



STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 DECEMBER 2001

	Note	Consolidated		University	
		2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
REVENUE					
Commonwealth government financial assistance	2.1, 40	111 080	105 792	110 981	105 792
South Australian government financial assistance	2.2	2 074	2 276	2 074	2 276
Higher Education Contribution Scheme:					
◆ Student contributions	40	8 528	8 451	8 528	8 451
◆ Commonwealth contributions	40	52 906	52 085	52 906	52 085
Fees and charges	2.3	57 785	45 983	51 149	40 344
Investment income	2.4	2 661	2 813	3 569	2 883
Royalties, trademarks and licenses	2.5	535	158	509	158
Consultancy and contract research	2.6	14 002	11 666	14 002	12 246
Other revenue	2.7	4 814	3 723	4 155	3 520
		254 385	232 947	247 873	227 755
Superannuation:					
◆ Commonwealth supplementation		20 164	17 437	20 164	17 437
◆ Deferred government contributions	24	500	(23 600)	500	(23 600)
Total Revenue from Ordinary Activities		275 049	226 784	268 537	221 592
EXPENSES					
Employee benefits	3.1	153 975	143 807	151 087	141 309
Depreciation and amortisation	3.2	18 779	19 251	18 630	19 215
Buildings and grounds	3.3	12 182	10 222	12 182	9 935
Bad and doubtful debts	3.4	617	197	553	197
Net losses on revaluation of assets	3.5	1 210	-	1 210	-
Other expenses	3.6	58 504	54 413	56 750	52 942
Borrowing cost expense	4	2 230	2 679	2 230	2 563
		247 497	230 569	242 642	226 161
Superannuation:					
◆ Commonwealth supplemented		20 164	17 437	20 164	17 437
◆ Deferred employee benefits	3.1, 24	500	(23 600)	500	(23 600)
Total Expenses from Ordinary Activities		268 161	224 406	263 306	219 998
Operating Result from Ordinary Activities	22	6 888	2 378	5 231	1 594
Direct credits or debits to equity:					
◆ Asset revaluation reserves	22	(3 339)	(25 970)	(3 491)	(25 970)
Total Revenue, Expenses and Valuation Adjustments attributed to the Parent Entity and Recognised Directly in Equity		(3 339)	(25 970)	(3 491)	(25 970)
Total Changes in Equity Other than those Resulting from Transactions with Owners as Owners		3 549	(23 592)	1 740	(24 376)

The statement of financial performance 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 2001**

	Note	Consolidated		University	
		2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
CURRENT ASSETS					
Cash	38	5 627	2 353	3 636	2 115
Receivables	11	11 117	10 236	10 147	9 819
Investments	12	52 045	46 395	50 379	45 389
Deferred government superannuation contribution	24	22 900	22 000	22 900	22 000
Other	13	2 203	1 768	2 188	1 765
Total Current Assets		93 892	82 752	89 250	81 088
NON-CURRENT ASSETS					
Investments	12	7 321	6 826	7 000	6 529
Property, plant and equipment	14	400 045	412 044	399 756	411 687
Deferred government superannuation contribution	24	238 100	238 500	238 100	238 500
Other	13	-	-	-	-
Total Non-Current Assets		645 466	657 370	644 856	656 716
Total Assets		739 358	740 122	734 106	737 804
CURRENT LIABILITIES					
Accounts payable	17	12 567	13 720	12 424	13 253
Borrowings	18	-	5 113	-	5 113
Provision for State superannuation	24	22 900	22 000	22 900	22 000
Other provisions	19	12 866	12 194	12 725	12 071
Other	20	20 367	20 524	20 468	22 056
Total Current Liabilities		68 700	73 551	68 517	74 493
NON-CURRENT LIABILITIES					
Accounts payable	17	3 229	2 311	3 229	2 311
Borrowings	18	15 050	15 050	15 050	15 050
Provision for State superannuation	24	238 100	238 500	238 100	238 500
Other provisions	19	17 130	16 658	17 130	16 658
Other	20	1 319	1 771	1 319	1 771
Total Non-Current Liabilities		274 828	274 290	274 828	274 290
Total Liabilities		343 528	347 841	343 345	348 783
Net Assets		395 830	392 281	390 761	389 021
EQUITY					
Asset revaluation reserve	22	30 898	34 237	30 746	34 237
Accumulated results of operations	22	364 932	358 044	360 015	354 784
Total Equity		395 830	392 281	390 761	389 021

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 2001

	Note	Consolidated		University	
		2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Inflows:					
Financial Assistance:					
♦ Commonwealth operating		112 599	108 730	112 599	108 730
♦ Other government		2 134	2 274	2 045	2 274
Higher Education Contribution Scheme:					
♦ HECS upfront receipts		8 528	8 451	8 528	8 451
♦ HECS Trust Fund		54 468	51 334	54 468	51 334
Fees and Charges		50 248	40 131	50 248	40 594
Investment income		3 418	2 822	3 821	2 822
Royalties, trademarks and licenses		509	158	509	158
Consultancy and contract research		13 526	12 246	13 526	12 246
Other revenue		11 940	8 265	3 936	2 883
Superannuation supplementation		15 335	17 437	15 335	17 437
Taxes recovered		3 707	2 582	3 707	2 582
Outflows:					
Staff salaries and related expenditure		(151 465)	(141 408)	(148 443)	(138 232)
Non salary payments		(75 433)	(63 966)	(73 762)	(62 710)
Superannuation payments		(19 320)	(19 054)	(19 320)	(19 054)
Interest and other expenditure of finance paid		(2 454)	(2 884)	(2 454)	(2 768)
Net Cash Provided by Operating Activities	38	27 740	27 118	24 743	26 747
CASH FLOWS FROM INVESTING ACTIVITIES					
Inflows:					
Proceeds from sale of property, plant and equipment		720	1 595	612	1 522
Outflows:					
Payments for property plant and equipment		(13 075)	(13 766)	(12 902)	(13 571)
Payments for investments		(993)	(1 000)	(474)	(735)
Net Cash Used in Investing Activities		(13 348)	(13 171)	(12 764)	(12 784)
CASH FLOWS FROM FINANCING ACTIVITIES					
Outflows:					
Principal repayments under finance lease		(415)	-	(415)	-
Repayment of borrowings		(5 056)	(5 000)	(5 056)	(5 000)
Net Cash Used in Financing Activities		(5 471)	(5 000)	(5 471)	(5 000)
Net Increase/(Decrease) in Cash Held		8 921	8 947	6 508	8 963
Cash at Beginning of Reporting Period		48 632	39 685	47 388	38 425
CASH AT END OF REPORTING PERIOD	38	57 553	48 632	53 896	47 388

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 2001

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1. Summary of 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 general purpose financial report and have been prepared on a full accrual basis in accordance with applicable Australian Accounting Standards (AAS), 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 the Commonwealth Department of Education, Science and Training (DEST).

The financial statements comply with relevant provisions of the South Australian 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 financial statements have been prepared on the basis of historic 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. 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 the presentation of the current year's figures.

(d) Revenue Recognition

(i) Grants

◆ Commonwealth Operating Grant

In accordance with Australian Accounting Standard AAS15, the first instalment of the Commonwealth Operating Grant for 2002, received during December 2001 and therefore received in advance of the operating year to which it relates, has been recognised as Revenue in Advance and is presented as a liability in the Statement of Financial Position, rather than as revenue for the 2001 year. The Grant relates to funding the teaching of HECS students in the 2002 calendar year.

