					
Receivables	9	344	463	344	463
Property plant and equipment	12	456 562	446 842	456 161	446 296
Other	11	210 600	198 200	210 600	198 200
Total non-current assets		667 506	645 505	667 105	644 959
TOTAL ASSETS		704 246	697 982	703 080	695 186
CURRENT LIABILITIES					
Creditors	13	10 188	8 905	9 748	7 960
Borrowings	14	163	149	163	149
Accrued liabilities	15	14 439	14 759	14 423	14 419
Other	16	28 983	28 805	29 038	27 974
Total current liabilities		53 773	52 618	53 372	50 502
NON-CURRENT LIABILITIES					
Borrowings	14	775	939	775	939
Accrued liabilities	15	15 841	16 663	15 841	16 663
Other	16	210 600	198 200	210 600	198 200
Total non-current liabilities		227 216	215 802	227 216	215 802
TOTAL LIABILITIES		280 989	268 420	280 588	266 304
NET ASSETS		423 257	429 562	422 492	428 882
EQUITY					
Asset Revaluation Reserve		73 816	73 816	73 816	73 816
Accumulated results of operations at end of year		349 441	355 746	348 676	355 066
TOTAL EQUITY		423 257	429 562	422 492	428 882

The statement of financial position is to be read in conjunction with the notes to and forming part of the financial statements.

UNIVERSITY OF SOUTH AUSTRALIA

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 1995

	<i>Note</i>	Consolidated		University	
		1995	1994	1995	1994
		\$000	\$000	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES		inflows	inflows	inflows	inflows
		(outflows)	(outflows)	(outflows)	(outflows)
Inflows:					
Higher Education Contribution Scheme:					
Student payments		5 483	5 047	5 483	5 047
Higher Education Trust Fund		28 862	24 664	28 862	24 664
Interest received		2 104	1 977	1 976	1 830
Fees and charges		33 677	32 978	22 721	19 638
Outflows:					
Staff salaries		(109 583)	(102 289)	(105 034)	(97 957)
Staff salary related costs		(34 345)	(23 636)	(33 402)	(22 891)
Interest and other costs of finance paid		(74)	(86)	(74)	(86)
Other		(51 416)	(45 582)	(42 236)	(37 302)
Net cash used in operating activities	<i>26(b)</i>	<u>(125 292)</u>	<u>(106 927)</u>	<u>(121 704)</u>	<u>(107 057)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Inflows:					
Proceeds from sale of plant and equipment		443	293	112	151
Outflows:					
Payments for property plant and equipment		(25 300)	(32 417)	(25 035)	(32 092)
Net cash used in investing activities		<u>(24 857)</u>	<u>(32 124)</u>	<u>(24 923)</u>	<u>(31 941)</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Outflows:					
Repayment of borrowings		(149)	(212)	(149)	(212)
Net cash used in financing activities		<u>(149)</u>	<u>(212)</u>	<u>(149)</u>	<u>(212)</u>
CASH FLOWS FROM GOVERNMENT					
Inflows:					
Commonwealth government grants		128 998	126 359	126 802	126 359
South Australian government grants		2 341	2 940	1 774	2 940
Net cash from Government		<u>131 339</u>	<u>129 299</u>	<u>128 576</u>	<u>129 299</u>
Net increase/(decrease) in cash held		(18 959)	(9 964)	(18 200)	(9 911)
Cash at beginning of reporting year		<u>32 581</u>	<u>42 545</u>	<u>30 262</u>	<u>40 173</u>
CASH AT END OF REPORTING YEAR	<i>26(a)</i>	<u>13 622</u>	<u>32 581</u>	<u>12 062</u>	<u>30 262</u>

The statement of cash flows is to be read in conjunction with the notes to and forming part of the financial statements.

UNIVERSITY OF SOUTH AUSTRALIA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1995

1. Statement of Significant Accounting Policies

The significant accounting policies which have been adopted in the preparation of these financial statements are:

(a) Basis of Preparation

The financial statements have been prepared on a full accrual basis and in accordance with applicable Australian Accounting Standards and the requirements of the Commonwealth Department of Employment Education and Training and Youth Affairs (DEETYA). The financial statements have been prepared on the basis of historical costs and do not take into account changing money values or, except where stated, current valuations of non-current assets.

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

(b) Principles of Consolidation

The consolidated accounts include the accounts of the University and its controlled entities (detailed in Note 22). The effects of transactions between controlled entities included in the consolidated accounts have been eliminated.

(c) Comparative Figures

The previous year's figures are provided in the financial statements for comparative purposes. Where applicable, comparative figures have been adjusted to conform with changes in presentation and classification in the current year. The 1994 operating result has been adjusted downwards by \$14.4 million to reflect the change in income recognition as highlighted in Note 2 (Change in Accounting Policy).

The balance of the Lydia Longmore Memorial Fund valued at \$28 000 (\$29 000 in 1994) has not been included in the financial statement of the University of South Australia Foundation Incorporated pending finalisation of the legal processes in respect to the transfer of the fund to the Foundation (refer Note 22).

(d) Revenue Recognition

Grants

Grant income from DEETYA is recognised in the period to which it relates. The DEETYA advance of \$12.1m received in December 1995 for the 1996 academic year has been recognised as income in advance of the operating year and recorded as a liability. Other grants are recognised as income when they are received.

