

Auditor-General's Report 5 of 2025

## Agency audit reports



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# Agency audit reports

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Tabled in the House of Assembly and ordered to be published, 26 June 2025

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First Session, Fifty-Fifth Parliament

By authority: T. Foresto, Government Printer, South Australia

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2025

*The Audit Office of South Australia acknowledges and respects  
Aboriginal people as the State's first people and nations, and  
recognises Aboriginal people as traditional owners and occupants of  
South Australian land and waters.*



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Enquiries about this report should be directed to:

Auditor-General  
Audit Office of South Australia  
Level 9, 200 Victoria Square  
Adelaide SA 5000

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Level 9  
State Administration Centre  
200 Victoria Square  
Adelaide SA 5000  
Tel +618 8226 9640  
ABN 53 327 061 410  
[audgensa@audit.sa.gov.au](mailto:audgensa@audit.sa.gov.au)  
[www.audit.sa.gov.au](http://www.audit.sa.gov.au)

25 June 2025

President  
Legislative Council  
Parliament House  
ADELAIDE SA 5000

Speaker  
House of Assembly  
Parliament House  
ADELAIDE SA 5000

Dear President and Speaker

**Report of the Auditor-General:  
Report 5 of 2025 *Agency audit reports***

As required by the *Public Finance and Audit Act 1987*, I present this report to you.

**Content of the report**

In September 2025 I will issue my annual report for the year ended 30 June 2025. Some agencies I audit have a financial year that ended before 30 June 2025. To improve the timeliness of reporting on their activities, I have prepared this report to Parliament rather than waiting to include them in my annual report.

This report summarises the audit outcomes for the following agencies:

- Adelaide Oval SMA Limited
- Adelaide University
- Flinders University
- SACE Board of South Australia
- University of Adelaide
- University of South Australia.

I have published the financial statements of these agencies on our website – [www.audit.sa.gov.au](http://www.audit.sa.gov.au).

## **Acknowledgements**

I have great pleasure in again recognising and thanking my professional and dedicated staff for their support in undertaking and reporting on the agencies contained in this report and for the cooperation the public sector agencies gave to my staff.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Andrew Blaskett', with a stylized flourish at the end.

Andrew Blaskett  
**Auditor-General**

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# Adelaide Oval SMA Limited (AOSMA)

## Financial statistics

Income \$101.7 million	Revenue from sales attributable to AOSMA \$58 million		Revenue from fees and charges \$24.5 million	Other \$19.2 million
Expenses \$107.1 million	Employee benefits \$44.4 million	Raw materials and consumables \$19.7 million	Supplies and services \$28.7 million	Other \$14.3 million
Assets \$125.8 million	Loan receivable \$39.7 million	Right-of-use asset \$28.4 million	Other \$57.7 million	
Liabilities \$102.7 million	Loans and borrowings \$49.9 million		Lease liabilities \$30.3 million	Other \$22.5 million

**\$ \$5.3 million**  
Loss from trading activities

**\$ \$5.8 million**  
Net contributions from the  
SANFL and SACA

**\$ \$20.8 million**  
Money collected as agent on  
behalf of the SANFL and SACA

## Significant events and transactions

- AOSMA replaced its point of sale system in 2023-24 with minimal disruption.
- AOSMA experienced its highest-grossing trading weekend in April 2024 during the AFL Gather Round.

## Financial report opinion

**Unmodified**

## Audit findings

No significant findings.



## Functional responsibility

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AOSMA was established in December 2009 as a not-for-profit public company limited by guarantee. Its directors are appointed equally by the South Australian National Football League (SANFL) and the South Australian Cricket Association (SACA). AOSMA is not a public authority.

AOSMA manages, operates and maintains the Adelaide Oval stadium owned by the SA Government and the area closely surrounding it (the precinct). Under the *Adelaide Oval Redevelopment and Management Act 2011*, the Adelaide Oval Core Area is leased to the Minister for Infrastructure and Transport (the Minister) by the Corporation of the City of Adelaide (Adelaide City Council). The Minister has subleased this area to AOSMA until 2091.

AOSMA also provides various services as agent on behalf of the SANFL, SACA, Commercial Operations Trust (COT), Adelaide Oval Hotel Trust (AOHT) and other promoters in return for a fee.

## Authority for audit

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The *Adelaide Oval Redevelopment and Management Act 2011* (AORM Act) provides for the Auditor-General to audit AOSMA's accounts each year.

## Scope of the audit

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The audit program covered major financial systems to obtain sufficient evidence to form an opinion on the financial report. Areas of audit attention for the year ended 31 October 2024 included:

- governance
- revenue, including fees and charges and sales attributable to AOSMA
- expenses, including raw materials, consumables, supplies and services
- employee benefit expenses and liabilities
- cash
- leases
- loans and borrowings
- plant, equipment and computer software
- stakeholder contributions
- related party transactions.

## Audit findings

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### Communicating our audit findings

We communicated two audit findings to AOSMA's Chief Executive Officer. Both concerned improvements that AOSMA could make in managing user access to its general ledger. AOSMA accepted the findings and has taken action to resolve them.

## Interpretation and analysis of the financial report

### Highlights of the financial report\*

	2024 \$million	2023 \$million
<b>Trading activities</b>		
Income	102	98
Expenses	107	102
<b>Profit (Loss) from trading activities</b>	(5)	(4)
<b>Stakeholder contributions</b>		
Contributions from the SANFL and SACA	16	15
Contributions to the SANFL and SACA	(10)	(10)
<b>Net contributions</b>	6	5
<b>Trading result after net contributions from stakeholders</b>	-	1
Gains/Losses from lease receivable re-measurement	1	1
<b>Total comprehensive result</b>	1	2
Net cash provided by (used in) operating activities	3	5
<b>Assets</b>		
Current assets	23	21
Non-current assets	103	101
<b>Total assets</b>	126	122
<b>Liabilities</b>		
Current liabilities	22	20
Non-current liabilities	80	80
<b>Total liabilities</b>	103	100
<b>Total equity</b>	23	22

\* Table may not add due to rounding.

AOSMA operates under a complex set of arrangements with the SANFL and SACA that dictate the accounting treatment of certain financial transactions and their presentation in the financial report.

### Statement of Comprehensive Income

#### Trading activities

AOSMA reported a trading loss before stakeholder contributions of \$5.3 million, a \$1.2 million deterioration from the \$4.1 million trading loss before stakeholder contributions in 2023. This reflected a \$4.9 million increase in trading expenses that was only partially offset by a \$3.7 million increase in trading income.

#### Stakeholder contributions

Net contributions to AOSMA from the SANFL and SACA increased by \$700,000 to \$5.8 million and reflected the following:

- In 2024 the SANFL and SACA contributed \$16.3 million (\$15.1 million) to ensure AOSMA had sufficient working capital to support its operations.
- AOSMA pays a percentage of its match day food and beverage sales to the SANFL and SACA. For 2024 this totalled \$10 million (\$10 million).

### Money collected on behalf of other parties

AOSMA also collects money as agent on behalf of the SANFL, SACA, COT, Australian Football League (AFL), Cricket Australia (CA), football clubs and various other promoters. This involves selling, on their behalf, tickets to events, supply rights, Adelaide Oval football memberships, Stadium Club corporate seats and suites and the Adelaide Oval roof climb.

For the year ended 31 October 2024, AOSMA collected \$20.8 million (\$20.5 million) on behalf of the SANFL and SACA. This amount is disclosed as related party transactions in AOSMA's financial report.

The amounts AOSMA collects as agent on behalf of the AFL, CA, football clubs and various other promoters are not recognised or disclosed in its financial report, except for the balance awaiting distribution as at 31 October 2024 recognised in payables. These collections relate to tickets sold through AOSMA's ticketing agent on behalf of the other entities.

AOSMA's financial report does not include revenue generated at the Adelaide Oval directly by the SANFL, SACA, AFL, CA, football clubs and other promoters.

## Statement of Financial Position

### Assets

AOSMA's significant assets include:

- a loan receivable of \$39.7 million from the AOHT. The balance is due to be repaid by 2030
- a right-of-use asset of \$28.4 million, representing the remaining useful life of the lease that AOSMA has with the Minister for the Adelaide Oval Core Area.

Total assets increased by \$3.6 million to \$125.8 million as at 31 October 2024, due mainly to:

- a \$1.5 million increase in trade and other receivables due to increased activity at the oval near year end
- a \$1.4 million increase in property, plant and computer software due to asset additions of \$4.8 million, partially offset by depreciation
- an \$800,000 decrease in the loan receivable from the AOHT, reflecting loan repayments.

### Liabilities

AOSMA's significant liabilities include:

- loans and borrowings of \$49.9 million. This includes \$39.7 million in loans from the Treasurer (see 'Adelaide Oval Hotel' below) and \$10 million of bank loans and overdraft
- lease liabilities of \$30.3 million for the lease with the Minister for the Adelaide Oval Core Area (see 'Leasing and licensing arrangements' below).

Total liabilities increased by \$2.6 million to \$102.7 million as at 31 October 2024, due mainly to:

- an increase in payables of \$1.1 million due to increased activity at the oval near year end
- lease liabilities rising by \$1.2 million, reflecting an annual CPI adjustment.

## Further commentary on operations

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### State legislative requirements

AOSMA's operations are subject to the requirements of the AORM Act, which specifies:

- leasing and licensing requirements for the management of the Adelaide Oval. These requirements involve the Adelaide City Council, the responsible Minister, the SANFL, SACA and AOSMA
- AOSMA's financial reporting and audit requirements and the redevelopment in general, including that the Auditor-General audits AOSMA's accounts each year
- the establishment of a sinking fund to be managed by AOSMA to pay for non-recurrent expenditure of the Adelaide Oval in the years after its completion. After consulting AOSMA, the Treasurer must determine annually the amount payable by AOSMA into the sinking fund. A report on money paid into and out of the fund must be provided to the Minister by 1 September each year.

### Adelaide Oval Sinking Fund

The AORM Act requires AOSMA to establish a sinking fund. This is the pool of money that AOSMA is required to set aside, into which money is paid as approved or determined under the AORM Act, and out of which non-recurrent expenditure associated with AOSMA's sublease may be paid.

AOSMA has established two bank accounts to hold sinking fund money.

The balance of the sinking fund at 31 October 2024 was \$9.5 million (\$10.3 million). AOSMA contributed \$3.7 million to it in 2024, offset by \$4.8 million of capital replacement expenditure that was paid out of it. Interest income of \$300,000 was earned during the year.

In the Auditor-General's 2024 annual report we reported the following findings in relation to the operation of the sinking fund:

- the sinking fund was not invested in line with agreed arrangements
- AOSMA's record-keeping practices for the sinking fund needed to improve
- sinking fund processes were not adequately documented in a policy or procedure.

In response, AOSMA improved its record-keeping practices for the sinking fund and documented its sinking fund processes. It also met with the Department for Infrastructure and Transport to clarify the administrative arrangements for the sinking fund.

AOSMA uses a significant proportion of the sinking fund to offset its group overdraft facility to minimise its borrowing costs, with AOSMA calculating daily notional interest on this portion and depositing this amount into the fund on an annual basis. The remaining balance of the fund is held in an online saver account. This arrangement allows AOSMA to minimise its borrowing costs while ensuring that the sinking fund earns interest in line with the arrangements made with the Minister.

In May 2025, AOSMA wrote to the Minister to clarify that:

- the sinking fund is recognised as an AOSMA asset
- two separate accounts were established for the sinking fund – a business online saver account and an at-call account
- the funds in these two accounts comprise the total balance of the sinking fund
- the sinking fund earns daily notional interest calculated by AOSMA based on the total fund balance at the bank's business online saver interest rate.

The Department for Infrastructure and Transport responded on behalf of the Minister, endorsing AOSMA's management approach for the sinking fund.

## **Leasing and licensing arrangements**

AOSMA subleases the Adelaide Oval Core Area, which includes the stadium, from the SA Government.

The rent payable by AOSMA to the SA Government over the 80-year lease term is expected to be \$74.3 million before indexation. It is increased annually for CPI. AOSMA is required to pay the annual sublease fee by 31 July each year. The land situated in the Adelaide Oval Core Area is leased by the SA Government from the Adelaide City Council for an equal term at \$1 per annum.

The Minister has licensed the SANFL the exclusive right to play football at the oval during the football season from 15 March to 7 October for a term of 20 years, with a right of renewal for three further 20-year terms. The licence enables the SANFL to enter into arrangements with the AFL and football clubs for the use of the oval. Likewise, the Minister has licensed SACA the exclusive right to play cricket at the oval during the cricket season from 8 October to 14 March for a term of 80 years. The licence enables SACA to enter into arrangements with CA for the use of the oval. The licences preserve AOSMA's right to hold ad hoc events like concerts at the oval at any time as long as enough notice is given to the SANFL and SACA.

The Adelaide City Council has also licensed the SA Government to use the area closely surrounding the stadium for a 20-year term for no fee, with a right of renewal for three further 20-year terms. The SA Government has sublicensed the use of this area to the SANFL, SACA and AOSMA for an equivalent term for a fee of \$10 each per annum.

