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**OPERATING STATEMENT FOR THE YEAR ENDED 31 DECEMBER 1999**

	Note	Consolidated		University	
		1999 \$'000	1998 \$'000	1999 \$'000	1998 \$'000
<b>OPERATING REVENUE</b>					
Commonwealth government grants	1(d),3	124 856	126 421	124 856	126 421
Higher Education Contribution Scheme	4	58 110	52 817	58 110	52 817
South Australian government grants	1(d),5	2 502	2 538	2 502	2 538
Other research grants and contracts	1(d)	8 743	8 999	8 743	8 999
Scholarships and prizes		742	1 055	736	1 055
Donations and bequests	1(d)	1 530	527	1 097	337
Investment income	1(d)	2 086	2 114	2 007	2 047
Fees and charges	1(d),6	38 981	36 386	34 184	33 075
Deferred government superannuation contribution	20	15 600	13 600	15 600	13 600
Other		1 580	1 525	1 830	1 493
<b>Total operating revenues before abnormal items</b>		<b>254 730</b>	<b>245 982</b>	<b>249 665</b>	<b>242 382</b>
<b>OPERATING EXPENSES</b>					
Academic activities	7	145 872	139 913	145 872	139 913
Libraries	7	16 222	12 341	16 222	12 341
Other academic support services	7	16 522	18 313	16 522	18 313
Student services	7	7 091	5 774	7 091	5 774
Public services	7	407	3 551	407	3 551
Buildings and grounds	7	17 952	13 361	17 952	13 361
Administration and other general institutional services	7	29 158	25 832	29 158	25 832
Deferred employee benefits for superannuation	7,20	15 600	13 600	15 600	13 600
Other	7	4 580	3 208	-	-
<b>Total operating expenses before abnormal items</b>		<b>253 404</b>	<b>235 893</b>	<b>248 824</b>	<b>232 685</b>
<b>Operating result before abnormal items</b>		<b>1 326</b>	<b>10 089</b>	<b>841</b>	<b>9 697</b>
Abnormal items	1(i)	-	(4 892)	-	(4 892)
<b>Operating result after abnormal items</b>		<b>1 326</b>	<b>5 197</b>	<b>841</b>	<b>4 805</b>
Add accumulated funds at beginning of year		343 304	349 143	341 313	347 544
Transfers (to)/from reserves	27				
Unspent grant reserve		8 373	(8 373)	8 373	(8 373)
Workers' compensation reserve		2 663	(2 663)	2 663	(2 663)
Sub total transfers to reserves		11 036	(11 036)	11 036	(11 036)
<b>ACCUMULATED FUNDS AT END OF YEAR</b>		<b>355 666</b>	<b>343 304</b>	<b>353 190</b>	<b>341 313</b>

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



**STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 1999**

	Note	Consolidated		University	
		1999 \$'000	1998 \$'000	1999 \$'000	1998 \$'000
<b>CURRENT ASSETS</b>					
Cash		2 236	1 320	1 276	942
Receivables	10	7 305	5 273	6 402	5 063
Investments	11	38 138	41 778	37 838	40 930
Other	12	22 263	22 332	22 220	22 323
<b>Total current assets</b>		<b>69 942</b>	<b>70 703</b>	<b>67 736</b>	<b>69 258</b>
<b>NON-CURRENT ASSETS</b>					
Investments	11	5 601	5 184	5 667	5 250
Property plant and equipment	1(f,g),13	443 636	452 717	443 318	452 407
Other	12	262 900	247 200	262 900	247 200
<b>Total non-current assets</b>		<b>712 137</b>	<b>705 101</b>	<b>711 885</b>	<b>704 857</b>
<b>Total assets</b>		<b>782 079</b>	<b>775 804</b>	<b>779 621</b>	<b>774 115</b>
<b>CURRENT LIABILITIES</b>					
Revenue in advance	14	16 436	18 826	16 313	18 632
Creditors	15	10 651	11 024	10 051	10 873
Borrowings	16	5 056	5 056	5 056	5 056
Accrued liabilities	1(h),17	13 094	14 329	13 019	14 297
Other	18	21 252	21 880	22 068	22 559
<b>Total current liabilities</b>		<b>66 489</b>	<b>71 115</b>	<b>66 507</b>	<b>71 417</b>
<b>NON-CURRENT LIABILITIES</b>					
Borrowings	16	20 106	25 163	20 106	25 163
Accrued liabilities	1(h),17	16 711	17 779	16 711	17 779
Other	18	262 900	247 200	262 900	247 200
<b>Total non-current liabilities</b>		<b>299 717</b>	<b>290 142</b>	<b>299 717</b>	<b>290 142</b>
<b>Total liabilities</b>		<b>366 206</b>	<b>361 257</b>	<b>366 224</b>	<b>361 559</b>
<b>Net Assets</b>		<b>415 873</b>	<b>414 547</b>	<b>413 397</b>	<b>412 556</b>
<b>EQUITY</b>					
Asset revaluation reserve	27	60 207	60 207	60 207	60 207
Other reserves	27	-	11 036	-	11 036
<b>Accumulated results of operations</b>		<b>355 666</b>	<b>343 304</b>	<b>353 190</b>	<b>341 313</b>
<b>TOTAL EQUITY</b>	27	<b>415 873</b>	<b>414 547</b>	<b>413 397</b>	<b>412 556</b>

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



**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 1999**

	Note	Consolidated		University	
		1999	1998	1999	1998
		\$'000	\$'000	\$'000	\$'000
		inflows (outflows)	inflows (outflows)	inflows (outflows)	inflows (outflows)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Inflows:					
Grant revenue:					
Commonwealth government grants		117 816	127 677	117 816	127 677
South Australian government grants		2 484	2 363	2 484	2 363
Higher Education Contribution Scheme:					
Student payments		8 212	7 678	8 212	7 678
Higher Education Trust Fund		50 279	46 053	50 279	46 053
Interest and investment earnings		1 728	2 114	1 650	2 047
Fees and charges and other		56 077	49 315	50 674	44 711
Outflows:					
Staff salaries		(111 057)	(104 157)	(108 602)	(101 728)
Staff salary related expenditure		(43 625)	(44 917)	(42 380)	(44 559)
Interest and other expenditure of finance paid		(2 878)	(2 897)	(2 878)	(2 897)
Other		(64 841)	(59 626)	(63 225)	(58 188)
<b>Net cash provided/(used) in operating activities</b>	28(ii)	<b>14 195</b>	<b>23 603</b>	<b>14 030</b>	<b>23 157</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Inflows:					
Proceeds from sale of property, plant and equipment		1 296	488	1 193	262
Outflows:					
Investment		(440)	(349)	(440)	(349)
Payments for property plant and equipment		(13 215)	(8 231)	(12 990)	(7 893)
<b>Net cash provided/(used) in investing activities</b>		<b>(12 359)</b>	<b>(8 092)</b>	<b>(12 237)</b>	<b>(7 980)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Outflows:					
Repayment of borrowings		(5 065)	(113)	(5 056)	(113)
<b>Net cash provided/(used) in financing activities</b>		<b>(5 065)</b>	<b>(113)</b>	<b>(5 056)</b>	<b>(113)</b>
<b>Net increase/(decrease) in cash held</b>		<b>(3 229)</b>	<b>15 398</b>	<b>(3 263)</b>	<b>15 064</b>
Cash at beginning of reporting year		42 914	27 516	41 688	26 624
<b>CASH AT END OF REPORTING PERIOD</b>	28(i)	<b>39 685</b>	<b>42 914</b>	<b>38 425</b>	<b>41 688</b>

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



## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1999

### 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 are a special purpose report for the Commonwealth Department of Education, Training and Youth Affairs (DETYA) and a general purpose financial report. They have been prepared on a full accrual basis and in accordance with applicable Australian Accounting Standards, other authoritative pronouncements of the Public Sector Accounting Standards Board and the Australian Accounting Standards Board, Urgent Issues Group Consensus Views and the requirements of DETYA.

