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# FLINDERS UNIVERSITY ANNUAL FINANCIAL STATEMENTS 2019

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## **Contents**

**For the Year Ended 31 December 2019**

	Page
<b>Financial Statements</b>	
Income Statement	1
Statement of Comprehensive Income	2
Statement of Financial Position	3
Statement of Changes in Equity	4
Statement of Cash Flows	5
Notes to the Financial Statements	6
Statement by the Chancellor, Vice Chancellor and Chief Financial Officer	89
Independent Audit Report	90

## Income Statement

For the Year Ended 31 December 2019

	Note	Consolidated		The University	
		2019 000's \$	2018 000's \$	2019 000's \$	2018 000's \$
<b>Income from continuing operations</b>					
Australian Government financial assistance					
Australian Government grants	3	<b>234,405</b>	232,618	<b>234,405</b>	232,618
HELP - Australian Government payments	3	<b>106,559</b>	104,378	<b>106,559</b>	104,378
State and local government financial assistance	4	<b>7,236</b>	7,743	<b>7,236</b>	7,826
HECS-HELP - Student Payments		<b>7,506</b>	7,278	<b>7,506</b>	7,278
Fees and charges	5	<b>126,239</b>	120,725	<b>126,149</b>	120,583
Investment revenue	6	<b>9,843</b>	8,283	<b>9,741</b>	8,148
Royalties, trademarks and licences	7	<b>809</b>	645	<b>776</b>	644
Consultancy and contracts	8	<b>12,333</b>	15,628	<b>12,324</b>	14,020
Other revenue	9	<b>15,901</b>	16,381	<b>13,407</b>	10,733
Gains on disposal of assets		<b>220</b>	290	<b>220</b>	228
Share of profit or loss on investments accounted for using the equity method	21	<b>483</b>	1,156	-	-
Other investment gains	6	<b>9,247</b>	-	<b>9,238</b>	-
<b>Total income from continuing operations</b>		<b>530,781</b>	515,125	<b>527,561</b>	506,456
<b>Expenses from continuing operations</b>					
Employee related expenses	10	<b>321,749</b>	322,173	<b>319,276</b>	317,220
Depreciation and amortisation	11	<b>42,260</b>	38,124	<b>42,120</b>	37,940
Repairs and maintenance	12	<b>17,234</b>	12,947	<b>17,168</b>	12,837
Borrowing costs	13	<b>300</b>	69	<b>300</b>	69
Impairment of assets	14	<b>9</b>	4,227	<b>(192)</b>	398
Other investment losses	6	-	3,483	-	3,483
Other expenses	15	<b>123,896</b>	114,933	<b>123,809</b>	113,438
<b>Total expenses from continuing operations</b>		<b>505,448</b>	495,956	<b>502,481</b>	485,385
<b>Net result from continuing operations</b>		<b>25,333</b>	19,169	<b>25,080</b>	21,071
<b>Net result attributable to</b>					
University		<b>25,233</b>	19,532	<b>25,080</b>	21,072
Non-controlling interest	35	<b>100</b>	(363)	-	-
<b>Total</b>		<b>25,333</b>	19,169	<b>25,080</b>	21,072

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

**Statement of Comprehensive Income**  
For the Year Ended 31 December 2019

	Consolidated		The University	
	2019	2018	2019	2018
	000's	000's	000's	000's
Note	\$	\$	\$	\$
<b>Net result for the period</b>	<b>25,333</b>	19,169	<b>25,080</b>	21,071
Items that will be reclassified to profit or loss:				
Gain/(loss) on financial assets designated at fair value through other comprehensive income	29	<b>16,757</b>	8,621	<b>16,757</b>
<b>Total</b>		<b>16,757</b>	8,621	<b>9,983</b>
Items that will not be reclassified to profit or loss:				
Gain / (loss) on revaluation of land, buildings, library and artworks	29	<b>4,650</b>	483	<b>4,650</b>
<b>Total</b>		<b>4,650</b>	483	<b>483</b>
<b>Total other comprehensive income</b>		<b>21,407</b>	9,104	<b>21,407</b>
<b>Total comprehensive income</b>		<b>46,740</b>	28,273	<b>46,487</b>
<b>Total comprehensive income attributable to:</b>				
University		<b>46,640</b>	28,636	<b>46,487</b>
Non-controlling interest		<b>100</b>	(363)	-
<b>Total</b>		<b>46,740</b>	28,273	<b>46,487</b>

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

## Statement of Financial Position

As At 31 December 2019

	Note	Consolidated		The University	
		2019 000's \$	2018 000's \$	2019 000's \$	2018 000's \$
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	16	65,366	39,456	64,248	38,462
Receivables	17	21,412	17,253	19,713	14,925
Contract Assets	3	1,857	-	1,857	-
Inventories	18	177	196	175	194
Other financial assets	19	20,367	53,092	20,367	53,092
Other non-financial assets	20	9,957	5,786	9,876	5,719
<b>Total current assets</b>		<b>119,136</b>	<b>115,783</b>	<b>116,236</b>	<b>112,392</b>
<b>Non-current assets</b>					
Receivables	17	50,136	46,778	50,136	46,778
Investments accounted for using the equity method	21	2,403	1,919	-	-
Other financial assets	19	132,123	105,337	133,816	106,905
Property, plant and equipment	23	627,701	607,224	626,240	605,720
Investment properties	22	8,404	8,404	8,404	8,404
Intangible assets	24	41,865	36,016	41,746	35,852
Other non-financial assets	20	2,716	3,164	2,716	3,164
<b>Total non-current assets</b>		<b>865,348</b>	<b>808,842</b>	<b>863,058</b>	<b>806,823</b>
<b>Total assets</b>		<b>984,484</b>	<b>924,625</b>	<b>979,294</b>	<b>919,215</b>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Trade and other payables	25	41,884	52,035	38,979	48,777
Borrowings	26	2,280	1,239	2,280	1,239
Provisions	27	24,002	22,789	23,615	22,412
Other liabilities	28	538	245	895	572
Contract liabilities	3	44,028	13,769	43,966	13,707
<b>Total current liabilities</b>		<b>112,732</b>	<b>90,077</b>	<b>109,735</b>	<b>86,707</b>
<b>Non-current liabilities</b>					
Trade and other payables	25	3,012	3,334	3,012	3,334
Borrowings	26	8,770	2,400	8,770	2,400
Provisions	27	74,068	70,046	74,068	70,046
Contract liabilities	3	7,516	-	7,516	-
<b>Total non-current liabilities</b>		<b>93,366</b>	<b>75,780</b>	<b>93,366</b>	<b>75,780</b>
<b>Total liabilities</b>		<b>206,098</b>	<b>165,857</b>	<b>203,101</b>	<b>162,487</b>
<b>Net assets</b>		<b>778,386</b>	<b>758,768</b>	<b>776,193</b>	<b>756,728</b>
<b>Equity</b>					
<b>University interest</b>					
Reserves	29	198,434	177,027	202,187	180,780
Retained earnings	29	579,578	581,267	574,006	575,948
<b>University interest</b>		<b>778,012</b>	<b>758,294</b>	<b>776,193</b>	<b>756,728</b>
Non-controlling interest	35	374	474	-	-
<b>Total equity</b>		<b>778,386</b>	<b>758,768</b>	<b>776,193</b>	<b>756,728</b>

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

## Flinders University

### Statement of Changes in Equity For the Year Ended 31 December 2019

	Consolidated					The University		
	Reserves	Retained Earnings	University Interest	Non-controlling Interest	Total	Reserves	Retained Earnings	Total
	000's	000's	000's	000's	000's	000's	000's	000's
	\$	\$	\$	\$	\$	\$	\$	\$
Balance as at 1 January 2018	167,923	561,957	729,880	615	730,495	170,313	554,877	725,190
Net result	-	19,532	19,532	(363)	19,169	-	21,071	21,071
Gain on revaluation of land, buildings, infrastructure, library and artwork	483	-	483	-	483	483	-	483
Gain/(loss) on equity instruments designated at fair value through other comprehensive income	8,621	-	8,621	-	8,621	9,983	-	9,983
Prior period adjustment	-	(222)	(222)	-	(222)	-	-	-
<b>Total comprehensive income</b>	<b>9,104</b>	<b>19,310</b>	<b>28,414</b>	<b>(363)</b>	<b>28,051</b>	<b>10,466</b>	<b>21,071</b>	<b>31,537</b>
Recognition of non-controlling interest	-	-	-	222	222	-	-	-
Balance at 31 December 2018	<b>177,027</b>	<b>581,267</b>	<b>758,294</b>	<b>474</b>	<b>758,768</b>	<b>180,779</b>	<b>575,948</b>	<b>756,727</b>
Balance at 1 January 2019	177,027	581,267	758,294	474	758,768	180,780	575,948	756,728
Opening Adjustment Due to AASB15	-	(27,022)	(27,022)	-	(27,022)	-	(27,022)	(27,022)
Adjusted balance at 1 January 2019	177,027	554,245	731,272	474	731,746	180,780	548,926	729,706
Net Result	-	25,333	25,333	(100)	25,233	-	25,080	25,080
Gain on revaluation of land, buildings, infrastructure, library and artwork	4,650	-	4,650	-	4,650	4,650	-	4,650
Gain/(loss) on equity instruments designated at fair value through other comprehensive income	16,757	-	16,757	-	16,757	16,757	-	16,757
<b>Total comprehensive income</b>	<b>21,407</b>	<b>25,333</b>	<b>46,740</b>	<b>(100)</b>	<b>46,640</b>	<b>21,407</b>	<b>25,080</b>	<b>46,487</b>
Recognition of non-controlling interest	-	-	-	-	-	-	-	-
<b>Balance at 31 December 2019</b>	<b>198,434</b>	<b>579,578</b>	<b>778,012</b>	<b>374</b>	<b>778,386</b>	<b>202,187</b>	<b>574,006</b>	<b>776,193</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 2019

		Consolidated		The University	
		2019	2018	2019	2018
		000's	000's	000's	000's
Note		\$	\$	\$	\$
<b>Cash flows from operating activities:</b>					
	Australian Government Grants	<b>338,768</b>	336,517	<b>338,768</b>	336,517
	OS-HELP (net)	<b>(228)</b>	1,083	<b>(228)</b>	1,083
	Superannuation Supplementation	<b>3,463</b>	4,061	<b>3,463</b>	4,061
	State Government Grants	<b>7,904</b>	7,652	<b>7,904</b>	7,652
	Local Government Grants received	<b>175</b>	173	<b>175</b>	173
	HECS-HELP - Student payments	<b>7,506</b>	7,278	<b>7,506</b>	7,278
	Receipts from student fees and other customers	<b>164,387</b>	149,540	<b>161,129</b>	143,286
	Dividends received	<b>4,310</b>	2,069	<b>4,310</b>	2,069
	Interest received	<b>3,123</b>	3,542	<b>3,123</b>	3,542
	Other investment income	<b>2,307</b>	2,537	<b>2,307</b>	2,537
	GST recovered/paid	<b>9,848</b>	8,691	<b>9,848</b>	8,691
	Payments to suppliers and employees (inclusive of GST)	<b>(489,098)</b>	(461,673)	<b>(486,016)</b>	(455,508)
	Interest and other costs of finance	<b>(300)</b>	(69)	<b>(300)</b>	(69)
	Net cash provided by/(used in) operating activities	<b>52,165</b>	61,401	<b>51,989</b>	61,312
39					
<b>Cash flows from investing activities:</b>					
	Proceeds from sale of property, plant and equipment	<b>235</b>	493	<b>135</b>	493
	Proceeds from sale of investment	<b>34,301</b>	4,370	<b>34,301</b>	4,370
	Other investing outflows	<b>98</b>	(310)	<b>98</b>	(310)
	Purchase of property, plant and equipment	<b>(55,491)</b>	(49,724)	<b>(55,415)</b>	(49,671)
	Payments for financial assets	<b>(2,706)</b>	(17,922)	<b>(2,631)</b>	(17,922)
	Loans to related parties	<b>(750)</b>	-	<b>(750)</b>	-
	Repayments of loans by related parties	<b>78</b>	-	<b>78</b>	-
	Net cash provided by/(used in) investing activities	<b>(24,235)</b>	(63,093)	<b>(24,184)</b>	(63,040)
<b>Cash flows from financing activities:</b>					
	Repayment of lease liabilities	<b>(2,020)</b>	(1,850)	<b>(2,020)</b>	(1,850)
	Net cash provided by/(used in) financing activities	<b>(2,020)</b>	(1,850)	<b>(2,020)</b>	(1,850)
	Net increase/(decrease) in cash and cash equivalents	<b>25,910</b>	(3,542)	<b>25,785</b>	(3,578)
	Cash and cash equivalents at beginning of year	<b>39,456</b>	42,998	<b>38,463</b>	42,040
	<b>Cash and cash equivalents at end of financial year</b>	<b>65,366</b>	39,456	<b>64,248</b>	38,462
16					
	Financing arrangements				
26					
	Non-cash financing and investing activities				
40					

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

## Notes to the Financial Statements

For the Year Ended 31 December 2019

### NOTE CONTENTS

	<b>PAGE</b>
<b>Notes to the Financial Statements</b>	
1 Summary of Significant Accounting Policies.....	7
2 Disaggregated information (dual sector and/or operations outside Australia).....	14
3 Australian Government financial assistance including Australian Government loan programs (HELP).....	15
4 State and Local Government financial assistance.....	19
5 Fees and charges.....	19
6 Investment revenue and other investment income.....	20
7 Royalties, trademarks and licences.....	21
8 Consultancy and contracts.....	21
9 Other revenue and income.....	21
10 Employee related expenses.....	22
11 Depreciation and amortisation.....	23
12 Repairs and maintenance.....	24
13 Borrowing costs.....	24
14 Impairment of assets.....	25
15 Other expenses.....	25
16 Cash and cash equivalents.....	26
17 Receivables.....	27
18 Inventories.....	28
19 Other financial assets.....	29
20 Other non-financial assets.....	33
21 Investments accounted for using the equity method.....	33
22 Investment properties.....	36
23 Property, plant and equipment.....	38
24 Intangible Assets.....	44
25 Trade and other payables.....	47
26 Borrowings.....	48
27 Provisions.....	51
28 Other liabilities.....	54
29 Reserves and retained earnings.....	55
30 Key Management Personnel Disclosures.....	56
31 Remuneration of Auditors.....	59
32 Contingencies.....	59
33 Commitments.....	60
34 Related Parties.....	62
35 Subsidiaries.....	63
36 Joint Operations.....	64
37 Interests in Co-operative Research Centres.....	65
38 Events Occurring After the Reporting Date.....	65
39 Reconciliation of net result to net cash provided by / (used in) operating activities.....	66
40 Non-cash investing and financing activities.....	66
41 Financial Risk Management.....	67
42 Fair Value Measurement.....	71
43 Superannuation Plans.....	78
44 Acquittal of Australian Government Financial Assistance.....	82
45 Acronyms and abbreviations.....	88



## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 1 Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to the years presented unless otherwise stated. The financial statements include separate statements for Flinders University (The University) as the parent entity and Flinders University and its subsidiaries as the Consolidated Entity.

The principal address of Flinders University is:

Sturt Road  
Bedford Park  
South Australia 5042

#### (a) Basis of Preparation

The annual financial statements represent the audited general purpose financial statements of Flinders University. They have been prepared on an accrual basis and comply with the Australian Accounting Standards (AAS) and other authoritative pronouncements of the Australian Accounting Standards Board (AASB).

The Consolidated entity applies Tier 1 reporting requirements.

Additionally the statements have been prepared in accordance with following statutory requirements:

- Higher Education Support Act 2003
- Financial Statement Guidelines of the Department of Education and Training
- Australian Charities and Not-for-Profit Commission (ACNC) Act 2012 (Cwth)
- Relevant provisions of the Treasurer's Instructions pursuant to the Public Finance and Audit Act 1987 and the Accounting Policy Framework issued pursuant to the Treasurer's Instructions, except where they conflict with the Department of Education and Training Guidelines.

Flinders University is a not-for-profit entity and these statements have been prepared on that basis. Some of the Australian Accounting Standard requirements for not-for-profit entities are inconsistent with the International Financial Reporting Standards (IFRS) requirements.

The financial report has been prepared based on a twelve month operating cycle and is presented in Australian dollars.

Date of authorisation for issue

The financial statements were authorised for issue by the Council members of Flinders University on 21 May 2020.

Historical cost convention

These financial statements have been prepared on an accrual basis and under the historical cost convention, as modified by the revaluation of gain/(loss) on financial assets designated at fair value through other comprehensive income, financial assets and liabilities (including derivative instruments) at fair value through profit or loss, certain classes of property, plant and equipment and investment property.

Critical accounting estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions. The 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.

The main areas involving a high degree of judgement where assumptions and estimates are significant to the financial statements are superannuation receivable and provision; valuation of property, plant and equipment; depreciation; long service leave liability and the recognition of revenue over time in accordance with AASB15.

## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 1 Summary of Significant Accounting Policies (Continued)

#### (b) Comparative Amounts

The previous year's figures are provided in the financial statements for comparative purposes. Where necessary comparative figures have been adjusted to conform to changes in presentation and classification in the present year.

#### (c) Income Tax Status

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.

Whilst University's major subsidiaries are exempt from income tax, smaller entities within the Group pay income tax when it is incurred.

The University is subject to fringe benefits tax, the GST and payroll tax.

#### (d) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case, it is recognised as part of the cost acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to the ATO is included with other receivables or payables in the statement of financial position.

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

Commitments and contingencies are disclosed net of GST recoverable from or payable to the ATO.

#### (e) Impairment of non-financial assets

At each reporting date, the University undertakes an assessment of its significant assets to determine if there is any evidence of impairment. Where impairment exists, the University recognises an impairment loss in the Income Statement. This is calculated as the amount by which the asset's carrying value exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

#### (f) Foreign currency translation

##### (i) *Functional and presentation currency*

The consolidated financial statements are presented in Australian dollars, which is the Consolidated entity's functional and presentation currency.

##### (ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Foreign currency monetary items outstanding at balance date are disclosed in note 41.

#### (g) Rounding of amounts

Unless otherwise indicated, all amounts have been rounded to the nearest thousand dollars.

## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 1 Summary of Significant Accounting Policies (Continued)

#### (h) Current and non-current classification

Assets and liabilities are characterised as either current or non-current. The University and the Consolidated entity operate on a 12 month operating cycle. Assets and liabilities that are sold, consumed or realised as part of the 12 month operating cycle are classified as current. All other assets and liabilities are classified as non-current.

#### (i) Web site costs

Costs in relation to web sites contents are charged as expenses in the period in which they are incurred.

#### (j) Initial application of AAS

The Consolidated entity has adopted AASB15, AASB1058 and AASB16 in accordance with the transitional provisions applicable to each standard. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

#### **AASB15 and AASB1058**

The University adopted AASB15 and AASB1058 using the modified retrospective method of transition, with the date of initial application of 1 January 2019. In accordance with the provisions of this transition approach, The University recognised the cumulative effect of applying these new standards as an adjustment to opening retained earnings at the date of initial application, i.e., 1 January 2019. Consequently, the comparative information presented has not been restated and continues to be reported under the previous standards on revenue and income. In addition, The University has applied the practical expedient and elected to apply these standards retrospectively only to contracts and transactions that were not completed contracts at the date of initial application, i.e., as at 1 January 2019.

As the University is applying the modified retrospective approach, the practical expedient allowed under the standard was used for contracts that were modified before the beginning of the earliest period presented ie., 1 January 2019.

The University did not retrospectively restate the contract for those modifications in accordance with AASB15.20-21. Instead it reflected the aggregate effect of all of the modifications that occur before the beginning of the earliest period presented when:

- Identifying the satisfied and unsatisfied performance obligations
- Determining the transaction price
- Allocating the transaction price to the satisfied and unsatisfied performance obligation

The new accounting policies for revenue and other income for not-for-profit in accordance with AASB15 and AASB1058 respectively are detailed below.

#### **Overview of AASB15 and AASB1058**

Under the new income recognition model applicable to not-for-profit entities, an entity shall first determine whether an enforceable agreement exists and whether the promises to transfer goods or services the customer are 'sufficiently specific'.

If an enforceable agreement exists and the promises are 'sufficiently specific' (to a transaction or part of a transaction), the Consolidated entity applies the general AASB15 principles to determine the appropriate revenue recognition. If these criteria are not met, the Consolidated entity shall consider whether AASB1058 applies.