## **Adelaide Oval Hotel**

The Adelaide Oval Hotel is managed by the trustee of the AOHT under a sub-sublease and licence agreement with AOSMA. The AOHT is a jointly controlled entity of the SANFL and SACA. It pays AOSMA an annual lease fee of \$600,000, adjusted annually for CPI. As required by Australian Accounting Standards, amounts owing under this arrangement are recognised in the Statement of Financial Position as finance lease receivables and measured at the present value of outstanding lease payments. At 31 October 2024 these finance lease receivables were valued at \$17 million. This asset will reduce as lease payments are received.

To finance the hotel build, AOSMA entered into a facility agreement with the Treasurer in August 2019 for \$42.6 million, with AOSMA on-lending these funds to the AOHT. The loan is receivable in quarterly instalments, with the last instalment receivable on 30 September 2030 to include a final balloon payment. As at 31 October 2024, \$39.7 million remains owing to the Treasurer.

AOSMA is contracted under an operations and services agreement to provide services to the AOHT, as required, to operate the hotel. The agreement provides that the AOHT will reimburse AOSMA the cost of providing these services without mark-up, which will be determined by AOSMA. This includes the provision of staffing services to the AOHT.

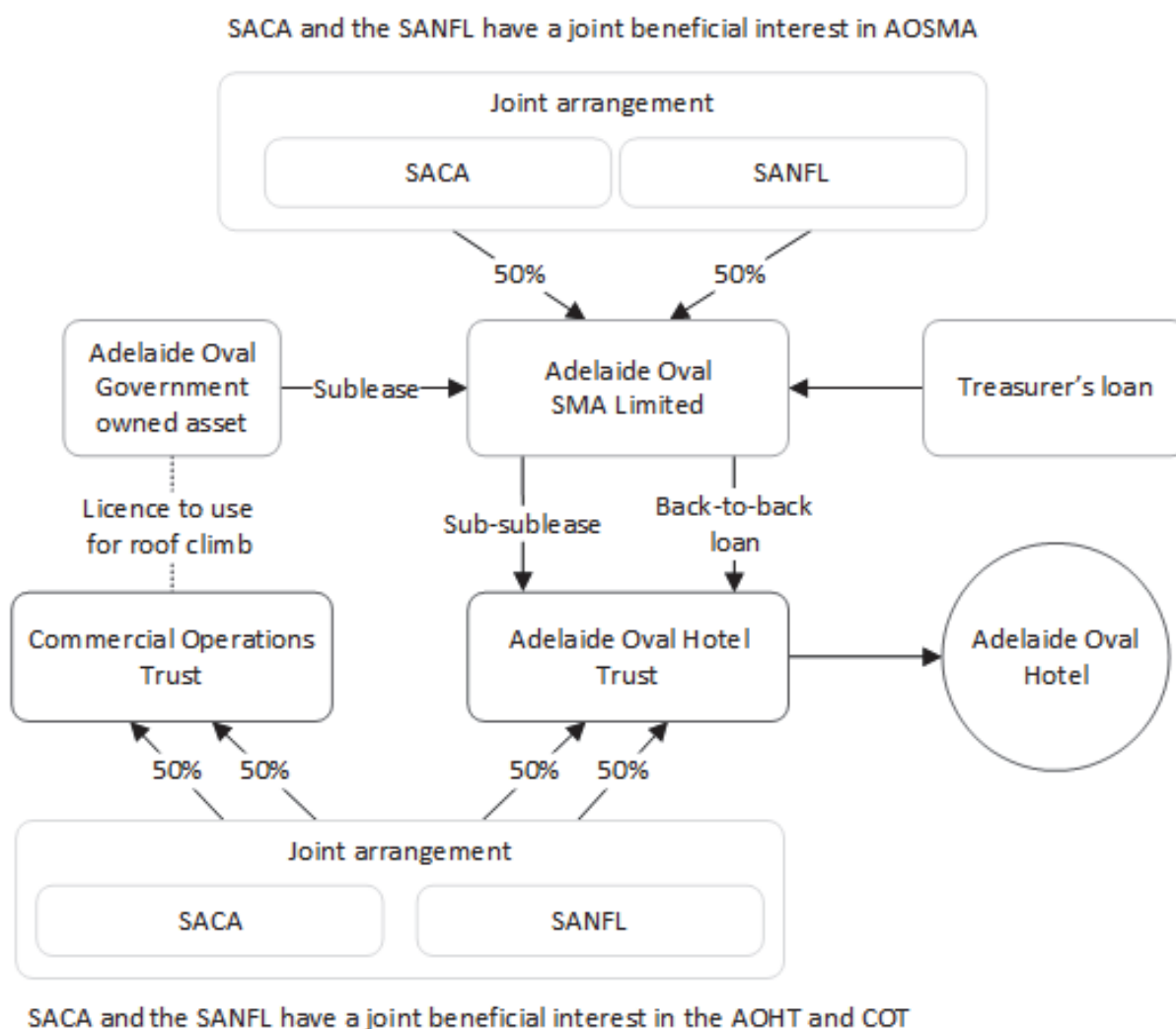
### Commercial Operations Trust

The trustee for COT is a jointly controlled entity of the SANFL and SACA established in 2015-16 and appointed to operate the Adelaide Oval roof climb in the Adelaide Oval Core Area. AOSMA licensed COT to operate the roof climb from July 2016 to November 2031, as approved by the Minister.

COT is also responsible for operating the bar and café at the Adelaide Festival Centre and, since November 2018, the catering services at Monarto Zoo. AOSMA is contracted under an operations and services agreement to provide management and staff services to COT to operate the roof climb and other offsite food and beverage operations.

AOSMA recognises the licence and management fees outlined in the agreements under other revenue in its financial report. All AOSMA costs for providing services, including costs for labour hire, are reimbursed by COT.

The diagram below summarises the Adelaide Oval stakeholder relationships.



# SACE Board of South Australia (SACE Board)

## Financial statistics

Income \$25.1 million	SA Government grants \$17.2 million		Other \$7.9 million
Expenses \$25.3 million	Employee benefits \$16.1 million	Supplies and services \$7.5 million	Other \$1.7m
Assets \$27.6 million	Current \$21.2 million		Non-current \$6.4 million
Liabilities \$5.5 million	Current \$3.2 million		Non-current \$2.3 million

## Significant events and transactions

16,086\* students completed their South Australian Certificate of Education in 2024, an increase of 387 students from 2023.

## Financial report opinion

### Unmodified

## Audit findings

- Key reconciliations were not completed for several months.
- Key management personnel declarations were not completed in line with policies.
- There was no process to ensure manual journals were independently reviewed before posting.

\* Obtained from the SACE Board’s 2024 annual report.

## Functional responsibility

The SACE Board is established by the *SACE Board of South Australia Act 1983*. Its functions include:

- establishing a qualification (called the South Australian Certificate of Education or SACE) awarded by the SACE Board
- determining requirements for achieving the SACE
- commissioning the development and review of courses and subjects

- accrediting subjects and courses recognised by the SACE Board as being suitable for the purposes of the SACE
- assessing the satisfactory completion of subjects, courses and other requirements.

## Scope of the audit

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### Audit of the financial report

The audit program covered major financial systems to obtain sufficient evidence to form an opinion on the financial report. Areas of audit attention in 2024 included:

- revenue
- supplies and services expenditure
- payroll expenditure
- employee benefits liabilities
- cash
- intangible assets.

## Audit findings

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### Communicating our audit findings

We communicated our audit findings in a management letter to the Chief Executive of the SACE Board. The main findings and the SACE Board's responses are discussed below.

#### Key reconciliations were not completed

The SACE Board had not prepared a bank reconciliation from July 2024 up to the time of our audit in November 2024. Treasurer's Instruction 6 *Statutory Accounts and Banking* requires chief executives to ensure reconciliations of all bank accounts operated by the agency are performed and reviewed by an independent officer at the end of each month.

In addition, the SACE Board had not performed the regular reconciliations between the general ledger and subsidiary ledgers required by Treasurer's Instruction 2 *Financial Management*.

The SACE Board advised that all reconciliations were up to date by the end of January 2025 and are now performed regularly.

#### Key management personnel (KMP) declarations were not completed in line with policies

We identified issues with the SACE Board's processes for completing KMP declarations. Although it has a policy and procedures that meet the reporting requirements of AASB 124 *Related Party Disclosures*, it has not implemented them. As a result, the SACE Board may not be able to capture the related party information needed to comply with AASB 124.



The SACE Board advised us that it has communicated with its staff to ensure they are aware of the KMP policy and procedures and the requirements to complete KMP declarations.

No process to ensure manual journals are independently reviewed before posting

The SACE Board does not have a control to ensure that manual journals are independently reviewed to ensure adjustments to the general ledger are appropriate. As a result, inappropriate and unauthorised journals may be processed to the general ledger by error or fraud and may not be identified.

The SACE Board advised us that it will explore whether a system control in the general ledger can segregate the preparer of a journal and the person who authorises it.

## Interpretation and analysis of the financial report

### Highlights of the financial report

	2024 \$million	2023 \$million
<b>Income</b>		
Income from SA Government	17.2	20.1
Sale of goods and services	6.4	5.5
Other income	1.5	1.3
<b>Total income</b>	<b>25.1</b>	<b>26.9</b>
<b>Expenses</b>		
Employee benefits expenses	16.1	15.1
Supplies and services	7.5	7.8
Other expenses	1.7	1.6
<b>Total expenses</b>	<b>25.3</b>	<b>24.5</b>
<b>Net result</b>	<b>(0.3)</b>	<b>2.4</b>
<b>Total comprehensive income</b>	<b>(0.3)</b>	<b>2.4</b>
Net cash provided by (used in) operating activities	2.5	3.1
<b>Assets</b>		
Current assets	21.2	20.5
Non-current assets	6.4	6.8
<b>Total assets</b>	<b>27.6</b>	<b>27.3</b>
<b>Liabilities</b>		
Current liabilities	3.2	3.2
Non-current liabilities	2.3	1.7
<b>Total liabilities</b>	<b>5.5</b>	<b>4.9</b>
<b>Total equity</b>	<b>22.1</b>	<b>22.4</b>

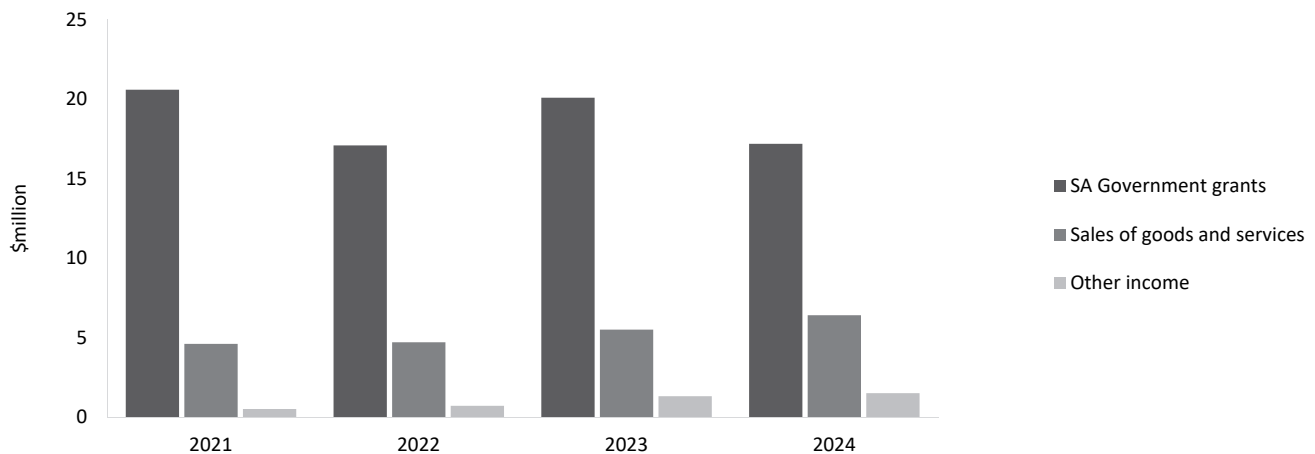
### Statement of Comprehensive Income

#### Income

The SACE Board's main source of income is SA Government grants.

In 2024 the SACE Board received \$17.2 million (\$20.1 million) in SA Government grants. The decrease was mainly due to a change in the timing of SA Government grants to better match the SACE Board's income and expense profile across the year.

The following chart shows the SACE Board's main sources of income for the four years to 2024 and its dependency on SA Government funding.



## Expenses

Expenses largely comprise employee benefits expenses of \$16.1 million (\$15.1 million) and supplies and services of \$7.5 million (\$7.8 million).

Employee benefits expenses increased by \$985,000 in 2024 due to general salary increases and filling vacancies from the previous year.

Supplies and services decreased by \$313,000 in 2024, due mainly to a decrease in agency staff costs of \$616,000 as more contract staff were used in 2023 to fill vacant roles. This was offset by:

- an increase in software licence and ICT maintenance expenses of \$132,000 due to an increase in the quantity of licences and indexation on existing contracts
- an increase in venue hire, hospitality and equipment hire of \$189,000 for subject renewal sessions and staff workshops.

## Statement of Cash Flows

The following table summarises the SACE Board's net cash flows for the four years to 2024.