On the basis of independent professional advice, the University regards the receipt of Commonwealth Operating Grants as a "reciprocal transfer" as defined in AAS15, since the University is required to teach a HECS-funded load in 2002, and provide the necessary facilities and services in return for the grant of financial assistance from the Commonwealth.

Where the Minister is satisfied that a higher education institution has, after receipt of the Grant, failed to meet a condition applicable to the financial assistance, the financial assistance or part thereof is required to be returned to the Commonwealth. It is therefore, in the view of the University, a "reciprocal payment".

Under these conditions the revenue received in advance should not be recognised as revenue until the relevant year.



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

◆ **Other Grants**

Where a Commonwealth Government grant or other government grant represents a non-reciprocal transfer, it has been recognised as revenue at the time of receipt.

(ii) **Fees and Charges**

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

(iii) **Investment Income**

Interest income is recognised as it accrues.

(iv) **Consultancy and Contract Research**

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

(e) **Inventories**

Consumable supplies are not recognised in the Statement of Financial Position as the value of these supplies is not material.

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

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

(i) **Land**

Land occupied by the University is either owned by the University or by the State Government. The value of the land is reflected in the University's financial statements at unimproved value on the basis that the University effectively controls the land occupied.

Land is revalued every three years. The last valuation was as at 31 December 2001.

The value of land at campuses other than Salisbury has been determined by the South Australian Department for Administrative and Information Services, while the value of land at Salisbury campus has been determined by Colliers Jardine.

(ii) **Buildings**

Buildings (including related infrastructure) on land controlled by the university at 31 December 2001 have been recognised on the basis of written down current cost that reflects existing use. An adjustment has been made to the values for Underdale campus to take account of surplus capacity. Salisbury campus is valued at market value.

Buildings are revalued every three years. The last valuation was as at 31 December 2001. The value of buildings for campuses other than Salisbury were determined by the South Australian Department for Administrative and Information Services. The value of buildings at Salisbury campus has been determined by Colliers Jardine.



(f) Property, Plant and Equipment (continued)

(iii) Library Collection

The library collection is reported at University valuation, based on written down current cost. The collection is reviewed at least every three years for valuation purposes. The last valuation was undertaken by the University at 31 December 2001.

(iv) Plant and Equipment

Plant and equipment is valued on the basis of historic cost.

(g) Depreciation and Amortisation

Depreciation and amortisation is calculated on a straight line basis on all property, plant and equipment other than land and buildings under construction. Depreciation rates are calculated to allocate the cost of an asset over its estimated remaining useful life.

Asset Class	Initial Useful Life
Property:	
◆ Buildings	40-80 years*
Library Collection:	
◆ Monographs	15 years
◆ Serials	20 years
◆ Electronic materials	10 years
Plant and Equipment:	
◆ IT equipment:	
▪ Network devices	5 years
▪ Network cabling	10 years
◆ Non IT equipment	10 years
◆ Motor vehicles	5 years

* *With minor exceptions.*

At 31 December 2001 the useful life of buildings was re-estimated as part of the independent valuation for the purposes of calculating depreciation in future periods. Generally buildings are to be depreciated over a 60 year useful life from 1 January 2002. The impact of this revision is to reduce future depreciation charges by \$3.561 million per year.

(h) Restrictions on Assets

Land includes \$10.761 million of Crown Lands and \$8.024 million of land dedicated for education use by the Minister of Education. Such lands are unable to be sold.

The University has restrictions on all land by application of the University of South Australia Act, 1990 Section 6(4) which states:

"The University cannot, except with the approval of the Governor and in accordance with any terms or conditions stipulated by the Governor in granting that approval, sell, lease (except for a term not exceeding 21 years), or otherwise dispose of, mortgage or charge any of its real property."



(i) Employee Entitlements

The long service leave liability is independently estimated by the long hand method prescribed by 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 (including the leave loading) is calculated on current wage rates.

(j) Goods and Services Tax (GST)

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

Receivables and payables are stated with the amount of GST included.

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

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

1.2 Change in Accounting Policy

There are no changes to accounting policies for 2001.



	Note	Consolidated		University	
		2001	2000	2001	2000
		\$'000	\$'000	\$'000	\$'000
2. Revenue from Ordinary Activities					
2.1 Commonwealth Government Grants (excluding HECS)					
Teaching and Learning:					
♦ Operating Financial Assistance excluding HECS	40.1	100 753	95 143	100 753	95 143
♦ Teaching hospitals		-	-	-	-
♦ Capital development pool	40.1	-	753	-	753
Australian Research Council: 40.2					
♦ Large research grants		647	571	647	571
♦ Strategic partnerships with industry		1 693	1 692	1 693	1 692
♦ Research fellowships		157	91	157	91
♦ International research exchange		24	20	24	20
♦ Research centres		684	1 255	684	1 255
♦ Research infrastructure equipment and facilities		-	102	-	102
♦ Indigenous researchers' development grant		35	(1)	35	(1)
♦ Special research initiatives		-	-	-	-
♦ Learned academic special projects		-	-	-	-
♦ Key centres for teaching and research		-	116	-	116
♦ Collaborative research grants		-	-	-	-
DEST Research Financial Assistance: 40.3					
♦ Small research grants		219	209	219	209
♦ Research infrastructure block		713	790	713	790
♦ Australian postgraduate awards		1 165	1 053	1 165	1 053
♦ International postgraduate research scholarships		215	215	215	215
		106 305	102 009	106 305	102 009
Other Commonwealth Government Grants:					
♦ Other Commonwealth government research grants		4 259	2 905	4 160	2 905
♦ Aboriginal tutorial assistance scheme grant		241	343	241	343
♦ Other Commonwealth grants		275	535	275	535
		4 775	3 783	4 676	3 783
		111 080	105 792	110 981	105 792
2.2 South Australian Government Financial Assistance					
Anangu Teacher Education Program (AnTEP)		149	151	149	151
Research grants		1 921	2 112	1 921	2 112
Other		4	13	4	13
		2 074	2 276	2 074	2 276



	Consolidated		University	
	2001	2000	2001	2000
	\$'000	\$'000	\$'000	\$'000
2.3 Fees and Charges				
Continuing education	976	759	976	759
Fee-paying overseas students	37 904	28 899	37 904	28 899
Fee-paying Australian postgraduate students	4 022	2 910	4 022	2 910
Fee-paying Australian undergraduate students	-	-	-	-
Other fees and charges:				
◆ Open Learning Australia (OLA)	1 215	947	1 215	947
◆ Fees – civil aviation	689	519	689	519
◆ Hire of facilities	2 141	1 464	2 141	1 464
◆ Secondment support	660	1 012	660	1 012
◆ Seminar/workshops	649	866	649	866
◆ All other	9 529	8 607	2 893	2 968
	57 785	45 983	51 149	40 344
2.4 Investment Income				
Dividends	28	22	1 096	248
Interest	2 271	2 415	2 111	2 259
Investment income from related parties	264	376	264	376
Other	98	-	98	-
	2 661	2 813	3 569	2 883
2.5 Royalties, Trademarks and Licenses				
Royalties	535	158	509	158
	535	158	509	158
2.6 Consultancy and Contract Research				
Consultancy fees	3 668	2 004	3 668	2 584
Contract research	10 334	9 662	10 334	9 662
	14 002	11 666	14 002	12 246
2.7 Other Revenue				
Donations and bequests	1 301	1 258	661	943
Scholarships and prizes	765	682	746	551
Other	2 748	1 783	2 748	2 026
	4 814	3 723	4 155	3 520