The financial statements comply, except as identified below, with relevant provisions of the Treasurer's Instructions issued pursuant to the Public Finance and Audit Act 1987 and the Accounting Policy Statements issued pursuant to the Treasurer's Instructions. The format of the Operating Statement and the basis of recognising grant income are not consistent with requirements of the Accounting Policy Statements to the extent that the requirements of the Accounting Policy Statements and the DETYA guidelines conflict.

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 24). 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. Under the requirements of DETYA in 1999 revenue in advance has been disclosed for the first time, as a separate class of liability on the Statement of Financial Position. This change in presentation required an adjustment to other liabilities of \$19.0 million for both consolidated and University 1998 comparatives.

#### (d) Revenue Recognition

##### (i) Grants

Grants received from DETYA under the Higher Education Funding Act are recognised in the period to which they relate. In accordance with DETYA instructions, the DETYA advance of \$13.263 million received in 1999 for the 2000 academic year (1998: \$13.098 million) has been recognised as income in advance of the operating year and recorded as a liability. Other grants, except for other research grants, are recognised as revenue when they are received.



**(d) Revenue Recognition (continued)**

**(ii) 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.

**(iii) Donations and Bequests**

Donations are received in cash and non cash forms. Non-cash donations have been recognised at the University's estimate of fair value.

**(iv) 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. Revenue on commercial projects is recognised with regard to progress on the project.

**(v) 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.

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

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

**(i) Land**

Land occupied by the University is owned by the University in its own right and by the State Government. The value of the land is reflected in the University's financial statements on the basis that the University effectively controls the land occupied.

Land controlled by the University at 31 December 1999 has been recognised at unimproved value as determined by the South Australian Department for Administrative and Information Services.

Land is revalued every five years at unimproved value as determined by the South Australian Department for Administrative and Information Services. The last valuation was completed on 31 December 1998.

**(ii) Buildings**

Buildings controlled by the University at 31 December 1999 have been recognised at independent valuation. Buildings are independently revalued every five years on the basis of their existing use. Where a building's valuation is above its recoverable amount, the building valuation is reduced to its recoverable amount in accordance with Australian Accounting Standard AAS10 Accounting for the Revaluation of Non-Current Assets. The last valuation was carried out as at 31 December 1998 by the South Australian Department for Administrative and Information Services, and is on the basis of written down current cost.

Buildings constructed or under construction since the 31 December 1998 are valued at the cost of construction.



(f) **Property, Plant and Equipment (continued)**

(iii) **Building Infrastructure**

Building infrastructure controlled by the University at 31 December 1999 is recognised at independent valuation. Infrastructure is independently revalued every five years. Where the infrastructure valuation is above its recoverable amount, the infrastructure valuation is reduced to its recoverable amount in accordance with Australian Accounting Standard AAS10. The last valuation was carried out as at 31 December 1998 by the Department for Administrative and Information Services and is on the basis of written down current cost.

(iv) **Library Collection**

The library collection is reported at University valuation, based on written down current cost as at 31 December 1998. The collection is reviewed at least every five years for valuation purposes.

(v) **Plant and Equipment**

The IT network is reported at University valuation, based on written down current cost at 31 December 1998. All other items of plant and equipment are recorded at historical cost less accumulated depreciation.

(vi) **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 had not entered into any finance leases at 31 December 1999.

(g) **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 their estimated useful life to the entity.

<b>Asset Class</b>	<b>1999 Estimated Useful Life</b>
<b>Property</b>	
Land	-
Buildings:	
< 10 years old	40 years
≥ 10 years old	Historical life and maximum 30 years remaining life
Infrastructure	Historical life and maximum 30 years remaining life
<b>Library Collection</b>	
Serials	20 years
Monographs	15 years
Audio visual materials	10 years
<b>Plant and Equipment</b>	
IT equipment	3 years
Non IT equipment	10 years
Motor vehicles	5 years
Major IT facilities	5 or 10 years



(h) **Accrued Liabilities**

The long service leave liability is independently estimated by the long hand method prescribed by Australian Accounting Standard AAS30 Accounting for Employee Entitlements. This takes into account the probability of staff remaining with the University until an unconditional entitlement has been accrued. A future cash outflow has been estimated on the basis of when leave will be taken and that cash flow is discounted using the interest rate in risk free government securities to derive the long service leave liability.

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

(i) **Abnormal Items**

Summary of abnormal items	Consolidated		University	
	1999 \$'000	1998 \$'000	1999 \$'000	1998 \$'000
Prior period result : Unisure Unit Trust	-	3 125	-	3 125
Increase in workers' compensation liability	-	(926)	-	(926)
Redundancy expenses	-	(4 615)	-	(4 615)
Major bad debt expense	-	(1 600)	-	(1 600)
Asset revaluation decrement	-	(876)	-	(876)
	-	<b>(4 892)</b>	-	<b>(4 892)</b>

2. **Change in Accounting Policy**

The University has reviewed the remaining useful life of its buildings and infrastructure and adjusted depreciation rates to reflect the latest estimate of their useful life to the University. The effect of this change was a decrease in depreciation expense for the period of \$0.440 million. As it is not practicable to determine the cumulative financial effect of this change to useful life for preceding periods, this new accounting policy has been applied from the beginning of the current reporting period.

The University has increased the depreciation rates for the library collection to reflect the latest estimate of their useful life to the University. The effect of this change was to increase depreciation expense for the period by \$1.801 million. As it is not practicable to determine the cumulative financial effect of this change to useful life for preceding periods, this new accounting policy has been applied from the beginning of the current reporting period.

There have been no other changes to accounting policies for 1999.





### 3. Commonwealth Government Grants Excluding HECS

	University	
	1999	1998
	\$'000	\$'000
<b>Grants pursuant to the Higher Education Funding Act 1988, excluding HECS:</b>		
Operating purposes excluding HECS <sup>(1) (2)</sup>	115 430	117 518
Special Research Assistance:		
Large Research Grants	669	205
Small Research Grants	213	228
Research Infrastructure Grants	1 102	1 818
Key Centre for Teaching and Research	126	-
Research Fellowships	127	10
International Research Fellowships	-	28
Australian Postgraduate Awards	1 019	866
Overseas Postgraduate Research Scholarships	233	176
ATSI Grants	6	13
Collaborative Research Grants – ongoing	624	1 462
SPIRT Scheme - Other (including APA (Industry))	1 440	978
Sub-total pursuant to the Higher Education Funding Act 1988	120 989	123 302
<b>Other Commonwealth government grants:</b>		
Other Commonwealth Government Research Grants	2 743	2 142
CALUSA Migrant Language Training Program Grant	-	77
Aboriginal Tutorial Assistance Scheme Grant	252	363
Rural Health Grant	534	359
Other Commonwealth Grants	338	178
Sub total Other Commonwealth Government grants	3 867	3 119
<b>Total Commonwealth government grants excluding HECS</b>	<b>124 856</b>	<b>126 421</b>

(1) Included in 'Operating purposes excluding HECS' are funds received from DETYA as supplementation for costs in relation to the State Superannuation Scheme. These funds are provided for superannuation costs above those provided in the operating grant for former employees who are part of the South Australian Superannuation Scheme. The reconciliation below is provided for DETYA grant acquittal purposes.

