

University of Adelaide

Financial report
for the year ended
31 December 2018



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To the Chancellor University of Adelaide

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 25(2) of the *University of Adelaide Act 1971*, I have audited the financial report of the University of Adelaide and the consolidated entity comprising the University of Adelaide and its controlled entities for the financial year ended 31 December 2018.

Opinion

In my opinion, the accompanying financial report has been prepared in accordance with the Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987*, Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, the *Higher Education Support Act 2003* and Australian Accounting Standards including:

- a) giving a true and fair view of the financial position of the University of Adelaide and its controlled entities as at 31 December 2018, its financial performance and its cash flows for the year then ended, and
- b) complying with Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

The consolidated financial report comprises:

- a Statement of Comprehensive Income for the year ended 31 December 2018
- a Statement of Financial Position as at 31 December 2018
- a Statement of Changes in Equity for the year ended 31 December 2018
- a Statement of Cash Flows for the year ended 31 December 2018
- notes, comprising significant accounting policies and other explanatory information

Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of the University of Adelaide and its controlled entities. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 Code of Conduct for Professional Accountants have been met.

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

Responsibilities of the Vice-Chancellor and President and the Council for the financial report

The Vice-Chancellor and President is responsible for the preparation of the financial report that gives a true and fair view in accordance with the Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987*, the *Australian Charities and Not-for-profits Commission Act 2012* and the *Higher Education Support Act 2003* and the Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

The Council is responsible for overseeing the financial reporting process.

Auditor's responsibilities for the audit of the financial report

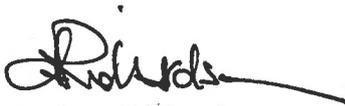
My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

My report refers only to the financial statements described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from these statements.

I communicate with those charged with governance and the Vice-Chancellor and President regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.

A handwritten signature in black ink, appearing to read 'Andrew Richardson', with a long horizontal flourish extending to the right.

Andrew Richardson

Auditor-General

2 April 2019



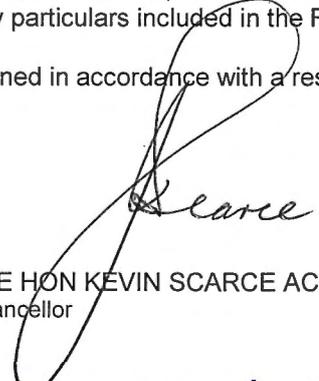
**Statement by the Chancellor, Vice-Chancellor & President
and Chief Financial Officer**

In our opinion:

- (a) the Financial Statements of The University of Adelaide have been prepared in accordance with the accounts and records of the University and present a true and fair view of the financial position of the University of Adelaide as at 31 December 2018 and the results of its operations and cash flows for the year ended 31 December 2018;
- (b) in all material respects, the Financial Statements have been prepared in accordance with Treasurer's Instructions promulgated under the provisions of the Public Finance and Audit Act 1987, the Higher Education Funding Act 1988, the Higher Education Support Act 2003, Australian equivalents to International Financial Reporting Standards and other mandatory professional reporting requirements including Urgent Issues Group Consensus Views; and the requirements of the *Australian Charities and Non-for-profits Commission Act 2012*;
- (c) at the date of signing this Statement there are reasonable grounds to believe that The University of Adelaide will be able to pay its debts as and when they fall due;
- (d) the amount of Australian Government financial assistance expended during the reporting period was for the purpose for which it was intended;
- (e) The University of Adelaide has complied with applicable legislation, contracts, agreements and programme guidelines in making expenditure of the Australian Government financial assistance;
- (f) internal controls over financial reporting have been effective throughout the reporting period; and
- (g) The University of Adelaide has charged Student Services and Amenities Fees strictly in accordance with the Higher Education Support Act 2003 and the Administration Guidelines made under the Act. Revenue from the fees were spent strictly in accordance with the Act and only on services and amenities specified in subsection 19-38(4) of the Act.

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

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


THE HON KEVIN SCARCE AC CSC RAN (Rtd)
Chancellor


PROFESSOR PETER RATHJEN
Vice-Chancellor and President


MR TONY MITCHELL
Chief Financial Officer

1 April 2019

Statement of Comprehensive Income for the year ended 31 December 2018

	Note	Consolidated		University	
		2018 \$000	2017 \$000	2018 \$000	2017 \$000
Revenue from continuing operations					
Received under Higher Education Support Act					
Base operating financial assistance	4	165,933	166,102	165,933	166,102
Other operating financial assistance	4	3,675	3,731	3,675	3,731
Higher Education Contribution Scheme	4	115,394	114,314	115,394	114,314
		285,002	284,147	285,002	284,147
Learning and Teaching					
Student fees	4	255,247	237,393	255,247	237,393
Grants	4	21,793	20,441	21,793	20,441
		277,040	257,834	277,040	257,834
Research Grants and Fees					
National competitive grants		95,886	88,908	95,886	88,908
Public sector - other		39,669	39,081	39,188	38,610
Industry and other		42,570	46,806	40,587	39,836
		178,125	174,795	175,661	167,354
Research - Other					
Cooperative Research Centre direct funding		3,826	2,537	3,826	2,537
Research Training Program		46,899	46,557	46,899	46,557
Research Support Program		41,261	42,608	41,261	42,608
		91,986	91,702	91,986	91,702
Other					
Investment revenue	4	19,735	47,391	20,036	48,492
Property revenue	4	14,812	14,165	14,414	14,110
Specialist services and trading	4	42,197	42,793	24,902	23,404
Bequests, donations & other revenue	4	24,540	34,059	26,061	42,167
		101,284	138,408	85,413	128,173
Total revenue from continuing operations		933,437	946,886	915,102	929,210
Expenses from continuing operations					
Salaries and related expenses	5	516,752	508,719	507,361	499,006
Student services		48,518	47,301	48,518	47,301
Teaching and research	5	100,314	94,546	99,366	92,376
Buildings and grounds	5	65,465	59,052	64,461	58,262
Finance costs	5	4,960	5,186	4,960	5,201
Administration, communication and travel	5	106,758	100,586	99,551	86,841
Finance and fund administration	5	17,561	2,863	17,561	2,839
Misc equip, dep'n and net loss on disposal of assets	5	77,399	73,125	77,147	72,554
Total expenses from continuing operations		937,727	891,378	918,925	864,380
Net operating result for the year		(4,290)	55,508	(3,823)	64,830
Operating result attributable to minority interest		-	(3)	-	-
Net operating result for the year		(4,290)	55,505	(3,823)	64,830

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

Statement of Comprehensive Income for the year ended 31 December 2018 - continued

	Note	Consolidated		University	
		2018 \$000	2017 \$000	2018 \$000	2017 \$000
Operating result for the period		(4,290)	55,508	(3,823)	64,830
Items that may be reclassified to net operating result					
Gain / (loss) on swap contracts	9	1,195	933	1,195	933
Gain / (loss) on value of available for sale financial assets		-	-	-	(7,861)
Total		1,195	933	1,195	(6,928)
Items that will not be reclassified to net operating result					
Gain / (loss) on revaluation of works of Art	13	-	627	-	627
Write down of land to recoverable amount	20(b)	(2,521)	-	(2,521)	-
Gain / (loss) on equity instruments designated as fair value through other comprehensive income	20(b)	9,289	-	8,846	-
Share of other comprehensive income of investments accounted for using the equity method	4	(5)	(542)	-	-
Remeasurements of Defined Benefit Plans	24(c)	(1,706)	(443)	(1,706)	(443)
Other adjustments recognised directly in equity		2	-	2	-
Total		5,059	(358)	4,621	184
Total other comprehensive income		6,254	575	5,816	(6,744)
Total comprehensive income		1,964	56,083	1,993	58,086
Total comprehensive income attributable to non-controlling interest		-	(3)	-	-
Total comprehensive income attributable to the University of Adelaide		1,964	56,080	1,993	58,086

Statement of Financial Position as at 31 December 2018

	Note	Consolidated		University	
		2018 \$000	2017 \$000	2018 \$000	2017 \$000
Current Assets					
Cash and cash equivalents	6	38,088	36,072	34,048	32,245
Receivables	7	28,127	27,864	27,739	28,055
Other financial assets	8	15,000	10,031	15,000	10,031
Inventories	10	1,485	1,482	-	-
Other non-financial assets	11	15,092	16,037	14,972	15,898
Deferred government superannuation contribution	24(d)	4,500	4,400	4,500	4,400
Total current assets		102,292	95,886	96,259	90,629
Non-current Assets					
Other financial assets	8	325,576	326,141	340,174	341,187
Investments accounted for using the equity method	12	266	1,460	35	972
Property, plant and equipment	13	1,447,574	1,433,959	1,435,732	1,420,307
Intangible assets	14	44,740	48,058	44,740	48,058
Other non-financial assets	11	4,817	4,865	4,817	4,865
Deferred government superannuation contribution	24(d)	63,266	62,808	63,266	62,808
Total non-current assets		1,886,239	1,877,291	1,888,764	1,878,197
Total assets		1,988,531	1,973,177	1,985,023	1,968,826
Current Liabilities					
Payables	15	70,592	57,951	69,318	55,894
Borrowings	16	5,000	5,000	5,000	5,000
Employee benefit provisions	17	29,292	29,357	28,420	28,647
Provisions	17	1,289	1,483	1,289	1,483
Derivative financial instruments	9	3	18	3	18
Defined benefit obligation	24(d)	4,500	4,400	4,500	4,400
Other	18	26,530	19,079	25,949	18,537
Total current liabilities		137,206	117,288	134,479	113,979
Non-current Liabilities					
Payables	15	11,601	11,226	11,583	11,199
Borrowings	16	72,510	77,510	72,510	77,510
Employee benefit provisions	17	65,072	66,055	64,871	65,847
Derivative financial instruments	9	11,725	12,905	11,725	12,905
Defined benefit obligation	24(d)	63,266	62,808	63,266	62,808
Total non-current liabilities		224,174	230,504	223,955	230,269
Total liabilities		361,380	347,792	358,434	344,248
Net assets		1,627,151	1,625,385	1,626,589	1,624,578
Equity					
Capital reserves	20	631,741	625,980	645,692	639,367
Specific purpose reserves	20	531,223	636,479	531,223	636,479
Retained surplus	20	464,187	362,926	449,674	348,732
Total University interest		1,627,151	1,625,385	1,626,589	1,624,578
Non-controlling interest		-	-	-	-
Total equity		1,627,151	1,625,385	1,626,589	1,624,578

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

Statement of Changes in Equity for the year ended 31 December 2018

Consolidated	Capital Reserves \$000	Specific Purpose Reserves \$000	Retained Surplus \$000	Non- controlling Interest \$000	Total \$000
Balance at 1 January 2017	625,354	614,138	329,813	(3)	1,569,302
Net result	-	22,341	33,164	3	55,508
Other comprehensive income					
Gain / (loss) on revaluation of works of Art	627	-	-	-	627
Gain / (loss) on swap contracts	-	-	933	-	933
Share of other comprehensive income of investments accounted for using the equity method	-	-	(542)	-	(542)
Remeasurements of Defined Benefit Plans	-	-	(443)	-	(443)
Total other comprehensive income	627	-	(52)	-	575
Balance at 31 December 2017	625,981	636,479	362,925	-	1,625,385
Balance at 1 January 2018	625,981	636,479	362,925	-	1,625,385
Effect of adoption of new accounting standards	-	-	(198)	-	(198)
Restated balance as at 1 January 2018	625,981	636,479	362,727	-	1,625,187
Net result	-	(28,630)	24,340	-	(4,290)
Other comprehensive income					
Write down of land to recoverable amount	(2,521)	-	-	-	(2,521)
Gain / (loss) on swap contracts	-	-	1,195	-	1,195
Transfer of fair value reserve of equity instruments designated at fair value through Other Comprehensive Income to retained earnings	9,289	-	-	-	9,289
Share of other comprehensive income of investments accounted for using the equity method	-	-	(5)	-	(5)
Remeasurements of Defined Benefit Plans	-	-	(1,706)	-	(1,706)
Other adjustments recognised directly in equity	-	-	2	-	2
Transfer from revaluation reserves to retained surplus for asset sales	(1,007)	-	1,007	-	-
Total other comprehensive income	5,761	-	493	-	6,254
Transfer (to) / from retained surplus	(1)	(76,626)	76,627	-	-
Balance at 31 December 2018	631,741	531,223	464,187	-	1,627,151

Statement of Changes in Equity for the year ended 31 December 2018 - continued

University	Capital Reserves \$000	Specific Purpose Reserves \$000	Retained Surplus \$000	Non-controlling Interest \$000	Total \$000
Balance at 1 January 2017	646,601	614,138	305,753	-	1,566,492
Net result	-	22,341	42,489	-	64,830
Other comprehensive income					
Gain / (loss) on revaluation of works of Art	627	-	-	-	627
Gain / (loss) on value of available for sale financial assets, net of tax	(7,861)	-	-	-	(7,861)
Gain / (loss) on swap contracts	-	-	933	-	933
Remeasurements of Defined Benefit Plans	-	-	(443)	-	(443)
Total other comprehensive income	(7,234)	-	490	-	(6,744)
Balance at 31 December 2017	639,367	636,479	348,732	-	1,624,578
Balance at 1 January 2018	639,367	636,479	348,732	-	1,624,578
Effect of adoption of new accounting standards	-	-	18	-	18
Restated balance as at 1 January 2018	639,367	636,479	348,750	-	1,624,596
Net result	-	(28,630)	24,807	-	(3,823)
Other comprehensive income					
Write down of land to recoverable amount	(2,521)	-	-	-	(2,521)
Transfer of fair value reserve of equity instruments designated at fair value through Other Comprehensive Income to retained earnings	8,846	-	-	-	8,846
Gain / (loss) on swap contracts	-	-	1,195	-	1,195
Remeasurements of Defined Benefit Plans	-	-	(1,706)	-	(1,706)
Other adjustments recognised directly in equity	-	-	2	-	2
Total other comprehensive income	6,325	-	(509)	-	5,816
Transfer (to) / from retained surplus	-	(76,626)	76,626	-	-
Balance at 31 December 2018	645,692	531,223	449,674	-	1,626,589

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

Statement of Cash Flows for the year ended 31 December 2018

	Note	Consolidated		University	
		2018 \$000	2017 \$000	2018 \$000	2017 \$000
Cash flows from operating activities					
Inflows:					
Australian Government financial assistance	36(g)	504,632	493,044	504,632	493,044
OS-Help (net)	36(g)	(70)	(2,010)	(70)	(2,010)
Higher Education Superannuation	36(g)	3,818	3,872	3,818	3,872
State Government financial assistance		22,745	20,221	22,264	19,750
HECS-HELP student upfront payments		9,930	10,428	9,930	10,428
Fee paying student revenue received		240,678	223,919	240,678	223,919
Fees and charges		29,966	24,903	29,966	24,903
Donations and bequests		6,302	5,640	6,302	5,640
Interest and dividends received		3,434	1,328	3,404	1,285
Consultancy and contract research		58,933	66,763	57,848	57,942
Specialist services and produce trading		18,059	19,844	9,233	8,776
GST received		22,710	21,820	21,950	20,477
Other		55,971	48,142	48,239	41,660
Total inflows		977,108	937,914	958,193	909,686
Outflows:					
Salaries and related expenses		(522,170)	(509,231)	(513,047)	(500,027)
Student services		(48,526)	(48,002)	(48,526)	(47,202)
Goods and services		(298,379)	(279,501)	(287,563)	(260,284)
Costs of finance		(298)	(319)	(298)	(319)
GST paid		(24,480)	(23,789)	(23,758)	(21,958)
Total outflows		(893,853)	(860,842)	(873,192)	(829,790)
Net cash provided by operating activities	21	83,255	77,072	85,001	79,896

Statement of Cash Flows for the year ended 31 December 2018 - continued

	Note	Consolidated		University	
		2018	2017	2018	2017
		\$000	\$000	\$000	\$000
Cash flows from investing activities					
Inflows:					
Proceeds from sale of property, plant and equipment		2,332	100	7	100
Proceeds from sale of financial assets		6,792	4,406	6,792	4,406
Receipt of proceeds from financial assets held-to-maturity		45,000	40,000	45,000	40,000
Increase in loans		40	40	-	-
Repayment of loans by related parties		335	93	256	147
Total inflows		54,499	44,639	52,055	44,653
Outflows:					
Payments for property, plant and equipment		(64,888)	(79,356)	(64,403)	(79,202)
Payments for intangible assets		(10,652)	(18,815)	(10,652)	(18,815)
Payments for financial assets		(180)	-	(180)	-
Payments for financial assets held-to-maturity		(50,000)	(40,000)	(50,000)	(40,000)
Increase in loans to related parties		(225)	(2)	(225)	-
Repayment of funds held on deposit		-	-	-	(1,675)
Total Outflows		(125,945)	(138,173)	(125,460)	(139,692)
Net cash used in investing activities		(71,446)	(93,534)	(73,405)	(95,039)
Cash flows from financing activities					
Inflows:					
Increase in borrowings		10,000	20,000	10,000	20,000
Total inflows		10,000	20,000	10,000	20,000
Outflows:					
Repayment of borrowings		(15,000)	(5,000)	(15,000)	(5,000)
Borrowings - interest repayments		(4,779)	(4,909)	(4,779)	(4,909)
Total outflows		(19,779)	(9,909)	(19,779)	(9,909)
Net cash used in financing activities		(9,779)	10,091	(9,779)	10,091
Net increase (decrease) in cash and cash equivalents		2,030	(6,371)	1,817	(5,052)
Cash and cash equivalents at the beginning of reporting period		36,072	42,146	32,245	37,422
Cash and cash equivalents in new Controlled Entity		-	422	-	-
Effects of exchange rate changes on cash and cash equivalents		(14)	(125)	(14)	(125)
Cash and cash equivalents at end of reporting period	6	38,088	36,072	34,048	32,245

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

The University invests its surplus working capital into bank term investments. These bank term investments are reported as Other Financial Assets at amortised cost (Financial Assets held-to-maturity in 2017) within Note 8 (2018: \$15.0 million, 2017: \$10.0 million). As a consequence these amounts are not reported within Cash and Cash Equivalents.

