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## To the Chancellor University of Adelaide

### Opinion

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 2022.

In my opinion, the accompanying financial report has been prepared in accordance with the provisions of the *Public Finance and Audit Act 1987*, 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 2022, 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 2022
- a Statement of Financial Position as at 31 December 2022
- a Statement of Changes in Equity for the year ended 31 December 2022
- a Statement of Cash Flows for the year ended 31 December 2022
- 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 Ethics 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**

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 2022.

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, but not for the purpose of expressing an opinion on the effectiveness of the University of Adelaide's internal control

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Vice-Chancellor and President
- 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 report 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 the report.

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.



Andrew Richardson  
**Auditor-General**

11 April 2023

**THE UNIVERSITY OF ADELAIDE**

**FINANCIAL STATEMENTS**

**2022**



**Statement by the Chancellor, Vice-Chancellor & President  
and Acting 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 2022 and the results of its operations and cash flows for the year ended 31 December 2022;
- (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 CATHERINE BRANSON AC KC  
Chancellor

ANDRE SCOTT CA  
Acting Chief Financial Officer

PROFESSOR PETER HØJ AC FAA FTSE FNAI (US)  
Vice-Chancellor and President

3 April 2023

## Statement of Comprehensive Income for the year ended 31 December 2022

	Note	Consolidated		University	
		2022 \$000	2021 \$000	2022 \$000	2021 \$000
<b>Revenue from continuing operations</b>					
<b>Received under Higher Education Support Act</b>					
Base operating financial assistance	4	176,488	182,059	176,488	182,059
Other operating financial assistance	4	8,426	7,859	8,426	7,859
Higher Education Contribution Scheme	4	120,986	120,349	120,986	120,349
		<b>305,900</b>	<b>310,267</b>	<b>305,900</b>	<b>310,267</b>
<b>Learning and Teaching</b>					
Student fees	4	295,740	299,371	295,740	299,371
Grants	4	22,705	21,346	22,705	21,346
		<b>318,445</b>	<b>320,717</b>	<b>318,445</b>	<b>320,717</b>
<b>Research Grants and Fees</b>					
National competitive grants		94,823	78,437	94,823	78,437
Public sector - other		58,119	118,641	58,119	118,235
Industry and other		38,029	43,744	37,950	43,697
		<b>190,971</b>	<b>240,822</b>	<b>190,892</b>	<b>240,369</b>
<b>Research - Other</b>					
Cooperative Research Centre direct funding		6,260	7,150	6,260	7,150
Research Training Program		46,170	46,616	46,170	46,616
Research Support Program		40,794	82,124	40,794	82,124
		<b>93,224</b>	<b>135,890</b>	<b>93,224</b>	<b>135,890</b>
<b>Other</b>					
Investment revenue	4	32,091	57,394	28,877	57,847
Property revenue	4	19,682	14,076	19,616	13,667
Specialist services and trading	4	28,256	36,671	18,608	19,780
Bequests, donations & other revenue	4	19,358	30,752	19,388	30,749
		<b>99,387</b>	<b>138,893</b>	<b>86,489</b>	<b>122,043</b>
<b>Total revenue from continuing operations</b>		<b>1,007,927</b>	<b>1,146,589</b>	<b>994,950</b>	<b>1,129,286</b>
<b>Expenses from continuing operations</b>					
Salaries and related expenses	5	547,761	538,616	542,164	530,268
Student scholarships and stipends		42,261	41,702	42,261	41,702
Teaching and research	5	122,632	120,434	122,632	120,434
Buildings and grounds	5	63,089	52,437	62,624	51,541
Finance costs	5	1,878	12,151	1,878	12,151
Administration, communication and travel	5	101,926	92,448	99,158	84,581
Finance and fund administration	5	27,483	5,271	28,469	6,173
Depreciation and amortisation	5	72,044	73,093	71,695	72,656
Miscellaneous equipment and net loss on disposal of assets	5	16,394	12,665	16,338	12,809
<b>Total expenses from continuing operations</b>		<b>995,468</b>	<b>948,817</b>	<b>987,219</b>	<b>932,315</b>
<b>Net operating result for the year</b>		<b>12,459</b>	<b>197,772</b>	<b>7,731</b>	<b>196,971</b>

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

**Statement of Comprehensive Income for the year ended 31 December 2022 - continued**

	Note	Consolidated		University	
		2022 \$000	2021 \$000	2022 \$000	2021 \$000
<b>Operating result for the period</b>		<b>12,459</b>	<b>197,772</b>	<b>7,731</b>	<b>196,971</b>
<b>Items that may be reclassified to net operating result</b>					
Gain / (loss) on swap contracts	10	-	12,683	-	12,683
Gain / (loss) on cash flow hedges		6	-	6	-
<b>Total</b>		<b>6</b>	<b>12,683</b>	<b>6</b>	<b>12,683</b>
<b>Items that will not be reclassified to net operating result</b>					
Gain / (loss) on revaluation of land and buildings	13,21(b)	155,738	-	154,770	-
Revaluation of equity instruments designated at fair value through Other Comprehensive Income	21(b)	(17,662)	50,417	(12,430)	50,564
Share of other comprehensive income of investments accounted for using the equity method	4	(224)	(156)	(224)	(156)
Remeasurements of Defined Benefit Plans	25(c)	314	3,118	314	3,118
<b>Total</b>		<b>138,166</b>	<b>53,379</b>	<b>142,430</b>	<b>53,526</b>
<b>Total other comprehensive income</b>		<b>138,172</b>	<b>66,062</b>	<b>142,436</b>	<b>66,209</b>
<b>Total comprehensive income attributable to the University of Adelaide</b>		<b>150,631</b>	<b>263,834</b>	<b>150,167</b>	<b>263,180</b>

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

## Statement of Financial Position as at 31 December 2022

	Note	Consolidated		University	
		2022 \$000	2021 \$000	2022 \$000	2021 \$000
<b>Current Assets</b>					
Cash and cash equivalents	6	53,969	316,317	51,801	313,792
Receivables	7	60,451	56,249	60,257	55,906
Contract Assets	8	13,143	8,961	13,143	8,961
Other financial assets	9	314,211	1,168	314,211	1,168
Inventories		2,924	1,939	-	-
Other non-financial assets	11	18,128	16,086	18,083	16,018
Deferred government superannuation contribution	25(d)	3,800	3,900	3,800	3,900
<b>Total current assets</b>		<b>466,626</b>	<b>404,620</b>	<b>461,295</b>	<b>399,745</b>
<b>Non-current Assets</b>					
Other financial assets	9	411,404	485,060	425,410	497,894
Investments accounted for using the equity method	12	344	568	344	568
Property, plant and equipment	13	1,736,559	1,563,820	1,723,116	1,550,795
Intangible assets	14	16,681	17,969	16,681	17,969
Other non-financial assets	11	3,725	4,236	3,725	4,236
Deferred government superannuation contribution	25(d)	41,025	52,660	41,025	52,660
<b>Total non-current assets</b>		<b>2,209,738</b>	<b>2,124,313</b>	<b>2,210,301</b>	<b>2,124,122</b>
<b>Total assets</b>		<b>2,676,364</b>	<b>2,528,933</b>	<b>2,671,596</b>	<b>2,523,867</b>
<b>Current Liabilities</b>					
Payables	15	85,900	79,011	84,481	77,270
Contract Liabilities	16	98,257	95,195	98,257	95,195
Borrowings	17	10,214	9,471	10,214	9,454
Employee benefit provisions	19	31,203	30,603	30,854	30,016
Provisions	19	1,152	917	1,152	917
Defined benefit obligation	25(d)	3,800	3,900	3,800	3,900
Other	20	8,994	25,076	8,233	24,244
<b>Total current liabilities</b>		<b>239,520</b>	<b>244,173</b>	<b>236,991</b>	<b>240,996</b>
<b>Non-current Liabilities</b>					
Payables	15	10,483	12,114	10,480	12,092
Contract Liabilities	16	146,856	116,699	146,856	116,699
Borrowings	17	20,688	21,494	20,688	21,494
Employee benefit provisions	19	62,165	68,192	62,147	68,079
Provisions	19	3,624	3,859	3,624	3,859
Derivative financial instruments	10	-	8,370	-	8,370
Defined benefit obligation	25(d)	41,025	52,660	41,025	52,660
<b>Total non-current liabilities</b>		<b>284,841</b>	<b>283,388</b>	<b>284,820</b>	<b>283,253</b>
<b>Total liabilities</b>		<b>524,361</b>	<b>527,561</b>	<b>521,811</b>	<b>524,249</b>
<b>Net assets</b>		<b>2,152,003</b>	<b>2,001,372</b>	<b>2,149,785</b>	<b>1,999,618</b>
<b>Equity</b>					
Capital reserves	21	907,806	769,867	922,980	780,858
Specific purpose reserves	21	489,507	503,777	489,507	503,777
Retained surplus	21	754,690	727,728	737,298	714,983
<b>Total equity</b>		<b>2,152,003</b>	<b>2,001,372</b>	<b>2,149,785</b>	<b>1,999,618</b>

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 2022

Consolidated	Note	Capital Reserves \$000	Specific Purpose Reserves \$000	Retained Surplus \$000	Total \$000
<b>Balance at 1 January 2021</b>		787,521	445,011	510,588	1,743,120
Effect of change in accounting policy for Software-as-a Service		-	-	(5,582)	(5,582)
<b>Restated balance as at 1 January 2021</b>		787,521	445,011	505,006	1,737,538
<b>Net result</b>		-	-	197,772	197,772
<b>Other comprehensive income</b>					
Gain / (loss) on swap contracts		-	-	12,683	12,683
Revaluation of equity instruments designated at fair value through Other Comprehensive Income		50,417	-	-	50,417
Share of other comprehensive income of investments accounted for using the equity method	30(d)	(156)	-	-	(156)
Remeasurements of Defined Benefit Plans		-	-	3,118	3,118
<b>Total other comprehensive income</b>		50,261	-	15,801	66,062
Transfer (to) / from retained surplus		(67,915)	58,766	9,149	-
<b>Balance at 31 December 2021</b>		769,867	503,777	727,728	2,001,372
<b>Balance at 1 January 2022</b>		769,867	503,777	727,728	2,001,372
<b>Net result</b>		-	-	12,459	12,459
<b>Other comprehensive income</b>					
Gain / (loss) on revaluation of land and buildings		155,738	-	-	155,738
Gain / (loss) on cash flow hedges		6	-	-	6
Revaluation of equity instruments designated at fair value through Other Comprehensive Income		(17,662)	-	-	(17,662)
Share of other comprehensive income of investments accounted for using the equity method	30(d)	(224)	-	-	(224)
Remeasurements of Defined Benefit Plans		-	-	314	314
<b>Total other comprehensive income</b>		137,858	-	314	138,172
Transfer (to) / from retained surplus		81	(14,270)	14,189	-
<b>Balance at 31 December 2022</b>		907,806	489,507	754,690	2,152,003

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

## Statement of Changes in Equity for the year ended 31 December 2022 - continued

University	Capital Reserves \$000	Specific Purpose Reserves \$000	Retained Surplus \$000	Total \$000
<b>Balance at 1 January 2021</b>	<b>798,365</b>	<b>445,011</b>	<b>498,644</b>	<b>1,742,020</b>
Effect of change in accounting policy for Software-as-a Service	-	-	(5,582)	(5,582)
<b>Restated balance as at 1 January 2021</b>	<b>798,365</b>	<b>445,011</b>	<b>493,062</b>	<b>1,736,438</b>
<b>Net result</b>	<b>-</b>	<b>-</b>	<b>196,971</b>	<b>196,971</b>
<b>Other comprehensive income</b>				
Revaluation of equity instruments designated at fair value through Other Comprehensive Income	50,564	-	-	50,564
Gain / (loss) on swap contracts	-	-	12,683	12,683
Share of other comprehensive income of investments accounted for using the equity method	(156)	-	-	(156)
Remeasurements of Defined Benefit Plans	-	-	3,118	3,118
<b>Total other comprehensive income</b>	<b>50,408</b>	<b>-</b>	<b>15,801</b>	<b>66,209</b>
Transfer (to) / from retained surplus	(67,915)	58,766	9,149	-
<b>Balance at 31 December 2021</b>	<b>780,858</b>	<b>503,777</b>	<b>714,983</b>	<b>1,999,618</b>
<b>Balance at 1 January 2022</b>	<b>780,858</b>	<b>503,777</b>	<b>714,983</b>	<b>1,999,618</b>
<b>Net result</b>	<b>-</b>	<b>-</b>	<b>7,731</b>	<b>7,731</b>
<b>Other comprehensive income</b>				
Gain / (loss) on revaluation of land and buildings	154,770	-	-	154,770
Revaluation of equity instruments designated at fair value through Other Comprehensive Income	(12,430)	-	-	(12,430)
Gain / (loss) on cash flow hedges	6	-	-	6
Share of other comprehensive income of investments accounted for using the equity method	(224)	-	-	(224)
Remeasurements of Defined Benefit Plans	-	-	314	314
<b>Total other comprehensive income</b>	<b>142,122</b>	<b>-</b>	<b>314</b>	<b>142,436</b>
Transfer (to) / from retained surplus	-	(14,270)	14,270	-
<b>Balance at 31 December 2022</b>	<b>922,980</b>	<b>489,507</b>	<b>737,298</b>	<b>2,149,785</b>

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 2022

	Note	Consolidated		University	
		2022 \$000	2021 \$000	2022 \$000	2021 \$000
<b>Cash flows from operating activities</b>					
<b>Inflows:</b>					
Australian Government financial assistance	34(g)	534,695	626,863	534,695	626,863
OS-Help (net)	34(g)	-	8	-	8
Higher Education Superannuation	34(g)	3,346	3,743	3,346	3,743
State Government financial assistance		32,010	29,203	32,010	28,797
HECS-HELP student upfront payments		9,047	11,959	9,047	11,959
Fee paying student revenue received		276,171	268,855	276,171	268,855
Fees and charges		28,315	25,079	28,315	25,079
Donations and bequests		4,705	9,156	4,705	9,156
Interest and dividends received		9,863	3,319	9,840	3,315
Consultancy and contract research		57,387	64,587	57,308	64,537
Specialist services and produce trading		7,832	18,547	6,507	9,465
GST received		30,885	24,285	30,235	23,706
Other		28,233	47,532	20,709	39,497
<b>Total inflows</b>		<b>1,022,489</b>	<b>1,133,136</b>	<b>1,012,888</b>	<b>1,114,979</b>
<b>Outflows:</b>					
OS-Help (net)	34(g)	(610)	-	(610)	-
Salaries and related expenses		(575,977)	(549,523)	(569,915)	(541,188)
Student services		(40,710)	(41,524)	(40,710)	(41,524)
Goods and services		(274,798)	(227,272)	(270,816)	(218,869)
Costs of finance		(910)	(558)	(910)	(558)
GST paid		(33,350)	(26,975)	(32,373)	(25,670)
<b>Total outflows</b>		<b>(926,355)</b>	<b>(845,852)</b>	<b>(915,334)</b>	<b>(827,809)</b>
<b>Net cash provided by operating activities</b>	22	<b>96,134</b>	<b>287,284</b>	<b>97,554</b>	<b>287,170</b>