Other Research Grants and Contracts

Income from Other Research Grants and Contracts is recognised in the period to which the grant relates, or the period in which the contract services are provided.

Fees and Charges

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

Investment Income

Interest income is recognised as it accrues.

(e) Inventories

Consumable supplies are not recognised in the statement of financial position as the value of these supplies is not considered to be material.

UNIVERSITY OF SOUTH AUSTRALIA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1995

(f) **Work in Progress**

Valuation

Work in progress (WIP) is the value of project expenditure capitalised at the 31st December 1995. The value of WIP is the result of charges against projects less amounts transferred to cost of sales, as shown in Note 7 - Other . Work in progress cost includes variable and fixed costs which can be related to specific projects.

Recognition of Profit

Project profit is recognised using the percentage of completion method, less provision for foreseeable losses. Provision for the total loss on a project is made as soon as the loss is foreseeable. Profit is not taken up until projects have achieved a specific level of completion. Profits arising from long term contracts are recognised over the term of the contract according to the stage of completion and the relative risk of the contract. Profits relating to short term projects are generally recognised in the operating statement on completion of the project.

(g) **Property, Plant and Equipment**

Items of property, plant and equipment have been recognised in the financial statements as follows:

Land

Land controlled by the University at 31 July 1993 has been recognised at unimproved value as determined by the Valuer General.

Land acquired subsequent to 31 July 1993 is recognised at acquisition cost.

Land is revalued every five years at unimproved value as determined by the Valuer General.

Buildings

Buildings controlled by the University at 31 July 1993 have been recognised at independent valuation. The valuation was carried out as at 31 December 1993 by the Australian Valuation Office, and is on the basis of written down current cost.

Buildings acquired subsequent to 31 July 1993 are recognised at acquisition cost.

Buildings under construction are valued at the cost of construction.

Buildings are independently revalued every five years on the basis of their existing use.

Infrastructure

Infrastructure was recognised for the first time in 1994 under the heading Property, Plant and Equipment resulting in the creation of an Asset Revaluation Reserve corresponding to the value of the infrastructure.

Infrastructure is reported at Directors valuation, based on the estimated written down current cost as at 31 December 1993. Major acquisitions subsequent to 31 December 1993 are capitalised at acquisition cost. Infrastructure is reviewed at least every five years for valuation purposes.

UNIVERSITY OF SOUTH AUSTRALIA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1995

(g) **Property, Plant and Equipment (cont)**

Library Collection

The base value of the library collection is reported at Directors' valuation, based on an estimate of written down current cost as at 31 December 1993. Additions subsequent to 31 December 1993 are capitalised at acquisition cost. The collection is reviewed at least every five years for valuation purposes. In 1994 the University reassessed downwards the estimated remaining useful life of the base library collection at 31 December 1993 and adjusted the depreciation rate accordingly.

Plant and Equipment

Items of plant and equipment are recorded at historical cost less accumulated depreciation.

Leased property, plant and equipment

Payments made under operating leases are charged as an operating expense in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property.

The University has not entered into any finance leases.

(h) **Depreciation**

Depreciation is calculated on a straight line basis on all property, plant and equipment other than buildings under construction and land which are not subject to depreciation. Rates are calculated to allocate the cost or value of the assets over the estimated useful life of the assets.

(i) **Accrued Liabilities**

The long service leave liability and its associated payroll tax are estimated by calculating the nominal liability for all employees with five or more years service.

The liability for annual leave and leave loading is calculated on current wage rates and includes the applicable payroll tax.

Sick leave is considered to be taken from the current year's accrual. As the accrual always significantly exceeds the leave taken, no liability is recorded.

(j) **Abnormal Items**

The amount shown as Abnormal items in 1995 represents amounts expensed in 1995 for the Early Retirement and Voluntary Separation Schemes. The amount shown in 1994 represents \$10.8 million for write-off of assets valued between \$2 000 and \$10 000, \$570 000 for write-off of CASMAC (Core Australian Specification for Management and Administrative Computing) development costs, \$650 000 representing changes as required by AAS30 (employee entitlements) and \$4.8 million for Early Retirement and Voluntary Separation expense in 1994.

2. **Change in Accounting Policy**

Grant income from DEETYA is recognised in the period to which it relates, in accordance with instructions from DEETYA. The figures for 1994 have been adjusted accordingly. In the 1994 Annual Financial Statements this income was recognised in the period in which the funds were received. As a result of this change in accounting policy the DEETYA advance grant instalment for 1995 of \$14.4 million received in 1994, is now shown as 1995 income rather than as an abnormal item in 1994. The effect of this change has been to reduce the operating result after abnormal items for 1994.