	Consolidated		University	
	2001	2000	2001	2000
	\$'000	\$'000	\$'000	\$'000
3. Expenses from Ordinary Activities				
3.1 Employee Benefits				
Salaries:				
◆ Academic	72 368	66 026	69 978	65 690
◆ Non-academic	53 679	52 285	53 679	50 206
Contributions to superannuation and pension schemes:				
◆ Emerging cost – operating grant funded	525	368	323	368
◆ Funded	13 217	11 653	13 071	11 853
Payroll tax	7 468	7 618	7 468	7 480
Workers' compensation	825	(80)	805	(99)
Long service leave expense	4 882	5 055	4 880	5 041
Annual leave	1 011	882	883	770
	153 975	143 807	151 087	141 309
Contributions to superannuation and pension Schemes:– Emerging cost – Commonwealth supplemented	20 164	17 437	20 164	17 437
Deferred employee benefits for superannuation	500	(23 600)	500	(23 600)
	20 664	(6 163)	20 664	(6 163)
Payments for annual leave are included in the salaries line above. The movement in the provision for annual leave is shown in the annual leave line above.				
Long service leave expense includes amounts paid for long service leave and the net movement in the provision for long service leave.				
Included in employee benefits are 28 (2000: 21) targeted voluntary separation packages totalling \$2.087 million (2000: \$1.247 million) in redundancy expenses for the year. The aggregate of accrued annual leave and long service leave paid to employees who received these targeted separation payments was \$0.599 million (2000: \$0.452 million). There was no recovery from the office of the Commissioner of Public Employment in respect of the targeted voluntary separation packages.				
3.2 Depreciation and Amortisation				
Amortisation leased asset	436	222	436	222
Buildings	11 826	12 588	11 810	12 558
Library collection	3 798	3 780	3 798	3 780
Plant and equipment	2 719	2 661	2 586	2 655
	18 779	19 251	18 630	19 215
3.3 Buildings and Grounds				
Building maintenance	11 541	9 914	11 541	9 627
Grounds maintenance	641	308	641	308
	12 182	10 222	12 182	9 935



	Consolidated		University	
	2001	2000	2001	2000
	\$'000	\$'000	\$'000	\$'000
3.4 Bad and Doubtful Debts				
Doubtful debts	617	197	553	197
	617	197	553	197
3.5 Net Losses on Revaluation of Assets				
Library collection	1 210	-	1 210	-
	1 210	-	1 210	-
3.6 Other Expenses				
Communications	3 861	4 248	3 796	4 169
Equipment (non-IT)	1 162	1 274	1 161	1 262
External services	13 876	14 326	13 672	13 545
IT hardware and software	6 455	4 032	6 455	3 996
Library acquisitions	1 135	430	1 135	430
Printing	1 955	2 071	1 955	2 069
Rental	2 792	2 380	2 792	2 380
Scholarships	6 378	5 510	6 324	5 481
Staff development	2 851	2 873	2 798	2 789
Travel and accommodation	7 375	7 056	7 253	6 926
Net loss on sale of assets (refer note 5)	701	1 389	701	1 433
Other	9 963	8 824	8 708	8 462
	58 504	54 413	56 750	52 942

Included within external services is an amount for consultants of \$2.265 million exclusive of GST in 2001 (2000: \$1.298 million), representing:

- ◆ Student system implementation \$2.179 million
- ◆ Shared services project \$0.053 million
- ◆ Employee assistance program \$0.033 million

4. Borrowing Cost Expense

Interest expense	1 821	2 410	1 821	2 294
Loan guarantee fees	150	75	150	75
Bank charges	259	194	259	194
	2 230	2 679	2 230	2 563



	Consolidated		University	
	2001	2000	2001	2000
	\$'000	\$'000	\$'000	\$'000
5. Sale of Assets				
Net Losses				
Property, plant and equipment	701	1 389	701	1 433
	701	1 389	701	1 433

6. Income Tax

The University is exempt from income tax.

7. Extraordinary Items

There were no extraordinary items for the year.

	Consolidated		University	
	2001	2000	2001	2000
	Number	Number	Number	Number
8. Remuneration of Executives				
160,000 - 169,999	-	6	-	6
170,000 - 179,999	2	1	1	1
180,000 - 189,999	6	-	6	-
190,000 - 199,999	-	1	-	1
210,000 - 219,999	1	-	1	-
320,000 - 329,999	-	1	-	1
360,000 - 369,999	1	-	1	-
	10	9	9	9

	Consolidated		University	
	2001	2000	2001	2000
	\$'000	\$'000	\$'000	\$'000
Total remuneration received or due and receivable by Executives of the University	2 046	1 702	1 869	1 702

9. Remuneration of Auditors

Auditing the financial report	173	149	161	143
Other services	13	7	13	1
	186	156	174	144



Consolidated		University	
2001	2000	2001	2000
\$'000	\$'000	\$'000	\$'000

10. Inventories

No inventories are recognised in the accounts. The University recognises consumable supplies as an expense at the time of acquisition.

11. Receivables

Current:

◆ Student fees	1 535	721	1 535	721
◆ Student loans	610	586	610	586
◆ Commonwealth	1 172	2 679	1 172	2 679
◆ Other trade debtors	8 958	6 853	7 988	6 436
	12 275	10 839	11 305	10 422

Provision for doubtful debts

	(1 158)	(603)	(1 158)	(603)
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	11 117	10 236	10 147	9 819
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12. Investments

Current:

◆ Workers' compensation investment fund	119	116	119	116
◆ Short term deposits	51 926	46 279	50 260	45 273
	52 045	46 395	50 379	45 389

Non-Current:

◆ Investment in controlled entity	-	-	562	66
◆ Workers' compensation investment fund	5 968	6 051	5 968	6 051
◆ Share investments	1 353	775	470	412
	7 321	6 826	7 000	6 529

13. Other Assets

Current:

◆ Prepayments	653	544	639	544
◆ Accrued income	1 550	1 224	1 549	1 221
	2 203	1 768	2 188	1 765

Non-Current

	-	-	-	-
	-	-	-	-



	Consolidated		University	
	2001	2000	2001	2000
	\$'000	\$'000	\$'000	\$'000
14. Property, Plant and Equipment				
Land				
At valuation 31 December 1998 and 2000	-	29 323	-	29 323
At valuation 31 December 2001	39 065	-	39 065	-
At cost	-	-	-	-
Accumulated depreciation	-	-	-	-
	39 065	29 323	39 065	29 323
Buildings				
At valuation 31 December 1998 and 2000	-	481 934	-	481 871
At valuation 31 December 2001	511 127	-	511 063	-
At cost	-	11 882	-	11 882
Accumulated depreciation	(199 848)	(163 652)	(199 797)	(163 618)
	311 279	330 164	311 266	330 135
Total Land and Buildings	350 344	359 487	350 331	359 458
Library Collection				
At valuation 31 December 1998	-	103 577	-	103 577
At valuation 31 December 2001	56 566	-	56 566	-
At cost	-	5 743	-	5 743
Accumulated depreciation	(24 527)	(73 314)	(24 527)	(73 314)
	32 039	36 006	32 039	36 006
Plant and Equipment				
At valuation 31 December 1998	-	3 168	-	3 168
At cost	37 896	33 890	37 281	32 958
Accumulated depreciation	(20 234)	(20 507)	(19 895)	(19 903)
	17 662	16 551	17 386	16 223
Total Property, Plant and Equipment	400 045	412 044	399 756	411 687
Reconciliation of movements in property, plant and equipment				
Land				
Carrying amount at beginning of year	29 323	29 519	29 323	29 519
Additions	-	-	-	-
Disposals	(70)	(196)	(70)	(196)
Revaluations	9 812	-	9 812	-
Carrying amount at end of year	39 065	29 323	39 065	29 323
Buildings				
Carrying amount at beginning of year	330 164	363 789	330 135	363 789
Additions	5 368	6 615	5 368	6 420
Disposals	(206)	(1 682)	(206)	(1 546)
Depreciation	(11 826)	(12 588)	(11 810)	(12 558)
Revaluations	(12 221)	(25 970)	(12 221)	(25 970)
Carrying amount at end of year	311 279	330 164	311 266	330 135



