



Financial Statements

2015 Annual Report

Income Statement for the year ended 31 December 2015

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| 20 Other non-financial assets | 23 | Within the above components, the financial statements have been aggregated into the following disclosures: | |
| 21 Investments accounted for using the equity method | 24 | (a) The column headed "University" represents the University as an entity in its own right. | |
| 22 Property, plant and equipment | 26 | (b) The column headed "Consolidated" comprises the University and its subsidiaries. | |
| 23 Investment property | 28 | | |
| 24 Intangible assets | 28 | Refer to Note 35 for a listing of the subsidiaries. | |

| | | Consolidated | | University | |
|---|------|---------------------|----------------|-------------------|----------------|
| | Note | 2015 | 2014 | 2015 | 2014 |
| | | \$'000 | \$'000 | \$'000 | \$'000 |
| Income from continuing operations | | | | | |
| Australian Government financial assistance | | | | | |
| Australian Government grants | 3 | 230,381 | 227,513 | 230,381 | 227,513 |
| HELP - Australian Government payments | 3 | 93,349 | 89,468 | 93,349 | 89,468 |
| State and local Government financial assistance | 4 | 9,613 | 9,012 | 9,613 | 8,937 |
| HECS-HELP - Student payments | | 8,111 | 8,230 | 8,111 | 8,230 |
| Fees and charges | 5 | 82,721 | 72,236 | 82,628 | 72,102 |
| Investment revenue | 6 | 7,812 | 9,588 | 8,505 | 9,410 |
| Royalties, trademarks & licences | 7 | 3,049 | 1,030 | 2,766 | 492 |
| Consultancy and contracts | 8 | 9,152 | 9,172 | 8,746 | 9,123 |
| Other revenue | 9 | 15,444 | 15,227 | 11,514 | 9,834 |
| Share of profit or loss on investments accounted for using the equity method | 21 | 417 | 641 | - | - |
| Other income | 9 | 427 | - | 427 | - |
| Total income from continuing operations | | 460,476 | 442,117 | 456,040 | 435,109 |
| Expenses from continuing operations | | | | | |
| Employee related expenses | 10 | 293,980 | 290,176 | 288,908 | 284,593 |
| Depreciation and amortisation | 11 | 29,846 | 23,080 | 29,711 | 22,930 |
| Repairs and maintenance | 12 | 13,241 | 12,432 | 13,215 | 12,335 |
| Borrowing Costs | 13 | 370 | 459 | 370 | 459 |
| Impairment of assets | 14 | 305 | 285 | 384 | 282 |
| Losses on disposal of assets | 22 | 5,998 | 980 | 6,001 | 763 |
| Investment losses | 6 | 1,359 | 3,130 | 1,807 | 377 |
| Other expenses | 15 | 101,248 | 99,413 | 99,107 | 97,509 |
| Total expenses from continuing operations | | 446,347 | 429,955 | 439,503 | 419,248 |
| Net result for the year | | 14,129 | 12,162 | 16,537 | 15,861 |
| Net result attributable to non-controlling interest | | (154) | (54) | - | - |
| Net result attributable to members of The Flinders University of South Australia | | 14,283 | 12,216 | 16,537 | 15,861 |

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

Statement of Comprehensive Income for the year ended 31 December 2015

| | Note | Consolidated | | University | |
|---|------|---------------|---------------|---------------|---------------|
| | | 2015 | 2014 | 2015 | 2014 |
| | | \$'000 | \$'000 | \$'000 | \$'000 |
| Net result for the year | | 14,129 | 12,162 | 16,537 | 15,861 |
| Items that maybe reclassified to profit or loss | | | | | |
| Gain / (loss) on value of available for sale financial assets | 29 | 7,142 | 224 | 5,233 | (4,554) |
| Total | | 7,142 | 224 | 5,233 | (4,554) |
| Items that will not be reclassified to profit or loss | | | | | |
| Gain / (loss) on revaluation of land, buildings, library and artwork | 29 | - | (1,940) | - | (1,242) |
| Total | | - | (1,940) | - | (1,242) |
| Total comprehensive income | | 21,271 | 10,446 | 21,770 | 10,065 |
| Total comprehensive income attributable to non-controlling interest | | (154) | (54) | - | - |
| Total comprehensive income attributable to the University | | 21,425 | 10,500 | 21,770 | 10,065 |
| Total comprehensive income attributable to members of The Flinders University of South Australia | | 21,271 | 10,446 | 21,770 | 10,065 |

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

Statement of Financial Position as at 31 December 2015

| | Note | Consolidated | | University | |
|---|------|----------------|----------------|----------------|----------------|
| | | 2015 | 2014 | 2015 | 2014 |
| | | \$'000 | \$'000 | \$'000 | \$'000 |
| Assets | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | 16 | 46,766 | 27,999 | 45,576 | 26,628 |
| Receivables | 17 | 22,037 | 23,619 | 22,072 | 23,521 |
| Inventories | 18 | 387 | 434 | 241 | 250 |
| Other financial assets | 19 | 9,375 | 49,546 | 9,375 | 49,546 |
| Other non-financial assets | 20 | 8,145 | 8,121 | 8,119 | 8,095 |
| Total current assets | | 86,710 | 109,719 | 85,383 | 108,040 |
| Non-current assets | | | | | |
| Receivables | 17 | 48,927 | 52,005 | 48,927 | 52,005 |
| Investments accounted for using the equity method | 21 | 863 | 974 | - | - |
| Other financial assets | 19 | 56,305 | 49,025 | 57,622 | 51,662 |
| Property, plant and equipment | 22 | 587,098 | 545,676 | 586,199 | 544,719 |
| Investment property | 23 | 8,300 | 9,203 | 8,300 | 9,203 |
| Intangible assets | 24 | 17,762 | 12,873 | 16,992 | 12,069 |
| Other non-financial assets | 20 | 6,441 | 6,537 | 6,441 | 6,537 |
| Total non-current assets | | 725,696 | 676,293 | 724,481 | 676,195 |
| Total assets | | 812,406 | 786,012 | 809,864 | 784,235 |
| Liabilities | | | | | |
| Current liabilities | | | | | |
| Trade and other payables | 25 | 35,180 | 28,658 | 33,325 | 27,653 |
| Borrowings | 26 | 1,643 | 1,549 | 1,643 | 1,549 |
| Provisions | 27 | 23,316 | 22,811 | 22,603 | 22,148 |
| Other liabilities | 28 | 9,720 | 8,705 | 10,722 | 9,667 |
| Total current liabilities | | 69,859 | 61,723 | 68,293 | 61,017 |
| Non-current liabilities | | | | | |
| Trade and other payables | 25 | 4,081 | 3,787 | 3,904 | 3,787 |
| Borrowings | 26 | 4,193 | 5,236 | 3,593 | 5,236 |
| Provisions | 27 | 73,768 | 75,654 | 73,722 | 75,613 |
| Total non-current liabilities | | 82,042 | 84,677 | 81,219 | 84,636 |
| Total liabilities | | 151,901 | 146,400 | 149,512 | 145,653 |
| Net assets | | 660,505 | 639,612 | 660,352 | 638,582 |
| Equity | | | | | |
| University interest | | | | | |
| Reserves | 29 | 150,994 | 143,852 | 155,169 | 149,936 |
| Retained earnings | 29 | 509,919 | 495,636 | 505,183 | 488,646 |
| University interest | | 660,913 | 639,488 | 660,352 | 638,582 |
| Non-controlling interest | | (408) | 124 | - | - |
| Total equity | | 660,505 | 639,612 | 660,352 | 638,582 |

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

Statement of Changes in Equity for the year ended 31 December 2015

| | Reserves \$'000 | Retained Earnings \$'000 | Total University Interest \$'000 | Non- controlling Interest \$'000 | Total \$'000 |
|--|--------------------|--------------------------------|---|---|-----------------|
| Consolidated | | | | | |
| Balance as at 1 January 2014 | 145,568 | 482,722 | 628,290 | 282 | 628,572 |
| Net result | - | 12,216 | 12,216 | (54) | 12,162 |
| Gain / (Loss) on revaluation of land, buildings, infrastructure, library and artwork | (1,242) | - | (1,242) | - | (1,242) |
| Transfer from revaluation reserve on sale of aircraft | (698) | 698 | - | - | - |
| Gain / (Loss) on revaluation of available-for-sale financial assets | 224 | - | 224 | - | 224 |
| Total comprehensive income | (1,716) | 12,914 | 11,198 | (54) | 11,144 |
| Recognition of non-controlling interest | - | - | - | (104) | (104) |
| Balance at 31 December 2014 | 143,852 | 495,636 | 639,488 | 124 | 639,612 |
| Balance at 1 January 2015 | 143,852 | 495,636 | 639,488 | 124 | 639,612 |
| Net result | - | 14,283 | 14,283 | (154) | 14,129 |
| Gain / (Loss) on revaluation of available-for-sale financial assets | 7,142 | - | 7,142 | - | 7,142 |
| Total comprehensive income | 7,142 | 14,283 | 21,425 | (154) | 21,271 |
| Recognition of non-controlling interest | - | - | - | (378) | (378) |
| Balance at 31 December 2015 | 150,994 | 509,919 | 660,913 | (408) | 660,505 |
| University | | | | | |
| Balance as at 1 January 2014 | | | 155,732 | 472,785 | 628,517 |
| Net result | | | - | 15,861 | 15,861 |
| Gain / (Loss) on revaluation of land, buildings, infrastructure, library and artwork | | | (1,242) | - | (1,242) |
| Gain / (Loss) on revaluation of available-for-sale financial assets | | | (4,554) | - | (4,554) |
| Total comprehensive income | | | (5,796) | 15,861 | 10,065 |
| Balance at 31 December 2014 | | | 149,936 | 488,646 | 638,582 |
| Balance at 1 January 2015 | | | 149,936 | 488,646 | 638,582 |
| Net result | | | - | 16,537 | 16,537 |
| Gain / (Loss) on revaluation of available-for-sale financial assets | | | 5,233 | - | 5,233 |
| Total comprehensive income | | | 5,233 | 16,537 | 21,770 |
| Balance at 31 December 2015 | | | 155,169 | 505,183 | 660,352 |

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

Statement of Cash Flows for the year ended 31 December 2015

| | Note | Consolidated | | University | |
|---|----------|-----------------|-----------------|-----------------|-----------------|
| | | 2015 \$'000 | 2014 \$'000 | 2015 \$'000 | 2014 \$'000 |
| Cash flows from operating activities | | | | | |
| Inflows: | | | | | |
| Australian Government Grants | 3(g) | 318,032 | 315,833 | 318,032 | 315,833 |
| OS-HELP (net) | 3(g) | 835 | (297) | 835 | (297) |
| Superannuation Supplementation | 3(g) | 2,848 | 2,436 | 2,848 | 2,436 |
| State Government Grants | | 11,166 | 6,599 | 11,166 | 6,524 |
| Local Government Grants | | 12 | 30 | 12 | 30 |
| HECS-HELP – Student payments | | 8,111 | 8,230 | 8,111 | 8,230 |
| Receipts from student fees and other customers | | 113,791 | 105,246 | 108,458 | 98,405 |
| Dividends received | | 1,860 | 899 | 1,422 | 544 |
| Interest received | | 3,388 | 7,555 | 3,369 | 7,510 |
| Other investment income | | 3,104 | 2,438 | 3,173 | 2,661 |
| GST recovered | | 10,037 | 15,847 | 10,037 | 15,847 |
| Outflows: | | | | | |
| Payments to suppliers and employees (inclusive of GST) | | (416,743) | (424,664) | (409,909) | (417,650) |
| Interest and other costs of finance | | (370) | (459) | (370) | (459) |
| Net cash provided by / (used in) operating activities | 40 | 56,071 | 39,693 | 57,184 | 39,614 |
| Cash flows from investing activities | | | | | |
| Inflows: | | | | | |
| Proceeds from sale of property, plant & equipment | | 282 | 770 | 282 | 770 |
| Proceeds from maturation of term deposits | | 40,576 | 104,908 | 40,171 | 104,908 |
| Proceeds from sale of financial assets | | 1,796 | 3,385 | 1,796 | 3,385 |
| Increase/(Decrease) in funds held on behalf of other entities | | 170 | (24) | 170 | (24) |
| Outflows: | | | | | |
| Payments for property, plant and equipment | | (76,669) | (140,245) | (76,596) | (140,121) |
| Payments for financial assets | | (2,510) | (4,396) | (2,510) | (3,815) |
| Loans to related parties | | - | - | - | (500) |
| Net cash provided by / (used in) investing activities | | (36,355) | (35,602) | (36,687) | (35,397) |
| Cash flows from financing activities | | | | | |
| Inflows: | | | | | |
| Proceeds from borrowings | | 600 | - | - | - |
| Outflows: | | | | | |
| Repayment of finance leases | | (1,549) | (1,460) | (1,549) | (1,460) |
| Net cash provided by / (used in) financing activities | | (949) | (1,460) | (1,549) | (1,460) |
| Cash and cash equivalents at beginning of the financial year | | 27,999 | 25,368 | 26,628 | 23,871 |
| Net increase/ (decrease) in cash and cash equivalents | | 18,767 | 2,631 | 18,948 | 2,757 |
| Cash and cash equivalents at the end of the financial year | 1(g), 16 | 46,766 | 27,999 | 45,576 | 26,628 |
| Financing arrangements | 26 | | | | |
| Non-cash investing and financing activities | 41 | | | | |

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

Note 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 as the parent entity and the Consolidated entity consisting of Flinders University and its subsidiaries.

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.

Flinders University applies Tier 1 reporting requirements.

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

- *Higher Education Support Act 2003* (Financial Statement Guidelines)
- *relevant provisions of the Treasurer's Instructions issued 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 Standards requirements for not-for-profit entities are inconsistent with the 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 12 May 2016.

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, 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 items with critical assumptions are superannuation receivable and provision, valuation of property, plant and equipment, long service leave liability and depreciation.

(b) Basis of consolidation**(i) Subsidiaries**

The Consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the University as at 31 December and the results of all subsidiaries for the financial years shown. 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. A list of subsidiaries is contained in Note 35.

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.

(ii) 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.

(iii) Joint Arrangements

Under AASB 11 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.

Joint operations

The University has a material interest in one joint operation. The University's share of assets, liabilities, revenue and expenses have been incorporated in the University's financial statements under the appropriate headings. Details of joint operations are set out in Note 36.

Joint ventures

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

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 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

Note 1 Summary of significant accounting policies

Income and the Statement of Changes in Equity. Details relating to the entity are set out in Note 36.

(c) 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 were converted to Australian currency at the rates of exchange prevailing at the dates of the transactions. Foreign currency 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. Note 42 discloses foreign currency monetary items outstanding at balance date.

(d) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

(i) Government grants

Grant revenue is recognised in the year that the University gains control of the revenue which is generally when it is received. Where the University obtains control of the right to receive the grant and when revenue recognition criteria are met, the grant revenue is recognised in the period to which it relates.

Note disclosure is made in Notes 3 & 4.

(ii) Student fees and charges

Student tuition fees and charges are recognised as income in the year in which the service is provided. Note disclosure is made in Note 5.

(iii) Consultancy and contract research

Revenue from consultancy and contract research is recognised in the period in which the consultancies/contract services are provided. Research grant revenue is recognised as revenue when received. Note disclosure is made in Note 8.

(iv) Donations

Donations are received in cash and non-cash forms. Non cash donations are recognised at the University's estimate of the fair value of the items donated. Note disclosure is made in Note 9.

(v) Investment revenue and income

Interest revenue is recognised as it accrues. Dividend revenue and imputation credits are recognised only when declared before the 31 December reporting date.

Income distributions from Managed Funds are recognised on receipt of official advice from investment companies of the University's entitlement to distributions. All movements in the value of investments classified as "financial assets at fair value through profit and loss" are included in the Net Operating Result. For "Available for sale investments" and investments classified as

"Other financial assets", realised gains are included in the Net Operating Result while unrealised gains and losses are taken to the Available for Sale Revaluation Surplus for Investments except to the extent that unrealised losses exceed previous revaluation increments for all investments held in that reserve. Note disclosure is made in Note 6.

(e) Leases**(i) University as lessee**

Leases of property, plant and equipment where the Consolidated entity, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are classified as borrowings. Note disclosure is made in Note 26. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Income Statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the asset's useful life and the lease term. Note disclosure is made in Note 22.

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under an operating lease are expensed in the period to which the payment relates. Note disclosure is made in Note 33(b).

(ii) University as lessor

The University leases space in its investment property to external entities. Accommodation on campus is leased to students. The University also leases a small amount of space on its main campus to commercial entities for provision of services to students and staff. The leases are all classified as operating leases.

Note disclosure is made in Note 33(b).

(f) Impairment of 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.

(g) Cash and cash equivalents

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. Note disclosure is made in Note 16.

Note 1 Summary of significant accounting policies

(h) Receivables

Receivables are shown at amounts due from customers, inclusive of GST and reduced for expected credit losses (provision for doubtful debts). The University's credit terms are net 30 days. Note disclosure is made in Note 17.

Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment of receivables is established when there is objective evidence that amounts due according to the original terms will not be able to be collected. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired.

Details regarding the receivable from the Australian Government relating to the State Super Scheme are disclosed in Note 1(u)(v) Superannuation.

(i) Investments and other financial assets**(i) Recognition**

Subsequent to initial recognition, investments in subsidiaries are measured at fair value. Subsequent to initial recognition, investments in associates are accounted for under the equity method in the Consolidated financial statements and the cost method in the University's financial statements.