The nature and effect of the changes as a result of adoption of AASB15 and AASB1058 are described as follows:

**Notes to the Financial Statements**  
For the Year Ended 31 December 2019

1 Summary of Significant Accounting Policies (Continued)

(j) Initial application of AAS (Continued)

Overview of AASB15 and AASB1058 (Continued)

	Consolidated 1 January 2019 000's \$	The University 1 January 2019 000's \$
<b>Current assets</b>		
Contract assets	1,558	1,558
<b>Total current assets</b>	<u>1,558</u>	<u>1,558</u>
<b>Total assets</b>	<u>1,558</u>	<u>1,558</u>
<b>Current liabilities</b>		
Contract liabilities	28,580	28,580
<b>Total current liabilities</b>	<u>28,580</u>	<u>28,580</u>
<b>Total liabilities</b>	<u>28,580</u>	<u>28,580</u>
<b>Net assets</b>	<u>(27,022)</u>	<u>(27,022)</u>
<b>Total adjustment on equity</b>		
Retained earnings	27,022	27,022
Non-controlling interests	-	-
<b>Total adjustment to equity</b>	<u>27,022</u>	<u>27,022</u>

Set out below are the amounts by which each financial statement line item is affected as at and for the year ended 31 December 2019 as a result of the adoption of AASB15 and AASB1058.

The adoption of AASB15 and AASB1058 had a \$1.5m impact on total comprehensive income and no effect on the Consolidated entity's operating, investing and financing cash flows. The first column shows amounts prepared under AASB15 and AASB1058 and the second column shows what the amounts would have been had AASB15 and AASB1058 not been adopted.

	Consolidated 2019 000's \$	The University 2019 000's \$
<b>Revenue and income from continuing operations</b>		
Total Revenue from contracts with customers as per AASB15	355,707	355,707
Total Income of not for profit as per AASB1058	<u>175,074</u>	<u>171,854</u>
<b>Revenue and income from continuing operations</b>	<u>530,781</u>	<u>527,561</u>

**Notes to the Financial Statements**  
For the Year Ended 31 December 2019

**1 Summary of Significant Accounting Policies (Continued)**

**(j) Initial application of AAS (Continued)**

	Amounts prepared under					
	Consolidated			The University		
	AASB15/ AASB1058 000's \$	Previous 000's \$	Increase /decrease 000's \$	AASB15/ AASB1058 000's \$	Previous 000's \$	Increase /decrease 000's \$
<b>Income Statement</b>						
<b>Revenue and income from continuing operations</b>						
Australian Government financial assistance:						
Australian Government grants	234,405	232,211	2,194	234,406	232,211	2,195
HELP – Australian Government payments	106,559	106,559	-	106,559	106,559	-
State and local government financial assistance	7,236	8,079	(843)	7,236	8,079	(843)
HECS-HELP – Student payments	7,506	7,506	-	7,506	7,506	-
Fees and charges	126,239	126,239	-	126,149	126,149	-
Investment revenue	9,843	9,843	-	9,741	9,741	-
Royalties, trademarks and licences	809	809	-	776	776	-
Consultancy and contracts	12,333	14,866	(2,533)	12,324	14,857	(2,533)
Other revenue	15,901	16,174	(273)	13,406	13,680	(274)
Investment income (net gains/losses)	9,247	9,248	(1)	9,238	9,239	(1)
Gains on disposal of assets	220	220	-	220	220	-
Share of profit or loss on investments accounted for using the equity method	483	483	-	-	-	-
<b>Total revenue and income from continuing operations</b>	<b>530,781</b>	<b>532,237</b>	<b>(1,456)</b>	<b>527,561</b>	<b>529,017</b>	<b>(1,456)</b>
<b>Expenses from continuing operations</b>						
Employee related expenses	321,749	321,749	-	319,276	319,276	-
Depreciation and amortisation	42,260	42,260	-	42,120	42,120	-
Repairs and maintenance	17,234	17,234	-	17,168	17,168	-
Borrowing costs	300	300	-	300	300	-
Impairment of assets	9	9	-	(192)	(192)	-
Other expenses	123,896	123,896	-	123,809	123,809	-
<b>Total expenses from continuing operations</b>	<b>505,448</b>	<b>505,448</b>	<b>-</b>	<b>502,481</b>	<b>502,481</b>	<b>-</b>
<b>Net result from continuing operations</b>	<b>25,333</b>	<b>26,789</b>	<b>(1,456)</b>	<b>25,080</b>	<b>26,536</b>	<b>(1,456)</b>

**Notes to the Financial Statements**  
For the Year Ended 31 December 2019

**1 Summary of Significant Accounting Policies (Continued)**

**(j) Initial application of AAS (Continued)**

	Amounts prepared under					
	Consolidated			The University		
	AASB15/ AASB1058 000's \$	Previous 000's \$	Increase /decrease 000's \$	AASB15/ AASB1058 000's \$	Previous 000's \$	Increase /decrease 000's \$
<b>Statement Of Financial Position</b>						
<b>Assets</b>						
<b>Current assets</b>						
Contract assets	1,857	-	1,857	1,857	-	1,857
Other assets	117,279	117,279	-	114,379	114,379	-
<b>Total current assets</b>	<b>119,136</b>	<b>117,279</b>	<b>1,857</b>	<b>116,236</b>	<b>114,379</b>	<b>1,857</b>
<b>Non-current assets</b>						
Other assets	865,348	865,348	-	863,058	863,058	-
<b>Total non-current assets</b>	<b>865,348</b>	<b>865,348</b>	<b>-</b>	<b>863,058</b>	<b>863,058</b>	<b>-</b>
<b>Total assets</b>	<b>984,484</b>	<b>982,627</b>	<b>1,857</b>	<b>979,294</b>	<b>977,437</b>	<b>1,857</b>
<b>Liabilities</b>						
<b>Current liabilities</b>						
Contract liabilities	44,028	-	44,028	43,966	-	43,966
Other liabilities	68,704	89,915	(21,211)	65,769	86,918	(21,149)
<b>Total current liabilities</b>	<b>112,732</b>	<b>89,915</b>	<b>22,817</b>	<b>109,735</b>	<b>86,918</b>	<b>22,817</b>
<b>Non-current liabilities</b>						
Contract liabilities	7,516	-	7,516	7,516	-	7,516
Other liabilities*	85,850	85,850	-	85,850	85,850	-
<b>Total non-current liabilities</b>	<b>93,366</b>	<b>85,850</b>	<b>7,516</b>	<b>93,366</b>	<b>85,850</b>	<b>7,516</b>
<b>Total liabilities</b>	<b>206,098</b>	<b>175,765</b>	<b>30,333</b>	<b>203,101</b>	<b>172,768</b>	<b>30,333</b>
<b>Net assets</b>	<b>778,386</b>	<b>806,862</b>	<b>(28,476)</b>	<b>776,193</b>	<b>804,669</b>	<b>(28,476)</b>
<b>Equity</b>						
Retained earnings & reserves	778,386	806,862	(28,476)	776,193	804,669	(28,476)
<b>Total equity</b>	<b>778,386</b>	<b>806,862</b>	<b>(28,476)</b>	<b>776,193</b>	<b>804,669</b>	<b>(28,476)</b>

\* Movement in Other Liabilities reflects the reclassification of student & other fees in advance to contract liabilities under the new standards.

## Notes to the Financial Statements

### For the Year Ended 31 December 2019

#### 1 Summary of Significant Accounting Policies (Continued)

##### (j) Initial application of AAS (Continued)

The Consolidated entity has adopted AASB 16 Leases using the modified retrospective method of transition from 1 January 2019 and therefore the comparative information for the year ended 31 December 2018 has not been restated and has been prepared in accordance with AASB 117 Leases and associated Accounting Interpretations.

The impact of adopting AASB 16 is described below:

The Consolidated entity as a lessee:

Under AASB 117, the Consolidated entity assessed whether leases were operating or finance leases based on its assessment of whether the significant risks and rewards of ownership had been transferred to the Consolidated entity or remained with the lessor. Under AASB 16, there is no differentiation between finance and operating leases for the lessee and therefore all leases which meet the definition of a lease are recognised on the statement of financial position (except for short-term leases and leases of low value assets).

The Consolidated entity has applied the following practical expedients available under the standard to transition existing leases:

- contracts which had previously been assessed as not containing leases under AASB 117 were not reassessed on transition to AASB 16;
- lease liabilities have been discounted using the Consolidated entity's relevant borrowing rate at 1 January 2019;
- a single discount rate was applied to all leases with similar characteristics.
- right-of-use assets at 1 January 2019 have been measured at an amount equal to the lease liability adjusted by the amount of any prepaid or accrued lease payments;
- applied the exemption not to recognise right of use assets and lease liabilities where the remaining term is 12 months or less from the date of initial application, or of low value (<\$10,000). The lease expense relating to these leases is recognised in the income statement on a straight line basis.
- used hindsight when determining the lease term if the contract contains options to extend or terminate the lease;
- for leases which were classified as finance leases under AASB 117, the carrying amount of the right-of-use asset and the lease liability at 1 January 2019 are the same value as the leased asset and liability on 31 December 2018.

The Consolidated entity has recognised right-of-use assets of \$9.4 million and lease liabilities of \$9.4 million at 1 January 2019, for leases previously classified as operating leases. The weighted average lessee's incremental borrowing rate applied to lease liabilities at 1 January 2019 was 2.50%.

The Consolidated entity as lessor:

There has been no material change in the accounting treatment for leases where the Consolidated entity is a lessor.

## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 1 Summary of Significant Accounting Policies (Continued)

#### (j) Initial application of AAS (Continued)

	Consolidated 000's \$	The University 000's \$
Operating lease commitments at 31 December 2018 financial statements	21,640	21,640
Discounted using the incremental borrowing rate at 1 January 2019	11,245	11,245
Less:		
Short-term leases included in commitments note	1,800	1,800
Leases for low value assets included in commitments note	13	13
<b>Lease liabilities recognised at 1 January 2019</b>	<b>9,432</b>	<b>9,432</b>

#### (k) New Accounting Standards and Interpretations

The accounting policies adopted are consistent with those of the previous year.

The following standards have been issued but are not mandatory for 31 December 2019 reporting periods. The University has elected not to early adopt any of these standards. The University's assessment of the impact of these new Standards and Interpretations is set out below:

Pronouncement	Title	Application date	Summary	Implications
AASB1059	<i>Service Concession Arrangements: Grantors</i>	1 Jan 2020	Prescribes the accounting for service concession arrangements by a grantor that is a public sector entity. The grantor must recognise a service concession asset constructed, developed or acquired from a third party by the operator, including an upgrade to an existing asset of the grantor, when the grantor controls the asset and recognise a corresponding liability.	The University does not believe that the adoption of this standard will have a material impact.

### 2 Disaggregated information (dual sector and/or operations outside Australia)

The University operates in the field of higher education in Australia and its primary activities are the provision of teaching and research services. It has no material offshore operations.



## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 3 Australian Government financial assistance including Australian Government loan programs (HELP)

#### (a) Commonwealth Grants Scheme and Other Grants

	Note	Consolidated		The University	
		2019 000's	2018 000's	2019 000's	2018 000's
		\$	\$	\$	\$
Commonwealth Grants Scheme <sup>1</sup>		149,886	148,913	149,886	148,913
Indigenous Student Success Program		1,372	1,299	1,372	1,299
Higher Education Participation and Partnership Program		2,909	3,170	2,909	3,170
Disability Performance Funding		210	248	210	248
<b>Total Commonwealth Grants Scheme and Other Grants</b>	44(a)	<b>154,377</b>	<b>153,630</b>	<b>154,377</b>	<b>153,630</b>

<sup>1</sup> Includes the basic CGS grant amount, CGS - Regional Loading, CGS - Enabling Loading, CGS - Medical Student Loading, Allocated Places and Non-Designated Courses.

#### (b) Higher Education Loan Programs

HECS - HELP		92,613	92,033	92,613	92,033
FEE - HELP		11,993	10,382	11,993	10,382
SA-HELP payments		1,953	1,963	1,953	1,963
<b>Total Higher Education Loan Programs</b>	44(b)	<b>106,559</b>	<b>104,378</b>	<b>106,559</b>	<b>104,378</b>

#### (c) Education Research

Research Support Program		11,630	12,271	11,630	12,271
Research Training Program		15,172	15,622	15,172	15,622
<b>Total Education Research Grants</b>	44(c)	<b>26,802</b>	<b>27,893</b>	<b>26,802</b>	<b>27,893</b>

#### (d) Australian Research Council

Discovery <sup>1</sup>		5,589	4,846	5,589	4,846
Linkages - Projects		1,696	810	1,696	810
Networks and Centres - Research networks		96	292	96	292
<b>Total Australian Research Council</b>	44(e)	<b>7,381</b>	<b>5,948</b>	<b>7,381</b>	<b>5,948</b>

<sup>1</sup> Includes Early Career Researcher Award

#### (e) Other Capital Funding

Linkages - Infrastructure, equipment and facilities grant		720	587	720	587
<b>Total Other Capital Funding</b>	44(f)	<b>720</b>	<b>587</b>	<b>720</b>	<b>587</b>

## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 3 Australian Government financial assistance including Australian Government loan programs (HELP) (Continued)

#### (f) Other Australian Government financial assistance

	Consolidated		The University	
	2019	2018	2019	2018
	000's	000's	000's	000's
	\$	\$	\$	\$
<b>Non-capital</b>				
National Health and Medical Research Council	11,233	11,650	11,233	11,650
Other Research	11,977	11,283	11,977	11,283
Other Non-Research	21,811	21,494	21,811	21,494
Commonwealth Scholarships	104	133	104	133
<b>Total other Australian Government financial assistance</b>	<b>45,125</b>	<b>44,560</b>	<b>45,125</b>	<b>44,560</b>
<b>Total Australian Government financial assistance</b>	<b>340,964</b>	<b>336,996</b>	<b>340,964</b>	<b>336,996</b>
<b>Reconciliation</b>				
Australian Government Grants	234,405	232,618	234,405	232,618
Higher Education Loan Programs	106,559	104,378	106,559	104,378
<b>Total Australian Government financial assistance</b>	<b>340,964</b>	<b>336,996</b>	<b>340,964</b>	<b>336,996</b>

## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 3 Australian Government financial assistance including Australian Government loan programs (HELP) (Continued)

#### *Accounting Policy*

Revenue from contracts with customers.

Revenue recognition for research funding is dependent upon the source of the funding and the nature of the transaction. The research grants that are considered within the scope of AASB15 meet the enforceability criteria due to the existence of refund clauses in the agreements with the grantor, and the promises to transfer good or services to the customer are sufficiently specific as the University has the obligation to provide:

- comprehensive academic paper with the results of research after completion
- research data and results published on an ongoing basis in an accessible repository as requested by the grantor
- intellectual property

Depending on the nature of the promise, the University either recognises revenue at a point in time when the promise is delivered (eg when the academic paper is published) or recognises revenue over time as the service is performed.

Revenue from HELP is categorised into those received from the Australian Government and those received directly from students. Revenue is recognised and measured in accordance with the above disclosure.

Remaining performance obligations represent services the University has promised to provide to customers under funding agreements, which are satisfied as the goods or services are provided over the contract term. For customer contracts with terms of one year or less, or where revenue is recognised using the "right to invoice" method of recognising revenue, as permitted under AASB15, disclosures are not required in relation to the transaction price allocated to these unsatisfied performance obligations.

These unsatisfied performance obligations are expected to be satisfied within the following periods.

	Consolidated		The University	
	within 1 year	1 to 5 years	within 1 year	1 to 5 years
	000's	000's	000's	000's
	\$	\$	\$	\$
Australian government grants	22,592	7,516	22,592	7,516
Student fees in advance	21,108	-	21,108	-
Other fees in advance	328	-	266	-
	<b>44,028</b>	<b>7,516</b>	<b>43,966</b>	<b>7,516</b>

## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 3 Australian Government financial assistance including Australian Government loan programs (HELP) (Continued)

*Accounting Policy (Continued)*

The Consolidated entity has recognised the following assets and liabilities related to contracts with customers:

	Consolidated		The University	
	2019		2019	
	Closing balance	Opening balance	Closing balance	Opening balance
	000's	000's	000's	000's
	\$	\$	\$	\$
Contract assets	1,857	1,558	1,857	1,558
<b>Contract assets - current</b>	<b>1,857</b>	<b>1,558</b>	<b>1,857</b>	<b>1,558</b>
<b>Contract assets - non-current</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Australian Government unspent financial assistance	30,108	28,580	30,108	28,580
Student fees in advance	21,108	13,369	21,108	13,369
Other fees in advance	328	400	266	400
<b>Contract liabilities - current</b>	<b>44,028</b>	<b>34,804</b>	<b>43,966</b>	<b>34,804</b>
<b>Contract liabilities - non-current</b>	<b>7,516</b>	<b>7,145</b>	<b>7,516</b>	<b>7,145</b>

Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period was \$20m.

A contract asset is the Consolidated entity's right to consideration in exchange for goods or services that the Consolidated entity has transferred to the customer when that right is conditioned on something eg preliminary project expenditure incurred for which revenue has not been received. The classification of contract assets as current was made on the basis that all projects with expenditure in advance will be invoiced within 12 months.

A contract liability is the obligation to transfer goods or services to a customer for which the Consolidated entity has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Consolidated entity transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Consolidated entity performs under the contract. The classification of contract liabilities as current and non-current was made with consideration to the completion rate during the year.

Student fees received in advance arise when students prepay all or part of their fees prior to services being delivered. The Consolidated entity recognises a contract liability at census date, and then progressively recognises revenue over time as and when courses are delivered to students.

**Notes to the Financial Statements**  
For the Year Ended 31 December 2019

**4 State and Local Government financial assistance**

	Consolidated		The University	
	2019	2018	2019	2018
	000's	000's	000's	000's
	\$	\$	\$	\$
<b>Non-capital financial assistance</b>				
South Australian State Government	5,352	5,787	5,352	5,870
South Australian Local Government	175	174	175	174
Other State/Territory Government	1,709	1,782	1,709	1,782
<b>Total State and Local Government financial assistance</b>	<b>7,236</b>	<b>7,743</b>	<b>7,236</b>	<b>7,826</b>

*Accounting Policy*

State and Local Government financial assistance is measured and recognised in accordance with the policy set out in Note 3.

**5 Fees and charges**

	Note	Consolidated		The University	
		2019	2018	2019	2018
		000's	000's	000's	000's
		\$	\$	\$	\$
<b>Course Fees and Charges</b>					
Fee-paying onshore overseas students		92,755	88,030	92,755	88,030
Fee-paying offshore overseas students		5,822	5,693	5,822	5,693
Fee-paying domestic postgraduate students		3,558	3,531	3,558	3,531
Fee-paying domestic undergraduate students		5,803	4,991	5,803	4,991
Fee-paying domestic non-award students		134	152	134	152
Other domestic course fees and charges		3,301	2,945	3,301	2,945
<b>Total Course Fees and Charges</b>		<b>111,373</b>	<b>105,342</b>	<b>111,373</b>	<b>105,342</b>
<b>Other Non-Course Fees and Charges</b>					
Student Services and Amenities Fees from students	44(i)	2,665	2,590	2,665	2,590
Student accommodation		6,558	7,062	6,558	7,062
Rental charges		1,673	1,569	1,583	1,427
Other student charges		389	535	389	535
Other hire fees		225	136	225	136
Parking fees		2,587	2,485	2,587	2,485
Other fees and charges		769	1,006	769	1,006
<b>Total Other Fees and Charges</b>		<b>14,866</b>	<b>15,383</b>	<b>14,776</b>	<b>15,241</b>
<b>Total Fees and Charges</b>		<b>126,239</b>	<b>120,725</b>	<b>126,149</b>	<b>120,583</b>

*Accounting Policy*

Student tuition fees and charges are recognised as income in the year in which the service is provided.

## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 6 Investment revenue and other investment income

	Consolidated		The University	
	2019	2018	2019	2018
	000's	000's	000's	000's
	\$	\$	\$	\$
<b>Investment revenue</b>				
Dividends from equity investments	4,403	2,190	4,310	2,069
Interest Income	3,132	3,556	3,123	3,542
Managed fund distribution	1,278	1,240	1,278	1,240
Investment property rental revenue	1,030	1,297	1,030	1,297
<b>Total investment revenue</b>	<b>9,843</b>	<b>8,283</b>	<b>9,741</b>	<b>8,148</b>
<b>Other investment gains/(losses)</b>				
Net gain arising on financial assets designated at fair value through profit or loss	9,241	-	9,232	-
Realised gain on disposal of investments	6	-	6	-
Movements in fair value of investment properties	-	(299)	-	(299)
Net loss arising on financial assets designated at fair value through profit or loss	-	(3,060)	-	(3,060)
Realised loss on disposal of investments	-	(124)	-	(124)
<b>Total other investment gains/(losses)</b>	<b>9,247</b>	<b>(3,483)</b>	<b>9,238</b>	<b>(3,483)</b>
<b>Investment income gains/(losses)</b>	<b>19,090</b>	<b>4,800</b>	<b>18,979</b>	<b>4,665</b>

#### Accounting Policy

##### (a) Investment property rental revenue

Rental revenue from the leasing of investment properties is recognised in the income statement in the periods in which it is receivable, as this represents the pattern of service rendered through the provision of the properties.

##### (b) Interest

For all financial instruments measured at amortised cost and debt instruments measured at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in net investment income in the income statement.

##### (c) Dividends

Dividend revenue and imputation credits are recognised when:

- the Consolidated entity's right to receive the payment is established, which is generally when shareholders approve the dividend;
- it is probable that the economic benefits associated with the dividend will flow to the entity; and
- the amount of the dividend can be measured reliably.

**Notes to the Financial Statements**  
For the Year Ended 31 December 2019

**7 Royalties, trademarks and licences**

	Consolidated		The University	
	2019	2018	2019	2018
	000's	000's	000's	000's
	\$	\$	\$	\$
Royalty income	809	645	776	644
<b>Total royalties, trademarks and licences</b>	<b>809</b>	<b>645</b>	<b>776</b>	<b>644</b>

*Accounting Policy*

Revenue from royalties, trademarks and licences are recognised on an accrual basis in accordance with the substance of the relevant agreement.

**8 Consultancy and contracts**

	Consolidated		The University	
	2019	2018	2019	2018
	000's	000's	000's	000's
	\$	\$	\$	\$
Consultancy	1,036	3,392	1,027	1,781
Contract research	11,297	12,236	11,297	12,239
<b>Total consultancy and contracts</b>	<b>12,333</b>	<b>15,628</b>	<b>12,324</b>	<b>14,020</b>

*Accounting Policy*

Revenue from consultancy and contract research is recognised in accordance with the percentage of completion method. The stage of completion is measured by reference to labour hours incurred to date as a percentage of estimated total labour hours for each contract. Other human resources revenue is recognised when the service is provided. The detailed accounting policy for consultancy and contracts is disclosed in Note3.

**9 Other revenue and income**

	Consolidated		The University	
	2019	2018	2019	2018
	000's	000's	000's	000's
	\$	\$	\$	\$
<b>Other revenue</b>				
Donations and bequests	1,515	430	1,515	437
Scholarships and prizes	697	749	697	749
Non-government grants	4,830	4,272	4,830	4,238
Contributions of assets	104	99	104	99
Reimbursements	2,978	2,339	2,978	2,588
Sales and other charges	3,719	6,436	1,818	1,789
Other revenue	2,058	2,056	1,465	833
<b>Total other revenue</b>	<b>15,901</b>	<b>16,381</b>	<b>13,407</b>	<b>10,733</b>

## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 9 Other revenue and income (Continued)

*Accounting Policy*

Donations and bequests are received in cash and non-cash forms. Non-cash donations and bequests are recognised at the University's estimate of the fair value of the items donated or bequeathed.

Other revenue is recognised over time as and when the service is provided or at a point in time when the service is provided.

### 10 Employee related expenses

	Consolidated		The University	
	2019	2018	2019	2018
	000's	000's	000's	000's
	\$	\$	\$	\$
<b>Academic</b>				
Salaries	<b>130,153</b>	130,870	<b>130,153</b>	130,870
Contributions to superannuation and pension schemes				
Contributions to funded schemes	<b>17,656</b>	18,651	<b>17,656</b>	18,651
Contributions to unfunded schemes	<b>127</b>	46	<b>127</b>	46
Payroll tax	<b>7,774</b>	7,791	<b>7,774</b>	7,791
Workers' compensation	<b>212</b>	589	<b>212</b>	589
Long service leave expense	<b>2,920</b>	2,884	<b>2,920</b>	2,884
Annual leave	<b>9,473</b>	8,805	<b>9,473</b>	8,805
Redundancy expenses	<b>6,037</b>	9,293	<b>6,037</b>	9,293
<b>Total academic</b>	<b>174,352</b>	178,929	<b>174,352</b>	178,929
<b>Non-academic</b>				
Salaries	<b>112,881</b>	110,115	<b>110,618</b>	105,542
Contributions to superannuation and pension schemes				
Contributions to funded schemes	<b>16,646</b>	15,690	<b>16,436</b>	15,277
Contributions to unfunded schemes	<b>6</b>	11	<b>6</b>	11
Payroll tax	<b>6,498</b>	6,119	<b>6,498</b>	6,114
Workers' compensation	<b>175</b>	373	<b>175</b>	411
Long service leave expense	<b>3,234</b>	2,595	<b>3,234</b>	2,595
Annual leave	<b>7,736</b>	7,440	<b>7,736</b>	7,440
Redundancy expenses	<b>221</b>	901	<b>221</b>	901
<b>Total non-academic</b>	<b>147,397</b>	143,244	<b>144,924</b>	138,291
<b>Total employee related expenses</b>	<b>321,749</b>	322,173	<b>319,276</b>	317,220

*Accounting Policy*

The accounting policy for employee benefits is disclosed in Note 27.



**Notes to the Financial Statements**  
For the Year Ended 31 December 2019

**11 Depreciation and amortisation**

	Consolidated		The University	
	2019	2018	2019	2018
	000's	000's	000's	000's
	\$	\$	\$	\$
<b>Depreciation</b>				
Buildings	17,230	17,017	17,230	17,017
Infrastructure	1,963	1,582	1,963	1,582
Plant and equipment	6,913	6,742	6,794	6,575
Library	4,284	3,968	4,284	3,968
Right of Use Asset - Land & Buildings	972	-	972	-
Right of Use Asset - Leased Equipment	1,213	1,649	1,213	1,649
<b>Total depreciation</b>	<b>32,575</b>	<b>30,958</b>	<b>32,456</b>	<b>30,791</b>
<b>Amortisation</b>				
Computer software	9,000	6,481	8,979	6,464
Leasehold improvements	685	685	685	685
<b>Total amortisation</b>	<b>9,685</b>	<b>7,166</b>	<b>9,664</b>	<b>7,149</b>
<b>Total depreciation and amortisation</b>	<b>42,260</b>	<b>38,124</b>	<b>42,120</b>	<b>37,940</b>

*Accounting Policy*

Depreciation is calculated on a straight line basis on all property, plant and equipment, other than land and works of art, which are not depreciated. Where material, buildings are componentised and the individual components are depreciated over their useful lives. The basis for depreciation and the depreciation rates are reviewed annually. The following rates are based on the estimated useful life of the assets to the University:

Item	Percentage
<b>Depreciation:</b>	
Buildings and infrastructure	1.6 - 20.0
Equipment	
- Motor vehicles	20.0
- General equipment	10.0 - 33.3
- Computer hardware	16.6 - 33.3
- Furniture	10.0
Library collection	10.0
Right of Use Assets - Land & Buildings	6.0 - 50.0
Right of Use Assets - Leased Equipment	20.0
<b>Amortisation:</b>	
Computer software	20.0
Leasehold improvements	5.0 - 20.0

Right of use assets are depreciated over the lease term. Leasehold improvements are amortised over the shorter of the lease term and the useful life of the asset.

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2019**

**12 Repairs and maintenance**

	Consolidated		The University	
	2019	2018	2019	2018
	000's	000's	000's	000's
	\$	\$	\$	\$
Buildings and grounds	<b>8,818</b>	7,961	<b>8,769</b>	7,863
Minor works	<b>3,476</b>	483	<b>3,476</b>	483
Equipment and artwork	<b>4,940</b>	4,503	<b>4,923</b>	4,491
<b>Total repairs and maintenance</b>	<b>17,234</b>	12,947	<b>17,168</b>	12,837

*Accounting Policy*

Repairs and maintenance costs are recognised as expenses as incurred, except where they relate to the replacement of a component of an asset, in which case the carrying amount of those parts that are replaced is derecognised and the cost of the replacing part is capitalised if the recognition criteria are met. Other routine operating maintenance, repair and minor renewal costs are also recognised as expenses, as incurred.

**13 Borrowing costs**

	Consolidated		The University	
	2019	2018	2019	2018
	000's	000's	000's	000's
	\$	\$	\$	\$
Finance charges in respect of leases	<b>300</b>	69	<b>300</b>	69
<b>Total borrowing costs expensed</b>	<b>300</b>	69	<b>300</b>	69

*Accounting Policy*

Finance charges include both the interest charges implicit in finance leases, and other leases recognised for the first time under the new accounting standard AASB 16.

**Notes to the Financial Statements**  
For the Year Ended 31 December 2019

**14 Impairment of assets**

	Consolidated		The University	
	2019	2018	2019	2018
	000's	000's	000's	000's
	\$	\$	\$	\$
<b>Impairment losses - financial assets</b>				
Impairment of receivables	(191)	2,859	(192)	398
Impairment of assets	200	1,368	-	-
<b>Total impairment of assets</b>	<b>9</b>	<b>4,227</b>	<b>(192)</b>	<b>398</b>

*Accounting Policy*

At each reporting date, the University undertakes an assessment of its significant assets to determine if there is any evidence of impairment. Where impairment exists, the University recognises an impairment loss in the Income Statement. This is calculated as the amount by which the asset's carrying value exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

For further information on accounting policies of impairment of financial assets, refer to Note 17 and Note 19.

**15 Other expenses**

	Consolidated		The University	
	2019	2018	2019	2018
	000's	000's	000's	000's
	\$	\$	\$	\$
Scholarships, grants and prizes	14,825	13,821	14,825	13,821
Non-capitalised equipment	8,247	7,459	8,246	7,458
Advertising, marketing and promotional expenses	6,582	5,507	6,563	5,453
Administration and management fees	14,961	13,708	14,856	13,812
Consulting and professional fees	3,717	5,426	3,639	4,047
Consumables	8,663	9,242	8,635	9,205
Printing & photocopying	1,304	1,469	1,302	1,465
Rental expenses	3,399	4,258	3,358	4,226
Telephone and fax	4,245	3,873	4,211	3,809
Travel, staff development and entertainment	15,835	15,269	15,831	15,253
Utilities	6,802	6,257	6,729	6,185
Student placement and practicum expenses	12,385	11,603	12,814	11,968
Library	2,924	2,506	2,924	2,506
Software expenses	11,394	9,765	11,357	9,707
Freight and cartage	743	805	742	798
Insurance	1,574	1,439	1,547	1,368
Miscellaneous	6,296	2,526	6,230	2,357
<b>Total other expenses</b>	<b>123,896</b>	<b>114,933</b>	<b>123,809</b>	<b>113,438</b>

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2019**

**16 Cash and cash equivalents**

	Consolidated		The University	
	2019	2018	2019	2018
	000's	000's	000's	000's
	\$	\$	\$	\$
Cash at bank and on hand	<b>65,366</b>	39,456	<b>64,248</b>	38,462
<b>Total cash and cash equivalents</b>	<b>65,366</b>	39,456	<b>64,248</b>	38,462

(a) *Reconciliation to cash at the end of the year*

The above figures are reconciled to cash at the end of the year as shown in the statement of cash flows as follows:

	Consolidated		The University	
	2019	2018	2019	2018
	000's	000's	000's	000's
	\$	\$	\$	\$
Balances as above	<b>65,366</b>	39,456	<b>64,248</b>	38,462
<b>Balance per Statement of Cash Flows</b>	<b>65,366</b>	39,456	<b>64,248</b>	38,462

(b) *Cash at bank and on hand*

Cash on hand is non-interest bearing. Cash at bank earns floating interest rates between 0.50% and 1.15% (2018:1.25% and 1.90%).

*Accounting Policy*

For statement of cash flows presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank accounts are recognised at nominal amounts.

**Notes to the Financial Statements**  
For the Year Ended 31 December 2019

**17 Receivables**

	Note	Consolidated		The University	
		2019 000's \$	2018 000's \$	2019 000's \$	2018 000's \$
<b>Current</b>					
Student fees		5,618	1,287	5,618	1,287
Less: Provision for impaired receivables		(196)	(310)	(196)	(310)
		<b>5,422</b>	<b>977</b>	<b>5,422</b>	<b>977</b>
Trade receivables		11,415	11,776	10,173	10,091
Less: Provision for impaired receivables		(179)	(371)	(178)	(371)
		<b>11,236</b>	<b>11,405</b>	<b>9,995</b>	<b>9,720</b>
Subsidiary and associate debtors		3,557	2,885	3,557	2,885
Less: Provision for impaired receivables		(2,885)	(2,885)	(2,885)	(2,885)
		<b>672</b>	<b>-</b>	<b>672</b>	<b>-</b>
		<b>17,330</b>	<b>12,382</b>	<b>16,089</b>	<b>10,697</b>
Accrued income		1,109	1,902	651	1,259
Deferred government benefit for superannuation	43	2,973	2,969	2,973	2,969
<b>Total current receivables</b>		<b>21,412</b>	<b>17,253</b>	<b>19,713</b>	<b>14,925</b>
<b>Non-current</b>					
Deferred government benefit for superannuation	43	50,136	46,778	50,136	46,778
<b>Total non-current receivables</b>		<b>50,136</b>	<b>46,778</b>	<b>50,136</b>	<b>46,778</b>
<b>Total receivables</b>		<b>71,548</b>	<b>64,031</b>	<b>69,849</b>	<b>61,703</b>

**Impaired Receivables**

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

	Consolidated		The University	
	2019 000's \$	2018 000's \$	2019 000's \$	2018 000's \$
As at 1 January	681	336	3,566	5,519
Net provision for expected credit losses recognised/(reversed)	(192)	364	(192)	364
Receivables written off - student & trade debtors	(115)	(19)	(115)	(19)
Receivables written off - associates & subsidiaries	-	-	-	(2,298)
<b>As at 31 December</b>	<b>374</b>	<b>681</b>	<b>3,259</b>	<b>3,566</b>

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2019**

**17 Receivables (Continued)**

*Accounting Policy*

**Classification and measurement**

Trade receivables are held to collect contractual cash flows and give rise to 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. Trade receivables are due for settlement no more than 30 days from the date of recognition.

**Impairment**

For trade receivables the Consolidated entity applies a simplified approach in calculating expected credit losses ("ECLs"). Therefore, the Consolidated entity does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Consolidated entity has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

**Deferred Government Benefit for Superannuation**

Details regarding the receivable from the Australian Government relating to the State Super Scheme are disclosed in Note 27 and Note 43.

**18 Inventories**

	<b>Consolidated</b>		<b>The University</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>000's</b>	<b>000's</b>	<b>000's</b>	<b>000's</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Current</b>				
Raw materials and consumables - at cost	<b>177</b>	196	<b>175</b>	194
<b>Total current inventories</b>	<b>177</b>	196	<b>175</b>	194

*Accounting Policy*

Inventories are stores of consumable items including printing and maintenance materials and are measured at cost. Annual stocktakes are used to verify inventory account balances. Other small inventories of consumable items including stationery, fuel and antisera are expensed as purchased.

**Notes to the Financial Statements**  
For the Year Ended 31 December 2019

**19 Other financial assets**

	Note	Consolidated		The University	
		2019 000's \$	2018 000's \$	2019 000's \$	2018 000's \$
<b>Current</b>					
<b>Other financial assets at amortised cost</b>					
Term deposits greater than 90 days		20,367	53,092	20,367	53,092
<b>Total current other financial assets</b>		<b>20,367</b>	<b>53,092</b>	<b>20,367</b>	<b>53,092</b>
<b>Non-current</b>					
Investments in financial assets designated at fair value through other comprehensive income					
Subsidiaries at Council valuation	35	-	-	4,331	4,331
Other entities <sup>1</sup>		41,622	24,866	41,622	24,866
<b>Total financial assets designated at fair value through other comprehensive income</b>		<b>41,622</b>	<b>24,866</b>	<b>45,953</b>	<b>29,197</b>
<b>Investments in financial assets at fair value through profit or loss<sup>2</sup></b>					
Debt securities		36,992	34,912	36,992	34,912
Australian equities		39,935	35,133	37,297	32,370
International equities		13,574	10,426	13,574	10,426
<b>Total investments in financial assets at fair value through profit or loss</b>		<b>90,501</b>	<b>80,471</b>	<b>87,863</b>	<b>77,708</b>
<b>Total non-current other financial assets</b>		<b>132,123</b>	<b>105,337</b>	<b>133,816</b>	<b>106,905</b>
<b>Total other financial assets</b>		<b>152,490</b>	<b>158,429</b>	<b>154,183</b>	<b>159,997</b>

<sup>1</sup> Education Australia Ltd has been revalued to \$41.1 million (2018: \$24.9 million)

<sup>2</sup> Changes in fair values of other financial assets at fair value through profit or loss are recorded in other income in the income statement (refer Note 6).

*Accounting Policy*

**Financial assets**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Initial recognition and measurement**

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

## Notes to the Financial Statements For the Year Ended 31 December 2019

### 19 Other financial assets (Continued)

#### *Accounting Policy (Continued)*

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Consolidated entity's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Consolidated entity initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Consolidated entity's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Consolidated entity commits to purchase or sell the asset.

#### **Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in five categories:

- (Other) financial assets at amortised costs
- (Other) financial assets at fair value through other comprehensive income
- Investments in equity instruments designated at fair value through other comprehensive income
- (Other) financial assets at fair value through profit or loss
- (Other) financial assets designated at fair value through profit or loss

#### **Financial assets at amortised cost**

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

- The financial asset is held within a business model with the objective to hold financial assets in order 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

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Consolidated entity's financial assets at amortised cost includes trade receivables, and loan to related parties.

#### **Financial assets at fair value through other comprehensive income**

The Consolidated entity measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; 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



## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 19 Other financial assets (Continued)

#### *Accounting Policy (Continued)*

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the income statement and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

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

Upon initial recognition, the Consolidated entity can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB132 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the income statement when the right of payment has been established, except when the Consolidated entity benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Consolidated entity elected to classify irrevocably its non-listed equity investments under this category.

#### **Financial assets at fair value through profit or loss (including designated)**

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. 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, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the income statement.

This category includes derivative instruments and listed equity investments which the Consolidated entity had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognised as other income in the income statement when the right of payment has been established.

#### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Consolidated entity's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired or

## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 19 Other financial assets (Continued)

#### *Accounting Policy (Continued)*

- The Consolidated entity has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Consolidated entity has transferred substantially all the risks and rewards of the asset, or (b) the Consolidated entity has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Consolidated entity has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Consolidated entity continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Consolidated entity also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Consolidated entity has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Consolidated entity could be required to repay.

#### **Offsetting**

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### **Impairment of debt instruments other than receivables**

The Consolidated entity recognises an allowance for expected credit losses (ECLs) for all debt instruments other than receivables and not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Consolidated entity expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For debt instruments at fair value through OCI, the Consolidated entity applies the low credit risk simplification. At every reporting date, the Consolidated entity evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Consolidated entity reassesses the internal credit rating of the debt instrument. In addition, the Consolidated entity considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Consolidated entity considers a financial asset in default when contractual payments are 120 days past due. However, in certain cases, the Consolidated entity may also consider a financial asset to be in default when internal or external information indicates that the Consolidated entity is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Consolidated entity. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

**Notes to the Financial Statements**  
For the Year Ended 31 December 2019

**20 Other non-financial assets**

	Consolidated		The University	
	2019	2018	2019	2018
	000's	000's	000's	000's
	\$	\$	\$	\$
<b>Current</b>				
Prepayments	9,957	5,786	9,876	5,719
<b>Non-current</b>				
Prepayments	2,716	3,164	2,716	3,164
<b>Total other non-financial assets</b>	<b>12,673</b>	<b>8,950</b>	<b>12,592</b>	<b>8,883</b>

**21 Investments accounted for using the equity method**

*Investments in Associates*

Name of associate	Country of incorporation	Principal activities	Ownership Interest %	
			2019	2018
Flinders Reproductive Medicine (FRM) <sup>1</sup>	Australia	FRM provides a high quality comprehensive infertility investigatory and treatment service.	50.0	50.0
GPEX Ltd <sup>1</sup>	Australia	GPEX Ltd was formed in 2015 to develop and deliver quality education and training services to general practice registrars.	50.0	50.0
Re-Time Pty Ltd <sup>2</sup>	Australia	Re-Time was formed in 2010 to help people re-time their body clocks and improve their sleep.	13.5	34.7
Clevertar Pty Ltd <sup>2</sup>	Australia	Clevertar was formed in 2008 and is a health software development company.	29.6	29.6
SABRENet Ltd <sup>3</sup>	Australia	Delivers high capacity broadband network services to the education and research sector.	25.0	25.0

1 Investment in associate held by The University.

2 Investment held by Flinders Partners Pty Ltd. The consolidated entity's interest in ReTime was diluted during the year, and as a result the consolidated entity no longer equity accounts this investment.