Notes to the Financial Statements

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1. Basis of Preparation

These notes, prepared in conjunction with the financial statements, provide an explanation of significant accounting policies and practices adopted in the preparation of the statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements and notes collectively constitute a general purpose financial report prepared on an accrual basis and in accordance with Australian Accounting Standards, Australian Accounting Standards Board (AASB) interpretations, the Higher Education Support Act 2003, Financial Statement Guidelines of the Department of Education and Training and the South Australian Treasurer's Instructions issued under the provisions of the Public Finance and Audit Act 1987 (except where in conflict with Department of Education and Training requirements) and the Australian Charities and Not-for-profits Commission Act 2012. The University applies Tier 1 reporting requirements.

(a) Compliance with IFRS

The University of Adelaide is a not-for-profit entity and these financial statements have been prepared on that basis. The financial statements and notes of the University comply with Australian Accounting Standards, some of which contain requirements specific to not-for-profit entities that are inconsistent with IFRS requirements.

(b) Critical accounting estimates

Preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the University's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are property, plant and equipment, superannuation receivables and associated defined benefit obligations and provisions. Further details are disclosed in the relevant notes to the financial statements.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

2. Scope of Reporting

The financial statements and notes disclose the 2018 operating results and 2017 comparative results of The University of Adelaide as follows:

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

Consolidated - refers to the financial results of The University of Adelaide together with the financial results of its controlled entities (refer to Note 30). It includes the University's interests in associates (Note 31) and its joint arrangements (Note 33), recognised using the equity accounting method.

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

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

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

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

Australian Advanced Material Manufacturing Pty Ltd (acquired 8 May 2018)

Australian Centre for Plant Functional Genomics Pty Ltd (controlled from 15 May 2017)

Martindale Holdings Pty Ltd as trustee for

- JS Davies Estate
- The Roseworthy Farm

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

Roseworthy Piggery Pty Ltd (deregistered 20 April 2018)

The Women's and Children's Health Research Institute (deregistered 21 June 2018)

3. Statement of Significant Accounting Policies

(a) Basis of Accounting

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

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

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

(b) Principles of Consolidation

The consolidated financial statements of the Consolidated Entity include the financial statements of the University, being the parent entity, and its controlled entities ('the Consolidated Entity'). All entities have a 31 December reporting period.

Controlled Entities are those entities over which the Consolidated Entity has control. The Consolidated Entity has control over an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Power over the entity exists when the Consolidated Entity has existing rights that give it current ability to direct the relevant activities of the entity. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Consolidated Entity controls another entity. Returns are not necessarily monetary and can be only positive, only negative, or both positive and negative.

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

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

Non-controlling interest in the equity and results of the entities that are controlled by the University are shown as a separate item in the consolidated financial statements.

(c) Foreign Currency

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

Foreign currency transactions are translated to Australian currency at the rates of exchange ruling at the dates of the transactions and brought to account in the net operating result. Amounts receivable and payable in foreign currencies at the end of the reporting period are translated at the rates of exchange ruling on that date.

(d) Revenue Recognition

The University recognises revenue when the amount of revenue can be reliably measured, it is probable that the future economic benefits will flow to the University and specific criteria have been met for each of the University's activities as described below. In some cases this may not be probable until consideration is received or an uncertainty is removed. The Consolidated Entity bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major business activities as follows:

- **Grant Revenue**
Grant revenue is recognised in the accounting period that the University obtains control of the revenue which is generally when it is received or where the University obtains control of the right to receive the grant and when the revenue recognition criteria are met.
- **HELP payments**
Revenue from HELP is categorised into those received from the Australian Government and those received directly from students. Revenue is recognised in the year in which the service is provided.
- **Student Tuition Fees and Charges**
Student tuition fees and charges are recognised in the year in which the service is provided.
- **Consultancy, Contract and Industry Research**
Consultancy, contract and industry research income is recognised in the accounting period in which the service is provided.
- **Bequests and Donations**
Bequests and donations are recognised as income in the accounting period they are received.
- **Interest and Investment Income**
Interest and income from investments are recognised as they accrue (refer to Note 3(j)).

- **Royalties, trademarks and licenses**
Revenue from royalties, trademarks and licences is recognised as income when earned.
- **Asset Sales**
The net gain/loss from asset sales is included in the Consolidated Entity net operating result. The profit or loss on disposal of assets is brought to account at the date the contract of sale becomes unconditional.

(e) **Goods and Services Tax**

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

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

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

(f) **Income Tax**

The University does not provide for Australian income tax as it is exempt under the provisions of Division 50 of the *Income Tax Assessment Act 1997*.

(g) **Intangible Assets**

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

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

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

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

Intangible assets are stated at cost less accumulated amortisation and impairment, whereby impairment is tested annually (refer to Note 14). Amortisation is calculated on a straight-line basis over periods generally ranging from 3 to 5 years.

(h) **Employee Benefits**

• **Wages and Salaries**

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

• **Annual Leave**

The employees' entitlements to annual leave expected to be settled within 12 months of the end of the reporting period have been calculated at the amounts expected to be paid when the liabilities are settled and recognised in current provisions. Where the employees' entitlements to annual leave are not expected to be settled within 12 months of the end of the reporting period, the provision has been discounted to present value using the Australian Government 3 year bond rate and recognised in non-current provisions. The employee on-costs related to annual leave provision are recognised in payables.

• **Long Service Leave**

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

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

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

- **Superannuation**
Superannuation schemes exist to provide benefits to University employees and their dependents upon retirement, disability or death. The contributions made to these schemes by the University, and emerging costs from unfunded schemes, are expensed in the Net operating result. For defined benefit plans, the remeasurement gains and losses are recognised immediately in other comprehensive income in the year in which they occur and the liability in relation to the defined benefit obligation, net of assets, has been recognised in the Statement of Financial Position. Refer to Note 24 for details relating to the individual schemes.

- **Termination Benefits**
Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. The Consolidated Entity recognises the expense and liability for termination benefits either when it can no longer withdraw the offer of those benefits or when it has recognised costs for restructuring within the scope of AASB137 that involves the payment of termination benefits. The expense and liability are recognised when the Consolidated Entity is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

(i) **Receivables**

Trade receivables are held to collect contractual cash flows, representing solely payments of principal and interest. At initial recognition trade receivables are measured at their transaction price and subsequently these are classified and measured as debt instruments at amortised cost.

The impairment of trade receivables is assessed by recognising a loss allowance based on lifetime expected credit losses at each reporting date. In making such an assessment, the University considers the historical credit loss experience, adjusted for forward-looking factors specific to the debtors and economic environment.

(j) **Cash and Cash Equivalents**

Cash and cash equivalents includes cash at bank or on hand and deposits held at call with financial institutions.

(k) **Other Financial Assets**

The Consolidated Entity classifies its investments into the following categories: other financial assets at amortised cost, other financial assets at fair value through profit or loss, and Investments in equity instruments designated at fair value through other comprehensive income. The classification of financial assets depends on the financial asset's contractual cash flows and whether the cash flows will result from collecting contractual cash flows, selling the financial assets, or both. The classification of the investments is made at initial recognition.

- **Other financial assets at amortised cost**

The University measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held with the objective to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates, cash flows that are solely payments of principal and interest on the principal amount outstanding.

The University's financial assets at amortised cost includes term deposits with financial institutions.

- **Other financial assets at fair value through profit or loss**

Financial assets at fair value through profit or loss are classified as current assets in the Statement of Financial Position and are carried at fair value, with any realised and unrealised gains or losses recognised in the net operating result. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, except where the University has elected to classify equity instruments at fair value through Other Comprehensive Income.

Endowment Fund

The majority of specific purpose endowments received by the University to fund research activities, scholarships, prizes and lectures are included in the Endowment Fund. This Fund is invested in cash deposits and longer term investments managed by independent investment managers. These investments are reported in non-current financial assets in the Statement of Financial Position as other financial assets fair valued through profit or loss at market values obtained from the investment managers.

- **Investments in equity instruments designated at fair value through other comprehensive income**

Upon initial recognition, the University has elected to classify its equity instruments at fair value through other comprehensive income. The classification is determined on an instrument-by-instrument basis. Any future gains and losses on these financial assets will not be recognised in the net operating result.

(l) Derivative Financial Instruments

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

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

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

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

Hedge accounting

The Consolidated Entity has designated the interest rate and foreign currency swaps as cash flow hedges.

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

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are deferred in the Statement of Comprehensive Income. The gain or loss relating to the ineffective portion is recognised immediately in the net operating result. As at 31 December 2018 there are no ineffective hedge instruments.

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

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

(m) Fair Value Measurement

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

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

The fair value of financial assets or liabilities traded in active markets is based on quoted market prices for identical assets or liabilities at the end of the reporting period (level 1). The quoted market price used for assets held by the Consolidated Entity is the most representative of fair value in the circumstances within the bid-ask spread.

The fair value of financial assets or liabilities that are not traded in an active market is determined using valuation techniques. The Consolidated Entity uses a variety of methods and makes assumptions that are based on market conditions existing at the end of the reporting period. Quoted market prices or dealer quotes for similar instruments (level 2) are used for long-term debt instruments held. Other techniques that are not based on observable market data (level 3) are used to determine fair value for the remaining assets and liabilities. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward exchange contracts is determined using forward exchange market rates at the end of the reporting period. The level in the fair value hierarchy is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

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

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

(n) Investments in Business Undertakings

- **Controlled Entities**

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

The University elected to classify its controlled entity investments as fair value through other comprehensive income on adoption of AASB 9 (refer to Note 3(k)) on 1 January 2018.

- **Interests in Associates**

Interests in associates represent interests where the Consolidated Entity exercises a significant influence but not control over the financial and operating policies.

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

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

- **Joint Arrangements**

Where the Consolidated Entity has joint control of an entity as described in Note 33, the Consolidated Entity interests are accounted for using the equity method, based on management reports.

- **Cooperative Research Centres**

The University derives income as part of its participation in Cooperative Research Centres, as listed in Note 32. In the ordinary course of events this income, which is recognised in the financial statements of the University, is used to meet operational costs and/or acquire equipment. As a participant, the University will be entitled to a proportionate share of any intellectual property arising. As at the reporting date, the University is not aware of any material intellectual property with commercial value. As such no accounting entries have been recorded.

- **Other Business Undertakings**

The Consolidated Entity holds a number of investments. In the case of publicly listed investments, these have been valued at market value. In the case of non publicly listed investments, the value of the investment is carried at the University's share of the net tangible assets of the investment entity.

(o) Inventories

- **Consumable Materials and Trading Stock**

The University has a number of inventory stores at several locations. These inventory purchases are treated as consumables and expensed in the year of purchase. Where controlled entities have reported consumable materials or trading stock this is included at the lower of cost or net realisable value.

- **Livestock**

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

(p) Property, Plant and Equipment

- **Acquisitions**

Items of property, plant and equipment are initially recorded at cost in the Statement of Financial Position (unless otherwise indicated) and depreciated in accordance with Note 3(r).

- **Revaluations**

During 2016 land and buildings were independently valued on a fair value basis in accordance with Australian Accounting Standards.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment is stated at historical cost less depreciation.

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

- **Disposal of Revalued Assets**

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

- **Land and Buildings**

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

All land and buildings are recorded at fair value which has been assessed via an independent valuation on the basis of market value for existing use or where this is not suitable, the depreciated replacement cost. The valuation of land and buildings has been carried out by Mr Matthew Ward, AAPI, B.App.Sc (Property Economics), Mr Nicholas Fein, BE, Mr Timothy Ashton, AAPI of AssetVal Pty Ltd on 31 December 2016.

- **Other Collections**

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

- **Library Collection**

The Library collection was revalued on 31 December 2016 using an internal valuation based on the annual price movement of books.

- **Works of Art**

Works of art \$2,000 and greater, are recorded at fair value on the basis of an independent valuation carried out by Ms Kate Oster PGDip. Art Curatorship, BA Theodore Bruce Auctions Pty Ltd on 31 December 2017. No provision for depreciation is made for works of art.

- **Leased Property, Plant and Equipment**

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

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

(q) **Impairment of Assets**

The Consolidated Entity assesses at the end of the reporting period whether there is objective evidence that an asset or group of assets is impaired.

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

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if changes in circumstances indicate they might be impaired. An impairment loss is recognised if the carrying amount of the asset or its related cash-generating-unit (CGU) exceeds its recoverable amount.

(r) **Depreciation and Amortisation**

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

• Buildings	80 – 100 years
• Leasehold improvements	5 – 50 years
• Library Collection	10 years
• Plant and equipment including motor vehicles	5 – 10 years

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

(s) **Repairs and Maintenance**

Repairs and maintenance costs are recognised as expenses as incurred, except where they relate to the replacement component of an asset, in which case the costs are capitalised and depreciated. Other routine operating maintenance, repair or minor renewal costs are also recognised as expenses, as incurred.

(t) **Workers' Compensation**

The University is responsible for payments of workers' compensation claims and is registered with the ReturnToWorkSA as an exempt employer.

The actuarial assessment of the provision for workers' compensation claims has been prepared by Brett & Watson Pty Ltd using the Case Estimation Methodology. This methodology comprises the assessment of individual independent case estimates of all open claims. A separate allowance for incurred but not reported claims (IBNR), unforeseen escalation of the case estimates and re-opening of finalised claims is then made.

(u) **Payables**

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

(v) **Salaries and Related Expenses**

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

(w) **Borrowings and Borrowing Costs**

Borrowings are classified as current liabilities unless the Consolidated Entity has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period and does not expect to settle the liability for at least 12 months after the end of the reporting period. Borrowing costs are expensed as incurred.

(x) **Initial Adoption of Australian Accounting Standards**

AASB 9 Financial Instruments

AASB 9 Financial Instruments replaces AASB 139 Financial Instruments: Recognition and Measurement for annual reporting periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The University has applied AASB 9 on a modified retrospective basis, with the exception of hedge accounting, with an initial application date of 1 January 2018. The University has not restated the comparative information, which continues to be reported in accordance with AASB 139.

The nature and effect of the changes as a result of the adoption of AASB 9 are described as follows:

Impact on the Statement of Financial Position (increase/(decrease)):

	Consolidated		University	
	Ref adjustments	1 January 2018 \$'000	Ref adjustments	1 January 2018 \$'000
Classification and measurement	(i)	-	-	216
Impairment	(ii)	(198)	-	(198)
Hedge Accounting	(iii)	-	-	-

The nature of the adjustments are described below:

	Consolidated		University	
	Ref adjustments	1 January 2018 \$'000	Ref adjustments	1 January 2018 \$'000
Assets				
Receivables	(ii)	(198)	(ii)	(198)
Investments accounted for using the equity method	(i)	-	(i)	(937)
Other financial assets	(i)	-	(i)	1,153
Total Assets		(198)		18
Total adjustments on equity				
Retained earnings	(i), (ii)	198	(i), (ii)	(18)
Total Equity		198		(18)

(i) **Classification and measurement**

Under AASB 9, debt instruments are measured at fair value through profit or loss, amortised cost, or fair value through other comprehensive income. The classification is based on how the University manages the asset; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the University's business model was made as of the date of initial application, 1 January 2018.

The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of AASB9 did not have a significant impact to the University.

The following are the changes in the classification of the University's financial assets:

- Trade receivables and Other Loans as at 31 December 2017 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as Debt instruments at amortised cost beginning 1 January 2018.
- The University Endowment Fund classified as non-current financial assets as at 31 December 2017 are classified and measured as Financial assets at fair value through profit or loss beginning 1 January 2018.
- Equity investments in non-listed companies (including controlled entities) classified as financial assets as at 31 December 2017 are classified and measured as Equity instruments designated at fair value through Other Comprehensive Income beginning 1 January 2018. The University elected to classify irrevocably its non-listed equity investments under this category at the date of initial application as it intends to hold these investments for the

foreseeable future. There were no impairment losses recognised in profit or loss for these investments in prior periods. As a result of this election to fair value equity investments through Other Comprehensive Income, revenue has reduced by \$9.3M during 2018.

- (d) Listed equity investments classified as financial assets as at 31 December 2017 are classified and measured as Financial assets at fair value through profit or loss beginning 1 January 2018.

There are no changes in classification and measurement for the University's financial liabilities.

In summary, upon the adoption of AASB 9, the University had the following required or elected reclassifications as at 1 January 2018.

	AASB 9 measurement category			
	\$'000	Fair value through profit or loss	Amortised cost	Fair value through Other Comprehensive Income
		\$'000	\$'000	\$'000
AASB 139 measurement category				
Loans and receivables				
Trade receivables*	(198)	-	(198)	-
Available for sale				
Investments accounted for under the equity method	216	(28,787)	-	29,003
	18	(28,787)	(198)	29,003

* The change in carrying amount is a result of an increased impairment allowance.

(ii) Impairment

The adoption of AASB 9 requires the University to recognise an allowance for Expected Credit Losses (ECLs) for all debt instruments not held at fair value through profit or loss and contract assets.

The University has recognised an additional impairment on the University's trade receivables of \$198,000, which resulted in an increase in retained earnings of \$198,000 as at 1 January 2018.

Set out below is the reconciliation of the ending impairment allowances in accordance with AASB 139 to the opening loss allowances determined in accordance with AASB 9:

	Allowance for impairment under AASB 139 as at 31 December 2017	Remeasurement	ECL under AASB 9 as at 1 January 2018
	\$'000	\$'000	\$'000
Loans and receivables under AASB139/Financial assets at amortised cost under AASB9	(634)	(198)	(832)
	(634)	(198)	(832)

(iii) Hedge accounting

The new general hedge accounting requirements retain the three types of hedge accounting. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required.