In accordance with AASB 139 *Financial Instruments: Recognition and Measurement* other financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss', 'held-to-maturity' investments, 'available-for-sale' financial assets, and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. In the case of assets classified as held-to-maturity, the University re-evaluates this designation at each reporting date.

(ii) Financial assets at fair value through profit or loss

The Consolidated entity has classified certain shares as financial assets at fair value through profit or loss. Financial assets held for trading purposes are classified as current assets and are stated at fair value, with any resultant gain or loss recognised in profit or loss.

(iii) Loans and receivables

Trade receivables, loans, and other receivables are recorded at cost less impairment.

The carrying amount of investments is reviewed annually by the University to ensure that all items are carried at fair value. Note disclosure for other financial assets (investments) is made in Note 19.

(iv) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Consolidated entity's management has the positive intention and ability to hold to maturity.

Interest on term deposits is recognised at balance date based on the proportion of the term that has elapsed.

(v) Available-for-sale financial assets

Certain shares held are classified as being available-for-sale and are stated at fair value less impairment. Gains and losses arising from changes in fair value are recognised directly in the available-for-sale revaluation reserve, until the investment is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in the available-for-sale revaluation reserve is included in profit or loss for the period. This category includes investments classified as "Available-for-sale" and any investments that do not fit the definitions for inclusion in the previous categories. Consequently it should not be assumed that the University has plans to dispose of these assets.

They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Fair value

The fair value 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.

(j) Derivatives

The Consolidated entity enters into foreign currency hedges (derivative financial instruments) to manage its exposure to movements in exchange rates for library purchases and certain equipment acquisitions.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at balance date. Changes in the fair value of derivatives are recorded in the Income Statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

Where the maturity date of a hedge is more than 12 months, the asset and liability are classified as non-current, otherwise they are classified as current.

(k) Property, plant and equipment

Property, plant and equipment 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. Note disclosure is made in Note 22.

(i) 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. Land controlled by the University was independently revalued as at 31 December 2013 by Richard

Note 1 Summary of significant accounting policies

Wood B.App.Sc (Val) AAPI CPV, of Opteon Pty Ltd. Comprehensive independent land valuations are undertaken triennially with an annual update based on relevant price movements if material. There have been no material valuation movements since 2013.

(ii) Buildings and infrastructure

Buildings and above ground infrastructure controlled by the University were independently revalued as at 31 December 2013 Richard Wood B.App.Sc (Val) AAPI CPV of Opteon Pty Ltd. Comprehensive independent valuations are undertaken triennially with an annual update based on relevant price movements if material. There have been no material valuation movements since 2013.

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.

(iii) 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.

(iv) Leasehold improvements

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

(v) Library collection

The Library collection was internally revalued on 31 December 2010 to fair value based on the written down cost of the most recent price inputs. The University has determined that subsequent acquisitions are measured at historical cost which approximates fair value with the University no longer revaluing the library collection. The value is depreciated over a 10 year period on a straight-line basis.

(vi) 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.

Leased equipment is capitalised and amortised over the shorter of their useful life or the remaining life of the lease.

(vii) Works of art

The value of the Works of Art collection is assessed annually at fair value at Council valuation. The last independent valuation was conducted as at 31 December 2013 by Helen Miller BA SYD AVAA CPV NCJV (Fine Arts Division) Rodney Hyman Asset Services Pty Ltd.

(viii) Revaluations

Increases in the carrying amounts arising on revaluation of land, buildings & infrastructure, library and works of art are recognised, under 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.

(l) Intangible assets**(i) 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
- 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. Note disclosure is made in Note 24.

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.

(ii) 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.

Note disclosure is made in Note 24.

Note 1 Summary of significant accounting policies

(m) Depreciation and amortisation

The basis for depreciation and the depreciation rates are reviewed annually. 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 following rates are based on the estimated useful life of the assets to the University:

| Item | Percentage |
|------------------------------|-------------|
| Depreciation: | |
| Buildings and infrastructure | 2.5 - 20.0 |
| Equipment | |
| - Motor vehicles | 20.0 |
| - General equipment | 10.0 - 33.3 |
| - Computer hardware | 16.6 - 33.3 |
| - Furniture | 10.0 |
| - Aircraft | 10.0 |
| - Marine | 10.0 |
| Library collection | 10.0 |
| Amortisation: | |
| Computer software | 20.0 |
| Leased Equipment | 20.0 |
| Leasehold Improvements | 5.0 - 20.0 |

The gross amount of depreciable assets and the related accumulated depreciation is provided within Note 22. Depreciation and amortisation expense by asset class is shown in Note 11.

(n) Repairs and Maintenance

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

(o) Investment property

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.

The investment property was independently valued at fair value as at 31 December 2015 by Richard Wood AAPI CPV, B.App.Sc (Val) of Opteon Pty Ltd.

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. Note disclosure is made in Note 23.

(p) Payables

Payables are shown at amounts due to suppliers, inclusive of GST and exclusive of any applicable discounts that will be taken. Note disclosure is made in Note 25. The amounts are unsecured and the standard University terms of trade is payment within 30 days of invoice.

(q) Borrowings

Finance leases are allocated under borrowings as prescribed by the Department of Education and Training Guidelines. The current liability portion represents the amount expected to be paid in the following 12 months with the balance greater than 12 months reported in the non-current portion. Note disclosure is made in Note 26.

(r) Borrowing costs

Finance charges in respect of finance leases represent the interest charges implicit in the finance lease and are included in the definition of borrowing costs. Note disclosure is made in Note 13.

(s) Interest bearing liabilities

The University has no loans. However the University receives deposits from subsidiaries, certain joint ventures and related external entities for group investment along with University funds and shares the investment income with those entities. Note disclosure is made in Note 28.

(t) Other liabilities: Funds held on behalf of external entities

Funds held on behalf of external entities are shown at amounts due. These do not incur any interest charges. Note disclosure is made in Note 28.

(u) Employee benefits

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) Salaries

Liabilities for short-term employee benefits including salaries, non-monetary benefits and bonuses due to be settled within 12

Note 1 Summary of significant accounting policies

months after the end of the period are measured at the amount expected to be paid when the liability is settled and recognised in Trade and other payables.

(ii) 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 2015 by Stuart Mules, FIAA, of Mercer (Australia) Pty Ltd. The assumptions used by the actuary include:

- investment earnings rate of 2.4% pa (2014: 2.4%) pa. salary inflation rate of 3.0% pa (2014: 3.0%).
- on costs have been applied at the rate of 16.15% (2014: 16.15%).
- the proportion of leave taken in service is 73% (2014: 73%), the balance at termination of service.

The current portion represents the amount expected to be paid in the following 12 months. Note disclosure is made in Notes 25 and 27.

(iii) Annual leave

The calculation to measure the value of annual leave has assumed a 3.0 % salary inflation factor, as recommended by the SA State Government Accounting Policy Framework - Part IV (APS 5.7). 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. Note disclosure is made in Notes 25 and 27.

(iv) 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.

(v) Superannuation**Superannuation schemes**

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. Note 44 provides details in respect of the individual schemes.

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. 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 to Note 44 (ii).

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.

(vi) 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. Note disclosure of the provision is made in Note 27.

(vii) Redundancy benefits

Redundancy benefits are payable when employment is terminated before the normal retirement date, or when 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. Amounts unpaid at balance are included under Trade and Other Payables.

(v) Workers' compensation

The University is responsible for payments of workers' compensation and is registered with WorkCover SA 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 2015 was performed by Laurie Brett, 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. The liability for workers' compensation is disclosed in Note 27.

(w) Inventories

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

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Note 1 Summary of significant accounting policies

small inventories of consumable items including stationery, fuel and antisera are expensed as purchased. Note disclosure is made in Note 18.

(x) Website costs

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

(y) Goods and services tax (GST)

The University recognises revenues, expenses and assets net of the amount of associated (GST), except where the amount of GST incurred by the University 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 with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the Statement of Financial Position.

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

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

(z) 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 goods & services tax and payroll tax.

(aa) 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.

(ab) Rounding to the nearest \$'000

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

(ac) New or revised Australian Accounting Standards and Interpretations

There are no material impacts from new or revised Australian Accounting Standards and Interpretations for the reporting period ending 31 December 2015.

Certain new Accounting Standards and Interpretations have been published that are not mandatory for 31 December 2015 reporting periods. The University has not early adopted these standards.

The University has assessed the impact of the new and amended standards and interpretations and has determined there is no material impact.

(ad) Comparative figures

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

(ae) Changes in accounting policies

The accounting policies adopted are consistent with those of the previous year except for the following:

(i) Classification of Annual Leave

Previously the University classified Annual Leave as non-current when it was expected the leave would be taken more than 12 months from balance date.

Although all annual leave requires approval before it is taken, the University has determined that in practice it does not have an unconditional right to defer the liability for more than 12 months. This brings the University in line with the practices of the SA State Government and other Interstate Universities. As a result all Annual leave is now classified as current.

This has resulted in restatement of values from non-current to current of 2015 \$0.9m (2014 \$0.9m) in Note 25, Trade and Other Payables and 2015 \$4.1m (2014 \$4.1m) in Note 27, Provisions for the University and the Consolidated entity.

(ii) Leasehold improvements

Leasehold improvements have been separated from Buildings and are now shown as a separate class of assets. This has resulted in restatement of prior year values as shown in Note 11, Depreciation and Amortisation, Note 22, Property, Plant and Equipment and Note 43 Fair Value Measurements.

Note 2 Disaggregated information

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.

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

| Note | Consolidated | | University | |
|---|----------------|----------------|----------------|----------------|
| | 2015 \$'000 | 2014 \$'000 | 2015 \$'000 | 2014 \$'000 |
| (a) Commonwealth Grant Scheme and Other Grants | | | | |
| 47.a | | | | |
| Commonwealth Grant Scheme (CGS) ^{#1} | 141,800 | 132,538 | 141,800 | 132,538 |
| Indigenous Support Program | 664 | 591 | 664 | 591 |
| Partnership & Participation Program ^{#2} | 4,367 | 4,408 | 4,367 | 4,408 |
| Disability Support Program | 250 | 164 | 250 | 164 |
| Promotion of excellence in Learning and Teaching | 527 | 626 | 527 | 626 |
| Total Commonwealth Grant Scheme and Other Grants | 147,608 | 138,327 | 147,608 | 138,327 |
| (b) Higher Education Loan Programs | | | | |
| 47.b | | | | |
| HECS – HELP | 83,987 | 80,697 | 83,987 | 80,697 |
| FEE – HELP ^{#3} | 7,436 | 6,884 | 7,436 | 6,884 |
| 47.h | | | | |
| SA – HELP | 1,926 | 1,887 | 1,926 | 1,887 |
| Total Higher Education Loan Programs | 93,349 | 89,468 | 93,349 | 89,468 |
| (c) Scholarships | | | | |
| 47.c | | | | |
| Australian Postgraduate Awards | 4,554 | 4,535 | 4,554 | 4,535 |
| International Postgraduate Research Scholarship | 337 | 335 | 337 | 335 |
| Commonwealth Education Cost Scholarships ^{#4} | 25 | 260 | 25 | 260 |
| Commonwealth Accommodation Scholarships ^{#4} | 41 | (105) | 41 | (105) |
| Indigenous Access Scholarships | 39 | 34 | 39 | 34 |
| Indigenous Staff Scholarships | - | (14) | - | (14) |
| Total Scholarships | 4,996 | 5,045 | 4,996 | 5,045 |
| (d) EDUCATION Research | | | | |
| 47.d | | | | |
| Joint Research Engagement Program | 6,715 | 6,240 | 6,715 | 6,240 |
| JRE Engineering Cadetships | - | - | - | - |
| Research Training Scheme | 10,977 | 11,097 | 10,977 | 11,097 |
| Research Infrastructure Block Grants | 3,003 | 3,123 | 3,003 | 3,123 |
| Commercialisation Training Scheme | - | - | - | - |
| Sustainable Research Excellence in Universities | 2,140 | 2,039 | 2,140 | 2,039 |
| Total EDUCATION Research Grants | 22,835 | 22,499 | 22,835 | 22,499 |

^{#1} Includes the basic CGS grant amount, CGS - Regional Loading, CGS - Enabling Loading, Maths and Science Transition Loading and Full Fee Places Transition Loading.

^{#2} Includes Equity Support Program

^{#3} Program is in respect of FEE-HELP for higher education only

^{#4} Includes Grandfathered Scholarships, National Priority and National Accommodation Priority Scholarships respectively

| | Note | Consolidated | | University | |
|---|------|----------------|----------------|----------------|----------------|
| | | 2015 \$'000 | 2014 \$'000 | 2015 \$'000 | 2014 \$'000 |
| Note 3 Australian Government financial assistance including Australian Government loan programs (HELP) (continued) | | | | | |
| (e) Australian Research Council | | | | | |
| (i) Discovery | | | | | |
| 47.e (i) | | | | | |
| Project | | 2,990 | 2,293 | 2,990 | 2,293 |
| Fellowships #5 | | 3,068 | 3,797 | 3,068 | 3,797 |
| Total Discovery | | 6,058 | 6,090 | 6,058 | 6,090 |
| (ii) Linkages | | | | | |
| 47.e (ii) | | | | | |
| Infrastructure | | 783 | 125 | 783 | 125 |
| Projects | | 1,190 | 890 | 1,190 | 890 |
| Total Linkages | | 1,973 | 1,015 | 1,973 | 1,015 |
| (iii) Networks and Centres | | | | | |
| 47.e (iii) | | | | | |
| Centres | | 207 | 175 | 207 | 175 |
| Total Networks and Centres | | 207 | 175 | 207 | 175 |
| 47.e (iii) | | | | | |
| Special Research Initiatives | | 130 | 256 | 130 | 256 |
| Total Australian Research Council | | 8,368 | 7,536 | 8,368 | 7,536 |
| (f) Other Australian Government financial assistance | | | | | |
| Non-capital | | | | | |
| National Health and Medical Research Council | | 9,689 | 9,478 | 9,689 | 9,478 |
| Other Research | | 18,232 | 23,046 | 18,232 | 23,046 |
| Other Non-Research | | 18,130 | 19,343 | 18,130 | 19,343 |
| Commonwealth Scholarships | | 523 | 351 | 523 | 351 |
| Total non-capital | | 46,574 | 52,218 | 46,574 | 52,218 |
| Capital | | | | | |
| Northern Territory Medical Program | | - | 1,640 | - | 1,640 |
| Other capital programs | | - | 248 | - | 248 |
| Total Capital | | - | 1,888 | - | 1,888 |
| Total Other Australian Government financial assistance | | 46,574 | 54,106 | 46,574 | 54,106 |
| Total Australian Government financial assistance | | 323,730 | 316,981 | 323,730 | 316,981 |
| Reconciliation | | | | | |
| Australian Government grants (a+c+d+e+f) | | 230,381 | 227,513 | 230,381 | 227,513 |
| HECS-HELP payments | | 83,987 | 80,697 | 83,987 | 80,697 |
| FEE-HELP payments | | 7,436 | 6,884 | 7,436 | 6,884 |
| SA-HELP payments | | 1,926 | 1,887 | 1,926 | 1,887 |
| Total Australian Government financial assistance | | 323,730 | 316,981 | 323,730 | 316,981 |