Reconciliation of State superannuation supplementation:

	1999	1998
	\$'000	\$'000
Amount received from DETYA	17 171	19 800
Deduct amount previously accrued	3 139	(842)
Add amount accrued for current year	(1 183)	(3 139)
Total State superannuation supplementation included in operating purposes excluding HECS on an accrual basis	19 127	15 819

(2) Included in 'Operating purposes excluding HECS' is an amount of \$1.923 million (1998: \$0.868 million) being an estimate of funds due from DETYA for enrolments above funded load.



#### 4. Acquittal of Commonwealth Government Grants

Amounts received and expended pursuant to the Higher Education Funding Act 1988 excluding HECS.

	University	
	1999	1998
	\$'000	\$'000
<b>Operating Purposes excluding HECS</b>		
Surplus/(Deficit) from previous reporting period	1 877	1 899
Grants received in advance (in previous reporting period)	8 800	13 628
Grants received in the reporting period (including grants received in advance for next reporting period)	115 688	112 690
<i>Less grants received in advance for next reporting period</i>	9 058	8 800
Funds available in current reporting period	117 307	119 417
Expenses in the current reporting period	116 869	117 540
<b>Surplus/(Deficit) from current reporting period</b>	<b>438</b>	<b>1 877</b>
<b>Reconciliation of Operating Purpose excluding HECS to note 3</b>		
Advance payment received in previous period	8 800	13 628
Amount received in the reporting period	115 688	112 690
Advance payment received in respect of next period	(9 058)	(8 800)
	<b>115 430</b>	<b>117 518</b>
<b>Large Research Grants:</b>		
Surplus/(Deficit) from previous reporting period	132	560
Grants received in advance (in previous reporting period)	32	-
Grants received in the reporting period (including grants received in advance for next reporting period)	676	237
<i>Less grants received in advance for next reporting period</i>	39	32
Funds available in current reporting period	801	765
Expenses in the current reporting period	584	633
<b>Surplus/(Deficit) from current reporting period</b>	<b>217</b>	<b>132</b>
<b>Small Research Grants:</b>		
Surplus/(Deficit) from previous reporting period	91	94
Grants received in advance (in previous reporting period)	-	-
Grants received in the reporting period (including grants received in advance for next reporting period)	213	228
<i>Less grants received in advance for next reporting period</i>	-	-
Funds available in current reporting period	304	322
Expenses in the current reporting period	260	231
<b>Surplus/(Deficit) from current reporting period</b>	<b>44</b>	<b>91</b>



Amounts received and expended pursuant to the Higher Education Funding Act 1988 excluding HECS (continued).

	University	
	1999 \$'000	1998 \$'000
<b>Research Infrastructure:</b>		
Surplus/(Deficit) from previous reporting period	265	196
Grants received in advance (in previous reporting period)	88	-
Grants received in the reporting period (including grants received in advance for next reporting period)	1 014	1 906
<i>Less grants received in advance for next reporting period</i>	-	88
Funds available in current reporting period	1 367	2 014
Expenses in the current reporting period	1 362	1 749
<b>Surplus/(Deficit) from current reporting period</b>	<b>5</b>	<b>265</b>
<b>Key Centres for Teaching and Research</b>		
Surplus/(Deficit) from previous reporting period	-	-
Grants received in advance (in previous reporting period)	-	-
Grants received in the reporting period (including grants received in advance for next reporting period)	126	-
<i>Less grants received in advance for next reporting period</i>	-	-
Funds available in current reporting period	126	-
Expenses in the current reporting period	57	-
<b>Surplus/(Deficit) from current reporting period</b>	<b>69</b>	<b>-</b>
<b>Special Research Initiatives:</b>		
Surplus/(Deficit) from previous reporting period	17	17
Grants received in advance (in previous reporting period)	-	-
Grants received in the reporting period (including grants received in advance for next reporting period)	-	-
<i>Less grants received in advance for next reporting period</i>	-	-
Funds available in current reporting period	17	17
Expenses in the current reporting period	17	-
<b>Surplus/(Deficit) from current reporting period</b>	<b>-</b>	<b>17</b>
<b>Research Fellowships:</b>		
Surplus/(Deficit) from previous reporting period	12	21
Grants received in advance (in previous reporting period)	12	6
Grants received in the reporting period (including grants received in advance for next reporting period)	121	16
<i>Less grants received in advance for next reporting period</i>	6	12
Funds available in current reporting period	139	31
Expenses in the current reporting period	139	19
<b>Surplus/(Deficit) from current reporting period</b>	<b>-</b>	<b>12</b>



Amounts received and expended pursuant to the Higher Education Funding Act 1988 excluding HECS (continued).

	University	
	1999 \$'000	1998 \$'000
<b>International Research Fellowships:</b>		
Surplus/(Deficit) from previous reporting period	8	8
Grants received in advance (in previous reporting period)	-	-
Grants received in the reporting period (including grants received in advance for next reporting period)	2	28
<i>Less grants received in advance for next reporting period</i>	2	-
Funds available in current reporting period	8	36
Expenses in the current reporting period	4	28
<b>Surplus/(Deficit) from current reporting period</b>	<b>4</b>	<b>8</b>
<b>Australian Postgraduate Awards:</b>		
Surplus/(Deficit) from previous reporting period	8	15
Grants received in advance (in previous reporting period)	-	-
Grants received in the reporting period (including grants received in advance for next reporting period)	1 019	866
<i>Less grants received in advance for next reporting period</i>	-	-
Funds available in current reporting period	1 027	881
Expenses in the current reporting period	941	873
<b>Surplus/(Deficit) from current reporting period</b>	<b>86</b>	<b>8</b>
<b>Overseas Postgraduate Research Scholarships:</b>		
Surplus/(Deficit) from previous reporting period	(23)	18
Grants received in advance (in previous reporting period)	-	-
Grants received in the reporting period (including grants received in advance for next reporting period)	233	176
<i>Less grants received in advance for next reporting period</i>	-	-
Funds available in current reporting period	210	194
Expenses in the current reporting period	193	217
<b>Surplus/(Deficit) from current reporting period</b>	<b>17</b>	<b>(23)</b>
<b>ATSI Grants:</b>		
Surplus/(Deficit) from previous reporting period	12	24
Grants received in advance (in previous reporting period)	-	1
Grants received in the reporting period (including grants received in advance for next reporting period)	6	12
<i>Less grants received in advance for next reporting period</i>	-	-
Funds available in current reporting period	18	37
Expenses in the current reporting period	9	25
<b>Surplus/(Deficit) from current reporting period</b>	<b>9</b>	<b>12</b>



Amounts received and expended pursuant to the Higher Education Funding Act 1988 excluding HECS (continued).