UNIVERSITY OF SOUTH AUSTRALIA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1995

3.1 Commonwealth Government Grants

	<i>Note</i>	University 1995 \$000	University 1994 \$000
Pursuant to the <i>Higher Education Funding Act 1988</i> :			
Operating purposes excluding HECS		122 291	125 634
Special research assistance:			
Large research grants		592	432
Small research grants		161	151
Collaborative research grants		363	1 599
Research infrastructure grants		2 598	3 093
Key centres of teaching and research		-	219
Research fellowships		155	153
Australian postgraduate awards		763	760
Overseas postgraduate research scholarships		155	197
Sub-total Higher Education Funding Act 1988		127 078	132 238
Other Commonwealth Government Grants		2 226	1 638
Total Commonwealth Government Grants		129 304	133 876

3.2 Amounts received pursuant to the Higher Education Funding Act 1988 and amounts expended.

<i>Operating purposes excluding HECS</i>			
Grant received in previous period:			
advance payment received in previous period	(1)	11 677	21 027
carry-over from previous period		-	1 005
sub-total amount received in previous period	(2)	11 677	22 032
Grant received in the reporting period	(3)	119 685	116 284
Less amount attributable to future period:			
advance payment received in respect of next period	(4)	(9 071)	(11 677)
under-expenditure in reporting period		-	-
sub-total amount attributable to future period	(5)	(9 071)	(11 677)
Grant provided in respect of the reporting period	(1 + 3-4)	122 291	125 634
Amount expended in the reporting period	(2 + 3-5)	122 291	126 639

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1995

	<i>Note</i>	University 1995 \$000	University 1994 \$000
Commonwealth Government Grants (continued)			
<i>Large research grants</i>			
Grant received in previous period:			
advance payment received in previous period	(1)	34	47
carry-over from previous period		5	50
sub-total amount received in previous period	(2)	39	97
Grant received in the reporting period	(3)	613	419
Less amount attributable to future period:			
advance payment received in respect of next period	(4)	(55)	(34)
under-expenditure in reporting period		(35)	(5)
sub-total amount attributable to future period	(5)	(90)	(39)
Grant provided in respect of the reporting period	(1 + 3-4)	592	432
Amount expended in the reporting period	(2 + 3-5)	562	477
<i>Small research grants</i>			
Grant received in previous period:			
advance payment received in previous period	(1)	13	-
carry-over from previous period		18	-
sub-total amount received in previous period	(2)	31	-
Grant received in the reporting period	(3)	148	164
Less amount attributable to future period:			
advance payment received in respect of next period	(4)	-	(13)
under-expenditure in reporting period		(21)	(18)
sub-total amount attributable to future period	(5)	(21)	(31)
Grant provided in respect of the reporting period	(1 + 3-4)	161	151
Amount expended in the reporting period	(2 + 3-5)	158	133
<i>Collaborative research grants</i>			
Grant received in previous period:			
advance payment received in previous period	(1)	50	-
carry-over from previous period		1 148	705
sub-total amount received in previous period	(2)	1 198	705
Grant received in the reporting period	(3)	818	1 649
Less amount attributable to future period:			
advance payment received in respect of next period	(4)	(505)	(50)
under-expenditure in reporting period		(109)	(1 148)
sub-total amount attributable to future period	(5)	(614)	(1 198)
Grant provided in respect of the reporting period	(1 + 3-4)	363	1 599
Amount expended in the reporting period	(2 + 3-5)	1 402	1 156

UNIVERSITY OF SOUTH AUSTRALIA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1995

	<i>Note</i>	University 1995 \$000	University 1994 \$000
Commonwealth Government Grants (continued)			
<i>Large equipment grants</i>			
Grant received in previous period:			
advance payment received in previous period	<i>(1)</i>	-	-
carry-over from previous period		-	9
sub-total amount received in previous period	<i>(2)</i>	-	9
Grant received in the reporting period	<i>(3)</i>	-	-
Less amount attributable to future period:			
advance payment received in respect of next period		-	-
under-expenditure in reporting period	<i>(4)</i>	-	-
sub-total amount attributable to future period	<i>(5)</i>	-	-
Grant provided in respect of the reporting period	<i>(1 + 3-4)</i>	-	-
Amount expended in the reporting period	<i>(2 + 3-5)</i>	-	9
<i>Research infrastructure grants</i>			
Grant received in previous period:			
advance payment received in previous period	<i>(1)</i>	206	61
carry-over from previous period		188	-
sub-total amount received in previous period	<i>(2)</i>	394	61
Grant received in the reporting period	<i>(3)</i>	2 392	3 238
Less amount attributable to future period:			
advance payment received in respect of next period	<i>(4)</i>	-	(206)
under-expenditure in reporting period		-	(188)
sub-total amount attributable to future period	<i>(5)</i>	-	(394)
Grant provided in respect of the reporting period	<i>(1 + 3-4)</i>	2 598	3 093
Amount expended in the reporting period	<i>(2 + 3-5)</i>	2 786	2 905
<i>Key centres of teaching and research</i>			
Grant received in previous period:			
advance payment received in previous period	<i>(1)</i>	-	39
carry-over from previous period		-	-
sub-total amount received in previous period	<i>(2)</i>	-	39
Grant received in the reporting period	<i>(3)</i>	-	180
Less amount attributable to future period:			
advance payment received in respect of next period	<i>(4)</i>	-	-
under-expenditure in reporting period		-	-
sub-total amount attributable to future period	<i>(5)</i>	-	-
Grant provided in respect of the reporting period	<i>(1 + 3-4)</i>	-	219
Amount expended in the reporting period	<i>(2 + 3-5)</i>	-	219