3 SABRENet Ltd is established to be a non-profit institution to further use of advanced data networking for the conduct of research and education in South Australia. The founding members are the three South Australian universities and the South Australian Government. The Defence Science and Technology Organisation (DSTO) is a contractual partner. The University's interests in SABRENet Ltd is not considered to be material to the University's core activities and consequently are not incorporated in the financial statements. The University has no rights to the residual assets of SABRENet Ltd.

## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 21 Investments accounted for using the equity method (Continued)

Summarised financial information for individually material associates is set out below:

	FRM <sup>(1)</sup>		GPEX		Re-Time <sup>(2)</sup>		Clevertar <sup>(1)</sup>	
	2019	2018	2019	2018	2019	2018	2019	2018
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Financial Position</b>								
Current assets	1,809	2,467	11,768	10,248	-	564	-	611
Non-current assets	2,760	1,768	839	-	-	382	-	255
<b>Total assets</b>	<b>4,569</b>	<b>4,235</b>	<b>12,607</b>	<b>10,248</b>	<b>-</b>	<b>946</b>	<b>-</b>	<b>866</b>
Current liabilities	7,310	6,731	7,315	6,451	-	556	-	65
Non-current liabilities	1,011	243	487	92	-	200	-	1,157
<b>Total liabilities</b>	<b>8,321</b>	<b>6,974</b>	<b>7,802</b>	<b>6,543</b>	<b>-</b>	<b>756</b>	<b>-</b>	<b>1,222</b>
<b>Net assets</b>	<b>(3,752)</b>	<b>(2,739)</b>	<b>4,805</b>	<b>3,705</b>	<b>-</b>	<b>190</b>	<b>-</b>	<b>(356)</b>
Share of associates' net assets	-	-	2,403	1,853	-	66	-	-
<b>Reconciliation of carrying amounts:</b>								
Balance at 1 January	-	-	1,853	977	66	127	-	1,900
Share of profit/(loss) for year	-	-	550	876	-	(61)	-	-
Impairment of investment	-	-	-	-	-	-	-	(1,900)
Fair value on deconsolidation	-	-	-	-	(66)	-	-	-
<b>Balance at 31 December</b>	<b>-</b>	<b>-</b>	<b>2,403</b>	<b>1,853</b>	<b>-</b>	<b>66</b>	<b>-</b>	<b>-</b>
<b>Financial Performance</b>								
Income	5,112	5,370	17,743	17,934	-	351	-	448
Expenses	(6,126)	(6,819)	(16,644)	(16,182)	-	(527)	-	(1,260)
<b>Total profit/(loss)</b>	<b>(1,014)</b>	<b>(1,449)</b>	<b>1,099</b>	<b>1,752</b>	<b>-</b>	<b>(176)</b>	<b>-</b>	<b>(812)</b>
Share of associates' profit/(loss)	-	-	550	876	-	(61)	-	-

1 Equity Accounting has been suspended because the carrying value of the investment has been reduced to zero..

2 The consolidated entity's interest in ReTime was diluted during the year, and the investment is no longer equity accounted.

#### Investments in Joint Ventures

The University participates in a number of joint ventures for which the University's interest is not considered to be material to the University's core activities and consequently are not incorporated in the financial statements.

Name of joint venture	Principal place of business	Principal activities	Ownership Interest %	
			2019	2018
eResearch SA Ltd (eRSA)	South Australia	eRSA is a collaborative joint venture between Flinders University, the University of Adelaide and the University of South Australia. eRSA is the South Australian provider of high performance computing, data management and storage, research collaboration and visualisation services for researchers in SA and Australia.	33.0	33.0

## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 21 Investments accounted for using the equity method (Continued)

*Investments in Joint Ventures (Continued)*

Name of joint venture	Principal place of business	Principal activities	Ownership Interest %	
			2019	2018
South Australian Tertiary Admission Centre (SATAC)	South Australia	SATAC is a joint venture between the three South Australian public universities, Charles Darwin University and the Minister of Higher Education and Skills. SATAC receives and processes undergraduate and postgraduate applications for admission to TAFE SA, Charles Darwin University and the three public universities in South Australia.	20.0	20.0

<sup>1</sup> eResearch will be wound up during 2020. The University is not expected to make any capital contributions.

#### Accounting Policy

##### (a) Associates

Associates are all entities over which the Consolidated entity has significant influence but not control. If material, investments in associates are accounted for in the University's financial statements using the cost method, and in the consolidated financial statements using the equity method of accounting, after initially being recognised at cost.

The Consolidated entity's share of its associates' post acquisition profits or losses is recognised in the income statement, and its share of post acquisition movements in reserves is recognised in reserves. The cumulative post acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates are recognised in the parent entity's income statement, while in the consolidated financial statements they reduce the carrying amount of the investment.

Gains or losses resulting from 'upstream' and 'downstream' transactions, involving assets that do not constitute a business, are recognised in the parent's financial statements only to the extent of unrelated investors' interests in the associate or joint venture. Gains or losses resulting from the contribution of non-monetary assets in exchange for an equity interest are accounted for in the same method.

When the Consolidated entity's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, it does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

##### (b) Joint ventures

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has, rather than the legal structure of the joint arrangement.

If material, the interest in a joint venture entity is accounted for in the consolidated financial statements using the equity method and is carried at cost by the University. Under the equity method, the share of the profits or losses of the entity is recognised in the income statement, and the share of movements in reserves is recognised in reserves in the statement of comprehensive income and the statement of changes in equity.

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2019**

**22 Investment properties**

	Consolidated		The University	
	2019	2018	2019	2018
	000's	000's	000's	000's
	\$	\$	\$	\$
<b>At Fair Value</b>				
Opening balance at 1 January	8,404	8,703	8,404	8,703
Net gain/(loss) from fair value adjustments	-	(299)	-	(299)
<b>Closing balance at 31 December</b>	<b>8,404</b>	<b>8,404</b>	<b>8,404</b>	<b>8,404</b>
<b>Total closing balance at 31 December</b>	<b>8,404</b>	<b>8,404</b>	<b>8,404</b>	<b>8,404</b>

For fair value hierarchy categorisation of investment properties refer Note 42(b).

(a) *Amounts recognised in profit or loss for investment properties*

	Consolidated		The University	
	2019	2018	2019	2018
	000's	000's	000's	000's
	\$	\$	\$	\$
Rental income	1,030	1,297	1,030	1,297
Direct operating expenses (rent generating properties)	(362)	(428)	(362)	(428)
Other direct operating expenses	(162)	(192)	(162)	(192)
<b>Total recognised in profit or loss</b>	<b>506</b>	<b>677</b>	<b>506</b>	<b>677</b>

(b) *Valuation basis*

The investment property is valued at fair value being the estimated price that would be received to sell the property in an orderly transaction between market participants at the valuation date. The investment property was independently valued at fair value as at 31 December 2019 by Richard Wood AAPI CPV, B.App.Sc (Val) of Opteon Pty Ltd. The external valuation resulted in an immaterial uplift to the fair value of the property, and as a result the carrying value has not been adjusted.

(c) *Non-current assets pledged as security*

No non-current assets have been pledged.

(d) *Contractual obligations*

There are no capital commitments for the investment property.

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2019**

**22 Investment properties (Continued)**

(e) *Leasing arrangements*

The future minimum lease payments under non-cancellable operating leases in the aggregate and for each of the following periods:

	Consolidated		The University	
	2019 000's \$	2018 000's \$	2019 000's \$	2018 000's \$
Not later than one year	301	182	301	182
Later than one year and not later than five years	491	379	491	379
Later than five years	-	16	-	16
<b>Total</b>	<b>792</b>	<b>577</b>	<b>792</b>	<b>577</b>

In 2000 the University purchased the Mark Oliphant building in Science Park as an investment property. As at 31 December 2019, 60% (2018: 95%) of the building is leased or available for lease to entities outside the Consolidated entity. 40% (2018: 0%) was leased to entities outside the University but within the Consolidated entity.

*Accounting Policy*

Investment properties exclude properties held to meet service delivery objectives of the University. The University holds an investment property which is measured on a fair value basis, based on active market prices of similar properties, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, alternative valuation methods such as recent prices in less active markets or discounted cash flow projections are used.

Independent valuations are undertaken annually. At each reporting date, the reported value is reviewed to ensure that it does not differ materially from the property's fair value at that date. Changes to fair value are recorded in the income statement as other income.

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2019**

**23 Property, plant and equipment**

	Consolidated		The University	
	2019	2018	2019	2018
	000's	000's	000's	000's
	\$	\$	\$	\$
Land				
Crown land:				
At independent valuation - 2019	<b>31,620</b>	31,040	<b>31,620</b>	31,040
Freehold land:				
At independent valuation - 2019	<b>7,955</b>	7,412	<b>7,955</b>	7,412
Total Land	<b>39,575</b>	38,452	<b>39,575</b>	38,452
Buildings				
At independent valuation - 2019	<b>446,598</b>	459,242	<b>446,598</b>	459,242
At cost	<b>6,506</b>	13,602	<b>6,148</b>	13,243
Accumulated depreciation	<b>(491)</b>	(36,773)	<b>(496)</b>	(36,778)
Total buildings - net book amount	<b>452,613</b>	436,071	<b>452,250</b>	435,707
Infrastructure				
At independent valuation - 2019	<b>34,962</b>	35,554	<b>34,962</b>	35,554
At cost	<b>7,782</b>	20,675	<b>7,782</b>	20,675
Total Infrastructure	<b>42,744</b>	56,229	<b>42,744</b>	56,229
Leasehold Improvements				
At cost	<b>5,886</b>	5,886	<b>5,886</b>	5,886
Accumulated amortisation	<b>(3,638)</b>	(2,953)	<b>(3,638)</b>	(2,953)
Total leasehold improvements - net book amount	<b>2,248</b>	2,933	<b>2,248</b>	2,933
Construction in progress				
At cost	<b>17,548</b>	10,101	<b>17,548</b>	10,101
Total Land, Building and Infrastructure - net book amount	<b>554,728</b>	543,786	<b>554,365</b>	543,422
Library Collections				
At fair value	<b>47,814</b>	44,764	<b>47,814</b>	44,764
Accumulated depreciation	<b>(22,406)</b>	(20,651)	<b>(22,406)</b>	(20,651)
Total library collections - net book amount	<b>25,408</b>	24,113	<b>25,408</b>	24,113



**Notes to the Financial Statements**  
**For the Year Ended 31 December 2019**

**23 Property, plant and equipment (Continued)**

	Consolidated		The University	
	2019 000's \$	2018 000's \$	2019 000's \$	2018 000's \$
Equipment				
At cost deemed at fair value	<b>83,129</b>	84,213	<b>80,620</b>	81,719
Accumulated depreciation	<b>(53,384)</b>	(55,382)	<b>(51,973)</b>	(54,028)
Total plant and equipment	<b>29,745</b>	28,831	<b>28,647</b>	27,691
Works of art				
At independent valuation - 2018 (2017: 2013)	<b>6,855</b>	6,855	<b>6,855</b>	6,855
At Council valuation	<b>79</b>	-	<b>79</b>	-
Total works of art - net book amount	<b>6,934</b>	6,855	<b>6,934</b>	6,855
Right of Use Asset - Land & Buildings				
At cost	<b>9,432</b>	-	<b>9,432</b>	-
Accumulated depreciation	<b>(972)</b>	-	<b>(972)</b>	-
Total right of use asset - land & buildings	<b>8,460</b>	-	<b>8,460</b>	-
Right of Use Asset - Equipment				
At cost	<b>3,639</b>	11,884	<b>3,639</b>	11,884
Accumulated depreciation	<b>(1,213)</b>	(8,245)	<b>(1,213)</b>	(8,245)
Total right of use asset - equipment	<b>2,426</b>	3,639	<b>2,426</b>	3,639
<b>Total property, plant and equipment</b>	<b>627,701</b>	607,224	<b>626,240</b>	605,720

**Notes to the Financial Statements**  
For the Year Ended 31 December 2019

**23 Property, plant and equipment (Continued)**

	Land 000's \$	Buildings 000's \$	Infrastructure 000's \$	Capital Works in Progress 000's \$	Leasehold Improvements 000's \$	Library Collections 000's \$	Plant and Equipment 000's \$	Right of Use Equipment 000's \$	Works of Art 000's \$	Right of Use Land/Building 000's \$	Total 000's \$
<b>Consolidated</b>											
<b>Year ended 31 December 2018</b>											
Opening net book amount	38,452	451,363	42,503	6,134	3,618	21,761	28,126	1,649	6,357	-	599,963
Additions	-	-	-	21,000	-	6,320	7,580	3,639	15	-	38,554
Capitalisation	-	4,663	12,370	(17,033)	-	-	-	-	-	-	-
Disposals - written down value	-	-	-	-	-	-	(133)	-	-	-	(133)
Revaluation increase recognised in equity	-	-	-	-	-	-	-	-	483	-	483
Depreciation charge	-	(17,017)	(1,582)	-	(685)	(3,968)	(6,742)	(1,649)	-	-	(31,643)
<b>Closing net book amount</b>	<b>38,452</b>	<b>439,009</b>	<b>53,291</b>	<b>10,101</b>	<b>2,933</b>	<b>24,113</b>	<b>28,831</b>	<b>3,639</b>	<b>6,855</b>	<b>-</b>	<b>607,224</b>
<b>Year ended 31 December 2019</b>											
Opening net book amount	38,452	439,009	53,291	10,101	2,933	24,113	28,831	3,639	6,855	-	607,224
Initial adoption of AASB16	-	-	-	-	-	-	-	-	-	9,432	9,432
Additions at fair value	-	-	-	26,170	-	5,579	7,827	-	79	-	39,655
Reclassification	820	(820)	-	-	-	-	-	-	-	-	-
Capitalisations	-	10,876	7,847	(18,723)	-	-	-	-	-	-	-
Revaluation increase recognised in equity	303	20,778	(16,431)	-	-	-	-	-	-	-	4,650
Depreciation charge	-	(17,230)	(1,963)	-	(685)	(4,284)	(6,913)	(1,213)	-	(972)	(33,260)
<b>Closing net book amount</b>	<b>39,575</b>	<b>452,613</b>	<b>42,744</b>	<b>17,548</b>	<b>2,248</b>	<b>25,408</b>	<b>29,745</b>	<b>2,426</b>	<b>6,934</b>	<b>8,460</b>	<b>627,701</b>

## Flinders University

### Notes to the Financial Statements For the Year Ended 31 December 2019

#### 23 Property, plant and equipment (Continued)

	Land 000's \$	Buildings 000's \$	Infrastructure 000's \$	Capital Works in Progress 000's \$	Leasehold Improvements 000's \$	Library Collections 000's \$	Plant and Equipment 000's \$	Right of Use Equipment 000's \$	Works of Art 000's \$	Right of Use Land/Building 000's \$	Total 000's \$
<b>The University</b>											
<b>Year ended 31 December 2018</b>											
Opening net book amount	38,452	451,011	42,492	6,134	3,618	21,761	26,916	1,649	6,357	-	598,390
Additions at fair value	-	-	-	21,000	-	6,320	7,482	3,639	15	-	38,456
Disposals - written down value	-	-	-	-	-	-	(133)	-	-	-	(133)
Capitalisations	-	4,652	12,381	(17,033)	-	-	-	-	-	-	-
Revaluation increase recognised in equity	-	-	-	-	-	-	-	-	483	-	483
Depreciation charge	-	(17,017)	(1,582)	-	(685)	(3,968)	(6,575)	(1,649)	-	-	(31,476)
<b>Closing net book amount</b>	<b>38,452</b>	<b>438,646</b>	<b>53,291</b>	<b>10,101</b>	<b>2,933</b>	<b>24,113</b>	<b>27,690</b>	<b>3,639</b>	<b>6,855</b>	<b>-</b>	<b>605,720</b>
<b>Year ended 31 December 2019</b>											
Opening net book amount	38,452	438,646	53,291	10,101	2,933	24,113	27,690	3,639	6,855	-	605,720
Initial adoption of AASB16	-	-	-	-	-	-	-	-	-	9,432	9,432
Additions at fair value	-	-	-	26,170	-	5,579	7,914	-	79	-	39,742
Disposals - written down value	-	-	-	-	-	-	(163)	-	-	-	(163)
Capitalisations	-	10,876	7,847	(18,723)	-	-	-	-	-	-	-
Reclassification	820	(820)	-	-	-	-	-	-	-	-	-
Revaluation increase recognised in equity	303	20,778	(16,431)	-	-	-	-	-	-	-	4,650
Depreciation charge	-	(17,230)	(1,963)	-	(685)	(4,284)	(6,794)	(1,213)	-	(972)	(33,141)
<b>Closing net book amount</b>	<b>39,575</b>	<b>452,250</b>	<b>42,744</b>	<b>17,548</b>	<b>2,248</b>	<b>25,408</b>	<b>28,647</b>	<b>2,426</b>	<b>6,934</b>	<b>8,460</b>	<b>626,240</b>

The University has restrictions imposed on the real property listed in this note under the "Flinders University Act 1966."

Section 3(5) of the Act states: "The University must not alienate (except by way of lease term for a term not exceeding 21 years), mortgage or charge land vested in or conveyed to the University on trust, except with and in accordance with any terms or conditions of an approval given by the Governor."

The University also occupies various sites in the Northern Territory on Crown Land. These properties have a value of \$16.0 million (2018: \$16.9 million), as per the Opteon valuation.

## Notes to the Financial Statements For the Year Ended 31 December 2019

### 23 Property, plant and equipment (Continued)

#### *Valuations*

##### *Land and buildings*

Land, buildings and infrastructure were revalued as at 31 December 2019 by Richard Wood B.App.Sc (Val) AAPI CPV, of Opteon Pty Ltd. The basis of the valuation was written down current value (existing use). The basis of valuation of land, buildings and infrastructure is fair value being the amounts for which the assets could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition.

##### *Works of Art*

The last independent valuation was conducted as at 31 December 2018 by Helen Miller BA SYD AVAA CPV NCJV (Fine Arts Division) Rodney Hyman Asset Services Pty Ltd.

#### *Accounting Policy*

Property, plant and equipment (except for investment properties - refer Note 22) are shown on a fair value basis. At each reporting date, the value of each asset class is reviewed to ensure that it does not differ materially from the asset class fair value at that date. Where necessary, the asset class is revalued to reflect its fair value.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the carrying amount is adjusted to the revalued amount of the asset.

Increases in the carrying amounts arising on revaluation of land, buildings & infrastructure, library and works of art are recognised in other comprehensive income and accumulated in equity under the heading of revaluation surplus. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset class are also recognised in under revaluation surplus to the extent of the remaining reserve attributable to the asset class. All other decreases are charged to the income statement.

#### *(a) Land*

Land is owned by the University in its own right and by the State and Northern Territory Governments. The value of land owned by the State Government is reflected in the University's financial statements on the basis that the University effectively controls the land occupied. Comprehensive independent land valuations are undertaken triennially with an annual update based on relevant price movements if material.

#### *(b) Buildings*

Comprehensive independent valuations are undertaken triennially with an annual update based on relevant price movements if material. Below ground Infrastructure is not included as an asset as the value is not able to be reliably estimated. Buildings under construction are measured at cost.

#### *(c) Leasehold Improvements*

Leasehold improvements are capitalised and amortised over the shorter of their useful life or the remaining life of the lease.

#### *(d) Library Collection*

The University has determined that purchased Library collections are measured at historical cost which approximates fair value. For library items received free of charge, fair value of these items is based on average costs of purchased items over the year. The value is depreciated over a 10 year period on a straight-line basis.