	University	
	1999	1998
	\$'000	\$'000
<b>International Projects:</b>		
Surplus/(Deficit) from previous reporting period	4	8
Grants received in advance (in previous reporting period)	-	-
Grants received in the reporting period (including grants received in advance for next reporting period)	-	-
<i>Less grants received in advance for next reporting period</i>	-	-
Funds available in current reporting period	4	8
Expenses in the current reporting period	4	4
<b>Surplus/(Deficit) from current reporting period</b>	<b>-</b>	<b>4</b>
<b>Collaborative Research Grants:</b>		
Surplus/(Deficit) from previous reporting period	151	218
Grants received in advance (in previous reporting period)	-	1 455
Grants received in the reporting period (including grants received in advance for next reporting period)	624	7
<i>Less grants received in advance for next reporting period</i>	-	-
Funds available in current reporting period	775	1 680
Expenses in the current reporting period	644	1 529
<b>Surplus/(Deficit) from current reporting period</b>	<b>131</b>	<b>151</b>
<b>SPIRT - other including Australian Postgraduate Awards (Industry):</b>		
Surplus/(Deficit) from previous reporting period	301	71
Grants received in advance (in previous reporting period)	138	24
Grants received in the reporting period (including grants received in advance for next reporting period)	1 395	1 092
<i>Less grants received in advance for next reporting period</i>	93	138
Funds available in current reporting period	1 741	1 049
Expenses in the current reporting period	1 279	748
<b>Surplus/(Deficit) from current reporting period</b>	<b>462</b>	<b>301</b>



**Amounts received and expended pursuant to the Higher Education Funding Act 1988 for the Higher Education Contribution Scheme (HECS).**

	University	
	1999 \$'000	1998 \$'000
Surplus/(Deficit) from previous reporting period	-	-
Amounts received in advance (in previous reporting period)	4 028	3 591
Amounts received in the reporting period (including grants received in Advance for next reporting period)	49 936	45 576
Less amounts received in advance for next reporting period	(4 066)	(4 028)
<b>Funds available in current reporting period</b>	<b>49 898</b>	<b>45 139</b>
Expenses in the current reporting period	49 898	45 139
<b>Surplus/(Deficit) from current reporting period</b>	<b>-</b>	<b>-</b>
<b>HECS contributions actually received from students</b>	<b>8 212</b>	<b>7 678</b>
<b>Total HECS revenue for the reporting period</b>	<b>58 110</b>	<b>52 817</b>

**5. South Australian Government Grants**

State government grants for the following purposes were received during the reporting period:

	Consolidated		University	
	1999 \$'000	1998 \$'000	1999 \$'000	1998 \$'000
Department of Education, Training and Employment (DETE) Certificate Teaching	4	71	4	71
Anangu Teacher Education Program (AnTEP)	150	150	150	150
Research Grants	2 342	2 290	2 342	2 290
Other	6	27	6	27
<b>Total State government grants</b>	<b>2 502</b>	<b>2 538</b>	<b>2 502</b>	<b>2 538</b>

**6. Fees and Charges**

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

Fee-paying overseas students	20 042	18 457	20 042	18 457
Fee-paying Australian postgraduate students	2 678	2 018	2 678	2 018
Open Learning Australia (OLA)	1 005	1 343	1 005	1 343
Fees - flying school	531	914	531	914
Hire of facilities	1 604	1 294	1 604	1 294
Consultancy	7 512	6 883	2 754	3 582
All other	5 609	5 477	5 570	5 467
<b>Total fees and charges</b>	<b>38 981</b>	<b>36 386</b>	<b>34 184</b>	<b>33 075</b>



## 7. Expenses Attributed to Functions

	Consolidated		University	
	1999	1998	1999	1998
	\$'000	\$'000	\$'000	\$'000
<b>Academic activities:</b>				
Academic staff salaries	59 240	55 347	59 240	55 347
Academic staff salary related expenses	27 232	25 871	27 232	25 871
Non-academic staff salaries	16 990	15 670	16 990	15 670
Non-academic staff salary related expenses	4 164	3 732	4 164	3 732
Depreciation expense:				
Buildings and infrastructure	8 010	7 390	8 010	7 390
Plant and equipment	1 296	1 731	1 296	1 731
Sub-total depreciation expense	9 306	9 121	9 306	9 121
Other expenses	28 940	30 172	28 940	30 172
	<b>145 872</b>	<b>139 913</b>	<b>145 872</b>	<b>139 913</b>
<b>Libraries:</b>				
Academic staff salaries	92	116	92	116
Academic staff salary related expenses	48	54	48	54
Non-academic staff salaries	5 777	5 336	5 777	5 336
Non-academic staff salary related expenses	1 361	1 271	1 361	1 271
Depreciation expense:				
Buildings and infrastructure	1 261	1 163	1 261	1 163
Library collection	6 352	2 967	6 352	2 967
Plant and equipment	64	42	64	42
Sub-total depreciation expense	7 677	4 172	7 677	4 172
Other expenses	1 267	1 392	1 267	1 392
	<b>16 222</b>	<b>12 341</b>	<b>16 222</b>	<b>12 341</b>
<b>Other academic support services:</b>				
Academic staff salaries	417	383	417	383
Academic staff salary related expenses	140	179	140	179
Non-academic staff salaries	6 168	6 542	6 168	6 542
Non-academic staff salary related expenses	1 285	1 558	1 285	1 558
Depreciation expense:				
Buildings and infrastructure	453	417	453	417
Plant and equipment	877	803	877	803
Sub-total depreciation expense	1 330	1 220	1 330	1 220
Other expenses	7 182	8 431	7 182	8 431
	<b>16 522</b>	<b>18 313</b>	<b>16 522</b>	<b>18 313</b>



Expenses attributed to functions (continued)

	Consolidated		University	
	1999 \$'000	1998 \$'000	1999 \$'000	1998 \$'000
<b>Student services:</b>				
Academic staff salaries	447	817	447	817
Academic staff salary related expenses	204	382	204	382
Non-academic staff salaries	1 662	1 226	1 662	1 226
Non-academic staff salary related expenses	383	292	383	292
Depreciation expense:				
Buildings and infrastructure	1 735	1 601	1 735	1 601
Sub-total depreciation expense	1 735	1 601	1 735	1 601
Other expenses	2 660	1 456	2 660	1 456
	<b>7 091</b>	<b>5 774</b>	<b>7 091</b>	<b>5 774</b>
<b>Public services:</b>				
Academic staff salaries	57	737	57	737
Academic staff salary related expenses	3	344	3	344
Non-academic staff salaries	114	823	114	823
Non-academic staff salary related expenses	-	196	-	196
Depreciation expense:				
Buildings and infrastructure	47	43	47	43
Plant and equipment	1	1	1	1
Sub-total depreciation expense	48	44	48	44
Other expenses	185	1 407	185	1 407
	<b>407</b>	<b>3 551</b>	<b>407</b>	<b>3 551</b>
<b>Buildings and grounds:</b>				
Academic staff salaries	-	7	-	7
Academic staff salary related expenses	1	3	1	3
Non-academic staff salaries	2 991	2 652	2 991	2 652
Non-academic staff salary related expenses	719	631	719	631
Depreciation expense:				
Buildings and infrastructure	333	307	333	307
Plant and equipment	23	48	23	48
Sub-total depreciation expense	356	355	356	355
Other expenses	13 885	9 713	13 885	9 713
	<b>17 952</b>	<b>13 361</b>	<b>17 952</b>	<b>13 361</b>





Expenses attributed to functions (continued)

	Consolidated		University	
	1999	1998	1999	1998
	\$'000	\$'000	\$'000	\$'000
<b>Administration and other general institutional services:</b>				
Academic staff salaries	846	744	846	744
Academic staff salary related expenses	384	347	384	347
Non-academic staff salaries	13 798	11 145	13 798	11 145
Non-academic staff salary related expenses	3 360	2 654	3 360	2 654
Depreciation expense:				
Buildings and infrastructure	736	679	736	679
Plant and equipment	413	707	413	707
Sub-total depreciation expense	1 149	1 386	1 149	1 386
Other expenses	9 621	9 556	9 621	9 556
	<b>29 158</b>	<b>25 832</b>	<b>29 158</b>	<b>25 832</b>
<b>Deferred employee benefits for superannuation:</b>				
Academic staff salary related expenses	12 480	10 880	12 480	10 880
Non-academic staff salary related expenses	3 120	2 720	3 120	2 720
	<b>15 600</b>	<b>13 600</b>	<b>15 600</b>	<b>13 600</b>
<b>Other:</b>				
Non-academic staff salaries	2 234	1 541	-	-
Non-academic staff salary related expenses	436	358	-	-
Depreciation expense:				
Plant and equipment	111	86	-	-
Sub-total depreciation expense	111	86	-	-
Other expenses	1 799	1 223	-	-
	<b>4 580</b>	<b>3 208</b>	<b>-</b>	<b>-</b>
<b>Total:</b>				
Academic staff salaries	61 099	58 151	61 099	58 151
Academic staff salary related expenses	40 492	38 060	40 492	38 060
Non-academic staff salaries	49 737	44 935	47 503	43 394
Non-academic staff salary related expenses	14 825	13 412	14 389	13 054
Depreciation expense:				
Buildings and infrastructure	12 575	11 600	12 575	11 600
Library collection	6 352	2 967	6 352	2 967
Plant and equipment	2 785	3 418	2 674	3 332
Sub-total depreciation expense	21 712	17 985	21 601	17 899
Other expenses	65 539	63 350	63 740	62 127
	<b>253 404</b>	<b>235 893</b>	<b>248 824</b>	<b>232 685</b>