	2021 \$million	2022 \$million	2023 \$million	2024 \$million
<b>Net cash flows</b>				
Operating activities	3.2	1.1	3.1	2.5
Investing activities	(2.9)	(0.8)	(0.7)	(1.0)
Change in cash	0.3	0.3	2.4	1.5
Cash at 30 June	16.2	16.5	18.9	20.4

# University sector overview

## Overview

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The Auditor-General is the appointed external auditor for the State's four public universities:

- Adelaide University
- the University of Adelaide
- the University of South Australia
- Flinders University.

These universities advance learning and knowledge by providing higher education and conducting research activities.

## Sector summary

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### Financial statistics

The following table shows the main financial statistics for the four universities combined.

	2024 \$million	2023 \$million
Australian Government financial assistance	1,717	1,585
Fees and charges revenue	736	646
Employee related expenses	1,589	1,445
Assets	6,639	6,393
Liabilities	1,970	1,765
Staff (FTEs)	9,198	8,765
Students (EFTSLs)	63,835	62,773

## Financial report opinions

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We issued unmodified audit opinions for each university's financial report.

## Controls opinion

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All four universities are public authorities for the purpose of the *Public Finance and Audit Act 1987* and are included in the work we perform to support our controls opinion.

We applied the controls opinion criteria described in my annual report to Parliament to identify areas of review, and then assessed selected controls over:

- payroll and buildings and improvements for the University of Adelaide
- buildings and improvements for the University of South Australia
- buildings and improvements for Flinders University.

Our 2024-25 controls opinion findings will be discussed in Part B of the Auditor-General’s upcoming annual report for the year ended 30 June 2025.

## Other matters

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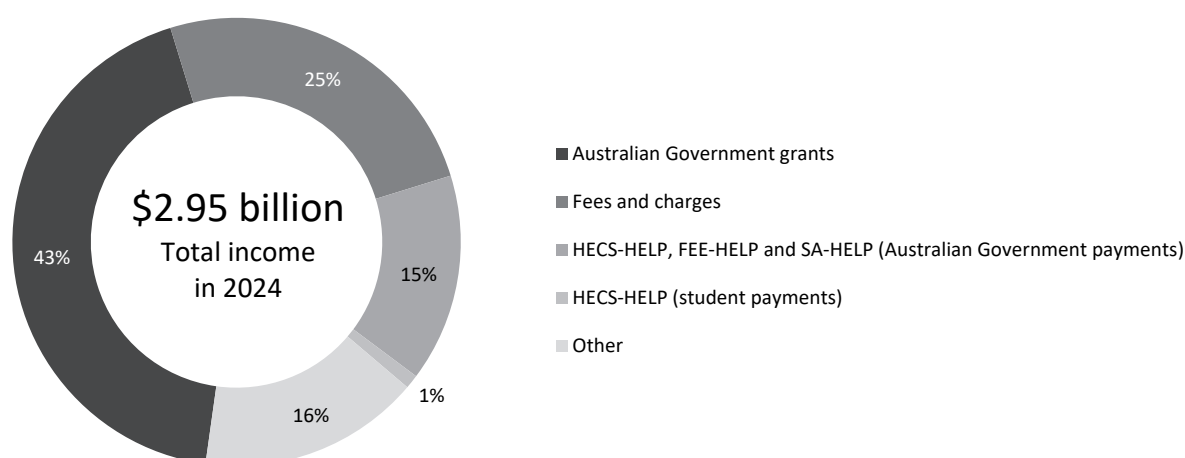
Our financial statement audits reviewed the control environments for all significant university sector balances. Our findings from these reviews are discussed in each university’s commentary under ‘Communicating our audit findings’.

## Key financial statistics

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### Income

Total income for the four universities was \$2.95 billion in 2024. The sources are shown in the following chart.



In 2024 income increased by 18.7% for the university sector as a whole.

### Australian Government grants and payments

The universities are operationally dependent on Australian Government financial assistance, which was 58% of their total income in 2024. It comprises the Commonwealth Grants Scheme, Higher Education Loan Program (HELP) income, research grants and other funding.

Further information is provided in the commentary for each university under ‘Statement of Comprehensive Income’.

## Fees and charges

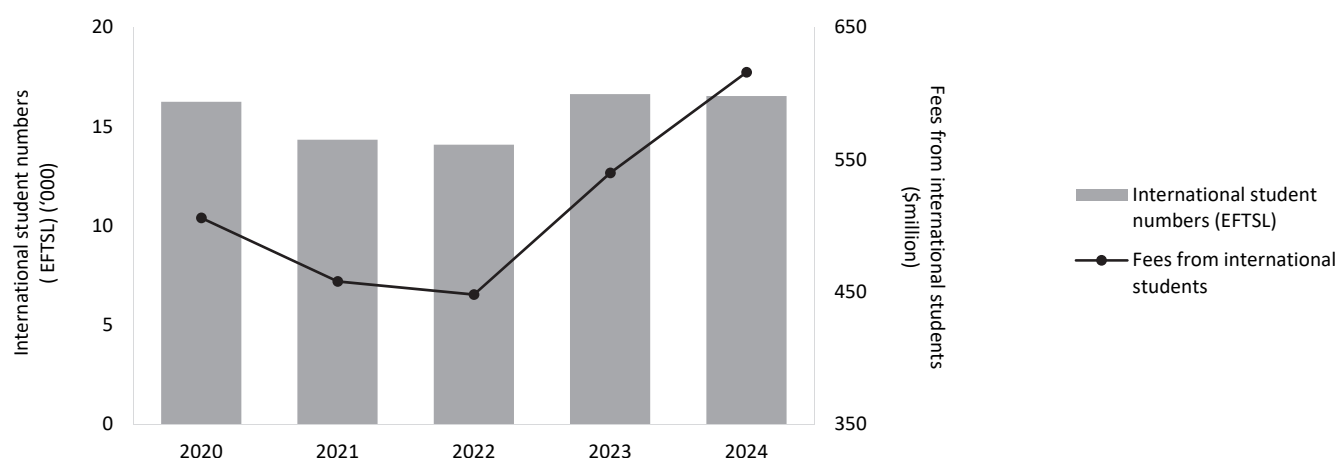
University sector fees and charges decreased by 8.7% from \$588 million in 2020 to \$537 million in 2022, before increasing in 2023 and 2024. The main driver of the decrease was the COVID-19 pandemic, which disrupted international student travel to South Australia. International student numbers returned to pre-COVID levels with a 20.3% increase in total fees and charges to \$646 million in 2023, and has continued to increase by 13.9% to \$736 million in 2024.

The table below shows total student numbers falling by 5.4% between 2021 and 2022, before increasing in 2023 and 2024. The sources of students changed to 72% domestic (74%) and 28% international (26%) in 2024.

	2020 Number	2021 Number	2022 Number	2023 Number	2024 Number
Domestic students	50,095	51,618	48,317	46,241	46,159
International students	16,247	14,333	14,079	16,532	17,676
Total students	66,342	65,951	62,396	62,773	63,835

Source: Student numbers, which are based on equivalent full-time student load (EFTSL), were obtained from data provided by the four universities and are unaudited.

Revenue from fees and charges from international students decreased by 11% to \$448 million from 2020 to 2022 and then increased by 37.5% to \$616 million in 2024. This is in line with the decrease in international student numbers of 13.3% from 2020 to 2022, before a 25.5% increase in 2024.

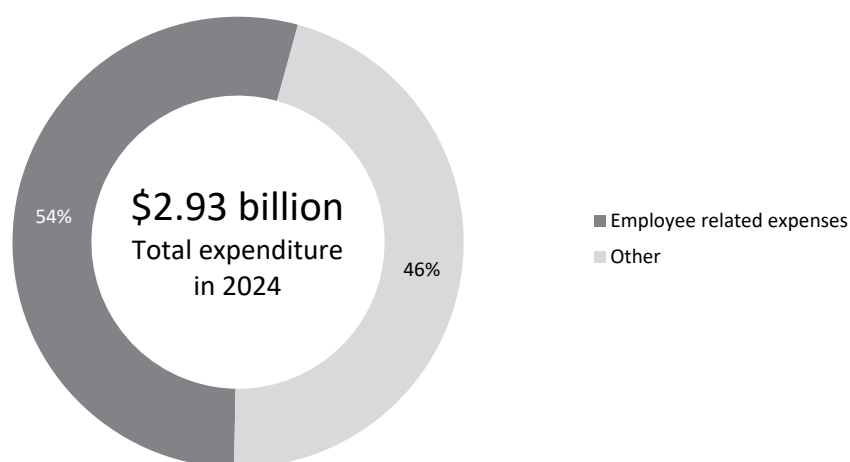


Source: Student numbers, which are based on EFTSL, were obtained from data provided by the four universities and are unaudited.

The fall in fees and charges from overseas students from 2020 to 2021 reflects the impact of COVID-19 and the related travel restrictions that prevented new and continuing international students from travelling to Australia. 2022 fees and charges largely reflect amounts from continuing students and those studying online. 2023 and 2024 fees and charges reflect the return of international students to study in South Australia. These students come from a range of countries. While the proportion from each country differs for each university, the main two countries of origin are China and India.

## Expenditure

Total expenditure for the four universities was \$2.93 billion in 2024. The sources are shown in the following chart.



## Employee related expenses

In the last five years, employee related expenses across the universities increased by 20.4%, from \$1.32 billion in 2020 to \$1.59 billion in 2024. This reflects a 5.7% increase in FTEs over that period, together with salary increases.

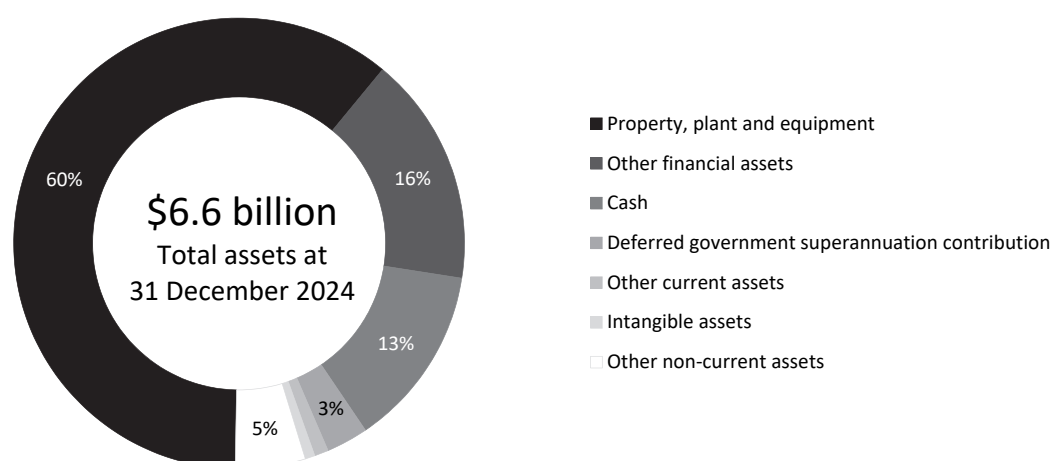
The table below shows total staff numbers for all four universities.

	2020 FTE	2021 FTEs	2022 FTEs	2023 FTEs	2024 FTEs
Academic	3,786	3,709	3,838	3,986	4,125
Non-academic	4,916	4,446	4,482	4,779	5,073
Total FTEs	8,702	8,155	8,320	8,765	9,198
Percentage of academic staff	44%	45%	46%	45%	45%

Source: Staff numbers, which are based on FTEs, were obtained from data provided by the four universities and are unaudited.

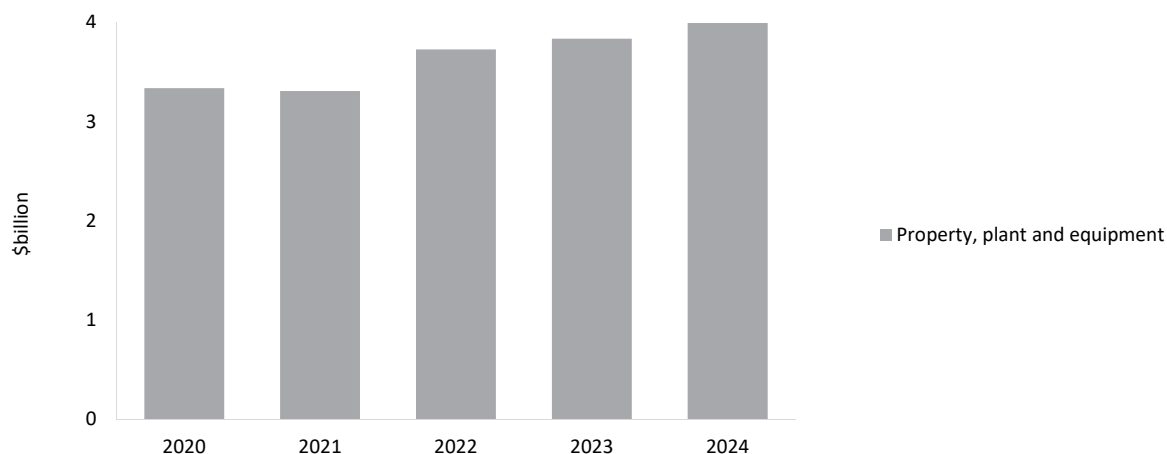
## Assets

Total assets for the four universities were \$6.6 billion at 31 December 2024. The categories of assets are shown in the following chart.