## Notes to the Financial Statements For the Year Ended 31 December 2019

### 23 Property, plant and equipment (Continued)

#### *Accounting Policy (Continued)*

(e) *Equipment*

This class of assets includes computer hardware (not software), furniture, vehicles, marine and general equipment. Individual items costing \$10,000 or more are capitalised and recorded in the Statement of Financial Position initially at cost. Items costing less than \$10,000 are recognised as an expense in the Income Statement in the period acquired. The depreciated value of equipment is deemed to be its fair value.

(f) *Works of Art*

The value of the Works of Art collection is assessed annually at fair value at Council valuation. Comprehensive independent valuations are undertaken periodically.

(g) *Right of Use Assets*

At inception of a contract, the Consolidated entity assesses whether a contract is, or contains a lease. A contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

The Consolidated entity assesses whether:

- (a) The contract involves the use of an identified asset. The asset may be explicitly or implicitly specified in the contract. A capacity portion of larger assets is considered an identified asset if the portion is physically distinct or if the portion represents substantially all of the capacity of the asset. The asset is not considered an identified asset, if the supplier has the substantive right to substitute the asset throughout the period of use.
- (b) The customer has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- (c) The customer has the right to direct the use of the asset throughout the period of use - The customer is considered to have the right to direct the use of the asset only if either:
  - i. The customer has the right to direct how and for what purpose the identified asset is used throughout the period of use; or
  - ii. The relevant decisions about how and for what purposes the asset is used is predetermined and the customer has the right to operate the asset, or the customer designed the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use.

In contracts where the Consolidated entity is a lessee, it recognises a right-of-use asset and a lease liability at the commencement date of the lease, unless they are short-term (less than 12 months) or low-value (less than \$10,000).

A right-of-use asset is initially measured at cost comprising the initial measurement of the lease liability adjusted for any lease payments made before the commencement date (reduced by lease incentives received), plus initial direct costs incurred in obtaining the lease and an estimate of costs to be incurred in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2019**

**23 Property, plant and equipment (Continued)**

*Accounting Policy (Continued)*

Concessionary (peppercorn) leases

The University has 27 leases over land and buildings throughout Australia, with significantly below market terms. These leases are entered into with the principal aim of enabling the University to further its objectives, and are all of a similar nature. The lease terms vary from 2 years to 84 years with annual rental of \$0 or \$1.

The University has elected to measure the class of right-of-use assets arising under concessionary leases at cost, in accordance with AASB16 paragraphs 23-25, which incorporates the amount of the initial measurement of the lease liability,

Leased Buildings

The University has entered into various arrangements with other entities to occupy buildings on land not owned by the University.

The University initially recognises a lease asset as the value of its contribution to construction costs plus any future amounts payable under the lease agreement and revalues it to fair value each year. The University depreciates the asset over the shorter of their useful life or the remaining life of the lease.

**24 Intangible Assets**

	Consolidated		The University	
	2019 000's \$	2018 000's \$	2019 000's \$	2018 000's \$
Software cost	<b>63,668</b>	54,193	<b>63,668</b>	54,193
Accumulated amortisation and impairment	<b>(35,368)</b>	(26,873)	<b>(35,368)</b>	(26,873)
	<b>28,300</b>	27,320	<b>28,300</b>	27,320
IT development in progress cost	<b>13,446</b>	8,532	<b>13,446</b>	8,532
Project costs carried forward (development costs)	<b>119</b>	164	-	-
<b>Total Intangibles</b>	<b>41,865</b>	36,016	<b>41,746</b>	35,852

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2019**

**24 Intangible Assets (Continued)**

Reconciliation of the carrying amounts of each class of intangible assets at the beginning and end of the current year are as follows:

	Software costs 000's \$	IT development in progress 000's \$	Project costs carried forward 000's \$	Total 000's \$
<b>Consolidated</b>				
<b>At 1 January 2018</b>				
Cost	32,874	11,529	1,104	45,507
Accumulated amortisation and impairment	(20,425)	-	(832)	(21,257)
<b>Net book amount</b>	<b>12,449</b>	<b>11,529</b>	<b>272</b>	<b>24,250</b>
<b>Year ended 31 December 2018</b>				
Opening net book amount	12,449	11,529	272	24,250
Additions	-	19,676	-	19,676
Disposals	-	-	(108)	(108)
Capitalisation	21,335	(22,673)	-	(1,338)
Amortisation charge	(6,464)	-	-	(6,464)
<b>Closing net book amount</b>	<b>27,320</b>	<b>8,532</b>	<b>164</b>	<b>36,016</b>
<b>At 31 December 2019</b>				
Cost	54,193	8,532	995	63,720
Accumulated amortisation and impairment	(26,873)	-	(831)	(27,704)
<b>Net book amount</b>	<b>27,320</b>	<b>8,532</b>	<b>164</b>	<b>36,016</b>
<b>Year ended 31 December 2019</b>				
Opening net book amount	<b>27,320</b>	<b>8,532</b>	<b>164</b>	<b>36,016</b>
Additions	-	<b>16,281</b>	-	<b>16,281</b>
Capitalisation	<b>9,980</b>	<b>(11,367)</b>	-	<b>(1,387)</b>
Amortisation charge	<b>(9,000)</b>	-	-	<b>(9,000)</b>
Impairment loss in income	-	-	<b>(45)</b>	<b>(45)</b>
<b>Closing net book amount</b>	<b>28,300</b>	<b>13,446</b>	<b>119</b>	<b>41,865</b>
<b>At 31 December 2019</b>				
Cost	<b>63,668</b>	<b>13,446</b>	<b>119</b>	<b>77,233</b>
Accumulated amortisation and impairment	<b>(35,368)</b>	-	-	<b>(35,368)</b>
<b>Net book amount</b>	<b>28,300</b>	<b>13,446</b>	<b>119</b>	<b>41,865</b>

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2019**

**24 Intangible Assets (Continued)**

	Software costs 000's \$	IT development in progress 000's \$	Total 000's \$
<b>The University</b>			
<b>At 1 January 2018</b>			
Cost	32,874	11,529	44,403
Accumulated amortisation and impairment	(20,425)	-	(20,425)
<b>Net book amount</b>	<b>12,449</b>	<b>11,529</b>	<b>23,978</b>
<b>Year ended 31 December 2018</b>			
Opening net book amount	12,449	11,529	23,978
Additions	-	19,676	19,676
Capitalisation	21,335	(22,673)	(1,338)
Amortisation charge	(6,464)	-	(6,464)
<b>Closing net book amount</b>	<b>27,320</b>	<b>8,532</b>	<b>35,852</b>
<b>At 31 December 2018</b>			
Cost	54,193	8,532	62,725
Accumulated amortisation and impairment	(26,873)	-	(26,873)
<b>Closing net book amount</b>	<b>27,320</b>	<b>8,532</b>	<b>35,852</b>
<b>Year ended 31 December 2019</b>			
Opening net book amount	<b>27,320</b>	<b>8,532</b>	<b>35,852</b>
Additions	-	<b>16,281</b>	<b>16,281</b>
Capitalisation	<b>9,959</b>	<b>(11,367)</b>	<b>(1,408)</b>
Amortisation charge	<b>(8,979)</b>	-	<b>(8,979)</b>
<b>Closing net book amount</b>	<b>28,300</b>	<b>13,446</b>	<b>41,746</b>
<b>At 31 December 2019</b>			
Cost	<b>63,668</b>	<b>13,446</b>	<b>77,114</b>
Accumulated amortisation and impairment	<b>(35,368)</b>	-	<b>(35,368)</b>
<b>Net book amount</b>	<b>28,300</b>	<b>13,446</b>	<b>41,746</b>

*Accounting Policy*

(a) *Research and development*

Expenditure on research activities, undertaken with the prospect of obtaining new scientific or technical knowledge and understanding, is recognised in the Income Statement as an expense when it is incurred.

Expenditure on development activities, being the application of research findings or other knowledge to a plan or design for the production of new or substantially improved products or services before the start of commercial production or use, is capitalised if the product or service is technically and commercially feasible and adequate resources are available to complete development. The expenditure capitalised comprises all directly attributable costs, including costs of materials, services, direct labour and an appropriate proportion of overheads. Other development expenditure is recognised in the Income Statement as an expense when incurred.

The University expenses development costs when incurred, as the expenses are not recoverable beyond reasonable doubt. One of the University's subsidiaries, Flinders Partners Pty Ltd, has the rights to commercialise intellectual property arising from the University. Development costs incurred by Flinders Partners Pty Ltd are treated as deferred expenditure:

- during the assessment phase of projects, until financial viability is determined; and



## Notes to the Financial Statements

### For the Year Ended 31 December 2019

#### 24 Intangible Assets (Continued)

##### *Accounting Policy (Continued)*

- for projects expected to be financially viable, to offset future revenue.

Development costs are capitalised and are included in the Consolidated Statement of Financial Position under Project costs carried forward.

The recoverability of deferred expenditure is reviewed annually and any amounts previously deferred that are no longer expected to be recovered are charged to the Net Operating Result.

##### *(b) Software costs*

The University capitalises certain software costs with a purchase price greater than \$40,000 and an expected useful life greater than 12 months, together with costs associated with implementation. These are recorded on the basis of cost less amortisation once the system is operational. Impairment is assessed annually. IT development in progress relates to costs incurred in the development of IT software projects. On project completion the balances are transferred to software costs.

#### 25 Trade and other payables

	Consolidated		The University	
	2019	2018	2019	2018
	000's	000's	000's	000's
	\$	\$	\$	\$
<b>Current</b>				
Creditors	15,444	20,624	13,720	18,816
OS-HELP liability to Australian Government	3,484	3,711	3,484	3,711
Accrued expenses	17,073	13,946	15,892	12,496
Annual leave on costs	2,996	3,006	2,996	3,006
Long service leave on costs	622	662	622	662
Accrued salary expenses	2,265	10,086	2,265	10,086
<b>Total current trade and other payables</b>	<b>41,884</b>	<b>52,035</b>	<b>38,979</b>	<b>48,777</b>
<b>Non-current</b>				
Long service leave on costs	3,012	3,334	3,012	3,334
<b>Total non-current trade and other payables</b>	<b>3,012</b>	<b>3,334</b>	<b>3,012</b>	<b>3,334</b>
<b>Total trade and other payables</b>	<b>44,896</b>	<b>55,369</b>	<b>41,991</b>	<b>52,111</b>

##### *Accounting Policy*

##### *(a) Trade creditors and sundry payables*

Trade creditors and payables are shown at amounts due to suppliers, inclusive of GST and exclusive of any applicable discounts that will be taken. The amounts are unsecured and the standard University terms of trade is payment within 30 days of invoice. Sundry payables includes redundancy and termination benefits.

##### *(b) Redundancy benefits*

Redundancy benefits are payable when employment is terminated before the normal retirement date, or when

## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 25 Trade and other payables (Continued)

*Accounting Policy (Continued)*

an employee accepts voluntary redundancy in exchange for these benefits. The University recognises redundancy benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing redundancy benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance date are discounted to present value. Expenses are disclosed in Note 10.

(c) *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 University recognises the expense when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing redundancy benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance date are discounted to present value. Expenses are disclosed in Note 10.

(d) *Employee benefits and oncosts*

Liabilities for short-term employee benefits including salaries, non-monetary benefits and bonuses due to be settled within 12 months after the end of the period are measured at the amount expected to be paid when the liability is settled. The leave liabilities accruing to employees are recognised as provisions and on costs not accruing to employees are classed as payables.

### 26 Borrowings

	Consolidated		The University	
	2019	2018	2019	2018
	000's	000's	000's	000's
	\$	\$	\$	\$
<b>Current</b>				
Lease liabilities	1,068	-	1,068	-
Finance lease liabilities	1,212	1,239	1,212	1,239
<b>Total current borrowings</b>	<b>2,280</b>	<b>1,239</b>	<b>2,280</b>	<b>1,239</b>
<b>Non-Current</b>				
Lease liabilities	7,496	-	7,496	-
Finance lease liabilities	1,274	2,400	1,274	2,400
<b>Total non-current borrowings</b>	<b>8,770</b>	<b>2,400</b>	<b>8,770</b>	<b>2,400</b>
<b>Total borrowings</b>	<b>11,050</b>	<b>3,639</b>	<b>11,050</b>	<b>3,639</b>

(a) *Assets pledged as security*

There are no assets pledged as security.

(b) *Financing arrangements*

Unrestricted access was available at reporting date to the following lines of credit:

**Notes to the Financial Statements**  
For the Year Ended 31 December 2019

**26 Borrowings (Continued)**

(b) *Financing arrangements (Continued)*

	Consolidated		The University	
	2019	2018	2019	2018
	000's	000's	000's	000's
	\$	\$	\$	\$
<b>Credit standby arrangements</b>				
<b>Total facilities</b>				
Overdraft facility <sup>1</sup>	500	500	500	500
Credit card facility <sup>1</sup>	2,000	2,000	2,000	2,000
<b>Total credit standby arrangements</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>
<b>Used at balance date</b>				
Credit card facility	680	641	680	641
<b>Unused at reporting date</b>				
Overdraft facility	500	500	500	500
Credit card facility	1,320	1,359	1,320	1,359
<b>Total unused at balance date</b>	<b>1,820</b>	<b>1,859</b>	<b>1,820</b>	<b>1,859</b>

<sup>1</sup> These facilities are unsecured.

(c) *University as Lessee*

Amounts recognised in the income statement:

	Consolidated	The University
	2019	2019
	000's	000's
	\$	\$
Interest on lease liabilities	300	300
Expenses relating to short-term leases	3,205	3,205
Expenses relating to leases of low-value assets, excluding short term leases	153	153
	<b>3,658</b>	<b>3,658</b>

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2019**

**26 Borrowings (Continued)**

(c) *University as Lessee (Continued)*

Maturity analysis - undiscounted contractual cash flows:

	<b>Consolidated</b>	<b>The University</b>
	<b>2019</b>	<b>2019</b>
	<b>000's</b>	<b>000's</b>
	<b>\$</b>	<b>\$</b>
Less than one year	2,748	2,748
One to five years	4,325	4,325
More than 5 years	7,773	7,773
<b>Total undiscounted lease payments receivable</b>	<b>14,846</b>	<b>14,846</b>
Lease liabilities recognised in the statement of financial position	<b>11,050</b>	<b>11,050</b>

The finance lease liability is for network equipment over a three year period ending December 2021. The lease liability (right of use liability) is for various land and buildings leased by the University throughout Australia with lease terms varying between 13 months to 20 years. The leases are either indexed to CPI or fixed rate and there are no material make good obligations, termination payments or incentives that need to be disclosed.

Amounts recognised in statement of cash flows:

	<b>Consolidated</b>	<b>The University</b>
	<b>2019</b>	<b>2019</b>
	<b>000's</b>	<b>000's</b>
	<b>\$</b>	<b>\$</b>
Total cash outflow for leases	<b>2,020</b>	<b>2,020</b>

*Accounting Policy*

A lease liability is initially measured at the present value of unpaid lease payments at the commencement date of the lease. To calculate the present value, the unpaid lease payments are discounted using the interest rate implicit in the lease if the rate is readily determinable, or if the interest rate implicit in the lease cannot be readily determined, the incremental borrowing rate at the commencement date of the lease is used.

Lease payments included in the measurement of lease liabilities comprise:

- fixed payments, including in substance fixed payments
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if it is reasonably certain that the option will be exercised
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease

## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 26 Borrowings (Continued)

#### *Accounting Policy (Continued)*

Subsequently, the lease liability is measured at amortised cost using the effective interest rate method resulting in interest expense being recognised as a borrowing cost in the income statement. The lease liability is remeasured when there are changes in future lease payments arising from a change in an index, rate or lease term, with a corresponding adjustment to the right of use asset. The adjustment amount is factored into depreciation of the right of use asset prospectively.

The University has elected not to recognise right of use assets and lease liabilities for short term leases (less than 12 months) and leases of low value assets. The University recognises the lease payments associated with these leases on a straight line basis over the lease term.

For the accounting policy relating to concessionary leases refer Note 23.

The University has no loans. However the University receives deposits from subsidiaries, certain joint ventures and related external entities for group investments along with University funds and shares the investment income with those entities (refer Note 28).

### 27 Provisions

	Consolidated		The University	
	2019	2018	2019	2018
	000's	000's	000's	000's
	\$	\$	\$	\$
<b>Current provisions expected to be settled within 12 months</b>				
Annual leave	10,610	10,527	10,446	10,356
Long service leave	4,617	4,016	4,543	3,942
Defined benefit obligation	2,973	2,969	2,973	2,969
Severance (contract employees)	1,452	900	1,304	769
Workers' compensation	447	431	446	430
	<b>20,099</b>	<b>18,843</b>	<b>19,712</b>	<b>18,466</b>
<b>Current provisions expected to be settled after more than 12 months</b>				
Annual leave	3,903	3,946	3,903	3,946
<b>Total current provisions</b>	<b>24,002</b>	<b>22,789</b>	<b>23,615</b>	<b>22,412</b>
<b>Non-current provisions</b>				
Long service leave	23,120	22,407	23,120	22,407
Defined benefit obligation	50,136	46,778	50,136	46,778
Severance (contract employees)	309	319	309	319
Workers compensation	503	542	503	542
<b>Total non-current provisions</b>	<b>74,068</b>	<b>70,046</b>	<b>74,068</b>	<b>70,046</b>
<b>Total provisions</b>	<b>98,070</b>	<b>92,835</b>	<b>97,683</b>	<b>92,458</b>

## Notes to the Financial Statements For the Year Ended 31 December 2019

### 27 Provisions (Continued)

#### *Accounting Policy*

#### *(a) Employee benefits and provisions*

Employee expenses expected to be settled within one year have been recognised at their nominal amount. These liabilities are measured at the amounts expected to be paid when the liability is settled. Oncosts on the leave liabilities accruing to employees are recognised as provisions and on costs not accruing to employees are classed as payables as required under SA State Government Accounting Policy Framework - Part IV (APS 5.25). Benefits expected to be settled later than one year have been measured at the present value of the estimated applicable future cash flows to be made for those benefits and related on costs.

#### *(i) Short-term obligations*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the statement of financial position.

#### *(ii) Annual leave*

The calculation to measure the value of annual leave has assumed a 1.7% (2.0% in 2018) salary inflation factor. The provision for annual leave is classified as a current liability as the University does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

#### *(iii) Sick leave*

No provision has been made for sick leave as all sick leave is non vesting and the average sick leave taken each year is expected to be less than the annual entitlement for sick leave.

#### *(iv) Long service leave*

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.

The long service leave liability is independently actuarially estimated each year in accordance with AASB 119 Employee Benefits. The last update was performed at 31 December 2019 by Mark Samuels, FIAA, of Mercer (Australia) Pty Ltd. The assumptions used by the actuary include:

- investment earnings rate of 1.05% pa (2018: 2.1%) pa. salary inflation rate of between 1.7% to 3.0% pa (2018: 2.5%).
- on costs have been applied at the rate of 13.1% (2018: 16.4%).
- the proportion of leave taken in service is 60% (2018: 65%), the balance at termination of service.

The current portion represents the amount expected to be paid in the following 12 months.

## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 27 Provisions (Continued)

#### *Accounting Policy (Continued)*

#### *(b) Workers' compensation*

The University is responsible for payments of workers' compensation and is registered with ReturnToWorkSA as an exempt employer. Lawsons Risk Management Services Pty Ltd administers workers' compensation arrangements on behalf of the University.

The provision for workers' compensation liability is actuarially determined each year. The valuation as at 31 December 2019 was performed by B A Watson, FIA, FIAA. The method used is the claims paid development method where all past claims are brought to current values with an allowance for late claims reporting and administration costs.

#### *(c) Severance*

Provision is made for severance payments where it is probable payments will be made under industrial awards for fixed-term staff. The current portion represents the amount expected to be paid in the following 12 months. Severance payments are included under Salaries within Employee related expenses.

#### *(d) Superannuation*

Superannuation schemes exist to provide benefits to University employees and their dependents upon resignation, retirement, disability or death. The contributions made to these schemes by the University and the emerging costs from unfunded schemes are expensed in the Income Statement. Except in the case of multi-employer schemes such as UniSuper, the University recognises, as an asset or a liability, the difference between the employer established defined benefit superannuation scheme's accrued benefits and the net market value of the scheme's assets. Refer Note 43.