Staff salary related expenses include superannuation expenses made on behalf of former employees (1999: \$20.850 million, 1998: \$19.393 million) and the increase in the liability of the South Australian Superannuation Fund (1999: \$15.600 million, 1998: \$13.600 million) which relates to both existing and past employees. Refer to notes 19 and 20 for further details about the South Australian Superannuation Fund. Calculation of remuneration costs for employees for the current operating period will be distorted unless the above effects are adjusted for.

Included in salary expenditure are three targeted separation packages totalling \$0.113 million. The aggregate of accrued leave and long service leave paid to employees who received these targeted separation payments was \$0.012 million and \$0.023 million respectively. There was no recovery from the office of the Commissioner of Public Employment in respect of the targeted separation packages.

## 8. Salary Related Expenses

The following salary related expenses (see note 7) were incurred during the reporting period:

	Consolidated		University	
	1999	1998	1999	1998
	\$'000	\$'000	\$'000	\$'000
Contributions to superannuation and pension schemes:				
Deferred employee benefits for superannuation	15 600	13 600	15 600	13 600
Emerging cost	20 850	19 393	20 850	19 393
Funded	10 875	9 717	10 671	9 533
Payroll tax	6 987	6 856	6 856	6 731
Workers compensation	347	820	320	799
Long service leave	1 835	2 654	1 835	2 654
Annual leave	(1 178)	(1 568)	(1 251)	(1 596)
<b>Total salary related expenses</b>	<b>55 316</b>	<b>51 472</b>	<b>54 881</b>	<b>51 114</b>

Payments for annual leave are shown as direct salaries (refer note 7). The movement in the provision for annual leave is shown above.

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

## 9. Payments to Consultants

In 1999 the University expended \$1.408 million as a result of engaging consultants.



	Consolidated		University	
	1999	1998	1999	1998
	\$'000	\$'000	\$'000	\$'000
<b>10. Receivables</b>				
<b>Current:</b>				
Debtors	7 178	6 891	6 275	6 661
Student loans	533	459	533	459
	<u>7 711</u>	<u>7 350</u>	<u>6 808</u>	<u>7 120</u>
Provision for doubtful debts	(406)	(2 077)	(406)	(2 057)
	<u><b>7 305</b></u>	<u><b>5 273</b></u>	<u><b>6 402</b></u>	<u><b>5 063</b></u>
<b>11. Investments</b>				
<b>Current:</b>				
Workers' compensation investment fund	158	135	158	135
Short term deposits	37 980	41 643	37 680	40 795
	<u><b>38 138</b></u>	<u><b>41 778</b></u>	<u><b>37 838</b></u>	<u><b>40 930</b></u>
<b>Non-Current:</b>				
Investment in controlled entity	-	-	66	66
Workers' compensation investment fund	5 296	4 954	5 296	4 954
Share Investments	305	230	305	230
	<u><b>5 601</b></u>	<u><b>5 184</b></u>	<u><b>5 667</b></u>	<u><b>5 250</b></u>
<b>12. Other Assets</b>				
<b>Current:</b>				
Deferred government superannuation contribution (see note 20)	21 200	21 300	21 200	21 300
Prepayments	107	72	64	63
Accrued income	956	960	956	960
	<u><b>22 263</b></u>	<u><b>22 332</b></u>	<u><b>22 220</b></u>	<u><b>22 323</b></u>
<b>Non-Current:</b>				
Deferred government superannuation contribution (see note 20)	<u><b>262 900</b></u>	<u><b>247 200</b></u>	<u><b>262 900</b></u>	<u><b>247 200</b></u>



### 13. Property, Plant and Equipment

	Consolidated		University	
	1999	1998	1999	1998
	\$'000	\$'000	\$'000	\$'000
<b>Land, Buildings and Infrastructure</b>				
At independent valuation 31 December 1998	547 822	548 249	547 822	548 249
At cost	5 661	-	5 661	-
Accumulated depreciation	(160 175)	(147 718)	(160 175)	(147 718)
	<b>393 308</b>	<b>400 531</b>	<b>393 308</b>	<b>400 531</b>
<b>Library Collection</b>				
At University valuation 31 December 1998	104 614	105 901	104 614	105 901
At cost	3 034	-	3 034	-
Accumulated depreciation	(70 230)	(64 748)	(70 230)	(64 748)
	<b>37 418</b>	<b>41 153</b>	<b>37 418</b>	<b>41 153</b>
<b>Plant and Equipment</b>				
At University valuation 31 December 1998	3 920	3 920	3 920	3 920
At cost	27 160	23 769	26 778	22 958
Accumulated depreciation	(18 170)	(16 656)	(18 106)	(16 155)
	<b>12 910</b>	<b>11 033</b>	<b>12 592</b>	<b>10 723</b>
<b>Total property, plant and equipment</b>	<b>443 636</b>	<b>452 717</b>	<b>443 318</b>	<b>452 407</b>
<b>Acquisitions</b>				
The following property, plant and equipment was purchased or constructed during the year:				
Land, buildings and infrastructure	5 661	885	5 661	885
Library collection	3 039	2 587	3 039	2 587
Plant and equipment	5 046	4 632	4 888	4 229
	<b>13 746</b>	<b>8 104</b>	<b>13 588</b>	<b>7 701</b>
<b>Disposals</b>				
The following property, plant and equipment was disposed of or written off during the year:				
Land, buildings and infrastructure	427	-	427	-
Library collection	1 292	187	1 292	187
Plant and equipment	1 655	586	1 068	469
	<b>3 374</b>	<b>773</b>	<b>2 787</b>	<b>656</b>
<b>Revaluations</b>				
Land, buildings and infrastructure	-	22 669	-	22 669
Library	-	1 083	-	1 083
Plant and equipment	-	(347)	-	(347)
	<b>-</b>	<b>23 405</b>	<b>-</b>	<b>23 405</b>