## Property, plant and equipment

Property, plant and equipment totals \$4 billion, which is 60.1% of the total value of university sector assets. It primarily consists of \$3 billion (75%) of buildings and infrastructure, and \$493 million of land (12%). The following chart shows the value of property, plant and equipment over the last five years.



In 2022 the University of Adelaide, University of South Australia and Flinders University, revalued their land, buildings and infrastructure, in line with their approach of revaluing every three years. This resulted in a collective net revaluation gain across the universities of \$330 million.

In 2023 Flinders University and the University of Adelaide revalued their works of art. This resulted in a net revaluation gain of \$944,000.

Further information on individual property, plant and equipment balances is provided in the commentary for each university under 'Statement of Financial Position'.

## Deferred government superannuation contribution

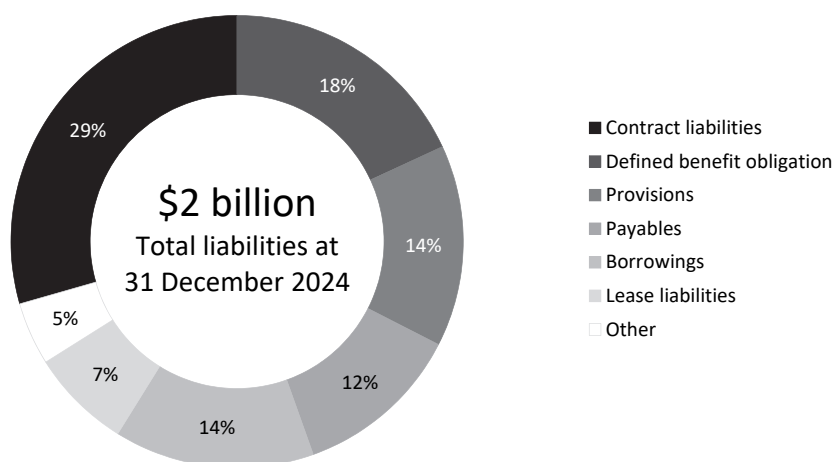
A number of present and former employees of the universities are members of State-managed superannuation schemes. Under current arrangements, the Australian Government funds the universities on an emerging cost basis.

The defined benefit obligations of all the universities totalled \$357 million, with a corresponding receivable from the Australian Government of the same value being recognised. The receivables represent 5.4% of total assets held by the four universities.

Information on the individual schemes is provided in the universities' 2024 financial reports.

## Liabilities

Total liabilities for the four universities were \$2 billion at 31 December 2024. The categories of liabilities are shown in the following chart.



### Defined benefit obligations

Defined benefit obligations total \$357 million, 18.1% of the liabilities held by the universities, and are offset by deferred government contributions as explained under 'Deferred government superannuation contribution' above.

### Contract liabilities

Contract liabilities total \$579 million, 29.4% of the liabilities held. They mainly represent unspent grant money.

### Provisions

Provisions total \$284 million, 14.4% of the liabilities. They primarily comprise annual and long service leave liabilities totalling \$272 million.

### Borrowings

Borrowings total \$281 million, 14.3% of total liabilities. They mainly relate to borrowings by Flinders University to construct the Health and Medical Research Building.

## Emerging issues

### Establishing Adelaide University

On 14 December 2023, the *Adelaide University Act 2023* was proclaimed by the Governor of South Australia. It established Adelaide University as a legal entity on 8 March 2024, along with the Adelaide University Transition Council being appointed on 8 March 2024. Under the Act, Adelaide University has a target operational date of 1 January 2026, and on 31 March 2026 the *University of Adelaide Act 1971* and the *University of South Australia Act 1990* will be repealed and the University of Adelaide and University of South Australia will be disestablished as legal entities.



In March 2024, the Councils of the University of South Australia, University of Adelaide and Adelaide University entered into an agreement to guide the transition of services, education and research activities to Adelaide University in readiness for 1 January 2026. The agreement also includes the agreed investment in integration costs to be equally funded by the University of South Australia and University of Adelaide.

In December 2024, the Adelaide University (Transfer of Staff) Proclamation 2024 was made by the Governor of South Australia. It outlined the 2025 dates when staff would transfer their employment arrangements to Adelaide University.

In 2024, the University of Adelaide and University of South Australia incurred \$148.6 million of integration costs. This included the feasibility and due diligence costs incurred before signing the Heads of Agreement and integration costs incurred after signing it.

# Adelaide University

## Significant events and transactions

- Adelaide University was established as a legal entity on 8 March 2024 under the *Adelaide University Act 2023*.
- In March 2024 the University of Adelaide and University of South Australia’s Councils entered into an agreement for the transition of services, education and research activities to Adelaide University to support its 1 January 2026 operational date.
- In December 2024 the Adelaide University (Transfer of Staff) Proclamation 2024 was made by the Governor of South Australia. It outlined the 2025 dates when staff would transfer employment from the University of Adelaide and University of South Australia to Adelaide University.
- In December 2024 the University of Adelaide and the University of South Australia also entered into an agreement with Adelaide University about the services to be provided once staff have transferred.

## Financial report opinion

### Unmodified

## Audit findings

No audit findings.

## Functional responsibility

Adelaide University is established by the *Adelaide University Act 2023*. Its primary objective is to preserve, extend and disseminate knowledge at the tertiary level through teaching, research, scholarship, innovation, consultancy or other means.

## Scope of the audit

The audit program covered major financial systems to obtain sufficient evidence to form an opinion on the financial report and internal controls. Areas of audit attention in 2024 included:

- State Government assistance
- transition grant revenue
- employee related expenses
- other expenses
- cash and cash equivalents
- intangible assets.

## Interpretation and analysis of the financial report

### Highlights of the financial report

8 March 2024 to  
31 December 2024  
\$million

<b>Revenue</b>	
State Government assistance	10
Transition grant revenue	135
Other	2
<b>Total revenue</b>	<b>147</b>
<b>Expenses</b>	
Employee related expenses	33
Other expenses	84
<b>Total expenses</b>	<b>117</b>
<b>Operating result</b>	<b>30</b>
<b>Total comprehensive income</b>	<b>30</b>
<b>Assets</b>	
Current assets	18
Non-current assets	12
<b>Total assets</b>	<b>30</b>
<b>Liabilities</b>	
Current liabilities	-
Non-current liabilities	-
<b>Total liabilities</b>	<b>-</b>
<b>Total equity</b>	<b>30</b>

### Statement of Comprehensive Income

#### Revenue

Adelaide University's revenue was \$147 million in 2024.

#### State Government assistance

In 2024 Adelaide University entered into a multi-year financial assistance agreement with the SA Government to market and promote Adelaide University as a study destination for overseas students. Adelaide University received \$10 million of this funding in 2024.

#### Transition grant revenue

Transition grant revenue represents the financial support provided by the University of Adelaide and University of South Australia to Adelaide University in 2024. This revenue was used to support the transition of services, education and research activities to Adelaide University and its first-year establishment activities.

## Expenses

Adelaide University's expenditure was \$117 million in 2024.

### Employee related expenses

Employee related expenses totalled \$33 million. These costs represent the staffing support provided by the University of Adelaide and University of South Australia to Adelaide University for its establishment activities.

### Other expenses

Other expenses totalled \$84 million. These costs represent the general expenses associated with establishing the new university, including the costs of:

- consulting – \$61 million
- advertising and marketing – \$10 million
- information technology – \$4 million
- temporary staff – \$2 million.

## Statement of Financial Position

Adelaide University's net equity position was \$30 million at 31 December 2024.

### Assets

The value of Adelaide University's assets was \$30 million at 31 December 2024. Its main assets were:

- cash and cash equivalents of \$10 million
- intangible assets of \$11.2 million, consisting of software licences and other intangible works in progress.

## Further commentary on operations

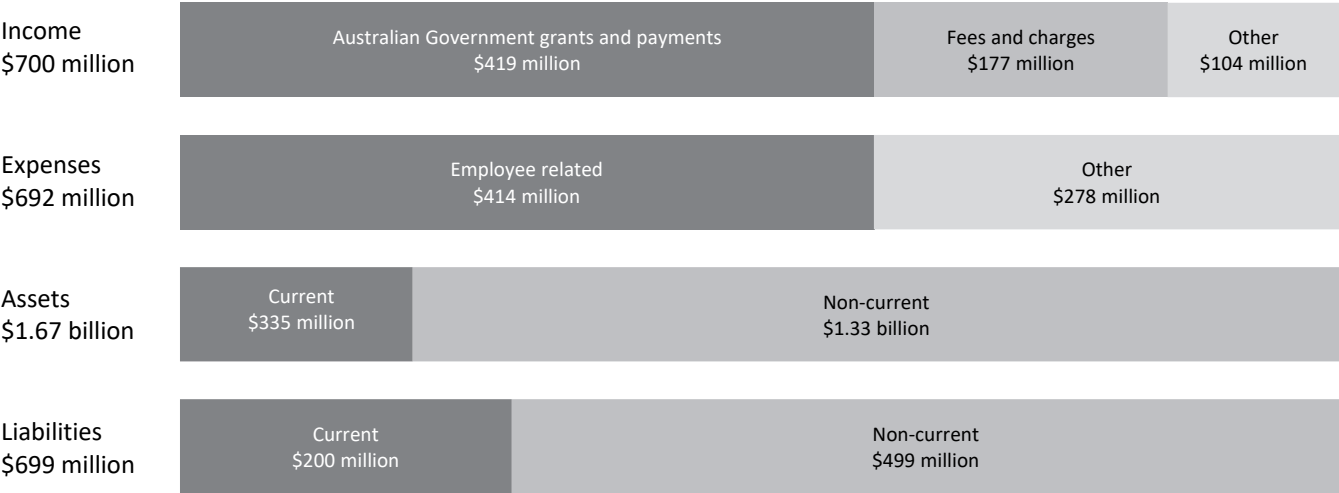
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On 14 December 2023, the Governor of South Australia proclaimed the *Adelaide University Act 2023*. Under this Act the Adelaide University has an operational date of 1 January 2026 but was established as a legal entity on 8 March 2024. The Adelaide University Transition Council was formally appointed on this March date and is responsible for the Adelaide University's strategic objectives.

In December 2024 the Adelaide University (Transfer of Staff) Proclamation 2024 was made by the Governor of South Australia. It outlined the 2025 dates when staff of the University of Adelaide and University of South Australia would transfer their employment arrangements to Adelaide University.

# Flinders University (Flinders)

## Financial statistics



2,298  
FTEs



17,514  
Students (EFTSL)



\$713.4 million  
Buildings

### Significant events and transactions

- Construction of the Health and Medical Research Building (HMRB) was completed in April 2024. Borrowings for this build were \$278 million.
- Teaching at the Flinders City Campus commenced in Semester One 2024. A right-of-use asset of \$68 million was recognised for the lease of the Festival Tower.
- Construction of the Factory of the Future and Tonsley Technical College continued in 2024.

### Financial report opinion

Unmodified

### Audit findings

- No significant findings.

## Functional responsibility

---

Flinders is established by the *Flinders University Act 1966*. Its functions include establishing and providing educational facilities and courses of study at a university standard, and generally disseminating knowledge and promoting scholarship.

## Scope of the audit

---

### Audit of the financial report

The audit program covered major financial systems to obtain sufficient evidence to form an opinion on the financial report. Areas of audit attention in 2024 included:

- corporate governance
- research grants, student fees and other revenue
- Australian Government financial assistance
- cash management and investment
- property, plant and equipment, including building management and major capital projects
- payroll
- expenditure
- general ledger and financial accounting.

The audits of Flinders' controlled entities for the year ended 31 December 2024 were carried out by independent private accounting firms.

We reviewed internal audit activities in planning and conducting our work.

### Controls opinion

We reviewed controls over buildings and improvements as part of our overall controls opinion, which will be discussed in Part B of the Auditor-General's upcoming annual report for the year ended 30 June 2025.

## Audit findings

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### Communicating our audit findings

We communicated our audit findings in management letters to the President and Vice-Chancellor. There were no significant findings.