In accordance with AASB 9's transition provisions for hedge accounting, the University has applied the AASB 9 hedge accounting requirements prospectively from the date of initial application on 1 January 2018. The University's risk management activities for its derivative financial instruments have been included at Note 9.

The University's qualifying hedging relationships in place as at 1 January 2018 also qualified for hedge accounting in accordance with AASB 9 and were therefore regarded as continuing hedging relationships. No rebalancing of any of the hedging relationships was necessary on 1 January 2018. As the critical terms of the hedging instruments match those of their corresponding hedged items, all hedging relationships continue to be effective under AASB 9's effectiveness assessment requirements. The University has also not designated any hedging relationships under AASB 9 that would not have met the qualifying hedge accounting criteria under AASB 139.

The application of the AASB 9 hedge accounting requirements has had no significant impact on the results and financial position of the University for the current and/or prior years. The University's risk management activities for its financial instruments have been included at Note 28.

(y) **New or revised Australian Accounting Standards and Interpretations issued but not yet effective**

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2018 reporting periods. The University has elected not to early adopt any of these standards. The University has assessed the impacts of these new standards, as set out below:

Reference	Title and date of Standard application*	Summary	Impact on financial statements
AASB 15	<i>Revenue from Contracts with Customers</i> 1 January 2019	<p>AASB 15 is the new standard for revenue recognition and replaces AASB 118 Revenue.</p> <p>It establishes a comprehensive framework for determining whether, how and when revenue is recognised.</p> <p>The principle in the new standard is 'when control of a good or service transfers to a customer' rather than 'when the risk and rewards of ownership reside'.</p>	<p>The adoption of AASB 15 and AASB 1058 will impact the amount and timing of revenue recognised by the University.</p> <p>The University will adopt AASB 15 and 1058 using the modified retrospective approach whereby comparatives are not adjusted and opening balance adjustments will be made to equity effective 1 January 2019.</p> <p>The University has elected to exclude donations and bequests from deferral of income on adoption of AASB 1058 and AASB 15, where they have been recognised as income under AASB 1004 prior to 31 December 2018.</p>
AASB 1058	<i>Income of Not-for-Profit Entities</i> 1 January 2019	<p>This standard clarifies and simplifies the income recognition requirements that apply to not-for-profit entities in conjunction with AASB 15.</p> <p>AASB 15 and 1058 will supersede the majority of income recognition requirements relating to public sector not-for-profit entities, previously in AASB 1004.</p> <p>The timing of income recognition depends on whether a transaction gives rise to a liability or other performance obligation or a contribution by owners related to an asset received by the entity.</p> <p>AASB 1058 applies when a not-for-profit entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives.</p>	<p>The University has elected to adopt the input method (expenditure incurred) to recognise the completion of performance obligations.</p> <p>If AASB 15 and 1058 were applied to the income received in 2018 the University revenue would have been reduced by \$9M, with that amount being recorded as a liability for revenue received in advance. The actual amount deferred in any year will depend on the nature of the income received and the performance obligations associated with the income, which varies between agreements.</p> <p>On 1 January 2019, the University estimates it will recognise a deferred liability of \$121M (reflecting revenue received where the University is required to undertake further work to meet the performance obligations), a work in progress asset of \$17M (reflecting work which has been performed by the University for which revenue has not yet been received) and a net reduction in retained earnings of \$104M, reflecting the unearned component of revenue on the adoption of the new standards as at 1 January 2019. These amounts reflect the University's current analysis of all uncompleted contracts. The final amounts recognised will be subject to further work to review the specific obligations for continuing revenue contracts and their associated performance obligations.</p> <p>Upon adoption of AASB 15 and 1058, amounts received which are required to be applied as cash payments to third parties, including scholarships and payments to other institutions, are required to be recognised as financial liabilities under AASB 9 and will no longer be recorded as revenue.</p>

Reference	Title and date of Standard application*	Summary	Impact on financial statements
			<p>If this change applied to 2018 University revenue would have been reduced by \$22M and expenditure reduced by \$22M. The actual impact of this change in future years will depend on the nature of the arrangements in any given year. As at 1 January 2019, the University believes there will not be a material adjustment to liabilities for revenue received that is to be paid in cash to students or other institutions.</p> <p>The impact of the adoption of AASB 15 and AASB 1058 on 2019 and future years is dependent on the level of grant revenue received and the completion of performance obligations (expenditure incurred against these grants).</p>
AASB 16	<i>Leases</i> 1 January 2019	<p>This new standard introduces a single accounting model for lessees.</p> <p>The standard requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.</p> <p>A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset, and a lease liability representing its obligations to make lease payments.</p> <p>In effect, the majority of leases currently classified as operating leases will be reported on the Statement of Financial Position.</p>	<p>The University will adopt AASB 16 using the modified retrospective approach whereby comparatives are not adjusted and opening balance adjustments will be made effective 1 January 2019. The University will recognise a right-of-use asset of \$68M and a lease liability of \$55M effective 1 January 2019.</p> <p>When assessing the impact of AASB 16, the University has applied a materiality limit of \$10,000 which is consistent with the materiality limit used to recognise Property, Plant and Equipment.</p> <p>The University will adopt the temporary option to not fair value right-of-use assets arising from leases that have significantly below market terms.</p> <p>Based on the leases in place as at 31 December 2018 the University will recognise an increase in expenditure in 2019 of \$3M.</p>
AASB 1059	<i>Service Concession Arrangements: Grantors</i> 1 January 2020	<p>This new standard applies to concession arrangements where the operator provides public services related to a service concession asset on behalf of a grantor. Where the grantor controls a service concession asset it must therefore recognise the asset in its financial statements.</p>	<p>The University does not believe that the adoption of this standard will have a material impact.</p>

* Designates the beginning of the applicable annual reporting period

- (z) **Rounding**
All amounts in this report are rounded to the nearest thousand dollars.

	Note	Consolidated		University	
		2018 \$000	2017 \$000	2018 \$000	2017 \$000
4. Revenue from continuing operations					
Received under Higher Education Support Act					
Base operating financial assistance					
Commonwealth Grants Scheme (Commonwealth supported places)		165,933	166,102	165,933	166,102
		165,933	166,102	165,933	166,102
Other operating financial assistance					
Other operating financial assistance		3,675	3,731	3,675	3,731
		3,675	3,731	3,675	3,731
Higher Education Contribution Scheme					
HECS-HELP student upfront payments		9,930	10,428	9,930	10,428
Australian Government financial assistance		105,464	103,886	105,464	103,886
		115,394	114,314	115,394	114,314
		285,002	284,147	285,002	284,147
Student fee income includes:					
Fee paying student revenue received					
Award courses					
Australian fee paying undergraduate students		503	665	503	665
Australian fee paying postgraduate students		3,498	3,310	3,498	3,310
International fee paying students		224,511	204,088	224,511	204,088
		228,512	208,063	228,512	208,063
Non award courses					
Continuing education		629	595	629	595
Australian fee paying		5,760	7,233	5,760	7,233
Other teaching service fees		3,308	4,404	3,308	4,404
		9,697	12,232	9,697	12,232
Non-course income					
Student services and amenities fees		3,386	3,233	3,386	3,233
		3,386	3,233	3,386	3,233
		241,595	223,528	241,595	223,528
Australian Government financial assistance					
FEE-HELP		10,427	10,692	10,427	10,692
SA-HELP		3,225	3,173	3,225	3,173
		255,247	237,393	255,247	237,393
Learning and teaching grants					
Learning and teaching grants		21,793	20,441	21,793	20,441
		21,793	20,441	21,793	20,441
		277,040	257,834	277,040	257,834

	Note	Consolidated		University	
		2018 \$000	2017 \$000	2018 \$000	2017 \$000
4. Revenue from continuing operations - continued					
Investment revenue					
Interest income					
Debt instruments at amortised cost		1,597	762	1,567	723
Held-to-maturity bank term investments		-	520	-	520
Dividends received from equity instruments designated at fair value through Other Comprehensive Income		1,901	1	1,901	1
Distributions from controlled entities designated at fair value through Other Comprehensive Income		-	-	331	352
Other investment gains and losses					
Net realised gain on endowment fund investments designated as fair valued through profit or loss		10,210	10,701	10,210	10,617
Net unrealised gain on endowment fund investments designated as fair valued through profit or loss		-	20,118	-	19,449
Revaluation gain on investments designated as fair valued through profit or loss		-	7,433	-	7,433
Royalties, trademarks and licences		6,027	7,856	6,027	9,397
		19,735	47,391	20,036	48,492
Property revenue					
Rental charges/accommodation fees		10,231	10,354	9,833	10,062
Parking fees		2,157	2,112	2,157	2,112
Building development and maintenance recovery		1,726	1,222	1,726	1,222
Other property revenue		698	477	698	714
		14,812	14,165	14,414	14,110
Specialist services and trading					
Consultancy fees		7,720	8,411	7,720	8,407
Library charges and fines		295	469	295	469
Sale of services		25,910	26,635	9,585	9,862
Sale of goods		3,067	3,226	2,097	627
Sponsorship and conference income		2,547	2,498	2,547	2,498
Other specialist services and trading		2,658	1,554	2,658	1,541
		42,197	42,793	24,902	23,404
Bequests, donations and other revenue					
Bequests and donations received for:					
Research		3,203	2,733	3,203	10,321
General operational purposes		3,385	3,830	3,385	3,830
		6,588	6,563	6,588	14,151
Prizes and scholarships		1,505	1,740	1,505	1,740
Recharge of costs to other organisations		469	1,364	469	1,364
Management fees		5,832	2,758	5,832	2,758
Franchise fees		141	2,151	141	2,151
Bad debts recoveries		2	2,277	2	2,277
Insurance claim recovery		148	103	148	103
Salary recharges		2,826	2,346	2,826	2,346
AusAid Scholarships & stipends		3,697	2,903	3,697	2,903
Gain on finance lease recognition		-	3,479	-	3,479
Net gain on disposal of assets		497	-	-	-
Gain on acquisition of Controlled Entity		-	173	-	-
Other revenue		2,835	8,202	4,853	8,895
		24,540	34,059	26,061	42,167
Share of other comprehensive income of associates and joint ventures accounted for using the equity method					
Joint ventures	33	(5)	(311)	-	-
Associates	31	-	(231)	-	-
		(5)	(542)	-	-

	Note	Consolidated		University	
		2018 \$000	2017 \$000	2018 \$000	2017 \$000
5. Expenses from continuing operations					
Salaries and related expenses					
Salaries and related expenses - Academic					
Salaries		201,141	199,817	201,141	199,817
Contributions to superannuation and pension schemes					
Contributions to funded schemes		32,602	31,418	32,602	31,418
Contributions to unfunded schemes		42	68	42	68
Payroll tax		12,108	13,374	12,108	13,374
Annual leave		14,513	13,689	14,513	13,689
Long service leave		4,977	3,792	4,977	3,792
Workers' compensation		594	519	594	519
Other		4,737	7,617	4,737	7,617
Redundancy expenses		214	929	214	929
Total academic salaries and related expenses		270,928	271,223	270,928	271,223
Salaries and related expenses - Non-academic					
Salaries		182,055	172,769	174,275	164,591
Contributions to superannuation and pension schemes					
Contributions to funded schemes		29,309	27,999	28,589	27,231
Contributions to unfunded schemes		49	85	49	85
Payroll tax		10,437	9,316	10,245	9,130
Annual leave		13,800	12,577	13,321	12,175
Long service leave		4,340	3,119	4,163	2,948
Workers' compensation		420	107	420	107
Other		3,780	5,281	3,737	5,273
Redundancy expenses		1,634	6,243	1,634	6,243
Total non-academic salaries and related expenses		245,824	237,496	236,433	227,783
Total salaries and related expenses		516,752	508,719	507,361	499,006
Teaching and research					
Agriculture, animals and cropping		2,595	2,232	2,595	2,232
Books, subscriptions and printed material		13,979	10,815	13,979	10,815
Laboratory expenses		20,028	19,274	20,028	19,274
Research transfer to other institutions		33,024	35,724	32,076	35,000
Other teaching and research		30,688	26,501	30,688	25,055
		100,314	94,546	99,366	92,376
Buildings and grounds					
Cleaning and security		12,067	11,427	11,678	11,053
Property maintenance		19,626	16,589	19,523	16,471
Building leases and rent		14,458	15,571	14,239	15,370
Utilities		19,314	15,465	19,021	15,368
		65,465	59,052	64,461	58,262

	Note	Consolidated		University	
		2018	2017	2018	2017
		\$000	\$000	\$000	\$000
5. Expenses from continuing operations - continued					
Finance costs					
Interest		4,661	4,887	4,661	4,902
Finance charges		299	299	299	299
		4,960	5,186	4,960	5,201
Administration, communication and travel					
Consultants & specialist services		23,107	18,910	18,345	14,144
Fees & licenses		34,278	25,456	34,212	25,426
Insurance		2,453	1,685	2,389	1,599
Administration & communication		14,708	22,311	12,610	13,640
Publicity and fundraising		5,831	5,518	5,638	5,355
Travel, accommodation & entertainment		26,381	26,706	26,357	26,677
		106,758	100,586	99,551	86,841
Finance and fund administration					
Bad and doubtful debts					
Student loans		(4)	6	(4)	6
Student tuition		(38)	(85)	(38)	(85)
Other debtors		174	423	174	399
		132	344	132	320
Net unrealised loss on endowment fund investments designated as fair valued through profit or loss		14,753	-	14,753	-
Management and merchant fees		1,257	1,351	1,257	1,351
Fringe benefit tax payments		1,090	989	1,090	989
Other		329	179	329	179
		17,561	2,863	17,561	2,839
Misc equip, dep'n and net loss on disposal of assets includes:					
Amortisation of intangible assets					
Software		13,500	9,429	13,500	9,429
Amortisation	3(r)				
Leasehold improvements		2,588	2,872	2,588	2,872
		16,088	12,301	16,088	12,301
Depreciation	3(r)				
Buildings		25,532	24,284	25,447	24,188
Plant, equipment and motor vehicles		19,963	17,844	19,627	17,369
Library collection		1,329	1,709	1,329	1,709
		46,824	43,837	46,403	43,266
		62,912	56,138	62,491	55,567
Non-capitalised equipment		11,187	10,694	11,187	10,694
Net loss on disposal of assets		-	6,293	169	6,293
Write down of land to recoverable amount		3,300	-	3,300	-
		77,399	73,125	77,147	72,554

	Note	Consolidated		University	
		2018 \$000	2017 \$000	2018 \$000	2017 \$000
6. Cash and Cash Equivalents	3(j)				
Cash at bank or on hand		26,488	25,922	24,048	22,245
Short term deposits at call		11,600	10,150	10,000	10,000
		<u>38,088</u>	<u>36,072</u>	<u>34,048</u>	<u>32,245</u>

The University invested its surplus working capital into bank term investments (2018: \$15.0 million, 2017: \$10.0 million). These bank term investments have been reported as Other Financial Assets at amortised cost (2017: Financial Assets held-to-maturity) in Note 8. As a result these funds are not reported within Cash and Cash Equivalents or within the Statement of Cash Flows.

7. Receivables		3(i)			
Current					
Student tuition fees		4,225	2,427	4,225	2,427
Less: provision for impaired receivables		(633)	(193)	(633)	(193)
		<u>3,592</u>	<u>2,234</u>	<u>3,592</u>	<u>2,234</u>
Trade and sundry debtors		24,733	26,245	24,213	26,222
Less: provision for impaired receivables		(224)	(638)	(92)	(424)
		<u>24,509</u>	<u>25,607</u>	<u>24,121</u>	<u>25,798</u>
Student loans		37	40	37	40
Less: provision for impaired receivables		(11)	(17)	(11)	(17)
		<u>26</u>	<u>23</u>	<u>26</u>	<u>23</u>
		<u>28,127</u>	<u>27,864</u>	<u>27,739</u>	<u>28,055</u>

(a) Impaired receivables

The movement in the allowance for expected credit losses of receivables is as follows:

At 1 January	848	3,153	634	2,949
Net provision for expected credit losses recognised/(reversed) during the year	625	(2,375)	628	(2,385)
Receivables written off during the year as uncollectible	(605)	70	(526)	70
At 31 December	<u>868</u>	<u>848</u>	<u>736</u>	<u>634</u>

The creation and release of the provision for impaired receivables has been included in 'Finance and fund administration' in the Statement of Comprehensive Income. Amounts charged to the provision account are generally written off when there is no expectation of recovering additional cash. The other amounts within receivables do not contain impaired assets and it is expected that these amounts will be received in full.

	Note	Consolidated		University	
		2018 \$000	2017 \$000	2018 \$000	2017 \$000
8. Other Financial Assets					
Current					
Other financial assets at amortised cost		15,000	-	15,000	-
Other loans		-	31	-	31
Held-to-maturity - bank term investments		-	10,000	-	10,000
		<u>15,000</u>	<u>10,031</u>	<u>15,000</u>	<u>10,031</u>
Non-current					
Other financial assets at fair valued through profit or loss		287,681	297,860	287,681	297,860
Investments in equity instruments designated at fair value through other comprehensive income		37,895	-	52,493	-
Other shares		-	28,281	-	28,281
Investments in controlled entities	30	-	-	-	15,046
Total non-current other financial assets		<u>325,576</u>	<u>326,141</u>	<u>340,174</u>	<u>341,187</u>
Total other financial assets		<u>340,576</u>	<u>336,172</u>	<u>355,174</u>	<u>351,218</u>

Held-to-maturity - bank term investments

The University invests its surplus working capital into bank term investments and these bank term investments have been reported as Other Financial Assets at amortised cost (Financial Assets held-to-maturity in 2017). As a result these funds are not reported within Cash and Cash Equivalents in Note 6 or within the Statement of Cash Flows.