#5 Includes Early Career Researcher Award

| | Note | Consolidated | | University | |
|---|------|----------------|----------------|----------------|----------------|
| | | 2015 \$'000 | 2014 \$'000 | 2015 \$'000 | 2014 \$'000 |
| Note 3 Australian Government financial assistance including Australian Government loan programs (HELP) (continued) | | | | | |
| (g) Australian Government Grants received - cash basis | | | | | |
| CGS and Other EDUCATION Grants | | 141,768 | 137,010 | 141,768 | 137,010 |
| Higher Education Loan Programs | | 93,147 | 88,776 | 93,147 | 88,776 |
| Scholarships | | 5,123 | 4,841 | 5,123 | 4,841 |
| EDUCATION Research | | 22,835 | 22,562 | 22,835 | 22,562 |
| ARC grants - Discovery | | 5,936 | 6,010 | 5,936 | 6,010 |
| ARC grants - Linkages | | 2,122 | 1,291 | 2,122 | 1,291 |
| ARC grants - Networks and Centres | | - | 627 | - | 627 |
| Other Australian Government Grants | | 47,101 | 54,716 | 47,101 | 54,716 |
| Total Australian Government Grants received - cash basis | | 318,032 | 315,833 | 318,032 | 315,833 |
| OS-Help (Net) | 47.f | 835 | (297) | 835 | (297) |
| Superannuation Supplementation | 47.g | 2,848 | 2,436 | 2,848 | 2,436 |
| Total Australian Government funding received - cash basis | | 321,715 | 317,972 | 321,715 | 317,972 |
| Note 4 State and Local Government financial assistance | | | | | |
| Non-Capital | | | | | |
| South Australian State Government financial assistance | | 8,333 | 8,043 | 8,333 | 8,042 |
| South Australian Local Government financial assistance | | 12 | 30 | 12 | 30 |
| Other State/Territory Governments financial assistance | | 1,268 | 939 | 1,268 | 865 |
| Total State and Local Government financial assistance | | 9,613 | 9,012 | 9,613 | 8,937 |
| Note 5 Fees and charges | | | | | |
| Course fees and charges | | | | | |
| Fee-paying onshore overseas students | | 51,751 | 44,350 | 51,751 | 44,350 |
| Fee-paying offshore overseas students | | 6,193 | 5,402 | 6,193 | 5,402 |
| Fee-paying domestic postgraduate students | | 3,615 | 3,305 | 3,615 | 3,305 |
| Fee-paying domestic undergraduate students | | 4,681 | 4,705 | 4,681 | 4,705 |
| Fee-paying domestic non-award students | | 145 | 113 | 145 | 113 |
| Other domestic course fees and charges | | 2,665 | 2,167 | 2,665 | 2,167 |
| Total course fees and charges | | 69,050 | 60,042 | 69,050 | 60,042 |
| Other non-course fees and charges | | | | | |
| 47.h | | | | | |
| Students Services and Amenities Fees from students | | 2,148 | 1,751 | 2,148 | 1,751 |
| Student accommodation | | 6,946 | 6,388 | 6,946 | 6,388 |
| Rental charges | | 1,113 | 709 | 1,056 | 622 |
| Other student charges | | 341 | 255 | 341 | 255 |
| Other hire fees | | 208 | 159 | 208 | 159 |
| Parking fees | | 2,320 | 2,223 | 2,320 | 2,223 |
| Other fees and charges | | 595 | 709 | 559 | 662 |
| Total other fees and charges | | 13,671 | 12,194 | 13,578 | 12,060 |
| Total fees and charges | | 82,721 | 72,236 | 82,628 | 72,102 |

| | Consolidated | | University | |
|---|----------------|----------------|----------------|----------------|
| | 2015 \$'000 | 2014 \$'000 | 2015 \$'000 | 2014 \$'000 |
| Note 6 Investment revenue and other investment income | | | | |
| Investment revenue | | | | |
| Dividends from equity investments | - | - | - | - |
| Wholly-owned subsidiaries | - | - | - | - |
| Other entities | 1,901 | 1,471 | 1,463 | 1,116 |
| Total Dividends | 1,901 | 1,471 | 1,463 | 1,116 |
| Interest income | 2,807 | 5,813 | 2,788 | 5,768 |
| Managed funds distributions | 1,908 | 1,139 | 3,058 | 1,139 |
| Investment property rental revenue | 1,196 | 1,165 | 1,196 | 1,387 |
| Total investment revenue | 7,812 | 9,588 | 8,505 | 9,410 |
| Other investment gains / (losses) | | | | |
| Net (loss)/gain arising on financial assets designated at fair value through profit or loss | (436) | (3,081) | (884) | (328) |
| Realised gain/(loss) on disposal of investments | (20) | 148 | (20) | 148 |
| Movements in fair value of investment properties | (903) | (197) | (903) | (197) |
| Total investment income (loss) | (1,359) | (3,130) | (1,807) | (377) |
| Total investment income | 6,453 | 6,458 | 6,698 | 9,033 |
| Note 7 Royalties, trademarks and licences | | | | |
| Total royalties, trademarks and licences | 3,049 | 1,030 | 2,766 | 492 |
| Note 8 Consultancy and contracts | | | | |
| Consultancy | 2,059 | 2,655 | 1,425 | 2,544 |
| Contract research | 7,093 | 6,517 | 7,321 | 6,579 |
| Total consultancy and contracts | 9,152 | 9,172 | 8,746 | 9,123 |
| Note 9 Other revenue and other income | | | | |
| Other revenue | | | | |
| Donations and bequests | 535 | 406 | 1,063 | 957 |
| Scholarships and prizes | 761 | 659 | 761 | 659 |
| Non-government grants | 4,650 | 3,878 | 4,650 | 3,878 |
| Contribution of assets | 291 | 277 | 291 | 277 |
| Reimbursements | 2,551 | 2,095 | 2,597 | 2,095 |
| Sales and other charges | 4,557 | 5,617 | 1,615 | 1,435 |
| Other revenue | 2,099 | 2,295 | 537 | 533 |
| Total other revenue | 15,444 | 15,227 | 11,514 | 9,834 |
| Other income | 427 | - | 427 | - |
| Total other revenue and income | 15,871 | 15,227 | 11,941 | 9,834 |

| | Consolidated | | University | |
|---|----------------|----------------|----------------|----------------|
| | 2015 \$'000 | 2014 \$'000 | 2015 \$'000 | 2014 \$'000 |
| Note 10 Employee related expenses | | | | |
| Academic | | | | |
| Salaries | 120,129 | 117,258 | 120,129 | 117,259 |
| Contributions to superannuation and pension schemes | | | | |
| Contributions to funded schemes | 17,505 | 17,170 | 17,505 | 17,170 |
| Contributions to unfunded schemes | 141 | 145 | 141 | 145 |
| Payroll tax | 7,061 | 6,789 | 7,061 | 6,789 |
| Workers' compensation | 372 | 117 | 372 | 117 |
| Long service leave expense | 3,519 | 4,005 | 3,519 | 4,005 |
| Annual leave | 9,481 | 9,676 | 9,481 | 9,676 |
| Redundancy expenses | - | 96 | - | 96 |
| Total academic | 158,208 | 155,256 | 158,208 | 155,257 |
| Non-academic | | | | |
| Salaries | 101,542 | 101,136 | 97,530 | 96,252 |
| Contributions to superannuation and pension schemes | | | | |
| Contributions to funded schemes | 15,818 | 15,467 | 15,427 | 15,035 |
| Contributions to unfunded schemes | 35 | 36 | 35 | 36 |
| Payroll tax | 6,394 | 5,780 | 5,927 | 5,715 |
| Workers' compensation | 323 | 114 | 303 | 95 |
| Long service leave expense | 2,635 | 2,837 | 2,617 | 2,802 |
| Annual leave | 8,630 | 8,520 | 8,466 | 8,371 |
| Redundancy expenses | 395 | 1,030 | 395 | 1,030 |
| Total non-academic | 135,772 | 134,920 | 130,700 | 129,336 |
| Total employee related expenses | 293,980 | 290,176 | 288,908 | 284,593 |
| Note 11 Depreciation and amortisation | | | | |
| Depreciation | | | | |
| Buildings | 14,566 | 9,974 | 14,566 | 9,974 |
| Infrastructure | 957 | 897 | 957 | 897 |
| Plant and equipment | 5,956 | 5,390 | 5,849 | 5,240 |
| Library | 3,758 | 3,585 | 3,758 | 3,585 |
| Total Depreciation | 25,237 | 19,846 | 25,130 | 19,696 |
| Amortisation | | | | |
| Leased Equipment | 1,649 | 1,649 | 1,649 | 1,649 |
| Software | 2,354 | 1,292 | 2,326 | 1,292 |
| Leasehold Improvements | 606 | 293 | 606 | 293 |
| Total Amortisation | 4,609 | 3,234 | 4,581 | 3,234 |
| Total depreciation and amortisation | 29,846 | 23,080 | 29,711 | 22,930 |
| Note 12 Repairs and maintenance | | | | |
| Buildings and grounds | 6,600 | 5,499 | 6,577 | 5,492 |
| Minor new works | 2,912 | 3,337 | 2,947 | 3,337 |
| Equipment and artwork | 3,729 | 3,596 | 3,691 | 3,506 |
| Total repairs and maintenance | 13,241 | 12,432 | 13,215 | 12,335 |

| Note | Consolidated | | University | |
|------|--------------|--------|------------|--------|
| | 2015 | 2014 | 2015 | 2014 |
| | \$'000 | \$'000 | \$'000 | \$'000 |

Note 13 Borrowing Costs

Finance charges in respect of finance leases
Total borrowing costs expensed

| | | | | |
|--|------------|------------|------------|------------|
| | 370 | 459 | 370 | 459 |
| | 370 | 459 | 370 | 459 |

Note 14 Impairment of assets

Bad and doubtful debts
 Impairment of assets
Total impairment of assets

| | | | | |
|--|------------|------------|------------|------------|
| | 312 | 171 | 312 | 168 |
| | (7) | 114 | 72 | 114 |
| | 305 | 285 | 384 | 282 |

Note 15 Other expenses

Scholarships, grants & prizes
 Non-capitalised equipment
 Advertising, marketing & promotional expenses
 Fees & charges
 Consultancy fees
 General consumables
 Printing & photocopying
 Operating lease rental expenses
 Telecommunications
 Travel, staff development and entertainment
 Utilities
 Student related expenditure
 Library
 Software
 Postage & freight
 Insurance
 Miscellaneous
Total other expenses

| | | | | |
|--|----------------|---------------|---------------|---------------|
| | 14,671 | 14,284 | 14,671 | 14,281 |
| | 6,793 | 7,985 | 6,755 | 7,974 |
| | 3,900 | 3,404 | 3,940 | 3,452 |
| | 13,746 | 12,221 | 13,719 | 12,702 |
| | 4,173 | 4,451 | 3,922 | 4,077 |
| | 6,771 | 6,707 | 7,148 | 7,313 |
| | 1,183 | 1,564 | 1,180 | 1,558 |
| | 4,675 | 3,346 | 4,605 | 3,402 |
| | 3,612 | 3,431 | 3,684 | 3,502 |
| | 14,278 | 14,735 | 14,234 | 14,735 |
| | 5,554 | 4,980 | 5,508 | 4,958 |
| | 6,838 | 4,671 | 6,803 | 4,250 |
| | 1,844 | 2,438 | 1,844 | 2,438 |
| | 5,059 | 5,452 | 5,032 | 5,445 |
| | 813 | 686 | 813 | 683 |
| | 1,350 | 1,434 | 1,300 | 1,417 |
| | 5,988 | 7,624 | 3,949 | 5,322 |
| | 101,248 | 99,413 | 99,107 | 97,509 |

| Note | Consolidated | | University | |
|------|--------------|--------|------------|--------|
| | 2015 | 2014 | 2015 | 2014 |
| | \$'000 | \$'000 | \$'000 | \$'000 |

Note 16 Cash and cash equivalents

Cash at bank and on hand
 Term deposits with a maturity term of less than 90 days
Total cash and cash equivalents

| | | | | |
|----|---------------|---------------|---------------|---------------|
| | 46,766 | 17,899 | 45,576 | 16,528 |
| | - | 10,100 | - | 10,100 |
| 40 | 46,766 | 27,999 | 45,576 | 26,628 |

(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:

| | | | | |
|--|---------------|---------------|---------------|---------------|
| Balances as above | 46,766 | 27,999 | 45,576 | 26,628 |
| Less: Bank overdrafts | - | - | - | - |
| Balance per statement of cash flows | 46,766 | 27,999 | 45,576 | 26,628 |

(b) Cash at bank and on hand

Cash on hand is non-interest bearing. Cash at bank earns floating interest rates between 1.75% and 2.3% (2014 - 2.25% and 2.80%).

(c) Deposits at call

Deposits during 2015 were bearing floating interest rates between 3.00% and 3.05% (2014 - 3.20% and 3.60%). The deposits had an average maturity of 91 days.

Note 17 Receivables**Current**

| | | | | |
|--|---------------|---------------|---------------|---------------|
| Student fees | 1,656 | 1,928 | 1,656 | 1,928 |
| Less: Provision for impaired receivables | (400) | (430) | (400) | (430) |
| | 1,256 | 1,498 | 1,256 | 1,498 |
| Trade receivables | 9,712 | 15,691 | 9,369 | 15,391 |
| Less: Provision for impaired receivables | (303) | (384) | (208) | (289) |
| | 9,409 | 15,307 | 9,161 | 15,102 |
| Subsidiary debtors | - | - | 696 | 610 |
| Less: Provision for impaired receivables | - | - | (95) | (95) |
| | - | - | 601 | 515 |
| Accrued income | 8,195 | 3,612 | 7,877 | 3,204 |
| Deferred government benefit for superannuation | 3,177 | 3,202 | 3,177 | 3,202 |
| 44 | 22,037 | 23,619 | 22,072 | 23,521 |
| Total current receivables | | | | |

Non-current

| | | | | |
|--|---------------|---------------|---------------|---------------|
| Deferred government benefit for superannuation | 48,927 | 52,005 | 48,927 | 52,005 |
| 44 | 48,927 | 52,005 | 48,927 | 52,005 |
| Total non-current receivables | | | | |
| Total trade and other receivables | 70,964 | 75,624 | 70,999 | 75,526 |

As at 31 December 2015 current receivables of the group with a nominal value of \$3.277m (2014: \$3.498m) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing of these receivables is as follows:

| Note | Consolidated | | University | |
|---|--------------|--------------|------------|--------------|
| | 2015 | 2014 | 2015 | 2014 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Note 17 Receivables (continued) | | | | |
| Student Fees | | | | |
| 3 to 6 months | 617 | 912 | 617 | 912 |
| 6 to 12 months | 62 | 156 | 62 | 156 |
| over 12 months | 9 | 16 | 9 | 16 |
| Total past due but not impaired current receivables | 688 | 1,084 | 688 | 1,084 |
| Trade receivables | | | | |
| 3 to 6 months | 208 | 34 | 208 | 34 |
| 6 to 12 months | 3 | 4 | 3 | 4 |
| over 12 months | 16 | 16 | 16 | 16 |
| Total past due but not impaired current receivables | 227 | 54 | 227 | 54 |

(a) Impaired receivables

As at 31 December 2015 current receivables of the group with a nominal value of \$0.703m (2014: \$0.814m) were impaired. The provision is based on an aged analysis of the debt types based on collectability. The ageing of these receivables is as follows:

| | | | | |
|---|------------|------------|------------|------------|
| Student Fees | | | | |
| 3 to 6 months | 162 | 130 | 162 | 130 |
| 6 to 12 months | 33 | 65 | 33 | 65 |
| over 12 months | 159 | 220 | 159 | 220 |
| Total current impaired Student receivables | 354 | 415 | 354 | 415 |
| Trade receivables | | | | |
| 3 to 6 months | 51 | 66 | 51 | 66 |
| 6 to 12 months | 30 | 49 | 30 | 49 |
| over 12 months | 172 | 172 | 77 | 77 |
| Total current impaired Trade receivables | 253 | 287 | 158 | 192 |
| Subsidiary receivables | | | | |
| 3 to 6 months | - | - | - | - |
| 6 to 12 months | - | - | - | - |
| over 12 months | - | - | 95 | 95 |
| Total current impaired Subsidiary receivables | - | - | 95 | 95 |

(a) Impaired receivables (continued)

Movements in the provision for impaired receivables are as follows:

| | | | | |
|--|------------|------------|------------|------------|
| At 1 January provision for impairment | 814 | 826 | 814 | 826 |
| Provision for impairment recognised during the year | 316 | 67 | 316 | 67 |
| Receivables written off during the year as uncollectible | - | (79) | - | (79) |
| Unused amount reversed | (427) | - | (427) | - |
| At 31 December | 703 | 814 | 703 | 814 |

The creation and release of the provision for impaired receivables has been included in "Impairment of Assets" in the Income Statement. Amounts charged to the provision account are generally written off when there is no expectation of recovering additional cash.

The other amounts within receivables do not contain impaired assets and are not past due. Based on credit history, it is expected that these amounts will be received when due.

| Note | Consolidated | | University | |
|---|--------------|------------|------------|------------|
| | 2015 | 2014 | 2015 | 2014 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Note 17 Receivables (continued) | | | | |
| (b) Foreign exchange and interest rate risk | | | | |
| The carrying amounts of current receivables includes receivables denominated in the following currencies: | | | | |
| US Dollars | 29 | 91 | 29 | 91 |
| Hong Kong Dollars | - | 229 | - | 229 |
| Other | 2 | 9 | 2 | 9 |
| | 31 | 329 | 31 | 329 |

The carrying amounts of all non-current receivables are denominated in Australian dollars.

Information regarding the effective interest rate risk of both current and non-current receivables is set out in the Financial risk management disclosures at Note 42.

(c) Fair value and credit risk

The carrying value approximates fair value for all receivables. For non-current receivables, fair values are based on cash flows discounted using a discount rate. The superannuation receivable is always offset by a corresponding payable, nullifying credit risk for this line item. The maximum exposure to credit risk at the reporting date is the higher of the carrying amount and fair value of receivables.

Information regarding the effective credit risk of both current and non-current receivables is set out in the Financial risk management disclosures at Note 42.

Note 18 Inventories**Current**

| | | | | |
|--|------------|------------|------------|------------|
| Inventories held for other than distribution | 387 | 434 | 241 | 250 |
| Total current inventories | 387 | 434 | 241 | 250 |
| Total inventories | 387 | 434 | 241 | 250 |

| | Note | Consolidated | | University | |
|--|------|---------------|---------------|---------------|----------------|
| | | 2015 | 2014 | 2015 | 2014 |
| | | \$'000 | \$'000 | \$'000 | \$'000 |
| Note 19 Other financial assets | | | | | |
| Current | | | | | |
| Held-to-maturity - Term deposits greater than 90 days | | 9,375 | 49,546 | 9,375 | 49,546 |
| Total current other financial assets | | 9,375 | 49,546 | 9,375 | 49,546 |
| Held-to-maturity assets impairment and risk exposure | | | | | |
| The maximum exposure to credit risk at the reporting date is the carrying amount of the assets. None of the held-to-maturity assets are either past due or impaired. All held-to-maturity assets are held in Australian currency, therefore there is no exposure to foreign currency risk. | | | | | |
| Non-current | | | | | |
| Available-for-sale financial assets | | | | | |
| Interests in business undertakings: | | | | | |
| · Subsidiaries at Council valuation | 35 | - | - | 4,754 | 6,662 |
| · Other entities ⁽¹⁾ | | 9,200 | 2,058 | 9,200 | 2,058 |
| International equities | | - | 6 | - | - |
| Australian equities | | 3,437 | 2,990 | - | - |
| Total available-for-sale financial assets | | 12,637 | 5,054 | 13,954 | 8,720 |
| Financial assets at fair value through profit or loss [^] | | | | | |
| Managed Funds | | | | | |
| · Deutsche Bank Private Wealth Management | | - | 3 | - | 3 |
| · JBWere | | 4,791 | 4,943 | 4,791 | 4,943 |
| | | 4,791 | 4,946 | 4,791 | 4,946 |
| Equities | | | | | |
| · Australian equities | | 28,244 | 38,316 | 28,244 | 37,287 |
| · International equities | | 10,633 | 709 | 10,633 | 709 |
| Total financial assets at fair value through profit or loss | | 43,668 | 43,971 | 43,668 | 42,942 |
| Total non-current other financial assets | | 56,305 | 49,025 | 57,622 | 51,662 |
| Total other financial assets | | 65,680 | 98,571 | 66,997 | 101,208 |

[^] Changes in fair values of other financial assets at fair value through profit or loss are recorded in investment revenue and income in the Income Statement and disclosed in Note 6. Investment revenue and other income.