UNIVERSITY OF SOUTH AUSTRALIA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1995

	<i>Note</i>	University 1995 \$000	University 1994 \$000
Commonwealth Government Grants (continued)			
<i>Research fellowships</i>			
Grant received in previous period:			
advance payment received in previous period	(1)	12	27
carry over from previous period		-	-
sub-total amount received in previous period	(2)	12	27
Grant received in the reporting period	(3)	154	138
Less amount attributable to future period:			
advance payment received in respect of next period	(4)	(11)	(12)
under-expenditure in reporting period		-	-
sub-total amount attributable to future period	(5)	(11)	(12)
Grant provided in respect of the reporting period	(1 + 3-4)	155	153
Amount expended in the reporting period	(2 + 3-5)	155	153
<i>Australian postgraduate awards</i>			
Grant received in previous period:			
advance payment received in previous period	(1)	55	77
carry-over from previous period		-	-
sub-total amount received in previous period	(2)	55	77
Grant received in the reporting period	(3)	763	738
Less amount attributable to future period:			
advance payment received in respect of next period	(4)	(55)	(55)
under-expenditure in reporting period		-	-
sub-total amount attributable to future period	(5)	(55)	(55)
Grant provided in respect of the reporting period	(1 + 3-4)	763	760
Amount expended in the reporting period	(2 + 3-5)	763	760
<i>Overseas postgraduate research scholarships</i>			
Grant received in previous period:			
advance payment received in previous period	(1)	-	-
carry-over from previous period		-	-
sub-total amount received in previous period	(2)	-	-
Grant received in the reporting period	(3)	155	197
Less amount attributable to future period:			
advance payment received in respect of next period	(4)	-	-
under-expenditure in reporting period		-	-
sub-total amount attributable to future period	(5)	-	-
Grant provided in respect of the reporting period	(1 + 3-4)	155	197
Amount expended in the reporting period	(2 + 3-5)	155	197

UNIVERSITY OF SOUTH AUSTRALIA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1995**3.3 Acquittal of Commonwealth Government Grants**

The following Commonwealth Government grants were under-expended in the 1995 reporting period:

	Grant Provided	Expense	Under-expend.
	\$000	\$000	\$000
<u>Type of grant</u>			
Large Research Grants	597	562	35
Small Research Grants	179	158	21
Collaborative Research Grants	1 511	1 402	109

The information provided in Note 3 is only relevant to the University and so consolidated figures are not provided.

UNIVERSITY OF SOUTH AUSTRALIA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1995**4. Higher Education Contribution Scheme**

Higher Education Contribution Scheme revenue was collected by the University as follows during the reporting period:

	University 1995 \$000	University 1994 \$000
Received from the Higher Education Trust Fund	28 844	26 262
Received from students	5 485	5 051
	34 329	31 313

The information provided in Note 4 is only relevant to the University and so consolidated figures are not provided.

UNIVERSITY OF SOUTH AUSTRALIA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1995

5. South Australian Government Grants

State Government grants for the following purposes were received by the University during the reporting period:

	Consolidated		University	
	1995 \$000	1994 \$000	1995 \$000	1994 \$000
DETAFE	999	1 172	999	1 172
Other	1 349	1 678	782	1 678
	<u>2 348</u>	<u>2 850</u>	<u>1 781</u>	<u>2 850</u>

UNIVERSITY OF SOUTH AUSTRALIA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1995**6. Fees and Charges**

Fees and charges were collected from the following sources during the reporting period.

	Consolidated		University	
	1995 \$000	1994 \$000	1995 \$000	1994 \$000
Full fee paying overseas students	9 927	7 527	9 927	7 527
Fees-approved postgrad award students	1 088	1 466	1 088	1 466
Fees - Short Courses	3 624	3 048	3 624	3 048
Open Learning Agency Australia-OLAA	540	833	540	833
Fees - Flying School	870	458	870	458
Rental income	1 294	1 114	1 294	1 114
Hire of facilities	289	289	289	289
Parking charges	305	275	305	275
Other fees and charges	1 478	2 727	1 604	2 727
	<u>19 415</u>	<u>17 737</u>	<u>19 541</u>	<u>17 737</u>

UNIVERSITY OF SOUTH AUSTRALIA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1995