Endowment Fund

The University holds investments arising from donations and bequests for the purpose of funding scholarships, prizes and research. These funds are invested with external fund managers in unlisted managed investment schemes.

9. Derivative Financial Instruments

Current Assets

Current Liabilities

Foreign currency swap contracts - cash flow hedges	<u>3</u>	<u>18</u>	<u>3</u>	<u>18</u>
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Non-Current Liabilities

Interest rate swap contracts - cash flow hedges	<u>11,725</u>	<u>12,905</u>	<u>11,725</u>	<u>12,905</u>
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During 2007 the University entered into nine \$10.0 million forward start interest rate swaps (totalling \$90.0 million), to manage its interest rate exposures on planned borrowings for its North Terrace Development Strategy. The swaps commenced in February 2010 and amortise on a straight line basis over twenty years. The University is obligated to pay a fixed interest rate of 6.65%. These interest rate swaps are effective hedges and the fair value of these hedges are recorded as a non-current liability.

During the year the University entered into foreign currency swaps totalling \$0.3 million (2017: \$0.6 million) to manage GBP foreign currency exposures. These foreign currency swaps were effective hedges and the fair value of these hedges were recorded as a current liability. There are \$0.3 million (2017: \$0.6 million) of swap contracts remaining in existence as at 31 December 2018.

9. Derivative Financial Instruments - continued

The following tables detail various information regarding interest rate swap and forward exchange contracts outstanding at the end of the reporting period and their related hedged items.

Table 1: Amount and timing of future cash flows

	Nominal Amount of the Hedging Instrument (\$000)			
	< 1 year	1-2 years	2-5 years	Over 5 years
Cash flow hedges				
Interest rate risk				
- Interest rate swaps (hedging forecast AUD floating interest)				
Average contracted fixed rate	6.65%	6.65%	6.65%	6.65%
Average Notional Amount (\$000)	49,500	45,000	36,000	15,750
Foreign currency risk				
- Foreign exchange forwards (hedging forecast purchase)				
Average contracted rate	GBP/ AUD			
Average Notional Amount (AUD, \$000)*	0.5494			
	279	-	-	-

*University of Adelaide buy GBP sell and AUD

Table 2: Disclosure of amounts related to designated hedging instruments

	Carrying Amount of the Hedging Instrument		Changes in value of Hedging Instrument used for calculating hedge ineffectiveness for 31 December 2018	
	Assets	Liabilities	Gain/ (Loss)	
	\$000	\$000		\$000
Cash flow hedges				
Interest rate risk- Interest rate swaps (hedging forecast AUD floating interest)	-	10,998		-
Foreign currency risk - FX Forwards (hedging forecast purchase)	-	3		3

*Notional amount as at 31 Dec 2018

Table 3: Disclosure of amounts related to designated hedged items, hedge reserve and hedge ineffectiveness

	Changes in value of Hedged Item used for calculating hedge ineffectiveness for 31 December 2018			
	Changes in Cash Flow Hedge Reserve (Continuing Hedges) at 31 December 2018	Changes in Cash Flow Hedge Reserve (Discontinued Hedges) at 31 December 2018	Hedge ineffectiveness recognised in profit or loss	
			Gain/ (Loss)	Gain/ (Loss)
	\$000	\$000	\$000	\$000
Cash flow hedges				
Interest rate risk - Interest rate swaps (hedging forecast AUD floating interest)	(898)	898	-	-
Foreign currency risk - FX Forwards (hedging forecast purchase)	3	(3)	-	-

	Note	Consolidated		University	
		2018 \$000	2017 \$000	2018 \$000	2017 \$000
10. Inventories	3(o)				
Consumable materials and trading stock		1,105	1,041	-	-
Livestock		380	441	-	-
		<u>1,485</u>	<u>1,482</u>	-	-
11. Other Non-Financial Assets					
Current					
Prepayments		13,869	12,768	13,750	12,629
Accrued income		1,223	3,269	1,222	3,269
		<u>15,092</u>	<u>16,037</u>	<u>14,972</u>	<u>15,898</u>
Non-current					
Prepayments		4,817	4,865	4,817	4,865
Total Other Non-Financial Assets		<u>19,909</u>	<u>20,902</u>	<u>19,789</u>	<u>20,763</u>
12. Investments Accounted for Using the Equity Method	3(n)				
Interests in joint ventures	33				
At cost		-	-	35	972
Equity accounted		266	1,460	-	-
		<u>266</u>	<u>1,460</u>	<u>35</u>	<u>972</u>

13. Property, Plant and Equipment

Consolidated	Trust Land \$000	Other Land \$000	Leased Land \$000	Trust Buildings \$000	Other Buildings \$000	WIP \$000	Leasehold Improvements \$000	Library Collections \$000	Works of Art \$000	Plant and Equipment \$000	Total \$000
As at 1 January 2017											
Cost	-	-	-	-	-	233,240	23,810	-	88	201,639	458,777
Valuation	164,994	49,992	-	791,255	73,919	-	-	17,089	7,711	-	1,104,961
Accumulated depreciation/amortisation	-	-	-	-	-	-	(15,081)	-	-	(127,587)	(142,668)
Net book amount	164,994	49,992	-	791,255	73,919	233,240	8,729	17,089	7,799	74,052	1,421,070
Year ended 31 December 2017											
Opening net book amount	164,994	49,992	-	791,255	73,919	233,240	8,729	17,089	7,799	74,052	1,421,070
Additions	-	-	5,500	-	-	50,179	50	753	131	12,572	69,185
Assets included in a disposal group classified as held for sale and other disposals	-	-	-	(643)	(2)	(281)	-	(4,173)	(36)	(256)	(5,391)
Revaluation surplus/(deficit)	-	-	-	-	1	-	-	-	627	-	628
Transfers	-	-	-	16,749	230,514	(268,887)	6	-	-	16,795	(4,823)
Depreciation/amortisation	-	-	(51)	(19,970)	(4,314)	-	(2,821)	(1,709)	-	(17,844)	(46,709)
Closing net book amount	164,994	49,992	5,449	787,391	300,118	14,251	5,964	11,960	8,521	85,319	1,433,959
As at 31 December 2017											
Cost	-	-	-	16,749	230,514	14,251	23,866	753	-	230,401	516,534
Valuation	164,994	49,992	5,500	790,588	73,918	-	-	12,916	8,521	-	1,106,429
Accumulated depreciation/amortisation	-	-	(51)	(19,946)	(4,314)	-	(17,902)	(1,709)	-	(145,082)	(189,004)
Net book amount	164,994	49,992	5,449	787,391	300,118	14,251	5,964	11,960	8,521	85,319	1,433,959

13. Property, Plant and Equipment - continued

Consolidated	Trust Land	Other Land	Leased Land	Trust Buildings	Other Buildings	Leasehold WIP Improvements	Library Collections	Works of Art	Plant and Equipment	Total	
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	
Year ended 31 December 2018											
Opening net book amount as at 1/1/2018	164,994	49,992	5,449	787,391	300,118	14,251	5,964	11,960	8,521	85,319	1,433,959
Additions	-	-	-	70	-	55,441	79	198	3	14,806	70,597
Assets included in a disposal group classified as held for sale and other disposals	-	(890)	-	-	(610)	-	(79)	(14)	-	(266)	(1,859)
Asset write down	-	(5,820)	-	-	-	-	-	-	-	-	(5,820)
Transfers	-	-	-	37,027	4,924	(44,807)	-	-	-	2,965	109
Depreciation/amortisation	-	-	(55)	(20,549)	(4,983)	-	(2,533)	(1,329)	-	(19,963)	(49,412)
Closing net book amount	164,994	43,282	5,394	803,939	299,449	24,885	3,431	10,815	8,524	82,861	1,447,574
As at 31 December 2018											
Cost	-	-	-	53,846	235,438	24,885	23,866	951	3	247,535	586,524
Valuation	164,994	43,282	5,500	790,588	73,308	-	-	12,902	8,521	-	1,099,095
Accumulated depreciation/amortisation	-	-	(106)	(40,495)	(9,297)	-	(20,435)	(3,038)	-	(164,674)	(238,045)
Net book amount	164,994	43,282	5,394	803,939	299,449	24,885	3,431	10,815	8,524	82,861	1,447,574

13. Property, Plant and Equipment - continued

University	Trust Land \$000	Other Land \$000	Leased Land \$000	Trust Buildings \$000	Other Buildings \$000	WIP \$000	Leasehold Improvements \$000	Library Collections \$000	Works of Art \$000	Plant and Equipment \$000	Total \$000
As at 1 January 2017											
Cost	-	-	-	-	-	233,240	23,684	-	88	195,813	452,825
Valuation	164,994	48,142	-	791,255	64,358	-	-	17,089	7,711	-	1,093,549
Accumulated depreciation/amortisation	-	-	-	-	-	-	(15,011)	-	-	(124,607)	(139,618)
Net book amount	164,994	48,142	-	791,255	64,358	233,240	8,673	17,089	7,799	71,206	1,406,756
Year ended 31 December 2017											
Opening net book amount	164,994	48,142	-	791,255	64,358	233,240	8,673	17,089	7,799	71,206	1,406,756
Additions	-	-	5,500	-	-	50,179	47	753	131	12,521	69,131
Assets included in a disposal group classified as held for sale and other disposals	-	-	-	(643)	(2)	(281)	-	(4,173)	(36)	(111)	(5,246)
Revaluation surplus/(deficit)	-	-	-	-	-	-	-	-	627	-	627
Transfers	-	-	-	16,749	230,514	(268,887)	6	-	-	16,795	(4,823)
Depreciation/amortisation	-	-	(51)	(19,970)	(4,218)	-	(2,821)	(1,709)	-	(17,369)	(46,138)
Closing net book amount	164,994	48,142	5,449	787,391	290,652	14,251	5,905	11,960	8,521	83,042	1,420,307
As at 31 December 2017											
Cost	-	-	-	16,749	230,514	14,251	23,737	753	-	224,628	510,632
Valuation	164,994	48,142	5,500	790,588	64,356	-	-	12,916	8,521	-	1,095,017
Accumulated depreciation/amortisation	-	-	(51)	(19,946)	(4,218)	-	(17,832)	(1,709)	-	(141,586)	(185,342)
Net book amount	164,994	48,142	5,449	787,391	290,652	14,251	5,905	11,960	8,521	83,042	1,420,307

13. Property, Plant and Equipment - continued

University	Trust Land \$000	Other Land \$000	Leased Land \$000	Trust Buildings \$000	Other Buildings \$000	WIP \$000	Leasehold Improvements \$000	Library Collections \$000	Works of Art \$000	Plant and Equipment \$000	Total \$000
Year ended 31 December 2018											
Opening net book amount as at 1/1/2018	164,994	48,142	5,449	787,391	290,652	14,251	5,905	11,960	8,521	83,042	1,420,307
Additions	-	-	-	70	-	55,441	-	198	3	14,695	70,407
Assets included in a disposal group classified as held for sale and other disposals	-	-	-	-	-	-	-	(14)	-	(266)	(280)
Revaluation surplus	-	-	-	-	-	-	-	-	-	-	-
Asset write down	-	(5,820)	-	-	-	-	-	-	-	-	(5,820)
Transfers	-	-	-	37,027	4,924	(44,807)	-	-	-	2,965	109
Depreciation/amortisation	-	-	(55)	(20,549)	(4,898)	-	(2,533)	(1,329)	-	(19,627)	(48,991)
Closing net book amount	164,994	42,322	5,394	803,939	290,678	24,885	3,372	10,815	8,524	80,809	1,435,732
As at 31 December 2018											
Cost	-	-	-	53,846	235,438	24,885	23,737	951	3	241,839	580,699
Valuation	164,994	42,322	5,500	790,588	64,356	-	-	12,902	8,521	-	1,089,183
Accumulated depreciation/amortisation	-	-	(106)	(40,495)	(9,116)	-	(20,365)	(3,038)	-	(161,030)	(234,150)
Net book amount	164,994	42,322	5,394	803,939	290,678	24,885	3,372	10,815	8,524	80,809	1,435,732

	Other Intangible Assets	Consolidated Intangibles in Progress	Total
14. Intangible Assets			
As at 1 January 2017			
Cost	74,085	11,112	85,197
Accumulated amortisation and impairment	(48,885)	-	(48,885)
Net book amount as at 1 January 2017	<u>25,200</u>	<u>11,112</u>	<u>36,312</u>
Year ended 31 December 2017			
Opening net book amount	25,200	11,112	36,312
Additions	205	16,271	16,476
Disposals	-	(124)	(124)
Transfer to / (from) WIP	16,726	(16,726)	-
Transfer (to) / from PPE	4,823	-	4,823
Amortisation charge	(9,429)	-	(9,429)
Closing net book amount as at 31 December 2017	<u>37,525</u>	<u>10,533</u>	<u>48,058</u>
As at 31 December 2017			
Cost	95,839	10,533	106,372
Accumulated amortisation and impairment	(58,314)	-	(58,314)
Net book amount as at 31 December 2017	<u>37,525</u>	<u>10,533</u>	<u>48,058</u>
Year ended 31 December 2018			
Opening net book amount	37,525	10,533	48,058
Additions	133	10,519	10,652
Disposals	(304)	(57)	(361)
Transfer to / (from) WIP	15,944	(15,944)	-
Transfer (to) / from PPE	-	(109)	(109)
Amortisation charge	(13,500)	-	(13,500)
Closing net book amount as at 31 December 2018	<u>39,798</u>	<u>4,942</u>	<u>44,740</u>
As at 31 December 2018			
Cost	111,612	4,942	116,554
Accumulated amortisation and impairment	(71,814)	-	(71,814)
Net book amount as at 31 December 2018	<u>39,798</u>	<u>4,942</u>	<u>44,740</u>

	Other Intangible Assets	University Intangibles in Progress	Total
14. Intangible Assets - continued			
As at 1 January 2017			
Cost	74,085	11,112	85,197
Accumulated amortisation and impairment	(48,885)	-	(48,885)
Net book amount as at 1 January 2017	<u>25,200</u>	<u>11,112</u>	<u>36,312</u>
Year ended 31 December 2017			
Opening net book amount	25,200	11,112	36,312
Additions	205	16,271	16,476
Disposals	-	(124)	(124)
Transfer to / (from) WIP	16,726	(16,726)	-
Transfer (to) / from PPE	4,823	-	4,823
Amortisation charge	(9,429)	-	(9,429)
Closing net book amount as at 31 December 2017	<u>37,525</u>	<u>10,533</u>	<u>48,058</u>
As at 31 December 2017			
Cost	95,839	10,533	106,372
Accumulated amortisation and impairment	(58,314)	-	(58,314)
Net book amount as at 31 December 2017	<u>37,525</u>	<u>10,533</u>	<u>48,058</u>
Year ended 31 December 2018			
Opening net book amount	37,525	10,533	48,058
Additions	133	10,519	10,652
Disposals	(304)	(57)	(361)
Transfer to / (from) WIP	15,944	(15,944)	-
Transfer (to) / from PPE	-	(109)	(109)
Amortisation charge	(13,500)	-	(13,500)
Closing net book amount as at 31 December 2018	<u>39,798</u>	<u>4,942</u>	<u>44,740</u>
As at 31 December 2018			
Cost	111,612	4,942	116,554
Accumulated amortisation and impairment	(71,814)	-	(71,814)
Net book amount as at 31 December 2018	<u>39,798</u>	<u>4,942</u>	<u>44,740</u>

	Note	Consolidated		University	
		2018 \$000	2017 \$000	2018 \$000	2017 \$000
15. Payables					
Current					
Accounts payable		46,311	33,080	45,439	31,695
Annual and long service leave oncosts	19	5,213	5,230	5,107	5,154
Accruals		5,591	6,221	5,295	5,625
Salary and related expenses payable		13,477	13,420	13,477	13,420
		70,592	57,951	69,318	55,894
Non-current					
Annual and long service leave oncosts	19	11,601	11,226	11,583	11,199
		11,601	11,226	11,583	11,199
Total Payables		82,193	69,177	80,901	67,093
16. Borrowings					
Current					
Interest bearing borrowings		5,000	5,000	5,000	5,000
Non-current					
Interest bearing borrowings		72,510	77,510	72,510	77,510
Total Borrowings		77,510	82,510	77,510	82,510

The University maintains an unsecured \$40 million Multi-Option Facility (as a standby working capital facility) and further unsecured Revolving Facilities with total limits of \$102.5 million. As at 31 December 2018 the standby working capital facility has not been drawn and \$77.5 million of the Revolving Facilities is drawn. This \$65 million of undrawn facilities are available as at 31 December 2018.

	Note	Consolidated		University	
		2018 \$000	2017 \$000	2018 \$000	2017 \$000
17. Provisions					
Current					
Workers' compensation provision		542	530	542	530
Annual and long service leave	19	28,750	28,827	27,878	28,117
		29,292	29,357	28,420	28,647
Insurance provision		1,289	1,483	1,289	1,483
		30,581	30,840	29,709	30,130
Non-current					
Workers' compensation provision		511	474	511	474
Annual and long service leave	19	56,712	57,606	56,511	57,398
Defined benefit fund net liability	24(c)	7,849	7,975	7,849	7,975
		65,072	66,055	64,871	65,847
Total Provisions		95,653	96,895	94,580	95,977
		Workers' compensation provision	Annual and long service leave	Insurance Provision	Defined benefit fund net liability
		\$000	\$000	\$000	\$000
Movements in provisions					
Consolidated - current					
Carrying amount at start of year		530	28,827	1,483	-
Additional/(reductions in) provisions recognised		12	(77)	(194)	-
Carrying amount at the end of the year		542	28,750	1,289	-
Consolidated - non-current					
Carrying amount at start of year		474	57,606	-	7,975
Additional/(reductions in) provisions recognised		37	(894)	-	(126)
Carrying amount at the end of the year		511	56,712	-	7,849
Movements in provisions					
University - current					
Carrying amount at start of year		530	28,117	1,483	-
Additional/(reductions in) provisions recognised		12	(239)	(194)	-
Carrying amount at the end of the year		542	27,878	1,289	-
University - non-current					
Carrying amount at start of year		474	57,398	-	7,975
Additional/(reductions in) provisions recognised		37	(887)	-	(126)
Carrying amount at the end of the year		511	56,511	-	7,849

Workers' compensation provision

Provision is made based on an actuarial assessment of workers' compensation estimated claims liability for future years. Refer to policy Note 3(t) Workers' Compensation.