## Interpretation and analysis of the financial report

### Highlights of the financial report

	2024 \$million	2023 \$million
<b>Income</b>		
Australian Government grants	309	283
HECS-HELP, FEE-HELP and SA-HELP (Australian Government payments)	110	103
HECS-HELP (student payments)	8	8
Fees and charges	177	162
Other	96	82
<b>Total income</b>	<b>700</b>	<b>638</b>
<b>Expenses</b>		
Employee related expenses	414	375
Other expenses	278	239
<b>Total expenses</b>	<b>692</b>	<b>614</b>
<b>Operating result</b>	<b>8</b>	<b>24</b>
<b>Assets</b>		
Current assets	335	299
Non-current assets	1,334	1,223
<b>Total assets</b>	<b>1,669</b>	<b>1,522</b>
<b>Liabilities</b>		
Current liabilities	200	182
Non-current liabilities	499	369
<b>Total liabilities</b>	<b>699</b>	<b>551</b>
<b>Total equity</b>	<b>970</b>	<b>971</b>

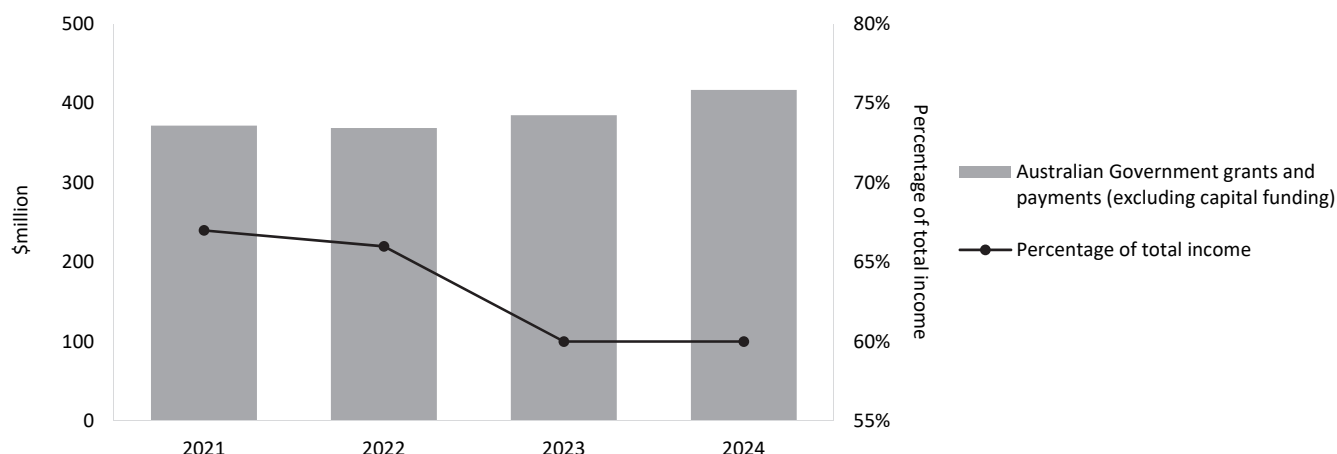
### Income Statement

#### Income

Flinders' income was \$700 million in 2024, an increase of \$62 million (9.7%).

#### Australian Government grants and payments

The following chart shows the Australian Government grants and payments provided to Flinders, excluding capital funding as this is not necessarily comparable from year to year. It also shows that Australian Government financial assistance continues to account for 60% of total income.

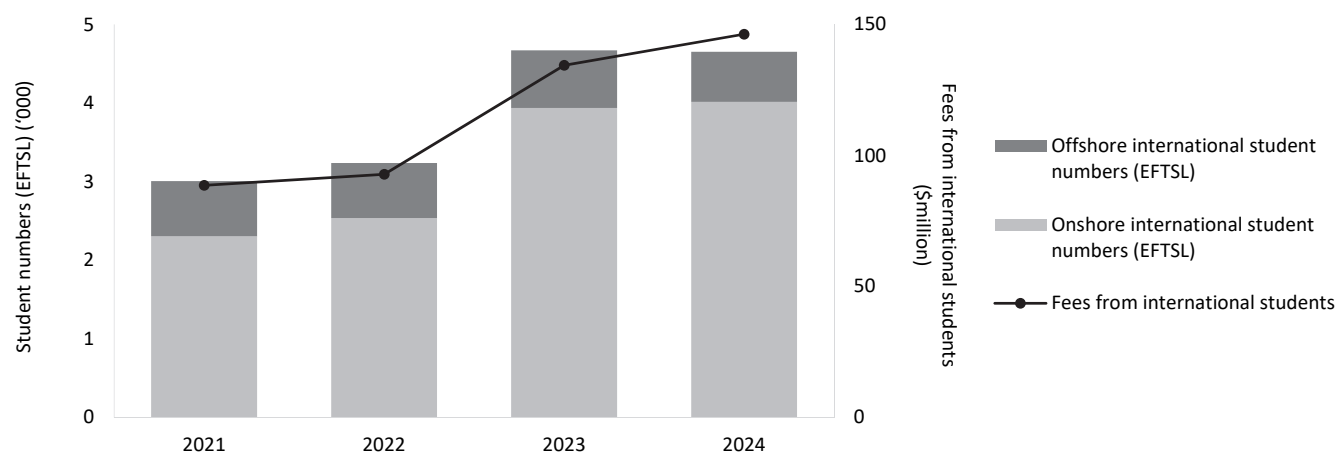


The Australian Government financial assistance Flinders received increased by \$33 million to \$419 million in 2024, mainly due to increases in:

- Commonwealth Grants Scheme and other grants of \$10.6 million, linked to student load
- Education Research grants of \$8.4 million due to increased funding for Research Block grants for 2024
- Australian Research Council grants of \$1.1 million
- National Health and Medical Research grants of \$2.4 million
- other research grants of \$3.9 million.

## Fees and charges

The following chart shows fees from international students and international student numbers.



Source: Student numbers, which are based on equivalent full-time student load (EFTSL), were obtained from statistics published by Flinders and are unaudited.

Fees from international students increased by \$12 million (8.9%) to \$146 million in 2024, mainly due to the higher fees and changes in mix towards higher-revenue courses.

The following table shows that total student loads increased by 1.9% over the last four years, with a 9.3% decrease in domestic students. International student numbers now exceed pre-COVID levels, with an increase of 54.7% since 2021.



	2021 Number	2022 Number	2023 Number	2024 Number
Domestic students	14,188	13,231	12,761	12,863
International students	3,007	3,238	4,661	4,651
Total students (EFTSL)	17,195	16,469	17,422	17,514

Source: Student load data is sourced from statistics published by Flinders and is unaudited.

## Investment income

Net investment income increased by \$5.2 million to \$28 million mainly due to:

- interest income, up \$1.3 million, as cash was invested in term deposits with higher interest rates
- the net gain on financial assets designated at fair value through profit and loss, up \$4.1 million due to equity market rises.

Investment returns can be volatile, with the varying impact affecting the overall operating result.

## Expenses

Flinders' expenses increased by \$78 million (12.7%) to \$692 million in 2024.

## Employee related expenses

Employee related expenses increased by \$39.5 million to \$414 million mainly due to:

- salary expenses for academic staff, up \$14.1 million, and for non-academic staff, up \$15.6 million, due to:
  - salary increases aligned with the Enterprise Bargaining Agreement and role progression
  - increased resourcing for the Flinders City Campus and HMRB
  - additional investment in staff to support revenue growth in research
- superannuation contributions for academic staff, up \$1.7 million, and for non-academic staff, up \$2.6 million, reflecting increased salaries and wages costs.

The table below shows the number of FTEs and the percentage of academic staff over the four years to 2024. The number of FTEs has increased by 15% since 2021, while the proportion of academic staff has remained steady.

	2021 FTEs	2022 FTEs	2023 FTEs	2024 FTEs
Academic	886	907	957	989
Non-academic	1,107	1,147	1,232	1,309
Total FTEs	1,993	2,054	2,189	2,298
Percentage of academic staff	44%	44%	44%	43%

Source: Staff numbers, which are based on FTEs, were obtained from statistics published by Flinders and are unaudited.

## Other expenses

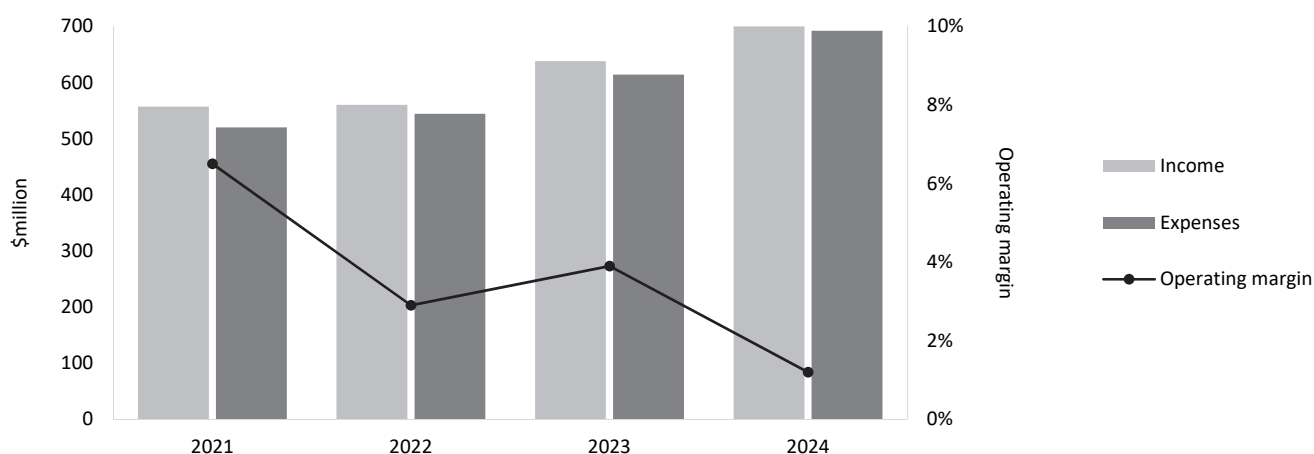
Non-employee related expenses increased by \$38 million mainly due to:

- other expenses, up \$11.9 million due to increases in general activity across Flinders and in particular:
  - administration and management fees of \$8.5 million
  - software expenses of \$3.6 million
  - utilities of \$2.9 million
- repairs and maintenance, up \$4.3 million due to an increase in minor works expenditure of \$1.9 million and building and grounds works of \$1.9 million
- depreciation and amortisation of \$12.8 million, mainly due to increases in building depreciation of \$5.6 million as the HMRB was completed in April 2024 and amortisation of right-of-use assets worth \$4.2 million associated with the Festival Tower lease
- borrowing costs of \$11 million, mainly due to increases in interest expenses for the HMRB and finance charges for the Festival Tower lease.

## Operating result

The operating surplus was \$7.9 million, \$15.9 million lower than in 2023. This decrease reflects the net impact of the \$78 million increase in expenditure explained above, combined with the \$62 million increase in income in 2024.

The following chart shows Flinders' operating income, operating expenses and operating margin (the operating result for the year divided by total income) for the four years to 2024.



The operating margin declined in 2024, reflecting the lower operating surplus.

## Statement of Financial Position

Flinders' consolidated net assets as at 31 December 2024 totalled \$970 million (\$971 million).

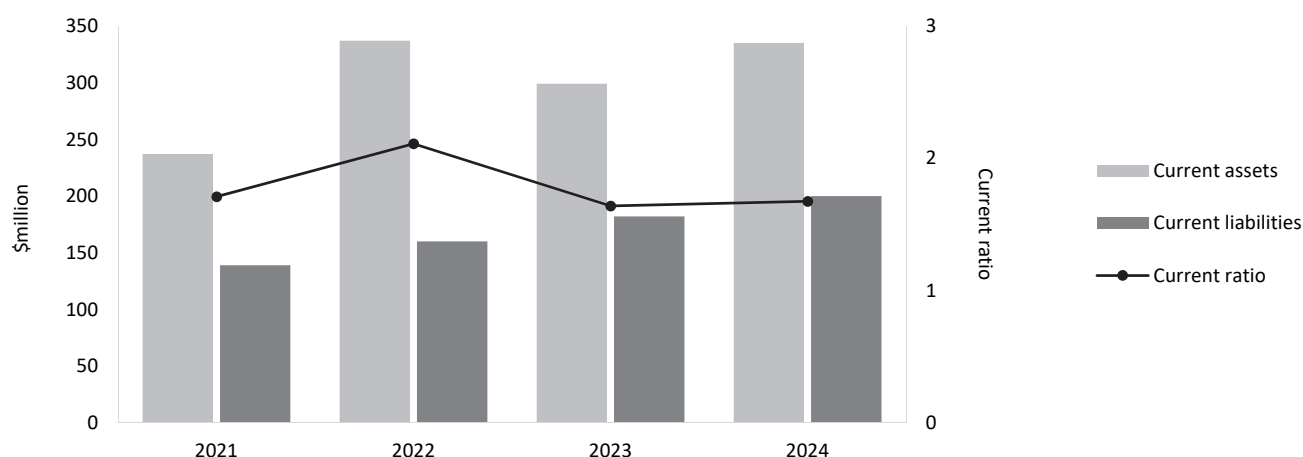
## Assets

### Current assets

Cash increased by \$54.2 million to \$234.7 million, due to Flinders maintaining high cash and term deposit balances under its investment strategy, reflecting the high interest rate environment.

Current receivables decreased by \$7.2 million, mainly due to the decrease in trade receivables of \$8.5 million. As at 31 December 2023 there was an \$8.9 million outstanding invoice from the Commonwealth Department of Health for a milestone payment for the Aged Care Centre for Growth and Translational Research grant, received in 2024.

The following chart shows Flinders' current assets and liabilities. The current ratio remains positive, with current assets exceeding current liabilities by \$135.1 million. The improved ratio for 2022 is due to Flinders maintaining a high short-term liquidity position and the timing of some drawdowns for the HMRB. The current ratio decreased in 2023 due to lower cash holdings and receivables and remained steady in 2024. A current ratio greater than 1.0 indicates that an entity has sufficient assets to satisfy its short-term liabilities.