⁽¹⁾ Education Australia has distributed a dividend of \$263k in 2015 and has been revalued to \$9.2m (2014 \$2.0m) post Australian Stock Exchange listing.

Note 20 Other non-financial assets

| | | | | | |
|---|--|---------------|---------------|---------------|---------------|
| Current | | | | | |
| Prepayments | | 8,145 | 8,121 | 8,119 | 8,095 |
| Non Current | | | | | |
| Prepayments | | 6,441 | 6,537 | 6,441 | 6,537 |
| Total other non-financial assets | | 14,586 | 14,658 | 14,560 | 14,632 |

Note 21 Investments accounted for using the equity method

(a) Jointly controlled entity

| | | Ownership interest | |
|---------------------------|---|--------------------|------|
| | | 2015 | 2014 |
| FCD Health Limited | Operates the Palmerston (NT) GP Super Clinic. | 50% | 50% |

Summarised financial information for individually material joint ventures is set out below:

| | Notes | Consolidated | |
|--|-------|--------------|--------------|
| | | 2015 | 2014 |
| | | \$'000 | \$'000 |
| Financial Position | | | |
| Current assets | | 1,145 | 873 |
| Non-current assets | | 631 | 369 |
| Total assets | | 1,776 | 1,242 |
| Current Liabilities | | 586 | 349 |
| Non-current liabilities | | 64 | 38 |
| | | 650 | 387 |
| Net Assets | | 1,126 | 855 |
| Share of joint venture's net assets | | 563 | 428 |
| Financial Performance | | | |
| Total Revenue | | 5,955 | 5,101 |
| Total Expenses | | 5,685 | 4,912 |
| Profit/(loss) | | 270 | 189 |
| Share of jointly controlled entities' profit/(loss) | | 135 | 95 |
| Reconciliation of carrying amounts: | | | |
| Balance as at 1 January | | 428 | 333 |
| Share of profit for the year | | 135 | 95 |
| Balance as at 31 December | | 563 | 428 |

Note 21 Investments accounted for using the equity method (continued)

(b) Associate

Flinders Reproductive Medicine (FRM)

FRM provides a high quality comprehensive infertility investigatory and treatment service. The University has a 50% interest in Flinders Reproductive Medicine (FRM) which is Trustee for the Flinders Charitable Trust. The Trust fully distributes its surpluses each year following a declaration by the trustees. As the Trustees have not made a declaration for the 2015 financial year, the University has accounted for the investment in Flinders Reproductive Medicine using the equity method.

Re-Time Pty Ltd

Re-Time was formed in 2010 to help people re-time their body clocks and improve sleep. The investment in Re-Time Pty Ltd is held by Flinders Partners and is accounted for using the equity method of accounting. Re-Time was a partly owned subsidiary of Flinders Partners until 19 December 2012 at which time it was determined that Flinders Partners had a loss of control of the entity, by virtue of the reduction in the percentage of share capital held, and the fact only significant influence (34.7%) was held by Flinders Partners over the entity.

Summarised financial information for this associate is set out below:

| | FRM | | Re-Time | |
|---|--------------------|--------------|--------------------|-------------|
| | Ownership interest | | Ownership interest | |
| | 2015 | 2014 | 2015 | 2014 |
| | 50% | 50% | 35% | 35% |
| | Consolidated | | Consolidated | |
| | 2015 | 2014 | 2015 | 2014 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Financial Position | | | | |
| Current assets | 4,732 | 4,326 | 512 | 508 |
| Non-current assets | 1,393 | 1,278 | 266 | 392 |
| Total assets | 6,125 | 5,604 | 778 | 900 |
| Current Liabilities | 5,406 | 4,507 | 101 | 183 |
| Non-current liabilities | 120 | 5 | - | - |
| Total Liabilities | 5,526 | 4,512 | 101 | 183 |
| Net Assets | 599 | 1,092 | 677 | 717 |
| Share of associate's net assets | 300 | 546 | 235 | 249 |
| Financial Performance | | | | |
| Total Revenue | 4,536 | 4,618 | 774 | 899 |
| Total Expenses | 3,972 | 3,526 | 809 | 941 |
| Profit/(loss) | 564 | 1,092 | (35) | (42) |
| Share of associate's profit/(loss) | 282 | 546 | (12) | (27) |
| Reconciliation of carrying amounts | | | | |
| Balance as at 1 January | 546 | - | 249 | 350 |
| Share of profit for the year | 282 | 546 | (12) | (27) |
| Distribution to the beneficiary | (528) | - | (2) | - |
| Additions/(Disposals) | - | - | - | (74) |
| Balance as at 31 December | 300 | 546 | 235 | 249 |

Note 22 Property, plant and equipment

| Note | Consolidated | | University | |
|---|----------------|----------------|----------------|----------------|
| | 2015 | 2014 | 2015 | 2014 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Land, buildings and infrastructure | | | | |
| Crown Land: | | | | |
| 2013 Independent valuation | 31,040 | 32,030 | 31,040 | 32,030 |
| Net book amount | 31,040 | 32,030 | 31,040 | 32,030 |
| Freehold Land: | | | | |
| 2013 Independent valuation | 5,352 | 5,352 | 5,352 | 5,352 |
| At cost | 2,584 | 84 | 2,584 | 84 |
| Net book amount | 7,936 | 5,436 | 7,936 | 5,436 |
| Total Land | 38,976 | 37,466 | 38,976 | 37,466 |
| Buildings: | | | | |
| 2013 Independent valuation | 282,553 | 289,900 | 282,553 | 289,900 |
| At cost | 136,778 | 106,410 | 136,778 | 106,410 |
| Total Buildings | 419,331 | 396,310 | 419,331 | 396,310 |
| Infrastructure: | | | | |
| 2013 Independent valuation | 24,414 | 24,882 | 24,414 | 24,882 |
| At cost | 4,828 | 1,155 | 4,828 | 1,155 |
| Total Infrastructure | 29,242 | 26,037 | 29,242 | 26,037 |
| Total Buildings and infrastructure | 448,573 | 422,347 | 448,573 | 422,347 |
| Less: Accumulated depreciation | (25,995) | (10,737) | (25,995) | (10,737) |
| Total Buildings and infrastructure net book amount | 422,578 | 411,610 | 422,578 | 411,610 |
| Leasehold Improvements | | | | |
| Leasehold Improvements | 5,886 | 2,469 | 5,886 | 2,469 |
| Less: Accumulated amortisation | (899) | (293) | (899) | (293) |
| Net book amount | 4,987 | 2,176 | 4,987 | 2,176 |
| Construction in progress | 63,554 | 39,373 | 63,554 | 39,373 |
| Total Land, buildings and infrastructure net book amount | 530,095 | 490,625 | 530,095 | 490,625 |
| Library collection | | | | |
| At fair value | 33,189 | 30,981 | 33,189 | 30,981 |
| Less: Accumulated depreciation | (15,134) | (13,881) | (15,134) | (13,881) |
| Net book amount | 18,055 | 17,100 | 18,055 | 17,100 |
| Equipment | | | | |
| At fair value | 70,806 | 65,424 | 68,709 | 63,312 |
| Less: Accumulated depreciation | (42,864) | (39,877) | (41,666) | (38,722) |
| Net book amount | 27,942 | 25,547 | 27,043 | 24,590 |
| Leased Equipment | | | | |
| At fair value | 8,245 | 8,245 | 8,245 | 8,245 |
| Less: Accumulated depreciation | (3,298) | (1,649) | (3,298) | (1,649) |
| Net book amount | 4,947 | 6,596 | 4,947 | 6,596 |
| Works of Art | | | | |
| 2013 Independent valuation | 5,528 | 5,528 | 5,528 | 5,528 |
| At council valuation | 531 | 280 | 531 | 280 |
| Net book amount | 6,059 | 5,808 | 6,059 | 5,808 |
| Total property, plant and equipment | 587,098 | 545,676 | 586,199 | 544,719 |

Note 22 Property, plant and equipment (continued)

Valuations of land and buildings

Land, buildings and infrastructure were revalued as at 31 December 2013 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. Buildings located in remote areas have retained cost as the valuation amount due to minimal movement in market conditions within the remote locations.

Reconciliations

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current year are as follows:

| | Land | Buildings | Infra-structure | Construction in progress | Leasehold Improvements | Library | Equipment | Leased Equipment | Works of Art | Total |
|------------------------------------|---------------|----------------|-----------------|--------------------------|------------------------|---------------|---------------|------------------|--------------|----------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Consolidated | | | | | | | | | | |
| Year ended 31 December 2014 | | | | | | | | | | |
| Opening net book amount | 37,382 | 289,887 | 24,998 | 37,601 | 2,469 | 16,618 | 22,341 | - | 5,528 | 436,824 |
| Additions | - | 561 | - | 111,138 | - | 4,067 | 9,127 | 8,245 | 280 | 133,418 |
| Reclassification | 84 | 108,127 | 1,155 | (109,366) | - | - | - | - | - | - |
| Disposals | - | (889) | (116) | - | - | - | (531) | - | - | (1,536) |
| Impairment revaluation decrement | - | (1,242) | - | - | - | - | - | - | - | (1,242) |
| Depreciation/amortisation charge | - | (9,974) | (897) | - | (293) | (3,585) | (5,390) | (1,190) | - | (21,329) |
| Finance costs on leased equipment | - | - | - | - | - | - | (459) | - | - | (459) |
| Closing net book amount | 37,466 | 386,470 | 25,140 | 39,373 | 2,176 | 17,100 | 25,547 | 6,596 | 5,808 | 545,676 |
| Year ended 31 December 2015 | | | | | | | | | | |
| Opening net book amount | 37,466 | 386,470 | 25,140 | 39,373 | 2,176 | 17,100 | 25,547 | 6,596 | 5,808 | 545,676 |
| Additions | - | - | - | 61,732 | - | 4,713 | 8,218 | - | 251 | 74,914 |
| Reclassification | 2,500 | 27,834 | 3,667 | (37,551) | 3,417 | - | 133 | - | - | - |
| Disposals | (990) | (4,564) | (447) | - | - | - | - | - | - | (6,001) |
| Depreciation/amortisation charge | - | (14,565) | (957) | - | (606) | (3,758) | (5,956) | (1,279) | - | (27,121) |
| Finance costs on leased equipment | - | - | - | - | - | - | (370) | - | - | (370) |
| Closing net book amount | 38,976 | 395,175 | 27,403 | 63,554 | 4,987 | 18,055 | 27,942 | 4,947 | 6,059 | 587,098 |

University

Year ended 31 December 2014

| | | | | | | | | | | |
|-----------------------------------|---------------|----------------|---------------|---------------|--------------|---------------|---------------|--------------|--------------|----------------|
| Opening net book amount | 37,382 | 289,887 | 24,998 | 37,601 | 2,469 | 16,618 | 21,086 | - | 5,528 | 435,569 |
| Additions | - | 561 | - | 111,138 | - | 4,067 | 9,277 | 8,245 | 280 | 133,568 |
| Reclassification | 84 | 108,127 | 1,155 | (109,366) | - | - | - | - | - | - |
| Disposals | - | (889) | (116) | - | - | - | (533) | - | - | (1,538) |
| Impairment revaluation decrement | - | (1,242) | - | - | - | - | - | - | - | (1,242) |
| Depreciation/amortisation charge | - | (9,974) | (897) | - | (293) | (3,585) | (5,240) | (1,190) | - | (21,179) |
| Finance costs on leased equipment | - | - | - | - | - | - | (459) | - | - | (459) |
| Closing net book amount | 37,466 | 386,470 | 25,140 | 39,373 | 2,176 | 17,100 | 24,590 | 6,596 | 5,808 | 544,719 |

Year ended 31 December 2015

| | | | | | | | | | | |
|-----------------------------------|---------------|----------------|---------------|---------------|--------------|---------------|---------------|--------------|--------------|----------------|
| Opening net book amount | 37,466 | 386,470 | 25,140 | 39,373 | 2,176 | 17,100 | 24,590 | 6,596 | 5,808 | 544,719 |
| Additions | - | - | - | 61,732 | - | 4,713 | 8,170 | - | 251 | 74,866 |
| Reclassification | 2,500 | 27,834 | 3,667 | (37,551) | 3,417 | - | 133 | - | - | - |
| Disposals ^A | (990) | (4,564) | (447) | - | - | - | - | - | - | (6,001) |
| Depreciation/amortisation charge | - | (14,565) | (957) | - | (606) | (3,758) | (5,850) | (1,279) | - | (27,015) |
| Finance costs on leased equipment | - | - | - | - | - | - | (370) | - | - | (370) |
| Closing net book amount | 38,976 | 395,175 | 27,403 | 63,554 | 4,987 | 18,055 | 27,043 | 4,947 | 6,059 | 586,199 |

Note: The University has restrictions imposed on the real property listed in this Note under *The Flinders University of South Australia Act, 1966*. Section 3 (5) of the Act states;

"The University must not alienate (except by way of lease 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."

^A Includes transfer of Lincoln Marine Science Centre with a net book value of \$6m (Buildings & Infrastructure \$5m and Land \$1m) to State Government for Nil consideration.

The University also occupies various sites in the Northern Territory on Crown Land. The value of these properties is \$17.4m (2014 \$17.4m).

Consolidated University

| | 2015 | 2014 | 2015 | 2014 |
|------|--------|--------|--------|--------|
| Note | \$'000 | \$'000 | \$'000 | \$'000 |

Note 23 Investment property

At Fair value:

| | | | | |
|--|--------------|--------------|--------------|--------------|
| Opening balance at 1 January | 9,203 | 9,400 | 9,203 | 9,400 |
| Net (loss) from fair value adjustments | (903) | (197) | (903) | (197) |
| Closing balance at 31 December | 8,300 | 9,203 | 8,300 | 9,203 |

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

| | | | | |
|--|------------|------------|------------|------------|
| Rental Income | 1,196 | 1,164 | 1,196 | 1,387 |
| Direct operating expenses (rent generating properties) | (306) | (498) | (306) | (498) |
| Other direct operating expenses | (188) | (55) | (188) | (55) |
| Total recognised in profit or loss | 702 | 611 | 702 | 834 |

For fair value hierarchy categorisation of investment properties see note 43(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.

(c) Non-current assets pledged as security

No non-current assets have been pledged.

(d) Contractual Obligations

There are no material contractual obligations for the investment property

(e) Leasing arrangements

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

| | | | | |
|--|------------|------------|------------|------------|
| Not later than one year | 69 | 289 | 69 | 289 |
| Later than one year and not later than 5 years | 144 | 226 | 144 | 226 |
| Later than 5 years | - | - | - | - |
| Total lease commitments as lessor | 213 | 515 | 213 | 515 |

In 2000 the University purchased the Mark Oliphant building in Science Park as an investment property. As at 31 December 2015, 95% (2014: 77%) of the building is leased or available for lease to entities outside the Consolidated entity. 0% (2014: 8%) was leased to entities outside the University but within the Consolidated entity.