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

## Statement of Cash Flows for the year ended 31 December 2022 - continued

	Note	Consolidated		University	
		2022	2021	2022	2021
		\$000	\$000	\$000	\$000
<b>Cash flows from investing activities</b>					
<b>Inflows:</b>					
Proceeds from sale of property, plant and equipment		414	174	77	75
Proceeds from sale of financial assets		42,723	8,038	42,723	8,038
Receipt of proceeds from financial assets held-to-maturity		120,000	-	120,000	-
Increase in loans		40	40	-	-
<b>Total inflows</b>		<b>163,177</b>	<b>8,252</b>	<b>162,800</b>	<b>8,113</b>
<b>Outflows:</b>					
Payments for property, plant and equipment		(70,367)	(37,229)	(70,070)	(36,982)
Payments for intangible assets		(2,683)	(6,391)	(2,683)	(6,391)
Payments for financial assets		(35)	(35)	(35)	(35)
Payments for financial assets held-to-maturity		(430,020)	-	(430,020)	-
Increase in loans to related parties		-	-	(1,000)	(895)
<b>Total Outflows</b>		<b>(503,105)</b>	<b>(43,655)</b>	<b>(503,808)</b>	<b>(44,303)</b>
<b>Net cash used in investing activities</b>		<b>(339,928)</b>	<b>(35,403)</b>	<b>(341,008)</b>	<b>(36,190)</b>
<b>Cash flows from financing activities</b>					
<b>Outflows:</b>					
Repayment of borrowings		(1,852)	(47,500)	(1,852)	(47,500)
Borrowings - interest repayments		(2,388)	(3,319)	(2,388)	(3,319)
Repayment of lease liabilities		(11,192)	(11,240)	(11,175)	(11,217)
Payments on settlement of Derivatives		(3,371)	-	(3,371)	-
<b>Total outflows</b>		<b>(18,803)</b>	<b>(62,059)</b>	<b>(18,786)</b>	<b>(62,036)</b>
<b>Net cash used in financing activities</b>		<b>(18,803)</b>	<b>(62,059)</b>	<b>(18,786)</b>	<b>(62,036)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>(262,597)</b>	<b>189,822</b>	<b>(262,240)</b>	<b>188,944</b>
Cash and cash equivalents at the beginning of reporting period		316,317	126,237	313,792	124,589
Effects of exchange rate changes on cash and cash equivalents		249	258	249	258
<b>Cash and cash equivalents at end of reporting period</b>	6	<b>53,969</b>	<b>316,317</b>	<b>51,801</b>	<b>313,792</b>

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 within Note 9 (2022: \$310 million, 2021:nil). 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 for Higher Education Providers of the Department of Education 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 requirements) and the Australian Charities and Not-for-profits Commission Act 2012. The University applies Tier 1 reporting requirements.

### (a) Compliance with International Financial Reporting Standards (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 to the financial statements 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, contract assets and liabilities and right-of-use assets and corresponding lease liabilities. 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 2022 operating results and 2021 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 31).

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

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

Innovation and Commercial Partners Pty Ltd (formerly 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 Centre for Plant Functional Genomics Pty Ltd (deregistered on 17 November 2021)

Roseworthy Campus Farm Pty Ltd (Formerly Martindale Holdings Pty Ltd) as trustee for The Roseworthy Farm

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

### 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 at note 3(aa).

#### (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 the 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.

#### (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 applying 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 applying on that date.

#### (d) Revenue Recognition

The University is in the business of providing teaching and research services. The basis for recognising revenue for each major business activity is summarised below:

##### **Australian Government financial assistance**

The University receives funding from the Australian Government to assist with the provision of a number of services.

##### • **Commonwealth Grant Scheme**

Funding is received under an agreement with sufficiently specific performance obligations in providing students with tuition services for the year covered by the funding agreement. Revenue is recognised over time as students consume course tuition services.

##### • **Indigenous, Regional and Low-SES Attainment Fund**

Funding (excluding Tertiary Access Payments and Indigenous Student Success Program) is received under legislation with sufficiently specific performance obligations in the promise of tailored activities for eligible students to be encouraged to pursue undergraduate qualifications. Revenue is recognised over time as the activities are delivered to the students.

Funding received for Tertiary Access Payments represents a contractual obligation to deliver cash to the required student. The University does not recognise revenue for Tertiary Access Payment funding received. A financial liability is recognised on receipt of this funding. This financial liability is extinguished as the University delivers on its obligation to pay the cash to the required student.

Funding received for the Indigenous Student Success Program represents supplementary funding to assist the University to increase the number of Aboriginal and Torres Strait Islander people enrolling, successfully progressing and graduating. The funding received by the University represents a general pool of funds which can be used for a number of diverse activities. The University recognises revenue when it has a contractual right to receive the grant.

- **National Priorities and Industry Linkage Fund**

Represents supplementary funding to assist the University engagement with industry to increase the number of job-ready graduates through strengthening partnerships with industry, increased internships and other innovative approaches to work-integrated learning. The funding received by the University represents a general pool of funds which can be used for a number of diverse activities. The University recognises revenue when it has a contractual right to receive the grant.

- **Higher Education Loan Programmes**

Funding is generally received under legislation with sufficiently specific performance obligations in providing students with tuition services for a distinct course for a distinct period of time. Revenue is recognised across the year as students consume course tuition services.

Funding received for OS-HELP represents a contractual obligation to deliver cash to the required student. The University does not recognise revenue for OS-HELP funding received. A financial liability is recognised on receipt of this funding. This financial liability is extinguished as the University delivers on its obligation to pay the cash to the required student.

- **Education Research**

The University received funding from the Department of Education in relation to the Research Training Program and Research Support Program Schemes. These schemes provide broad guidelines for the use of funds received, providing the University with discretion in the use of funds. The University recognised funding received under these schemes as revenue when it has a right to receive the funding.

- **Research**

Research funding is received from the Australian Government under enforceable agreements and legislation. Agreements and legislation are reviewed to determine if they contain sufficiently specific performance obligations, in the form of the promise to carry out research activities in line with a mature research plan.

Where the Australian Government funded research grants contain sufficiently specific performance obligations, the research funding is recognised over the life of the grant as the research activities are performed. The University uses the expenditure on each specific research grant as the best estimate of performance of the research activities to determine the revenue to be recognised in each reporting period.

Where the Australian Government funded research grant agreements do not contain sufficiently specific performance obligations, the research funding received under these agreements is recognised at a point in time as revenue when the University has a contractual right to receive the grant.

In 2020 and 2021, the University received funding of \$80.4 million from the Commonwealth Department of Health to establish the South Australian immunoGENomics Cancer Institute (SAiGENCI) which has been recognised as revenue on receipt. Approximately, \$3.6 million (2021: \$1.3 million) of expenditure has been incurred against this funding during 2022. \$76.8 million of funding received in 2020 and 2021 will be utilised in future years to fund the operations of SAiGENCI.

#### **State and Local Government financial assistance**

Research funding is received from State and Local Government authorities under enforceable agreements and legislation. Agreements and legislation are reviewed to determine if they contain sufficiently specific performance obligations in the form of the promise to carry out research activities in line with a mature research plan.

Where the State and Local Government funded research grants contain sufficiently specific performance obligations the research funding is recognised over the life of the grant received as these research activities are performed. The University uses the expenditure on each specific research grant as the best estimate of performance of the research activities when determining the revenue to be recognised in each reporting period.

Where the State and Local Government funded research grant agreements do not contain sufficiently specific performance obligations the research funding received under these agreements is recognised as revenue when the University has a contractual right to receive the grant.

#### **HECS-Help Student Payments**

Revenue relates to undergraduate programs, graduate and professional degree programs and continuing education and executive programs in providing students with tuition services for a distinct course for a distinct period of time. Revenue is recognised over time as students consume course tuition services.

## **Fees and Charges**

- **Course fees and charges**

The course fees and charges revenue relates to undergraduate programs, graduate and professional degree programs and continuing education and executive programs. Revenue is recognised over time as and when the course is delivered to students.

Where fees have been paid in advance by students or the University has received the government funding in advance (e.g. before starting the academic period) the University recognises a liability until the services are delivered. The University does not have obligations to return or refund fees to students post census date.

- **Non-course fees and charges**

- **Student services and amenities fees (SSAF)**

SSAF revenue is received under the enforceable provisions in the Higher Education Legislation Amendment (Student Services and Amenities) Act 2011 and by the agreement between the University and student to provide services and amenities which form part of the University experience. Sufficiently specific performance obligations exist in the form of the promise of providing certain services and amenities to the students who are enrolled. SSAF revenue is recognised over time as the University provides the services and amenities to the students who are enrolled.

- **Rental charges and accommodation fees**

Rental charges and accommodation fees revenue is received under the enforceable provisions in the agreement between the University and student to provide the accommodation services. Sufficiently specific performance obligations exist in the form of the promise of providing certain accommodation services to the students who are enrolled. Rental charges and accommodation fees are recognised over time as the University provides the services to the students.

- **Parking fees**

Parking fees are received under enforceable agreements with customers, where sufficiently specific performance obligations exist in the form of providing on campus carparking over specified time periods. Revenue is recognised over time as the University provides the parking services to customers.

The University recognises revenue on the remaining categories of Non-course fees and charges when the cash is received from the customer.

## **Interest and Investment Income**

Interest and income from investments are recognised as they accrue (refer to Note 3(l)).

## **Royalties, trademarks and licences**

Revenue from royalties, trademarks and licences is recognised as income on receipt.

## **Consultancy and Contract Research**

Consultancy and Contract Research funding is received under agreements with sufficiently specific performance obligations in the form of the promise to carry out research activities. Revenue for Consultancy and Contract Research funding is generally recognised over the life of the grant received as these research activities are performed. The University uses the expenditure on each specific research grant as the best estimate of performance of the research activities when determining the revenue to be recognised in each reporting period.

In a small number of cases, agreements with funders do not require the funder to have access to research data until the completion of the research activities. In these cases, the University recognises all research revenue and expenditure for relevant agreements in the reporting period corresponding with the completion of the research activities.

## **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.

## **Bequests and Donations**

Bequests and donations are recognised as income in the accounting period they are received.

(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 Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included 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 and software acquired through Software-as-a-Service ("SaaS") arrangements with third parties, 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 the 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 25 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 and acceptance provided by, the employee to encourage voluntary redundancy.

**(i) Contract Assets**

Contract assets represent research grants and teaching activities which have met performance obligations in accordance with funding agreements, however, funding has not been received.

(j) **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.

(k) **Cash and Cash Equivalents**

Cash and cash equivalents includes cash at bank or on hand and deposits held at call with Australian deposit-taking institutions.

(l) **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, to 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.

On 11 March 2021, Education Australia Limited and IDP Education Limited ('IDP') announced a proposed transaction that would involve the 38 Australian University shareholders of Education Australia Limited, including the University, restructuring the 40% shareholding Education Australia Limited held in IDP. This proposal was approved by all 38 shareholders at an Education Australia Limited extraordinary general meeting held on 13 April 2021.

On 26 August 2021, Education Australia Limited completed a block trade of its shares in IDP, resulting in the University receiving an in-specie fully franked distribution of 1,831,159 IDP shares on 30 August 2021 valued at \$53.1 million and a fully franked cash dividend of \$5.3 million on 28 September 2021. The University recognised the \$25.0 million franking credit refund to be received in 2022 as a receivable at 31 December 2021. 50% of the IDP shares received were subject to a 6 month escrow period, whilst the remaining 50% of IDP shares received were subject to a 12 month escrow period.

During 2022 the University received the \$2.3 million refund of franking credits relating to the fully franked cash dividend from the Australian Taxation Office ('ATO').

The University continues to recognise the franking credits refundable on the in-specie distribution of \$22.7 million as a receivable at 31 December 2022. During 2022, the ATO contacted the 38 University shareholders of Education Australia Limited to advise that it is withholding the refund of these franking credits, whilst it considers their entitlement to the refund. The Universities involved in the transaction have engaged external law firm Herbert Smith Freehills who provided a formal response to the ATO during November 2022. If the University is unable to receive a refund of these franking credits this receivable will be derecognised through other comprehensive income.

**(m) 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 from time to time 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 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.

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.

During December 2021, the University fully repaid its borrowings, resulting in the interest rate swaps held previously as cash flow hedges against the borrowing interest payments becoming ineffective hedge instruments. The University recognised an unrealised loss on interest rate swaps of \$8.4 million in the net operating result as at 31 December 2021 to account for the ineffective portion of this hedge. During 2022, the University paid out the interest rate swaps held and recognised a realised gain on interest rate swaps of \$2.6 million.

**(n) 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.

(o) **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 received from 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(l)) on 1 January 2018.

- **Joint Arrangements**

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

- **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 investment is carried at management valuations based on externally obtained valuations or the University's share of the net tangible assets of the investment entity.

(p) **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.

(q) **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(s).

- **Revaluations**

During 2022 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.

The University did not elect to apply the revaluation model to right-of-use assets.

- **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 Ms Brooke Smith, FAPI and Mr Nicholas Fein, BE of AssetVal Pty Ltd on 31 December 2022.

- **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.

- **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 2020. No provision for depreciation is made for works of art.

- **Right of Use Lease Assets**

The University leases many assets including land and buildings, vehicles and technology equipment. The leases are for the purpose of administrative, research and teaching activities to fulfil the objectives of the University.

The University of Adelaide has chosen, on a lease-by-lease basis, to measure the related right-of-use asset at an amount equal to the lease liability, comprising all amounts which are considered to be lease payments, adjusted by the amount of any prepaid or accrued lease payments relating to that lease.

(r) **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.

(s) **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	40 – 100 years
• Leasehold improvements	5 – 50 years
• Plant and equipment including motor vehicles	5 – 10 years
• Right of use lease assets	5 – 50 years

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

(t) **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.

(u) **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.

(v) **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.

(w) **Contract Liabilities**

Contract liabilities represent research and teaching grants for which funding has been received by the University and student fees paid in advance, to provide future services to funding providers and students.

(x) **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.

(y) **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.

(z) **Rounding**

All amounts in this report are rounded to the nearest thousand dollars.

**(aa) Change in Accounting Policy – Software-as-a-Service**

The International Accounting Standard Board recently issued new Agenda Decisions providing additional guidance on accounting for Software-as-a-Service ("SaaS") arrangements and the configuration and customisation costs incurred in implementing SaaS.

Previously the accounting policy of the University has been to capitalise SaaS arrangements and their associated configuration and customisation costs and amortise these on a straight-line basis over periods generally ranging from 3 to 5 years.

From 1 January 2021, the University changed the accounting policy for SaaS arrangements, with all SaaS acquisitions and their related configuration and customisation costs now expensed. Only those configuration and customisation costs which enhance software hosted on a University on-premise platform continue to be capitalised as intangible assets.