	Consolidated		University	
	1995 \$000	1994 \$000	1995 \$000	1994 \$000
7. Expenses Attributed to Functions				
Academic activities:				
Academic staff salaries	57 171	55 521	57 171	55 521
Academic staff salary related costs	21 385	18 078	21 385	18 078
Non-academic staff salaries	11 765	11 595	11 765	11 595
Non-academic staff salary related costs	3 335	2 445	3 335	2 445
Depreciation expense:				
Buildings	7 836	7 713	7 836	7 713
Plant and equipment	1 266	1 574	1 266	1 574
Sub-total depreciation expense	9 102	9 287	9 102	9 287
Other expenses	17 446	13 867	17 441	13 867
	<u>120 204</u>	<u>110 793</u>	<u>120 199</u>	<u>110 793</u>
Libraries:				
Academic staff salaries	376	380	376	380
Academic staff salary related costs	136	159	136	159
Non-academic staff salaries	4 906	4 673	4 906	4 673
Non-academic staff salary related costs	1 280	1 014	1 280	1 014
Depreciation expense:				
Buildings	955	940	955	940
Library collection	2 016	1 960	2 016	1 960
Plant and equipment	17	20	17	20
Sub-total depreciation expense	2 988	2 920	2 988	2 920
Other expenses	647	159	647	159
	<u>10 333</u>	<u>9 305</u>	<u>10 333</u>	<u>9 305</u>
Other academic support services:				
Academic staff salaries	1 202	1 084	1 202	1 084
Academic staff salary related costs	430	568	430	568
Non-academic staff salaries	5 475	4 473	5 475	4 473
Non-academic staff salary related costs	1 664	1 716	1 664	1 716
Depreciation expense:				
Buildings	450	443	450	443
Plant and equipment	551	441	551	441
Sub-total depreciation expense	1 001	884	1 001	884
Other expenses	6 434	4 571	6 434	4 571
	<u>16 206</u>	<u>13 296</u>	<u>16 206</u>	<u>13 296</u>

UNIVERSITY OF SOUTH AUSTRALIA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1995

	Consolidated		University	
	1995 \$000	1994 \$000	1995 \$000	1994 \$000
Expenses Attributed to Functions (continued)				
Student Services:				
Academic staff salaries	6	-	6	-
Academic staff salary related costs	1	-	1	-
Non-academic staff salaries	1 297	1 174	1 297	1 174
Non-academic staff salary related costs	333	179	333	179
Depreciation expense:				
Building	757	746	757	746
Plant and equipment	-	-	-	-
Sub-total depreciation expense	757	746	757	746
Other expenses	1 091	1 019	1 091	1 019
	<u>3 485</u>	<u>3 118</u>	<u>3 485</u>	<u>3 118</u>
Public Services:				
Academic staff salaries	1 685	1 446	1 685	1 446
Academic staff salary related costs	524	733	524	733
Non-academic staff salaries	244	166	244	166
Non-academic staff salary related costs	73	38	73	38
Depreciation expense:				
Buildings	110	108	110	108
Plant and equipment	-	-	-	-
Sub-total depreciation expense	110	108	110	108
Other expenses	876	597	876	597
	<u>3 512</u>	<u>3 088</u>	<u>3 512</u>	<u>3 088</u>
Buildings and grounds:				
Academic staff salaries	-	-	-	-
Academic staff salary related costs	-	-	-	-
Non-academic staff salaries	2 579	2 427	2 579	2 427
Non-academic staff salary related costs	742	562	742	562
Depreciation expense:				
Buildings	208	205	208	205
Plant and equipment	36	15	36	15
Sub-total depreciation expense	244	220	244	220
Other expenses	6 825	8 620	6 825	8 620
	<u>10 390</u>	<u>11 829</u>	<u>10 390</u>	<u>11 829</u>
Administration and other general institutional services:				
Academic staff salaries	799	775	799	775
Academic staff salary related costs	281	313	281	313
Non-academic staff salaries	13 339	12 346	11 672	10 814
Non-academic staff salary related costs	3 943	2 436	3 000	1 691
Depreciation expense:				
Buildings	658	648	658	648
Plant and equipment	337	336	215	190
Sub-total depreciation expense	995	984	873	838
Other expenses	10 921	9 809	9 940	8 743
	<u>30 278</u>	<u>26 663</u>	<u>26 565</u>	<u>23 174</u>

UNIVERSITY OF SOUTH AUSTRALIA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1995

	Consolidated		University	
	1995 \$000	1994 \$000	1995 \$000	1994 \$000
Expenses Attributed to Functions (continued)				
Other:				
Academic staff salaries	850	750	55	-
Academic staff salary related costs	-	-	-	-
Non-academic staff salaries	2 231	2 050	144	-
Non-academic staff salary related costs	-	-	-	-
Depreciation expense:				
Buildings	-	-	-	-
Plant and equipment	-	33	-	-
Sub-total depreciation expense	-	33	-	-
Other expenses	7 543	6 832	485	-
	<u>10 624</u>	<u>9 665</u>	<u>684</u>	<u>-</u>

UNIVERSITY OF SOUTH AUSTRALIA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1995

	Consolidated		University	
	1995 \$000	1994 \$000	1995 \$000	1994 \$000
8. Salary Related Expenses				
The following salary related expenses (see Note 7) were incurred during the reporting period:				
Contributions to superannuation and pension schemes:				
Emerging cost	12 870	10 160	12 870	10 159
Funded	8 555	6 771	8 210	6 505
Payroll tax	7 790	5 947	7 439	5 677
Workers compensation	852	842	809	809
Long service leave	3 552	3 302	3 514	3 267
Annual leave	463	1 151	342	1 079
Other	45	68	-	-
	<u>34 127</u>	<u>28 241</u>	<u>33 184</u>	<u>27 496</u>
Provision for emerging superannuation costs	15 400	5 700	15 400	5 700
	<u>49 527</u>	<u>33 941</u>	<u>48 584</u>	<u>33 196</u>

Payments for annual leave are shown as direct salaries (Refer Note 7). The additional accrued annual leave expense for 1995 is shown above. This amount represents the movement in the provision for annual leave for the University.