Note 24 Intangible assets

Non-current

| | | | | |
|---|---------------|---------------|---------------|---------------|
| Software costs | 26,078 | 13,726 | 26,078 | 13,726 |
| Less: accumulated amortisation and impairment | (12,301) | (9,975) | (12,301) | (9,975) |
| | 13,777 | 3,751 | 13,777 | 3,751 |
| IT development in progress | 3,215 | 8,318 | 3,215 | 8,318 |
| Net book value of software costs | 16,992 | 12,069 | 16,992 | 12,069 |

Project costs carried forward (development costs)

| | | | | |
|--|---------------|---------------|---------------|---------------|
| | 770 | 804 | - | - |
| Net book value of project costs | 770 | 804 | - | - |
| Net book amount | 17,762 | 12,873 | 16,992 | 12,069 |

Note 24 Intangible assets (continued)

At 1 January 2014

| | Consolidated | | | University | |
|---|----------------|---------------|--------------|----------------|--------------|
| | Software costs | Project costs | Total | Software costs | Total |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Cost | 13,494 | 1,582 | 15,076 | 13,494 | 13,494 |
| Accumulated amortisation and impairment | (9,161) | (832) | (9,993) | (9,161) | (9,161) |
| Net book amount | 4,333 | 750 | 5,083 | 4,333 | 4,333 |

Year ended 31 December 2014

| | | | | | |
|--------------------------------|--------------|------------|--------------|--------------|--------------|
| Opening net book amount | 4,333 | 750 | 5,083 | 4,333 | 4,333 |
| Additions | 826 | 54 | 880 | 826 | 826 |
| Disposals | (116) | - | (116) | (116) | (116) |
| Amortisation charge | (1,292) | - | (1,292) | (1,292) | (1,292) |
| Closing net book amount | 3,751 | 804 | 4,555 | 3,751 | 3,751 |

At 31 December 2014

| | | | | | |
|---|--------------|------------|--------------|--------------|--------------|
| Cost | 14,204 | 1,636 | 15,840 | 14,204 | 14,204 |
| Accumulated amortisation and impairment | (10,453) | (832) | (11,285) | (10,453) | (10,453) |
| Net book amount | 3,751 | 804 | 4,555 | 3,751 | 3,751 |

Year ended 31 December 2015

| | | | | | |
|--------------------------------|---------------|------------|---------------|---------------|---------------|
| Opening net book amount | 3,751 | 804 | 4,555 | 3,751 | 3,751 |
| Net additions | 12,352 | (34) | 12,318 | 12,352 | 12,352 |
| Amortisation charge | (2,326) | - | (2,326) | (2,326) | (2,326) |
| Closing net book amount | 13,777 | 770 | 14,547 | 13,777 | 13,777 |

At 31 December 2015

| | | | | | |
|---|---------------|------------|---------------|---------------|---------------|
| Cost | 26,556 | 1,602 | 28,158 | 26,556 | 26,556 |
| Accumulated amortisation and impairment | (12,779) | (832) | (13,611) | (12,779) | (12,779) |
| Net book amount | 13,777 | 770 | 14,547 | 13,777 | 13,777 |

Note 25 Trade and other payables

Current

| | Consolidated | | University | |
|---|----------------|----------------|----------------|----------------|
| | 2015 \$'000 | 2014 \$'000 | 2015 \$'000 | 2014 \$'000 |
| Creditors | 11,097 | 8,290 | 9,707 | 7,498 |
| OS-HELP liability to Australian Government | 695 | - | 695 | - |
| Accrued expenses | 19,611 | 16,738 | 19,146 | 16,525 |
| Annual leave on costs | 3,072 | 3,060 | 3,072 | 3,060 |
| Long service leave on costs | 705 | 570 | 705 | 570 |
| Total current trade and other payables | 35,180 | 28,658 | 33,325 | 27,653 |

Non-current

| | | | | |
|---|---------------|---------------|---------------|---------------|
| Creditors | 177 | - | - | - |
| Long service leave on costs | 3,904 | 3,787 | 3,904 | 3,787 |
| Total non-current trade and other payables | 4,081 | 3,787 | 3,904 | 3,787 |
| Total trade and other payables | 39,261 | 32,445 | 37,229 | 31,440 |

(a) Foreign currency risk

There are no material exposures to foreign currency in the carrying amounts of the Consolidated entity and University's payables.

Note 26 Borrowings

Current

| | | | | |
|---------------------------------|--------------|--------------|--------------|--------------|
| Finance Lease Liabilities | 1,643 | 1,549 | 1,643 | 1,549 |
| Total current borrowings | 1,643 | 1,549 | 1,643 | 1,549 |

Non-Current

| | | | | |
|-------------------------------------|--------------|--------------|--------------|--------------|
| Finance Lease Liabilities | 3,593 | 5,236 | 3,593 | 5,236 |
| Long Term Borrowings | 600 | - | - | - |
| Total Non-current borrowings | 4,193 | 5,236 | 3,593 | 5,236 |
| Total Borrowings | 5,836 | 6,785 | 5,236 | 6,785 |

The above finance lease liability is for network equipment over a five year period commencing January 2014.

The amounts payable are denoted in Australian dollars and do not vary with interest rate movements.

Assets pledged as security

There are no assets pledged as security.

Financing arrangements

Flinders University has the following arrangements with the NAB –

| | | | | |
|---|--------------|--------------|--------------|--------------|
| Overdraft facility ⁽¹⁾ | 500 | 500 | 500 | 500 |
| Amount used | - | - | - | - |
| Unused overdraft facility | 500 | 500 | 500 | 500 |
| Visa credit cards facility ⁽¹⁾ | 4,560 | 4,560 | 4,500 | 4,500 |
| Amount used | (551) | (504) | (518) | (492) |
| Unused credit cards facility | 4,009 | 4,056 | 3,982 | 4,008 |

⁽¹⁾ These facilities are unsecured.

| | Consolidated | | University | |
|-------------------------------------|----------------|----------------|----------------|----------------|
| | 2015 \$'000 | 2014 \$'000 | 2015 \$'000 | 2014 \$'000 |
| Note 27 Provisions | | | | |
| Current provisions | | | | |
| Employee benefits | | | | |
| Annual leave < 12 months | 10,534 | 10,384 | 10,310 | 10,213 |
| Annual leave > 12 months | 4,141 | 4,076 | 4,141 | 4,076 |
| Long service leave | 4,377 | 4,023 | 4,237 | 3,590 |
| Defined benefit obligation | 3,177 | 3,202 | 3,177 | 3,202 |
| Severance (contract employees) | 840 | 741 | 500 | 698 |
| Total employee benefits | 23,069 | 22,426 | 22,365 | 21,779 |
| Workers' compensation | 247 | 385 | 238 | 369 |
| Total current provisions | 23,316 | 22,811 | 22,603 | 22,148 |
| Non-current provisions | | | | |
| Employee benefits | | | | |
| Long service leave | 24,234 | 23,335 | 24,188 | 23,293 |
| Defined benefit obligation | 48,927 | 52,005 | 48,927 | 52,005 |
| Severance (contract employees) | 144 | 161 | 144 | 162 |
| Total employee benefits | 73,305 | 75,501 | 73,259 | 75,460 |
| Workers' compensation | 463 | 153 | 463 | 153 |
| Total non-current provisions | 73,768 | 75,654 | 73,722 | 75,613 |
| Total provisions | 97,084 | 98,465 | 96,325 | 97,761 |

| | | | | |
|--|----------------|----------------|----------------|----------------|
| Reconciliation of employee benefits | | | | |
| Current employee benefits | 23,069 | 22,426 | 22,365 | 21,779 |
| Non current employee benefits | 73,305 | 75,501 | 73,259 | 75,460 |
| add Leave on costs (included in Note 25) | 7,681 | 7,417 | 7,681 | 7,417 |
| Aggregate employee benefits | 104,055 | 105,344 | 103,305 | 104,656 |

| | | | | |
|---|---------------|---------------|---------------|---------------|
| Reconciliation of leave provisions | | | | |
| Annual leave | 14,675 | 14,460 | 14,451 | 14,289 |
| Annual leave on costs | 3,072 | 3,060 | 3,072 | 3,060 |
| Total annual leave provision | 17,747 | 17,520 | 17,523 | 17,349 |
| Long service leave | 28,611 | 27,358 | 28,425 | 26,883 |
| Long service leave on costs | 4,609 | 4,357 | 4,609 | 4,357 |
| Total long service leave provision | 33,220 | 31,715 | 33,034 | 31,240 |
| Total leave provisions | 50,967 | 49,235 | 50,557 | 48,589 |

Movements in the workers compensation liability are set out below:

| | | | | |
|---------------------------------------|------------|------------|------------|------------|
| Workers' Compensation | | | | |
| Carrying amount at start of year | 538 | 1,100 | 522 | 1,100 |
| Additional provisions recognised | 637 | 185 | 644 | 169 |
| Amounts used | (465) | (747) | (465) | (747) |
| Carrying amount at end of year | 710 | 538 | 701 | 522 |

| | Consolidated | | University | |
|---|----------------|----------------|----------------|----------------|
| | 2015 \$'000 | 2014 \$'000 | 2015 \$'000 | 2014 \$'000 |
| Note 28 Other liabilities | | | | |
| Current | | | | |
| Income in advance | | | | |
| Fees & charges | 7,978 | 6,873 | 7,978 | 6,873 |
| Other | 213 | 335 | 213 | 282 |
| Total Income in advance | 8,191 | 7,208 | 8,191 | 7,155 |
| Australian Government unspent financial assistance | - | 151 | - | 151 |
| Total current other liabilities | 8,191 | 7,359 | 8,191 | 7,306 |
| Interest-bearing funds held on behalf of external entities | | | | |
| Student entities | 9 | 8 | 1,011 | 1,023 |
| Other entities | 1,520 | 1,338 | 1,520 | 1,338 |
| Total current unsecured interest bearing liabilities | 1,529 | 1,346 | 2,531 | 2,361 |
| Total current other liabilities | 9,720 | 8,705 | 10,722 | 9,667 |
| Total other liabilities | 9,720 | 8,705 | 10,722 | 9,667 |

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. Funds held are at call. The University has no assets pledged as security for interest bearing liabilities.

Note 29 Reserves and retained earnings

(a) Reserves

Asset revaluation surplus

| | Consolidated | | University | |
|--|----------------|----------------|----------------|----------------|
| | 2015 \$'000 | 2014 \$'000 | 2015 \$'000 | 2014 \$'000 |
| Property, plant and equipment revaluation surplus | 142,430 | 142,430 | 142,949 | 142,949 |
| Available-for-sale investments revaluation surplus | 8,564 | 1,422 | 12,220 | 6,987 |
| Total reserves | 150,994 | 143,852 | 155,169 | 149,936 |

Movements in reserves

| | | | | |
|---|----------------|----------------|----------------|----------------|
| Balance 1 January | 142,430 | 144,370 | 142,949 | 144,191 |
| Increment/ (decrement) on revaluation of: | | | | |
| - Impairment of Buildings | - | (1,242) | - | (1,242) |
| Transfer from revaluation reserve on sale of aircraft | - | (698) | - | - |
| Balance 31 December | 142,430 | 142,430 | 142,949 | 142,949 |

Available-for-sale investments revaluation surplus

| | | | | |
|---------------------------------------|--------------|--------------|---------------|--------------|
| Balance 1 January | 1,422 | 1,198 | 6,987 | 11,541 |
| Increment/ (decrement) on revaluation | 7,142 | 224 | 5,233 | (4,554) |
| Balance 31 December | 8,564 | 1,422 | 12,220 | 6,987 |

Movements in retained earnings were as follows:

| | | | | |
|---|----------------|----------------|----------------|----------------|
| Retained earnings at 1 January | 495,636 | 482,722 | 488,646 | 472,785 |
| Net result for the period | 14,283 | 12,216 | 16,537 | 15,861 |
| Transfer from revaluation reserve on sale of aircraft | - | 698 | - | - |
| Retained earnings at 31 December | 509,919 | 495,636 | 505,183 | 488,646 |

(b) Nature and purpose of reserves

(1) Property, plant and equipment reserve

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

(2) Available-for-sale investments revaluation reserve

The available-for-sale investments revaluation surplus records revaluations in investments.

Note 30 Key management personnel disclosures

30.1 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 of South Australia Act*, 1966. Council members include University employees who may be ex-officio members or elected staff members.

(a) Names of responsible persons and executive officers:

The following persons were responsible persons and executive officers of Flinders University during the financial year:

COUNCIL MEMBERS IN 2015

Persons listed were all Council members for the full year unless otherwise indicated. An asterisk indicates University employees.

Members ex officio

Chancellor

Mr Stephen Gerlach, AM

Vice-Chancellor

*Professor Colin Stirling

Presiding member of the Academic Senate

*Professor Eimear Muir-Cochrane

Members appointed by the Council

Mrs Leonie Clyne OAM

Mr Douglas Gautier

Mr Marty Gauvin (to 01/12/2015)

Ms Kathryn Gramp

Mrs Peggy Lau Flux

Ms Elizabeth Perry

Mr Austin Taylor

Professor Brenda Wilson (from 01/10/2015)

Mrs Christine Zeitz

University Senior Management

Professor Richard Constantine (to 27/11/2015)

Professor Nancy Cromar

Professor David Day (to 03/07/2015)

Professor Michael Kidd

Professor Warren Lawrance

Professor Richard Maltby

Mr Shane McGregor (to 04/09/2015)

Professor Andrew Parkin

Professor Robert Saint (from 15/06/2015)

Professor Colin Stirling

Professor Phyllis Tharenou

Ms Callista Thillou

Member co-opted and appointed by the Council

Professor Goran Roos

Members elected by the academic staff

*Professor Leon Lack

*Dr Clare McCarty

Members elected by the non-academic staff

*Ms Debra Hackett

*Ms Pamela Smith

Student members elected by the students

Mr Leon Cermak

Ms Karen Patterson

Student member appointed by the Vice-Chancellor

Mr James Vigus

Note 30 Key management personnel disclosures (continued)

30.1 Responsible persons (continued)

(b) 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 Executive Officers. Some members of Council are employees of the University and they receive no additional remuneration above their normal entitlements for being a Council member. University Council members receive no remuneration for being a Council member but may receive remuneration for board membership of subsidiaries.

| | Consolidated | | University | |
|---|--------------|-----------|------------|------------|
| | 2015 | 2014 | 2015 | 2014 |
| Nil | 19 | 18 | 21 | 21 |
| \$20,000 - \$29,999 | 2 | 2 | - | - |
| \$30,000 - \$39,999 | - | 1 | - | - |
| Number of members | 21 | 21 | 21 | 21 |
| Aggregate remuneration of Council members (\$'000) | 48 | 87 | Nil | Nil |

30.2 Key management personnel

(a) Remuneration of key management personnel

The remuneration includes salary, 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.

The table comprises total remuneration that falls within the prescribed bandwidths for executives:

| | Consolidated | | University | |
|--|-----------------|--------------|-----------------|--------------|
| | 2015 | 2014 | 2015 | 2014 |
| | Number of staff | | Number of staff | |
| \$210,000 - \$219,999 | 1 | - | 1 | - |
| \$230,000 - \$239,999 | 1 | - | 1 | - |
| \$270,000 - \$279,999 | - | 2 | - | 2 |
| \$280,000 - \$289,999 | 2 | - | 2 | - |
| \$290,000 - \$299,999 | - | 1 | - | 1 |
| \$300,000 - \$309,999 | 1 | - | 1 | - |
| \$320,000 - \$329,999 | - | 1 | - | 1 |
| \$350,000 - \$359,999 | - | 1 | - | 1 |
| \$360,000 - \$369,999 | 1 | - | 1 | - |
| \$380,000 - \$389,999 | 1 | 1 | 1 | 1 |
| \$390,000 - \$399,999 | 2 | 1 | 2 | 1 |
| \$400,000 - \$409,999 | - | 1 | - | 1 |
| \$410,000 - \$419,999 | 1 | - | 1 | - |
| \$420,000 - \$429,999 | - | 2 | - | 2 |
| \$520,000 - \$529,999 | 1 | - | 1 | - |
| \$920,000 - \$929,999 * | - | 1 | - | 1 |
| \$1,190,000 - \$1,199,999 ^ | 1 | - | 1 | - |
| | 12 | 11 | 12 | 11 |
| Aggregate remuneration of Executives (\$'000) | 5,014 | 4,483 | 5,014 | 4,483 |

^ The Vice-Chancellor's remuneration includes recurring benefits of \$970k and non-recurring payments associated with his appointment of \$225k

*The payments made to the then Vice-Chancellor include \$131k of payments for accrued leave on retirement.

** The number of executives has increased by one from 2014. One Executive retired and was replaced mid year, so two staff are included in the above table for the one post.

Note 30 Key management personnel disclosures (continued)

30.2 Key management personnel (continued)

(a) Remuneration of key management personnel (continued)

Key management personnel compensation

| | Consolidated | | University | |
|--|--------------|--------------|--------------|--------------|
| | 2015 | 2014 | 2015 | 2014 |
| | \$'000 | | \$'000 | |
| Short-term employee benefits | 4,070 | 3,690 | 4,070 | 3,690 |
| Post-employment benefits | 593 | 585 | 593 | 585 |
| Other long-term benefits | 167 | 123 | 167 | 123 |
| Termination benefits | 184 | 85 | 184 | 85 |
| Total key management personnel compensation | 5,014 | 4,483 | 5,014 | 4,483 |

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".

30.3 Related party transactions

From time to time University Council members have interests in entities with which the University conducts business. In all cases, transactions are undertaken on a normal commercial basis.

In 2014, the University entered into a contract with Tier 5 for the provision of data centre services. The Managing Director of Tier 5 Pty Ltd was a University Council member. The contract was independently verified as being on commercial terms and conditions. The contract ended in 2015. Payments made in 2015 were \$44k (2014 Nil).

In 2015 the University provided \$44k sponsorship to the Adelaide Festival Centre for the OzAsia Festival under normal commercial terms. A University Council member is the CEO and Artistic Director of the Adelaide Festival Centre.

| | Consolidated | | University | |
|--|--------------|------|------------|------|
| | 2015 | 2014 | 2015 | 2014 |
| | \$'000 | | \$'000 | |
| | | | | |

Note 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 firm

Audit of the financial statements

| | | | | |
|--|------------|------------|------------|------------|
| Fees paid to the South Australian Auditor-General's Department | 303 | 316 | 303 | 316 |
| Edwards Marshall | 33 | 39 | - | (3) |
| Total paid for audit | 336 | 355 | 303 | 313 |

Other audit and assurance services

| | | | | |
|--|------------|------------|------------|------------|
| Fees paid to the South Australian Auditor-General's Department | - | 9 | - | 9 |
| Deloitte | 297 | 309 | 297 | 309 |
| Others | 60 | 58 | 58 | 53 |
| Total paid for audit and assurance | 357 | 376 | 355 | 371 |
| Total remuneration for audit services | 693 | 731 | 658 | 684 |

The Auditor-General audited the Higher Education Research Data Collection for 2014 and Messenger Zerner will undertake the audit for 2015 data. Deloitte provide internal audit services to the University. Other audit and assurance services are largely for grant reporting purposes.