Annual and long service leave

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

Insurance provision

Provision has been made for the actuarial assessment of future liability to the University for losses incurred prior to 31 December 2018 that were expected to be paid subsequent to 1 January 2019 and are below the University deductible in the University insurance policies.

Defined benefit fund net liability

Provision is made for the Super Scheme A 1985 defined benefit obligation in accordance with AASB 119 Employee Benefits. Refer to Note 3(h) Employee Benefits and Note 24(c) The University of Adelaide Super Scheme A 1985.

	Note	Consolidated		University	
		2018 \$000	2017 \$000	2018 \$000	2017 \$000
18. Other Liabilities					
Current					
Outside funded positions		-	6	-	6
Income in advance		1,629	1,642	1,048	1,100
Student tuition fees received in advance		21,087	14,638	21,087	14,638
Residential bonds		359	327	359	327
Employee benefits – separation packages		1,440	1,078	1,440	1,078
Other		2,015	1,388	2,015	1,388
Total Other Liabilities		26,530	19,079	25,949	18,537

19. Employee Benefits and Related On-Cost Liabilities

In accordance with the requirements of AASB 119 "Employee Benefits", employee on-costs are required to be reported as payables whilst leave liability amounts are reported separately in Note 17. Below is a composite note disclosure showing the total liabilities the Consolidated Entity has as at 31 December 2018 relating to employee benefits:

Annual Leave

On-costs included in payables - current	15	3,581	3,958	3,538	3,922
Employee benefits - current	17	20,371	21,776	19,995	21,449
		<u>23,952</u>	<u>25,734</u>	<u>23,533</u>	<u>25,371</u>
On-costs included in payables - non-current	15	1,463	1,613	1,457	1,607
Employee benefits - non-current	17	8,182	8,704	8,074	8,654
		<u>9,645</u>	<u>10,317</u>	<u>9,531</u>	<u>10,261</u>

Long Service Leave

On-costs included in payables - current	15	1,632	1,272	1,569	1,232
Employee benefits - current	17	8,379	7,051	7,883	6,668
		<u>10,011</u>	<u>8,323</u>	<u>9,452</u>	<u>7,900</u>
On-costs included in payables - non-current	15	10,138	9,613	10,126	9,592
Employee benefits - non-current	17	48,530	48,902	48,437	48,744
		<u>58,668</u>	<u>58,515</u>	<u>58,563</u>	<u>58,336</u>
		<u>102,276</u>	<u>102,889</u>	<u>101,079</u>	<u>101,868</u>

20. Retained Surplus and Reserves

20(a) Summary

Capital reserves

Asset revaluation surplus	343,328	346,856	342,681	345,202
Initial asset recognition reserve	279,124	279,124	279,124	279,124
Financial assets revaluation reserve	9,289	-	23,887	15,041
	<u>631,741</u>	<u>625,980</u>	<u>645,692</u>	<u>639,367</u>

Specific purpose reserves

Special reserve	174,549	283,588	174,549	283,588
Bequests/donations unspent income reserve	8,621	13,525	8,621	13,525
Restricted purpose bequest capital reserve	195,920	182,691	195,920	182,691
Endowment fund revaluation reserve	152,133	156,675	152,133	156,675
	<u>531,223</u>	<u>636,479</u>	<u>531,223</u>	<u>636,479</u>

Retained surplus

	<u>464,187</u>	<u>362,926</u>	<u>449,674</u>	<u>348,732</u>
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	Note	Consolidated		University	
		2018	2017	2018	2017
		\$000	\$000	\$000	\$000
20. Reserves - continued					
20(b) Movements in reserves					
Asset revaluation surplus					
Opening balance		346,856	346,229	345,202	344,575
Add revaluation increment/ (decrement) on property, plant and equipment		(3,528)	627	(2,521)	627
Closing balance		<u>343,328</u>	<u>346,856</u>	<u>342,681</u>	<u>345,202</u>
Initial asset recognition reserve					
Opening balance		279,124	279,124	279,124	279,124
Current year movement		-	-	-	-
Closing balance		<u>279,124</u>	<u>279,124</u>	<u>279,124</u>	<u>279,124</u>
Financial assets revaluation reserve					
Opening balance		-	-	15,041	22,902
Current year movement		9,289	-	8,846	(7,861)
Closing balance		<u>9,289</u>	<u>-</u>	<u>23,887</u>	<u>15,041</u>
Special reserve					
Opening balance		283,588	300,787	283,588	300,787
Current year movement		(28,630)	22,340	(28,630)	22,340
Transfer (to) / from retained surplus		(80,409)	(39,539)	(80,409)	(39,539)
Closing balance		<u>174,549</u>	<u>283,588</u>	<u>174,549</u>	<u>283,588</u>
Bequests/donations unspent income reserve					
Opening balance		13,525	9,049	13,525	9,049
Transfer (to) / from retained surplus		(4,904)	4,476	(4,904)	4,476
Closing balance		<u>8,621</u>	<u>13,525</u>	<u>8,621</u>	<u>13,525</u>
Restricted purpose bequest capital reserve					
Opening balance		182,691	177,655	182,691	177,655
Transfer from retained surplus		13,229	5,036	13,229	5,036
Closing balance		<u>195,920</u>	<u>182,691</u>	<u>195,920</u>	<u>182,691</u>
Endowment fund revaluation reserve					
Opening balance		156,675	126,647	156,675	126,647
Transfer (to) / from retained surplus		(4,542)	30,028	(4,542)	30,028
Closing balance		<u>152,133</u>	<u>156,675</u>	<u>152,133</u>	<u>156,675</u>

	Note	Consolidated		University	
		2018	2017	2018	2017
		\$000	\$000	\$000	\$000

20. Reserves - continued

20(c) Nature and purpose of reserves

Asset revaluation surplus

Is used to record increments and decrements on the revaluation of non-current assets. Refer accounting policy note 3(p).

Initial asset recognition reserve

Represents the equity impact arising from the recognition of assets which until the first time the University prepared a set of accrual financial statements, had not previously been recognised.

Financial assets revaluation reserve

Is used to record increments and decrements on the revaluation of investments in equity instruments designated at fair value through other comprehensive income. Refer accounting policy note 3(k).

Specific reserve

Represents a number of reserves generated through a series of specific purpose transactions, that can only be used in accordance with the attributes of the generating transactions. Specific reserves are created for surplus funds which will be specifically acquitted in future accounting periods. Specific reserves include Special reserves, Bequest/donations unspent income reserves, Restricted purpose bequest capital reserves and Endowment Fund revaluation reserves.

21. Reconciliation of net cash provided by operating activities to net operating result

Net operating result		(4,290)	55,508	(3,823)	64,830
Add/(subtract) non cash items					
Amortisation	5	16,088	12,301	16,088	12,301
Depreciation	5	46,824	43,837	46,403	43,266
Write down / (up) of investments		4,579	(38,164)	4,543	(37,496)
Other revenue/expenses		(2,966)	15,413	(3,057)	14,957
Write down of land to recoverable amounts		3,300	-	3,300	-
Funds held on deposit		-	-	-	1,675
(Profit)/loss on sale of property, plant and equipment		(338)	5,302	328	5,270
(Profit)/loss on sale of shares		106	18	106	18
Changes in assets/liabilities					
(Increase)/decrease in inventories		(3)	859	-	647
(Increase)/decrease in receivables		(263)	5,214	316	5,658
(Increase)/decrease in other assets		993	(1,482)	974	(1,503)
Increase/(decrease) in payables		13,016	(24,654)	13,808	(20,770)
Increase/(decrease) in other liabilities		7,451	2,734	7,412	(9,148)
Increase/(decrease) in provisions		(1,242)	186	(1,397)	191
Net cash provided by operating activities		83,255	77,072	85,001	79,896

	Note	Consolidated		University	
		2018 \$000	2017 \$000	2018 \$000	2017 \$000
22. Commitments					
Operating expenditure					
Contracted but not provided for and payable:					
Within one year		37,497	28,357	37,497	28,357
Between one and five years		17,049	5,992	17,049	5,992
Later than five years		789	-	789	-
Total operating expenditure commitments		55,335	34,349	55,335	34,349
Capital commitments					
Capital expenditure contracted for at the reporting date but not recognised as liabilities is as follows:					
Property, plant and equipment					
Within one year		16,807	20,031	16,807	20,031
Between one and five years		-	-	-	-
Later than five years		-	-	-	-
Total capital commitments		16,807	20,031	16,807	20,031
Lease commitments					
Operating Leases					
The operating lease commitments primarily relate to leases of photocopiers, computers, office equipment and office space.					
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:					
Within one year		12,415	14,582	12,415	14,582
Between one and five years		27,443	30,007	27,443	30,007
Later than five years		8,099	9,553	8,099	9,553
Total future minimum lease payments		47,957	54,142	47,957	54,142

23. Contingencies

(a) Guarantees

On July 1 2006 the University ceased to be a Crown exempt employer and was required to register as an exempt employer with ReturnToWorkSA and provide a bank guarantee to cover projected workers' compensation outstanding claims liabilities. Currently, the University has provided a \$1.2 million bank guarantee to ReturnToWorkSA. The amount of the guarantee was based on an actuarial assessment of the projected workers' compensation claims liabilities. In 2016, the University was advised by ReturnToWorkSA that it had approved a self-insurance renewal for a period of five years with an agreed renewal date of 21 March 2021.

(b) Superannuation

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

The University has guaranteed that members of this superannuation scheme will receive defined benefits in the event that this closed scheme has insufficient assets to meet the benefits. Employer contributions of 17.3% are made on actuarial advice to ensure there are sufficient assets in the scheme to meet expected future liabilities of remaining members. Refer to Note 24(c).

(ii) UniSuper Limited Superannuation Schemes

Refer to Note 24(b).

(c) Litigation

In the ordinary course of its operations, the University and its controlled entities become involved in legal disputes. At the date of adoption of these financial statements, some of those legal disputes matters remain outstanding. On legal advice, the University is of the opinion that no material losses are likely to arise on known or threatened claims or current legal disputes. Claims of an insurance nature have been covered by a provision of \$1.3 million to the extent that such claims are not covered by the University's comprehensive insurance program. Refer Note 17.

24. Superannuation Schemes

(a) Categories

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

- (i) Those operative and open to membership:
 - UniSuper Defined Benefit Plan or Accumulation Super 2
 - Accumulation Super 1
- (ii) Those operative but closed to future membership:
 - The University of Adelaide Superannuation Scheme A 1985 Plan No 2
- (iii) State Government Schemes closed to future membership by University employees:
 - State Pension Scheme
 - State Lump Sum Scheme

(b) UniSuper Limited Superannuation Schemes

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

The employer contribution rate during 2018 for employees in either the Defined Benefit Division or Accumulation Super 2 was 14% of salaries plus 3% of salaries. The contribution to the Accumulation Super 1 and for employees only in the Accumulation Super 1 was 9.5% of salaries.

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

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

As set out under paragraph 28 of AASB119 a defined contribution fund is a fund where the employer's legal or constructive obligation is limited to the amount it agrees to contribute to the fund and the actuarial risk and investment risk fall on the employee.

As at 30 June 2018 the assets of the Defined Benefit Division in aggregate were estimated to be \$3,785 million (30 June 2017: \$2,797 million) above vested benefits after allowing for various reserves. The Vested Benefits Index based on funding assumptions was 118.5%. The vested benefits are benefits which are not conditional upon continued membership (or any factor other than leaving the service of the participating institution) and include the value of indexed pensions being provided by the Defined Benefit Division.

As at 30 June 2018 the assets of the Defined Benefit Division in aggregate were estimated to be \$5,477 million (30 June 2017: \$4,258 million) above accrued benefits after allowing for various reserves. The Accrued Benefits Index based on best estimate assumptions was 129.1%. The accrued benefits have been calculated as the present value of expected future benefit payments to members and indexed pensioners which arise from membership of UniSuper up to the reporting date.

The actuarial investigation of the Fund as 30 June 2018 was conducted by Ms Kate Maartensz and Mr Andrew West, Fellows of the Institute of Actuaries of Australia, using the actuarial demographic assumptions outlined in their report on the actuarial investigation of the Defined Benefit Division as at 30 June 2018. The financial assumptions used were:

	Vested Benefits	Accrued Benefits
Gross of tax investment return - Defined Benefit Division pensions	5.30% p.a.	6.60% p.a.
Gross of tax investment returns - commercial rate indexed pensions	2.90% p.a.	2.90% p.a.
Net of tax investment return - non pensioner members	4.70% p.a.	5.80% p.a.
Consumer Price Index	2.00% p.a.	2.00% p.a.
Inflationary salary increases long term	3.00% p.a.	3.00% p.a.

Assets have been included at their net market value, that is, after allowing for realisation costs.

24. Superannuation Schemes – continued

(c) The University of Adelaide Superannuation Scheme A 1985 Plan No 2

The University of Adelaide Superannuation Scheme A 1985 Plan No 2 (Scheme) is a defined benefit plan in accordance with AASB 119 Employee Benefits that provides superannuation benefits for employees who had not transferred to UniSuper. The Scheme commenced on 1 November 2018 as part of the Corporate Category of the AMP Superannuation Savings Trust, after the assets and liabilities of the University of Adelaide Superannuation Scheme A 1985 were transferred to the Scheme with effect from that date. The Scheme is governed by a separate trust deed and the general laws relating to trusts and superannuation.

Nature of the benefits provided by the Scheme

Defined benefit members receive either lump sum or pension benefits on retirement, death, disablement and withdrawal. The defined benefit section of the Scheme is closed to new members.

Description of the regulatory framework

The Superannuation Industry (Supervision) (SIS) legislation governs the superannuation industry and provides the framework within which superannuation plans operate. The SIS Regulations require an actuarial valuation to be performed for each defined benefit superannuation plan every three years, or every year if the plan pays defined benefit pensions unless an exemption has been obtained from the Australian Prudential Regulation Authority.

Description of other entities' responsibilities for the governance of the Scheme

The Scheme's Trustee is responsible for the governance of the Scheme. The Trustee has a legal obligation to act solely in the best interests of the Scheme beneficiaries. The Trustee has the following roles:

- Administration of the Scheme and payment to the beneficiaries from Scheme assets when required in accordance with the Scheme rules;
- Management and investment of the Scheme assets; and
- Compliance with superannuation law and other applicable regulations.

The prudential regulator, the Australian Prudential Regulation Authority (APRA), licenses and supervises regulated superannuation plans.

Description of risks

There are a number of risks to which the Scheme exposes the University. The more significant risks relating to the defined benefits are:

- **Investment risk** - The risk that investment returns will be lower than assumed and the University will need to increase contributions to offset this shortfall.
- **Legislative risk** - The risk is that legislative changes could be made which increase the cost of providing the defined benefits.
- **Pension risk** - The risk is firstly that pensioner mortality will be lighter than expected, resulting in pensions being paid for a longer period. Secondly, that a greater proportion of eligible members will elect to take a pension benefit, which is generally more valuable than the corresponding lump sum benefit.
- **Inflation risk** - The risk that inflation is higher than anticipated, increasing pension payments, and thereby requiring additional employer contributions.
- **Timing of members leaving service** - As the Scheme has only a small number of active members, members leaving may have an impact on the financial position of the Scheme, depending on the financial position of the Scheme at the time they leave. The impact may be positive or negative, depending upon the circumstances and timing of the withdrawal.

The defined benefit assets are invested in specialist pool investment vehicles plus cash holdings. The assets are diversified within these investment option(s) and therefore the Scheme has no significant concentration of investment risk.

Description of significant events

There were no plan amendments affecting the defined benefits payable, curtailments or settlements during the year.

24. Superannuation Schemes – continued

(c) The University of Adelaide Superannuation Scheme A 1985 Plan No 2 - continued

	Note	2018 \$000	2017 \$000
Reconciliation of the Net Defined Benefit Liability/(Asset)			
Net defined benefit liability/(asset) at the beginning of the year		7,975	7,866
Add			
Current service costs		358	454
Net interest		177	212
Actuarial (gains) / losses arising from changes in financial assumptions		1,081	728
Actuarial (gains) / losses arising from liability experience		(100)	1,280
Actuarial (gains) / losses arising from changes in demographic assumptions		-	(881)
Less			
Actual return on Scheme assets less interest income		725	(684)
Employer contributions		(2,367)	(1,000)
Net defined benefit liability/(asset) at the end of the year		<u>7,849</u>	<u>7,975</u>
Reconciliation of the defined benefit obligation			
Present value of defined benefit obligations at the beginning of the year		22,469	22,110
Add			
Current service costs		358	454
Interest cost		518	665
Contributions by Scheme participants		14	32
Actuarial (gains) / losses arising from changes in financial assumptions		1,081	728
Actuarial (gains) / losses arising from liability experience		(100)	1,280
Actuarial (gains) / losses arising from changes in demographic assumptions		-	(881)
Less			
Benefits paid		(881)	(1,557)
Taxes, premiums and expenses paid		(501)	(362)
Present value of defined benefit obligations at the end of the year		<u>22,958</u>	<u>22,469</u>
Reconciliation of the fair value of Scheme assets			
		14,494	14,244
Add			
Interest income		341	453
Actual return on Scheme assets less interest income		(725)	684
Employer contributions		2,367	1,000
Contributions by Scheme participants		14	32
Less			
Benefits paid		(881)	(1,557)
Taxes, premiums and expenses paid		(501)	(362)
Fair value of Scheme assets at the end of the year		<u>15,109</u>	<u>14,494</u>
Reconciliation of the Assets and Liabilities recognised in the Statement of Financial Position			
Defined benefit obligation including contributions tax provision		22,958	22,469
Less			
Fair value of scheme assets		(15,109)	(14,494)
Defined benefit fund net liability	17	<u>7,849</u>	<u>7,975</u>
Expense recognised in the Statement of Comprehensive Income			
Service cost		358	454
Net interest		177	212
Defined benefit cost recognised in Net operating result		<u>535</u>	<u>666</u>
Amounts recognised in Other Comprehensive Income			
Actuarial (gains) / losses		981	1,127
Actual return on Scheme assets less interest income		725	(684)
Total remeasurements recognised in Other Comprehensive Income		<u>1,706</u>	<u>443</u>
Reconciliation of the Effect of the Asset Ceiling			
The asset ceiling has no impact on the net defined benefit liability.			