	Consolidated		University	
	2001	2000	2001	2000
	\$'000	\$'000	\$'000	\$'000
14. Property, Plant and Equipment (continued)				
Library Collection				
Carrying amount at beginning of year	36 006	37 418	36 006	37 418
Additions	2 529	2 721	2 529	2 721
Disposals	(405)	(353)	(405)	(353)
Depreciation	(3 798)	(3 780)	(3 798)	(3 780)
Revaluations	(2 293)	-	(2 293)	-
Carrying amount at end of year	32 039	36 006	32 039	36 006
Plant and Equipment				
Carrying amount at beginning of year	16 551	12 910	16 223	12 592
Additions	4 974	7 430	4 816	7 367
Disposals	(707)	(906)	(631)	(859)
Depreciation and Amortisation	(3 156)	(2 883)	(3 022)	(2 877)
Carrying amount at end of year	17 662	16 551	17 386	16 223
Total Property, Plant and Equipment	400 045	412 044	399 756	411 687

15. Intangibles

The University does not have any material intangible assets at 31 December 2001.

16. Assets supported by Guarantee, Warranties and Indemnities

The University does not have any assets supported by guarantee, warranties or indemnities at 31 December 2001.

17. Accounts Payable

Current:

◆ Trade creditors	10 063	11 816	9 920	11 349
◆ Annual leave on-costs	1 939	1 579	1 939	1 579
◆ Long service leave on-costs	565	325	565	325
	12 567	13 720	12 424	13 253

Non-Current:

◆ Annual leave on-costs	-	-	-	-
◆ Long service leave on-costs	3 229	2 311	3 229	2 311
	3 229	2 311	3 229	2 311



	Consolidated		University	
	2001	2000	2001	2000
	\$'000	\$'000	\$'000	\$'000
18. Borrowings				
Current:				
◆ Not later than one year	-	5 113	-	5 113
	-	5 113	-	5 113
Non-Current:				
◆ Later than one year but not later than five years	15 000	-	15 000	-
◆ Later than five years	50	15 050	50	15 050
	15 050	15 050	15 050	15 050
19. Other Provisions				
Current:				
◆ Annual leave	8 619	8 107	8 498	7 975
◆ Long service leave	2 842	2 503	2 826	2 503
◆ Separation scheme	683	890	683	890
◆ Workers' compensation liability	722	694	718	703
	12 866	12 194	12 725	12 071
Non-Current:				
◆ Workers' compensation liability	982	981	982	981
◆ Long service leave	16 148	15 677	16 148	15 677
	17 130	16 658	17 130	16 658



	Consolidated		University	
	2001	2000	2001	2000
	\$'000	\$'000	\$'000	\$'000
20. Other Liabilities				
Current:				
◆ Accrued interest	284	508	284	508
◆ Finance lease	452	414	452	414
◆ Other	799	199	291	562
◆ Funds held on behalf of external entities	911	1 507	1 624	2 869
	2 446	2 628	2 651	4 353
◆ Income in advance on incomplete projects	2 119	2 854	2 015	2 661
◆ Work in progress	(100)	(58)	(100)	(58)
	2 019	2 796	1 915	2 603
◆ Fees and charges	1 860	1 424	1 860	1 424
◆ Commonwealth grant	13 852	13 676	13 852	13 676
◆ HECS recovery	190	-	190	-
	15 902	15 100	15 902	15 100
	20 367	20 524	20 468	22 056
Non-Current:				
◆ Finance lease	1 319	1 771	1 319	1 771
	1 319	1 771	1 319	1 771

21. Capitalised Borrowing Costs

The University has not capitalised any borrowing costs.



Consolidated		University	
2001	2000	2001	2000
\$`000	\$`000	\$`000	\$`000

22. Reserves and Equity

The University has three reserves in total. Two reserves are for the purposes of asset revaluation, namely the land and buildings reserve and the library collection reserve. The remaining reserve is for the purpose of investment revaluation.

(a) Reserves

Asset Revaluation Reserves

Land and buildings	30 746	33 155	30 746	33 155
Library collection	-	1 082	-	1 082
Investment revaluation reserve	152	-	-	-

Total Reserves	30 898	34 237	30 746	34 237
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Movements in Reserves

Land and Buildings

Opening balance	33 155	59 125	33 155	59 125
Asset revaluation decrement	(2 409)	(25 970)	(2 409)	(25 970)
Closing Balance	30 746	33 155	30 746	33 155

Library Collection

Opening balance	1 082	1 082	1 082	1 082
Asset revaluation decrement	(1 082)	-	(1 082)	-
Closing Balance	-	1 082	-	1 082

Investments

Opening balance	-	-	-	-
Investment revaluation increment	152	-	-	-
Closing Balance	152	-	-	-

Total Reserves	30 898	34 237	30 746	34 237
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(b) Accumulated Result of Operations

Opening balance	358 044	355 666	354 784	353 190
Operating result from ordinary activity	6 888	2 378	5 231	1 594
Transfers from reserves	-	-	-	-
Closing Balance	364 932	358 044	360 015	354 784

Total Equity	395 830	392 281	390 761	389 021
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	Consolidated		University	
	2001	2000	2001	2000
	\$'000	\$'000	\$'000	\$'000
23. Commitments for Expenditure				
(a) Capital Expenditure Commitments				
Building Works				
Not later than one year	1 473	1 371	1 473	1 371
	1 473	1 371	1 473	1 371
(b) Lease Commitments				
Operating Leases				
Not later than one year	2 711	2 828	2 711	2 614
Later than one year but not later than five years	4 645	4 868	4 645	4 552
Later than five years	-	-	-	-
	7 356	7 696	7 356	7 166
Finance Leases				
Not later than one year	653	653	653	653
Later than one year but not later than five years	1 631	2 283	1 631	2 283
Later than five years	-	-	-	-
	2 284	2 936	2 284	2 936
/ess Future lease finance charges	(513)	(751)	(513)	(751)
	1 771	2 185	1 771	2 185
Lease Liabilities Provided for in the Financial Statement				
Current	452	414	452	414
Non-current	1 319	1 771	1 319	1 771
	1 771	2 185	1 771	2 185

Major operating leases include leases for accommodation, vehicles and a lease for photocopying equipment within the University's Document Services area. Subsequent to 31 December 2001, the University paid out in full its lease for photocopying equipment for \$1.157 million.

At 31 December 2001 the University had a finance lease over a computer with a written down value of \$1.771 million. The terms of the agreement do not include renewal or purchase options.



24. Superannuation Plans

The University contributes to the following employee superannuation funds:

(a) 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 for the shortfall in the employer's contribution. The Commonwealth government fully funds the University on an emerging cost basis for the costs and recovers the State's share of the cost directly from the State government.

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 2001 to be \$276.3 million (31 December 2000: \$274.8 million). The assessment took into account an actuarial review of the South Australian Superannuation Fund as at 30 June 1998.

The University's liability under the scheme has been partly funded by an amount of \$15.3 million (2000: \$14.4 million) arising from 3% productivity employer contributions. This reduces the unfunded liability to \$261.0 million (2000: \$260.5 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. 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 DEST Guidelines and reflects an assessment that while there is no legislated requirement, the Commonwealth has committed to fund the University's emerging costs.