### Property, plant and equipment

The main component of Flinders' Statement of Financial Position is property, plant and equipment, representing 65% of total assets. The carrying value of property, plant and equipment increased by \$117.5 million to \$1.1 billion, mainly due to:

- asset additions of \$165.1 million, with \$76.6 million in additions to capital works in progress for the HMRB construction and the Flinders City Campus fit out and a \$68.7 million addition to right-of-use assets, mainly for the Festival Tower lease
- offset by \$46.8 million in depreciation charges.

## Investments

Other financial assets decreased by \$8.7 million, mainly due to decreases in:

- short-term deposits of \$10 million
- the value of IDP Education Ltd shares of \$9.1 million
- offset by increases in:
  - debt securities of \$2.4 million
  - Australian equities and international equities of \$8 million.

## Liabilities

Liabilities increased by \$147.9 million to \$699 million. The major items contributing to this were:

- borrowings, up \$89.9 million due to an increase of \$22.8 million in loans for the HMRB and an increase in lease liabilities of \$67.1 million, mainly for the Festival Tower lease
- contract liabilities, up \$31.1 million due to increases in grants received and unspent as at 31 December 2024 of \$22.6 million, student fees in advance of \$3.7 million and other fees in advance of \$3.1 million
- other liabilities, up \$31 million, of which:
  - \$22.9 million relates to the recognition of rental income in advance from the Department for Education for the Tonsley Technical College
  - \$8.5 million relates to the Rural Medical Training Grant provided by the Commonwealth.

# University of Adelaide (Uni Adelaide)

## Financial statistics (consolidated)

Income \$1.3 billion	Australian Government grants and payments \$658 million	Fees and charges \$382 million	Other (including HECS-HELP) \$260 million
Expenses \$1.3 billion	Employee expenses \$666 million	Other \$611 million	
Assets \$2.9 billion	Current \$527 million	Non-current \$2.4 billion	
Liabilities \$667 million	Current \$318 million	Non-current \$349 million	



**4,115**  
FTEs



**23,577**  
Students (EFTSL)



**\$1.35 billion**  
Buildings

## Significant events and transactions

- In March 2024 the Uni Adelaide and University of South Australia's Councils entered into an agreement for the transition of services, education and research activities to Adelaide University to support its 1 January 2026 operational date.
- In December 2024 the Adelaide University (Transfer of Staff) Proclamation 2024 was made by the Governor of South Australia. It outlined the 2025 dates when Uni Adelaide and University of South Australia staff would transfer employment to Adelaide University.

## Financial report opinion

### Unmodified

## Controls opinion findings

- An instance of non-compliance with child safety legislation.
- Bona fide and leave taken validation processes need to be strengthened.

## Other audit findings

- Milestone acquittal processes need to improve.

## Functional responsibility

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Uni Adelaide is established by the *University of Adelaide Act 1971*. Its primary objective is advancing learning and knowledge, which it achieves by providing higher education and conducting research activities.

## Scope of the audit

---

The audit program covered major financial systems to obtain sufficient evidence to form an opinion on the financial report. Areas of audit attention in 2024 included:

- governance
- research grants, student fees and other revenue
- cash and investments
- financial accounting
- property, plant and equipment
- payroll and workforce management
- expenditure and accounts payable.

We reviewed internal audit activities to assess the risks of material misstatement in the financial report and to design and perform audit procedures. We made use of the work performed by internal audit over Uni Adelaide's ICT general control environment.

### Controls opinion

We reviewed controls over payroll and workforce management and buildings and improvements as part of our overall controls opinion, which will be discussed in Part B of the Auditor-General's upcoming annual report for the year ended 30 June 2025.

## Audit findings

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### Communicating our audit findings

We communicated our audit findings in a management letter to the Vice-Chancellor and President. The main findings and Uni Adelaide's responses are discussed below.

#### Controls opinion findings

##### Payroll and workforce management

In 2024 Uni Adelaide employed over 4,000 FTEs and incurred over \$666 million in employee expenses. Given the significance of these expenses, we review payroll and workforce management controls annually.

### *An instance of non-compliance with child safety legislation*

We identified a staff member working in a prescribed position that required a working with children check who did not have one for a 13-day period. This breaches the *Child Safety (Prohibited Persons) Act 2016*.

Uni Adelaide responded that it has now implemented procedures requiring changes in prescribed position status to be reviewed by its central human resources branch.

### *Bona fide and leave taken validation processes need to be strengthened*

In 2024 Uni Adelaide varied its approaches to leave reporting and verifying the accuracy of payments to staff through bona fide reports. We assessed these changes and identified areas where processes could be strengthened – including through improved consistency of the checking undertaken, updated information being included on the report and better clarity over review requirements.

Uni Adelaide responded that it will review its bona fide and leave reporting processes, including further educating report reviewers.

### Other audit findings

#### Milestone acquittal processes need to improve

We reviewed Uni Adelaide's non-financial milestone acquittal processes for research projects by examining 2024 acquittal completion. We identified instances, across several grant categories, where acquittals were late or had not been provided.

Uni Adelaide responded that it will continue to undertake monitoring activities and investigate options to improve its follow-up of milestone acquittals.

## Interpretation and analysis of the financial report

### Highlights of the financial report – consolidated

	2024 \$million	2023 \$million
<b>Revenue</b>		
Australian Government grants	498	457
Higher Education Loan Program	160	151
HECS-HELP (student payments)	12	10
Fees and charges (course and non-course)	382	323
Other	248	192
<b>Total revenue</b>	<b>1,300</b>	<b>1,133</b>
<b>Expenses</b>		
Employee expenses	666	609
Other expenses	611	485
<b>Total expenses</b>	<b>1,277</b>	<b>1,094</b>
<b>Operating result</b>	<b>23</b>	<b>39</b>

	2024 \$million	2023 \$million
Other comprehensive income	4	1
<b>Total comprehensive income</b>	<b>27</b>	<b>40</b>
<b>Assets</b>		
Current assets	527	523
Non-current assets	2,361	2,294
<b>Total assets</b>	<b>2,888</b>	<b>2,817</b>
<b>Liabilities</b>		
Current liabilities	318	268
Non-current liabilities	349	353
<b>Total liabilities</b>	<b>667</b>	<b>621</b>
<b>Total equity</b>	<b>2,221</b>	<b>2,196</b>

## Statement of Comprehensive Income

### Revenue

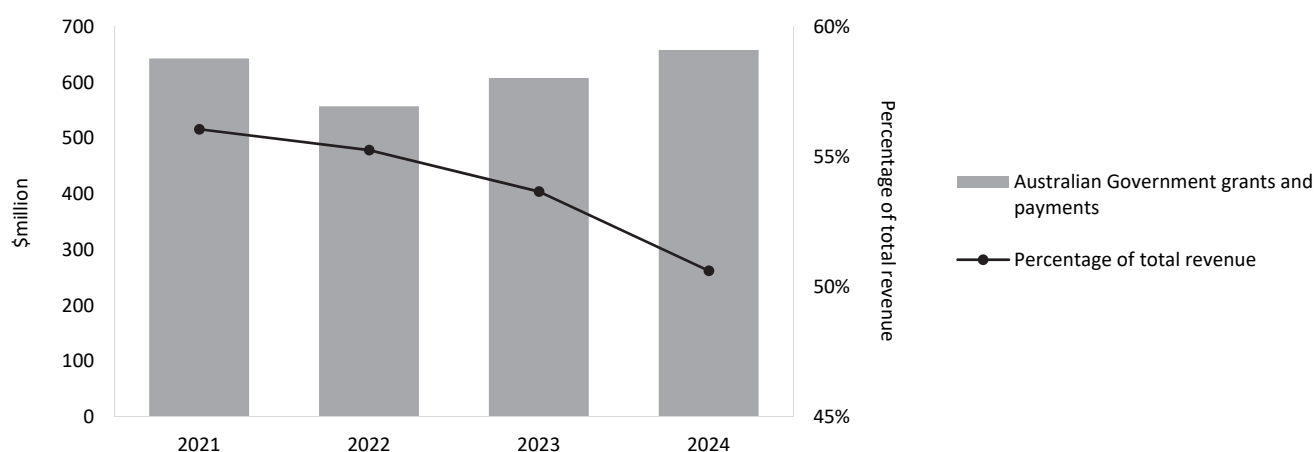
Uni Adelaide's revenue was \$1.3 billion in 2024, an increase of \$167 million (14.7%).

### Australian Government grants and payments

Australian Government financial assistance received by Uni Adelaide increased by \$50 million (8.2%) to \$658 million in 2024. It included:

- \$194 million in Commonwealth Grants Scheme funding for Commonwealth supported student places, an increase of \$13.5 million
- \$160 million in Higher Education Loan Program funding, including funding for HECS-HELP, an increase of \$9 million.

The chart below shows total Australian Government financial assistance received over the last four years, and the decreasing proportion of this assistance to Uni Adelaide's total revenue. This decrease is due to offsetting increases in fees and charges and other revenue, as explained below.





## Fees and charges

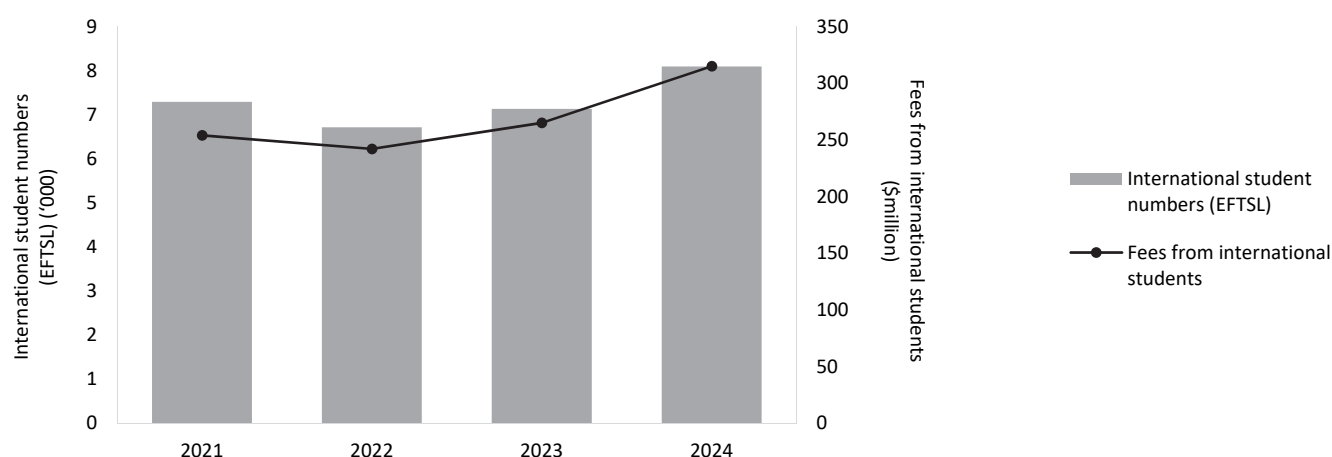
Fees and charges (course and non-course) increased by \$59 million (18.2%) to \$382 million in 2024. This was mainly due to a rise in international student numbers and increases in course fees.

The table below shows the total student load increasing in 2024. Student composition has changed over the last four years, with the proportion of international student numbers increasing from 30.5% in 2021 to 34.3% in 2024. China and India account for 57.6% of Uni Adelaide's international student population.

	2021 Number	2022 Number	2023 Number	2024 Number
Domestic students	16,617	16,004	15,711	15,487
International students	7,289	6,712	7,129	8,090
Total students (EFTSL)	23,906	22,716	22,840	23,577

Source: Student numbers, which are based on equivalent full-time student load (EFTSL), were obtained from Uni Adelaide's annual report and are unaudited.

The following chart shows international fee-paying student revenue increasing by \$50.1 million to \$314.9 million in 2024. This largely reflects a strong trend in new international student enrolments over the last 12 months.



Source: Student numbers, which are based on EFTSL, were obtained from Uni Adelaide's annual report and are unaudited.

## Other revenue

Other revenue increased by \$56 million (29%) to \$248 million. This increase was due to the receipt of \$25 million to support the funding of integration costs from the University of South Australia and an increase of \$24.1 million in net realised and unrealised gains recognised on endowment fund investments. Fluctuations in gains and losses in endowment fund earnings can reflect the volatility in world markets from year to year.

## Expenses

Uni Adelaide's expenditure was \$1.3 billion in 2024, an increase of \$183 million (16.7%). The increase mainly reflects strong salaries growth and operating expenditure increases associated with Uni Adelaide's contribution to Adelaide University's integration costs – see 'Further commentary on operations' below.