Note 32 Contingencies

Contingent assets

There were 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 2015 the University had a bank guarantee facility of \$1.01m in place (2014: \$1.93m).

| Consolidated | | University | |
|--------------|--------|------------|--------|
| 2015 | 2014 | 2015 | 2014 |
| \$'000 | \$'000 | \$'000 | \$'000 |

Note 33 Commitments

(a) Capital commitments

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

Property, Plant and Equipment

| | | | | |
|----------------------------|--------|--------|--------|--------|
| Within one year | 13,944 | 61,497 | 13,944 | 61,497 |
| Between one and five years | 1,608 | 1,932 | 1,608 | 1,932 |
| Later than five years | - | - | - | - |
| | 15,552 | 63,429 | 15,552 | 63,429 |

Intangible assets

| | | | | |
|----------------------------|--------|--------|--------|--------|
| Within one year | 8,364 | 6,821 | 8,364 | 6,821 |
| Between one and five years | 2,988 | 7,183 | 2,988 | 7,183 |
| Later than five years | 41 | 755 | 41 | 755 |
| | 11,393 | 14,759 | 11,393 | 14,759 |

Total Capital commitments

| | | | | |
|--|--------|--------|--------|--------|
| | 26,945 | 78,188 | 26,945 | 78,188 |
|--|--------|--------|--------|--------|

(b) Lease commitments

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.

University as lessee

| | | | | |
|---|-------|-------|-------|-------|
| Total lease payments recognised as an expense during the reporting period | 4,675 | 3,346 | 4,605 | 3,402 |
|---|-------|-------|-------|-------|

Commitments

Commitments in relation to leases contracted for as at the reporting date but not recognised as liabilities are payable as follows:

| | | | | |
|-------------------------------------|--------|--------|--------|--------|
| Within one year | 2,473 | 1,676 | 2,473 | 1,676 |
| Between one and five years | 3,300 | 4,687 | 3,300 | 4,687 |
| Later than 5 years | 5,066 | 5,059 | 5,066 | 5,059 |
| Total future minimum lease payments | 10,839 | 11,422 | 10,839 | 11,422 |

University as lessor

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

| | | | | |
|-----------------------------------|-------|-------|-------|-------|
| Within one year | 626 | 675 | 626 | 830 |
| Between one and five years | 1,223 | 588 | 1,223 | 723 |
| Later than 5 years | 117 | 464 | 117 | 464 |
| Total lease commitments as lessor | 1,966 | 1,727 | 1,966 | 2,017 |

The University has accommodation for 560 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 figures.

The above table includes Investment Property operating leases. Refer to note 23, Investment Property.

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

| Consolidated | | University | |
|--------------|--------|------------|--------|
| 2015 | 2014 | 2015 | 2014 |
| \$'000 | \$'000 | \$'000 | \$'000 |

Note 33 Commitments (continued)

(c) Other expenditure commitments

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

| | | | | |
|-------------------------------------|-------|-------|-------|-------|
| Within one year | 6,940 | 4,552 | 6,940 | 4,552 |
| Between one year and five years | 1,208 | 3,410 | 1,208 | 3,410 |
| Later than five years | - | - | - | - |
| Total other expenditure commitments | 8,148 | 7,962 | 8,148 | 7,962 |

Note 34 Related parties

(a) Parent entity

The ultimate parent entity within the group 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 are set out in Note 38.

(c) Council members and senior management

Disclosures relating to the University Council Members and Senior Management are detailed 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

| | Consolidated | | University | |
|---------------------------|--------------|--------|------------|--------|
| | 2015 | 2014 | 2015 | 2014 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Beginning of the year | - | - | 500 | - |
| Loans advanced | - | - | 250 | 500 |
| Loans repayments received | - | - | (250) | - |
| Interest charged | - | - | 22 | - |
| Interest received | - | - | (7) | - |
| End of year | - | - | 515 | 500 |

Note 35 Subsidiaries

Flinders University is the Parent entity or ultimate Parent entity of the following entities, all of which are incorporated in Australia. The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 1(b):

| Name of entity | Principal activities | Ownership interest | |
|--|---|--------------------|-----------|
| | | 2015 % | 2014 % |
| Flinders Bioremediation Pty Ltd | Develop and extend commercial activities of the University in the areas of soil bioremediation, organic waste management and related technologies | 100 | 100 |
| Flinders Campus Community Services Inc. | Provides on-campus services and support for students | 100 | 100 |
| Flinders Partners Pty Ltd | Commercialisation of University sourced intellectual property and conduct of commercial consultancies | 100 | 100 |
| Strategiize Pty Ltd (formerly Flinders MediTech Pty Ltd) (subsidiary of Flinders Partners Pty Ltd) | Software development company | 100 | 100 |
| InRemedy Pty Ltd (subsidiary of Flinders Partners Pty Ltd) | Healthcare consultancy | 100 | 100 |
| unIPartners Ltd (subsidiary of Flinders Partners Pty Ltd) | Creates new growth companies from University research in South Australia | 62 | 46 |
| Clevertar Pty Ltd (subsidiary of Flinders Partners Pty Ltd) | Software development company | 51 | 76 |
| Lung Health Diagnostics Pty Ltd | Biotech development company | 60 | 60 |
| National Institute of Labour Studies (NILS) Foundation Inc. ^ | Supports the activities of NILS | - | 100 |
| Flinders Consulting Pty Ltd ^^ | Consulting, subsumed by Flinders Partners. | - | 100 |

^ NILS Foundation was liquidated during 2015 and its assets distributed to the University and held for the benefit of NILS.

^^ Flinders Consulting was liquidated during 2015 and net assets have been distributed.

Note 36 Joint Arrangements

| | Consolidated | | University | |
|---|---|----------------|--------------------|----------------|
| | 2015 \$'000 | 2014 \$'000 | 2015 \$'000 | 2014 \$'000 |
| (a) Joint operations | | | | |
| Entity name | Principal activity | | Ownership interest | |
| | | | 2015 % | 2014 % |
| Centre for Remote Health | Provision of health education and research to remote areas | | 50 | 50 |
| Assets | | | | |
| Cash at bank | 918 | 780 | 918 | 780 |
| Receivables | 33 | 73 | 33 | 73 |
| Property Plant and equipment | 2,485 | 2,588 | 2,485 | 2,588 |
| Total assets | 3,436 | 3,441 | 3,436 | 3,441 |
| Liabilities | | | | |
| Payables | 40 | 42 | 40 | 42 |
| Provisions | 213 | 219 | 213 | 219 |
| Total liabilities | 253 | 261 | 253 | 261 |
| Share of net assets employed in the joint venture | 3,183 | 3,180 | 3,183 | 3,180 |
| Jointly controlled operations | | | | |
| Entity name | Principal activity | | Ownership interest | |
| | | | 2015 % | 2014 % |
| Rubuntja Building, Alice Springs Hospital | Education and research services providing health services to local & remote Indigenous populations. | | 41 | 41 |
| Assets | | | | |
| Property, plant and equipment | 1,038 | 1,092 | 1,038 | 1,092 |
| Share of net assets employed in the joint venture | 1,038 | 1,092 | 1,038 | 1,092 |
| Entity name | Principal activity | | Ownership interest | |
| | | | 2015 % | 2014 % |
| Lincoln Marine Science Centre, Port Lincoln | Supports research and tertiary level education in marine science | | - | 43 |
| Assets | | | | |
| Property, plant and equipment | - | 6,111 | - | 6,111 |
| Share of net assets employed in the joint venture | - | 6,111 | - | 6,111 |
| In 2015 the University transferred ownership of the Lincoln Marine Science Centre to the SA State Government for \$NIL consideration. | | | | |
| Entity name | Principal activity | | Ownership interest | |
| | | | 2015 % | 2014 % |
| University Research Repositories of South Australia | Provision of storage area for library books from three South Australian Universities | | 28 | 28 |
| University Research Repository of South Australia (URRSA) | | | | |
| Assets | | | | |
| Property, plant and equipment | 1,338 | 1,377 | 1,338 | 1,377 |
| Share of net assets employed in the joint venture | 1,338 | 1,377 | 1,338 | 1,377 |

Note 36 Joint Arrangements (continued)

(a) Joint operations (continued)

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

The University's joint operations have contingent liabilities of \$nil as at 31 December 2015 (2014: \$nil).

Other

The University 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 revenue and expense is included in the Income Statement.

(b) Joint ventures

The University participates in a number of joint ventures for which the University's interest is not considered to be material. Accordingly they have not been taken up in the accounts.

Relevant disclosures are as follows:-

| Name of entity | Reporting date | Principal activity | Ownership interest | |
|--|----------------|--|--------------------|-----------|
| | | | 2015 % | 2014 % |
| eResearch SA | (U) 31-Dec | Supports and promotes the use of advanced and high-performance computing and communications. | 33 | 33 |
| South Australian Tertiary Admission Centre (SATAC) | (U) 31-Dec | Agent for tertiary institutions in Adelaide for receiving & processing applications for admission to tertiary level courses. | 25 | 25 |
| South Australian Centre for Economic Studies (SACES) | (U) 31-Dec | Conducts research on economic issues for government and private sector bodies | - | 50 |

(U) Unincorporated

(c) Other information

- (1) Capital expenditure commitments- No material capital expenditure commitments.
- (2) Contingent liabilities - No material contingent liabilities.
- (3) After balance date events- No material after balance date events.

Note 37 Cooperative Research Centres (CRC)

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. |
| Australian Seafood Cooperative Research Centre | To assist end-users of its research to profitably deliver safe, high-quality, nutritious Australian seafood products to premium markets - domestically and overseas. |
| Bushfire & Natural Hazards CRC | To explore the causes, consequences and mitigation of natural disasters. |
| Innovative Manufacturing CRC | To lead Australia's transition into high value, high knowledge based manufacturing through support and facilitation of innovative manufacturing organisations. |
| Pork CRC | 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. |
| The Cooperative Research Centre 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. |
| The Young and Well Cooperative Research Centre | To unite young people with researchers, practitioners and policy makers from over 75 partner organisations across the non-profit, academic, government and corporate sectors. |

Note 38 Associates

The University has significant influence but not control over the following associate.

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.

SABRENet Ltd is not accounted for using the equity method as the University does not have access to the residual assets of the entity.

| Name of entity | Reporting date | Principal activity | Ownership interest | |
|-----------------|----------------|--|--------------------|-----------|
| | | | 2015 % | 2014 % |
| SABRENet Ltd | 30-Jun | Delivers high capacity broadband network services to the education and research sector. | 25 | 25 |
| Re-Time Pty Ltd | 30-Jun | Re-Time Pty Ltd was formed in 2010 to help people re-time their body clocks and improve sleep. | 35 | 35 |

Note 39 Events occurring after the end of the reporting period

In mid-April the University introduced a Voluntary Early Retirement Scheme. Costs incurred in relation to this scheme will be included in the 2016 annual financial statements.

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 as at 31 December 2015.

Note 40 Reconciliation of net result to net cash flows from operating activities

| Notes | Consolidated | | University | |
|---|----------------|----------------|----------------|----------------|
| | 2015 \$'000 | 2014 \$'000 | 2015 \$'000 | 2014 \$'000 |
| Net result for the period | 14,129 | 12,162 | 16,537 | 15,861 |
| Non-cash items: | | | | |
| Depreciation and amortisation | 29,846 | 23,080 | 29,711 | 22,930 |
| Net (gain)/loss on sale of non-current assets | 5,998 | 980 | 6,001 | 763 |
| Net contribution of assets | (291) | (277) | (291) | (277) |
| Fair value gains on other financial assets at fair value through profit or loss | (615) | (362) | (167) | (359) |
| Distributions | 528 | - | (1,081) | - |
| Impairment of Assets | (7) | 114 | 72 | 114 |
| Investment expenses paid direct from funds | 165 | 163 | 165 | 49 |
| Other | 971 | 2,990 | 2,102 | 875 |
| Total non-cash items | 36,595 | 26,688 | 36,512 | 24,095 |
| Change in assets and liabilities | | | | |
| Decrease/(Increase) in receivables | 260 | (6,688) | 127 | (7,353) |
| Decrease/(Increase) in inventories | 47 | 27 | 9 | (43) |
| (Increase)/Decrease in other operating assets | 72 | (2,657) | 72 | (2,660) |
| Increase/(Decrease) in payables | 5,504 | (2,241) | 4,478 | (2,553) |
| (Decrease)/Increase in other provisions | (1,381) | 12,085 | (1,436) | 12,016 |
| Increase/(Decrease) in other operating liabilities | 845 | 317 | 885 | 251 |
| Net cash provided by operating activities | 56,071 | 39,693 | 57,184 | 39,614 |

Cash balances not available for use

All cash balances are available for use (2014: all available).

Tax status

The activities of the University are exempt from income tax as are all but one of its controlled entities.

Note 41 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 \$0.291million (2014: \$0.277 million) by means of donations. These acquisitions are not reflected in the Statement of Cash Flows.

Note 42 Financial risk management

The Consolidated entity's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest risk, cash flow interest 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. Debtors are spread across a large number of customers and are predominantly public sector. 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. 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.

| Recognised financial instruments | Notes | Accounting Policies | Terms and Conditions |
|---|----------|--|---|
| (i) Financial assets | | | |
| Cash at bank | 1(g), 16 | Recognised at nominal amounts. | Interest accrued credited to revenue in the period it is earned. |
| Deposits within 3 days | 16 | Recognised at nominal amounts. | Interest accrued credited to revenue in the period it is earned. |
| Term deposits | 16, 19 | Recognised at nominal amounts. | Interest accrued credited to revenue in the period it is earned. |
| Equities | 19 | Recognised at market value. | Carrying amount of investments adjusted to market value monthly. |
| Managed funds | 19 | Recognised at market value. | Accrued distributions credited to revenue monthly. Investments adjusted to market value monthly. |
| Interest in business undertakings | 19 | Recognised at fair value. | Carrying amount of investments reviewed annually to ensure that it is not in excess of the recoverable amount of these investments. |
| Receivables | 17 | Shown at amounts due from customers, inclusive of GST and reduced for expected credit losses (Provision for doubtful debts). | Credit is allowed for a 30 day term. |
| Derivative Instruments - Hedge Receivable | 17 | Recognised at fair value in revenue. | The gross payable and receivable values are recognised in the balance sheet. The net fair value is recognised as revenue or expense for the reporting period. |
| (ii) Financial liabilities | | | |
| Trade and other Payables | 25 | Liabilities are recognised for amounts to be paid in future for goods and services received, whether or not billed to the Consolidated entity. | The University standard terms of trade is payment 30 days after receipt of invoice. |
| Interest bearing liabilities | 28 | Carried at their principal amounts. | Interest is credited monthly at the University's (weighted) interest earning rate on short term investments reduced by a nominal administration fee. |
| Income in advance | 28 | Carried at their nominal amounts. | Income is recognised in the period in which it is earned. |
| Non-interest bearing liabilities | 28 | Carried at their nominal amounts. | Nil |

The Economic 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 Economic Entity has approved the use of derivatives by its appointed Fund Managers within the bounds of their risk management policies. The main risks the Economic Entity is exposed to through its financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk.

Note 42 Financial risk management (continued)

(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 is limited to its investments in international equities of \$10.633m in 2015 (2014: \$715k), and as indicated in Note 17 there is the equivalent of AUD \$31k (2014: \$329k) denoted in foreign currency receivables. There are \$NIL (2014: \$NIL) 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 2015 was \$128k (2014: \$139k).

(ii) 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 2015 the Consolidated Entity held \$9.375m (2014: \$59.646m) in term deposits and short-term deposits earning interest at market rates. Refer Notes 16 and 19. The Consolidated Entity also held \$4.592m (2014: \$4.802m) in fixed interest managed funds. Refer Note 19.

(iii) Summarised sensitivity analysis

The following table summarises the sensitivity of the Consolidated Entity's financial assets and financial liabilities to interest rate risk and other price risk.

| 31 December 2015 | Carrying amount \$'000 | Interest rate risk | | | | Other Price risk | | | |
|----------------------------------|---------------------------|--------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | | -1% | | +1% | | -1% | | +1% | |
| | | Result \$'000 | Equity \$'000 | Result \$'000 | Equity \$'000 | Result \$'000 | Equity \$'000 | Result \$'000 | Equity \$'000 |
| Financial assets | | | | | | | | | |
| - Cash & cash equivalents | 46,745 | (467) | (467) | 467 | 467 | - | - | - | - |
| - Receivables | 70,351 | - | - | - | - | - | - | - | - |
| - Other financial assets | 65,680 | (124) | (124) | 124 | 124 | (282) | (282) | 282 | 282 |
| Financial liabilities | | | | | | | | | |
| - Payables | 39,261 | - | - | - | - | - | - | - | - |
| - Other liabilities | 1,529 | 15 | 15 | (15) | (15) | - | - | - | - |
| Total increase/(decrease) | 141,986 | (576) | (576) | 576 | 576 | (282) | (282) | 282 | 282 |

| 31 December 2014 | Carrying amount \$'000 | Interest rate risk | | | | Other Price risk | | | |
|----------------------------------|---------------------------|--------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | | -1% | | +1% | | -1% | | +1% | |
| | | Result \$'000 | Equity \$'000 | Result \$'000 | Equity \$'000 | Result \$'000 | Equity \$'000 | Result \$'000 | Equity \$'000 |
| Financial assets | | | | | | | | | |
| - Cash & cash equivalents | 27,999 | (280) | (280) | 280 | 280 | - | - | - | - |
| - Receivables | 75,018 | - | - | - | - | - | - | - | - |
| - Other financial assets | 99,325 | (500) | (500) | 500 | 500 | (383) | (383) | 383 | 383 |
| Financial liabilities | | | | | | | | | |
| - Payables | 32,446 | - | - | - | - | - | - | - | - |
| - Other liabilities | 1,346 | 13 | 13 | (13) | (13) | - | - | - | - |
| Total increase/(decrease) | 168,550 | (767) | (767) | 767 | 767 | (383) | (383) | 383 | 383 |

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. No sensitivity analysis has been prepared for foreign exchange risk as the risks are immaterial.