#### *Unfunded superannuation - State Superannuation Scheme*

An arrangement exists between the Australian Government and the State Government to share the unfunded liability for the University's beneficiaries of the State Superannuation Scheme on an emerging cost basis. This arrangement is evidenced by the State Grants (General Revenue) Amendment Act 1987, Higher Education Funding Act 1988 and subsequent amending legislation. Accordingly the unfunded liabilities have been recognised in the Statement of Financial Position under Provisions with a corresponding asset recognised under Receivables (refer Note 17). The recognition of both the asset and the liability consequently does not affect the year end net asset position of the University or the Consolidated entity. Refer Note 43.

Superannuation Supplementation funding received from the Australian Government must not be shown as revenue as this is a partial settlement of an asset recognised in accordance with AASB 119.116. The net difference between the gross expense and the amount received from the Australian Government is shown as an expense within employee related expenses.

**Notes to the Financial Statements**  
For the Year Ended 31 December 2019

**28 Other liabilities**

	Consolidated		The University	
	2019	2018	2019	2018
	000's	000's	000's	000's
	\$	\$	\$	\$
<b>Current</b>				
Australian Government unspent financial assistance	225	-	225	-
<b>Total current unsecured non-interest-bearing liabilities</b>	<b>225</b>	<b>-</b>	<b>225</b>	<b>-</b>
<b>Interest-bearing liabilities</b>				
Interest-bearing funds held on behalf of external parties:				
Student entities	92	14	449	341
Other entities	221	231	221	231
<b>Total current unsecured interest-bearing liabilities</b>	<b>313</b>	<b>245</b>	<b>670</b>	<b>572</b>
<b>Total current other liabilities</b>	<b>538</b>	<b>245</b>	<b>895</b>	<b>572</b>
<b>Total other liabilities</b>	<b>538</b>	<b>245</b>	<b>895</b>	<b>572</b>

*Accounting Policy*

Australian Government financial assistance that is related to the acquisition or building of a recognisable financial asset as per AASB1058 (ie capital grants) and is unspent at balance date is recognised within other liabilities.

Funds held on behalf of external entities are shown at amounts due. These do not incur any interest charges.

Interest-bearing liabilities consist of funds held at the request of related entities. These are not borrowings. The University invests these funds and provides an investment return to those entities. The funds held are at call. The University has no assets pledged as security for interest-bearing liabilities.



**Notes to the Financial Statements**  
For the Year Ended 31 December 2019

**29 Reserves and retained earnings**

**(a) Reserves**

	Consolidated		The University	
	2019	2018	2019	2018
	000's	000's	000's	000's
	\$	\$	\$	\$
Property, plant and equipment revaluation surplus	<b>157,447</b>	152,797	<b>157,966</b>	153,316
Financial assets reserve	<b>40,987</b>	24,230	<b>44,221</b>	27,464
<b>Total reserves</b>	<b>198,434</b>	177,027	<b>202,187</b>	180,780

**(b) Movements in reserves**

**Property, plant and equipment revaluation surplus**

Balance at 1 January	<b>152,797</b>	152,314	<b>153,316</b>	152,833
Increment/(decrement) on revaluation of property, plant and equipment	<b>4,650</b>	483	<b>4,650</b>	483
Balance 31 December	<b>157,447</b>	152,797	<b>157,966</b>	153,316

**Financial assets reserve**

Balance 1 January	<b>24,230</b>	15,609	<b>27,464</b>	17,481
Increment/(decrement) on revaluation	<b>16,757</b>	8,621	<b>16,757</b>	9,983
<b>Balance 31 December</b>	<b>40,987</b>	24,230	<b>44,221</b>	27,464
<b>Total reserves</b>	<b>198,434</b>	177,027	<b>202,187</b>	180,780

**(c) Nature and purpose of reserves**

*Property, plant and equipment revaluation surplus*

The property, plant and equipment revaluation surplus records revaluation in land, buildings, infrastructure, library and artwork.

*Financial assets reserve*

The financial assets reserve records revaluations in assets held at fair value through other comprehensive income.

**(d) Movements in retained earnings**

Balance at 1 January	<b>581,267</b>	561,957	<b>575,948</b>	554,877
Adjustment due to new standard (AASB15)	<b>(27,022)</b>	-	<b>(27,022)</b>	-
Net result for the period	<b>25,333</b>	19,169	<b>25,080</b>	21,071
Prior period adjustment	-	(222)	-	-
<b>Balance at 31 December</b>	<b>579,578</b>	581,267	<b>574,006</b>	575,948

## Notes to the Financial Statements For the Year Ended 31 December 2019

### 30 Key Management Personnel Disclosures

(a) *Responsible persons*

The principal governing body of the University is its Council. All members of the University Council were appointed or elected under the provisions of the Flinders University Act, 1966. Council members include University employees who may be ex-officio members or elected staff members.

(b) *Names of responsible persons and executive officers*

The following persons were responsible persons and executive officers of the Consolidated entity during the financial year:

#### **COUNCIL MEMBERS IN 2019**

Persons listed were all Council members for the full year unless otherwise indicated.

##### **Members ex officio**

###### **Chancellor**

Mr Stephen Gerlach AM

###### **Vice-Chancellor**

Professor Colin Stirling\*

###### **Presiding member of the Academic Senate**

Professor John Roddick\*

##### **Member co-opted and appointed by the Council**

Vacant

##### **Members elected by the academic staff**

Dr Amanda Muller\*

##### **Members appointed by the Council**

Mr George Freney (from 01/01/19)

Mr Douglas Gautier AM

Ms Kathryn Gramp

Mr Stephen Hains

Mr John Hood

Ms Elizabeth Perry

Professor Brenda Wilson

Mrs Christine Zeitz (to 30/06/19)

Ms Sharon Wilson (from 23/08/19)

##### **Members elected by the non-academic staff**

Ms Natalie Hills\*

##### **Student Members elected by students**

Miss Olivia Hanna\* (to 31/12/19)

Ms Katt Hatzi (to 31/12/19)

#### **UNIVERSITY SENIOR MANAGEMENT IN 2019**

Professor Jonathon Craig

Mr Mark Gregory

Professor Alison Kitson

Professor Alistair Rendell (from 28/01/19)

Professor Michael Kyrios

Professor Vanessa Lemm

Professor Ian Menz (to 27/01/19)

Professor Clare Pollock

Mr Richard Porter

Mr Sebastian Raneskold

Professor Robert Saint

Professor Colin Stirling

Professor Phyllis Tharenou

Ms Callista Thillou

\* *Council member is a University employee.*

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2019**

**30 Key Management Personnel Disclosures (Continued)**

(c) *Remuneration of Council Members and Executives*

*Remuneration of Council Members*

The following table comprises total remuneration that falls within the prescribed bandwidths for Council members. Remuneration for Executive Officers who are also Council members is shown as zero in this table, with their total remuneration shown under Remuneration of University senior management. Some members of Council are employees of the University and they receive no additional remuneration above their normal entitlements for being a Council member.

	Consolidated		The University	
	2019	2018	2019	2018
	Number	Number	Number	Number
Nil to \$14,999	13	14	13	14
\$15,000 to \$29,999	-	2	-	2
\$30,000 to \$44,999	2	2	2	2
\$60,000 to \$74,999	1	-	1	-
	<b>16</b>	<b>18</b>	<b>16</b>	<b>18</b>
Aggregate remuneration of Council members (\$'000)	<b>147</b>	<b>95</b>	<b>147</b>	<b>95</b>

*Remuneration of University Senior Management*

The remuneration includes salary, bonuses, employer's superannuation costs and other benefits, including the associated fringe benefits tax. No loans have been provided to key management personnel and any other transaction between personnel and the University has been undertaken on a normal commercial basis. No members of Council received any remuneration from the University other than by way of salary and related benefits arising from a normal employment relationship.

	Consolidated		The University	
	2019	2018	2019	2018
	Number	Number	Number	Number
\$20,000 - \$29,999	1	-	1	-
\$140,000 - \$149,999	-	1	-	1
\$210,000 - \$219,999	-	1	-	1
\$280,000 - \$289,999	-	1	-	1
\$300,000 - \$309,999	1	-	1	-
\$320,000 - \$329,999	1	1	1	1
\$330,000 - \$339,999	1	1	1	1
\$340,000 - \$349,999	-	1	-	1
\$360,000 - \$369,999	-	1	-	1
\$370,000 - \$379,999	1	1	1	1
\$440,000 - \$449,999	2	3	2	3
\$450,000 - \$459,999	3	-	3	-
\$470,000 - \$479,999	-	1	-	1
\$480,000 - \$489,999	1	-	1	-
\$490,000 - \$499,999	-	1	-	1
\$500,000 - \$509,999	1	-	1	-
\$550,000 - \$559,999	1	-	1	-
\$1,170,000 - \$1,179,999	1	1	1	1
<b>Total number of executive officers</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>14</b>
<b>Aggregate remuneration of executives (\$'000)</b>	<b>6,331</b>	<b>5,969</b>	<b>6,331</b>	<b>5,969</b>

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2019**

**30 Key Management Personnel Disclosures (Continued)**

(d) *Key management personnel compensation*

	Consolidated		The University	
	2019	2018	2019	2018
	000's	000's	000's	000's
	\$	\$	\$	\$
Short-term employee benefits	5,486	5,181	5,486	5,181
Post-employment benefits	845	788	845	788
<b>Total key management personnel compensation</b>	<b>6,331</b>	<b>5,969</b>	<b>6,331</b>	<b>5,969</b>

The Department of Education and Training Guidelines specify that: "For the purposes of AASB 124, 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". The Department of Education guidelines provide further guidance on the definition of key management personnel applicable to Universities by stating that "such persons should have authority and responsibility for planning, directing and controlling the activities of the whole University, and not just a faculty".

(e) *Related party transactions*

From time to time the University Council members have interests with which the University conducts business. In all cases, transactions are undertaken on a normal commercial basis. The University may employ close family members of senior management. When this occurs it follows normal recruitment practice.

In 2019 the following transactions occurred between the University and entities in which Council members have declared an interest:

Entity	Nature of goods/service	Council member and Senior Management interest	Value \$'000
ACH Group	Health related	Director	99
Adelaide Community Health Care Alliance Inc	Health related	Director	580
AusSMC	Media company	Director	36
Australian Institute of Company Directors	Education	Director	66
Bedford Phoenix Group	Grounds maintenance	Director	38
Defence Innovation Partnership	Research & development	Director	45
eResearch SA Ltd	Technology solutions	Director	33
FMC Foundation Incorporated	Charitable foundation	Director	432
IDP Education	Education	Director	779
NAHLN	Health related	Director	21
RAA	Security services	Director	11
SATAC	Education	Director	595
SAHMRI	Health related	Director	2,333

From time to time there may be Council or Senior Executive Team (SET) members that have associated parties employed by the University. When this occurs the standard recruitment process applies.

## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 31 Remuneration of Auditors

During the year, the following fees were paid for services provided by the auditor of the University, its related practices and non-related audit firms:

	Consolidated		The University	
	2019	2018	2019	2018
	000's	000's	000's	000's
	\$	\$	\$	\$
<b>Audit the Financial Statements</b>				
Fees paid to the South Australian Auditor-General's Department	302	296	302	296
Nexia Edwards Marshall	17	40	-	-
<b>Total paid for audit</b>	<b>319</b>	<b>336</b>	<b>302</b>	<b>296</b>
<b>Other audit and assurance services</b>				
<b>Fees paid to main audit firm</b>				
Fees paid to KPMG	244	233	244	233
Fees paid to others	106	64	89	39
<b>Total paid for audit and assurance</b>	<b>350</b>	<b>297</b>	<b>333</b>	<b>272</b>
<b>Total remuneration for audit services</b>	<b>669</b>	<b>633</b>	<b>635</b>	<b>568</b>

Fees paid to other audit and assurance services include payment for internal audit (KPMG), audit of the Higher Education Research Data Collection (Messenger Zerner) and grant reporting, and medical grant programs (Australian Independent Audit Services).

It is the consolidated entity's policy to seek competitive tenders for all major consulting projects.

### 32 Contingencies

#### *Contingent assets*

There are no contingent assets.

#### *Contingent liabilities*

The University is an exempt employer for ReturnToWorkSA purposes. The University is required by ReturnToWorkSA to have a bank guarantee in place for the purposes of covering workers compensation liabilities in the event that the University was unable to pay them. As at 31 December 2019 the University had a bank guarantee facility of \$1.169 million in place (2018: \$1.169 million).

#### *Contingent liabilities arising from Group's interests in joint ventures and associates*

There are no contingent liabilities.

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2019**

**33 Commitments**

(a) *Capital commitments*

Capital expenditure contracted for at the reporting date but not recognised as liabilities is as follows:

	Consolidated		The University	
	2019	2018	2019	2018
	000's	000's	000's	000's
	\$	\$	\$	\$
<b>Property, plant and equipment</b>				
Within one year	10,815	5,142	10,815	5,142
<b>Total PPE commitments</b>	<b>10,815</b>	<b>5,142</b>	<b>10,815</b>	<b>5,142</b>
<b>Intangibles</b>				
Within one year	3,810	4,366	3,810	4,366
Between one year and five years	70	70	70	70
<b>Total intangible asset commitments</b>	<b>3,880</b>	<b>4,436</b>	<b>3,880</b>	<b>4,436</b>
<b>Total capital commitments</b>	<b>14,695</b>	<b>9,578</b>	<b>14,695</b>	<b>9,578</b>

(b) *Other expenditure commitments*

Commitments in existence at the reporting date but not recognised as liabilities payable:

	Consolidated		The University	
	2019	2018	2019	2018
	000's	000's	000's	000's
	\$	\$	\$	\$
Within one year	18,144	15,897	18,144	13,242
Between one year and five years	8,108	8,897	8,108	8,070
<b>Total</b>	<b>26,252</b>	<b>24,794</b>	<b>26,252</b>	<b>21,312</b>

(c) *University as Lessor*

Lease receivables contracted but not included in the financial statements and receivable as follows:

	Consolidated		The University	
	2019	2018	2019	2018
	000's	000's	000's	000's
	\$	\$	\$	\$
Within one year	729	1,010	729	1,010
Between one year and five years	721	2,027	721	2,027
Later than five years	239	347	239	347
<b>Total lease commitments as lessor</b>	<b>1,689</b>	<b>3,384</b>	<b>1,689</b>	<b>3,384</b>

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2019**

**33 Commitments (Continued)**

(c) *University as Lessor (Continued)*

The University has accommodation for 561 students available on campus that are leased on a yearly basis. As leases are not entered into until February and are completed before the end of the year, they are not included in the above amounts above.

The above table includes investment property operating leases (refer Note 22).

The University leases a small amount of spaces on its main campus to commercial entities that provide services to students and staff.

(d) *Operating Leases*

The University has various operating leases of property and equipment. Lease amounts have only been included in the table where there is a non-cancellable commitment.

	Consolidated		The University	
	2019	2018	2019	2018
	000's	000's	000's	000's
	\$	\$	\$	\$
Total lease payments as an expense during reporting period	-	4,258	-	4,226
<b>Commitments in relation to leases contracted for as at reporting date but not recognised as liabilities are payable as follows:</b>				
Within one year	-	2,420	-	2,420
Between one year and five years	-	9,876	-	9,876
Later than five years	-	9,344	-	9,344
<b>Total future minimum lease payments</b>	-	<b>21,640</b>	-	<b>21,640</b>

(e) *Finance Leases*

The University has finance leases relating to network equipment. Commitments in relation to finance leases are payable as follows:

	Consolidated		The University	
	2019	2018	2019	2018
	000's	000's	000's	000's
	\$	\$	\$	\$
Within one year	-	1,302	-	1,302
Between one year and five years	-	2,604	-	2,604
Total future minimum lease payments	-	3,906	-	3,906
Less future finance charges	-	267	-	267
<b>Finance lease liabilities</b>	-	<b>3,639</b>	-	<b>3,639</b>

## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 34 Related Parties

(a) *Parent entities*

The ultimate parent entity within the Consolidated entity is Flinders University.

(b) *Subsidiaries, joint operations and associates*

Interests in subsidiaries are set out in Note 35, interests in joint operations are set out in Note 36 and interests in associates and joint ventures are set out in Note 21.

(c) *Council members and senior management*

Disclosures relating to the University Council Members and Senior Management are set out in Note 30.

(d) *Students at the Flinders University*

From time to time, Council members will have members of their immediate family who are students at the University. 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.

(e) *Loans to/from subsidiaries and associates*

	<b>The University</b>	
	<b>2019</b>	<b>2018</b>
	<b>000's</b>	<b>000's</b>
	<b>\$</b>	<b>\$</b>
	<hr/>	
<b>Loans to subsidiaries</b>		
Beginning of the year	-	2,324
Loans written off	-	(2,324)
	<hr/>	
<b>End of year</b>	<b>-</b>	<b>-</b>
	<hr/> <hr/>	
<b>Loans to associates</b>		
Loans advanced	<b>750</b>	-
Loan repayments received	<b>(78)</b>	-
	<hr/>	
<b>End of year</b>	<b>672</b>	<b>-</b>
	<hr/> <hr/>	

A loan was advanced during the year to an associated entity Flinders Reproductive Medicine Pty Ltd (Flinders Fertility), for \$750,000 and repayable on commercial terms by 31 July 2022.



## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 35 Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries:

Name of Entity	Principal Activities	Ownership interest	
		2019 %	2018 %
Flinders Bioremediation Pty. Ltd. <sup>1</sup>	Develop and extend commercial activities of the University in the areas of soil bioremediation, organic waste management and related technologies.	100.0	100.0
Flinders University Sport & Fitness Inc. (formerly Flinders Campus Community Services Inc.)	Provides on-campus services and support for students	100.00	100.00
Flinders Partners Pty. Ltd.	Commercialisation of University sourced intellectual property and conduct of commercial consultancies	100.00	100.00
<i>Subsidiaries of Flinders Partners Pty. Ltd.:</i>			
Strategiize Pty. Ltd.	Software development company.	100.00	100.00
InRemedy Pty. Ltd. <sup>2</sup>	Healthcare consultancy	100.00	100.00
UniPartners Pty Ltd. <sup>3</sup>	Research development company.	62.00	62.00
FCD Health <sup>4</sup>	Operate the Palmerston GP Super Clinic providing placements for medical students in NT.	50.00	50.00
Lung Health Diagnostics Pty. Ltd.	Biotech development company.	60.00	60.00

<sup>1</sup> Placed in liquidation in 2019.

<sup>2</sup> InRemedy Pty Ltd was deregistered on 13 January, 2019.

<sup>3</sup> Unipartners Pty Ltd is a dormant company with limited investment holdings.

<sup>4</sup> FCD Health cannot pay dividends and on wind up the assets cannot be distributed to the University.

#### Accounting Policy

The Consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the University as at 31 December 2019 and the results of all subsidiaries for the year then ended. The University and its subsidiaries together are referred to in this financial report as the Group or the Consolidated entity.

The financial statements of the Consolidated entity comprise the accounts of Flinders University (the Parent entity) and all of its subsidiaries. A subsidiary is any entity controlled by the University. Control exists where the University is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Subsidiaries are fully consolidated from the date on which control is transferred to the University. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between members of the Consolidated entity are eliminated to the extent of the Consolidated entity's interest in the subsidiaries. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Consolidated entity.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, statement of financial position and statement of changes in equity respectively.

Loss of control of the subsidiary will result in derecognition of the assets and liabilities of the former subsidiary from the consolidated statement of financial position. Any investment retained in the former subsidiary is recognised and accounted for in accordance with the relevant Standards. The loss or gain associated with loss of control attributable to

## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 35 Subsidiaries (Continued)

*Accounting Policy (Continued)*

the former controlling interest is recognised.

### 36 Joint Operations

Name of joint operation	Nature of relationship	Principal place of business	Ownership interest/ voting rights held	
			2019	2018
Rubuntja, Building, Alice Springs Hospital	Education and research services providing health services to local and remote indigenous populations.	Northern Territory	41.0	41.0
Universities Research Repositories of South Australia	Provision of storage areas for library materials from three South Australian universities.	South Australia	28	28

The assets employed in the above jointly controlled operations are detailed below. The amounts are included in the financial statements under their respective categories.