The 2021 comparatives have been adjusted to reflect retrospective application of the policy change as required by AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. The adjustments to the 2021 line items are as follows:

**Statement of Comprehensive Income**

	Consolidated			University		
	2021 as reported previously \$000	Adjustment \$000	2021 Restated \$000	2021 as reported previously \$000	Adjustment \$000	2021 Restated \$000
<b>Expenses from continuing operations</b>						
Salaries and related expenses	536,845	1,771	538,616	528,497	1,771	530,268
Administration, communication and travel	89,126	3,322	92,448	81,259	3,322	84,581
Depreciation and amortisation	75,003	(1,910)	73,093	74,566	(1,910)	72,656
Miscellaneous equipment and net loss on disposal of assets	12,785	(120)	12,665	12,929	(120)	12,809
<b>Total expenses from continuing operations</b>	<b>945,754</b>	<b>3,063</b>	<b>948,817</b>	<b>929,252</b>	<b>3,063</b>	<b>932,315</b>
<b>Net operating result for the year</b>	<b>200,835</b>	<b>(3,063)</b>	<b>197,772</b>	<b>200,034</b>	<b>(3,063)</b>	<b>196,971</b>

**Statement of Financial Position**

	Consolidated			University		
	2021 as reported previously \$000	Adjustment \$000	2021 Restated \$000	2021 as reported previously \$000	Adjustment \$000	2021 Restated \$000
<b>Non-current Assets</b>						
Intangible assets	26,614	(8,645)	17,969	26,614	(8,645)	17,969
<b>Total non-current assets</b>	<b>2,132,958</b>	<b>(8,645)</b>	<b>2,124,313</b>	<b>2,132,767</b>	<b>(8,645)</b>	<b>2,124,122</b>
<b>Total assets</b>	<b>2,537,578</b>	<b>(8,645)</b>	<b>2,528,933</b>	<b>2,532,512</b>	<b>(8,645)</b>	<b>2,523,867</b>
<b>Net assets</b>	<b>2,010,017</b>	<b>(8,645)</b>	<b>2,001,372</b>	<b>2,008,263</b>	<b>(8,645)</b>	<b>1,999,618</b>
<b>Equity</b>						
Retained surplus	736,373	(8,645)	727,728	723,628	(8,645)	714,983
<b>Total equity</b>	<b>2,010,017</b>	<b>(8,645)</b>	<b>2,001,372</b>	<b>2,008,263</b>	<b>(8,645)</b>	<b>1,999,618</b>

**(ab) University of Adelaide and University of South Australia Merger Discussions**

During December 2022, the University of Adelaide and the University of South Australia agreed to undertake a formal feasibility study and business case for creating a new university for the future. At the date of signing these financial statements a formal decision has not been made by the respective Councils to support the creation of a new university.

The decision to explore the possibility of creating a university for the future has been taken in response to the Government of South Australia's higher education policy calling for the consideration of a merger between universities to strengthen the contribution of higher education to the growth of the State economy and society.

	Note	Consolidated		University	
		2022	2021	2022	2021
		\$000	\$000	\$000	\$000
<b>4. Revenue from continuing operations</b>					
<b>Received under Higher Education Support Act</b>					
<b>Base operating financial assistance</b>					
Commonwealth Grants Scheme (Commonwealth supported places)		176,488	182,059	176,488	182,059
		<b>176,488</b>	<b>182,059</b>	<b>176,488</b>	<b>182,059</b>
<b>Other operating financial assistance</b>					
Other operating financial assistance		8,426	7,859	8,426	7,859
		<b>8,426</b>	<b>7,859</b>	<b>8,426</b>	<b>7,859</b>
<b>Higher Education Contribution Scheme</b>					
HECS-HELP student upfront payments		9,047	8,584	9,047	8,584
Australian Government financial assistance		111,939	111,765	111,939	111,765
		<b>120,986</b>	<b>120,349</b>	<b>120,986</b>	<b>120,349</b>
		<b>305,900</b>	<b>310,267</b>	<b>305,900</b>	<b>310,267</b>
<b>Student fee income includes:</b>					
<b>Fee paying student revenue received</b>					
<b>Award courses</b>					
Australian fee paying undergraduate students		244	234	244	234
Australian fee paying postgraduate students		4,949	4,462	4,949	4,462
International fee paying students		241,983	253,703	241,983	253,703
		<b>247,176</b>	<b>258,399</b>	<b>247,176</b>	<b>258,399</b>
<b>Non award courses</b>					
Australian fee paying		2,541	2,855	2,541	2,855
Other teaching service fees		9,869	8,341	9,869	8,341
		<b>12,410</b>	<b>11,196</b>	<b>12,410</b>	<b>11,196</b>
<b>Non-course income</b>					
Student services and amenities fees		3,246	2,584	3,246	2,584
		<b>3,246</b>	<b>2,584</b>	<b>3,246</b>	<b>2,584</b>
		<b>262,832</b>	<b>272,179</b>	<b>262,832</b>	<b>272,179</b>
<b>Australian Government financial assistance</b>					
FEE-HELP		29,598	23,577	29,598	23,577
SA-HELP		3,310	3,615	3,310	3,615
		<b>295,740</b>	<b>299,371</b>	<b>295,740</b>	<b>299,371</b>
<b>Learning and teaching grants</b>					
Learning and teaching grants		22,705	21,346	22,705	21,346
		<b>22,705</b>	<b>21,346</b>	<b>22,705</b>	<b>21,346</b>
		<b>318,445</b>	<b>320,717</b>	<b>318,445</b>	<b>320,717</b>

	Note	Consolidated		University	
		2022 \$000	2021 \$000	2022 \$000	2021 \$000
<b>4. Revenue from continuing operations - continued</b>					
<b>Investment revenue</b>					
Interest income					
Debt instruments at amortised cost		6,937	1,813	6,943	1,814
Dividends received from equity instruments designated at fair value through Other Comprehensive Income		4,437	1,949	4,437	1,949
Distributions from controlled entities designated at fair value through Other Comprehensive Income		-	-	841	452
Other investment gains and losses					
Net realised gains on Interest Rate Swaps		2,611	-	2,611	-
Net realised gain on endowment fund investments designated as fair valued through profit or loss		8,113	10,099	8,113	10,099
Net unrealised gain on endowment fund investments designated as fair valued through profit or loss		-	36,844	-	36,844
Net realised gain on investment in equity instruments designated at fair value through Other Comprehensive Income		4,061	-	-	-
Royalties, trademarks and licences		5,932	6,689	5,932	6,689
		<b>32,091</b>	<b>57,394</b>	<b>28,877</b>	<b>57,847</b>
<b>Property revenue</b>					
Rental charges/accommodation fees		9,375	7,524	9,309	7,115
Parking fees		1,311	1,317	1,311	1,317
Building development and maintenance recovery		8,446	4,514	8,446	4,514
Other property revenue		550	721	550	721
		<b>19,682</b>	<b>14,076</b>	<b>19,616</b>	<b>13,667</b>
<b>Specialist services and trading</b>					
Consultancy fees		3,361	4,571	3,361	4,571
Library charges and fines		70	52	70	52
Sale of services		17,280	24,967	8,813	9,625
Sale of goods		1,693	4,092	512	2,543
Sponsorship and conference income		1,356	1,288	1,356	1,288
Other specialist services and trading		4,496	1,701	4,496	1,701
		<b>28,256</b>	<b>36,671</b>	<b>18,608</b>	<b>19,780</b>
<b>Bequests, donations and other revenue</b>					
Bequests and donations received for:					
Research		3,404	6,849	3,404	6,849
General operational purposes		1,213	4,130	1,213	4,130
		<b>4,617</b>	<b>10,979</b>	<b>4,617</b>	<b>10,979</b>
Prizes and scholarships		2,505	3,554	2,505	3,554
Recharge of costs to other organisations		1,178	2,626	1,178	2,626
Management fees		4,329	5,143	4,329	5,143
Franchise fees		299	286	299	286
Bad debts recoveries		1,307	235	1,307	235
Insurance claim recovery		125	2,940	125	2,940
Salary recharges		1,899	1,824	1,899	1,824
AusAid Scholarships & stipends		1,017	691	1,017	691
Net foreign exchange gain		249	258	249	258
Net gain on lease make good		85	434	85	434
Other revenue		1,748	1,782	1,778	1,779
		<b>19,358</b>	<b>30,752</b>	<b>19,388</b>	<b>30,749</b>
<b>Share of other comprehensive income of joint ventures accounted for using the equity method</b>					
Joint ventures		(224)	(156)	(224)	(156)
		<b>(224)</b>	<b>(156)</b>	<b>(224)</b>	<b>(156)</b>

	Note	Consolidated		University	
		2022 \$000	2021 \$000	2022 \$000	2021 \$000
<b>5. Expenses from continuing operations</b>					
<b>Salaries and related expenses</b>					
<b>Salaries and related expenses - Academic</b>					
Salaries		216,867	203,818	216,867	203,818
Contributions to superannuation and pension schemes					
Contributions to funded schemes		36,652	33,718	36,652	33,718
Contributions to unfunded schemes		-	5	-	5
Payroll tax		13,412	13,729	13,412	13,729
Annual leave		15,825	15,172	15,825	15,172
Long service leave		2,156	3,099	2,156	3,099
Workers' compensation		1	769	1	769
Other		4,748	3,717	4,748	3,717
Redundancy expenses		707	662	707	662
<b>Total academic salaries and related expenses</b>		<b>290,368</b>	<b>274,689</b>	<b>290,368</b>	<b>274,689</b>
<b>Salaries and related expenses - Non-academic</b>					
Salaries		185,349	182,425	180,781	175,380
Contributions to superannuation and pension schemes					
Contributions to funded schemes		29,829	30,556	29,371	29,876
Contributions to unfunded schemes		-	5	-	5
Payroll tax		11,009	11,832	10,775	11,700
Annual leave		13,593	14,138	13,450	13,817
Long service leave		2,036	2,913	1,989	2,820
Workers' compensation		(233)	534	(233)	534
Other		15,499	6,388	15,352	6,311
Redundancy expenses		311	15,136	311	15,136
<b>Total non-academic salaries and related expenses</b>		<b>257,393</b>	<b>263,927</b>	<b>251,796</b>	<b>255,579</b>
<b>Total salaries and related expenses</b>		<b>547,761</b>	<b>538,616</b>	<b>542,164</b>	<b>530,268</b>
<b>Teaching and research</b>					
Agriculture, animals and cropping		1,445	2,910	1,445	2,910
Books, subscriptions and printed material		11,740	15,240	11,740	15,240
Laboratory expenses		19,275	17,608	19,275	17,608
Research transfer to other institutions		41,983	44,823	41,983	44,823
Teaching partner payments		16,491	9,601	16,491	9,601
Payments to service providers		27,262	26,849	27,262	26,849
Other teaching and research		4,436	3,403	4,436	3,403
		<b>122,632</b>	<b>120,434</b>	<b>122,632</b>	<b>120,434</b>
<b>Buildings and grounds</b>					
Cleaning and security		12,842	12,436	12,568	12,139
Property maintenance		31,690	20,818	31,611	20,660
Building leases and rent		2,493	2,828	2,466	2,677
Real estate short term and low value leases		1,694	1,359	1,694	1,359
Utilities		14,370	14,996	14,285	14,706
		<b>63,089</b>	<b>52,437</b>	<b>62,624</b>	<b>51,541</b>

	Note	Consolidated		University	
		2022 \$000	2021 \$000	2022 \$000	2021 \$000
<b>5. Expenses from continuing operations - continued</b>					
<b>Finance costs</b>					
Interest		-	2,097	-	2,097
Finance charges		910	547	910	547
Net unrealised loss on Interest Rate Swaps		-	8,370	-	8,370
Interest expense on lease liabilities		968	1,126	968	1,126
Loss on sale of shares		-	11	-	11
		<b>1,878</b>	<b>12,151</b>	<b>1,878</b>	<b>12,151</b>
<b>Administration, communication and travel</b>					
Consultants & specialist services		23,898	26,580	23,546	22,397
Fees & licenses		36,199	37,740	36,110	37,660
Insurance		4,442	3,706	4,419	3,632
Administration & communication		11,890	11,176	9,766	7,859
Equipment short term and low value leases		1,226	734	1,226	734
Publicity and fundraising		9,143	6,358	8,979	6,161
Travel, accommodation & entertainment		15,128	6,154	15,112	6,138
		<b>101,926</b>	<b>92,448</b>	<b>99,158</b>	<b>84,581</b>
<b>Finance and fund administration</b>					
<b>Bad and doubtful debts</b>					
Student loans		-	19	-	19
Student tuition		679	4,055	679	4,055
Other debtors		141	65	1,127	967
		<b>820</b>	<b>4,139</b>	<b>1,806</b>	<b>5,041</b>
Net unrealised loss on endowment fund investments designated as fair valued through profit or loss		25,413	-	25,413	-
Management and merchant fees		643	641	643	641
Fringe benefit tax payments		600	446	600	446
Other		7	45	7	45
		<b>27,483</b>	<b>5,271</b>	<b>28,469</b>	<b>6,173</b>
<b>Depreciation and amortisation</b>					
<b>Amortisation of intangible assets</b>					
Software		<b>6,835</b>	<b>8,639</b>	<b>6,835</b>	<b>8,639</b>
<b>Amortisation</b>					
Leasehold improvements	3(s)	1,667	1,374	1,667	1,359
		<b>8,502</b>	<b>10,013</b>	<b>8,502</b>	<b>9,998</b>
<b>Depreciation</b>					
Buildings	3(s)	37,169	36,113	37,080	36,023
Plant, equipment and motor vehicles		15,970	16,194	15,726	15,884
Right-of-use lease assets		10,403	10,773	10,387	10,751
		<b>63,542</b>	<b>63,080</b>	<b>63,193</b>	<b>62,658</b>
		<b>72,044</b>	<b>73,093</b>	<b>71,695</b>	<b>72,656</b>
<b>Miscellaneous equipment and net loss on disposal of assets</b>					
Non-capitalised equipment		16,287	11,694	16,287	11,692
Net loss on disposal of assets		107	971	51	1,117
		<b>16,394</b>	<b>12,665</b>	<b>16,338</b>	<b>12,809</b>

	Note	Consolidated		University	
		2022 \$000	2021 \$000	2022 \$000	2021 \$000
<b>6. Cash and Cash Equivalents</b>	3(k)				
Cash at bank or on hand		33,969	236,317	31,801	233,792
Short term deposits at call		20,000	80,000	20,000	80,000
		<b>53,969</b>	<b>316,317</b>	<b>51,801</b>	<b>313,792</b>

The University invested its surplus working capital into bank term investments (2022: \$310.0 million, 2021: \$0.0 million). These bank term investments have been reported as Other Financial Assets at amortised cost in Note 9. As a result these funds are not reported within Cash and Cash Equivalents or within the Statement of Cash Flows.

	3(j)				
<b>7. Receivables</b>					
<b>Current</b>					
Student tuition fees		12,084	10,536	12,084	10,536
Less: provision for impaired receivables		(4,785)	(6,545)	(4,785)	(6,545)
		<b>7,299</b>	<b>3,991</b>	<b>7,299</b>	<b>3,991</b>
Trade and sundry debtors		53,738	52,777	53,436	52,399
Less: provision for impaired receivables		(598)	(527)	(490)	(492)
		<b>53,140</b>	<b>52,250</b>	<b>52,946</b>	<b>51,907</b>
Student loans		15	11	15	11
Less: provision for impaired receivables		(3)	(3)	(3)	(3)
		<b>12</b>	<b>8</b>	<b>12</b>	<b>8</b>
		<b>60,451</b>	<b>56,249</b>	<b>60,257</b>	<b>55,906</b>

#### Impaired receivables

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

At 1 January	7,075	3,979	7,040	3,971
Net provision for expected credit losses recognised/(reversed) during the year	(483)	4,274	(483)	4,274
Receivables written off during the year as uncollectible	(1,206)	(1,178)	(1,279)	(1,205)
<b>At 31 December</b>	<b>5,386</b>	<b>7,075</b>	<b>5,278</b>	<b>7,040</b>

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.