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

◆ Rate of increase in the Consumer Price Index (CPI)	2.5% per annum
◆ Rate of salary increases	4.0% per annum
◆ Investment earnings	7.5% per annum

These assumptions have not changed since 1999.

These rates provide for a 1.5% real gap between CPI and salary increases and a further 3.5% real gap between salary increases and investment earnings.

(b) UniSuper

In 2000 the administrative arrangements for the Superannuation Scheme for Australian Universities (SSAU) and the Tertiary Education Superannuation Scheme (TESS) were merged with no change to the conditions for each scheme. UniSuper then became sole trustee of the two schemes.

(i) SSAU

The University contributes to SSAU 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 as at 31 December 1999 was conducted by Grant Harslett, FIA, FIAA on 18 May 2000.



24. Superannuation Plans (continued)

A funding and solvency certificate required under regulation 9.09(i) of the Superannuation (Supervision) Industry Regulations has been obtained from SSAU with a date of effect of 2 December 1999 ceasing on 30 June 2002.

As at 30 June the University of South Australia's share of the fund was:

	2001	2000
	\$'000	\$'000
Net market value	76 558	71 435
Accrued benefits	69 378	65 176
	<hr/>	<hr/>
Difference	7 180	6 259
	<hr/>	<hr/>
Vested Benefits	69 378	65 176
	<hr/> <hr/>	<hr/> <hr/>

(ii) TESS

The University contributes to the fund at a rate determined by the TESS Award. 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 Charge (SGC).

(c) 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 2001, an amount of \$0.5 million was brought to account to reflect the increase in the net unfunded past service cost for State superannuation (2000: a decrease of \$23.6 million).

	2001	2000
	\$'000	\$'000
Deferred government superannuation contribution at the beginning of the year	260 500	284 100
Increase/(decrease) in amount owing for unfunded liability	500	(23 600)
	<hr/>	<hr/>
Deferred government superannuation contribution at the end of the year	261 000	260 500
	<hr/> <hr/>	<hr/> <hr/>
Comprising:		
◆ Current asset	22 900	22 000
◆ Non-current asset	238 100	238 500
	<hr/>	<hr/>
	261 000	260 500
	<hr/> <hr/>	<hr/> <hr/>



25. 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 (IWRI). 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 2004.

A claim has been brought against the University in relation to the disposal of a property. Settlement in relation to the disposal of the property is subject to finalising the claim, the outcome of which is uncertain at the time of these accounts. No provision has been made in the accounts in relation to this matter.

The University has entered into an arrangement to underwrite student accommodation. The arrangement requires the University to fund vacancies up to a limit. At 31 December 2001 the University had a contingent liability of \$0.292 million.

The University has no other material contingent liabilities.

26. Leases

Leased plant and equipment over which the University or its controlled entities assume substantially all the risks and benefits of ownership are classified as finance leases. All other leases are classified as operating leases.

Finance leases are capitalised. A lease asset and a lease liability equal to the present value of the minimum lease payments are recorded at the inception of the lease. Lease assets are amortised on a straight line basis over the term of the relevant lease, or where it is likely the entity will obtain ownership of the asset, the life of the asset. Lease liabilities are reduced by repayments of principal. The interest components of the lease payments are charged to the Statement of Financial Performance.

Payments made under operating leases are charged as an operating expense 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.

27. Economic Dependency

The University does not have an economic dependency on another entity or person.



28. Joint Venture Operations

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

The University participates in joint venture operations as described below.

		Reporting date	Output Interest	
			2001	2000
(a)	SPRI (Building)	30 June	30%	30%
(b)	SAIBT	30 June	20-30%	-

(a) 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 SPRI 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 Land Management Corporation holding the remaining 70% share.

(b) South Australian Institute of Business Technology Pty Ltd (SAIBT Pty Ltd)

During 2001 the University entered into a cooperative arrangement with SAIBT Pty Ltd (The 'Institute') pursuant to which the Institute will develop and offer a range of educational services to students and the University will provide the Institute with services and facilities to assist in the provision of these services, in consideration of which the Institute shall pay to the University specified fees.

Mawson Lakes Joint Venture Economic Development Project

In addition, the University is a signatory to the Mawson Lakes Economic Development Project. The Commitment Deed requires the University to make best endeavours to support the project through land swaps and future developments.

**29. Joint Venture Entities**

The University has an interest in a number of joint venture entities 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.

	Reporting Date	Ownership Interest	
		2001	2000
(a) AARNet Pty Ltd	31 December	2.7%	2.7%
(b) AITEC Pty Ltd	31 December	13.1%	25%
(c) CRCSS	30 June	24%	24%
(d) CRCIMST	30 June	7%	7%
(e) CRCRET	30 June	8.3%	8.3%
(f) CRCST Pty Ltd	30 June	4%	4%
(g) CSSIP	30 June	5.2%	5.2%
(h) CWQT	30 June	6%	6%
(i) GUA Ltd	31 December	10%	10%
(j) m.Net Ltd	30 June	5%	-
(k) Ngapartji Pty Ltd	30 June	10%	10%
(l) OLA Pty Ltd	31 December	14.3%	12.5%
(m) SAARDNet	31 December	20%	20%
(n) SACRRH	31 December	50%	50%
(o) SATAC	30 June	25%	25%

(a) Australian Academic and Research Network Pty Ltd (AARNet Pty Ltd)

AARNet Pty Ltd is a joint venture of 37 universities and CSIRO and was formed to provide management, technical and administrative expertise to members for the operation and development of their internet sites.

(b) Australian Information Technology Engineering Centre Pty Ltd (AITEC Pty Ltd)

AITEC Pty Ltd 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 and two private entities. It creates educational programs designed to significantly increase the productivity of engineers employed in the Australian Information and Technology industries.

(c) Cooperative Research Centre for Satellite Systems (CRCSS)

The CRCSS is a national cooperative research centre. Its mission 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.

(d) Cooperative Research Centre for Intelligent Manufacturing Systems and Technologies (CRCIMST)

The CRCIMST 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.

(e) Cooperative Research Centre for Railway Engineering and Technologies (CRCRET)

The CRCRET is a national cooperative research centre. Its purpose is to promote the development of an internationally competitive, efficient and sustainable rail service to facilitate the development of an Australian export industry in railway technologies.



29. Joint Venture Entities (continued)

(f) Cooperative Research Centre for Sustainable Tourism Pty Ltd (CRCST Pty Ltd)

The CRCST is a national cooperative research centre. Its mission is to develop and manage intellectual property to deliver innovation to the community and government to enhance the environment, economic and social sustainability of tourism.

(g) 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.

(h) Centre for Water Quality and Treatment (CWQT)

The CWQT 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.

(i) Global University Alliance Ltd (GUA Ltd)

GUA Ltd is a joint venture entity of 10 international universities formed to develop new programs, address global educational needs, seek new ways to increase learning opportunities and share skills and resources in a global market.

(j) m.Net Corporation Ltd (m.Net Ltd)

During the year the University became part of the m.Net Consortium. The purpose of the consortium is to develop Adelaide's North Terrace precinct with advanced wireless and mobile internet technology. At the balance date the Consortium Agreement was still to be signed by each member.

(k) Ngapartji Pty Ltd

Ngapartji Pty Ltd is a national cooperative multimedia centre (CMC). 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.

(l) Open Learning Agency of Australia Pty Ltd (OLA Pty Ltd)

OLA Pty Ltd is a joint venture entity with eight other universities whose role by acting as a national education broker is to make post secondary courses and units of study more accessible to a broader range of Australians.