Long service leave includes amounts paid for long service leave and the net movement in the provision for long service leave.

UNIVERSITY OF SOUTH AUSTRALIA

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1995**

	Consolidated		University	
	1995 \$000	1994 \$000	1995 \$000	1994 \$000
9. Receivables				
Current:				
Debtors	4 519	4 266	4 625	4 317
Student loans	301	276	301	276
Loan receivable	107	81	796	81
	<u>4927</u>	<u>4 623</u>	<u>5 722</u>	<u>4 674</u>
Provision for doubtful debts	(186)	(165)	(167)	(135)
	<u>4 741</u>	<u>4 458</u>	<u>5 555</u>	<u>4 539</u>
Non-Current:				
Loan receivable	<u>344</u>	<u>463</u>	<u>344</u>	<u>463</u>
10. Investments				
Current:				
Short term deposits	<u>15 372</u>	<u>34 855</u>	<u>14 357</u>	<u>32 539</u>
11. Other Assets				
Current:				
Deferred Government superannuation contribution (see Note 18)	15100	12 100	15 100	12 100
Prepayments	455	1 006	436	994
	<u>15 555</u>	<u>13 106</u>	<u>15 536</u>	<u>13 094</u>
Non-Current:				
Deferred Government superannuation contribution (see Note 18)	210 600	198 200	210 600	198 200
	<u>210 600</u>	<u>198 200</u>	<u>210 600</u>	<u>198 200</u>

UNIVERSITY OF SOUTH AUSTRALIA

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1995**

	Consolidated		University	
	1995 \$000	1994 \$000	1995 \$000	1994 \$000
12. Property, Plant and Equipment				
Land				
At independent valuation 31 December 1993	25 567	25 567	25 567	25 567
At cost	12 067	12 067	12 067	12 067
	37 634	37 634	37 634	37 634
Buildings & Infrastructure				
At independent valuation 31 December 1993	345 965	345 965	345 965	345 965
At cost	23 768	21 570	23 768	21 570
Under construction	20 432	3 084	20 432	3 084
Accumulated depreciation	(21 779)	(10 803)	(21 779)	(10 803)
	368 386	359 816	368 386	359 816
Library Collection				
At Directors' valuation 31 December 1993	40 334	40 379	40 334	40 379
At cost	4 011	1 227	4 011	1 227
Accumulated depreciation	(3 971)	(1 959)	(3 971)	(1 959)
	40 374	39 647	40 374	39 647
Plant and Equipment				
At cost	20 365	17 903	19 445	16 900
Accumulated depreciation	(10 197)	(8 158)	(9 678)	(7 701)
	10 168	9 745	9 767	9 199
Total Property, Plant and Equipment	456 562	446 842	456 161	446 296
<i>Acquisitions</i>				
The following property, plant and equipment was purchased or constructed during the year:				
Land	-	7 142	-	7 142
Buildings	19 546	17 340	19 546	17 340
Library collection	2 784	1 227	2 784	1 227
Plant and equipment	2 970	6 708	2 705	6 383
	25 300	32 417	25 035	32 092
<i>Disposals</i>				
The following property, plant and equipment was disposed of or written off during the year:				
Library collection	45	28	45	28
Plant and equipment	508	11 101	160	10 959
	553	11 129	205	10 987

UNIVERSITY OF SOUTH AUSTRALIA

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1995**

	Consolidated		University	
	1995	1994	1995	1994
	\$000	\$000	\$000	\$000
13. Creditors				
Current:				
Trade creditors	7 366	6 573	6 926	5 628
Bank overdraft	2 822	2 332	2 822	2 332
	10 188	8 905	9 748	7 960
14. Borrowings				
Current:				
Not later than one year	163	149	163	149
Non-Current:				
Later than one year but not later than two years	179	163	179	163
Later than two years but not later than five years	390	513	390	513
Later than five years	206	263	206	263
	775	939	775	939
15. Accrued Liabilities				
Current:				
Annual leave	10 439	10 025	10 423	9 822
Long service leave	2 444	3 077	2 444	2 940
Early Retirement/Vol. Separation Scheme	1 556	1 657	1 556	1 657
	14 439	14 759	14 423	14 419
Non-Current:				
Long service leave	15 841	16 663	15 841	16 663
16. Other Liabilities				
Current:				
Amounts invoiced in advance on uncompleted projects	2 279	1 740	921	-
Work in progress	(1 251)	(538)	(236)	-
	1 028	1 202	685	-
Revenue received in advance	12 710	15 300	12 710	15 300
Provision for State superannuation (see Note 17 (i))	15 100	12 100	15 100	12 100
Funds held on behalf of external entities	145	203	543	574
	28 983	28 805	29 038	27 974
Non-Current:				
Provision for State superannuation (see Note 17 (i))	210 600	198 200	210 600	198 200

UNIVERSITY OF SOUTH AUSTRALIA

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1995**

17. Superannuation

The University contributes to the following employee superannuation funds:

(i) *South Australian Superannuation Fund*

Under the scheme the employer contributes a lump sum or continuing pension on the termination of employees based on average contributions made by the employee. Under current arrangements the Commonwealth Government funds the cost on an emerging basis and recovers the State's share of the cost directly from the State Government. The superannuation liability of future benefits for current pensioners and employees was assessed by the Director Superannuation, Department of Treasury and Finance as at 31 December 1995 to be \$225.7 million. This amount has been recognised in the accounts of the University as a liability and a corresponding receivable from the Commonwealth Government (see Note 18). The asset and liability have been classified as current and non-current according to cash flow projections of the assessment.