	3(i)				
<b>8. Contract Assets</b>					
<b>Current</b>					
Australian Government financial assistance		5,655	5,595	5,655	5,595
State and Local Government financial assistance		1,619	815	1,619	815
Fees and charges		2,271	-	2,271	-
Consultancy and contracts		2,164	1,393	2,164	1,393
Other current contract assets		1,434	1,158	1,434	1,158
<b>Total contract assets</b>		<b>13,143</b>	<b>8,961</b>	<b>13,143</b>	<b>8,961</b>

Contract assets represent research grants and teaching activities which have met performance obligations in accordance with funding agreements, however, funding has not been received.

	Note	Consolidated		University	
		2022	2021	2022	2021
		\$000	\$000	\$000	\$000
<b>9. Other Financial Assets</b>					
<b>Current</b>					
Other financial assets at amortised cost		314,211	1,168	314,211	1,168
		<b>314,211</b>	<b>1,168</b>	<b>314,211</b>	<b>1,168</b>
<b>Non-current</b>					
Other financial assets at fair value through profit or loss		372,115	392,414	372,115	392,414
Investments in equity instruments designated at fair value through other comprehensive income		39,289	92,646	53,295	105,480
<b>Total non-current other financial assets</b>		<b>411,404</b>	<b>485,060</b>	<b>425,410</b>	<b>497,894</b>
<b>Total other financial assets</b>		<b>725,615</b>	<b>486,228</b>	<b>739,621</b>	<b>499,062</b>

#### 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. As a result these funds are not reported within Cash and Cash Equivalents in Note 6 or within the Statement of Cash Flows. As at 31 December 2022 the University held \$310 million in bank term investments (there were no bank term investments held as at 31 December 2021).

#### Loans to controlled entities

The University has provided loans to controlled entities totalling \$3.0 million at 31 December 2022 (2021: \$1.9 million). These loans were fully impaired at 31 December 2022 and 31 December 2021.

#### Restricted other financial assets

As at 31 December 2022, the University held financial assets subject to restrictions of \$379.4 million (2021: \$473.3 million). These amounts relate to donations and bequests from donors for the purpose of funding scholarships, prizes, foundations and endowments, and funds set aside to meet the cost of the University's liability under superannuation schemes. In 2021 the assets also included \$63.4M of shares held in escrow.

#### IDP Education Ltd Share Sales

During 2022, the University disposed of 75% of its shareholding in IDP Education Ltd (1,373,370 shares), reducing the carrying value of Investments in equity instruments designated at fair value through other comprehensive income by \$47.6m. As at 31 December 2022 the University continues to hold 457,789 shares in IDP Education Limited at a value of \$12.4 million (2021: \$63.4 million).

## 10. Derivative Financial Instruments

### Non-Current Liabilities

Interest rate swap contracts - cash flow hedges	-	<b>8,370</b>	-	<b>8,370</b>
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During 2007 the University entered into amortising interest rate swaps totalling \$90.0 million to manage its interest rate exposures on its planned borrowings for its North Terrace Development Strategy. The interest rate swaps were effective hedges until the borrowings were repaid in December 2021. As a result of the hedges becoming ineffective unrealised gains or losses have been recognised through the net operating result. In September 2022 the Interest Rate Swaps were terminated.

	Note	Consolidated		University	
		2022 \$000	2021 \$000	2022 \$000	2021 \$000
<b>11. Other Non-Financial Assets</b>					
<b>Current</b>					
Prepayments		18,128	16,057	18,083	15,989
Net investment in a lease		-	29	-	29
		<b>18,128</b>	<b>16,086</b>	<b>18,083</b>	<b>16,018</b>
<b>Non-current</b>					
Prepayments		3,725	4,199	3,725	4,199
Net investment in a lease		-	37	-	37
		<b>3,725</b>	<b>4,236</b>	<b>3,725</b>	<b>4,236</b>
<b>Total Other Non-Financial Assets</b>		<b>21,853</b>	<b>20,322</b>	<b>21,808</b>	<b>20,254</b>
<b>12. Investments Accounted for Using the Equity Method</b> 3(o)					
<b>Interests in joint ventures</b>					
Equity accounted		344	568	344	568
		<b>344</b>	<b>568</b>	<b>344</b>	<b>568</b>

### 13. Property, Plant and Equipment

Consolidated	Trust Land \$000	Other Land \$000	Trust Buildings \$000	Other Buildings \$000	WIP \$000	Leasehold Improvements \$000	Works of Art \$000	Plant and Equipment \$000	Property, Plant and Equipment \$000	Right of Use Lease Assets \$000	Total \$000
<b>As at 1 January 2021</b>											
Cost	-	-	24,293	6,691	12,167	30,077	-	264,577	337,805	67	337,872
Valuation	173,480	46,122	913,407	309,734	-	-	10,317	-	1,453,060	65,618	1,518,678
Accumulated depreciation/amortisation	-	-	(28,243)	(7,350)	-	(22,505)	-	(196,772)	(254,870)	(23,370)	(278,240)
Net book amount	<b>173,480</b>	<b>46,122</b>	<b>909,457</b>	<b>309,075</b>	<b>12,167</b>	<b>7,572</b>	<b>10,317</b>	<b>67,805</b>	<b>1,535,995</b>	<b>42,315</b>	<b>1,578,310</b>
<b>Year ended 31 December 2021</b>											
Opening net book amount	173,480	46,122	909,457	309,075	12,167	7,572	10,317	67,805	1,535,995	42,315	1,578,310
Additions	-	-	-	-	32,922	-	16	13,405	46,343	4,694	51,037
Assets included in a disposal group classified as held for sale and other disposals	-	-	(154)	-	-	-	-	(919)	(1,073)	-	(1,073)
Transfers	-	-	13,812	666	(23,267)	424	-	8,365	-	-	-
Depreciation/amortisation	-	-	(28,748)	(7,365)	-	(1,374)	-	(16,194)	(53,681)	(10,773)	(64,454)
Closing net book amount	<b>173,480</b>	<b>46,122</b>	<b>894,367</b>	<b>302,376</b>	<b>21,822</b>	<b>6,622</b>	<b>10,333</b>	<b>72,462</b>	<b>1,527,584</b>	<b>36,236</b>	<b>1,563,820</b>
<b>As at 31 December 2021</b>											
Cost	-	-	38,105	7,357	21,822	30,501	16	279,378	377,179	67	377,246
Valuation	173,480	46,122	913,245	309,734	-	-	10,317	-	1,452,898	67,268	1,520,166
Accumulated depreciation/amortisation	-	-	(56,983)	(14,715)	-	(23,879)	-	(206,916)	(302,493)	(31,099)	(333,592)
Net book amount	<b>173,480</b>	<b>46,122</b>	<b>894,367</b>	<b>302,376</b>	<b>21,822</b>	<b>6,622</b>	<b>10,333</b>	<b>72,462</b>	<b>1,527,584</b>	<b>36,236</b>	<b>1,563,820</b>

13. Property, Plant and Equipment - continued

Consolidated	Trust Land \$000	Other Land \$000	Trust Buildings \$000	Other Buildings \$000	WIP \$000	Leasehold Improvements \$000	Works of Art \$000	Plant and Equipment \$000	Property, Plant and Equipment (owned) \$000	Right of Use Lease Assets \$000	Total \$000
<b>Year ended 31 December 2022</b>											
Opening net book amount as at 1/1/2022	173,480	46,122	894,367	302,376	21,822	6,622	10,333	72,462	1,527,584	36,236	1,563,820
Additions	-	-	-	-	47,612	-	14	26,029	73,655	5,742	79,397
Assets included in a disposal group classified as held for sale and other disposals	-	-	-	-	-	-	-	(567)	(567)	-	(567)
Revaluation surplus/(deficit)	15,099	2,414	95,152	43,073	-	-	-	-	155,738	-	155,738
Transfers	-	-	31,854	5,448	(43,418)	4,867	-	4,596	3,347	-	3,347
Depreciation/amortisation	-	-	(29,747)	(7,419)	-	(1,667)	-	(15,973)	(54,806)	(10,403)	(65,209)
Reassessment of property leases	-	-	-	-	-	-	-	-	-	33	33
Closing net book amount	<b>188,579</b>	<b>48,536</b>	<b>991,626</b>	<b>343,478</b>	<b>26,016</b>	<b>9,822</b>	<b>10,347</b>	<b>86,547</b>	<b>1,704,951</b>	<b>31,608</b>	<b>1,736,559</b>
<b>As at 31 December 2022</b>											
Cost	-	-	-	-	26,016	35,368	30	300,633	362,047	67	362,114
Valuation	188,579	48,536	991,626	343,478	-	-	10,317	-	1,582,536	70,684	1,653,220
Accumulated depreciation/amortisation	-	-	-	-	-	(25,546)	-	(214,086)	(239,632)	(39,143)	(278,775)
Net book amount	<b>188,579</b>	<b>48,536</b>	<b>991,626</b>	<b>343,478</b>	<b>26,016</b>	<b>9,822</b>	<b>10,347</b>	<b>86,547</b>	<b>1,704,951</b>	<b>31,608</b>	<b>1,736,559</b>

13. Property, Plant and Equipment - continued

University	Trust Land \$000	Other Land \$000	Trust Buildings \$000	Other Buildings \$000	WIP \$000	Leasehold Improvements \$000	Works of Art \$000	Plant and Equipment \$000	Property, Plant and Equipment \$000	Right of Use Lease Assets \$000	Total \$000
<b>As at 1 January 2021</b>											
Cost	-	-	24,293	6,691	12,167	29,948	-	258,488	331,587	-	331,587
Valuation	173,480	45,092	913,407	299,846	-	-	10,317	-	1,442,142	65,618	1,507,760
Accumulated depreciation/amortisation	-	-	(28,243)	(7,260)	-	(22,391)	-	(192,654)	(250,548)	(23,341)	(273,889)
Net book amount	<b>173,480</b>	<b>45,092</b>	<b>909,457</b>	<b>299,277</b>	<b>12,167</b>	<b>7,557</b>	<b>10,317</b>	<b>65,834</b>	<b>1,523,181</b>	<b>42,277</b>	<b>1,565,458</b>
<b>Year ended 31 December 2021</b>											
Opening net book amount	173,480	45,092	909,457	299,277	12,167	7,557	10,317	65,834	1,523,181	42,277	1,565,458
Adoption of AASB 16	-	-	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	32,922	-	16	12,740	45,678	4,694	50,372
Assets included in a disposal group classified as held for sale and other disposals	-	-	(154)	-	-	-	-	(864)	(1,018)	-	(1,018)
Transfers	-	-	13,812	666	(23,267)	424	-	8,365	-	-	-
Depreciation/amortisation	-	-	(28,748)	(7,275)	-	(1,359)	-	(15,884)	(53,266)	(10,751)	(64,017)
Closing net book amount	<b>173,480</b>	<b>45,092</b>	<b>894,367</b>	<b>292,668</b>	<b>21,822</b>	<b>6,622</b>	<b>10,333</b>	<b>70,191</b>	<b>1,514,575</b>	<b>36,220</b>	<b>1,550,795</b>
<b>As at 31 December 2021</b>											
Cost	-	-	38,105	7,357	21,822	30,372	16	272,679	370,351	-	370,351
Valuation	173,480	45,092	913,245	299,846	-	-	10,317	-	1,441,980	67,268	1,509,248
Accumulated depreciation/amortisation	-	-	(56,983)	(14,535)	-	(23,750)	-	(202,488)	(297,756)	(31,048)	(328,804)
Net book amount	<b>173,480</b>	<b>45,092</b>	<b>894,367</b>	<b>292,668</b>	<b>21,822</b>	<b>6,622</b>	<b>10,333</b>	<b>70,191</b>	<b>1,514,575</b>	<b>36,220</b>	<b>1,550,795</b>

13. Property, Plant and Equipment - continued

University	Trust Land \$000	Other Land \$000	Trust Buildings \$000	Other Buildings \$000	WIP \$000	Leasehold Improvements \$000	Works of Art \$000	Plant and Equipment \$000	Subtotal Property, Plant and Equipment (owned) \$000	Right of Use Lease Assets \$000	Total \$000
<b>Year ended 31 December 2022</b>											
Opening net book amount as at 1/1/2022	173,480	45,092	894,367	292,668	21,822	6,622	10,333	70,191	1,514,575	36,220	1,550,795
Additions	-	-	-	-	47,612	-	14	25,806	73,432	5,742	79,174
Assets included in a disposal group classified as held for sale and other disposals	-	-	-	-	-	-	-	(143)	(143)	-	(143)
Revaluation surplus/(deficit)	15,099	2,344	95,152	42,175	-	-	-	-	154,770	-	154,770
Transfers	-	-	31,854	5,448	(43,418)	4,867	-	4,596	3,347	-	3,347
Depreciation/amortisation	-	-	(29,747)	(7,333)	-	(1,667)	-	(15,726)	(54,473)	(10,387)	(64,860)
Other changes:											
Reassessment of property leases	-	-	-	-	-	-	-	-	-	33	33
Closing net book amount	<b>188,579</b>	<b>47,436</b>	<b>991,626</b>	<b>332,958</b>	<b>26,016</b>	<b>9,822</b>	<b>10,347</b>	<b>84,724</b>	<b>1,691,508</b>	<b>31,608</b>	<b>1,723,116</b>
<b>As at 31 December 2022</b>											
Cost	-	-	-	-	26,016	35,239	30	295,981	357,266	-	357,266
Valuation	188,579	47,436	991,626	332,958	-	-	10,317	-	1,570,916	70,684	1,641,600
Accumulated depreciation/amortisation	-	-	-	-	-	(25,417)	-	(211,257)	(236,674)	(39,076)	(275,750)
Net book amount	<b>188,579</b>	<b>47,436</b>	<b>991,626</b>	<b>332,958</b>	<b>26,016</b>	<b>9,822</b>	<b>10,347</b>	<b>84,724</b>	<b>1,691,508</b>	<b>31,608</b>	<b>1,723,116</b>

	Note	Consolidated		Total \$000
		Other Intangible Assets \$000	Intangibles in Progress \$000	
<b>14. Intangible Assets</b>				
<b>As at 1 January 2021</b>				
Cost		108,941	1,215	110,156
Accumulated amortisation and impairment		(89,734)	-	(89,734)
Net book amount as at 1 January 2021		<u>19,207</u>	<u>1,215</u>	<u>20,422</u>
<b>Year ended 31 December 2021</b>				
Opening net book amount		19,207	1,215	20,422
Additions		-	6,391	6,391
Disposals		(205)	-	(205)
Transfer to / (from) WIP		1,309	(1,309)	-
Amortisation charge		(8,639)	-	(8,639)
Closing net book amount as at 31 December 2021		<u>11,672</u>	<u>6,297</u>	<u>17,969</u>
<b>As at 31 December 2021</b>				
Cost		72,378	6,297	78,675
Accumulated amortisation and impairment		(60,706)	-	(60,706)
Net book amount as at 31 December 2021		<u>11,672</u>	<u>6,297</u>	<u>17,969</u>
<b>Year ended 31 December 2022</b>				
Opening net book amount		11,672	6,297	17,969
Additions		6,267	2,682	8,949
Disposals		(55)	-	(55)
Transfer to / (from) WIP		3,591	(3,591)	-
Transfer (to) / from PPE		-	(3,347)	(3,347)
Amortisation charge		(6,835)	-	(6,835)
Closing net book amount as at 31 December 2022		<u>14,640</u>	<u>2,041</u>	<u>16,681</u>
<b>As at 31 December 2022</b>				
Cost		82,075	2,041	84,116
Accumulated amortisation and impairment		(67,435)	-	(67,435)
Net book amount as at 31 December 2022		<u>14,640</u>	<u>2,041</u>	<u>16,681</u>

	Note	University		Total \$000
		Other Intangible Assets \$000	Intangibles in Progress \$000	
<b>14. Intangible Assets - continued</b>				
<b>As at 1 January 2021</b>				
Cost		108,941	1,215	110,156
Accumulated amortisation and impairment		(89,734)	-	(89,734)
Net book amount as at 1 January 2021		<u>19,207</u>	<u>1,215</u>	<u>20,422</u>
<b>Year ended 31 December 2021</b>				
Opening net book amount		19,207	1,215	20,422
Additions		-	6,391	6,391
Disposals		(205)	-	(205)
Transfer to / (from) WIP		1,309	(1,309)	-
Amortisation charge		(8,639)	-	(8,639)
Closing net book amount as at 31 December 2021		<u>11,672</u>	<u>6,297</u>	<u>17,969</u>
<b>As at 31 December 2021</b>				
Cost		72,378	6,297	78,675
Accumulated amortisation and impairment		(60,706)	-	(60,706)
Net book amount as at 31 December 2021		<u>11,672</u>	<u>6,297</u>	<u>17,969</u>
<b>Year ended 31 December 2022</b>				
Opening net book amount		11,672	6,297	17,969
Additions		6,267	2,682	8,949
Disposals		(55)	-	(55)
Transfer to / (from) WIP		3,591	(3,591)	-
Transfer (to) / from PPE		-	(3,347)	(3,347)
Amortisation charge		(6,835)	-	(6,835)
Closing net book amount as at 31 December 2022		<u>14,640</u>	<u>2,041</u>	<u>16,681</u>
<b>As at 31 December 2022</b>				
Cost		82,075	2,041	84,116
Accumulated amortisation and impairment		(67,435)	-	(67,435)
Net book amount as at 31 December 2022		<u>14,640</u>	<u>2,041</u>	<u>16,681</u>

For the year ended 31 December 2022 \$1.0 million (2021: \$1.7 million) of costs incurred in implementing Software-as-a-Service arrangements were recognised as intangible assets.