(m) South Australian Academic Research and Development Network (SAARDNet)

SAARDNet is a joint venture by the University of Adelaide, Flinders University of South Australia, University of South Australia, 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.

(n) South Australian Centre for Rural and Remote Health (SACRRH)

The University of South Australia and the University of Adelaide have been chosen by the Commonwealth to establish a University Department of Rural Health, known as SACRRH and located at the University of South Australia, Whyalla campus. The aim of the Centre is to improve access to appropriate health care services for rural and remote communities.

(o) South Australian Tertiary Admissions Centre (SATAC)

SATAC is a joint venture of the three South Australian universities and the Minister for Education Training and Employment. SATAC processes undergraduate and postgraduate applications for admission to tertiary level courses.



30. Controlled Entities

The University has 100% ownership of two controlled entities:

(a) ITEK Pty Ltd

ITEK Pty Ltd was formed on 1 July 1999. ITEK Pty Ltd is trustee for the ITEK trust and has a 100% controlling interest in GTA Pty Ltd which is trustee for the GTA trust. The ITEK trust provides the University with business incubation and technology commercialisation services.

(b) 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 seeks 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.

Other Entities

The University also has an interest in Unisure Pty Ltd as described below.

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 investment funds. As at 31 December 2001 the Unit Trust held net assets of \$4.387 million on behalf of the University of South Australia (2000: \$4.484 million).

The University's annual financial statements incorporate the financial transactions of the Unisure Unit Trust within the University column.

The net assets employed in Unisure are as follows.

	University	
	2001	2000
	\$'000	\$'000
Current assets	119	117
Non-current assets	5 968	6 051
Total Assets	6 087	6 168
Current liabilities	718	703
Non-current liabilities	982	981
Total Liabilities	1 700	1 684
Net Assets	4 387	4 484

Refer to notes 12 and 19.



31. Acquisition of Businesses

The University did not acquire any businesses during the reporting period.

32. Disposal of Controlled Entities

The University did not dispose of any controlled entities during the reporting period.

33. Outside Equity Interests

There are no outside equity interests in University controlled entities.

34. Associated Entities

The University does not have interests in associated entities. Its interests in other entities can be identified under the notes on Joint Venture Entities and Controlled Entities.

35. Segment Information

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

36. Subsequent Events

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

37. Assets and Liabilities of Trusts for which the Institution is Trustee

The University is not a Trustee of any Trust.

**38. 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 and unrepresented cheques. 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:

	Consolidated		University	
	2001	2000	2001	2000
	\$'000	\$'000	\$'000	\$'000
Cash	5 627	2 353	3 636	2 115
Short term deposits	51 926	46 279	50 260	45 273
	57 553	48 632	53 896	47 388

(b) Reconciliation of Operating Result from Ordinary Activities to Net Cash Provided by Operating Activities

Operating result from ordinary activities	6 888	2 378	5 231	1 594
Add/(less) items classified as investing activities:				
◆ (Profit)/loss on sale of plant and equipment	701	1 389	701	1 433
Add/(less) non-cash items:				
◆ Depreciation	18 779	19 251	18 630	19 215
◆ Increase/(decrease) in doubtful debt provision	555	197	555	197
◆ Non cash donations	(162)	(349)	(162)	(349)
◆ Library revaluation decrement	1 210	-	1 210	-
◆ Other	1 420	-	765	-
Change in assets and liabilities:				
◆ (Increase)/decrease in receivables	(1 436)	(3 128)	(883)	(3 194)
◆ (Increase)/decrease in other assets	(1 015)	22 895	(979)	22 855
◆ Increase/(decrease) in accounts payable	(235)	1 201	89	1 341
◆ Increase/(decrease) in other provisions	1 644	3 969	1 626	3 864
◆ Increase/(decrease) in other liabilities	(609)	(20 685)	(2 040)	(20 209)
Net Cash from Operating Activities	27 740	27 118	24 743	26 747

(c) 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 \$162 000 (2000: \$349 000). These non-cash acquisitions are not reflected in the Statement of Cash Flows.



38. Notes to the Statement of Cash Flows (cont)

(d) Financing Facilities

The University has a \$5.0 million (2000: \$4.0 million) credit card facility with the National Australia Bank (NAB). The unused portion of this facility as at 31 December 2001 was \$4.457 million (2000: \$3.473 million).

The University has a \$8.5 million (2000: \$8.0 million) credit card facility with the Australia and New Zealand (ANZ) Bank. The unused portion of this facility as at 31 December 2001 was \$8.303 million (2000: \$7.776 million).

The University has a loan facility with the South Australian Department of Treasury and Finance. The facility was originally \$35 million but reduced to the extent that borrowings were not made by a certain date and is non-renewable once borrowings have been repaid. As at 31 December 1998 the University had drawn down \$30.0 million. As at 31 December 2001, the University had repaid \$15.0 million of the \$30 million drawn down, leaving outstanding borrowings and an effective facility of \$15.0 million. No security is provided against the borrowings.

(e) Cash Balances Not Available for Use

There are no cash balances not available for use.

39. Financial Instruments

(a) 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.

	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		
2001						
Financial assets:						
◆ Cash	5 627	-	-	-	-	5 627
◆ Receivables	-	-	-	-	11 117	11 117
◆ Investments	58 013	-	-	-	1 353	59 366
	63 640	-	-	-	12 470	76 110
Weighted average interest rate	3.79%					
Financial liabilities:						
◆ Trade creditors	-	-	-	-	10 063	10 063
◆ Annual leave and long service leave on-costs	-	-	-	-	5 733	5 733
◆ Borrowings	-	-	15 000	-	50	15 050
◆ Finance lease	-	452	1 319	-	-	1 771
◆ Funds held on behalf of external entities	-	-	-	-	911	911
	-	452	16 319	-	16 757	33 528
Weighted average interest rate		11.89%	10.32%			



39. Financial Instruments (continued)

	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		
2000						
Financial assets:						
◆ Cash	2 353	-	-	-	-	2 353
◆ Receivables	-	-	-	-	10 236	10 236
◆ Investments	51 440	-	-	-	1 781	53 221
	53 793	-	-	-	12 017	65 810
Weighted average interest rate	6.13%					
Financial liabilities:						
◆ Trade creditors	-	-	-	-	11 816	11 816
◆ Annual leave and long service leave on-costs	-	-	-	-	4 215	4 215
◆ Borrowings	-	5 000	-	15 000	163	20 163
◆ Finance lease	-	414	1 771	-	-	2 185
◆ Funds held on behalf of external entities	126	-	-	-	1 381	1 507
	126	5 414	1 771	15 000	17 575	39 886
Weighted average interest rate	5.75%	9.72%	8.78%	10.18%		

(b) **Currency Risk**

The University assesses the likely foreign exchange risk for offshore activities and enters into hedging arrangements if appropriate. As at 31 December 2001 the University held US\$0.826 million in an onshore bank account.

(c) **Credit Risk**

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

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

The credit risk on financial assets excluding investments of the economic entity which have been recognised in 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.

(d) **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:



39. Financial Instruments (continued)

◆ **On-Balance Sheet Financial Instruments**

Monetary financial assets and liabilities not readily traded in an organised financial market are determined 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 are at net fair value.