Assumptions adopted by the Director Superannuation, Department of Treasury and Finance in determining the University's liability were:

Rate of salary increases	4.00% per annum
Rate of increase in the Consumer Price Index	2.97% per annum
Investment earnings	7.12% per annum

	1995
	\$000
Balance at the beginning of the financial year	210 300
Increase in amount unfunded	15 400
Balance at end of the financial year	<u>225 700</u>
Comprising:	
Current liability	15 100
Non-current liability	210 600
	<u><u>225 700</u></u>

(ii) *Superannuation Scheme for Australian Universities*

The University contributes to the Superannuation Scheme for Australian Universities at a rate double the contributions made by employees. Employee's contributions are normally 7% of their gross salaries. The fund provides defined benefits based on years of service and final average salary.

An actuarial report has been undertaken by Grant Harslett, FIA, FIAA. A summary of his report stated that "The SSAU was found to be in a sound financial position as at the investigation date", which was 31 December 1994.

(iii) *Tertiary Education Superannuation Scheme*

The University contributes to the fund at a rate determined by the trust deed. The scheme is non contributory for employees. The fund provides benefits based on the defined contributions of the University during the membership of the employee.

The University also makes contributions into the fund for employee entitlements arising under the Superannuation Guarantee Legislation.

UNIVERSITY OF SOUTH AUSTRALIA

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1995**

18. Deferred Government Superannuation Contribution

The Commonwealth Government has undertaken to provide funding for emerging superannuation costs in its grants to institutions and to recover the State's share of the cost directly from the State Government.

In 1995, a credit amount was brought to account to reflect the increase in the net unfunded past service cost for State superannuation (see Note 17(i)).

	1995 \$000
Deferred Government superannuation contribution at the beginning of the year	210 300
Increase in amount owing for unfunded liability	<u>15 400</u>
Deferred Government superannuation contribution at the end of the year	<u>225 700</u>
Comprising:	
Current asset	15 100
Non-current asset	<u>210 600</u>
	<u>225 700</u>

19. Capital Expenditure Commitments

	Consolidated		University	
	1995 \$000	1994 \$000	1995 \$000	1994 \$000
Contracted for, but not provided for and payable:				
Not later than one year	35 546	1 392	35 546	1 392
Later than one year but not later than two years	150	420	150	420
Later than two years but not later than five years	200	890	200	890
Later than five years	150	100	150	100
	<u>36 046</u>	<u>2 802</u>	<u>36 046</u>	<u>2 802</u>

20. Lease Expenditure Commitments

Operating lease rentals are payable as follows:

Not later than one year	2 438	2 777	2 438	2 777
Later than one year but not later than two years	1 320	1 733	1 320	1 733
Later than two years but not later than five years	2 164	3 387	2 164	3 387
Later than five years	486	2 219	486	2 219
	<u>6 408</u>	<u>10 116</u>	<u>6 408</u>	<u>10 116</u>

21. Contingent Liabilities

The University has no material contingent liabilities.

UNIVERSITY OF SOUTH AUSTRALIA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1995

22. **Controlled Entities**

The University has 100% ownership of two controlled entities

Techsearch Incorporated

Techsearch is the commercial arm of the University and has previously provided a range of services to support staff in commercial activities. As from July 1995 new University commercial activity has been conducted through the University and the support services previously provided by Techsearch are now provided by the University.

University of South Australia Foundation Incorporated

The Foundation's purpose is to partner the University, its alumni and its supporters in industry and elsewhere in generating interest in the University. At the same time it will seek to attract broadly based levels of philanthropic support for the benefit of the University.

The University funds the operating costs of the Foundation directly so that grants received are used for the purpose intended by the grantee.

23. **Associated Entities**

The University has investments in the following associated entities:

Australian Information Technology Engineering Centre Pty Ltd (AITEC)

The Centre is jointly owned by the University of Adelaide, the Flinders University of South Australia, the SA Minister of Education, Employment and Training and the University of South Australia.

AITEC is predominantly funded by the Commonwealth and offers a Master of Engineering degree program. As at 31 December 1995 the company had net assets of \$2.012 million. The University's interest in the net assets is 25% (\$ 503,000) and is not included in the statement of financial position.

Unisure Pty Ltd

The University of South Australia is an exempt employer under the Workers Rehabilitation and Compensation Act, 1986, and is a joint unit holder along with the University of Adelaide and the Flinders University of South Australia in Unisure Pty Ltd, which manages workers' compensation claims on behalf of the three institutions.

During 1995 the University paid a net premium of \$800 000 to Unisure Pty Ltd to meet workers' compensation claims. As at 31 December 1995 Unisure had an estimated liability for outstanding University claims of \$1.065 million and held surplus funds for the University of \$2.186 million. The University's interest in the assets, liabilities and surplus funds of Unisure Pty Ltd is not included in the statement of financial position.