2022 Transfers to Property, Plant and Equipment (PPE) of \$3.3 million for network storage assets which were classified as intangible assets in 2021

	Note	Consolidated		University	
		2022 \$000	2021 \$000	2022 \$000	2021 \$000
<b>15. Payables</b>					
<b>Current</b>					
Accounts payable		63,376	54,597	62,235	53,165
Annual and long service leave on-costs		5,563	5,598	5,521	5,526
Accruals		4,352	5,344	4,116	5,107
Salary and related expenses payable		9,029	9,283	9,029	9,283
OS-HELP Liability to Australian Government		3,580	4,189	3,580	4,189
		<b>85,900</b>	<b>79,011</b>	<b>84,481</b>	<b>77,270</b>
<b>Non-current</b>					
Annual and long service leave on-costs		10,483	12,114	10,480	12,092
		<b>10,483</b>	<b>12,114</b>	<b>10,480</b>	<b>12,092</b>
<b>Total Payables</b>		<b>96,383</b>	<b>91,125</b>	<b>94,961</b>	<b>89,362</b>

<b>16. Contract Liabilities</b>					
<b>Current</b>					
Australian Government financial assistance		49,996	49,482	49,996	49,482
State and Local Government financial assistance		4,754	4,484	4,754	4,484
Fees and charges		31,168	25,334	31,168	25,334
Consultancy and contracts		10,779	13,218	10,779	13,218
Other current contract liabilities		1,560	2,677	1,560	2,677
		<b>98,257</b>	<b>95,195</b>	<b>98,257</b>	<b>95,195</b>
<b>Non-current</b>					
Australian Government financial assistance		105,059	78,576	105,059	78,576
State and Local Government financial assistance		9,206	7,120	9,206	7,120
Fees and charges		6,973	5,762	6,973	5,762
Consultancy and contracts		22,493	20,990	22,493	20,990
Other non-current contract liabilities		3,125	4,251	3,125	4,251
		<b>146,856</b>	<b>116,699</b>	<b>146,856</b>	<b>116,699</b>
<b>Total contract liabilities</b>		<b>245,113</b>	<b>211,894</b>	<b>245,113</b>	<b>211,894</b>

Contract Liabilities represent research and teaching grants for which funding has been received by the University, to provide future services to funding providers and students.

<b>17. Borrowings</b>					
<b>Current</b>					
Interest bearing borrowings		883	-	883	-
Lease Liabilities		9,331	9,471	9,331	9,454
		<b>10,214</b>	<b>9,471</b>	<b>10,214</b>	<b>9,454</b>
<b>Non-current</b>					
Interest bearing borrowings		3,541	10	3,541	10
Lease Liabilities		17,147	21,484	17,147	21,484
		<b>20,688</b>	<b>21,494</b>	<b>20,688</b>	<b>21,494</b>
<b>Total Borrowings</b>		<b>30,902</b>	<b>30,965</b>	<b>30,902</b>	<b>30,948</b>

The University maintains unsecured Facilities totalling \$137.5 million. These Facilities are undrawn by the University.

<b>18. Lease Liabilities - undiscounted contractual cash flows</b>					
Less than one year		10,000	10,293	10,000	10,276
One to five years		14,051	17,935	14,051	17,935
More than 5 years		5,242	5,545	5,242	5,545
<b>Total undiscounted contractual cash flows</b>		<b>29,293</b>	<b>33,773</b>	<b>29,293</b>	<b>33,756</b>

## 18 The University of Adelaide as Lessee - continued

### (a) Real estate leases

The University leases land and buildings for its administration, research, learning and teaching activities. The terms of the leases vary. Where leases contain extension options exercisable by the University before the end of the non-cancellable contract period, these are only recognised where it is reasonably certain they will be exercised. A reassessment is performed annually to determine whether it is reasonably certain to exercise the extension options, if there is a significant event or significant change in circumstances within its control.

The aggregate value (undiscounted) of potential future lease payments attributable to available extension options, but not considered reasonably certain to exercise and therefore not included in lease liabilities, as at balance date is approximately \$91 million (2021: \$83 million).

### (b) Other leases

The University leases vehicle, plant, technology equipment and machinery for its administration, research, learning and teaching activities. The terms of the leases vary.

### (c) Concessionary Leases

The University has elected to measure the land and building, vehicles and equipment classes of right-of-use assets at initial recognition at cost.

#### Nature and terms of the concessionary leases

The University leases land and buildings for some aspects of its administration, research and teaching activities, a small number of which have significantly below-market terms and conditions. The lease payments for these leases are \$1 per annum, except for one lease that has been prepaid at lease commencement. That prepayment amount equates to lease payments of \$25,000 per annum (2021: \$25,000 per annum) over the term of the lease. The majority of concessionary leases are on public land and are heritage listed. The lease terms and conditions generally specify restrictions to the permitted usage of the leased property.

	Note	Consolidated		University		
		2022 \$000	2021 \$000	2022 \$000	2021 \$000	
<b>19. Provisions</b>						
<b>Current</b>						
Workers' compensation provision		79	485	79	485	
Annual and long service leave		31,124	30,118	30,775	29,531	
		<u>31,203</u>	<u>30,603</u>	<u>30,854</u>	<u>30,016</u>	
Insurance provision		1,152	917	1,152	917	
		<u>1,152</u>	<u>917</u>	<u>1,152</u>	<u>917</u>	
		<b>32,355</b>	<b>31,520</b>	<b>32,006</b>	<b>30,933</b>	
<b>Non-current</b>						
Workers' compensation provision		412	895	412	895	
Annual and long service leave		58,495	63,932	58,477	63,819	
Defined benefit fund net liability	25(c)	3,258	3,365	3,258	3,365	
		<u>62,165</u>	<u>68,192</u>	<u>62,147</u>	<u>68,079</u>	
Lease make good provision		3,624	3,859	3,624	3,859	
		<u>65,789</u>	<u>72,051</u>	<u>65,771</u>	<u>71,938</u>	
<b>Total Provisions</b>		<b>98,144</b>	<b>103,571</b>	<b>97,777</b>	<b>102,871</b>	
		<u>98,144</u>	<u>103,571</u>	<u>97,777</u>	<u>102,871</u>	
		Workers' compensation provision	Annual and long service leave	Insurance Provision	Defined benefit fund net liability	Lease make good provision
		\$000	\$000	\$000	\$000	\$000
<b>Movements in provisions</b>						
<b>Consolidated - current</b>						
Carrying amount at start of year		485	30,118	917	-	-
Additional/(reductions in) provisions recognised		(406)	1,006	235	-	-
Carrying amount at the end of the year		<u>79</u>	<u>31,124</u>	<u>1,152</u>	<u>-</u>	<u>-</u>
<b>Consolidated - non-current</b>						
Carrying amount at start of year		895	63,932	-	3,365	3,859
Additional/(reductions in) provisions recognised		(483)	(5,437)	-	(107)	(235)
Carrying amount at the end of the year		<u>412</u>	<u>58,495</u>	<u>-</u>	<u>3,258</u>	<u>3,624</u>
<b>Movements in provisions</b>						
<b>University - current</b>						
Carrying amount at start of year		485	29,531	917	-	-
Additional/(reductions in) provisions recognised		(406)	1,244	235	-	-
Carrying amount at the end of the year		<u>79</u>	<u>30,775</u>	<u>1,152</u>	<u>-</u>	<u>-</u>
<b>University - non-current</b>						
Carrying amount at start of year		895	63,819	-	3,365	3,859
Additional/(reductions in) provisions recognised		(483)	(5,342)	-	(107)	(235)
Carrying amount at the end of the year		<u>412</u>	<u>58,477</u>	<u>-</u>	<u>3,258</u>	<u>3,624</u>

#### 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(u) 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 2022 that were expected to be paid subsequent to 1 January 2023 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 Plan No 2 defined benefit obligation in accordance with AASB 119 Employee Benefits. Refer to Note 3(h) Employee Benefits and Note 25(c) The University of Adelaide Super Scheme A 1985 Plan No 2.

#### Lease make good provision

Provision has been made for the assessment of future liability to the University for make good where specified in the lease agreement of the University.

	Note	Consolidated		University	
		2022 \$000	2021 \$000	2022 \$000	2021 \$000
<b>20. Other Liabilities</b>					
<b>Current</b>					
Income in advance		1,577	1,211	816	379
Grant Refunds		1,996	1,341	1,996	1,341
Collaborator Payments		2,565	4,266	2,565	4,266
Cash Scholarships		811	1,415	811	1,415
Residential bonds		407	327	407	327
Employee benefits – separation packages		252	15,044	252	15,044
Third party funds		1,386	1,472	1,386	1,472
<b>Total Other Liabilities</b>		<b>8,994</b>	<b>25,076</b>	<b>8,233</b>	<b>24,244</b>
<b>21. Retained Surplus and Reserves</b>					
<b>21(a) Summary</b>					
<b>Capital reserves</b>					
Asset revaluation surplus		622,212	466,393	619,320	464,550
Initial asset recognition reserve		279,124	279,124	279,124	279,124
Financial assets revaluation reserve		6,470	24,356	24,536	37,190
Cash flow hedge reserve		-	(6)	-	(6)
		<b>907,806</b>	<b>769,867</b>	<b>922,980</b>	<b>780,858</b>
<b>Specific purpose reserves</b>					
Bequests/donations unspent income reserve		16,094	18,072	16,094	18,072
Restricted purpose bequest capital reserve		234,040	228,958	234,040	228,958
Endowment fund revaluation reserve		239,373	256,747	239,373	256,747
		<b>489,507</b>	<b>503,777</b>	<b>489,507</b>	<b>503,777</b>
<b>Retained surplus</b>		<b>754,690</b>	<b>727,728</b>	<b>737,298</b>	<b>714,983</b>

	Note	Consolidated		University	
		2022 \$000	2021 \$000	2022 \$000	2021 \$000
<b>21. Reserves - continued</b>					
<b>21(b) Movements in reserves</b>					
<b>Asset revaluation surplus</b>					
Opening balance		466,393	466,393	464,550	464,550
Add revaluation increment/ (decrement) on property, plant and equipment		155,738	-	154,770	-
Transfer (to) / from retained surplus		81	-	-	-
Closing balance		<u>622,212</u>	<u>466,393</u>	<u>619,320</u>	<u>464,550</u>
<b>Initial asset recognition reserve</b>					
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>
<b>Financial assets revaluation reserve</b>					
Opening balance		24,356	42,010	37,190	54,697
Transfer (to) / from retained surplus		-	(67,915)	-	(67,915)
Current year movement		(17,886)	50,261	(12,654)	50,408
Closing balance		<u>6,470</u>	<u>24,356</u>	<u>24,536</u>	<u>37,190</u>
<b>Cash flow hedge reserve</b>					
Opening balance		(6)	(6)	(6)	(6)
Current year movement		6	-	6	-
Closing balance		<u>-</u>	<u>(6)</u>	<u>-</u>	<u>(6)</u>
<b>Bequests/donations unspent income reserve</b>					
Opening balance		18,072	15,635	18,072	15,635
Transfer (to) / from retained surplus		(1,978)	2,437	(1,978)	2,437
Closing balance		<u>16,094</u>	<u>18,072</u>	<u>16,094</u>	<u>18,072</u>
<b>Restricted purpose bequest capital reserve</b>					
Opening balance		228,958	219,545	228,958	219,545
Transfer from retained surplus		5,082	9,413	5,082	9,413
Closing balance		<u>234,040</u>	<u>228,958</u>	<u>234,040</u>	<u>228,958</u>
<b>Endowment fund revaluation reserve</b>					
Opening balance		256,747	209,831	256,747	209,831
Transfer (to) / from retained surplus		(17,374)	46,916	(17,374)	46,916
Closing balance		<u>239,373</u>	<u>256,747</u>	<u>239,373</u>	<u>256,747</u>

	Note	Consolidated		University	
		2022 \$000	2021 \$000	2022 \$000	2021 \$000
<b>21. Reserves - continued</b>					
<b>21(c) Nature and purpose of reserves</b>					
<b>Asset revaluation surplus</b>					
Is used to record increments and decrements on the revaluation of non-current assets. Refer accounting policy note 3(q).					
<b>Initial asset recognition reserve</b>					
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.					
<b>Financial assets revaluation reserve</b>					
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(l).					
<b>Cash flow hedge reserve</b>					
Represents the equity impact arising from ineffective cash flow hedges.					
<b>Specific purpose reserve</b>					
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 purpose reserves are created for surplus funds which will be specifically acquitted in future accounting periods. Specific purpose reserves include Bequest/donations unspent income reserves, Restricted purpose bequest capital reserves and Endowment Fund revaluation reserves.					
<b>Bequests/donations unspent income reserve</b>					
Balance of bequests/donations received which have not been invested into the Endowment Fund.					
<b>Restricted purpose bequest capital reserve</b>					
Capital value of bequests/donations received and invested into the Endowment Fund.					
<b>Endowment fund revaluation reserve</b>					
Reserve to reflect the change in the capital value of the Endowment Fund through investment returns.					
<b>22. Reconciliation of net cash provided by operating activities to net operating result</b>					
<b>Net operating result</b>		<b>12,459</b>	<b>197,772</b>	<b>7,731</b>	<b>196,971</b>
Add/(subtract) non cash items					
Amortisation	5	8,502	10,013	8,502	9,998
Depreciation	5	63,542	63,080	63,193	62,658
Write down / (up) of investments		17,300	(46,944)	17,300	(46,944)
Other revenue/expenses		(11,859)	34,728	(6,864)	36,501
(Profit)/loss on sale of property, plant and equipment		122	888	66	943
(Profit)/loss on sale of shares		-	11	-	11
<b>Changes in assets/liabilities</b>					
(Increase)/decrease in inventories		(985)	(306)	-	-
(Increase)/decrease in receivables		(4,202)	(23,259)	(4,351)	(24,223)
(Increase)/decrease in contract assets		(4,182)	(1,780)	(4,182)	(1,780)
(Increase)/decrease in other assets		(1,531)	4,682	(1,554)	4,677
Increase/(decrease) in payables		5,258	20,049	5,599	19,886
Increase/(decrease) in contract liabilities		33,219	40,167	33,219	40,167
Increase/(decrease) in other liabilities		(16,082)	(6,150)	(16,011)	(5,937)
Increase/(decrease) in provisions		(5,427)	(5,667)	(5,094)	(5,758)
<b>Net cash provided by operating activities</b>		<b>96,134</b>	<b>287,284</b>	<b>97,554</b>	<b>287,170</b>

	Note	Consolidated		University	
		2022	2021	2022	2021
		\$000	\$000	\$000	\$000
<b>23. Commitments</b>					
<b>Operating expenditure</b>					
Contracted but not provided for and payable:					
Within one year		63,937	45,162	63,937	45,162
Between one and five years		20,878	20,999	20,878	20,999
Later than five years		2,013	943	2,013	943
<b>Total operating expenditure commitments</b>		<b>86,828</b>	<b>67,104</b>	<b>86,828</b>	<b>67,104</b>
<b>Capital commitments</b>					
Capital expenditure contracted for at the reporting date but not recognised as liabilities is as follows:					
<b>Property, plant and equipment</b>					
Within one year		10,534	11,530	10,534	11,530
Between one and five years		-	276	-	276
<b>Total capital commitments</b>		<b>10,534</b>	<b>11,806</b>	<b>10,534</b>	<b>11,806</b>

The operating expenditure commitments primarily relate to leases of photocopiers, computers, office equipment and maintenance contracts.