24. Superannuation Schemes – continued

(c) The University of Adelaide Superannuation Scheme A 1985 Plan No 2 - continued

Fair value of Scheme assets

As at 31 December 2018

	2018	Level 1	Level 2	Level 3
	\$'000	\$'000	\$'000	\$'000
Asset Category				
Investment Funds	15,109	-	15,109	-
	15,109	-	15,109	-

As at 31 December 2017

	2017	Level 1	Level 2	Level 3
	\$'000	\$'000	\$'000	\$'000
Asset Category				
Investment Funds	14,494	-	14,494	-
	14,494	-	14,494	-

Scheme assets

The percentage invested in each asset class at the reporting date:

	2018	2017
Australian equity	24%	40%
International equity	14%	16%
Fixed income	24%	36%
Property	9%	7%
Cash	29%	1%

Fair value of University's own financial instruments

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

	2018	2017
	\$'000	\$'000
Actual return on scheme assets	(384)	1,137

Significant actuarial assumptions at the balance date

Assumptions to determine Defined Benefit Cost

Discount rate	2.80%	3.30%
Expected salary increase rate	2.50%	3.00%
Expected pension increase rate	2.25%	2.50%

Assumptions to determine Defined Benefit Obligation

Discount rate	2.40%	2.80%
Expected salary increase rate	1.50%	2.50%
Expected pension increase rate	2.25%	2.25%

24. Superannuation Schemes – continued

(c) The University of Adelaide Superannuation Scheme A 1985 Plan No 2 - continued

Sensitivity Analysis

The defined benefit obligation as at 31 December 2018 under several scenarios is presented below.

Scenario A and B relate to discount rate sensitivity. Scenario C and D relate to salary increase rate sensitivity. Scenario E to H relate to sensitivities on pension assumptions.

- Scenario A: 0.5% pa lower discount rate assumption
- Scenario B: 0.5% pa higher discount rate assumption
- Scenario C: 0.5% pa lower salary increase rate assumption
- Scenario D: 0.5% pa higher salary increase rate assumption
- Scenario E: 0.5% pa lower pension increase rate assumption
- Scenario F: 0.5% pa higher pension increase rate assumption
- Scenario G: 10% lower pensioner mortality rate assumption
- Scenario H: 10% higher pensioner mortality rate assumption

	Base Case	A	B	C	D
		-0.5% pa discount rate	+0.5% pa discount rate	-0.5% pa salary increase rate	+0.5% pa salary increase rate
Discount rate	2.40%	1.90%	2.90%	2.40%	2.40%
Salary increase rate	1.50%	1.50%	1.50%	1.00%	2.00%
Defined benefit obligation [^] (\$'000)	22,958	24,457	21,596	22,949	22,968
	Base Case	E	F	G	H
		-0.5% pa pension increase rate	+0.5% pa pension increase rate	10% lower pensioner mortality rate	10% higher pensioner mortality rate
Pension increase rate	2.25% pa	1.75% pa	2.75% pa	2.25% pa	2.25% pa
Pensioner mortality (MSRP*)	100%	100%	100%	90%	110%
Defined benefit obligation [^] (\$'000)	22,958	21,650	24,383	23,954	22,043

[^] includes defined benefit contributions tax provision

* Mercer Standard Retiree Pensioner Mortality rates 2005-2009

The defined benefit obligation has been recalculated by changing the assumptions as outlined above, whilst retaining all other assumptions.

Asset-Liability matching strategies

The University is not aware of any asset and liability matching strategies adopted by the Scheme.

Expected contributions

The expected employer contributions for the year ended 31 December 2019 are \$0.3 million (2018: \$1.2 million).

Maturity profile of defined benefit obligation

The weighted average duration of the defined benefit obligation as at 31 December 2018 is 10 years.

Expected benefit payments for the financial year ending on	\$000
31 December 2019	1,859
31 December 2020	1,203
31 December 2021	1,206
31 December 2022	1,196
31 December 2023	1,367
Following 5 years	5,570

24. Superannuation Schemes – continued

(d) State Government Superannuation Schemes

In 1991, employees of the City Campus of the South Australian College of Advanced Education and Roseworthy Agricultural College were transferred to the University. Their terms of appointment to the University protected their membership of the State Pension Scheme and State Lump Sum Scheme. The schemes are administered by Super SA on behalf of the South Australian Superannuation Board. The schemes provide defined benefits and are mainly unfunded. The only employer contributions made in 2018 were 3% of salaries, and remaining benefits are met on an emerging cost basis.

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

An actuarial assessment of the University's superannuation liability with respect to future benefits for current employees and pensioners was performed by Brett & Watson Pty Ltd (the actuary) as at 31 December 2018, using the Projected Unit Credit Method. The actuarial valuation was based on 30 June 2018 membership data which was projected to 31 December 2018. The present value of the defined benefit obligations has been calculated to be \$67.8 million (2017: \$67.2 million).

The actuary estimates that, as at 31 December 2018, using AASB 119 Employee Benefits assumptions there is an unfunded liability of \$64.0 million (2017: \$63.5 million). This represents an increase in liability of \$0.5 million since 31 December 2017.

The Commonwealth Government has agreed to provide assistance under Division 41-10 Item 6 of the Higher Education Support Act 2003 to meet the additional costs in respect of State Government emerging cost schemes, where costs are in excess of funding provided. The accounting methodology employed in these financial statements is in accordance with "Financial Statement Guidelines for Australian Higher Education Providers for 2018 Reporting Period" provided by the Department of Education and Training. The accounting treatment employed is also consistent with the approach taken by other Australian Universities. Accordingly, total assets of \$67.8 million have been recorded as a "Deferred government superannuation contribution" which offsets the current and non-current liability for the State Government Superannuation Schemes recorded as "Defined Benefit Obligation".

Maturity Profile

The weighted average duration of the defined benefit obligation is 11.74 years (2017: 12.20 years). The expected maturity analysis of undiscounted benefit obligations is as follows:

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Defined Benefit obligation 31 December 2018	4,512	4,419	13,266	67,678	89,875
Defined Benefit obligation 31 December 2017	4,374	4,407	12,972	71,827	93,580

Plan Assets

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

	30 June 2018 (%)		30 June 2017 (%)	
	Active Market	Non-Active Market	Active Market	Non-Active Market
Australian Equities	26.5	-	26.0	-
International Equities	27.1	-	26.3	-
Property	2.4	13.9	2.2	13.0
Diversified Strategies Growth	0.7	13.2	1.0	10.8
Diversified Strategies Income	14.4	-	15.2	-
Inflation Linked Securities	0.7	0.2	3.2	1.0
Cash	0.9	-	1.3	-
Total	72.7	27.3	75.2	24.8

24. Superannuation Schemes – continued

(d) State Government Superannuation Schemes - continued

Reconciliation of the present value of the defined benefit obligation

	2018	2017
	\$000	\$000
Reconciliation of the Net Defined Benefit Liability/(Asset)		
Present value of defined benefit obligation at start of year	67,208	69,456
Current service costs	53	41
Interest cost	1,821	2,085
Actuarial (gains) / losses		
(a) Impact of changes in demographic assumptions	-	(912)
(b) Impact of changes in financial assumptions	2,605	1,973
(c) Experience items	24	(1,480)
Benefits and expenses paid	(3,945)	(3,955)
Present value of defined benefit obligations at end of year	<u>67,766</u>	<u>67,208</u>

Reconciliation of the fair value of the defined benefit plan assets

Fair value of Scheme assets at start of year	3,683	3,289
Interest income	101	98
Actual return on Scheme assets less interest income	(43)	291
Employer contributions	3,951	3,960
Benefits and expenses paid	(3,944)	(3,955)
Fair value of Scheme assets at end of year	<u>3,748</u>	<u>3,683</u>

Net Liability

Defined Benefit obligation	67,766	67,208
Fair value of scheme assets	(3,748)	(3,684)
Defined benefit fund net liability	<u>64,018</u>	<u>63,524</u>

Movement in Net Liability

Net superannuation liability/(asset) at start of year	63,524	66,167
Defined Benefit cost	1,772	2,028
Remeasurements	2,673	(711)
Employer contributions	(3,951)	(3,960)
Net superannuation liability/(asset) at end of year	<u>64,018</u>	<u>63,524</u>

Profit and Loss Impact

Service cost	53	41
Net interest	1,719	1,987
Defined Benefit cost	<u>1,772</u>	<u>2,028</u>

Other Comprehensive Income

Actuarial losses / (gains)	2,630	(420)
Actual return on assets less interest income	(43)	291
Total remeasurements in Other Comprehensive Income	<u>2,673</u>	<u>(711)</u>

24. Superannuation Schemes – continued

(d) State Government Superannuation Schemes - continued

Summary	Consolidated		University	
	2018 \$000	2017 \$000	2018 \$000	2017 \$000
Deferred Government Superannuation Contribution				
Current asset	4,500	4,400	4,500	4,400
Non-current asset	63,266	62,808	63,266	62,808
	67,766	67,208	67,766	67,208
Defined Benefit Obligation				
Current liability	4,500	4,400	4,500	4,400
Non-current liability	63,266	62,808	63,266	62,808
	67,766	67,208	67,766	67,208

Major economic assumptions

The following major assumptions have been made in assessing the defined benefit superannuation liabilities as at balance date:

	2018	2017
Discount rate	2.4%	2.8%
Long term salary rate increases	4.0%	4.0%
Long term CPI increases	2.5%	2.5%

Sensitivity Analysis

The defined benefit obligation as at 31 December 2018 under several scenarios is presented below.

Scenario A and B relate to discount rate sensitivity. Scenario C and D relate to salary increase rate sensitivity. Scenario E and F relate to sensitivities on pension increase assumptions.

- Scenario A: Discount Rate Plus 0.5%
- Scenario B: Discount Rate Less 0.5%
- Scenario C: Salary Increase Rate Plus 0.5%
- Scenario D: Salary Increase Rate Less 0.5%
- Scenario E: Pension Increase Rate Plus 0.5%
- Scenario F: Pension Increase Rate Less 0.5%

	Base Case	A	B	C
Present value of defined benefit obligation (\$'000)	67,766			
Defined benefit obligation (\$'000)		64,535	71,270	67,811
Change in Defined benefit obligation (%)		-4.8%	5.2%	0.1%

	Base Case	D	E	F
Present value of defined benefit obligation (\$'000)	67,766			
Defined benefit obligation (\$'000)		67,724	71,382	64,404
Change in Defined benefit obligation (%)		-0.1%	5.3%	-5.0%

24. Superannuation Schemes – continued

(e) Contributions		2018	2017
The total employer contributions were:	Note	\$000	\$000
UniSuper Defined Benefit Division (UniSuper Defined Contribution Plan) or Accumulation Super 2		40,415	39,166
Accumulation Super 1		19,787	19,319
Super SA		52	52
State Government Superannuation Schemes (3%)		5	5
The University of Adelaide Superannuation Scheme A 1985 Plan No 2		34	95
Self-managed funds		93	125
		<u>60,386</u>	<u>58,762</u>

25. Disaggregation Information

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

26. Auditors' Remuneration

	Consolidated		University	
	2018	2017	2018	2017
	\$000	\$000	\$000	\$000

During the year, the following fees were paid for services provided by the auditors of the University and its Controlled Entities.

Audit of the Financial Statements

Fees paid to South Australian Auditor-General	308	299	308	299
Other auditors of controlled entities	58	71	-	-
	<u>366</u>	<u>370</u>	<u>308</u>	<u>299</u>

Other audit and assurance services

Other auditors of controlled entities	6	8	-	-
	<u>372</u>	<u>378</u>	<u>308</u>	<u>299</u>

Amounts paid or payable for other audit and assurance services relate to the provision of accounting services.

27. The University Council Members and Senior Management

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

University Council Members

Ex officio	Rathjen, Professor Peter	appointed 8/1/2018
	Brooks, Professor Mike	ceased 7/1/2018
	Scarce AC CSC RAN (Rtd), Rear Admiral The Hon Kevin	re-appointed 1/12/2018
	Williams, Professor John	
Appointed	Branson QC, The Hon Catherine	
	Hill, Mr David	re-appointed 1/1/2018
	Liddle, Ms Kerryne	resigned 22/4/2018
	Locher, Ms Christine	
	Presser, Ms Kathryn	
Elected Staff	Siebels, Mr Peter	resigned 31/12/2018
	Abell, Professor Andrew	
Elected Graduates	Coleman, Mr Lachlan	
	Andrew, Dr Martin	elected 6/9/2018
	Day, Mr Robin Elliott	ceased 5/9/2018
	Storer, Mr Timothy	resigned 16/2/2018
Students	Watson AM, Dr Bruce Ian	ceased 5/9/2018
	Hopkins, Mr Jarrad	ceased 5/3/2018
	Matthews, Mr Richard	
	Morphett, Ms Georgina	ceased 5/3/2018
	Reschke, Mr Michael	elected 6/3/2018

University Senior Management

Beaumont, Dr Nicole	
Brooks, Professor Mike	
Burt, Professor Alastair	
Cromar, Professor Nancy	
Davis, Ms Inga	
Deegan, Ms Virginia	commenced 23/4/2018
Findlay AM, Professor Christopher	ceased 19/10/2018
Jones, Professor Keith	commenced 1/10/2018
Levy, Professor Phillipa	
Liebelt, Professor Michael	ceased 30/9/2018, commenced 5/11/2018
Lindsay, Professor Noel	
Lines, Mr Bruce	
Middelberg, Professor Anton	
Mitchell, Mr Tony	
Owens, Professor Julie	ceased 30/11/2018
Quester, Professor Pascale	
Rathjen, Professor Peter	commenced 8/1/2018
Ryan, Ms Elysia	commenced 23/4/2018
Shaw, Professor Jennie	
Williams, Professor John	
Wright, Ms Bev	commenced 23/4/2018

2018 2017
\$000 \$0

27. The University Council Members and Senior Management - continued

(b) Remuneration of the University Council Members and Senior Management

University Council Members

Total remuneration paid to members of Council, or members of its standing committees for the financial year in their role as councillor or members of those committees, is shown below in their relevant bands. Some members of Council are employees of the University or were contractors of the University, and as such receive remuneration in the course of their employment with the University.

\$	\$	Number	Number
NIL		19	24
30,000	-	1	-
45,000	-	-	1
		<u>20</u>	<u>25</u>

The University paid the travel and accommodation costs of some University Council Members to enable attendance at Council meetings during the year. All costs were incurred on normal commercial terms.

University Senior Management

Short-term employee benefits	6,878	5,820
Other long-term benefits	1,001	977
Termination benefits	382	19
Total senior management personnel compensation	<u>8,261</u>	<u>6,816</u>

\$	\$	Number	Number
145,000	-	2	1
190,000	-	-	1
205,000	-	-	1
220,000	-	1	-
235,000	-	1	-
265,000	-	1	1
280,000	-	-	1
310,000	-	-	2
325,000	-	3	-
340,000	-	1	1
355,000	-	1	3
370,000	-	1	-
385,000	-	1	1
400,000	-	1	2
415,000	-	2	1
520,000	-	-	1
535,000	-	1	-
550,000	-	1	1
565,000	-	1	-
595,000	-	1	-
715,000	-	-	1
1,045,000	-	1	-
		<u>20</u>	<u>18</u>

The Department of Education and Training Guidelines specify that senior management personnel are persons having authority and responsibility for planning, directing and controlling the activities of the whole University, directly or indirectly, including any director (whether executive or otherwise) of the University.

Remuneration is based upon the total remuneration package which includes employer and employee (pre tax) superannuation contributions and termination payments, due and receivable, by senior managers from the University while holding a University senior management position. Only senior managers with remuneration in excess of one hundred and thirty thousand have been included in salary bands.

28. Financial Instruments

(a) Interest Rate Risk

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

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

	Note	Floating	Fixed Maturity Dates					Non-	Total
		Interest Rate	Less than 1 year	1-2 years	2-3 years	3-4 years	4-5 years	5+ years	
		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
2018									
Financial Assets									
Cash & Cash Equivalents	6	37,780	-	-	-	-	-	308	38,088
Receivables	7	-	-	-	-	-	-	25,161	25,161
Other Financial Assets	8, 12	-	15,000	-	-	-	-	325,842	340,842
		37,780	15,000	-	-	-	-	351,311	404,091
Financial Liabilities									
Derivative Financial Instruments	9	-	-	-	-	-	-	11,728	11,728
Payables	15	-	-	-	-	-	-	81,734	81,734
Borrowings	16	-	5,000	7,500	7,500	7,500	5,250	44,750	77,510
		-	5,000	7,500	7,500	7,500	5,250	44,750	93,472

28. Financial Instruments - continued

	Note	Floating	Fixed Maturity Dates					Non-	Total	
		Interest Rate \$000	Less than 1 year \$000	1-2 years \$000	2-3 years \$000	3-4 years \$000	4-5 years \$000	5+ years \$000	Interest Bearing \$000	\$000
2017										
Financial Assets										
Cash & Cash Equivalents	6	35,212	-	-	-	-	-	-	860	36,072
Receivables	7	-	-	-	-	-	-	-	25,565	25,565
Financial Assets	8	-	-	-	-	-	-	-	326,141	326,141
Financial Assets Held to Maturity	8	-	10,000	-	-	-	-	-	-	10,000
Other Financial Assets	8, 12	-	31	-	-	-	-	-	1,460	1,491
		<u>35,212</u>	<u>10,031</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>354,026</u>	<u>399,269</u>
Financial Liabilities										
Derivative Financial Instruments	9	-	-	-	-	-	-	-	12,923	12,923
Payables	15	-	-	-	-	-	-	-	67,012	67,012
Borrowings	16	-	5,000	7,500	7,500	7,500	5,250	49,750	10	82,510
		<u>-</u>	<u>5,000</u>	<u>7,500</u>	<u>7,500</u>	<u>7,500</u>	<u>5,250</u>	<u>49,750</u>	<u>79,945</u>	<u>162,445</u>

28. Financial Instruments - continued

(b) Foreign Exchange Risk

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

The Consolidated Entity has entered into foreign currency swaps to manage foreign currency exposures on capital expenditure and library subscriptions. Further details are contained in Note 3(l).