	Consolidated		University	
	1999	1998	1999	1998
	\$'000	\$'000	\$'000	\$'000
<b>14. Revenue in Advance</b>				
<b>Current:</b>				
Amounts invoiced in advance on incomplete projects	2 315	1 449	2 192	1 255
Work in progress	(336)	(436)	(336)	(436)
	<u>1 979</u>	<u>1 013</u>	<u>1 856</u>	<u>819</u>
Fees and charges	1 194	465	1 194	465
DETYA Commonwealth grant	13 263	17 348	13 263	17 348
	<u><b>16 436</b></u>	<u><b>18 826</b></u>	<u><b>16 313</b></u>	<u><b>18 632</b></u>
<b>15. Creditors</b>				
<b>Current:</b>				
Trade creditors	10 120	10 975	9 520	10 824
Bank overdraft	531	49	531	49
	<u><b>10 651</b></u>	<u><b>11 024</b></u>	<u><b>10 051</b></u>	<u><b>10 873</b></u>
<b>16. Borrowings</b>				
<b>Current:</b>				
Not later than one year	<u><b>5 056</b></u>	<u><b>5 056</b></u>	<u><b>5 056</b></u>	<u><b>5 056</b></u>
<b>Non-Current:</b>				
Later than one year but not later than five years	5 056	10 113	5 056	10 113
Later than five years	15 050	15 050	15 050	15 050
	<u><b>20 106</b></u>	<u><b>25 163</b></u>	<u><b>20 106</b></u>	<u><b>25 163</b></u>
<b>17. Accrued Liabilities</b>				
<b>Current:</b>				
Annual leave	8 859	10 068	8 785	10 036
Long service leave	2 450	1 530	2 450	1 530
Separation scheme	77	890	77	890
Workers' compensation liability	879	1 016	879	1 016
Accrued interest	713	814	713	814
Other	116	11	115	11
	<u><b>13 094</b></u>	<u><b>14 329</b></u>	<u><b>13 019</b></u>	<u><b>14 297</b></u>
<b>Non-Current:</b>				
Workers' compensation liability	1 219	1 409	1 219	1 409
Long service leave	15 492	16 370	15 492	16 370
	<u><b>16 711</b></u>	<u><b>17 779</b></u>	<u><b>16 711</b></u>	<u><b>17 779</b></u>



Consolidated		University	
1999	1998	1999	1998
\$'000	\$'000	\$'000	\$'000

## 18. Other Liabilities

### Current:

Provision for State superannuation (see note 19 (i), 20)	21 200	21 300	21 200	21 300
Funds held on behalf of external entities	52	580	868	1 259
	<b>21 252</b>	<b>21 880</b>	<b>22 068</b>	<b>22 559</b>

### Non-Current:

Provision for State superannuation (see note 19 (i), 20)	262 900	247 200	262 900	247 200
	<b>262 900</b>	<b>247 200</b>	<b>262 900</b>	<b>247 200</b>

## 19. Superannuation

The University contributes to the following employee superannuation funds:

### (i) South Australian Superannuation Fund

A number of present and past employees of the University and its predecessor institutions are members of State Government Superannuation Schemes. Under the schemes benefits are paid as a lump sum or continuing pension on the termination of employees' service based on contributions made by the employee and the employee's final salary. Employee contributions and certain employer contributions are paid to the South Australian Superannuation Board (the Board) which is responsible for the administration of the schemes.

Under current arrangements, the Board pays the benefits and is reimbursed by the University. The Commonwealth government funds the University on an emerging cost basis for the supplementation costs and recovers the State's share of the cost directly from the State government.

The University's superannuation liability with respect to future benefits for current pensioners and employees was assessed by the Director Superannuation (State Superannuation Office), Department of Treasury and Finance as at 31 December 1999 to be \$297.3 million (1998: \$279.3 million).

The University's liability under the scheme has been partly funded by an amount of \$13.2 million (1998: \$10.9 million) arising from 3% productivity employer contributions. This reduces the unfunded liability to \$284.1 million (1998: \$268.5 million). The net unfunded amount has been recognised in the accounts of the University as a liability and a corresponding receivable from the Commonwealth government (see note 20). The asset and liability have been classified as current and non-current according to cash flow projections of the assessment.

Recognition of the receivable from the Commonwealth is in accordance with DETYA Instructions and reflects an assessment that while there is no legislated requirement, the Commonwealth has committed to fund the University's emerging costs.



**Superannuation (continued)**

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

Rate of increase in the Consumer Price Index	3.00% per annum
Rate of salary increases	4.00% per annum
Investment earnings	7.00% per annum

If an investment earnings rate of 2% per annum above the rate of salary increase had been assumed, rather than 3%, the unfunded liability would have been \$318.3 million.

Further details are provided in note 20.

**(ii) Superannuation Scheme for Australian Universities (SSAU)**

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

The last actuarial investigation was conducted as at 21 October 1997 by Grant Harslett, FIA, FIAA. A funding and solvency certificate required under regulation 9.09(1) of the Superannuation Industry (Supervision) Regulations has been obtained by SSAU with a date of effect of 26 November 1997.

As at 31 December, the University of South Australia's share of the fund was:

	<b>1999</b>	<b>1998</b>
	<b>\$'000</b>	<b>\$'000</b>
Net Market Value	64 017	65 921
Accrued Benefits	54 669	54 594
	<hr/>	<hr/>
Difference	9 348	11 327
	<hr/>	<hr/>
<b>Vested Benefits</b>	<b>54 669</b>	<b>54 594</b>
	<hr/>	<hr/>

**(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.



## 20. 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 1999, an amount of \$15.6 million (1998: \$13.6 million) was brought to account to reflect the increase in the net unfunded past service cost for State superannuation.

	<b>1999</b>	<b>1998</b>
	<b>\$'000</b>	<b>\$'000</b>
Deferred government superannuation contribution at the beginning of the year	268 500	254 900
Increase in amount owing for unfunded liability	15 600	13 600
Deferred government superannuation contribution at the end of the year	<u>284 100</u>	<u>268 500</u>
Comprising:		
Current asset	21 200	21 300
Non-current asset	262 900	247 200
	<u><b>284 100</b></u>	<u><b>268 500</b></u>

## 21. Capital Expenditure Commitments

	<b>Consolidated</b>		<b>University</b>	
	<b>1999</b>	<b>1998</b>	<b>1999</b>	<b>1998</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Contracted for but not provided for and payable: Not later than one year	720	1 902	720	1 902
	<u><b>720</b></u>	<u><b>1 902</b></u>	<u><b>720</b></u>	<u><b>1 902</b></u>

## 22. Lease Expenditure Commitments

Operating lease rentals are payable as follows:

Not later than one year	2 850	2 561	2 690	2 561
Later than one year but not later than five years	6 594	6 779	6 434	6 779
Later than five years	424	438	424	438
	<u><b>9 868</b></u>	<u><b>9 778</b></u>	<u><b>9 548</b></u>	<u><b>9 778</b></u>





## 23. Contingent Liabilities

The University has entered into an agreement with the Minister of the Department of Education, Training and Employment to provide 35 spaces in a Child Care Centre built in 1997 at the University's City West campus. If the agreement is terminated within the first seven years, an amount of \$0.680 million, being the Minister's contribution to the Child Care Centre will be refunded. If the agreement is terminated after seven years, a sum of \$0.680 million to be repaid is reduced on a pro rata basis reducing to zero after 21 years.

In 1994 the University received a South Australian government grant of \$1.0 million towards establishing the Ian Wark Research Institute. Under the conditions the grant was awarded, if the IWRI ceases to operate the University is liable to repay 10% of the grant for each complete year the IWRI fails to operate up to the year 2004.

The University has no other material contingent liabilities.

## 24. Controlled Entities

The University has 100% ownership of two controlled entities

### (i) Techsearch Incorporated

Techsearch was the commercial arm of the University and previously provided a range of services to support staff in commercial activities. As from July 1996 new University commercial activity has been generally conducted through the University and the support services previously provided by Techsearch are now provided by the University.

### (ii) ITEK Pty Ltd

The University resolved to wind up Techsearch Incorporated on 1 July 1999, and put in place new operating structures, which include ITEK Pty Ltd and the ITEK trust. ITEK provides University business incubation and technology commercialisation services.

### (iii) 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 donations and bequests received are used for the intended purpose.