The capital commitments primarily relate to future construction-based expenditure.

## 24. Contingencies

### (a) Guarantees

The University registered as an exempt employer with ReturnToWorkSA and provides a bank guarantee to cover projected workers' compensation outstanding claims liabilities. Currently, the University has provided a \$1.8 million bank guarantee to ReturnToWorkSA. The amount of the guarantee was based on an actuarial assessment of the projected workers' compensation claims liabilities. The University has been advised by ReturnToWorkSA that it had approved a self-insurance renewal with an agreed renewal date of 31 December 2026.

### (b) 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 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. A provision of \$1.2 million has been raised to meet claims not covered by the University's comprehensive insurance program. Refer Note 19.

## 25. 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 Division or Accumulation Super 2
  - Unisuper 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
- (iv) Various employee elected funds, in line with Treasury Laws Amendment (Your Superannuation, Your Choice) Act 2020 which came into effect from 1 November 2021, providing more flexibility to employees in their choice of superannuation fund.
  - Contributions to these schemes were not material, refer to note 25(e)

### (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 2022 for employees in either the Defined Benefit Division or Accumulation Super 2 was 17% of salaries. The contribution to the Accumulation Super 1 and for employees only in the Accumulation Super 1 increased from 10% to 10.5% from 1 July 2022 in line with the super guarantee rate.

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 2022 the assets of the Defined Benefit Division in aggregate were estimated to be \$5,214 million (30 June 2021: \$5,070 million) above vested benefits after allowing for various reserves. The Vested Benefits Index based on funding assumptions was 121.0%. 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 2022 the assets of the Defined Benefit Division in aggregate were estimated to be \$7,895 million (30 June 2021: \$7,339 million) above accrued benefits after allowing for various reserves. The Accrued Benefits Index based on best estimate assumptions was 135.7%. 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 2022 was conducted by Mr Mark Nelson and Mr Guy Holley, 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 2022. The financial assumptions used were:

	Vested Benefits	Accrued Benefits
Gross of tax investment return - Defined Benefit Division pensions	6.40% p.a.	7.40% p.a.
Gross of tax investment returns - commercial rate indexed pensions	3.10% p.a.	3.10% p.a.
Net of tax investment return - non pensioner members	5.60% p.a.	6.50% p.a.
Consumer Price Index		
- For the next 2 years	4.00% p.a.	4.00% p.a.
- Beyond 2 years	2.50% p.a.	2.50% p.a.
Inflationary salary increases		
- For the next 2 years	2.75% p.a.	2.75% p.a.
- Beyond 2 years	3.25% p.a.	3.25% p.a.

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

## 25. 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 (the Plan) 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 Plan 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 Plan with effect from that date. The Plan 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 lump sum benefits on retirement, death, disablement. Members are also eligible for pension benefits. The Plan 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 Plan's Trustee is responsible for the governance of the Plan. The Trustee has a legal obligation to act solely in the best interests of the Plan beneficiaries. The Trustee has the following roles:

- Administration of the Plan and payment to the beneficiaries from Plan assets when required in accordance with the Plan rules.
- Management and investment of the Plan 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 Plan 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 the last remaining active member will elect to take a greater proportion than assumed of their benefit as a pension, 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.

The defined benefit assets are invested in the Balance investment option in the AMP Super Fund. The assets have a 55% weighting to equities and therefore the Plan has a significant concentration of equity market risk. However, within the equity investments, the allocation both globally and across the sectors is diversified.

#### **Description of significant events**

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

## 25. Superannuation Schemes – continued

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

	Note	2022 \$000	2021 \$000
<b>Reconciliation of the Net Defined Benefit Liability/(Asset)</b>			
Net defined benefit liability/(asset) at the beginning of the year		3,365	6,681
Add			
Current service costs		149	147
Net interest		58	72
Actuarial (gains) / losses arising from changes in financial assumptions		(2,987)	(1,908)
Actuarial (gains) / losses arising from liability experience		1,182	377
Less			
Actual (gains) / losses on Plan assets less interest income		1,491	(1,587)
Employer contributions		-	(417)
Net defined benefit liability/(asset) at the end of the year		<u>3,258</u>	<u>3,365</u>
<b>Reconciliation of the defined benefit obligation</b>			
Present value of defined benefit obligations at the beginning of the year		19,677	22,121
Add			
Current service costs		149	147
Interest expense		355	258
Contributions by Plan participants		-	1
Actuarial (gains) / losses arising from changes in financial assumptions		(2,987)	(1,908)
Actuarial (gains) / losses arising from liability experience		1,182	377
Less			
Benefits paid		(988)	(1,215)
Taxes, premiums and expenses paid		(39)	(104)
Present value of defined benefit obligations at the end of the year		<u>17,349</u>	<u>19,677</u>
<b>Reconciliation of the fair value of Plan assets</b>			
Fair value of Plan assets at the end of the year		16,312	15,440
Add			
Interest income		297	186
Actual (gains) / losses on Plan assets less interest income		(1,491)	1,587
Employer contributions		-	417
Contributions by Plan participants		-	1
Less			
Benefits paid		(988)	(1,215)
Taxes, premiums and expenses paid		(39)	(104)
Fair value of Plan assets at the end of the year		<u>14,091</u>	<u>16,312</u>
<b>Reconciliation of the Assets and Liabilities recognised in the Statement of Financial Position</b>			
Defined benefit obligation including contributions tax provision		17,349	19,677
Less			
Fair value of Plan assets		(14,091)	(16,312)
Defined benefit fund net liability	19	<u>3,258</u>	<u>3,365</u>
<b>Expense recognised in the Statement of Comprehensive Income</b>			
Service cost		149	147
Net interest		58	72
<b>Defined benefit cost recognised in Net operating result</b>		<u>207</u>	<u>219</u>
<b>Amounts recognised in Other Comprehensive Income</b>			
Actuarial (gains) / losses		(1,805)	(1,531)
Actual (gains) / losses on Plan assets less interest income		1,491	(1,587)
<b>Total remeasurements recognised in Other Comprehensive Income</b>		<u>(314)</u>	<u>(3,118)</u>
<b>Reconciliation of the Effect of the Asset Ceiling</b>			
The asset ceiling has no impact on the net defined benefit liability.			

**25. 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 2022**

	<b>2022</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Asset Category</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Investment Funds	14,091		14,091	
	<b>14,091</b>	<b>-</b>	<b>14,091</b>	<b>-</b>

**As at 31 December 2021**

	<b>2021</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Asset Category</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Investment Funds	16,312		16,312	
	<b>16,312</b>	<b>-</b>	<b>16,312</b>	<b>-</b>

**Scheme assets**

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

	<b>2022</b>	<b>2021</b>
Australian equity	24%	40%
International equity	31%	16%
Fixed income	12%	10%
Property	12%	8%
Alternatives/Other	18%	1%
Cash	3%	25%

**Fair value of University's own financial instruments**

The fair value of Plan 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.

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Actual return on Plan assets</b>	<b>(1,194)</b>	<b>1,773</b>

**Significant actuarial assumptions at the balance date**

**Assumptions to determine Defined Benefit Cost**

Discount rate	2.00%	1.30%
Expected pension increase rate	2.00%	2.00%
Pensioner mortality	Mercer Standard Retiree Pensioner Mortality rates 2012-2017	

**Assumptions to determine Defined Benefit Obligation**

Discount rate	4.30%	1.30%
Expected pension increase rate (2023-2024)	5.00%	2.00%
Expected pension increase rate (2025 and thereafter)	2.50%	2.00%
Pensioner mortality	Mercer Standard Retiree Pensioner Mortality rates 2012-2017	

## 25. 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 2022 under several scenarios is presented below. Scenario A and B relate to discount rate sensitivity. Scenario C and D relate to pension rate sensitivity. Scenario E and F relate to sensitivities on pension mortality.

Scenario A: 0.5% pa lower discount rate assumption

Scenario B: 0.5% pa higher discount rate assumption

Scenario C: 0.5% pa lower pension increase rate assumption

Scenario D: 0.5% pa higher pension increase rate assumption

Scenario E: 10% pa lower pensioner mortality rate assumption

Scenario F: 10% pa higher pensioner mortality rate assumption

	Base Case	A	B	C	D
		-0.5% pa discount rate	+0.5% pa discount rate	-0.5% pa pension increase rate	+0.5% pa pension increase rate
Discount rate	4.30%	3.80%	4.80%	4.30%	4.30%
Pension increase rate	2.50%	2.50%	2.50%	2.00%	3.00%
Defined benefit obligation^ (\$'000)	17,349	18,329	16,445	16,905	17,812

	Base Case	E	F
		10% lower pensioner mortality rate	10% higher pensioner mortality rate
Pensioner mortality (MSRP*)	100%	90%	110%
Defined benefit obligation^ (\$'000)	17,349	17,992	16,776

^ includes defined benefit contributions tax provision

\* Mercer Standard Retiree Pensioner Mortality rates 2012-2017

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

#### Asset-Liability matching strategies

No asset and liability matching strategies have been adopted by the Plan.

#### Expected contributions

Employer contributions are made into the fund based on actuarial advice. Recommended employer contributions for the year ended 31 December 2023 of \$0.2million (2022: no contribution required).

#### Maturity profile of defined benefit obligation

The weighted average duration of the defined benefit obligation as at 31 December 2022 is 11 years.

Expected benefit payments for the financial year ending on	\$000
31 December 2023	1,533
31 December 2024	1,120
31 December 2025	1,146
31 December 2026	1,143
31 December 2027	1,139
Following 5 years	5,592

## 25. 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. Since February 2021 there are no longer any active staff so there have been no contributions from the University with remaining benefits 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 2022, using the Projected Unit Credit Method. The actuarial valuation was based on 30 June 2022 membership data which was projected to 31 December 2022. The present value of the defined benefit obligations has been calculated to be \$44.8 million (2021: \$56.6 million).

The actuary estimates that, as at 31 December 2022, using AASB 119 Employee Benefits assumptions there is an unfunded liability of \$43.8 million (2021: \$52.7 million). This represents an decrease in liability of \$8.9 million since 31 December 2021.

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 2022 Reporting Period" provided by the Department of Education. The accounting treatment employed is also consistent with the approach taken by other Australian Universities. Accordingly, total assets of \$44.8 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 10.26 years (2021: 10.53 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 2022	3,792	3,840	11,357	47,630	66,619
Defined Benefit obligation 31 December 2021	3,870	3,851	11,406	49,838	68,965

#### Plan Assets

The analysis by each major asset category as a percentage of the fair value of the total plan assets at the balance sheet date is as follows:

	30 June 2022 (%)		30 June 2021 (%)	
	Active Market	Non-Active Market	Active Market	Non-Active Market
Australian Equities	20.3	-	21.1	-
International Equities	27.6	-	31.6	-
Property	1.1	16.0	1.7	14.8
Diversified Strategies Growth	6.7	12.7	1.1	14.6
Diversified Strategies Income	7.9	4.9	13.4	-
Cash	2.8	-	1.7	-
Total	66.4	33.6	70.6	29.4

## 25. Superannuation Schemes – continued

### (d) State Government Superannuation Schemes - continued

#### Reconciliation of the present value of the defined benefit obligation

	2022	2021
	\$000	\$000
<b>Reconciliation of the Net Defined Benefit Liability/(Asset)</b>		
Present value of defined benefit obligation at start of year	56,560	66,071
Current service costs	8	50
Interest cost	983	702
Actuarial (gains) / losses		
(a) Impact of change in short term inflation assumption	2,007	-
(b) Impact of change in discount rate	(10,063)	(3,874)
(c) Experience items	(564)	(1,254)
Benefits and expenses paid	(4,106)	(5,135)
Present value of defined benefit obligations at end of year	<u>44,825</u>	<u>56,560</u>

#### Reconciliation of the fair value of the defined benefit plan assets

Fair value of Scheme assets at start of year	3,903	4,410
Adjustment to assets as at start of year	(279)	-
Interest income	60	44
Actual return on Scheme assets less interest income	(108)	192
Employer contributions	3,520	4,392
Benefits and expenses paid	(4,107)	(5,135)
Adjustment to assets (accrual to cash)	(2,009)	-
Fair value of Scheme assets at end of year	<u>980</u>	<u>3,903</u>

#### Net Liability

Defined Benefit obligation	44,825	56,560
Fair value of scheme assets	(980)	(3,903)
Defined benefit fund net liability	<u>43,845</u>	<u>52,657</u>

#### Movement in Net Liability

Net superannuation liability/(asset) at start of year	52,657	61,661
Defined Benefit cost	932	708
Remeasurements	(6,224)	(5,320)
Employer contributions	(3,520)	(4,392)
Net superannuation liability/(asset) at end of year	<u>43,845</u>	<u>52,657</u>

#### Profit and Loss Impact

Service cost	8	49
Net interest	924	657
Defined Benefit cost	<u>932</u>	<u>706</u>

#### Other Comprehensive Income

Actuarial losses / (gains)	(6,332)	(5,128)
Actual return on assets less interest income	108	(192)
Total remeasurements in Other Comprehensive Income	<u>(6,224)</u>	<u>(5,320)</u>

## 25. Superannuation Schemes – continued

### (d) State Government Superannuation Schemes - continued

Summary	Consolidated		University	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
<b>Deferred Government Superannuation Contribution</b>				
Current asset	3,800	3,900	3,800	3,900
Non-current asset	41,025	52,660	41,025	52,660
	<b>44,825</b>	<b>56,560</b>	<b>44,825</b>	<b>56,560</b>
<b>Defined Benefit Obligation</b>				
Current liability	3,800	3,900	3,800	3,900
Non-current liability	41,025	52,660	41,025	52,660
	<b>44,825</b>	<b>56,560</b>	<b>44,825</b>	<b>56,560</b>

#### Major economic assumptions

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

	2022	2021
Discount rate	4.2%	1.8%
Salary increase	2.5%	2.5%
Inflation (in year 1)	5.0%	2.0%
Inflation (in year 2)	3.0%	2.0%
Long term inflation	2.0%	2.0%
Expected return on plan assets	4.2%	1.8%

#### Sensitivity Analysis

The defined benefit obligation as at 31 December 2022 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 G and H relate to mortality rate.