(c) Credit Risk Exposures

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

(i) On Statement of Financial Position financial instruments

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

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

(ii) Off Statement of Financial Position financial instruments

The reporting entity and its controlled entities do not possess or trade any off Statement of Financial Position financial instruments.

(d) Liquidity Risk

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

(e) Fair Values of Financial Assets and Financial Liabilities

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

(i) On Statement of Financial Position financial instruments

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

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

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

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

(ii) Off Statement of Financial Position financial instruments

The reporting entity and its controlled entities do not possess or trade any off Statement of Financial Position financial instruments.

29. Fair Value Measurements

(a) Fair value measurements

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

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

The carrying amounts and aggregate fair values of financial assets and liabilities at the end of the reporting period are:

		Carrying Amount		Fair Value	
		2018	2017	2018	2017
		\$000	\$000	\$000	\$000
Financial assets					
Cash and cash equivalents	6	38,088	36,072	38,088	36,072
Receivables	7	25,161	25,565	25,161	25,565
Investments using the equity method	12	266	1,460	266	1,460
Other financial assets at amortised cost	8	15,000	-	15,000	-
Other financial assets at fair value through profit or loss	8	287,681	-	287,681	-
Investments in equity instruments designated at fair value through other comprehensive income	8	37,895	-	37,895	-
Other financial assets	8	-	336,172	-	336,172
Total financial assets		404,091	399,269	404,091	399,269
Financial liabilities					
Payables	15	81,734	67,012	81,734	67,012
Borrowings	16	77,510	82,510	77,510	82,510
Derivative Financial Instruments	9	11,728	12,923	11,728	12,923
Total financial liabilities		170,972	162,445	170,972	162,445

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

- Financial assets at fair value through profit or loss
- Investments in equity instruments designated at fair value through other comprehensive income
- Investments using the equity method
- Derivative financial instruments
- Other financial assets
- Land and buildings
- Library collection
- Works of art
- Borrowings

The Consolidated Entity has also measured assets and liabilities at fair value on a non-recurring basis as a result of the reclassification of assets as held for sale.

(b) Fair value hierarchy

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

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - inputs other than quoted prices within level 1 that are observable for the asset or liability either directly or indirectly

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs)

29. Fair Value Measurements - continued

(i) Recognised fair value measurements

Fair value measurements recognised in the Statement of Financial Position are categorised into the following levels at 31 December 2018.

Fair Value measurements at 31 December 2018		2018	Level 1	Level 2	Level 3
	Note	\$'000	\$'000	\$'000	\$'000
Financial assets					
Other financial assets at amortised cost	8	15,000	15,000	-	-
Other financial assets at fair value through profit or loss	8	287,681	-	287,681	-
Investments in equity instruments designated at fair value through other comprehensive income	8	37,895	-	-	37,895
Investments using the equity method	12	266	-	-	266
Total recurring financial assets		340,842	15,000	287,681	38,161
Non-financial assets					
Library collection	13	10,815	-	-	10,815
Other land and buildings	13	342,731	-	342,731	-
Trust land and buildings	13	968,933	-	-	968,933
Works of art	13	8,524	-	8,524	-
Total recurring non-financial assets		1,331,003	-	351,255	979,748
Financial liabilities					
Borrowings	16	77,510	-	77,510	-
Derivative financial instruments	9	11,728	-	11,728	-
Total liabilities		89,238	-	89,238	-

Fair Value measurements at 31 December 2017

Recurring fair value measurements

Fair Value measurements at 31 December 2017		2017	Level 1	Level 2	Level 3
	Note	\$'000	\$'000	\$'000	\$'000
Financial assets					
Financial assets at fair value through profit or loss	8	326,141	430	297,860	27,851
Investments using the equity method	12	1,460	-	-	1,460
Other financial assets	8	10,031	10,000	31	-
Total financial assets		337,632	10,430	297,891	29,311
Non-financial assets					
Library collection	13	11,960	-	-	11,960
Other land and buildings	13	350,110	-	350,110	-
Trust land and buildings	13	952,385	-	-	952,385
Works of art	13	8,521	-	8,521	-
Total non-financial assets		1,322,976	-	358,631	964,345
Financial liabilities					
Borrowings	16	82,510	-	82,510	-
Derivatives financial instruments	9	12,923	-	12,923	-
Total financial liabilities		95,433	-	95,433	-

29. Fair Value Measurements - continued

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year.

For transfers in and out of level 3 measurements see (d) below.

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

(ii) Disclosed fair values

The fair value of assets or liabilities traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices for identical assets or liabilities at the end of the reporting period (level 1). This is the most representative of fair value in the circumstances.

The fair values of held-to-maturity investments that are disclosed in note 8 were determined by reference to published price quotations in an active market (level 1).

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

The fair value of non-current borrowings disclosed in note 16 is estimated by discounting the future contractual cash flows at the current market interest rates that are available to the group for similar financial instruments. For the period ending 31 December 2018, the borrowing rates were determined to be between 3.0% and 3.3%, depending on the type of borrowing. The fair value of current borrowings approximates the carrying amount, as the impact of discounting is not significant (level 2).

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

Recurring fair value measurements

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

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities and investments using the equity method.

The Consolidated Entity uses a variety of methods and makes assumptions that are based on market conditions existing at the end of the reporting period.

Specific valuation techniques used to value financial instruments include:

- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the end of the reporting period

All of the resulting fair value estimates are included in level 2 except for unlisted equity securities and investments using the equity method explained in (d) below.

29. Fair Value Measurements - continued

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

The following table is a reconciliation of level 3 items for the period ended 31 December 2018 and 2017:

Level 3 Fair Value Measurements 2018

	Trust Land and Buildings	Investments Using the Equity Method	Unlisted Equity Investments	Library Collection	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance	952,385	1,460	27,851	11,960	993,656
Effect of adoption of new accounting standards	-	-	1,152	-	1,152
Restated balance as at 1 January 2018	952,385	1,460	29,003	11,960	994,808
Acquisitions	37,097	-	180	198	37,475
Disposals	-	(11)	(577)	(14)	(602)
Recognised in Net operating result	(20,549)	-	-	(1,329)	(21,878)
Reclassification to unlisted equity investments	-	(1,178)	-	-	(1,178)
Recognised in other comprehensive income	-	(5)	9,289	-	9,284
Closing balance	968,933	266	37,895	10,815	1,017,909

Level 3 Fair Value Measurements 2017

Opening balance	956,249	2,002	20,430	17,089	995,770
Acquisitions	16,749	-	-	753	17,502
Disposals	(643)	-	-	(4,173)	(4,816)
Recognised in Net operating result	(19,970)	-	7,421	(1,709)	(14,258)
Recognised in other comprehensive income	-	(542)	-	-	(542)
Closing balance	952,385	1,460	27,851	11,960	993,656

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

There were no transfers between levels 2 and 3 during the year. There were no changes in valuation techniques during the year.

29. Fair Value Measurements - continued

(ii) Valuation inputs and relationships to fair value

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

Description	Fair value at 31 Dec 2018 \$'000	Un- observable inputs	Range of inputs (probability weighted average)	Relationship of unobservable inputs to fair value
Investments using the equity method	266	Earnings growth factor	2.0% - 3.0% (2.5%)	Increased earnings growth factor of 1% would increase fair value by \$3,000; lower growth factor of 1% would decrease fair value by \$3,000.
Unlisted Equity Investments	37,895	Earnings growth factor	2.0% - 3.0% (2.5%)	Increased earnings growth factor of 1% would increase fair value by \$379,000; lower growth factor of 1% would decrease fair value by \$379,000.
Library Collection	10,815	Price of bound books	4.0% - 5.0% (4.5%)	The higher the price of bound books, the higher the fair value, with a 1% increase increasing the library collection value by \$108,000. A decrease of 1% will decrease the fair value by \$108,000.

(iii) Valuation processes

The Finance and Procurement Branch of the Consolidated Entity includes a team that performs the valuations of non-property items required for financial reporting purposes, including level 3 fair values. This team reports directly to the Chief Financial Officer (CFO).

The Consolidated Entity engages external, independent and qualified valuers to determine the fair value of the other land and buildings at least every three years. As at 31 December 2016, the fair values of the land and buildings were determined by AssetVal Pty Ltd.

Trust buildings have been valued using the depreciated replacement cost (DRC) method, where DRC is defined as the current replacement cost of an asset less accumulated depreciation calculated on the basis of the already consumed or expired service potential / estimated remaining useful life of the asset.

Land and other buildings have been valued using the direct comparison approach, which determines the current value of an asset by reference to recent comparable transactions involving the sale of similar assets. Adjustments are subsequently made for specific attributes including, but not limited to, size, topography, zoning and restrictions of use for Trust land to determine the value of the subject property.

30. Investments in Controlled Entities

The consolidated financial statements incorporate the assets, liabilities and results of the following controlled entities in accordance with the accounting policy described in Note 3(b).

Controlled Entity	Holding		Investment at Fair Value		Investment at Cost		Contribution to Operating Result	
	2018	2017	2018	2017	2018	2017	2018	2017
	%	%	\$000	\$000	\$000	\$000	\$000	\$000
The Adelaide Research & Innovation Investment Trust	100	100	209	276	-	-	(67)	(124)
ACN 008 123 466 Pty Ltd	100	100	-	40	50	50	(44)	(33)
Adelaide Unicare Pty Ltd	100	100	11,373	11,397	-	-	(24)	(526)
Australian Advanced Materials Manufacturing Pty Ltd	100	-	3	-	-	-	3	-
Australian Centre for Plant Functional Genomics Pty Ltd	100	100	203	355	-	-	6	178
Martindale Holdings Pty Ltd as trustee for:								
· JS Davies Estate	83	83	-	-	-	-	-	13
· Roseworthy Farm	100	100	1,816	1,985	-	-	162	416
National Wine Centre Pty Ltd	100	100	1,002	993	-	-	9	189
Roseworthy Piggery Pty Ltd	-	100	-	-	-	100	-	(93)
The Women's and Children's Health Research Institute	-	100	-	-	-	-	-	(7,503)
			14,606	15,046	50	150	45	(7,483)

All of the above controlled entities are incorporated in Australia.

Controlled Entity	Principal Activities
The Adelaide Research & Innovation Investment Trust	The University commercial arm that connects the community with a network of University of Adelaide researchers for purpose of research, development and innovation. The connection extends to commercialisation of the research developed. The Adelaide Research & Innovation Investment Trust continues to operate to complete existing commercial contracts, with a view to dissolution of the entity at the expiry of those existing contracts.
ACN 008 123 466 Pty Ltd	Non-operating entity previously Repromed Pty Ltd. Shares transferred to the University during 2016 from The Adelaide Research & Innovation Investment Trust.
Adelaide Unicare Pty Ltd	Manages the activities and operations of medical practices to provide placements for the teaching of medical students from the University of Adelaide. The practices provide quality general medical care to students, staff and the public.
Australian Advanced Materials Manufacturing Pty Ltd	Established to provide an advanced 3D printing facility operating as a metal additive manufacturing centre available on a commercial basis. The University of Adelaide acquired the shares in Australian Advanced Materials Manufacturing Pty Ltd on 8 May 2018.
Australian Centre for Plant Functional Genomics Pty Ltd	Responsible for the development of world-class capability in plant genomic research and its application for economic and social benefit to Australia. The Australian Centre for Plant Functional Genomics Pty Ltd became a controlled entity of the University effective 15 May 2017 and continues to operate to complete existing commercial contracts, with a view to deregistration of the company at the expiry of those existing contracts.
Martindale Holdings Pty Ltd as trustee for:	Trustee Company for the following:
· JS Davies Estate	Established to operate farming properties that were bequeathed to the University of Adelaide and Prince Alfred College. This venture is no longer operating.
· Roseworthy Farm	Manages the broadacre farm operations at the University Roseworthy Campus.
National Wine Centre Pty Ltd	Operates the National Wine Centre complex undertaking banquets, events, conference space & wine tourism, and other catering operations as directed by the University of Adelaide.
Roseworthy Piggery Pty Ltd	Established to manage the piggery located on the Roseworthy Campus. Effective 25 October 2017, the net assets and operations of the Roseworthy Piggery Pty Ltd were transferred to the University of Adelaide and the Roseworthy Piggery Pty Ltd was deregistered on 20 April 2018.
The Women's and Children's Health Research Institute	Medical research institute investing in research towards improving the health of women and children, focussed on maternal and child nutrition, diseases of the blood and immune system and the development and repair of the digestive system, skull and skin. Effective 15 December 2017, the investment assets of The Women's and Children's Health Research Institute were donated to the University and the Women's and Children's Health Research Institute was deregistered on 21 June 2018.

31. Investments in Associates

(a) Equity and Contribution to Operating Result

The University does not recognise any investments in associates as at 31 December 2018. The Australian Centre for Plant Functional Genomics Pty Ltd became a controlled entity of the University effective 15 May 2017 (refer Note 30) and thus ceased to be recognised as an investment in associate at that date. The University interest in SNAP Network Surveillance Pty Ltd reduced to 9% during 2017 and as a result the University ceased to have significant influence and the entity has not been accounted for using the equity method in 2017 or 2018.

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

The University has a 33% interest in an incorporated associate, eResearch SA Ltd, which has been established to support the development, implementation and use of eResearch methodologies and activities in South Australia, and to provide access to eResearch facilities and practical support for researchers from all disciplines. eResearch SA Ltd is not accounted for using the equity method as the University does not have access to the residual assets of the entity.

	Consolidated		University	
	2018	2017	2018	2017
	\$000	\$000	\$000	\$000
(b) Movements in Carrying Amounts of Investments in Associates				
At beginning of financial year	-	231	-	-
Share of operating result	-	(231)	-	-
	-	-	-	-
(c) Results Attributed to Associates				
Operating result	-	(231)	-	-
Retained surplus attributable to associates at the beginning of the financial year	-	231	-	-
Retained surplus attributable to associates at the end of the financial year	-	-	-	-

(d) Accounting for Associates

(i) Capital and other expenditure commitments

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

(ii) Contingent liabilities

There are no material contingent liabilities relating to associates.

(iii) Post balance date events

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

(iv) Assets, liabilities, revenue and expenditure

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

(v) Off Statement of Financial Position financial instruments

Neither the Consolidated Entity, nor any of its associates, have any off Statement of Financial Position financial instruments.

32. Interests in Cooperative Research Centres (CRCs)

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

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

		Participation
Energy Pipelines CRC	(I)	7%
CRC for High Integrity Australian Pork	(I)	11%
Bushfire and Natural Hazards CRC	(I)	1%
Data to Decisions CRC	(I)	11%
Innovative Manufacturing CRC (IMCRC)	(I)	5%
CRC for Honey Bee Products	(I)	2%

(I) Incorporated

(U) Unincorporated

The University was a supporting participant for the CRC for Water Sensitive Cities and CRC for Sheep Industry Innovation and the CRC for Cell Therapy Manufacturing.

The University over the next five years will make both cash and in-kind contributions to support the work of the CRCs. The University has committed to participate in the work of these CRCs, with contributions in constant dollars, \$3.3 million in cash (2017: \$1.7 million) and \$23.0 million in-kind (2017: \$11.4 million).

33. Interests in Joint Ventures

(a) Joint Ventures Accounted for Using the Equity Method

<u>Name</u>	<u>Principal Activity</u>	<u>Participation</u>	
Ngee Ann Adelaide Education Centre Pte Ltd	Operates a graduate education centre in Singapore	(I)	0%
Middleback Field Centre	To provide pastoral-zone courses and range land ecology research programmes.	(U)	33%
Professional Certificate in Arbitration	To develop and deliver tertiary courses in arbitration.	(U)	50%
South Australian Tertiary Admissions Centre Limited	Established as the agent for tertiary institutions in Adelaide for the purpose of receiving and processing applications from intending students.	(I)	20%
Adelaide Proteomics Centre (APC)	Provision of cost effective and high quality proteomic analysis to researchers conducting basic and applied research.	(U)	0%
Mining Education Australia	Provision of a collaborative national mining education program for the benefit of mining engineering students.	(U)	25%

(I) Incorporated

(U) Unincorporated

All joint ventures have a 31 December reporting period.

34. Related Parties

(a) Parent entity

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

(b) Controlled entities, joint arrangements and associates

Investments in controlled entities are detailed in Note 30, investments in associates are detailed in Note 31 and interests in joint arrangements are detailed in Note 33.

(c) Council members and senior management

Disclosures relating to the University Council Members and Senior Management are detailed in Note 27.

(d) Councillor and senior management related transactions

Certain councillors and senior management are members of incorporated and unincorporated associations that are an integral part of the University. Transactions between these bodies, the University council members and senior management, in respect of services provided to council members and senior management, are trivial in nature.