## 25. Unisure Pty Ltd

The University of South Australia is an exempt employer under the Workers Rehabilitation and Compensation Act, 1986, and is a shareholder 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. Unisure Pty Ltd is the trustee of the Unisure Unit Trust which holds the University's workers' compensation liabilities and the associated investments funds. As at 31 December 1999 the Unit Trust held net assets of \$3.357 million on behalf of the University of South Australia (1998: \$2.663 million).

From 1998 the University annual financial statements incorporated the financial transactions of the Unisure Unit Trust.



## 26. Interest in other Joint Ventures

The University is required to measure its interests in non-partnership joint ventures by applying the equity method of accounting in its consolidated financial statements under Australian Accounting Standard AAS19 "Accounting for Interests in Joint Ventures". Disclosure requirements of specific information about each joint venture are also required under this standard.

The University participates in several joint ventures as described below. The University's interest in these joint ventures is by note disclosure only as these interests are immaterial in relation to the University's core activities.

The following table indicates for each joint venture entity, if they are an incorporated (I) or unincorporated (U) entity, the date on which annual reports are produced, the percentage ownership (or voting rights) for the University, the University's nominal share of accumulated cash and expenditure commitments during the next accounting period.

		Reporting date	*Ownership %	Share Accumulated (Cash) Funds \$000	Expenditure Commitments 2000 \$000	
<b>Joint Venture Entities</b>						
(i)	SAARDNET	U	31 Dec	20%	11	40
(ii)	SATAC	U	30 June	25%	54	109
(iii)	AITEC Pty Ltd	I	31 Dec	25%	262	0
(iv)	CSSIP	U	30 June	5%	30	0
(v)	CWQT	U	30 June	5%	26	50
(vi)	CRCSS	U	30 June	24%	0	100
(vii)	CRCIMST	U	30 June	8%	20	20
(viii)	CMC	I	30 June	4%	75	0
<b>Joint Ventures Operations</b>						
(ix)	SPRI (Bldg)	U	30 June	30%	0	50
				<b>478</b>	<b>369</b>	

\* Ownership (or voting rights) percentage as determined by agreement or proportion of cash and in-kind contributions.

### Joint Venture Entities

#### (i) South Australian Academic Research and Development Network (SAARDNet)

SAARDNet is a joint venture by the 3 South Australian universities, DSTO and CSIRO to provide members with an enhanced network and shared resources. SAARDNet was formed to facilitate greater data, voice and video communications between higher education and research organisations in South Australia.

#### (ii) South Australian Tertiary Admissions Centre (SATAC)

SATAC is a joint venture of the 3 South Australian universities and the Minister for Education, Training and Employment.

SATAC process undergraduate and postgraduate applications for admission to tertiary level courses.

#### (iii) 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 South Australian Minister of Education, Employment and Training and the University of South Australia. AITEC was formed by its higher education venturers to support the State's information technology, education and training. It has created educational programs designed to significantly increase the productivity of engineers employed in the Australian Information and Technology (IT&T) industries.



**Interest in other Joint Ventures (continued)**

**(iv) 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 up to a maximum of \$100 000 for 2000.

**(v) 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 cash funding of \$50 000 per annum, for the next three years.

**(vi) CRC for Satellite Systems (CRCSS)**

The mission of the Cooperative Research Centre for Satellite Systems (CRCSS) is to deliver a new, sustainable advantage for Australian industries and government agencies involved in services based on the applications of future generations of small satellites.

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

**(vii) CRC for Intelligent Manufacturing Systems and Technologies**

The Centre for Intelligent Manufacturing Systems and Technologies is a national Cooperative Research Centre. Its purpose is to establish a world class Research centre with representation from both Industry and universities in areas of research that are directed at industry manufacturing methodologies and technologies. The University has a commitment to provide cash funding of \$20 000 for the next 6 years.

**(viii) Cooperative Multimedia Centre (CMC)**

The University is a shareholder in Ngapartji Pty Ltd which is a CMC. The University shareholding is below that required for Ngapartji to be considered an associated company. The aim of Ngapartji is to provide an international focal point for the creation and development of world leading commercially successful skills, technology and products in interactive media.

The University has no commitment to contribute to Ngapartji Pty Ltd in 2000 (1999 \$25 000).

**Joint Ventures Operations**

**(ix) Signal Processing Research Institute (SPRI) Building**

The University and the Technology Development Corporation (subsumed by the MFP Development Corporation and subsequently the Land Management Corporation) entered into an agreement in 1991 to establish a building to house the Signal Processing Research Institute (SPRI) adjacent to the Levels at Mawson Lakes. 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.



## 27. Reconciliation of Equity

	Consolidated		University	
	1999	1998	1999	1998
	\$'000	\$'000	\$'000	\$'000
<b>Asset revaluation reserve:</b>				
<b>Land, buildings and infrastructure reserve</b>				
Opening balance 1 January	59 125	36 803	59 125	36 803
Asset revaluation increment	-	22 322	-	22 322
<b>Closing balance 31 December</b>	<b>59 125</b>	<b>59 125</b>	<b>59 125</b>	<b>59 125</b>
<b>Library reserve</b>				
Opening balance 1 January	1 082	-	1 082	-
Asset revaluation increment (Library)	-	1 082	-	1 082
<b>Closing balance 31 December</b>	<b>1 082</b>	<b>1 082</b>	<b>1 082</b>	<b>1 082</b>
<b>Closing balance 31 December</b>	<b>60 207</b>	<b>60 207</b>	<b>60 207</b>	<b>60 207</b>
<b>Accumulated results of operations</b>				
Opening balance 1 January	343 304	349 143	341 313	347 544
Result of operations	1 326	5 197	841	4 805
Transfers to reserves	11 036	(11 036)	11 036	(11 036)
<b>Closing balance 31 December</b>	<b>355 666</b>	<b>343 304</b>	<b>353 190</b>	<b>341 313</b>
<b>Other reserves:</b>				
<b>Unspent HEFA grant reserves</b>				
Opening balance 1 January	2 878	-	2 878	-
Transfer to/(from) reserves	(2 878)	2 878	(2 878)	2 878
<b>Closing balance 31 December</b>	<b>-</b>	<b>2 878</b>	<b>-</b>	<b>2 878</b>
<b>Unspent other grant reserves</b>				
Opening balance 1 January	5 495	-	5 495	-
Transfer to/(from) reserves	(5 495)	5 495	(5 495)	5 495
<b>Closing balance 31 December</b>	<b>-</b>	<b>5 495</b>	<b>-</b>	<b>5 495</b>
<b>Workers Compensation reserve</b>				
Opening balance 1 January	2 663	-	2 663	-
Transfer to/(from) reserves	(2 663)	2 663	(2 663)	2 663
<b>Closing balance 31 December</b>	<b>-</b>	<b>2 663</b>	<b>-</b>	<b>2 663</b>
<b>Total Equity</b>	<b>415 873</b>	<b>414 547</b>	<b>413 397</b>	<b>412 556</b>



## 28. Notes to the Statement of Cash Flows

### (i) 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	
		1999	1998	1999	1998
		\$'000	\$'000	\$'000	\$'000
Cash		2 236	1 320	1 276	942
Short term deposits	11	37 980	41 643	37 680	40 795
Bank overdraft	15	(531)	(49)	(531)	(49)
		<b>39 685</b>	<b>42 914</b>	<b>38 425</b>	<b>41 688</b>