### Employee related expenses

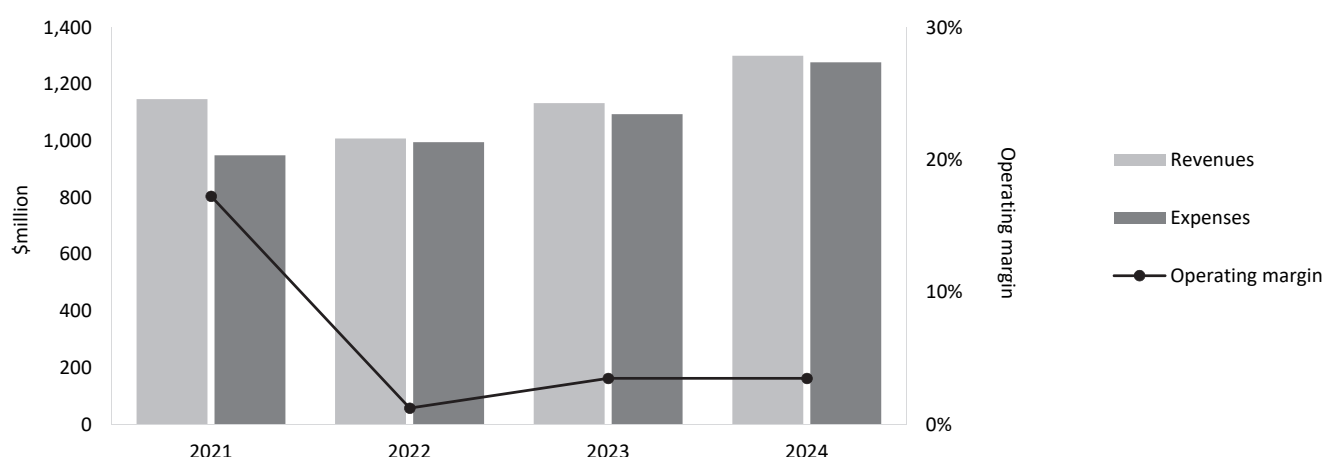
The \$57 million increase in employee related expenses to \$666 million was mainly due to a rise in fixed-term and ongoing FTEs of 280 (7%), as well as general salary increases. The table below shows the number of fixed-term and ongoing employees.

	2021 FTEs	2022 FTEs	2023 FTEs	2024 FTEs
Academic	1,649	1,745	1,826	1,914
Non-academic	1,915	1,871	2,027	2,201
Total FTEs	3,564	3,616	3,853	4,115
Percentage of academic staff	46%	48%	47%	46%

Source: Staff numbers, which are based on FTEs, were obtained from Uni Adelaide's annual report and are unaudited.

## Operating result

Uni Adelaide's 2024 consolidated operating surplus was \$23 million, which was a \$16 million decline from 2023. Material movements in revenue and expense items are explained above. The following chart shows the operating revenues, operating expenses and operating margin (the operating result for the year divided by total income) for the four years to 2024.



Uni Adelaide's operating margin remained reasonably consistent with the previous year.

## Statement of Financial Position

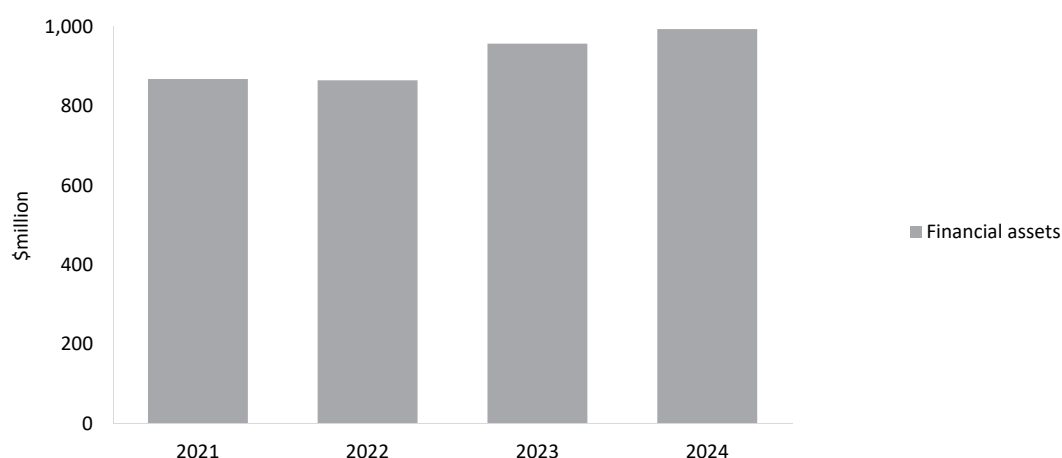
Uni Adelaide's consolidated net equity position increased by \$25 million to \$2.2 billion as at 31 December 2024.

## Assets

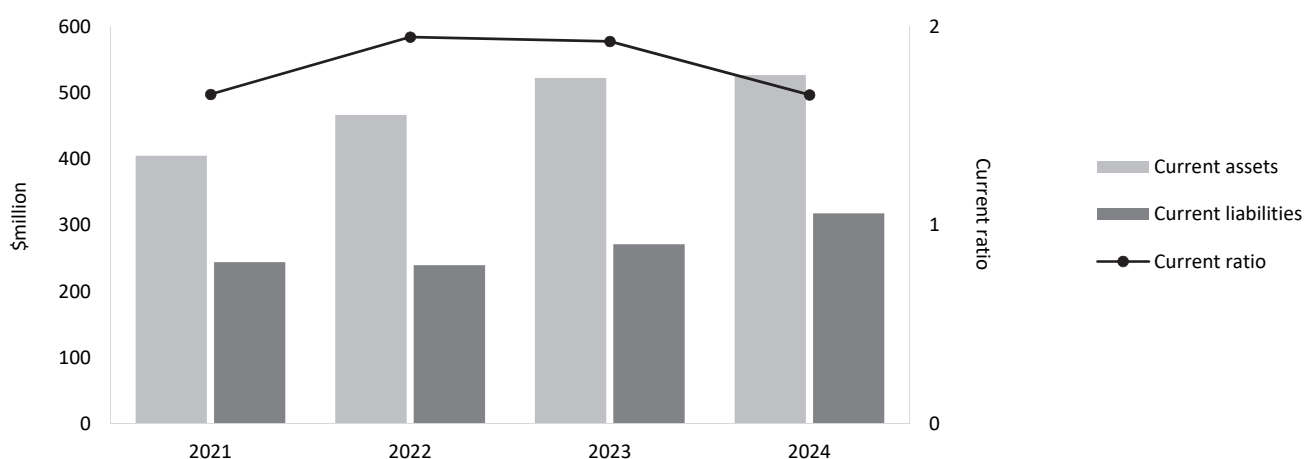
The value of Uni Adelaide's assets increased by \$71 million (2.5%) in 2024. This was mainly due to increases in cash and cash equivalents of \$34 million and property plant and equipment of \$43 million, offset by declines in other financial assets of \$14 million.

Uni Adelaide holds diverse financial assets, being cash and cash equivalents, receivables, contract assets and other financial assets, totalling \$993.9 million.

Financial assets increased by \$37 million (3.8%) in 2024. The chart below shows the value of these assets over the last four years.



Current assets exceeded current liabilities by \$209 million at 31 December 2024, which is a deterioration of \$45 million from 2023. The following chart shows Uni Adelaide's current assets, current liabilities and current ratio for the four years to 2024. A current ratio greater than 1.0 indicates that an entity has sufficient assets to satisfy its short-term liabilities.



## Liabilities

Uni Adelaide's total liabilities rose by \$46 million to \$667 million in 2024, driven mainly by increases in payables.

## Further commentary on operations

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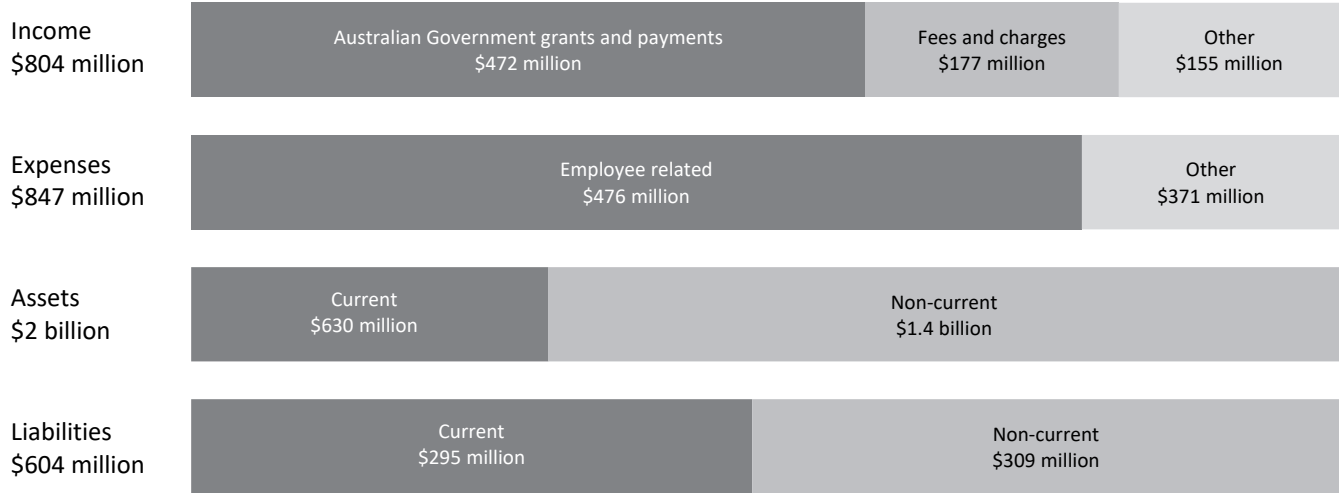
### **The impact of merger activities on Uni Adelaide**

In March 2024 the Uni Adelaide and University of South Australia's Councils entered into an agreement for the transition of services, education and research activities to Adelaide University to support its 1 January 2026 operational date. Uni Adelaide incurred \$74.1 million in associated merger activity integration costs in 2024.


In December 2024 the Adelaide University (Transfer of Staff) Proclamation 2024 was made by the Governor of South Australia. It outlined the 2025 dates when Uni Adelaide and University of South Australia staff would transfer their employment arrangements to Adelaide University.


# University of South Australia (UniSA)

## Financial statistics



 2,775  
FTEs

 22,744  
Students (EFTSL)

 \$805 million  
Buildings

## Significant events and transactions

- In March 2024, the University of Adelaide and UniSA’s Councils entered into an agreement for the transition of services, education and research activities to Adelaide University to support its 1 January 2026 operational date.
- In December 2024 the Adelaide University (Transfer of Staff) Proclamation 2024 was made by the Governor of South Australia. It outlines the 2025 dates when University of Adelaide and UniSA staff would transfer employment to Adelaide University.
- The sale of the occupation rights over Crown land for a portion of the Mawson Lakes Campus between UniSA and the Urban Renewal Authority settled in August 2024.

## Financial report opinion

Unmodified

## Audit findings

No significant findings.

## Functional responsibility

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UniSA is established under the *University of South Australia Act 1990*. Its main functions are to provide tertiary education programs, to preserve, extend and disseminate knowledge through teaching, research, scholarship and consultancy, and to provide educational programs for the benefit of the wider community or the enhancement of its cultural life.

## Scope of the audit

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### **Audit of the financial report**

The audit program covered major financial systems to obtain sufficient evidence to form an opinion on the financial report. Areas of audit attention in 2024 included:

- Australian Government financial assistance
- consultancy and research income
- student fees and other revenue
- cash management and investments
- property, plant and equipment, including building management
- payroll
- expenditure.

The audits of UniSA's controlled entities for the year ended 31 December 2024 were carried out by a private accounting firm.

We reviewed internal audit activities in planning and conducting our audit.

### **Controls opinion**

We reviewed controls over buildings and improvements as part of our overall controls opinion, which will be discussed in Part B of the Auditor-General's upcoming annual report for the year ended 30 June 2025.

## Audit findings

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### **Communicating our audit findings**

We communicated our audit findings in a management letter to the Vice Chancellor and President. There were no significant findings.

## Interpretation and analysis of the financial report

### Highlights of the financial report

	2024 \$million	2023 \$million
<b>Income</b>		
Australian Government grants	317	296
HECS-HELP, FEE-HELP and SA-HELP (Australian Government payments)	155	145
HECS-HELP (student payments)	15	13
Fees and charges	177	161
Other	140	100
<b>Total income</b>	<b>804</b>	<b>715</b>
<b>Expenses</b>		
Employee related expenses	476	461
Other expenses	371	271
<b>Total expenses</b>	<b>847</b>	<b>732</b>
<b>Operating result before income tax</b>	<b>(43)</b>	<b>(17)</b>
<b>Assets</b>		
Current assets	629	639
Non-current assets	1,396	1,415
<b>Total assets</b>	<b>2,025</b>	<b>2,054</b>
<b>Liabilities</b>		
Current liabilities	295	268
Non-current liabilities	309	324
<b>Total liabilities</b>	<b>604</b>	<b>592</b>
<b>Total equity</b>	<b>1,421</b>	<b>1,462</b>

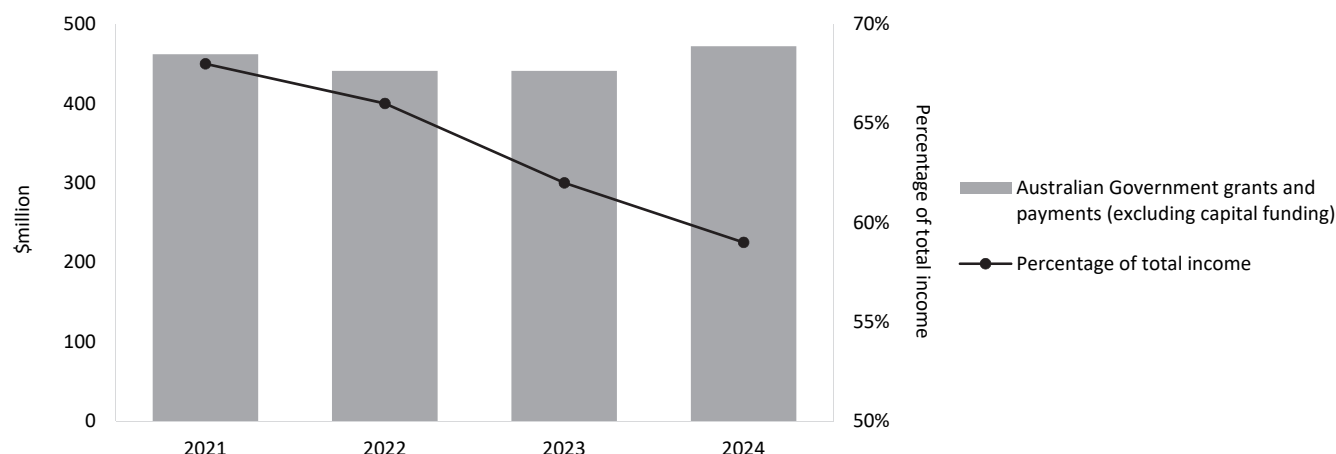
### Statement of Comprehensive Income

#### Income

UniSA's income was \$804 million in 2024, an increase of \$89 million (12.4%).