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

◆ **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:

2001 Carrying Amount \$`000	2001 Net Fair Value \$`000	2000 Carrying Amount \$`000	2000 Net Fair Value \$`000
15 050	19 315	20 000	23 682

40. Acquittal of Commonwealth Government Financial Assistance

2001 \$`000	2000 \$`000	2001 \$`000	2000 \$`000
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40.1 Teaching and Learning

	Operating Financial Assistance excluding HECS		HECS	
Financial Assistance in Advance (paid in previous reporting period for current reporting period)	9 307	9 058	4 233	4 066
plus Financial Assistance received during reporting period	117 712	113 940	54 136	50 647
plus Contributions actually received from students	-	-	8 528	8 451
less Financial Assistance in Advance (received in reporting period for the next reporting period)	(9 568)	(9 307)	(4 201)	(4 233)
Accrual Adjustments:				
◆ (Over)/under funding for the year	4 179	-	-	1 262
◆ Permanent accrual adjustments	650	-	-	-
◆ Reversal prior year accrual	(1 363)	(1 111)	(1 262)	343
Revenue attributed to the reporting period	120 917	112 580	61 434	60 536
plus Surplus/(Deficit) prior year	585	438	-	-
Funds available for the reporting period	121 502	113 018	61 434	60 536
less Expenses for current period	(121 141)	(112 433)	(61 434)	(60 536)
Surplus/(Deficit) for reporting period	361	585	-	-



	2001 \$`000	2000 \$`000	2001 \$`000	2000 \$`000
40.1 Teaching and Learning (continued)				
	Teaching Hospitals		Capital Development Pool	
Financial Assistance in Advance (paid in previous reporting period for current reporting period)	-	-	-	-
<i>plus</i> Financial Assistance received during reporting period	-	-	-	753
<i>less</i> Financial Assistance in Advance (received in reporting period for the next reporting period)	-	-	-	-
Accrual Adjustments:				
◆ (Over)/under funding for the year	-	-	-	-
◆ Permanent accrual adjustments	-	-	-	-
◆ Reversal prior year accrual	-	-	-	-
Revenue attributed to the reporting period	-	-	-	753
plus Surplus/(Deficit) prior year	-	-	753	-
Funds available for the reporting period	-	-	753	753
<i>less</i> Expenses for current period	-	-	(36)	-
Surplus/(Deficit) for reporting period	-	-	717	753

40.2 Australian Research Council

	Large Research Grants		Strategic Partnerships with Industry	
Financial Assistance in Advance (paid in previous reporting period for current reporting period)	-	39	-	93
<i>plus</i> Financial Assistance received during reporting period	650	532	1 749	1 599
<i>less</i> Financial Assistance in Advance (received in reporting period for the next reporting period)	-	-	-	-
Accrual Adjustments	-	-	-	-
Transfer to/from other shared University projects	(3)	-	(56)	-
Revenue attributed to the reporting period	647	571	1 693	1 692
<i>plus</i> Surplus/(Deficit) Prior Year	226	217	696	462
Funds available for the reporting period	873	788	2 389	2 154
<i>less</i> Expenses for current period	(636)	(562)	(1 568)	(1 458)
Surplus/(Deficit) for reporting period	237	226	821	696



	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
40.2 Australian Research Council (continued)				
	Research Fellowships		International Research Exchange	
Financial Assistance in Advance (paid in previous reporting period for current reporting period)	-	6	-	2
<i>plus</i> Financial Assistance received during reporting period	157	85	24	18
<i>less</i> Financial Assistance in Advance (received in reporting period for the next reporting period)	-	-	-	-
Accrual Adjustments	-	-	-	-
Revenue attributed to the reporting period	157	91	24	20
<i>plus</i> Surplus/(Deficit) Prior Year	-	-	5	4
Funds available for the reporting period	157	91	29	24
<i>less</i> Expenses for current period	(123)	(91)	(7)	(19)
Surplus/(Deficit) for reporting period	34	-	22	5
	Research Centres		Research Infrastructure Equipment and Facilities	
Financial Assistance in Advance (paid in previous reporting period for current reporting period)	-	-	-	-
<i>plus</i> Financial Assistance received during reporting period	684	1 255	-	102
<i>less</i> Financial Assistance in Advance (received in reporting period for the next reporting period)	-	-	-	-
Accrual Adjustments	-	-	-	-
Revenue attributed to the reporting period	684	1 255	-	102
<i>plus</i> Surplus/(Deficit) Prior Year	322	-	-	-
Funds available for the reporting period	1 006	1 255	-	102
<i>less</i> Expenses for current period	(802)	(933)	-	(102)
Surplus/(Deficit) for reporting period	204	322	-	-
	Indigenous Researchers Development Grant		Special Research Initiatives	
Financial Assistance in Advance (paid in previous reporting period for current reporting period)	-	-	-	-
<i>plus</i> Financial Assistance received during reporting period	35	(1)	-	-
<i>less</i> Financial Assistance in Advance (received in reporting period for the next reporting period)	-	-	-	-
Accrual Adjustments	-	-	-	-
Revenue attributed to the reporting period	35	(1)	-	-
<i>plus</i> Surplus/(Deficit) Prior Year	8	9	-	-
Funds available for the reporting period	43	8	-	-
<i>less</i> Expenses for current period	(14)	-	-	-
Surplus/(Deficit) for reporting period	29	8	-	-



	2001 \$`000	2000 \$`000	2001 \$`000	2000 \$`000
40.2 Australian Research Council (continued)				
	Learned Academic Special Projects		Key Centres for Teaching and Research	
Financial Assistance in Advance (paid in previous reporting period for current reporting period)	-	-	-	-
<i>plus</i> Financial Assistance received during reporting period	-	-	-	116
<i>less</i> Financial Assistance in Advance (received in reporting period for the next reporting period)	-	-	-	-
Accrual Adjustments	-	-	-	-
Revenue attributed to the reporting period	-	-	-	116
<i>plus</i> Surplus/(Deficit) Prior Year	-	-	100	69
Funds available for the reporting period	-	-	100	185
<i>less</i> Expenses for current period	-	-	(92)	(85)
Surplus/(Deficit) for reporting period	-	-	8	100
	Collaborative Research Grants			
Financial Assistance in Advance (paid in previous reporting period for current reporting period)	-	-		
<i>plus</i> Financial Assistance received during reporting period	-	-		
<i>less</i> Financial Assistance in Advance (received in reporting period for the next reporting period)	-	-		
Accrual Adjustments	-	-		
Revenue attributed to the reporting period	-	-		
<i>plus</i> Surplus/(Deficit) Prior Year	-	131		
Funds available for the reporting period	-	131		
<i>less</i> Expenses for current period	-	(131)		
Surplus/(Deficit) for reporting period	-	-		
40.3 DEST Research Financial Assistance				
	Small Research Grants		Research Infrastructure Block	
Financial Assistance in Advance (paid in previous reporting period for current reporting period)	17	-	57	-
<i>plus</i> Financial Assistance received during reporting period	202	226	739	847
<i>less</i> Financial Assistance in Advance (received in reporting period for the next reporting period)	-	(17)	(83)	(57)
Accrual Adjustments	-	-	-	-
Revenue attributed to the reporting period	219	209	713	790
<i>plus</i> Surplus/(Deficit) Prior Year	67	44	-	5
Funds available for the reporting period	286	253	713	795
<i>less</i> Expenses for current period	(205)	(186)	(713)	(795)
Surplus/(Deficit) for reporting period	81	67	-	-