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

Operating result after abnormal items	1 326	5 197	841	4 805
Add/(less) items classified as investing financing				
(Profit)/loss on sale of plant and equipment	(168)	(26)	(179)	8
Add/(less) non-cash items:				
Plant & Equipment revaluation decrement	-	876	-	876
Depreciation	21 712	17 985	21 601	17 899
Increase/(decrease) in doubtful debt provision	(1 671)	1 820	(1 651)	1 820
Workers Compensation investment fund	-	(4 740)	-	(4 740)
Non cash donations	(536)	-	(536)	-
Change in assets and liabilities:				
(Increase)/decrease in receivables	(361)	585	311	515
(Increase)/decrease in other assets	(15 631)	(13 947)	(15 597)	(13 952)
Increase/(decrease) in trade creditors	(855)	4 044	(1 304)	3 894
Increase/(decrease) in advanced revenue	(2 390)	(2 147)	(2 319)	(2 186)
Increase/(decrease) in accrued liabilities	(2 303)	(67)	(2 346)	(74)
Increase/(decrease) in other liabilities	15 072	14 023	15 209	14 292
<b>Net cash from in operating activities</b>	<b>14 195</b>	<b>23 603</b>	<b>14 030</b>	<b>23 157</b>

### (iii) Non Cash Financing and Investing Activities

The University received in the reporting period donations of works of art and library materials with a fair value of \$536 000. These non-cash acquisitions are not reflected in the Statement of Cash Flows.



**Notes to the Statement of Cash Flows (continued)**

**(iv) Financing Facilities**

The University has a \$4.0 million (1998: \$4.0 million) credit card facility with the National Australia Bank. The balance owing at the end of each monthly cycle is automatically paid by transfer from the University's NAB bank account. The unused portion of this facility as at 31 December 1999 was \$0.501 million (1998: \$2.356 million).

The University has entered into an arrangement with the Department of Treasury and Finance to provide a loan facility of \$35.0 million for the purpose of building a new campus at the University's City West site. As at 31 December 1998 the University had drawn \$30.0 million of the loan. As at 31 December 1999, the University had repaid \$5.0 million, leaving \$25.0 million outstanding. No security is held against these borrowings.

In addition, the South Australian Treasurer has agreed to provide a short term credit facility to 30 June 2001 of up to \$10.0 million. As at 31 December 1999 the unused amount available was \$10.0 million (1998: \$10.0 million). A condition of this facility is that any funds drawn down must be repaid prior to 30 June in the relevant financial year.

**(v) Cash Balances Not Available for Use**

There are no cash balances not available for use.

**29. Segment Information**

The University operates in the field of higher education in Australia and provides teaching and research services.

**30. Auditors' Remuneration**

	<b>Consolidated</b>		<b>University</b>	
	<b>1999</b>	<b>1998</b>	<b>1999</b>	<b>1998</b>
	<b>\$'000</b>	<b>\$000</b>	<b>\$'000</b>	<b>\$000</b>
Amounts paid or payable were:				
South Australian Auditor General	140	156	140	148
Other	9	4	1	-
	<b>149</b>	<b>160</b>	<b>141</b>	<b>148</b>



**31. Employee Remuneration over \$100 000**

	University	
	1999	1998
	Number	Number
\$100 000 - \$109 999	25	31
\$110 000 - \$119 999	21	6
\$120 000 - \$129 999	11	14
\$130 000 - \$139 999	5	7
\$140 000 - \$149 999	4	1
\$150 000 - \$159 999	7	2
\$160 000 - \$169 999	4	1
\$170 000 - \$179 999	1	-
\$190 000 - \$199 999	-	1
\$220 000 - \$229 999	1	-
\$260 000 - \$269 999	-	1
\$290 000 - \$299 999	1	-
	<b>80</b>	<b>64</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Total remuneration received, or due and receivable, by senior employees from the University</b>	<b>10 101</b>	<b>7 692</b>

The remuneration includes salary, employer's superannuation costs and other benefits, including the associated fringe benefits tax, but excludes the value of separation payments.



### 32. Additional Financial Instruments Disclosure

#### (i) Interest Rate Risk

The economic entity's exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets and financial liabilities is set out below.

#### 1999

	Note	Floating interest rate \$'000	Fixed interest maturing in			Non interest bearing \$'000	Total \$'000
			1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000		
<b>Financial assets</b>							
Cash		2 236	-	-	-	-	2 236
Receivables	10	-	-	-	-	7 305	7 305
Investments	11	43 434	-	-	-	305	43 739
		<b>45 670</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7 610</b>	<b>53 280</b>
<b>Weighted average interest rate</b>							
		4.85%	-	-	-	-	-
<b>Financial liabilities</b>							
Bank overdraft*	15	531	-	-	-	-	531
Accounts payable	15	-	-	-	-	10 120	10 120
Borrowings	16	-	5 000	5 000	15 000	162	25 162
Funds held on behalf of external entities	18	319	-	-	-	(267)	52
		<b>850</b>	<b>5 000</b>	<b>5 000</b>	<b>15 000</b>	<b>10 015</b>	<b>35 865</b>
<b>Weighted average interest rate</b>							
		1.69%	9.40%	9.80%	10.18%	-	-
<b>1998</b>							
<b>Financial assets</b>							
Cash		1 320	-	-	-	-	1 320
Receivables	10	-	-	-	-	5 273	5 273
Investments	11	46 732	-	-	-	230	46 962
		<b>48 052</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5 503</b>	<b>53 555</b>
<b>Weighted average interest rate</b>							
		4.86%	-	-	-	-	-
<b>Financial liabilities</b>							
Bank overdraft*	15	49	-	-	-	-	49
Accounts payable	15	-	-	-	-	10 975	10 975
Borrowings	16	-	5 000	10 000	15 000	219	30 219
Funds held on behalf of external entities	18	154	-	-	-	426	580
		<b>203</b>	<b>5 000</b>	<b>10 000</b>	<b>15 000</b>	<b>11 620</b>	<b>41 823</b>
<b>Weighted average interest rate</b>							
		3.22%	8.20%	9.60%	10.18%	-	-

\* The bank overdraft is caused by unpresented cheques. The University maintains sufficient cash in the bank overdraft account to cover presented cheques and to avoid incurring interest expense.





**Additional Financial Instruments Disclosure (continued)**

**(ii) Foreign Exchange Risk**

The University assesses the likely foreign exchange risk for offshore activities and enters into hedge arrangements if appropriate. As at 31 December 1999 the University had no hedge arrangements in place.

**(iii) Credit Risk Exposures**

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

*On-Balance Sheet Finance Instruments*

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

The economic entity is not materially exposed to any individual overseas country or individual customer.

**(iv) Net Fair Values of Financial Assets and Liabilities**

**(i) Valuation Approach**

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

**(ii) On-Balance Sheet Financial Instruments**

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

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

The net fair value of unlisted share investments is determined by reference to underlying net assets of the respective entities.

**(iii) Net Fair Values**

The carrying amounts of financial assets and liabilities at the reporting date all approximate the net fair values except for borrowings at fixed rates of interest. The values of those borrowings are:

<b>1999 Carrying Amount \$'000</b>	<b>1999 Net Fair Value \$'000</b>
<b>25 000</b>	<b>30 000</b>



## UNIVERSITY OF SOUTH AUSTRALIA

### CERTIFICATE

#### FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1999

To the best of our knowledge and belief:

the foregoing Statements and Notes thereto, present fairly in accordance with Statements of Accounting Concepts, applicable Accounting Standards, Urgent Issues Consensus Views and the Public Finance and Audit Act, 1987, as amended, the financial position of the University as at 31 December 1999, and the results of operations and cash flows for the year then ended; and

that internal controls over financial reporting have been effective throughout the reporting period.

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**Mr David Klingberg**  
Chancellor

/ /2000

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**Professor Denise Bradley**  
Vice Chancellor and President

/ /2000