#### Australian Government grants and payments

The chart below shows Australian Government grants and payments provided to UniSA, excluding capital funding as this is not necessarily comparable from year to year. It also shows that Australian Government financial assistance as a percentage of total income has decreased across the years and now accounts for only 59% of total income.



Australian Government grants to UniSA increased by \$21 million to \$317 million in 2024, mainly due to:

- a \$16 million increase in Commonwealth Grants Scheme funding
- Maximum Basic Grant Amount additional funding, including a one-off boost for additional Commonwealth supported places in 2024.

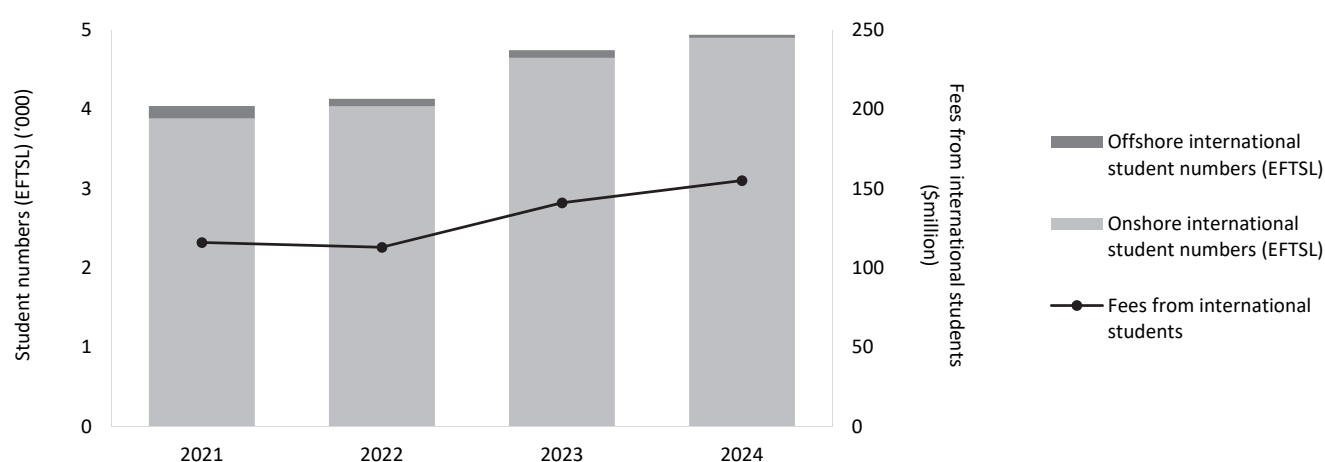
Australian Government payments increased by \$10 million to \$155 million in 2024, mainly due to:

- a 7.8% indexation increase in HECS band rates and program classifications
- an increase of 65 in equivalent full-time student load (EFTSL) in 2024.

## Fees and charges

Fees and charges increased by \$16 million to \$177 million in 2024. This was mainly due to a \$14 million increase in fee-paying onshore and offshore overseas students.

The following chart shows that fee-paying international student numbers increased by 4.1% in 2024.



Source: Student numbers, which are based on EFTSL, were obtained from UniSA's annual reports and are unaudited.

The table below shows a marginal increase in domestic student numbers and a 4.1% increase in international student numbers (EFTSL) in 2024.



	2021 Number	2022 Number	2023 Number	2024 Number
Domestic students	20,813	19,082	17,769	17,809
International students	4,037	4,129	4,742	4,935
Total students (EFTSL)	24,850	23,211	22,511	22,744

Source: Student numbers, which are based on EFTSL, were obtained from UniSA's annual reports and are unaudited.

## Other revenue

Other revenue rose by \$40 million to \$140 million in 2024, mainly due to:

- a \$26.8 million net gain from the sale of UniSA's occupation rights over Crown land for a portion of the Mawson Lakes Campus that was surplus to its requirements. The sale to the Urban Renewal Authority settled in August 2024
- an \$8.8 million increase in investment income due to significant increases in term deposit balances and interest rates
- a \$3.4 million increase in consultancy and contract research income.

## Expenses

UniSA's expenses were \$847 million in 2024, an increase of \$115 million (15.7%).

### Employee expenses

UniSA's main expenses are employee related expenses, which rose by \$15 million (3.3%) to \$476 million in 2024. This was mainly due to higher salaries costs resulting from an increase in FTEs and enterprise bargaining.

The following table shows the breakdown of staff numbers between academic and non-academic since 2021.

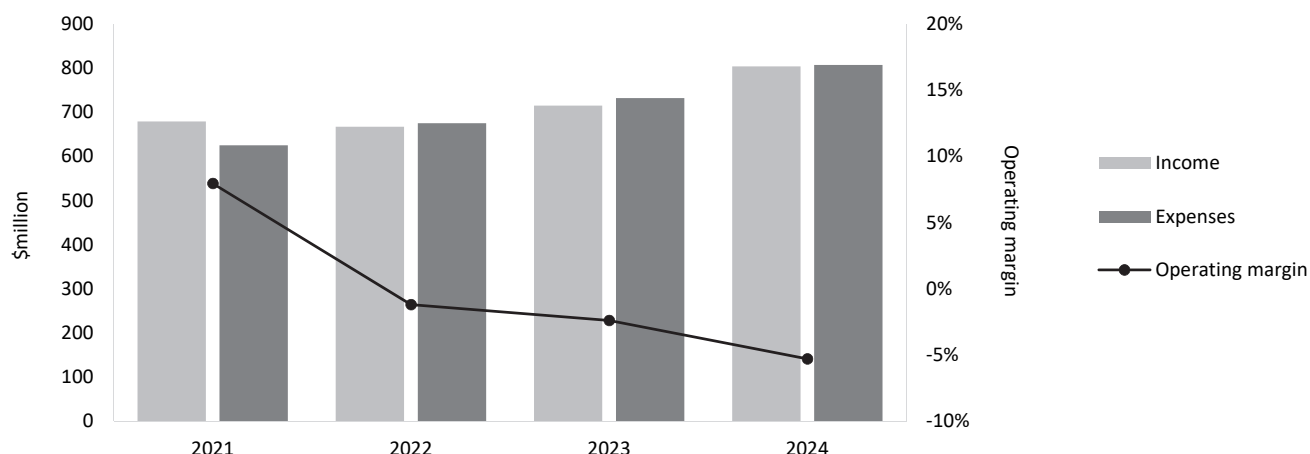
	2021 FTEs	2022 FTEs	2023 FTEs	2024 FTEs
Academic	1,174	1,186	1,203	1,222
Non-academic	1,424	1,464	1,520	1,553
Total FTEs	2,598	2,650	2,723	2,775
Percentage of academic staff	45%	45%	44%	44%

Source: Staff numbers, which are based on FTEs, were obtained from UniSA's annual report and are unaudited.

## Operating result

The consolidated operating result before income tax for the year was a deficit of \$43 million compared to a deficit of \$17 million in 2023. As mentioned above, the increase is mainly due to a large increase in expenditure of \$115 million, offset by a smaller increase in revenue of \$89 million.

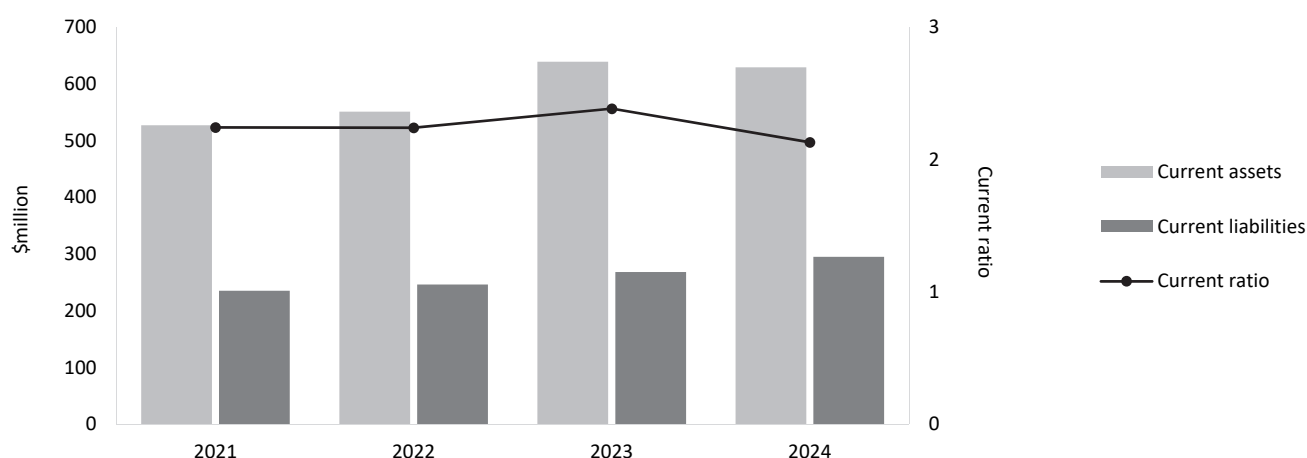
The following chart shows the movements in income, expenses and the operating margin (the operating result for the year divided by total income) for the last four years. The operating margin fell to -5.3% in 2024.



## Statement of Financial Position

UniSA's net assets at 31 December 2024 were \$1.42 billion (\$1.46 billion).

The following chart shows UniSA's current ratio movement since 2021. At 31 December 2024 there was a minor decrease in the current ratio from 2023, with current assets exceeding current liabilities by \$334 million. A current ratio greater than 1.0 indicates that an entity has sufficient assets to satisfy its short-term liabilities.



## Assets

### Cash and cash equivalents

UniSA's cash and cash equivalents totalled \$524 million as at 31 December 2024, a minor decrease from \$527 million in 2023.

### Property, plant and equipment

The main component of UniSA's Statement of Financial Position is property, plant and equipment, representing 54% of its total assets. The carrying value of property, plant and equipment remained stable at \$1.1 billion. \$42 million in annual depreciation/amortisation charges during 2024 was offset by \$35 million in additions and a \$6 million increase in the value of right-of-use assets.

## Liabilities

UniSA's liabilities increased by \$12 million to \$604 million in 2024. The significant movements were:

- a \$5 million increase in trade and other payables, mainly due to a \$13 million increase in creditors offset by a \$9 million decrease in accrued salaries
- a \$7 million increase in provisions for annual and long service leave
- a \$3 million increase in lease liabilities
- a \$9 million increase in contract liabilities, mainly from Commonwealth and State Government research grants funding received where services had not yet been delivered
- a \$4 million increase in other liabilities, mainly from unspent Commonwealth and State Government financial assistance.

This was offset by a \$21 million decrease in defined benefit superannuation obligations as a result of changes in the assumptions used to value these obligations. The value is calculated by actuaries and the liability amount is offset by a matching asset for UniSA.

## Further commentary on operations

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### **The impact of merger activities on UniSA**

In March 2024, the University of Adelaide and UniSA's Councils entered into an agreement for the transition of services, education and research activities to Adelaide University in readiness for 1 January 2026. The agreement also includes the agreed investment in integration costs to be equally funded by UniSA and the University of Adelaide.

In December 2024, the Adelaide University (Transfer of Staff) Proclamation 2024 was made by the Governor of South Australia. It outlined the 2025 dates when UniSA staff would transfer their employment arrangements to Adelaide University.

In 2024, UniSA incurred \$74.5 million of integration costs associated with the merger. \$7.1 million was incurred before Adelaide University was established and \$67.4 million subsequently. The integration costs incurred after 8 March 2024 were recognised as grant expenses.

UniSA also paid \$25 million to the University of Adelaide, being 50% of the sale proceeds for the disposal of surplus land at the Mawson Lakes Campus, to be used to support the funding of the integration costs for the new university. The sale arrangements between UniSA and the Urban Renewal Authority settled in August 2024.