- 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%
- Scenario G: Mortality Rate Plus 10%
- Scenario H: Mortality Rate Less 10%

	Base Case	A	B	C
Present value of defined benefit obligation (\$'000)	44,825			
Defined benefit obligation (\$'000)		43,119	46,651	44,840
Change in Defined benefit obligation (%)		(3.8%)	4.1%	0.0%

	Base Case	D	E	F
Present value of defined benefit obligation (\$'000)	44,825			
Defined benefit obligation (\$'000)		44,812	46,355	43,379
Change in Defined benefit obligation (%)		0.0%	3.4%	(3.2%)

	Base Case	G	H
Present value of defined benefit obligation (\$'000)	44,825		
Defined benefit obligation (\$'000)		43,327	46,495
Change in Defined benefit obligation (%)		(3.3%)	3.7%

**25. Superannuation Schemes – continued**

(e) Contributions		2022	2021
The total employer contributions were:	Note	\$000	\$000
UniSuper Defined Benefit Division (UniSuper Defined Contribution Plan) or Accumulation Super 2		38,007	42,032
Accumulation Super 1		27,677	23,425
Super SA		-	7
State Government Superannuation Schemes (3%)		-	1
The University of Adelaide Superannuation Scheme A 1985 Plan No 2		-	2
Employee elected funds		1,958	135
		<u>67,642</u>	<u>65,602</u>

**26. 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 significant so as to warrant a disaggregation information disclosure.

**27. Auditors' Remuneration**

	Consolidated		University	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
<b>Audit of the Financial Statements</b>				
Fees paid to South Australian Auditor-General	328	316	328	316
Other auditors of controlled entities	43	44	-	-
	<u>371</u>	<u>360</u>	<u>328</u>	<u>316</u>
<b>Other audit and assurance services</b>				
Other auditors of controlled entities	4	9	-	-
	<u>375</u>	<u>369</u>	<u>328</u>	<u>316</u>

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

## 28. The University Council Members and Senior Management

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

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

#### University Council Members

Ex officio	Branson AC KC, The Hon Catherine Høj AC, Professor Peter Merlin, Professor Tracy	elected 1/01/2022
Appointed	Barber, Mr Michael (Mike) Brown AM, Ms Juliet Finlay, Ms Janet Hill, Mr David Keough CSC, Mr Andrew Presser AM, Ms Kathryn Williams, Mr Kenneth	appointed 14/02/2022 appointed 1/06/2022     resigned 28/05/2022
Elected Staff	Barclay, Professor Katie Coleman, Mr Lachlan	
Elected Graduates	Henschke, Mr Ian Jenke, Ms Emily	elected 6/09/2022 ceased 5/09/2022
Students	Bonsu, Mr Dan Osei Mensah Changez, Ms Bisma Ong, Mr Oscar Zi Shao Schamschurin, Ms Leah	ceased 5/03/2022 elected 6/03/2022 elected 6/03/2022 ceased 5/03/2022
Co-opted	Vanstone AO, The Hon Amanda	

#### University Senior Management

Clark, Professor Jennifer	ceased 31/10/2022
Deegan, Ms Virginia	
Falkner, Professor Katrina	
Gallagher, Dr Jessica	
Grindlay, Mr Benjamin	
Høj AC, Professor Peter	
Kile, Professor Benjamin	
Larkin, Professor Steve	commenced 10/01/2022
Le Mire, Professor Suzanne	
Lines, Mr Bruce	
Lo, Ms Jacqueline	ceased 19/08/2022
Merlin, Professor Tracy	commenced 1/01/2022
Middelberg, Professor Anton	
Mills, Ms Stacey	ceased 3/05/2022
Parry, Ms Laura	
Pickford, Mr Mark	ceased 15/05/2022
Prest, Mr Peter	commenced 30/05/2022
Rodda, Dr Stephen	
Scott, Mr Andre	commenced 25/03/2022, ceased 29/05/2022
Shaw, Professor Jennifer	
Ward, Ms Paula	commenced 16/05/2022
Williams AM, Professor John	
Wright, Ms Beverley	

2022      2021  
\$000      \$000

**28. 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		18	16
45,000	-	1	1
	59,999	19	17

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		7,673	7,424
Other long-term benefits		1,149	969
Termination benefits		545	1,142
<b>Total Key management personnel compensation</b>		<b>9,367</b>	<b>9,535</b>

\$	\$	Number	Number
130,000	-	-	1
190,000	-	-	1
220,000	-	2	-
235,000	-	1	1
280,000	-	1	1
325,000	-	3	1
340,000	-	1	1
370,000	-	2	2
385,000	-	-	1
400,000	-	1	-
415,000	-	-	3
445,000	-	1	1
490,000	-	2	1
505,000	-	2	2
520,000	-	1	-
535,000	-	2	2
550,000	-	1	1
670,000	-	-	1
910,000	-	-	1
1,015,000	-	1	-
		21	21

Remuneration is based upon the total remuneration package, due and receivable, which includes employer and employee (pre tax) superannuation contributions and termination payments, 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.

## 29. Financial Instruments

### (a) Interest Rate Risk

The Consolidated Entity has placed Endowment Fund 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 entered into forward start interest rate swaps to manage its interest rate exposures on borrowings for its North Terrace Development Strategy. The interest rate swaps were effective hedges until the borrowings were repaid in December 2021. As a result of the hedges becoming ineffective unrealised gains or losses have been recognised through the net operating result. In September 2022 the Interest Rate Swaps were terminated. Further details are contained in Note 10.

	Note	Floating	Fixed Maturity Dates					Non-Interest Bearing	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	
<b>2022</b>										
<b>Financial Assets</b>										
Cash & Cash Equivalents	6	49,431	-	-	-	-	-	-	4,538	53,969
Receivables	7	-	-	-	-	-	-	-	33,619	33,619
Other Financial Assets	9,12	-	310,000	-	-	-	-	-	415,959	725,959
		<b>49,431</b>	<b>310,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>454,116</b>	<b>813,547</b>
<b>Financial Liabilities</b>										
Payables	15	-	-	-	-	-	-	-	80,066	80,066
Borrowings	17	-	10,214	5,831	5,365	3,116	2,270	4,096	10	30,902
		<b>-</b>	<b>10,214</b>	<b>5,831</b>	<b>5,365</b>	<b>3,116</b>	<b>2,270</b>	<b>4,096</b>	<b>80,076</b>	<b>110,968</b>

29. 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
<b>2021</b>										
<b>Financial Assets</b>										
Cash & Cash Equivalents	6	313,541	-	-	-	-	-	-	2,776	316,317
Receivables	7	-	-	-	-	-	-	-	29,326	29,326
Other Financial Assets	9,12	-	-	-	-	-	-	-	486,796	486,796
		<b>313,541</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>518,898</b>	<b>832,439</b>
<b>Financial Liabilities</b>										
Derivative Financial Instruments	10	-	-	-	-	-	-	-	8,370	8,370
Payables	15	-	-	-	-	-	-	-	73,240	73,240
Borrowings	17	-	9,454	7,986	3,794	3,489	1,315	4,900	27	30,965
		<b>-</b>	<b>9,454</b>	<b>7,986</b>	<b>3,794</b>	<b>3,489</b>	<b>1,315</b>	<b>4,900</b>	<b>81,637</b>	<b>112,575</b>

## 29. 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 may enter into foreign currency swaps to manage foreign currency exposures on capital expenditure. Further details are contained in Note 3(m).

### (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 student and other 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 & Cash Investment 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 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.

### 30. 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	
		2022	2021	2022	2021
		\$000	\$000	\$000	\$000
<b>Financial assets</b>					
Cash and cash equivalents	6	53,969	316,317	53,969	316,317
Receivables	7	33,619	29,326	33,619	29,326
Investments using the equity method	12	344	568	344	568
Other financial assets at amortised cost	9	314,211	1,168	314,211	1,168
Other financial assets at fair value through profit or loss	9	372,115	392,414	372,115	392,414
Investments in equity instruments designated at fair value through other comprehensive income	9	39,289	92,646	39,289	92,646
<b>Total financial assets</b>		<b>813,547</b>	<b>832,439</b>	<b>813,547</b>	<b>832,439</b>
<b>Financial liabilities</b>					
Payables	15	80,066	73,240	80,066	73,240
Borrowings	17	30,902	30,965	30,902	30,965
Derivative Financial Instruments	10	-	8,370	-	8,370
<b>Total financial liabilities</b>		<b>110,968</b>	<b>112,575</b>	<b>110,968</b>	<b>112,575</b>

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
- Works of art
- Borrowings

#### (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)

### 30. 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 2022.

Fair Value measurements at 31 December 2022		2022	Level 1	Level 2	Level 3
Note		\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>					
	Other financial assets at amortised cost	9	314,211	314,211	-
	Other financial assets at fair value through profit or loss	9	372,115	-	372,115
	Investments in equity instruments designated at fair value through other comprehensive income	9	39,289	16,225	-
	Investments using the equity method	12	344	-	-
	<b>Total recurring financial assets</b>		<b>725,959</b>	<b>330,436</b>	<b>372,115</b>
<b>Non-financial assets</b>					
	Other land and buildings	13	392,014	-	377,976
	Trust land and buildings	13	1,180,205	-	1,670
	Works of art	13	10,347	-	10,347
	<b>Total recurring non-financial assets</b>		<b>1,582,566</b>	<b>-</b>	<b>389,993</b>
<b>Financial liabilities</b>					
	Borrowings	17	30,902	-	30,902
	<b>Total liabilities</b>		<b>30,902</b>	<b>-</b>	<b>30,902</b>

#### Fair Value measurements at 31 December 2021

##### Recurring fair value measurements

Fair Value measurements at 31 December 2021		2021	Level 1	Level 2	Level 3
Note		\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>					
	Other financial assets at amortised cost	9	1,168	1,168	-
	Other financial assets at fair value through profit or loss	9	392,414	-	392,414
	Investments in equity instruments designated at fair value through other comprehensive income	9	92,646	70,691	-
	Investments using the equity method	12	568	-	-
	<b>Total financial assets</b>		<b>486,796</b>	<b>71,859</b>	<b>392,414</b>
<b>Non-financial assets</b>					
	Other land and buildings	13	348,498	-	336,259
	Trust land and buildings	13	1,067,847	-	-
	Works of art	13	10,333	-	10,333
	<b>Total non-financial assets</b>		<b>1,426,678</b>	<b>-</b>	<b>346,592</b>
<b>Financial liabilities</b>					
	Borrowings	17	30,965	-	30,965
	Derivatives financial instruments	10	8,370	-	8,370
	<b>Total financial liabilities</b>		<b>39,335</b>	<b>-</b>	<b>39,335</b>

### 30. 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 other financial assets (term deposits) that are disclosed in note 9 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 carrying value of contract assets and contract liabilities is a reasonable approximation of the fair value due to these being contracted amounts under formal agreements.

The fair value of non-current borrowings disclosed in note 17 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 2022, the borrowing rates were determined to be between 1.07% and 4.61%, 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.

### 30. 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 2022 and 2021:

##### Level 3 Fair Value Measurements 2022

	Trust Land and Buildings \$'000	Other Land and Buildings \$'000	Investments Using the Equity Method \$'000	Unlisted Equity Investments \$'000	Total \$'000
Opening balance	1,067,847	12,239	568	21,955	1,102,609
Acquisitions	31,853	832	-	395	33,080
Transfers from level 3	(1,670)	-	-	-	(1,670)
Recognised in Net operating result	(29,747)	(269)	-	-	(30,016)
Recognised in other comprehensive income	110,252	1,236	(224)	714	111,978
Closing balance	<u>1,178,535</u>	<u>14,038</u>	<u>344</u>	<u>23,064</u>	<u>1,215,981</u>

##### Level 3 Fair Value Measurements 2021

Opening balance	1,082,937	12,506	93	69,316	1,164,852
Acquisitions	13,812	-	631	45	14,488
Disposals	(154)	-	-	(83,377)	(83,531)
Recognised in Net operating result	(28,748)	(267)	-	-	(29,015)
Recognised in other comprehensive income	-	-	(156)	35,971	35,816
Closing balance	<u>1,067,847</u>	<u>12,239</u>	<u>568</u>	<u>21,955</u>	<u>1,102,609</u>

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

Transfers from level 3 to level 2 were \$1.7m as a result of hierarchy methodology changes for two parcels of land subject to State Government restrictions. There were no other valuation techniques changes during 2022.

**30. 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		Relationship of unobservable inputs to fair value
	2022 \$'000	Unobservable inputs	
Investments using the equity method	344	Net asset value	Increased net asset value of 1% would increase fair value by \$3,400; lower net asset value of 1% would decrease fair value by \$3,400..
Unlisted Equity Investments	23,064	Net asset value	Increased net asset value of 1% would increase fair value by \$231,000; lower net asset value of 1% would decrease fair value by \$231,000.

**(iii) Valuation processes**

The Finance 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 2022, 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.

### 31. 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	
	2022	2021	2022	2021	2022	2021	2022	2021
	%	%	\$000	\$000	\$000	\$000	\$000	\$000
Innovation and Commercial Partners Pty Ltd	100	100	1,838	158	-	-	4,033	(15)
ACN 008 123 466 Pty Ltd	100	100	-	-	50	50	-	(8)
Adelaide Unicare Pty Ltd	100	100	10,407	9,545	-	-	(91)	(588)
Australian Centre for Plant Functional Genomics Pty Ltd	-	-	-	-	-	-	-	(5)
Roseworthy Campus Farm Pty Ltd	100	100	3,468	3,115	-	-	1,194	1,186
National Wine Centre Pty Ltd	100	100	-	-	-	-	(232)	(230)
			<b>15,713</b>	<b>12,818</b>	<b>50</b>	<b>50</b>	<b>4,904</b>	<b>340</b>

All of the above controlled entities are incorporated in Australia.

Controlled Entity	Principal Activities
Innovation and Commercial Partners Pty Ltd (Former name: Adelaide Research & Innovation Pty Ltd)	The trustee of The Adelaide Research & Innovation Investment Trust. The University commercial arm that connects the community with a network of University of Adelaide researchers for the purpose of research, development and innovation. The connection extends to commercialisation of the research developed.
ACN 008 123 466 Pty Ltd	Non-operating entity previously Repromed Pty Ltd.
Adelaide Unicare Pty Ltd	Managed the activities and operations of medical practices that provided placements for the teaching of medical students from the University of Adelaide. The practices provided quality general medical care to students, staff and the public. Unicare commenced the winding down of its operations in 2021 with the sale of all but two medical practices occurring during 2021. The sale of the remaining two practices settled on 7 February 2022.
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. The entity was deregistered on 17 November 2021.
Roseworthy Campus Farm Pty Ltd (Former name: Martindale Holdings Pty Ltd)	The trustee of Roseworthy Farm. The trust manages the broadacre farm operations at the University's 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.