	Consolidated		The University	
	2019 000's \$	2018 000's \$	2019 000's \$	2018 000's \$
<b>Property, plant and equipment:</b>				
Rubuntja, Building, Alice Springs Hospital	875	875	875	875
Universities Research Repositories of South Australia (URRSA)	5,700	1,447	5,700	1,447
<b>Total</b>	<b>6,575</b>	<b>2,322</b>	<b>6,575</b>	<b>2,322</b>

The University's joint operations have no contingent liabilities as at 31 December 2019 (2018: \$nil).

The University operates a joint facility for the storage of library materials in conjunction with the University of Adelaide, and the University of South Australia. The value recorded in 2019 reflects 100% ownership of the building, with increases in fair value taken to the asset revaluation reserve. In prior years the storage facility was recognised on a basis that was proportional to the joint ownership of the operation.

The University also has collaborative arrangements in place with a number of overseas institutions for joint teaching of students. Revenue is shared between the University and collaborating institutions. The University's share of revenues and expenses are included in the income statement.

*Accounting Policy*

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has, rather than the legal structure of the joint arrangement.

The University's share of assets, liabilities, revenue and expenses of a joint operation have been incorporated in the financial statements under the appropriate headings.

## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 37 Interests in Co-operative Research Centres

The University participates in a number of Cooperative Research Centres (CRC) Programme. A CRC is a research initiative of the Australian Government established to pursue specific areas of research and supports industry-led collaborations between researchers, industry and the community. Flinders University participates in the below listed CRCs but does not control or have any significant influence in these entities that require the University to record them as either Joint Operations or Associates. The University does not record any of the CRC entities as investments in the financial statements.

Name of Entity	Principal Activity
Alertness CRC Ltd	To promote the prevention and control of sleep loss and sleep disorders and to develop new tools and products for individuals and organisations to improve alertness, productivity and safety.
Innovative Manufacturing CRC	To lead Australia's transition into high value, high knowledge based manufacturing through support and facilitation of innovative manufacturing organisations.
Australasian Pork Research Institute	To maintain local pork production of high quality food for a reasonable price and return on production capital invested, without negatively impacting pig welfare, the environment or the health of the consumer.
Defend Tex Pty Ltd	To provide defence technology to military and law enforcement to communities around the world.
The CRC for Remote Economic Participation	To deliver solutions to the economic challenges that affect remote Australia.
The Lowitja Institute	To provide a cross cultural framework for strategic research leading to evidence based improvements in education and health practice.

### 38 Events Occurring After the Reporting Date

The University has long term investments in Australian and International equities managed by professional fund managers. The value of these investments fluctuates broadly in line with indicators of equity market movements and any adjustments to these values are taken up as unrealised gains or losses in the Income Statement. Note 19 has information about the value of these investments at 31 December 2019.

The University entered into a contract to acquire outright a parcel of land, within its Bedford Park campus from the State Government of South Australia. The contract has been signed, and settlement took place on 7 February 2020. An amount of \$18.4m was paid by the University.

The impact of the global COVID-19 pandemic is expected to have an impact on the financial performance and liquidity of the University in 2020. As at the time of completion of the 2019 financial statements, the University is not yet in a position to fully assess the severity of the impact. The University has implemented a number of management actions designed to mitigate any negative consequences, and continues to monitor the situation on an ongoing basis.

## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 39 Reconciliation of net result to net cash provided by / (used in) operating activities

	Consolidated		The University	
	2019	2018	2019	2018
	000's	000's	000's	000's
	\$	\$	\$	\$
Net result for the period	<b>25,333</b>	19,169	<b>25,080</b>	21,071
<b>Non-cash items:</b>				
Depreciation and amortisation	11	<b>42,260</b>	38,124	<b>42,120</b>
Net (gain) / loss on sale of non-current assets		<b>(226)</b>	(290)	<b>(226)</b>
Net contribution of assets	9	<b>(104)</b>	(99)	<b>(104)</b>
Fair value gains on other financial assets at fair value through profit or loss	19	<b>(9,232)</b>	3,060	<b>(9,232)</b>
Impairment of assets		<b>9</b>	4,227	<b>(192)</b>
Investment expense paid direct from funds		<b>137</b>	136	<b>137</b>
Other		<b>316</b>	(994)	<b>141</b>
<b>Total non-cash items</b>		<b>33,160</b>	44,164	<b>32,644</b>
<b>Change in operating assets and liabilities:</b>				
(Increase) / decrease in receivables		<b>(7,045)</b>	(2,629)	<b>(7,138)</b>
(Increase) / decrease in inventories		<b>19</b>	2	<b>19</b>
(Increase) / decrease in other operating assets		<b>(3,723)</b>	(2,004)	<b>(3,709)</b>
Increase / (decrease) in payables		<b>(10,771)</b>	4,169	<b>(10,120)</b>
Increase / (decrease) in other provisions		<b>5,235</b>	1,428	<b>5,225</b>
Increase / (decrease) in other operating liabilities		<b>9,957</b>	(2,898)	<b>9,989</b>
<b>Net cash provided by / (used in) operating activities</b>		<b>52,165</b>	61,401	<b>51,990</b>

#### Cash balances not available for use

All cash balances are available for use (2018: all available).

#### Tax status

The activities of the University are exempt from income tax. Certain subsidiaries may pay tax but as the amount is immaterial it is included under other expenses.

### 40 Non-cash investing and financing activities

During the reporting period the University acquired works of art and library materials with an aggregate fair value of \$0.03 million (2018: \$0.1 million) through donations. These acquisitions are not reflected in the Statement of Cashflows.

## Notes to the Financial Statements For the Year Ended 31 December 2019

### 41 Financial Risk Management

The Consolidated entity's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The University has policies that manage financial instrument risk.

Investments tend to be largely held in term deposits with banking institutions, with a policy requirement that no more than 60% of short term investments are held with a single financial institution. The University's policy on short term investments requires investments to have a minimum Standard & Poors' or equivalent short-term credit rating of A-1. The University invests in Australian and International equities, mostly through professional fund managers. The University utilises derivative instruments such as forward exchange contracts solely to hedge foreign currency cash flow exposures. Investment funds managers used by the University also utilise derivative instruments in accordance with their respective risk policies which have been reviewed and accepted by the University. Debtors are spread across a large number of customers and are predominantly public sector. The University holds funds on behalf of other entities associated with the University and these funds are invested with University investments with the entities receiving a share of the investment returns.

The Consolidated Entity uses forward exchange contracts to manage foreign currency cash flow risk, however other types of derivative financial instruments such as interest rate swaps are not directly used. The Consolidated Entity has approved the use of derivatives by its appointed Fund Managers within the bounds of their risk management policies. The main risks the Consolidated Entity is exposed to through its financial instruments are interest rate risk, foreign exchange risk, price risk, credit risk and liquidity risk.

(a) *Market risk*

(i) *Foreign exchange risk*

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Consolidated entity's exposure to foreign exchange risk includes its investments in international equities of \$13.6 million in 2019 (2018: 10.4 million), foreign currency cash holdings of \$1.71 million in AUD equivalent (2018: \$0.6 million) and there is the equivalent of AUD \$0.2 million (2018: \$0.8 million) denoted in foreign currency receivables. There are \$Nil (2018: \$1.1 million) of trade and other payables denoted in foreign currency as per Note 25. The University utilised cash flow hedges to manage currency risk exposures. The net loss on cash flow hedges in 2019 was \$0.14 million (2018: gain \$0.08 million).

(ii) *Price risk*

Price risk is the risk that the value of a financial instrument will fluctuate due to the volatility of its share price. The Consolidated entity's exposure to price risk is limited to its shareholdings in Australian companies of \$81.6 million in 2019 (2018: \$60.0 million).

(iii) *Cash flow and fair value interest rate risk*

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Consolidated Entity has a finance lease with a fixed implicit interest rate with no other borrowings and therefore its interest rate risk exposure relates to income only. As at 31 December 2019 the Consolidated Entity held \$20.37 million (2018: \$53.09 million) in term deposits and short-term deposits earning interest at market rates. Refer Note 16 and Note 19. The Consolidated Entity also held \$36.12 million (2018: \$33.45 million) in fixed interest managed funds. Refer Note 19.

**Notes to the Financial Statements**  
For the Year Ended 31 December 2019

**41 Financial Risk Management (Continued)**

(a) *Market risk (Continued)*

(iv) *Summarised sensitivity analysis*

The following tables summarise the sensitivity of the Consolidated entity's financial assets and financial liabilities to interest rate risk, foreign exchange risk and other price risk.

**31 December 2019**

	Carrying amount	Interest rate risk				Foreign exchange risk				Other price risk			
		-1%		+1%		-1%		+1%		-1%		+1%	
		Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity
	000's	000's	000's	000's	000's	000's	000's	000's	000's	000's	000's	000's	000's
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Financial assets</b>													
Cash and Cash Equivalents	65,366	(640)	(640)	640	640	(20)	(20)	20	20	-	-	-	-
Trade and other receivables	71,549	-	-	-	-	(2)	(2)	2	2	-	-	-	-
Other financial assets	152,491	(570)	(570)	570	570	(136)	(136)	136	136	(953)	(953)	953	953
<b>Financial liabilities</b>													
Payables	(44,896)	-	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	(313)	3	3	3	3	-	-	-	-	-	-	-	-
Total increase/(decrease)	244,197	(1,207)	(1,207)	1,213	1,213	(158)	(158)	158	158	(953)	(953)	953	953

**Notes to the Financial Statements**  
For the Year Ended 31 December 2019

**41 Financial Risk Management (Continued)**

(a) *Market risk (Continued)*

31 December 2018

	Carrying amount	Interest rate risk				Foreign exchange risk				Other price risk			
		-1%		+1%		-1%		+1%		-1%		+1%	
		Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity
	000's	000's	000's	000's	000's	000's	000's	000's	000's	000's	000's	000's	000's
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Financial assets</b>													
Cash and Cash Equivalents	39,456	(389)	(389)	389	389	(10)	(10)	10	10	-	-	-	-
Receivables	64,031	-	-	-	-	(8)	(8)	8	8	-	-	-	-
Other financial assets	158,428	(861)	(861)	861	861	(104)	(104)	104	104	(677)	(677)	677	677
<b>Financial liabilities</b>													
Payables	(55,368)	-	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	(245)	1,250	1,250	(1,250)	(1,250)	122	122	(122)	(122)	677	677	(677)	(677)
Total increase/(decrease)	206,302	(1,252)	(1,252)	1,252	1,252	(122)	(122)	122	122	(677)	(677)	677	677

The interest rate risk on other financial liabilities not included above is nil as these funds are invested on behalf of related entities and they bear the interest rate risk. For foreign exchange risk, a 1% movement in exchange rates would vary investments by \$108 thousand and receivables by \$2 thousand.

The above sensitivity analysis has been prepared on the assumption that all other variables remain constant.

(b) *Credit risk*

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The maximum exposure to credit risk at balance date to recognised financial assets is the carrying amount net of any provisions for impairment of those assets, as disclosed in the Statement of Financial Position and Notes to the financial statements. Except for the following concentration of credit risk, the Consolidated entity does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Consolidated entity:

- Superannuation receivable from the South Australian Superannuation Board of \$53.1 million (2018: \$49.75 million).

**Notes to the Financial Statements**  
For the Year Ended 31 December 2019

**41 Financial Risk Management (Continued)**

(c) *Liquidity risk*

Liquidity risk is the risk that financial obligations will not be able to be met when they fall due. The University manages liquidity risk by monitoring forecast cash flows and maintains sufficient cash to maintain short term flexibility and enable the University to meet financial commitments in a timely manner.

At reporting date the carrying amount of financial assets and liabilities approximates their net fair values.

The Consolidated Entity's exposure to interest rate risks and the effective interest rates of financial assets and liabilities at balance date are shown below:

	Average Interest rate		Variable interest rate		Less than 1 year		1 to 5 years		5+ years		Non-Interest Bearing		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	%	%	000's	000's	000's	000's	000's	000's	000's	000's	000's	000's	000's	000's
<b>Financial Assets:</b>														
Cash and cash equivalents	1.05	1.88	63,647	38,857	-	-	-	-	-	-	1,719	599	65,366	39,456
Receivables	-	-	-	-	-	-	-	-	-	-	71,548	64,031	71,548	64,031
Other financial assets	1.65	2.66	28,213	-	21,624	53,092	3,607	21,695	3,532	11,362	95,714	72,280	152,690	158,429
<b>Total Financial Assets</b>			<b>91,860</b>	<b>38,857</b>	<b>21,624</b>	<b>53,092</b>	<b>3,607</b>	<b>21,695</b>	<b>3,532</b>	<b>11,362</b>	<b>168,981</b>	<b>136,910</b>	<b>289,604</b>	<b>261,916</b>
<b>Financial Liabilities:</b>														
Payables	-	-	-	-	-	-	-	-	-	-	44,896	55,369	44,896	55,369
Amounts payable to external parties	2.66	2.66	-	-	313	245	-	-	-	-	-	-	313	245
<b>Total Financial Liabilities</b>			<b>-</b>	<b>-</b>	<b>313</b>	<b>245</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>44,896</b>	<b>55,369</b>	<b>45,209</b>	<b>55,614</b>
			<b>91,860</b>	<b>38,857</b>	<b>21,311</b>	<b>52,847</b>	<b>3,607</b>	<b>21,695</b>	<b>3,532</b>	<b>11,362</b>	<b>124,085</b>	<b>81,541</b>	<b>244,395</b>	<b>206,302</b>



## Notes to the Financial Statements

### For the Year Ended 31 December 2019

#### 42 Fair Value Measurement

(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 cash and cash equivalents and 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 balance date are:

Consolidated	Note	Carrying Amount		Fair Value	
		2019 000's \$	2018 000's \$	2019 000's \$	2018 000's \$
<b>Financial assets</b>					
Cash and cash equivalents	16	65,366	39,456	65,366	39,456
Trade and other receivables	17	71,548.00	64,031.00	71,548.00	64,031
Investments using the equity method	21	2,403.00	1,919.00	2,403.00	1,919
<b>Other financial assets</b>					
At amortised cost	19	20,367.00	53,092.00	20,367.00	53,092
Designated at fair value through other comprehensive income	19	41,622.00	24,866.00	41,622.00	24,866
Designated at fair value through profit & loss	19	90,501.00	80,471.00	90,501.00	80,471
<b>Total financial assets</b>		<b>291,807.00</b>	<b>263,835.00</b>	<b>291,807.00</b>	<b>263,835</b>
<b>Non-financial assets</b>					
Other non-financial assets	20	12,673.00	8,950.00	12,673.00	8,950
<b>Financial Liabilities</b>					
Payables	25	44,898.00	55,369.00	44,898.00	55,369
Borrowings	26	11,050.00	3,639.00	11,050.00	3,639
Other financial liabilities		313.00	245.00	313.00	245
<b>Total financial liabilities</b>		<b>56,261.00</b>	<b>59,253.00</b>	<b>56,261.00</b>	<b>59,253</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
- financial assets at fair value through other comprehensive income
- land and buildings
- Investment properties

(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.

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2019**

**42 Fair Value Measurement (Continued)**

(b) *Fair value hierarchy (Continued)*

- Level 1 quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 inputs other than quoted prices included 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)

Fair value measurements recognised in the statement of financial position are categorised into the following levels at 31 December 2019.

*Fair value measurements at 31 December 2019*

<b>Consolidated</b>	<b>Note</b>	<b>2019 000's \$</b>	<b>Level 1 000's \$</b>	<b>Level 2 000's \$</b>	<b>Level 3 000's \$</b>
<b>Recurring fair value measurements</b>					
<b>Financial assets</b>					
Other financial assets at fair value through profit or loss	19	90,501	-	90,501	-
Other financial assets at fair value through other comprehensive income	19	41,622.00	-	-	41,622.00
Investments using the equity method	21	2,403.00	-	-	2,403.00
Total financial assets		<u>134,526.00</u>	-	<u>90,501</u>	<u>44,025.00</u>
<b>Non-financial assets</b>					
Investment properties	22	8,404.00	-	-	8,404.00
Land and buildings	23	537,180.00	-	-	537,180.00
Library		25,408.00	-	-	25,408.00
Works of Art		6,934.00	-	-	6,934.00
Total non-financial assets		<u>577,926.00</u>	-	-	<u>577,926.00</u>
<b>Financial liabilities</b>					
Derivatives used for hedging		141.00	-	141	-
Total liabilities		<u>141.00</u>	-	<u>141</u>	-

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2019**

**42 Fair Value Measurement (Continued)**

(b) *Fair value hierarchy (Continued)*

*Fair value measurements at 31 December 2018*

<b>Consolidated</b>	<b>Note</b>	<b>2018 000's \$</b>	<b>Level 1 000's \$</b>	<b>Level 2 000's \$</b>	<b>Level 3 000's \$</b>
<b>Recurring fair value measurements</b>					
<b>Financial assets</b>					
Financial assets at fair value through profit or loss:					
Equity securities	19	45,559	1,496	41,020	3,043
Debt securities	19	34,912	-	34,912	-
Financial assets at fair value through other comprehensive income:					
Other entities	19	24,866	-	-	24,866
Investments using the equity method	21	1,919	-	-	1,919
Total financial assets		<u>107,256</u>	<u>1,496</u>	<u>75,932</u>	<u>29,828</u>
<b>Non-financial assets</b>					
Investment properties	22	8,404	-	-	8,404
Land and buildings	23	533,685	-	-	533,685
Non-current assets (or disposal groups) held for sale					
Library		24,113	-	-	24,113
Works of Art		6,855	-	-	6,855
Derivatives used for hedging		83	-	83	-
Total non-financial assets		<u>573,140</u>	<u>-</u>	<u>83</u>	<u>573,057</u>
<b>Financial liabilities</b>					

(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, managed investments and cash flow hedges) are 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.

The Consolidated entity uses quoted market prices or dealer quotes based on market conditions existing at each balance date. All of the resulting fair value estimates are 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 accounted for using the equity method.

An independent valuation was performed in December 2019 on investment properties and on freehold land and building (classified as property, plant and equipment). All properties are revalued independently at least every three years. At the end of each reporting period, the Consolidated entity updates their assessment of the fair value of each property, taking into account the most recent independent valuations. The Consolidated entity determines the property's value within a range of reasonable fair value estimates.

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2019**

**42 Fair Value Measurement (Continued)**

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

The best evidence of fair value is the current price in an active market for similar properties. Where such information is not available the Consolidated entity considers information from a variety of sources, including:

- current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences;
- capitalised income projections based on a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence.

All resulting fair value estimates for properties are included in level 3.

(d) *Valuation inputs and relationships to fair value*

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

Consolidated Description 31 December 2019	Fair Value 000's \$	Unobservable inputs	Range of inputs (probability weighted average)	Relationship of unobservable inputs to fair value
Unlisted equity securities	44,666	Earnings growth factor	Net asset position and future earnings	Increase in net assets and increase in future earnings would result in higher fair value. Decrease in net assets and decrease in future earnings would result in lower fair value.