	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
40.3 DEST Research Financial Assistance (continued)				
	Australian Postgraduate Awards		International Postgraduate Research Scholarships	
Financial Assistance in Advance (paid in previous reporting period for current reporting period)	-	-	-	-
<i>plus</i> Financial Assistance received during reporting period	1 165	1 053	215	215
<i>less</i> Financial Assistance in Advance (received in reporting period for the next reporting period)	-	-	-	-
Accrual Adjustments	-	-	-	-
Revenue attributed to the reporting period	1 165	1 053	215	215
<i>plus</i> Surplus/(Deficit) Prior Year	141	86	19	17
Funds available for the reporting period	1 306	1 139	234	232
<i>less</i> Expenses for current period	(1 226)	(998)	(234)	(213)
Surplus/(Deficit) for reporting period	80	141	-	19

40.4 Summary of Unspent Financial Assistance

	Amount of unspent grant as at 31 December 2001 \$'000	Amount of unspent grant that it is more likely to be approved by the Commonwealth for carry forward \$'000	Amount of unspent grant that it is more likely to be recovered by the Commonwealth \$'000
Operating Purposes excluding HECS:			
♦ Higher Education Innovation Program	174	174	-
♦ Equality of Opportunity	187	187	-
	361	361	-
Capital Development Pool	717	717	-
Large Research Grants	237	237	-
Strategic Partnerships with Industry	821	821	-
Research Fellowships	34	34	-
International Research Exchange	22	22	-
Research Centres	204	204	-
Research Infrastructure Equipment and Facilities	-	-	-
Indigenous Researchers' Development	29	29	-
Key Centres for Teaching and Research	8	8	-
Collaborative Research Grants	-	-	-
Small Research Grants	81	81	-
Research Infrastructure Block	-	-	-
Australian Postgraduate Awards	80	80	-
International Postgraduate Research Scholarships	-	-	-
	2 594	2 594	-

**41. Expenses by Function**

	Consolidated		University	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Academic Activities				
Academic staff salaries	66 973	61 756	66 973	61 788
Academic staff salary related expenses	30 599	29 553	30 599	29 553
Non-academic staff salaries	17 895	17 229	17 895	17 229
Non-academic staff salary related expenses	6 763	5 009	6 763	5 009
Depreciation expense:				
◆ Buildings and infrastructure	6 767	7 196	6 767	7 196
◆ Plant and equipment	1 339	1 274	1 339	1 274
Sub-total depreciation expense	8 106	8 470	8 106	8 470
Other expenses	28 601	28 682	28 601	28 682
	158 937	150 699	158 937	150 731
Libraries				
Academic staff salaries	115	113	115	113
Academic staff salary related expenses	55	71	55	71
Non-academic staff salaries	6 252	5 908	6 252	5 908
Non-academic staff salary related expenses	1 846	1 662	1 846	1 662
Depreciation expense:				
◆ Buildings and infrastructure	1 264	1 344	1 264	1 344
◆ Library collection	3 798	3 780	3 798	3 780
◆ Plant and equipment	70	66	70	66
Sub-total depreciation expense	5 132	5 190	5 132	5 190
Other expenses	4 545	1 560	4 545	1 560
	17 945	14 504	17 945	14 504
Other Academic Support Services				
Academic staff salaries	1 221	1 102	1 221	1 102
Academic staff salary related expenses	507	475	507	475
Non-academic staff salaries	8 131	6 349	8 131	6 349
Non-academic staff salary related expenses	2 082	1 533	2 082	1 533
Depreciation expense:				
◆ Buildings and infrastructure	803	853	803	853
◆ Plant and equipment	1 067	1 017	1 067	1 017
Sub-total depreciation expense	1 870	1 870	1 870	1 870
Other expenses	6 509	7 228	6 509	7 228
	20 320	18 557	20 320	18 557



41. Expenses by Function (continued)	Consolidated		University	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Student Services				
Academic staff salaries	18	50	18	50
Academic staff salary related expenses	5	25	5	25
Non-academic staff salaries	1 467	1 735	1 467	1 735
Non-academic staff salary related expenses	282	553	282	553
Depreciation expense:				
◆ Buildings and infrastructure	1 110	1 180	1 110	1 180
Sub-total depreciation expense	1 110	1 180	1 110	1 180
Other expenses	4 022	3 745	4 022	3 745
	6 904	7 288	6904	7 288
Public Services				
Academic staff salaries	9	5	9	5
Academic staff salary related expenses	4	(6)	4	(6)
Non-academic staff salaries	100	128	100	128
Non-academic staff salary related expenses	27	30	27	30
Depreciation expense:				
◆ Buildings and infrastructure	319	339	319	339
◆ Plant and equipment	1	1	1	1
Sub-total depreciation expense	320	340	320	340
Other expenses	171	458	171	458
	631	955	631	955
Buildings and Grounds				
Academic staff salaries	-	-	-	-
Academic staff salary related expenses	-	-	-	-
Non-academic staff salaries	3 041	2 934	3 041	2 934
Non-academic staff salary related expenses	911	647	911	647
Depreciation expense:				
◆ Buildings and infrastructure	921	979	921	979
◆ Plant and equipment	33	32	33	32
Sub-total depreciation expense	954	1 011	954	1 011
Other expenses	15 436	12 349	15 436	12 349
	20 342	16 941	20 342	16 941
Administration and other General Institutional Services				
Academic staff salaries	1 642	1 015	1 642	1 015
Academic staff salary related expenses	738	459	738	459
Non-academic staff salaries	16 794	15 923	16 794	15 923
Non-academic staff salary related expenses	3 775	4 456	3 775	4 456
Depreciation expense:				
◆ Buildings and infrastructure	626	666	626	666
◆ Plant and equipment	514	488	514	488
Sub-total depreciation expense	1 140	1 154	1 140	1 154
Other expenses	13 639	11 615	13 638	11 615
	37 728	34 622	37 727	34 622



	Consolidated		University	
	2001	2000	2001	2000
	\$'000	\$'000	\$'000	\$'000
41. Expenses by Function (continued)				
Deferred Employee Benefits for Superannuation				
Academic staff salary related expenses	400	(18 880)	400	(18 880)
Non-academic staff salary related expenses	100	(4 720)	100	(4 720)
	500	(23 600)	500	(23 600)
Other				
Non-academic staff salaries	2 390	2 079	-	-
Non-academic staff salary related expenses	498	451	-	-
Depreciation expense:				
◆ Plant and equipment	149	36	-	-
Sub-total depreciation expense	149	36	-	-
Other Expenditure	1 817	1 874	-	-
	4 854	4 440	-	-
Summary of Expenses by Function				
Academic staff salaries	69 978	64 041	69 978	64 073
Academic staff salary related expenses	32 308	11 697	32 308	11 697
Non-academic staff salaries	56 070	52 285	53 680	50 206
Non-academic staff salary related expenses	16 284	9 621	15 786	9 170
Depreciation expense:				
◆ Buildings and infrastructure	11 810	12 557	11 810	12 557
◆ Library collection	3 798	3 780	3 798	3 780
◆ Plant and equipment	3 173	2 914	3 024	2 878
Sub-total depreciation expense	18 781	19 251	18 632	19 215
Other expenses	74 740	67 511	72 922	65 637
Total Expenses by Function	268 161	224 406	263 306	219 998



UNIVERSITY OF SOUTH AUSTRALIA

CERTIFICATE

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2001

To the best of our knowledge and belief:

- the financial statements represent a true and fair view of matters and 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 2001 and the results of operations and cash flows for the year then ended, and conform with Commonwealth guidelines;
- at the time of the certificate there are reasonable grounds to believe that the University will be able to pay its debts as and when they fall due;
- the amount of Commonwealth financial assistance expended during the reporting period was for the purpose(s) for which it was provided; and
- that internal controls over financial reporting have been effective throughout the reporting period.

Mr David Klingberg
Chancellor

/ /2002

Professor Denise Bradley, AO
Vice Chancellor and President

/ /2002