### **32. Related Parties**

**(a) Parent entity**

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

**(b) Controlled entities**

Investments in controlled entities are detailed in Note 31.

**(c) Council members and senior management**

Disclosures relating to the University Council Members and Senior Management are detailed in Note 28.

**(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 controlled entities. 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. A provision for impaired receivables of \$3.0 million has been raised in the Parent Entity in relation to outstanding loan balances due from controlled entities. No other 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.

**(g) Employees of The University of Adelaide**

From time to time, Council members will have members of their immediate family who are employees of the University. Unless specifically stated within the financial statements, such employees are subject to the same remuneration structures as any other employees.

The following information being Note 33 to Note 38 has been prepared in accordance with the Department of Education reporting guidelines.

### 33. Income Statement for the Year Ended 31 December 2022

	Note	Consolidated		University	
		2022 \$000	2021 \$000	2022 \$000	2021 \$000
<b>REVENUE FROM CONTINUING OPERATIONS</b>					
Australian Government financial assistance	34(f)	556,922	642,999	556,922	642,999
State and Local Government financial assistance	36	29,519	27,697	29,519	27,291
HECS-HELP - Student Payments	4	9,047	8,584	9,047	8,584
Fees and charges	37	287,987	294,656	287,921	294,247
Investment income		26,158	50,705	22,945	51,158
Royalties, trademarks and licenses	4	5,932	6,689	5,932	6,689
Consultancy and contracts	38	53,175	60,865	53,096	60,818
Other revenue		39,187	54,394	29,568	37,500
<b>Total revenue from continuing operations</b>		<b>1,007,927</b>	<b>1,146,589</b>	<b>994,950</b>	<b>1,129,286</b>
<b>EXPENSES FROM CONTINUING OPERATIONS</b>					
Salaries and related expenses	5	547,761	538,616	542,164	530,268
Depreciation and amortisation	5	72,044	73,093	71,695	72,656
Buildings and grounds	5	63,089	52,437	62,624	51,541
Bad and doubtful debts	5	820	4,139	1,806	5,041
Finance costs	5	1,878	12,151	1,878	12,151
Net unrealised loss on endowment fund investments designated as fair valued through profit or loss	5	25,413	-	25,413	-
Scholarships, grants and prizes		39,465	39,359	39,465	39,359
Non-capitalised equipment	5	16,287	11,694	16,287	11,692
Advertising, marketing and promotional expenses		9,143	6,358	8,979	6,161
Net losses on disposal of assets	5	107	971	51	1,117
Other expenses		219,461	209,999	216,857	202,329
<b>Total expenses from continuing operations</b>		<b>995,468</b>	<b>948,817</b>	<b>987,219</b>	<b>932,315</b>
<b>Net operating result for the year</b>		<b>12,459</b>	<b>197,772</b>	<b>7,731</b>	<b>196,971</b>

	Note	Consolidated		University	
		2022 \$000	2021 \$000	2022 \$000	2021 \$000
<b>34. Australian Government Financial Assistance</b>					
<b>(a) Education - Commonwealth Grants Scheme and Other Education Grants</b>					
	35(a)				
Commonwealth Grants Scheme		177,594	183,113	177,594	183,113
National Priorities and Industry Linkage Fund		4,793	4,750	4,793	4,750
Higher Education Disability Support Program		121	151	121	151
Promotion of Excellence in Learning & Teaching Program		-	65	-	65
Indigenous, Regional and Low-SES Attainment Fund		3,636	3,054	3,636	3,054
		<b>186,144</b>	<b>191,133</b>	<b>186,144</b>	<b>191,133</b>
<b>(b) Higher Education Loan Programmes</b>					
	35(b)				
HECS-HELP		111,939	111,765	111,939	111,765
FEE-HELP		29,598	23,577	29,598	23,577
SA-HELP		3,310	3,615	3,310	3,615
		<b>144,847</b>	<b>138,957</b>	<b>144,847</b>	<b>138,957</b>
<b>(c) Department of Education and Research</b>					
	35(c)				
Research Training Program		46,170	46,616	46,170	46,616
Research Support Program		40,794	82,124	40,794	82,124
		<b>86,964</b>	<b>128,740</b>	<b>86,964</b>	<b>128,740</b>
<b>(d) Other Capital Funding</b>					
	35(d)				
Linkage Infrastructure, Equipment and Facilities grant		3,791	746	3,791	746
		<b>3,791</b>	<b>746</b>	<b>3,791</b>	<b>746</b>
<b>(e) Australian Research Council</b>					
	35(e)				
Discovery		17,415	14,231	17,415	14,231
Linkages		4,520	3,885	4,520	3,885
Networks and Centres		1,851	1,782	1,851	1,782
Special Research Initiatives		81	43	81	43
<b>Total ARC</b>		<b>23,867</b>	<b>19,941</b>	<b>23,867</b>	<b>19,941</b>

	Note	Consolidated		University	
		2022 \$000	2021 \$000	2022 \$000	2021 \$000
<b>34. Australian Government Financial Assistance - continued</b>					
<b>(f) Other Australian Government financial assistance received:</b>					
<b>Non-Capital</b>					
CSIRO		3,013	-	3,013	-
Department of Agriculture, Fisheries and Forestry		9,555	3,561	9,555	3,561
Department of Defence		22,904	19,153	22,904	19,153
Department of Education		9,687	10,142	9,687	10,142
Department of Health and Aged Care		12,597	67,513	12,597	67,513
Department of Industry, Science, Energy and Resources		1,380	2,763	1,380	2,763
Fisheries Research and Development Corporation		2,031	2,351	2,031	2,351
Grains Research & Development Corporation		12,473	12,102	12,473	12,102
National Health & Medical Research Council		24,267	26,611	24,267	26,611
Wine Australia		2,121	-	2,121	-
Other		11,281	19,286	11,281	19,286
		<b>111,309</b>	<b>163,482</b>	<b>111,309</b>	<b>163,482</b>
<b>Reconciliation</b>					
Australian Government grants		412,075	504,042	412,075	504,042
Higher Education Loan Programmes		144,847	138,957	144,847	138,957
		<b>556,922</b>	<b>642,999</b>	<b>556,922</b>	<b>642,999</b>
<b>(g) Australian Government grants received - cash basis</b>					
CGS and Other Education Grants	35(a)	186,619	196,018	186,619	196,018
Higher Education Loan Programmes	35(b)	142,309	144,201	142,309	144,201
Education Research	35(c)	86,964	128,740	86,964	128,740
Other Capital Funding	35(d)	1,501	4,148	1,501	4,148
ARC Grants	35(e)	24,593	22,896	24,593	22,896
Other Australian Government Grants		92,709	130,860	92,709	130,860
		<b>534,695</b>	<b>626,863</b>	<b>534,695</b>	<b>626,863</b>
OS-Help (Net)	35(f)	(610)	8	(610)	8
Higher Education Superannuation	35(f)	3,346	3,743	3,346	3,743
		<b>537,431</b>	<b>630,614</b>	<b>537,431</b>	<b>630,614</b>

**35. Acquittal of Australian Government Financial Assistance**

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

**Parent Entity (University) Only**

	Notes	Commonwealth Grants Scheme		National Priorities and Industry Linkage Fund		Higher Education Disability Support Program	
		2022 \$000	2021 \$000	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Financial assistance received in cash during the reporting period		177,861	186,584	4,793	4,750	121	131
Net adjustments		(267)	(3,471)	-	-	-	20
Revenue for the period	34(a)	177,594	183,113	4,793	4,750	121	151
Surplus/(Deficit) from the previous year		-	-	-	-	124	-
Total funding available during the year		177,594	183,113	4,793	4,750	245	151
Less expenses including accrued expenses		177,594	183,113	4,793	4,750	80	27
Surplus/(Deficit) for the reporting period		-	-	-	-	165	124

35. Acquittal of Australian Government Financial Assistance - continued

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

	Notes	Promotion of Excellence in Learning & Teaching Program		Indigenous, Regional and Low-SES Attainment Fund		Total	
		2022 \$000	2021 \$000	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Financial assistance received in cash during the reporting period	34(g)	-	-	3,844	4,553	186,619	196,018
Net adjustments		-	65	(208)	(1,499)	(475)	(4,885)
Revenue for the period	34(a)	-	65	3,636	3,054	186,144	191,133
Surplus/(Deficit) from the previous year		65	-	(157)	302	32	302
Total funding available during the year		65	65	3,479	3,356	186,176	191,435
Less expenses including accrued expenses		65	-	2,931	3,513	185,463	191,403
Surplus/(Deficit) for the reporting period		-	65	548	(157)	713	32

35. Acquittal of Australian Government Financial Assistance - continued

(b) Higher Education Loan Programmes

Parent Entity (University) Only

	Notes	HECS-HELP		FEE-HELP		SA-HELP		Total	
		2022 \$000	2021 \$000	2022 \$000	2021 \$000	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Cash Payable/(Receivable) at beginning of year		122	(1,888)	(577)	(3,815)	(2)	2	(457)	(5,701)
Financial assistance received in cash during the reporting period	34(g)	111,671	113,775	27,328	26,815	3,310	3,611	142,309	144,201
Cash available for period		111,793	111,887	26,751	23,000	3,308	3,613	141,852	138,500
Revenue earned	34(b)	111,939	111,765	29,598	23,577	3,310	3,615	144,847	138,957
Cash Payable/(Receivable) at end of year		(146)	122	(2,847)	(577)	(2)	(2)	(2,995)	(457)

35. Acquittal of Australian Government Financial Assistance - continued

(c) Department of Education and Research

Parent Entity (University) Only

	Notes	Research Training Program		Research Support Program		Total	
		2022 \$000	2021 \$000	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Financial assistance received in cash during the reporting period	34(g)	46,170	46,616	40,794	82,124	86,964	128,740
Net adjustments		-	-	-	-	-	-
Revenue for the period	34(c)	46,170	46,616	40,794	82,124	86,964	128,740
Surplus/(Deficit) from the previous year		-	-	-	-	-	-
Total funding available during the year		46,170	46,616	40,794	82,124	86,964	128,740
Less expenses including accrued expenses		46,170	46,616	40,794	82,124	86,964	128,740
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	31,425	658	32,083
Research Training Program Fees Stipends	14,027	-	14,027
Research Training Program Fees Allowances	60	-	60
Total for all types of support	45,512	658	46,170

35. Acquittal of Australian Government Financial Assistance - continued

(d) Other Capital Funding

Parent Entity (University) Only

	Notes	Linkage Infrastructure, Equipment and Facilities Grant		Total	
		2022 \$000	2021 \$000	2022 \$000	2021 \$000
Financial assistance received in cash during the reporting period	34(g)	1,501	4,148	1,501	4,148
Net adjustments		2,290	(3,402)	2,290	(3,402)
Revenue for the period	34(d)	3,791	746	3,791	746
Surplus/(Deficit) from the previous year		1,410	1,386	1,410	1,386
Total funding available during the year		5,201	2,132	5,201	2,132
Less expenses including accrued expenses		3,704	722	3,704	722
Surplus/(Deficit) for the reporting period		1,497	1,410	1,497	1,410

35. Acquittal of Australian Government Financial Assistance - continued

(e) Australian Research Council Grants

Parent Entity (University) Only

	Notes	Discovery		Linkages		Networks and Centres		Special Research Initiatives		Total	
		2022 \$000	2021 \$000	2022 \$000	2021 \$000	2022 \$000	2021 \$000	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Financial assistance received in cash during the reporting period	34(g)	19,292	17,241	5,000	5,466	-	(3)	301	192	24,593	22,896
Net adjustments		(1,877)	(3,010)	(480)	(1,581)	1,851	1,785	(220)	(149)	(726)	(2,955)
Revenue for the period	34(e)	17,415	14,231	4,520	3,885	1,851	1,782	81	43	23,867	19,941
Surplus/(Deficit) from the previous year		18,300	18,084	6,469	5,695	5,242	3,460	32	-	30,043	27,239
Total funding available during the year		35,715	32,315	10,989	9,580	7,093	5,242	113	43	53,910	47,180
Less expenses including accrued expenses		16,421	14,015	3,989	3,111	-	-	80	11	20,490	17,137
Surplus/(Deficit) for the reporting period		19,294	18,300	7,000	6,469	7,093	5,242	33	32	33,420	30,043

**35. Acquittal of Australian Government Financial Assistance - continued**

**(f) Other Australian Government Financial Assistance**

<b>OS - Help</b>			
	<b>Notes</b>	<b>2022 \$000</b>	<b>2021 \$000</b>
Cash received during the reporting period		1,131	29
Cash spent during the reporting period		1,741	21
Net Cash received	34(g)	(610)	8
Surplus/(Deficit) from the previous year		4,190	4,182
Surplus/(Deficit) for the reporting period		3,580	4,190

<b>Higher Education Superannuation</b>			
	<b>Notes</b>	<b>2022 \$000</b>	<b>2021 \$000</b>
Cash received during the reporting period		3,346	3,743
University contribution in respect of current employees		-	-
Cash available	34(g)	3,346	3,743
Surplus/(Deficit) from the previous year		(720)	569
Cash available for current period		2,626	4,312
Contributions to specified defined benefit funds		3,630	5,032
Surplus/(Deficit) for the reporting period		(1,004)	(720)

<b>Student Services and Amenities Fee</b>			
	<b>Notes</b>	<b>2022 \$000</b>	<b>2021 \$000</b>
Unspent/(overspent) revenue from previous period		6,747	6,751
SA-HELP Revenue earned	34(b)	3,310	3,615
Student Services Fees direct from Students	37	3,246	2,584
Total revenue expendable in period		13,303	12,950
Student Services expenses during period		6,546	6,203
Unspent/(overspent) Student Services Revenue		6,757	6,747

	Note	Consolidated		University	
		2022 \$000	2021 \$000	2022 \$000	2021 \$000
<b>36. State and Local Government Financial Assistance</b>					
(a) South Australian Government and Local Government financial assistance					
Non-Capital					
Other		27,781	24,181	27,781	23,775
<b>Total South Australian Government and Local Government financial assistance</b>		<b>27,781</b>	<b>24,181</b>	<b>27,781</b>	<b>23,775</b>
(b) Other State Government and Local Government financial assistance		1,738	3,516	1,738	3,516
<b>Total State and Local Government financial assistance</b>	<b>33</b>	<b>29,519</b>	<b>27,697</b>	<b>29,519</b>	<b>27,291</b>
<b>37. Fees and Charges</b>					
Course fees and charges					
Student fee income	4	259,586	269,595	259,586	269,595
Non-course fees and charges					
Student services and amenities fees	4	3,246	2,584	3,246	2,584
Library charges and fines	4	70	52	70	52
Application management and late fees	4	4,329	5,143	4,329	5,143
Parking fees	4	1,311	1,317	1,311	1,317
Rental charges/accommodation fees	4	9,375	7,524	9,309	7,115
Recharge of costs to other organisations	4	1,178	2,626	1,178	2,626
Other		8,892	5,815	8,892	5,815
		<b>287,987</b>	<b>294,656</b>	<b>287,921</b>	<b>294,247</b>
<b>38. Consultancy and Contract Revenue</b>					
Consultancy	4	3,361	4,571	3,361	4,571
Contract research		49,814	56,294	49,735	56,247
		<b>53,175</b>	<b>60,865</b>	<b>53,096</b>	<b>60,818</b>