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

Note 42 Financial risk management (continued)

(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 EDUCATION of \$52.490m (2014: \$55.207m).

(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.

The following tables summarise the maturity of the Consolidated financial assets and financial liabilities:

| 31 December 2015 | Less than 1 Year | 1 to 5 Years | 5+ Years | Non- interest bearing | Total |
|------------------------------------|-------------------------|-----------------|-------------|-----------------------------|----------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| | Financial assets | | | | |
| Cash and cash equivalents | 46,745 | - | - | 21 | 46,766 |
| Receivables | - | - | - | 70,351 | 70,351 |
| Other financial assets | 12,368 | 1,033 | 765 | 51,514 | 65,680 |
| Total financial assets | 59,113 | 1,033 | 765 | 121,886 | 182,797 |
| Financial liabilities | | | | | |
| Payables | - | - | - | 39,261 | 39,261 |
| Other liabilities | 1,529 | - | - | - | 1,529 |
| Total financial liabilities | 1,529 | - | - | 39,261 | 40,790 |
| Net financial assets | 57,584 | 1,033 | 765 | 82,625 | 142,007 |

| 31 December 2014 | Less than 1 Year | 1 to 5 Years | 5+ Years | Non- interest bearing | Total |
|------------------------------------|-------------------------|-----------------|--------------|-----------------------------|----------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| | Financial assets | | | | |
| Cash and cash equivalents | 27,975 | - | - | 24 | 27,999 |
| Receivables | - | - | - | 75,018 | 75,018 |
| Other financial assets | 50,026 | 1,962 | 3,258 | 44,079 | 99,325 |
| Total financial assets | 78,001 | 1,962 | 3,258 | 119,121 | 202,342 |
| Financial liabilities | | | | | |
| Payables | - | - | - | 32,446 | 32,446 |
| Other liabilities | 1,346 | - | - | - | 1,346 |
| Total financial liabilities | 1,346 | - | - | 32,446 | 33,792 |
| Net financial assets | 76,655 | 1,962 | 3,258 | 86,675 | 168,550 |

Note 43 Fair value measurements

(a) Fair Value Measurements

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

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

The consolidated carrying amounts and aggregate fair values of financial assets and liabilities at balance date are:

| | Notes | Consolidated | | | |
|---|-------|-----------------|----------------|----------------|----------------|
| | | Carrying Amount | | Fair Value | |
| | | 2015 | 2014 | 2015 | 2014 |
| | | \$'000 | \$'000 | \$'000 | \$'000 |
| Financial Assets | | | | | |
| Cash and cash equivalents | 16 | 46,766 | 27,999 | 46,766 | 27,999 |
| Receivables | 17 | 70,964 | 75,624 | 70,964 | 75,624 |
| Investments using the equity method | 21 | 863 | 974 | 863 | 974 |
| Other financial assets | | | | | |
| Held to maturity | 19 | 9,375 | 49,546 | 9,375 | 49,546 |
| Available-for-sale | 19 | 12,637 | 5,054 | 12,637 | 5,054 |
| Financial assets at fair value through profit or loss | 19 | 43,668 | 43,971 | 43,668 | 43,971 |
| Total Financial Assets | | 184,273 | 203,168 | 184,273 | 203,168 |
| Non-Financial assets | | | | | |
| Other non-financial assets | 20 | 14,586 | 14,658 | 14,586 | 14,658 |
| Total Non-Financial assets | | 14,586 | 14,658 | 14,586 | 14,658 |
| Financial Liabilities | | | | | |
| Payables | 25 | 39,261 | 32,445 | 39,261 | 32,445 |
| Borrowings | 26 | 5,836 | 6,785 | 5,836 | 6,785 |
| Other financial liabilities | 28 | 1,529 | 1,346 | 1,529 | 1,346 |
| Total Financial Liabilities | | 46,626 | 40,576 | 46,626 | 40,576 |

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
- Land, buildings and infrastructure
- Available-for-sale financial assets
- Investment property

(b) Fair Value hierarchy

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices within Level 1 that are observable for the asset or liability either directly or indirectly;
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Recognised fair value measurements

Fair value measurements recognised in the Statement of Financial Position are categorised into the following levels at 31 December 2015.

| Fair value measurements at 31 December 2015 | Notes | Consolidated | | | |
|--|-------|----------------|--------------|---------------|----------------|
| | | 2015 | Level 1 | Level 2 | Level 3 |
| | | \$'000 | \$'000 | \$'000 | \$'000 |
| Recurring fair value measurements | | | | | |
| Financial assets | | | | | |
| Available-for sale financial assets | | | | | |
| Equity securities | 19 | 42,314 | 1,877 | 37,000 | 3,437 |
| Debt securities | 19 | 4,791 | - | 4,791 | - |
| Other entities | 19 | 9,200 | - | - | 9,200 |
| Investments using the equity method | 21 | 863 | - | - | 863 |
| Total Financial Assets | | 57,168 | 1,877 | 41,791 | 13,500 |
| Non Financial Assets | | | | | |
| Investment property | 23 | 8,300 | - | - | 8,300 |
| Land, buildings and infrastructure | 22 | 466,541 | - | - | 466,541 |
| Library | 22 | 18,055 | - | - | 18,055 |
| Works of Art | 22 | 6,059 | - | - | 6,059 |
| Total Non Financial Assets | | 498,955 | - | - | 498,955 |
| Financial Liabilities | | | | | |
| Derivatives used for hedging | | 128 | - | 128 | - |
| Total Financial Liabilities | | 128 | - | 128 | - |
| Total Fair Value measurements at 31 December 2015 | | 555,995 | 1,877 | 41,663 | 512,455 |

Note 43 Fair value measurements (continued)

(b) Fair Value hierarchy (continued)

| Fair value measurements at 31 December 2014 | Notes | Consolidated | | | |
|--|-------|----------------|--------------|---------------|----------------|
| | | 2014 | Level 1 | Level 2 | Level 3 |
| | | \$'000 | \$'000 | \$'000 | \$'000 |
| Recurring fair value measurements | | | | | |
| Financial assets | | | | | |
| Available-for sale financial assets | | | | | |
| Equity securities | 19 | 42,021 | 2,088 | 36,937 | 2,996 |
| Debt securities | 19 | 4,946 | - | 4,946 | - |
| Other entities | 19 | 2,058 | - | - | 2,058 |
| Investments using the equity method | 21 | 974 | - | - | 974 |
| Total Financial Assets | | 49,999 | 2,088 | 41,883 | 6,028 |
| Non Financial Assets | | | | | |
| Investment property | 23 | 9,203 | - | - | 9,203 |
| Land, buildings and infrastructure | 22 | 451,251 | - | - | 451,251 |
| Library | 22 | 17,100 | - | - | 17,100 |
| Works of Art | 22 | 5,808 | - | - | 5,808 |
| Total Non Financial Assets | | 483,362 | - | - | 483,362 |
| Financial Liabilities | | | | | |
| Derivatives used for hedging | | 121 | - | 121 | - |
| Total Financial Liabilities | | 121 | - | 121 | - |
| Total Fair Value measurements at 31 December 2014 | | 533,240 | 2,088 | 41,762 | 489,390 |

(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 2015 on investment properties and in 2013 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.

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.

Note 43 Fair value measurements (continued)

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

The following table is a reconciliation of level 3 items for the periods ended 31 December 2015 and 2014:

Level 3 Fair Value Measurements 2015

Consolidated

| Level 3 Financial Assets | Unlisted equity securities | Land, Buildings and Infrastructure | Library | Works of Art | Investment Property | Other financial assets | Total |
|--|----------------------------|------------------------------------|---------|--------------|---------------------|------------------------|----------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Opening balance 1 January 2015 | 5,054 | 451,252 | 17,100 | 5,808 | 9,203 | 974 | 489,391 |
| Gains or (losses) in profit or loss | | | | | | | |
| Additions | - | 37,418 | 4,713 | 251 | - | 417 | 42,799 |
| Disposals | - | (6,001) | - | - | - | - | (6,001) |
| Depreciation recognised in net result | - | (16,128) | (3,758) | - | - | - | (19,886) |
| Total gains or (losses) in profit or loss | - | 15,289 | 955 | 251 | - | 417 | 16,912 |
| Gains or (losses) in comprehensive income: | | | | | | | |
| Gain/(Loss) in other comprehensive income | 7,142 | - | - | - | - | - | 7,142 |
| Revaluation increment or (decrement) | 441 | - | - | - | (903) | - | (462) |
| Total gains or (losses) in other comprehensive income | 7,583 | - | - | - | (903) | - | 6,680 |
| Closing balance 31 December 2015 | 12,637 | 466,541 | 18,055 | 6,059 | 8,300 | 1,391 | 512,983 |

Level 3 Fair Value Measurements 2014

Consolidated

| Level 3 Financial Assets | Unlisted equity securities | Land, Buildings and Infrastructure | Library | Works of Art | Investment Property | Other financial assets | Total |
|--|----------------------------|------------------------------------|---------|--------------|---------------------|------------------------|----------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Opening balance 1 January 2014 | 7,224 | 354,736 | 16,618 | 5,528 | 9,400 | 333 | 393,839 |
| Gains or (losses) in profit or loss | | | | | | | |
| Additions | - | 109,927 | 4,067 | 280 | - | 641 | 114,915 |
| Disposals | - | (1,005) | - | - | - | - | (1,005) |
| Depreciation recognised in net result | - | (11,164) | (3,585) | - | - | - | (14,749) |
| Total gains or (losses) in profit or loss | - | 97,758 | 482 | 280 | - | 641 | 99,161 |
| Gains or (losses) in comprehensive income: | | | | | | | |
| Gain/(Loss) in other comprehensive income | 224 | - | - | - | - | - | 224 |
| Revaluation increment or (decrement) | (2,394) | (1,242) | - | - | (197) | - | (3,833) |
| Total gains or (losses) in other comprehensive income | (2,170) | (1,242) | - | - | (197) | - | (3,609) |
| Closing balance 31 December 2014 | 5,054 | 451,252 | 17,100 | 5,808 | 9,203 | 974 | 489,391 |

Note 44 Defined Benefit Plans

The University contributes to the following employee superannuation funds:

(i) UniSuper

(a) 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.

As at 30 June 2015 there is no funding surplus or deficit which currently affects, or is expected to affect, the amount of future contributions payable by participating employers to the Defined Benefit Plan.

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 2015 the assets of the Defined Benefit Division (DBD) in aggregate were estimated to be:

\$1,479 million (June 2014: \$271m) 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.

\$3,377 million (June 2014: \$2,071m) 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 30 June 2014. The financial assumptions used were:

| | Vested Benefits | Accrued Benefits |
|--|-----------------|------------------|
| Gross of tax investment return: | | |
| - Defined Benefit Division pensions | 6.10% | 7.80% |
| - Commercial rate indexed pensions | 3.70% | 3.70% |
| Net of tax investment return - non pensioner members | 5.50% | 7.00% |
| Consumer Price Index | 2.75% | 2.75% |
| Inflationary salary increases long term | 3.75% | 3.75% |

Assets have been included at their net market value, ie allowing for realisation costs.

At 30 June 2015 the Vested Benefit Index (VBI) was 108.8% (2014: 101.7%) and the Accrued Benefit Index (ABI) was 122.6% (2014: 114.7%). As a result of the VBI being greater than 100% at 30 June 2015, the monitoring period and process set out in Clause 34 of the Trust Deed has not been instigated.

Clause 34 of the Trust Deed provides a mechanism for reducing benefits if after initially falling below specified threshold levels and after a period of at least four years, the ABI and VBI are below those thresholds (100% and 95% respectively).

Clause 34 was initiated following the 31 December 2008, 30 June 2011, 30 June 2012 and 30 June 2013 actuarial investigations.

Note 44 Defined Benefit Plans (continued)

(i) UniSuper (continued)

(a) UniSuper Defined Benefit Plan or Accumulation 2 (continued)

Following the end of the monitoring period commenced in relation to the 31 December 2008 actuarial investigation, the UniSuper Limited Board made a decision not to reduce accrued benefits but to reduce the rate at which benefits accrue in respect of the DBD membership after 1 January 2015.

After the four year monitoring periods ending on 30 June 2015, 30 June 2016 and 30 June 2017, if the ABI and/or VBI are below the specified thresholds (or the level of contribution is such that they are expected to decline to below those thresholds) the Trustee must consider if it is in the interests of members of Division A and Division B as a whole to reduce the benefits payable and if so must do so on a fair and equitable basis.

(b) UniSuper Award Plus Plan

UniSuper Management Pty Ltd administers the scheme and TESS Superannuation Ltd is 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.

(ii) South Australian Superannuation Scheme

a) Fund specific disclosure

The University has 73 (2014: 76) 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 2015. This assessment was performed by PricewaterhouseCoopers Securities Ltd 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 \$52.1 million (2014: \$55.2 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 \$3.1 million (2014: \$3.2 million) to the defined benefit plan during the next financial year.

The weighted average duration of the defined benefit obligation is 14.47 years (2014: 14.84 years). The expected maturity analysis of undiscounted benefit obligations is as follows:

| | Less than 1 year | Between 1 and 2 years | Between 2 and 5 years | Over 5 years | Total |
|--|---------------------|-----------------------------|-----------------------------|-----------------|--------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Defined benefit obligation - 31 Dec 2015 | 3,139 | 3,548 | 9,662 | 69,447 | 85,796 |
| Defined benefit obligation - 31 Dec 2014 | 3,157 | 3,210 | 10,159 | 73,833 | 90,359 |

b) Categories of plan assets

| | 2015 | | 2014 | |
|-------------------------------|---------------|------------------|---------------|------------------|
| | % | % | % | % |
| | Active Market | No Active Market | Active Market | No Active Market |
| Cash and cash equivalents | 3.3% | 0.0% | 2.3% | 0.0% |
| Equity instruments | 49.6% | 0.0% | 51.3% | 0.0% |
| Debt instruments | 2.0% | 0.0% | 2.1% | 0.0% |
| Property | 2.6% | 11.8% | 2.6% | 11.5% |
| Diversified strategies growth | 0.7% | 9.0% | 1.1% | 7.5% |
| Diversified strategies income | 13.8% | 0.0% | 14.0% | 0.0% |
| Inflation linked securities | 0.0% | 7.2% | 0.0% | 7.6% |
| Total | 72.0% | 28.0% | 73.4% | 26.6% |

Note 44 Defined Benefit Plans (continued)

(ii) South Australian Superannuation Scheme (continued)

b) Categories of plan assets (continued)

The principal assumptions used for the purposes of the actuarial valuations were as follows:

| | 2015 | 2014 |
|----------------------------------|------|------|
| | % | % |
| Discount rate | 3.2 | 3.1 |
| Expected rate of salary increase | 4.0 | 4.0 |
| Long term CPI increases | 2.5 | 2.5 |

c) Actuarial assumptions and sensitivity

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

| Assumption | Increase in assumption | Impact on DBO liability | Decrease in assumption | Impact on DBO liability |
|----------------------------------|------------------------|-------------------------|------------------------|-------------------------|
| | + | % | - | % |
| Discount rate | 0.50% | (5.40%) | (0.50%) | 5.90% |
| Expected rate of salary increase | 0.50% | 0.30% | (0.50%) | (0.30%) |

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.

d) Statement of Financial Position amounts

Reconciliation of the present value of the defined benefit obligation

| | 2015 | 2014 |
|--|---------------|---------------|
| | \$'000 | \$'000 |
| Present value of defined benefit obligations | | |
| Opening defined benefit obligation | 58,868 | 50,485 |
| Current Service Cost | 133 | 205 |
| Interest expense | 1,776 | 2,248 |
| | 60,777 | 52,938 |
| Remeasurements | | |
| Actuarial losses/(gains) arising from changes in demographic assumptions | | 11 |
| Actuarial losses/(gains) arising from changes in financial assumptions | (869) | 8,994 |
| Experience (gains)/losses | (540) | (221) |
| | 59,368 | 61,722 |
| Benefits paid | (3,370) | (2,854) |
| Closing defined benefit obligation | 55,998 | 58,868 |

Net Liability Reconciliation

| | | |
|----------------------------|---------------|---------------|
| Defined Benefit Obligation | 55,998 | 58,868 |
| Fair value of plan assets | (3,894) | (3,661) |
| Net Liability | 52,104 | 55,207 |

Present value of obligation

| | | |
|---|---------------|---------------|
| Opening defined benefit obligation | 55,207 | 47,073 |
| Current service costs | 1,798 | 2,297 |
| Remeasurements | (1,507) | 8,716 |
| Employer contributions | (3,394) | (2,879) |
| Total net liability/(asset) in balance sheet | 52,104 | 55,207 |

Note 45 Entity information

Flinders University is a body corporate established by an Act of the South Australian Parliament, *Flinders University of South Australia Act*, 1966. It is domiciled in Australia and its address is Sturt Road, Bedford Park, South Australia, 5042. The University's Australian Business Number (ABN) is 65 542 596 200.