UNIVERSITY OF SOUTH AUSTRALIA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1995

24. Interest in Joint Ventures

The University has an interest in the following joint venture:

Signal Processing Research Institute (SPRI) Building

The University and the Technology Development Corporation (now subsumed by the MFP Development Corporation) entered into an agreement in 1991 to establish a building to house the Signal Processing Research Institute (SPRI) adjacent to the Levels at Technology Park. The building is leased to University research centres affiliated with the SPRI and other lessees. The University has a 30% share of the joint venture with the MFP Development Corporation holding the remaining 70% share.

The 30 June 1995 financial statements of the MFP Development Corporation indicate that the assets of the joint venture comprise land and a building with a market value of \$3 million and that the joint venture has total liabilities of \$4.2 million.

The University's interest in the assets and liabilities of the SPRI building venture is not included in the statement of financial position.

25. Cooperative Research Centres

The University participates in the following Cooperative Research Centres:

Cooperative Research Centre for Sensor Signal and Information Processing (CSSIP)

The CSSIP is a national Cooperative Research Centre. Its purpose is to provide research and postgraduate education in signal and information processing for sensors.

The University has a commitment to the CSSIP to provide funding of \$100 000 per annum for the next three years.

Australian Petroleum Cooperative Research Centre (APCRC)

The APCRC is a national Cooperative Research Centre. The purpose of the APCRC is to make a major contribution to:

- the realisation of the full potential of Australia's oil and gas resources; and
- the performance of the Australian petroleum exploration and production industry, through the creation of a focused research and training capability.

The University has a commitment to the APCRC to provide funding of \$30 000 per annum for the calendar year 1996.

Centre for Water Quality and Treatment (CWQT)

The Centre for Water Quality and Treatment is a national Cooperative Research Centre. Its purpose is to enhance scientific and technological capabilities, support scientific research and encourage applications of science and technology in industry and other areas in the area of water quality and treatment.

The University has a commitment to the CWQT to provide funding of \$50,000 per annum for the next seven years.

UNIVERSITY OF SOUTH AUSTRALIA

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1995**

26. Notes to the Statement of Cash Flows

(a) Reconciliation of cash

For the purpose of the statement of cash flows, cash includes cash on hand and at bank and short term deposits, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	Note	Consolidated		University	
		1995	1994	1995	1994
		\$000	\$000	\$000	\$000
Cash		1 072	58	527	55
Short term deposits	10	15 372	34 855	14 357	32 539
Bank overdraft	13	(2 822)	(2 332)	(2 822)	(2 332)
		13 622	32 581	12 062	30 262
		13 622	32 581	12 062	30 262

(b) Reconciliation of operating result after abnormal items to net cash used in operating activities

Operating result after abnormal items	(6 305)	(1 173)	(6 390)	(1 584)
Add/(less) items classified as investing, financing and Government funding activities:				
<i>(Profit)/loss on sale of plant and equipment</i>	(10)	(11)	25	36
<i>Commonwealth Government grants</i>	(128 998)	(126 359)	(126 802)	(126 359)
<i>South Australian Government grants</i>	(2 341)	(2 940)	(1 774)	(2 940)
Add/(less) non-cash items:				
<i>Depreciation</i>	15 197	15 182	15 075	15 003
<i>Equipment Write Off</i>	-	10 800	-	10 800
<i>Equipment Write Back</i>	-	(1 403)	-	(1 403)
<i>CASMAC Write Off</i>	-	570	-	570
<i>Increase in doubtful debt provision</i>	21	15	32	15
<i>Other</i>	(51)	-	(43)	-
Change in assets and liabilities:				
<i>(Increase)/Decrease in receivables</i>	(185)	1 395	(929)	1 467
<i>(Increase)/Decrease in other assets</i>	(14 849)	(3 369)	(14 842)	(3 384)
<i>Increase/(Decrease) in trade creditors</i>	793	2 316	1 298	2 365
<i>Increase/(Decrease) accrued liabilities</i>	(1 142)	3 369	(818)	3 480
<i>Increase/(Decrease) in other liabilities</i>	12 578	(5 319)	13 464	(5 123)
Net cash used in operating activities		(125 292)	(106 927)	(121 704)
		(125 292)	(106 927)	(121 704)

27. Auditors' Remuneration

Amounts paid or payable to the South Australian Auditor-General's Department and others for auditing services in respect of 1995 is estimated to be \$135 000.

UNIVERSITY OF SOUTH AUSTRALIA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1995**28. Research Income**

Research income was obtained by the University from the following sources during the reporting period:

	University 1995 \$'000
National Competitive Grants:	
Commonwealth schemes	2 618
Non-Commonwealth schemes	<u>20</u>
Sub-total National Competitive Grants	<u>2 638</u>
Other Public Sector:	
Local Government	36
State Government	497
Commonwealth Government (other than above)	<u>715</u>
Sub-total Other Public Sector Research Funding	<u>1 248</u>
Industry and Other Funding for Research:	
Australian	430
International Funding	<u>250</u>
Sub-total Industry and Other Funding for Research	<u>680</u>
TOTAL ALL RESEARCH INCOME	<u>4 566</u>