**Notes to the Financial Statements**  
For the Year Ended 31 December 2019

**42 Fair Value Measurement (Continued)**

(e) *Fair value measurements using significant unobservable inputs (level 3)*

The following table is a reconciliation of level 3 items for the periods ending 31 December 2019 and 2018:

**Consolidated**

	Unlisted securities 000's	Land, Buildings & Infrastructure 000's	Library 000's	Works of Art 000's	Investment Properties 000's	Other financial assets 000's	Total 000's
	\$	\$	\$	\$	\$	\$	\$
<b>Level 3 Fair Value Measurement 2019</b>							
Opening balance	27,909	533,685	24,113	6,855	8,404	2,328	603,294
<b>Gain/(losses) in profit or loss</b>							
Additions	-	18,723	5,579	79	-	-	24,381
Depreciation recognised in net result	-	(19,878)	(4,284)	-	-	-	(24,162)
<b>Total gains/(losses)</b>	<b>27,909</b>	<b>532,530</b>	<b>25,408</b>	<b>6,934</b>	<b>8,404</b>	<b>2,328</b>	<b>603,513</b>
<b>Gains/(losses) in other comprehensive income</b>							
Recognised in other comprehensive income	16,757	-	-	-	-	-	16,757
Revaluation increments/(decrements)	-	4,650	-	-	-	-	4,650
Closing balance	<b>44,666</b>	<b>537,180</b>	<b>25,408</b>	<b>6,934</b>	<b>8,404</b>	<b>2,328</b>	<b>624,920</b>

**Notes to the Financial Statements**  
For the Year Ended 31 December 2019

**42 Fair Value Measurement (Continued)**

*Fair value measurements using significant unobservable inputs (level 3) (Continued)*

**Consolidated**

	Unlisted securities 000's	Land, Buildings & Infrastructure 000's	Library 000's	Works of Art 000's	Investment Properties 000's	Other financial assets 000's	Total 000's
	\$	\$	\$	\$	\$	\$	\$
<b>Level 3 Fair Value Measurement 2018</b>							
Opening balance	19,232	535,936	21,761	6,357	8,703	1,652	593,641
<b>Gains/(Losses) in profit or loss</b>							
Additions		17,033	6,320	15	-	976	24,344
Disposals/distributions				-	-	(300)	(300)
Depreciation recognised in net result		(19,284)	(3,968)	-	-	-	(23,252)
<b>Total gains/(losses) in profit or loss</b>	19,232	533,685	24,113	6,372	8,703	2,328	594,433
<b>Gains/(Losses) in other comprehensive income</b>							
Recognised in other comprehensive income	8,621			-	-	-	8,621
Revaluation increments/(decrements)	56			483	(299)	-	240
Closing balance	27,909	533,685	24,113	6,855	8,404	2,328	603,294

## Notes to the Financial Statements

### For the Year Ended 31 December 2019

#### 42 Fair Value Measurement (Continued)

##### *Accounting Policy*

##### Fair Value

The fair values of investments and other financial assets are based on quoted prices in an active market. If the market for a financial asset is not active (and for unlisted securities), the Consolidated entity establishes fair value by using valuation techniques that maximise the use of relevant data. These include reference to the estimated price in an orderly transaction that would take place between market participants at the measurement date. Other valuation techniques used are the cost approach and the income approach based on the characteristics of the asset and the assumptions made by market participants.

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 assets or liabilities traded in active markets (such as publicly traded derivatives, and equity investments) 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 assets or liabilities that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Consolidated entity uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. 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), such as estimated discounted cash flows, 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 and payables 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 Group for similar financial instruments.

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2019**

**43 Superannuation Plans**

The University contributes to the following employee superannuation funds:

(a) *UniSuper Limited Superannuation Schemes*

(i) *UniSuper Defined Benefit Plan or Accumulation 2*

UniSuper Management Pty Ltd administers the Scheme and UniSuper Ltd is the Trustee. The University contributes at a rate double the contributions made by employees. Employees' contributions are normally 7% of their gross salaries. The fund provides the option of defined benefits based on years of service and final average salary or an accumulation fund.

UniSuper reports its results on a financial year ending 30 June.

In 2006 the UniSuper Trust Deed was amended so that in the event UniSuper assets are insufficient to provide for the benefits payable the Trustee must consider whether to reduce member benefits on a fair and equitable basis instead of requesting additional payments from employers. While remaining a defined benefits plan under superannuation law, the change in the UniSuper Trust Deed effectively alters the nature of the scheme to a defined contribution scheme under AASB 119.

As set out under paragraph 28 of AASB119 a defined benefit contribution plan is a plan 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 2019 the assets of the Defined Benefit Division (DBD) in aggregate were estimated to be:

- \$5,643 million (June 2018: \$3,785 million) above vested benefits. 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 DBD.
- \$7,301 million (June 2018: \$5,477 million) above accrued benefits. 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 vested benefit and accrued benefit liabilities were determined by the Fund's actuary using the actuarial demographic assumptions outlined in their report on the actuarial investigation of the DBD as at 1 July 2019. The financial assumptions used were:

	<b>Vested Benefits</b>	<b>Accrued Benefits</b>
	%	%
<b>Gross of tax investment return:</b>		
- Defined Benefit Division pensions	4.80	6.10
- Commercial rate indexed pensions	2.40	2.40
Net of tax investment return - non pensioner members	4.30	5.50
Consumer Price Index	2.00	2.00
<b>Inflationary salary increases long term</b>		
- For the next 3 years	2.75	2.75
- Beyond 3 years	3.00	3.00

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

At 1 July 2019 the Vested Benefit Index (VBI) was 125.4% (2018: 118.5%) and the Accrued Benefit Index (ABI) was 135.5% (2018: 129.1%). As a result of the VBI being greater than 100% at this date, the monitoring period and process set out in Clause 34 of the Trust Deed has not been instigated.



**Notes to the Financial Statements**  
**For the Year Ended 31 December 2019**

**43 Superannuation Plans (Continued)**

(a) *UniSuper Limited Superannuation Schemes (Continued)*

(ii) *UniSuper Award Plus Plan*

UniSuper Management Pty Ltd administers the scheme with UniSuper Ltd as the Trustee. The University contributes to the scheme at a rate determined by the trust deed. The scheme is non-contributory for employees. The fund provides benefits based on the defined contributions of the University during the membership of the employee.

The University also makes contributions into the scheme for employee benefits arising under the Superannuation Guarantee Legislation

(b) *South Australian Superannuation Scheme*

*Fund specific disclosure*

The University has 64 (2018: 66) present and former employees who are members of closed State Government Pension and Lump Sum superannuation schemes. Under the schemes, defined benefits are paid as a lump sum or continuing pension on the termination of the employees' service, based on contributions made by the employee and the employees' final salary. Employee contributions and certain employer contributions are paid to the South Australian Superannuation Board (the Board) which is responsible for administering the schemes. Under current arrangements, the Board pays the benefits and is reimbursed by the University for the shortfall in the employer's contribution. The Commonwealth Government funds the University on an emerging cost basis and recovers the State's share of the cost directly from the State government.

The University's superannuation liability with respect to future benefits for current employees and pensioners was assessed as at 31 December 2019. This assessment was performed by Brett & Watson Pty Ltd Consulting Actuaries on information that was provided by the Director Superannuation, South Australian Department of Treasury and Finance. The University's superannuation liability was assessed as being \$53.1 million (2018: \$49.7 million). The net unfunded amount has been recognised in the accounts of the University as a liability with a corresponding receivable from the Commonwealth government (see Note 17). Recognition of the receivable from the Commonwealth is in accordance with Department of Education and Training Guidelines and reflects an assessment that while there is no specific legislated requirement, the Commonwealth has committed to funding the University's emerging costs.

The University expects to make a contribution of \$3.0 million (2018: \$3.0 million) to the defined benefit plan during the next financial year.

The weighted average duration of the defined benefit obligation is 12.61 years (2018: 12.97 years). The expected maturity analysis of undiscounted benefit obligations is as follows:

	Less than 1 year 000's \$	Between 1 and 2 years 000's \$	Between 2 and 5 years 000's \$	Over 5 years 000's \$	Total 000's \$
Defined benefit obligations - 31 December 2019	2,968	3,016	9,261	54,647	69,892
Defined benefit obligations - 31 December 2018	2,957	3,036	9,473	57,901	73,367

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2019**

**43 Superannuation Plans (Continued)**

(c) *Categories of plan assets*

	2019 (%)		2018 (%)	
	Active Market	No Active Market	Active Market	No Active Market
Cash and Cash Equivalents	1.50	-	0.90	-
Equity instruments	51.30	-	53.60	-
Property	2.80	14.40	2.40	13.90
Diversified strategies growth	-	16.60	0.70	13.20
Diversified strategies income	13.40	-	14.40	-
Inflation linked securities	-	-	0.70	0.20
<b>Total</b>	<b>69.00</b>	<b>31.00</b>	<b>72.70</b>	<b>27.30</b>

The principal assumptions used for the purposes of the actuarial valuations were as follows (expressed as weighted averages):

	2019 %	2018 %
Discount rate(s)	1.40	2.40
Expected rate(s) of salary increase	4.00	4.00
Long term CPI Increases	2.50	2.50
Expected return of plan assets	1.40	2.40

(d) *Actuarial assumptions and sensitivity*

The sensitivity of the defined benefit obligation to change in the significant assumptions is:

	Increase in assumption %	Impact on DBO liability %	Decrease in assumption %	Impact on DBO liability %
Discount rate	0.5	(5.4)	(0.5)	5.9
Expected rate of salary increase	0.5	0.1	(0.5)	(0.1)

The above sensitivity analyses are based on a change in an assumption while holding all the other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method has been applied as when calculating the defined benefit liability recognised in the statement of financial position.

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2019**

**43 Superannuation Plans (Continued)**

(e) *Statement of financial position amounts*

	2019 000's	2018 000's
Note	\$	\$
<b>Present value of defined benefit obligation</b>		
Opening defined benefit obligation	54,316	53,291
Current service cost	29	25
Interest expense	1,268	1,452
	<u>55,613</u>	<u>54,768</u>
<b>Actuarial losses/(gains)</b>		
Impact of changes in financial assumptions	6,023	2,280
Experience items	(67)	80
	<u>5,956</u>	<u>2,360</u>
Benefits and expenses paid	<u>(3,391)</u>	<u>(2,812)</u>
<b>Closing defined benefit obligation</b>	<u>58,178</u>	<u>54,316</u>
<b>Net liability reconciliation</b>		
Defined benefit obligation	58,178	54,316
Fair value of plan assets	(5,069)	(4,569)
<b>Net liability</b>	<u>53,109</u>	<u>49,747</u>
<b>Total net liability/(asset)</b>	<u>53,109</u>	<u>49,747</u>
<b>Present value of obligation</b>		
Opening defined benefit obligation	49,747	48,768
Defined benefit cost	1,189	1,344
Remeasurements	5,570	2,451
Employer contributions	(3,397)	(2,816)
<b>Total net liability/(asset) in balance sheet</b>	<u>53,109</u>	<u>49,747</u>

27

**Notes to the Financial Statements**  
For the Year Ended 31 December 2019

**44 Acquittal of Australian Government Financial Assistance**

(a) *Education - CGS and other Education grants*

	Commonwealth Grants Scheme <sup>1</sup>		Disability Performance Funding <sup>2</sup>		Promotion of Excellence in Learning and Teaching		Higher Education Participation & Partnership Program		Indigenous Student Success Program		Total	
	2019 000's	2018 000's	2019 000's	2018 000's	2019 000's	2018 000's	2019 000's	2018 000's	2019 000's	2018 000's	2019 000's	2018 000's
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Parent Entity (University) Only</b>												
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)	150,072	148,737	210	248	-	-	2,909	3,170	1,362	1,421	154,553	153,576
Net accrual adjustments	(186)	176	-	-	-	-	-	-	10	(122)	(176)	54
Revenue for the period	149,886	148,913	210	248	-	-	2,909	3,170	1,372	1,299	154,377	153,630
Surplus/(deficit) from the previous year	-	-	-	-	202	294	(43)	8	138	53	297	355
Total revenue including accrued revenue	149,886	148,913	210	248	202	294	2,866	3,178	1,510	1,352	154,674	153,985
Less expenses including accrued expenses	(149,886)	(148,913)	(210)	(248)	(15)	(92)	(2,927)	(3,221)	(1,221)	(1,214)	(154,259)	(153,688)
Surplus/(deficit) for reporting period	-	-	-	-	187	202	(61)	(43)	289	138	415	297

1 Includes the basic CGS grant amount, CGS – Regional Loading, CGS – Enabling Loading, CGS - Medical Student Loading.

2 Disability Performance Funding includes Additional Support for Students with Disabilities and Australian Disability Clearinghouse on Education & Training

**Notes to the Financial Statements**  
For the Year Ended 31 December 2019

**44 Acquittal of Australian Government Financial Assistance (Continued)**

(b) *Higher Education Loan Programs (excl OS-HELP)*

	HECS-HELP (Australian Government payments only)		FEE-HELP		SA-HELP		Total	
	2019 000's	2018 000's	2019 000's	2018 000's	2019 000's	2018 000's	2019 000's	2018 000's
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Parent Entity (University) Only</b>								
Cash Payable/(Receivable) at the beginning of the year	1,542	1,736	321	264	1	(5)	1,864	1,995
Financial assistance received in Cash during the reporting period	92,689	91,839	12,242	10,439	1,945	1,969	106,876	104,247
Cash available for period	94,231	93,575	12,563	10,703	1,946	1,964	108,740	106,242
Revenue earned	92,613	92,033	11,993	10,382	1,953	1,963	106,559	104,378
Cash Payable/(Receivable) at end of year	1,618	1,542	570	321	(7)	1	2,181	1,864

3(b)

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2019**

**44 Acquittal of Australian Government Financial Assistance (Continued)**

(c) *Department of Education and Training Research*

	Research Training Program		Research Support Program		Total	
	2019 000's	2018 000's	2019 000's	2018 000's	2019 000's	2018 000's
	\$	\$	\$	\$	\$	\$
<b>Parent Entity (University) Only</b>						
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)	3(c) 15,172	15,622	11,630	12,271	26,802	27,893
Revenue for the period	15,172	15,622	11,630	12,271	26,802	27,893
Surplus/(deficit) from the previous year	760	657	-	-	760	657
Total revenue including accrued revenue	15,932	16,279	11,630	12,271	27,562	28,550
Less expenses including accrued expenses	(15,350)	(15,519)	(11,630)	(12,271)	(26,980)	(27,790)
Surplus/(deficit) for reporting period	582	760	-	-	582	760

The reported surpluses for Research Training Program of \$582 thousand for 2019 are expected to be rolled over for future use by University.

(d) *Total Higher Education Provider Research Training Program expenditure*

	Total domestic students 000's	Total overseas students 000's
	\$	\$
Research Training Program Fees offsets	9,975	493
Research Training Program Stipends	4,373	454
Research Training Program Allowances	7	48
<b>Total for all types of support</b>	<b>14,355</b>	<b>995</b>

**Notes to the Financial Statements**  
For the Year Ended 31 December 2019

**44 Acquittal of Australian Government Financial Assistance (Continued)**

(e) *Australian Research Council Grants*

	Discovery		Networks and Centres		Linkages (Projects)		Special Research Initiatives		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	000's	000's	000's	000's	000's	000's	000's	000's	000's	000's
<b>Parent Entity (University) Only</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)	<b>5,845</b>	5,132	-	-	<b>1,092</b>	553	-	-	<b>6,937</b>	5,685
Net accrual adjustments	<b>(256)</b>	(287)	<b>96</b>	292	<b>604</b>	257	-	-	<b>444</b>	263
Revenue for the period	<b>5,589</b>	4,845	<b>96</b>	292	<b>1,696</b>	810	-	-	<b>7,381</b>	5,948
Surplus/(deficit) from the previous year	<b>3,712</b>	4,047	<b>259</b>	203	<b>930</b>	1,180	<b>173</b>	188	<b>5,074</b>	5,877
Total revenue including accrued revenue	<b>9,301</b>	8,892	<b>355</b>	495	<b>2,626</b>	1,990	<b>173</b>	188	<b>12,455</b>	12,093
Less expenses including accrued expenses	<b>(5,274)</b>	(5,180)	<b>(242)</b>	(236)	<b>(1,559)</b>	(1,060)	<b>(4)</b>	(15)	<b>(7,079)</b>	(6,733)
Surplus/(deficit) for reporting period	<b>4,027</b>	3,712	<b>113</b>	259	<b>1,067</b>	930	<b>169</b>	173	<b>5,376</b>	5,360

3(d)

## Notes to the Financial Statements

For the Year Ended 31 December 2019

### 44 Acquittal of Australian Government Financial Assistance (Continued)

(f) *Other Capital Funding*

	2019	2018
	000's	000's
Parent Entity (University) Only	\$	\$
Cash received during the reporting period	858	558
Net accrual adjustments	(138)	29
Revenue for the period	720	587
Surplus/(deficit) from the previous period	403	65
Total revenue including accrued expenses	1,123	652
Less expenses including accrued expenses	(706)	(249)
Cash surplus/(deficit) for reporting period	417	403

Note

3(e)

(g) *OS-HELP*

	2019	2018
	000's	000's
Parent Entity (University) Only	\$	\$
Cash received during the reporting period	2,554	3,528
Cash spent during the reporting period	(2,781)	(2,445)
Net cash received	(227)	1,083
Cash surplus/(deficit) from the previous period	3,711	2,628
Cash surplus/(deficit) for reporting period	3,484	3,711

25

(h) *Higher Education Superannuation Program*

	2019	2018
	000's	000's
Parent Entity (University) Only	\$	\$
Cash received during the reporting period	3,463	4,061
University contribution in respect of current employees	26	57
Cash available	3,489	4,118
Cash surplus / (deficit) from the previous period	(189)	(1,015)
Cash available for current period	3,300	3,103
Contributions to specified defined benefit funds	(3,284)	(3,292)
Cash surplus/(deficit) this period	16	(189)



**Notes to the Financial Statements**  
**For the Year Ended 31 December 2019**

**44 Acquittal of Australian Government Financial Assistance (Continued)**

(i) *Student Services and Amenities Fee*

		2019	2018
		000's	000's
	Note	\$	\$
<b>Parent Entity (University) Only</b>			
Unspent/(overspent) revenue from previous period		2,723	3,285
SA-HELP revenue earned	3(b)	1,953	1,963
Student Services and Amenities Fees direct from students	5	2,665	2,590
Total revenue expendable in period		7,341	7,838
Student services expenses during period		(4,545)	(5,115)
Unspent/(overspent) student services revenue		2,796	2,723

## **Notes to the Financial Statements**

**For the Year Ended 31 December 2019**

### **45 Acronyms and abbreviations**

AASB	Australian Accounting Standards Board
ARC	Australian Research Council
ATO	Australian Taxation Office
CGS	Commonwealth Grant Scheme
CPI	Consumer Price Index
CRC	Cooperative Research Centre
DBO	Defined Benefit Obligation
EDUCATION	Australian Government Department of Education and Training
FEE HELP	Fee Higher Education Loan Program (financial support full fee paying domestic students)
GST	Goods and Services Tax
HECS HELP	Higher Education Contribution Scheme - Higher Education Loan Program
HESA	Higher Education Support Act
IFRS	International Financial Reporting Standards
NHMRC	National Health and Medical Research Council
NILS	National Institute of Labour Studies
OCI	Other Comprehensive Income
OS HELP	Overseas - Higher Education Loan Program
SA HELP	Students Amenities Fees - Higher Education Loan Program

**Flinders University**

**Statement by the Chancellor, Vice Chancellor and Chief Financial Officer**

To the best of our knowledge and belief

- the attached General Purpose Financial Report for Flinders University presents a true and fair view, in accordance with the Treasurer's Instructions issued under Section 41 of the Public Finance and Audit Act 1987, applicable Australian Accounting Standards and other mandatory professional reporting requirements in Australia, and to conform to the Department of Education and Training Financial Statement Guidelines for Australian Higher Education Providers for the 2018 Reporting Period, the financial position of Flinders University as at 31 December 2019, the results of its operations and its cash flows for the financial year;
- the attached financial statements are in accordance with the accounts and records of the University;
- internal controls over financial reporting and the general purpose financial report have been effective throughout the reporting period;
- at the time of signing of this statement, there are reasonable grounds to believe that the University will be able to pay its debts as and when they become due and payable;
- the amount of Australian Government financial assistance expended during the reporting period was for the purposes for which it was intended; and
- Flinders University has complied with applicable legislation, contracts, agreements and program guidelines in making expenditure.
- Flinders University 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 fee was spent strictly in accordance with the Act and only on services and amenities specified in subsection 19-38(4) of the Act.

Signed in accordance with a resolution of the Council



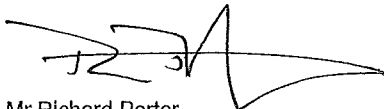
Mr Stephen Gerlach, AM  
Chancellor

21 May 2020



Professor Colin Stirling  
Vice-Chancellor

21 May 2020



Mr Richard Porter  
Chief Financial Officer

21 May 2020



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## To the Chancellor Flinders University

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 25(2) of the *Flinders University Act 1966*, I have audited the financial report of Flinders University and the consolidated entity comprising Flinders University and its controlled entities for the financial year ended 31 December 2019.

## Opinion

In my opinion, the accompanying financial report has been prepared in accordance with the Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987*, 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 Flinders University and its controlled entities as at 31 December 2019, 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 2019
- a Statement of Financial Position as at 31 December 2019
- a Statement of Changes in Equity for the year ended 31 December 2019
- a Statement of Cash Flows for the year ended 31 December 2019
- 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 Flinders University 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 President and Vice-Chancellor and the Council for the financial report**

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

The Council is responsible for overseeing the financial reporting process.

### **Auditor's responsibilities for the audit of the financial report**

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

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Flinders University's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the President and Vice-Chancellor

- 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 President and Vice-Chancellor 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**

28 May 2020