Note 46 Acronyms and abbreviations

| | |
|-----------|---|
| AASB | Australian Accounting Standards Board |
| ARC | Australian Research Council |
| ATO | Australian Taxation Office |
| CGS | Commonwealth Grants Scheme |
| EDUCATION | Australian Government Department of Education and Training |
| FEE-HELP | Fee Higher Education Loan Programme (financial support for 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 & Medical Research Council |
| OS-HELP | Overseas - Higher Education Loan Program |
| SA-HELP | Student Amenities Fee - Higher Education Loan Program |

Note 47 Acquittal of Australian Government financial assistance

47.a Education - CGS and Other Education Grants

| Note | University ONLY | | | | | |
|------|--|----------------|----------------------------|----------------|--|----------------|
| | Commonwealth Grant Scheme ^[1] | | Indigenous Support Program | | Partnership and Participation Program ^[2] | |
| | 2015 \$'000 | 2014 \$'000 | 2015 \$'000 | 2014 \$'000 | 2015 \$'000 | 2014 \$'000 |
| | 137,048 | 132,457 | 664 | 591 | 3,279 | 3,172 |
| | 4,752 | 81 | - | - | 1,088 | 1,236 |
| 3(a) | 141,800 | 132,538 | 664 | 591 | 4,367 | 4,408 |
| | - | - | - | - | 1,167 | 427 |
| | 141,800 | 132,538 | 664 | 591 | 5,534 | 4,835 |
| | 141,800 | 132,538 | 664 | 591 | 4,267 | 3,668 |
| | - | - | - | - | 1,267 | 1,167 |

Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)

Net accrual adjustments

Revenue for the period

Surplus/ (deficit) from the previous year

Total revenue including accrued revenue

Less expenses including accrued expenses

Surplus/ (deficit) for reporting period

[1] Includes the basic CGS grant amount, CGS-Regional loading, CGS-Enabling loading, Maths and Science Transition Loading and Full Fee Places Transition Loading.

[2] Includes Equity Support Program. \$6k is to be returned to the Department.

| Note | University ONLY | | | | | |
|------|----------------------------|----------------|--|----------------|----------------|----------------|
| | Disability Support Program | | Promotion of Excellence in Learning and Teaching | | Total | |
| | 2015 \$'000 | 2014 \$'000 | 2015 \$'000 | 2014 \$'000 | 2015 \$'000 | 2014 \$'000 |
| | 250 | 164 | 527 | 626 | 141,768 | 137,010 |
| | - | - | - | - | 5,840 | 1,317 |
| 3(a) | 250 | 164 | 527 | 626 | 147,608 | 138,327 |
| | - | - | 716 | 314 | 1,883 | 741 |
| | 250 | 164 | 1,243 | 940 | 149,491 | 139,068 |
| | 250 | 164 | 680 | 224 | 147,661 | 137,185 |
| | - | - | 563 | 716 | 1,830 | 1,883 |

Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)

Net accrual adjustments

Revenue for the period

Surplus/ (deficit) from the previous year

Total revenue including accrued revenue

Less expenses including accrued expenses

Surplus/ (deficit) for reporting period

Note 47 Acquittal of Australian Government financial assistance (continued)

47.b Higher Education Loan Programs (excl OS-HELP)

| Note | University ONLY | | | | | |
|---|--|----------------|-------------------------|----------------|------------------------|----------------|
| | HECS-HELP (Australian Government payments only) ^[1] | | FEE-HELP ^[2] | | SA-HELP ^[3] | |
| | 2015 \$'000 | 2014 \$'000 | 2015 \$'000 | 2014 \$'000 | 2015 \$'000 | 2014 \$'000 |
| Cash Payable / (Receivable) at beginning of year | 1,930 | 2,718 | 66 | - | (19) | (49) |
| Financial assistance received in CASH during the reporting period | 83,740 | 79,909 | 7,444 | 6,950 | 1,963 | 1,917 |
| Cash available for period | 85,670 | 82,627 | 7,510 | 6,950 | 1,944 | 1,868 |
| Revenue earned | 3(b) 83,987 | 80,697 | 7,436 | 6,884 | 1,926 | 1,887 |
| Cash Payable / (Receivable) at end of year | 1,683 | 1,930 | 74 | 66 | 18 | (19) |

[1] HECS-HELP - \$282k to be returned to the Department

[2] Program is in respect of FEE-HELP for Higher Education only. This includes \$71k to be returned to the Department

[3] SA-HELP - \$18k to be returned to the Department

| Note | University ONLY | |
|---|-----------------|----------------|
| | Total | |
| | 2015 \$'000 | 2014 \$'000 |
| Cash Payable / (Receivable) at beginning of year | 1,977 | 2,669 |
| Financial assistance received in CASH during the reporting period | 93,147 | 88,776 |
| Cash available for period | 95,124 | 91,445 |
| Revenue earned | 3(b) 93,349 | 89,468 |
| Cash Payable / (Receivable) at end of year | 1,775 | 1,977 |

Note 47 Acquittal of Australian Government financial assistance (continued)

47.c Scholarships

| Note | University ONLY | | | | | |
|--|--------------------------------|----------------|--|----------------|---|----------------|
| | Australian Postgraduate Awards | | International Postgraduate Research Scholarships | | Commonwealth Education Cost Scholarships ^[1] | |
| | 2015 \$'000 | 2014 \$'000 | 2015 \$'000 | 2014 \$'000 | 2015 \$'000 | 2014 \$'000 |
| Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program) | 4,554 | 4,535 | 337 | 335 | 96 | (9) |
| Net accrual adjustments | - | - | - | - | (71) | 269 |
| Revenue for the period | 3(c) 4,554 | 4,535 | 337 | 335 | 25 | 260 |
| Surplus/ (deficit) from the previous year | 973 | 824 | - | - | 58 | 483 |
| Total revenue including accrued revenue | 5,527 | 5,359 | 337 | 335 | 83 | 743 |
| Less expenses including accrued expenses | 4,539 | 4,386 | 337 | 335 | 36 | 685 |
| Surplus/ (deficit) for reporting period | 988 | 973 | - | - | 47 | 58 |

Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)

| Note | University ONLY | | | | | |
|--|--|----------------|--------------------------------|----------------|-------------------------------|----------------|
| | Commonwealth Accommodation Scholarships ^[1] | | Indigenous Access Scholarships | | Indigenous Staff Scholarships | |
| | 2015 \$'000 | 2014 \$'000 | 2015 \$'000 | 2014 \$'000 | 2015 \$'000 | 2014 \$'000 |
| Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program) | 97 | (25) | 39 | 5 | - | - |
| Net accrual adjustments | (56) | (80) | - | 29 | - | (14) |
| Revenue for the period | 3(c) 41 | (105) | 39 | 34 | - | (14) |
| Surplus/ (deficit) from the previous year | 38 | 658 | - | (1) | - | - |
| Total revenue including accrued revenue | 79 | 553 | 39 | 33 | - | (14) |
| Less expenses including accrued expenses | 49 | 515 | 39 | 33 | - | (14) |
| Surplus/ (deficit) for reporting period | 30 | 38 | - | - | - | - |

| Note | University ONLY | |
|--|-----------------|----------------|
| | Total | |
| | 2015 \$'000 | 2014 \$'000 |
| Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program) | 5,123 | 4,841 |
| Net accrual adjustments | (127) | 204 |
| Revenue for the period | 3(c) 4,996 | 5,045 |
| Surplus/ (deficit) from the previous year | 1,069 | 1,964 |
| Total revenue including accrued revenue | 6,065 | 7,009 |
| Less expenses including accrued expenses | 5,000 | 5,940 |
| Surplus/ (deficit) for reporting period | 1,065 | 1,069 |

[1] Includes Grandfathered Scholarships, National Priority and National Accommodation Priority Scholarships respectively. Commonwealth Accommodation Scholarships includes \$56k and Commonwealth Education Cost Scholarships includes \$71k to be returned to the Department.

Note 47 Acquittal of Australian Government financial assistance (continued)

47.d Education Research

| Note | University ONLY | | | | | |
|--|---------------------------|----------------|--------------------------------------|----------------|--------------------------|----------------|
| | Joint Research Engagement | | Joint Research Engagement Cadetships | | Research Training Scheme | |
| | 2015 \$'000 | 2014 \$'000 | 2015 \$'000 | 2014 \$'000 | 2015 \$'000 | 2014 \$'000 |
| Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program) | 6,715 | 6,240 | - | 76 | 10,977 | 11,097 |
| Net accrual adjustments | - | - | - | (76) | - | - |
| Revenue for the period | 6,715 | 6,240 | - | - | 10,977 | 11,097 |
| Surplus/ (deficit) from the previous year | - | - | - | 74 | - | - |
| Total revenue including accrued revenue | 6,715 | 6,240 | - | 74 | 10,977 | 11,097 |
| Less expenses including accrued expenses | 6,715 | 6,240 | - | 74 | 10,977 | 11,097 |
| Surplus/ (deficit) for reporting period | - | - | - | - | - | - |

| Note | University ONLY | | | |
|--|--------------------------------------|----------------|---|----------------|
| | Research Infrastructure Block Grants | | Sustainable Research Excellence in Universities | |
| | 2015 \$'000 | 2014 \$'000 | 2015 \$'000 | 2014 \$'000 |
| Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program) | 3,003 | 3,123 | 2,140 | 2,039 |
| Net accrual adjustments | - | - | - | - |
| Revenue for the period | 3,003 | 3,123 | 2,140 | 2,039 |
| Surplus/ (deficit) from the previous year | - | - | - | - |
| Total revenue including accrued revenue | 3,003 | 3,123 | 2,140 | 2,039 |
| Less expenses including accrued expenses | 3,003 | 3,123 | 2,140 | 2,039 |
| Surplus/ (deficit) for reporting period | - | - | - | - |

| Note | University ONLY | | | |
|--|-----------------------------------|----------------|----------------|----------------|
| | Commercialisation Training Scheme | | Total | |
| | 2015 \$'000 | 2014 \$'000 | 2015 \$'000 | 2014 \$'000 |
| Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program) | - | (13) | 22,835 | 22,562 |
| Net accrual adjustments | - | 13 | - | (63) |
| Revenue for the period | - | - | 22,835 | 22,499 |
| Surplus/ (deficit) from the previous year | - | - | - | 74 |
| Total revenue including accrued revenue | - | - | 22,835 | 22,573 |
| Less expenses including accrued expenses | - | - | 22,835 | 22,573 |
| Surplus/ (deficit) for reporting period | - | - | - | - |

Note 47 Acquittal of Australian Government financial assistance (continued)

47.e Australian Research Council Grants

(i) Discovery

| Note | University ONLY | | | | | |
|--|-----------------|----------------|----------------|----------------|-----------------|----------------|
| | Projects | | Fellowships | | Total Discovery | |
| | 2015 \$'000 | 2014 \$'000 | 2015 \$'000 | 2014 \$'000 | 2015 \$'000 | 2014 \$'000 |
| Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program) | 2,868 | 2,213 | 3,068 | 3,797 | 5,936 | 6,010 |
| Net accrual adjustments | 122 | 80 | - | - | 122 | 80 |
| Revenue for the period | 2,990 | 2,293 | 3,068 | 3,797 | 6,058 | 6,090 |
| Surplus/ (deficit) from the previous year | 1,190 | 1,799 | 2,479 | 1,128 | 3,669 | 2,927 |
| Total revenue including accrued revenue | 4,180 | 4,092 | 5,547 | 4,925 | 9,727 | 9,017 |
| Less expenses including accrued expenses | 2,432 | 2,902 | 2,915 | 2,446 | 5,347 | 5,348 |
| Surplus/ (deficit) for reporting period | 1,748 | 1,190 | 2,632 | 2,479 | 4,380 | 3,669 |

(ii) Linkages

| Note | University ONLY | | | | | |
|--|-----------------|----------------|----------------|----------------|----------------|----------------|
| | Infrastructure | | Projects | | Total Linkages | |
| | 2015 \$'000 | 2014 \$'000 | 2015 \$'000 | 2014 \$'000 | 2015 \$'000 | 2014 \$'000 |
| Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program) | 860 | 325 | 1,262 | 966 | 2,122 | 1,291 |
| Net accrual adjustments | (77) | (200) | (72) | (76) | (149) | (276) |
| Revenue for the period | 783 | 125 | 1,190 | 890 | 1,973 | 1,015 |
| Surplus/ (deficit) from the previous year | 138 | 708 | 770 | 1,437 | 908 | 2,145 |
| Total revenue including accrued revenue | 921 | 833 | 1,960 | 2,327 | 2,881 | 3,160 |
| Less expenses including accrued expenses | 624 | 695 | 1,020 | 1,557 | 1,644 | 2,252 |
| Surplus/ (deficit) for reporting period | 297 | 138 | 940 | 770 | 1,237 | 908 |

(iii) Networks and Centres and Special Research Initiatives

| Note | University ONLY | | | | | |
|--|-----------------|----------------|------------------------------|----------------|----------------|----------------|
| | Centres | | Special Research Initiatives | | Total | |
| | 2015 \$'000 | 2014 \$'000 | 2015 \$'000 | 2014 \$'000 | 2015 \$'000 | 2014 \$'000 |
| Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program) | - | - | - | 627 | - | 627 |
| Net accrual adjustments | 207 | 175 | 130 | (371) | 337 | (196) |
| Revenue for the period | 207 | 175 | 130 | 256 | 337 | 431 |
| Surplus/ (deficit) from the previous year | 151 | 50 | 548 | 2,271 | 699 | 2,321 |
| Total revenue including accrued revenue | 358 | 225 | 678 | 2,527 | 1,036 | 2,752 |
| Less expenses including accrued expenses | 95 | 74 | 309 | 1,979 | 404 | 2,053 |
| Surplus/ (deficit) for reporting period | 263 | 151 | 369 | 548 | 632 | 699 |

Note 47 Acquittal of Australian Government financial assistance (continued)

47.f OS-HELP ⁽¹⁾

| University ONLY | | |
|--|------------|--------------|
| Note | 2015 | 2014 |
| | \$'000 | \$'000 |
| Cash received during the reporting period | 2,533 | 1,058 |
| Cash Spent during the reporting period | 1,698 | 1,355 |
| Net cash received | 835 | (297) |
| Cash Surplus / (deficit) from the previous period | (189) | 108 |
| Cash Surplus / (deficit) for reporting period | 646 | (189) |

⁽¹⁾ OS-HELP is not included in income. The University effectively acts as a transfer agency with regard to the OS-HELP monies received from the Australian Government.

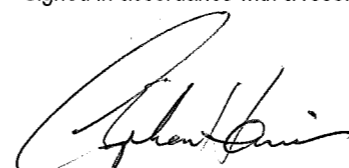
| University ONLY | | |
|---|--------------|--------------|
| Note | 2015 | 2014 |
| | \$'000 | \$'000 |
| 47.g Higher Education Superannuation Program | | |
| Cash received during the reporting period | 2,848 | 2,436 |
| University contribution in respect of current employees | 174 | 181 |
| Cash available | 3,022 | 2,617 |
| Cash Surplus / (deficit) from the previous period | (475) | (305) |
| Cash available for current period | 2,547 | 2,312 |
| Contributions to specified defined benefit funds | 3,037 | 2,787 |
| Cash Surplus / (deficit) this period | (490) | (475) |

| University ONLY | | |
|--|--------------|--------------|
| Note | 2015 | 2014 |
| | \$'000 | \$'000 |
| 47.h Student Services and Amenities Fee | | |
| Unspent / (overspent) revenue from previous period | 3,318 | 2,883 |
| SA-HELP Revenue Earned | 1,926 | 1,887 |
| Student Services and Amenities Fees direct from Students | 2,148 | 1,751 |
| Total revenue expendable in period | 7,392 | 6,521 |
| Student Services expenses during period | 3,746 | 3,203 |
| Unspent / (overspent) Student Services revenue | 3,646 | 3,318 |

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 2015 Reporting Period, the financial position of Flinders University as at 31 December 2015, 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



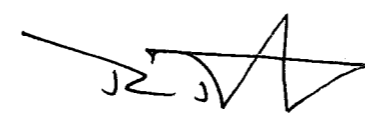
Mr Stephen Hains
Deputy Chancellor

12 May 2016



Professor Colin Stirling
Vice-Chancellor

12 May 2016



Mr Richard Porter
Chief Financial Officer

12 May 2016

ABN 65 542 596 200

INDEPENDENT AUDITOR'S REPORT



Government of South Australia
Auditor-General's Department

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To the Chancellor The Flinders University of South Australia

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 27 (2) of the *Flinders University of South Australia Act 1966*, I have audited the accompanying financial report of the Flinders University of South Australia and the consolidated report entity comprising the Flinders University of South Australia and its controlled entities for the financial year ended 31 December 2015. The financial report comprises:

- Income Statement for the year ended 31 December 2015
- a Statement of Comprehensive Income for the year ended 31 December 2015
- a Statement of Financial Position as at 31 December 2015
- a Statement of Changes in Equity for the year ended 31 December 2015
- a Statement of Cash Flows for the year ended 31 December 2015
- notes, comprising a summary of significant accounting policies and other explanatory information.

The financial report comprises the Flinders University of South Australia and the entities it controlled at the year's end or from time to time during the financial year.

The Council's Responsibility for the Financial Report

The members of the Council are responsible for the preparation of the financial report that gives a true and fair view in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987*, the *Higher Education Act 2003* and Australian Accounting Standards, and for such internal control as the Members of the Council determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the requirements of the *Public Finance and Audit Act 1987* and Australian Auditing Standards. The auditing standards require that the auditor comply with relevant ethical requirements and that the auditor plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Members of the Council, as well as the overall presentation of the financial report.

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

Opinion

In my opinion, the financial report gives a true and fair view of the financial position of the Flinders University of South Australia and its controlled entities (the consolidated entity) as at 31 December 2015, its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987*, the *Higher Education Act 2003* and Australian Accounting Standards.

A handwritten signature in black ink, appearing to read 'Richardson'.

Andrew Richardson
Auditor-General
25 May 2016



For further information please contact:

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E: comms@flinders.edu.au

flinders.edu.au