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

A review of identified related party transactions found that they were immaterial within the context of the University of Adelaide's financial statements. Further, all identified related party transactions occurred on terms and conditions similar to those applying to third party entities, and also occurred during the course of the University delivering on its objectives.

(e) Outstanding balances

A review of identified outstanding balances to or from related parties found that they were immaterial within the context of the University of Adelaide's financial statements. No provision for impaired receivables has been raised in relation to any outstanding balances due from related parties.

(f) Students at The University of Adelaide

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

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

35. Income Statement for the Year Ended 31 December 2018

	Note	Consolidated		University	
		2018 \$000	2017 \$000	2018 \$000	2017 \$000
REVENUE FROM CONTINUING OPERATIONS					
Australian Government financial assistance	36(f)	504,470	494,362	504,470	494,382
State and Local Government financial assistance	38	20,393	21,825	19,912	21,354
HECS-HELP - Student Payments	4	9,930	10,428	9,930	10,428
Fees and charges	39	268,135	246,561	267,737	246,269
Investment income		13,708	39,535	14,009	39,095
Royalties, trademarks and licenses	4	6,027	7,856	6,027	9,397
Consultancy and contracts	40	61,644	65,558	60,643	59,378
Net gain on disposal of assets	4	497	-	-	-
Other revenue		48,633	60,761	32,374	48,907
Total revenue from continuing operations		933,437	946,886	915,102	929,210
EXPENSES FROM CONTINUING OPERATIONS					
Salaries and related expenses	5	516,752	508,719	507,361	499,006
Depreciation and amortisation	5	62,912	56,138	62,491	55,567
Buildings and grounds	5	65,465	59,052	64,461	58,262
Bad and doubtful debts	5	132	344	132	320
Finance costs	5	4,960	5,186	4,960	5,201
Net unrealised loss on endowment fund investments designated as fair valued through profit or loss	5	14,753	-	14,753	-
Scholarships, grants and prizes		43,692	40,414	43,692	40,414
Non-capitalised equipment	5	11,187	10,694	11,187	10,694
Advertising, marketing and promotional expenses		5,831	5,518	5,638	5,355
Net losses on disposal of assets	5	-	6,293	169	6,293
Write down of land to recoverable amount		3,300	-	3,300	-
Other expenses		208,743	199,020	200,781	183,268
Total expenses from continuing operations		937,727	891,378	918,925	864,380
Net operating result for the year		(4,290)	55,508	(3,823)	64,830

	Note	Consolidated		University	
		2018 \$000	2017 \$000	2018 \$000	2017 \$000
36. Australian Government Financial Assistance					
(a) Education - Commonwealth Grants Scheme and Other Education Grants	37(a)				
Commonwealth Grants Scheme		165,933	166,102	165,933	166,102
Teaching Hospitals Grant		1,069	1,074	1,069	1,074
Indigenous Student Success Program		1,200	-	1,200	-
Higher Education Participation and Partnership Program		2,563	2,587	2,563	2,587
Disability Support Program		43	50	43	50
Promotion of Excellence in Learning & Teaching Program		-	20	-	20
		170,808	169,833	170,808	169,833
(b) Higher Education Loan Programmes	37(b)				
HECS-HELP		105,464	103,886	105,464	103,886
FEE-HELP		10,427	10,692	10,427	10,692
SA-HELP		3,225	3,173	3,225	3,173
		119,116	117,751	119,116	117,751
(c) Education Research	37(c)				
Research Training Programs		46,899	46,557	46,899	46,557
Research Support Program		41,261	42,608	41,261	42,608
		88,160	89,165	88,160	89,165
(d) Other Capital Funding	37(d)				
Linkage Infrastructure, Equipment and Facilities grant		1,225	1,830	1,225	1,830
		1,225	1,830	1,225	1,830
(e) Australian Research Council					
(i) Discovery	37(e)				
Projects		9,870	9,116	9,870	9,116
Fellowships		8,031	10,069	8,031	10,069
Indigenous Researchers Development		450	219	450	219
		18,351	19,404	18,351	19,404
(ii) Linkages	37(e)				
Projects		2,256	2,790	2,256	2,790
Industrial Transformation Research Program		2,267	2,946	2,267	2,946
		4,523	5,736	4,523	5,736
(iii) Networks and Centres	37(e)				
Centres		3,610	6,818	3,610	6,818
		3,610	6,818	3,610	6,818
Total ARC		26,484	31,958	26,484	31,958

	Note	Consolidated		University	
		2018 \$000	2017 \$000	2018 \$000	2017 \$000
36. Australian Government Financial Assistance - continued					
(f) Other Australian Government financial assistance received:					
Non-Capital					
Attorney General's Department		519	495	519	495
Australian Centre for International Agricultural Research		3,631	3,279	3,631	3,279
Australian Renewable Energy Agency		2,187	769	2,187	769
CSIRO		1,039	718	1,039	718
Defence, Science and Technology Organisation		4,929	4,236	4,929	4,236
Department of Agriculture and Water Resources		7,910	5,314	7,910	5,314
Department of Communications and Arts		297	277	297	277
Department of Defence		2,038	719	2,038	719
Department of Education and Training		10,365	9,725	10,365	9,725
Department of the Environment and Energy		89	566	89	247
Department of Families, Housing, Community Services and Indigenous Affairs		475	-	475	-
Department of Foreign Affairs and Trade		301	4,017	301	4,017
Department of Health		12,736	12,104	12,736	12,104
Department of the Prime Minister and Cabinet		-	1,293	-	1,293
Department of Industry, Innovation and Science		1,624	1,582	1,624	1,582
Department of Veterans' Affairs		1,658	686	1,658	686
Grains Research & Development Corporation		18,000	10,384	18,000	10,384
National Health & Medical Research Council		30,591	27,939	30,591	27,939
Other		288	61	288	61
		98,677	84,164	98,677	83,845
Reconciliation					
Australian Government grants		385,354	376,631	385,354	376,631
Higher Education Loan Programmes		119,116	117,751	119,116	117,751
		504,470	494,382	504,470	494,382
(g) Australian Government grants received - cash basis					
CGS and Other Education Grants	37(a)	171,002	169,487	171,002	169,487
Higher Education Loan Programmes	37(b)	120,532	114,630	120,532	114,630
Education Research	37(c)	88,160	89,165	88,160	89,165
Other Capital Funding	37(d)	1,225	1,830	1,225	1,830
ARC Grants - Discovery	37(e)	18,351	19,404	18,351	19,404
ARC Grants - Linkages	37(e)	4,523	5,736	4,523	5,736
ARC Grants - Networks and Centres	37(e)	3,610	6,818	3,610	6,818
Other Australian Government Grants		97,229	85,974	97,229	85,974
		504,632	493,044	504,632	493,044
OS-Help (Net)	37(f)	(70)	(2,010)	(70)	(2,010)
Higher Education Superannuation	37(f)	3,818	3,872	3,818	3,872
		508,380	494,906	508,380	494,906

37. Acquittal of Australian Government Financial Assistance

(a) Education - Commonwealth Grants Scheme and Other Education Grants

Parent Entity (University) Only

	Notes	Commonwealth Grants Scheme		Teaching Hospitals Grant		Indigenous Student Success Program		Higher Education Participation Program		Disability Support Program	
		2018 \$000	2017 \$000	2018 \$000	2017 \$000	2018 \$000	2017 \$000	2018 \$000	2017 \$000	2018 \$000	2017 \$000
Financial assistance received in cash during the reporting period		166,127	165,756	1,069	1,074	1,200	-	2,563	2,587	43	50
Net accrual adjustments		(194)	346	-	-	-	-	-	-	-	-
Revenue for the period	36(a)	165,933	166,102	1,069	1,074	1,200	-	2,563	2,587	43	50
Surplus/(Deficit) from the previous year		-	-	-	-	81	446	-	1,818	6	-
Total revenue including accrued revenue		165,933	166,102	1,069	1,074	1,281	446	2,563	4,405	49	50
Less expenses including accrued expenses		165,933	166,102	1,069	1,074	1,107	365	2,563	4,405	49	44
Surplus/(Deficit) for the reporting period		-	-	-	-	174	81	-	-	-	6

37. Acquittal of Australian Government Financial Assistance - continued

(a) Education - Commonwealth Grants Scheme and Other Education Grants

Parent Entity (University) Only

	Notes	Promotion of Excellence in Learning & Teaching Program		Reward Funding Program		Total	
		2018 \$000	2017 \$000	2018 \$000	2017 \$000	2018 \$000	2017 \$000
Financial assistance received in cash during the reporting period	36(g)	-	20	-	-	171,002	169,487
Net accrual adjustments		-	-	-	-	(194)	346
Revenue for the period	36(a)	-	20	-	-	170,808	169,833
Surplus/(Deficit) from the previous year		549	602	463	463	1,099	3,329
Total revenue including accrued revenue		549	622	463	463	171,907	173,162
Less expenses including accrued expenses		475	73	463	-	171,659	172,063
Surplus/(Deficit) for the reporting period		74	549	-	463	248	1,099

37. Acquittal of Australian Government Financial Assistance - continued

(b) Higher Education Loan Programmes

Parent Entity (University) Only

	Notes	HECS-HELP		FEE-HELP		SA-HELP		Total	
		2018 \$000	2017 \$000	2018 \$000	2017 \$000	2018 \$000	2017 \$000	2018 \$000	2017 \$000
Cash Payable/(Receivable) at beginning of year		(1,805)	1,414	34	(58)	3	(3)	(1,768)	1,353
Financial assistance received in cash during the reporting period	36(g)	107,010	100,667	10,298	10,784	3,224	3,179	120,532	114,630
Cash available for period		105,205	102,081	10,332	10,726	3,227	3,176	118,764	115,983
Revenue earned	36(b)	105,464	103,886	10,427	10,692	3,225	3,173	119,116	117,751
Cash Payable/(Receivable) at end of year		(259)	(1,805)	(95)	34	2	3	(352)	(1,768)

37. Acquittal of Australian Government Financial Assistance - continued

(c) Education Research

Parent Entity (University) Only

	Notes	Research Training Program		Research Support Program		Total	
		2018 \$000	2017 \$000	2018 \$000	2017 \$000	2018 \$000	2017 \$000
Financial assistance received in cash during the reporting period	36(g)	46,899	46,557	41,261	42,608	88,160	89,165
Net accrual adjustments		-	-	-	-	-	-
Revenue for the period	36(c)	46,899	46,557	41,261	42,608	88,160	89,165
Surplus/(Deficit) from the previous year		-	867	-	596	-	1,463
Total revenue including accrued revenue		46,899	47,424	41,261	43,204	88,160	90,628
Less expenses including accrued expenses		46,899	47,424	41,261	43,204	88,160	90,628
Surplus/(Deficit) for the reporting period		-	-	-	-	-	-

Total Higher Education Provider Research Training Program expenditure

	Total domestic students \$000	Total overseas students \$000	Total students \$000
Research Training Program Fees offsets	32,189	1,586	33,775
Research Training Program Fees Stipends	13,064	-	13,064
Research Training Program Fees Allowances	60	-	60
Total for all types of support	45,313	1,586	46,899

37. Acquittal of Australian Government Financial Assistance - continued

(d) Other Capital Funding

Parent Entity (University) Only

	Notes	Teaching and Learning Capital Fund		Total	
		2018 \$000	2017 \$000	2018 \$000	2017 \$000
Financial assistance received in cash during the reporting period	36(g)	1,225	1,830	1,225	1,830
Net accrual adjustments		-	-	-	-
Revenue for the period	36(d)	1,225	1,830	1,225	1,830
Surplus/(Deficit) from the previous year		999	428	999	428
Total revenue including accrued revenue		2,224	2,258	2,224	2,258
Less expenses including accrued expenses		1,659	1,259	1,659	1,259
Surplus/(Deficit) for the reporting period		565	999	565	999

37. Acquittal of Australian Government Financial Assistance - continued

(e) Australian Research Council Grants - Discovery

Parent Entity (University) Only

	Notes	Projects		Fellowships		Indigenous Researchers Development		Total	
		2018 \$000	2017 \$000	2018 \$000	2017 \$000	2018 \$000	2017 \$000	2018 \$000	2017 \$000
Financial assistance received in cash during the reporting period	36(g)	9,870	9,116	8,031	10,069	450	219	18,351	19,404
Net accrual adjustments		-	-	-	-	-	-	-	-
Revenue for the period	36(e)	9,870	9,116	8,031	10,069	450	219	18,351	19,404
Surplus/(Deficit) from the previous year		7,844	8,028	9,154	8,499	166	95	17,164	16,622
Total revenue including accrued revenue		17,714	17,144	17,185	18,568	616	314	35,515	36,026
Less expenses including accrued expenses		9,563	9,300	8,717	9,414	298	148	18,578	18,862
Surplus/(Deficit) for the reporting period		8,151	7,844	8,468	9,154	318	166	16,937	17,164

37. Acquittal of Australian Government Financial Assistance - continued

(e) Australian Research Council Grants - Linkages

Parent Entity (University) Only

	Notes	Projects		Industrial Transformation Research Program		Total	
		2018 \$000	2017 \$000	2018 \$000	2017 \$000	2018 \$000	2017 \$000
Financial assistance received in cash during the reporting period	36(g)	2,256	2,790	2,267	2,946	4,523	5,736
Net accrual adjustments		-	-	-	-	-	-
Revenue for the period	36(e)	2,256	2,790	2,267	2,946	4,523	5,736
Surplus/(Deficit) from the previous year		1,865	2,844	3,739	3,543	5,604	6,387
Total revenue including accrued revenue		4,121	5,634	6,006	6,489	10,127	12,123
Less expenses including accrued expenses		2,668	3,769	2,420	2,750	5,088	6,519
Surplus/(Deficit) for the reporting period		1,453	1,865	3,586	3,739	5,039	5,604

37. Acquittal of Australian Government Financial Assistance - continued

(e) Australian Research Council Grants - Networks and Centres

Parent Entity (University) Only

	Notes	Centres		Total	
		2018 \$000	2017 \$000	2018 \$000	2017 \$000
Financial assistance received in cash during the reporting period	36(g)	3,610	6,818	3,610	6,818
Net accrual adjustments		-	-	-	-
Revenue for the period	36(e)	3,610	6,818	3,610	6,818
Surplus/(Deficit) from the previous year		257	1,214	257	1,214
Total revenue including accrued revenue		3,867	8,032	3,867	8,032
Less expenses including accrued expenses		2,492	7,775	2,492	7,775
Surplus/(Deficit) for the reporting period		1,375	257	1,375	257

37. Acquittal of Australian Government Financial Assistance - continued

(f) Other Australian Government Financial Assistance

OS HELP			
	Notes	2018 \$000	2017 \$000
Cash received during the reporting period		6,414	4,562
Cash spent during the reporting period		6,484	6,572
Net Cash received	36(g)	(70)	(2,010)
Surplus/(Deficit) from the previous year		(235)	1,775
Surplus/(Deficit) for the reporting period		(305)	(235)

Higher Education Superannuation			
	Notes	2018 \$000	2017 \$000
Cash received during the reporting period		3,818	3,872
University contribution in respect of current employees		-	-
Cash available	36(g)	3,818	3,872
Surplus/(Deficit) from the previous year		261	624
Cash available for current period		4,079	4,496
Contributions to specified defined benefit funds		3,884	4,235
Surplus/(Deficit) for the reporting period		195	261

Student Services and Amenities Fee			
	Notes	2018 \$000	2017 \$000
Unspent/(overspent) revenue from previous period		6,508	4,984
SA-HELP Revenue earned	36(b)	3,225	3,173
Student Services Fees direct from Students	39	3,386	3,233
Total revenue expendable in period		13,119	11,390
Student Services expenses during period		6,381	4,882
Unspent/(overspent) Student Services Revenue		6,738	6,508

	Note	Consolidated		University	
		2018 \$000	2017 \$000	2018 \$000	2017 \$000
38. State and Local Government Financial Assistance					
(a) South Australian Government and Local Government financial assistance					
Attorney-General's Department		249	242	249	242
Central Adelaide Local Health Network		6,346	6,753	6,346	6,753
Department of Treasury and Finance		356	159	356	159
Department of Health and Ageing		1,811	2,909	1,811	2,909
Department for Environment, Water and Natural Resources		1,886	1,840	1,886	1,840
Department for Planning, Transport and Infrastructure		965	1,257	965	1,257
Department of Primary Industries and Regions		696	1,303	696	1,303
Department for Industry and Skills		3,169	2,980	3,169	2,980
Department of the Premier and Cabinet		171	782	171	782
Motor Accident Commission		767	755	767	755
Northern Adelaide Local Health Network		1,101	815	1,101	815
SafeWork SA		199	188	199	188
Southern Yorke Peninsula Health Service		481	471	-	-
Other		992	529	992	529
Total South Australian Government and Local Government financial assistance		19,189	20,983	18,708	20,512
(b) Other State Government and Local Government financial assistance					
		1,204	842	1,204	842
Total State and Local Government financial assistance		20,393	21,825	19,912	21,354

	Note	Consolidated		University	
		2018 \$000	2017 \$000	2018 \$000	2017 \$000
39. Fees and Charges					
Course fees and charges					
Student fee income	4	238,209	220,295	238,209	220,295
Non-course fees and charges					
Student services and amenities fees	4	3,386	3,233	3,386	3,233
Library charges and fines	4	295	469	295	469
Application management and late fees	4	5,832	2,758	5,832	2,758
Parking fees	4	2,157	2,112	2,157	2,112
Rental charges/accommodation fees	4	10,231	10,354	9,833	10,062
Recharge of costs to other organisations	4	469	1,364	469	1,364
Other		7,556	5,976	7,556	5,976
		268,135	246,561	267,737	246,269
40. Consultancy and Contract Revenue					
Consultancy	4.	7,720	8,411	7,720	8,407
Contract research		53,924	57,147	52,923	50,971
		61,644	65,558	60,643	59,378